

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, November 16th 2020

Current Report No. 61/2020

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Update on submission of preliminary non-binding offer to acquire interest

in Fortum Group's assets

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Further to Current Report No. 53/2020 of October 27th 2020 concerning submission of a preliminary non-binding offer to acquire an interest in the Fortum Group's assets located in Poland, Estonia, Latvia and Lithuania, with PGNiG as one of the entities initially bidding for the assets, the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG") hereby announces that on November 16th 2020 PGNiG and PGE Polska Grupa Energetyczna S.A. (the "Partners") submitted a revised preliminary non-binding offer to acquire certain assets owned by Fortum Holding B. V. (the "Offer").

Under the revised Offer, they are bidding for the district heating business operated by Fortum Holding B.V. exclusively in Poland. PGNiG further announces that the Partners abandoned their original intention to purchase the Fortum Group's assets operating in Estonia, Latvia and Lithuania and decided they would not participate in the investment consortium with PFR Inwestycje FIZ and IFM Investors Pty Ltd.

The Partners will continue joint activities to submit a binding offer.

The principal business of Fortum Holding B.V.'s polish subsidiary consists in the generation, distribution and sale of heat and the generation of electrical power.

The purchase of an interest in the Fortum Group's assets would be in line with the PGNiG Group's Strategy for 2017–2022 with an outlook until 2026 (published in Current Report No. 19/2017 of March 13th 2017), providing for the Group's expansion into the power and heat generation segment.