

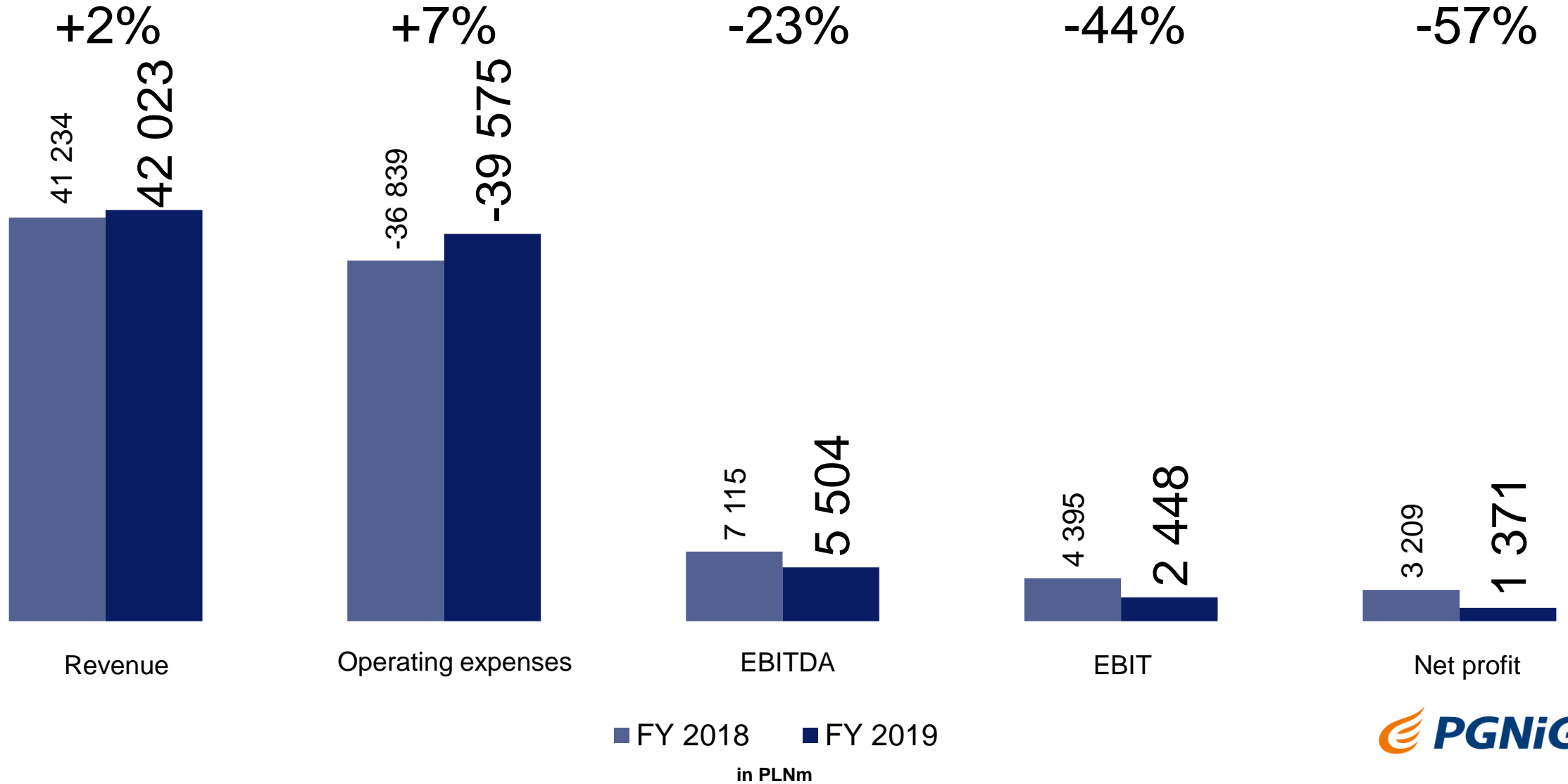
Polskie Górnictwo Naftowe i Gazownictwo SA

PGNiG Group for FY 2019 Results

March 12th 2020



Key financial results of the PGNiG Group for FY 2019



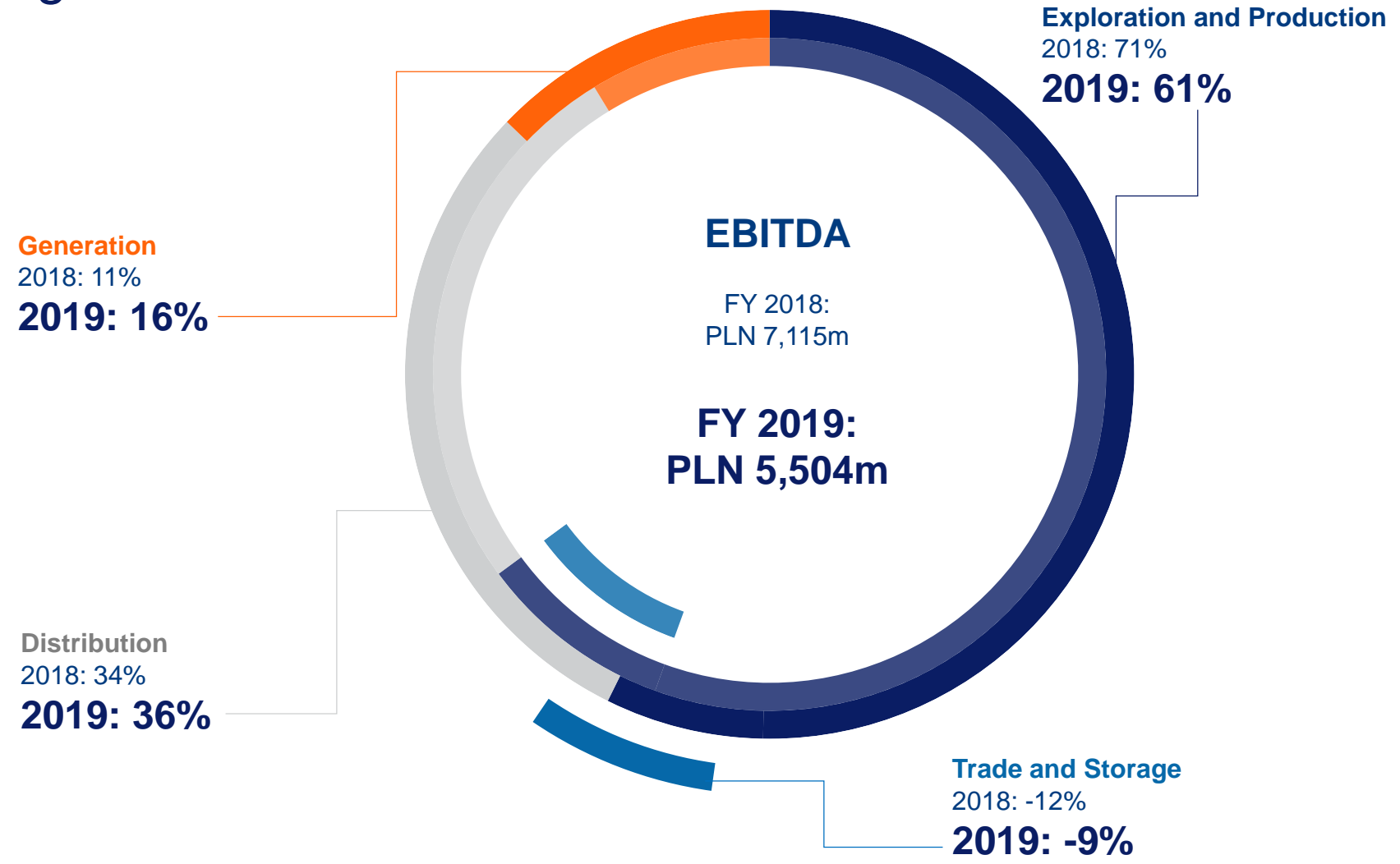
Exploration and Production

Trade and Storage

Distribution

Generation

Segments' contribution to EBITDA



Contribution of other „segments and eliminations” to EBITDA in FY 2019: -5%, in FY 2018: -3%

Exploration and Production



(PLNm)

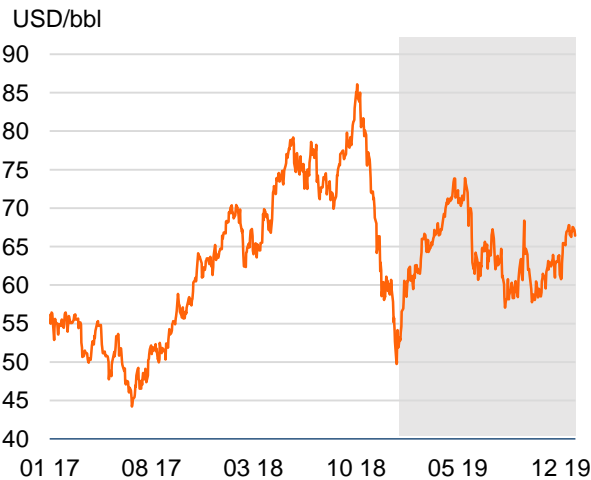
Yearly average price of Brent crude yoy
257 / **PLN 246/bbl** **-4%** ▼

Yearly arithmetic average POLPX DAMg price yoy
103 / **PLN 66/MWh** **-36%** ▼

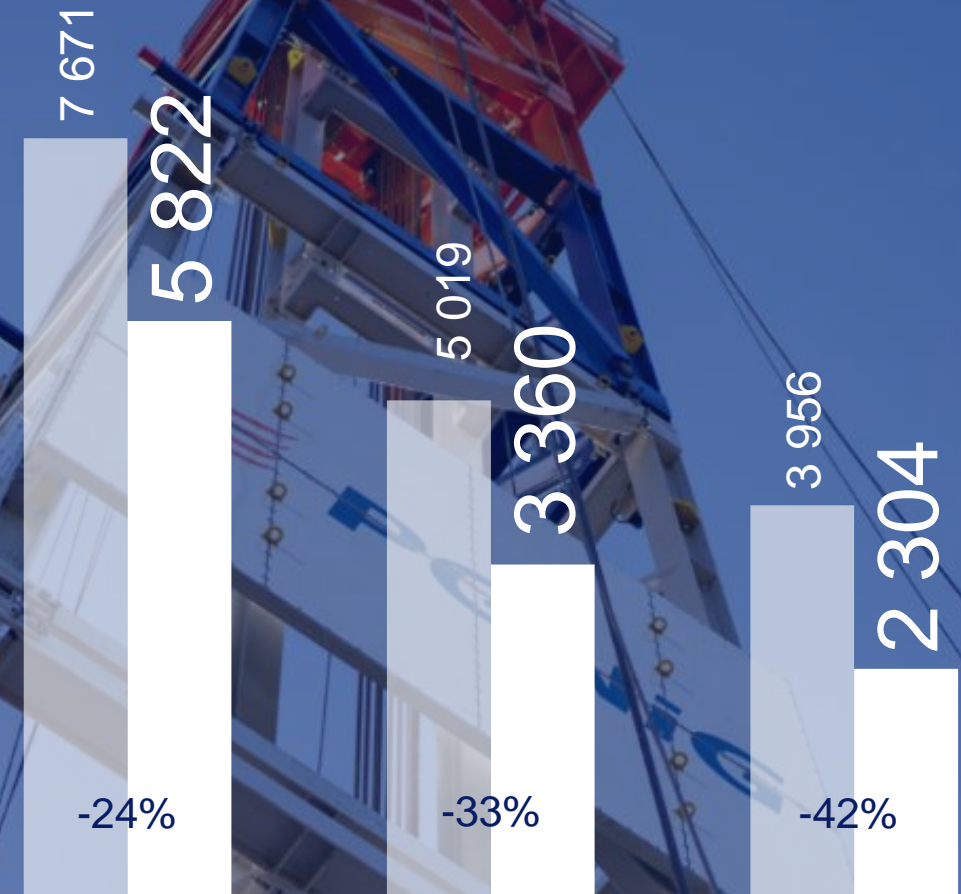
Crude oil production in 2019 yoy
1 345 / **1 216 thousand tonnes** **-10%** ▼

Gas production in 2019 yoy
4.55 / **4.49 bcm** **-1%** ▼

Brent crude oil price



Price on the POLPX Day-Ahead Market



Revenue

EBITDA

EBIT

■ 2018

■ 2019



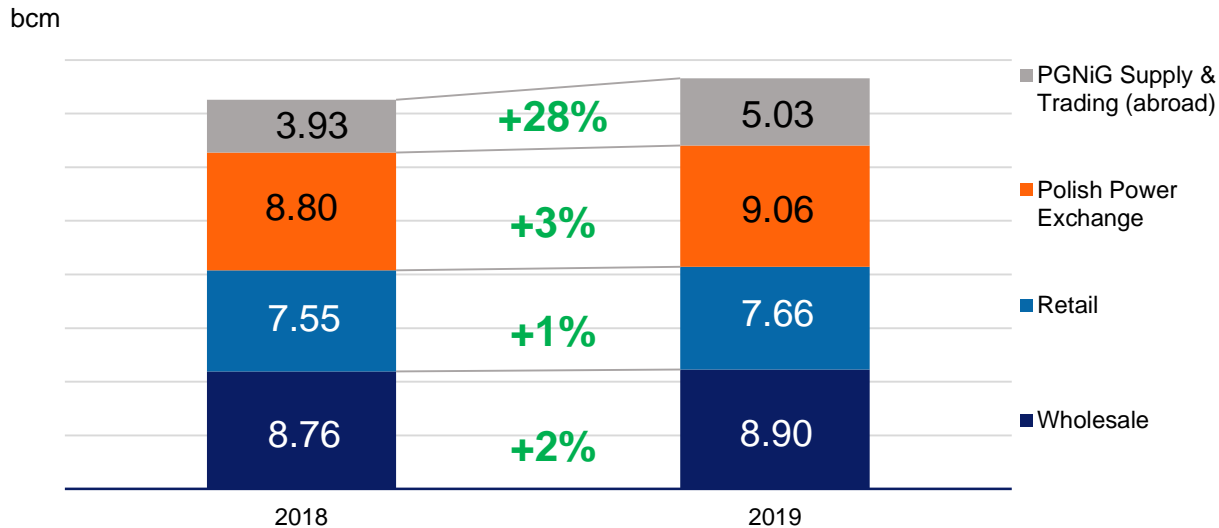
Trade and Storage

Yearly average POLPX (spot and futures) price yoy
93.1 / **PLN 95.8/MWh** **+3%** ▲

LNG import volumes in 2019 yoy
2.71 / **3.43 bcm** **+27%** ▲

Total gas sales outside the PGNiG Group yoy
29.04 / **30.65 bcm** **+6%** ▲

Total volumes of gas sold by the PGNiG Group (E&P and T&S)



Distribution

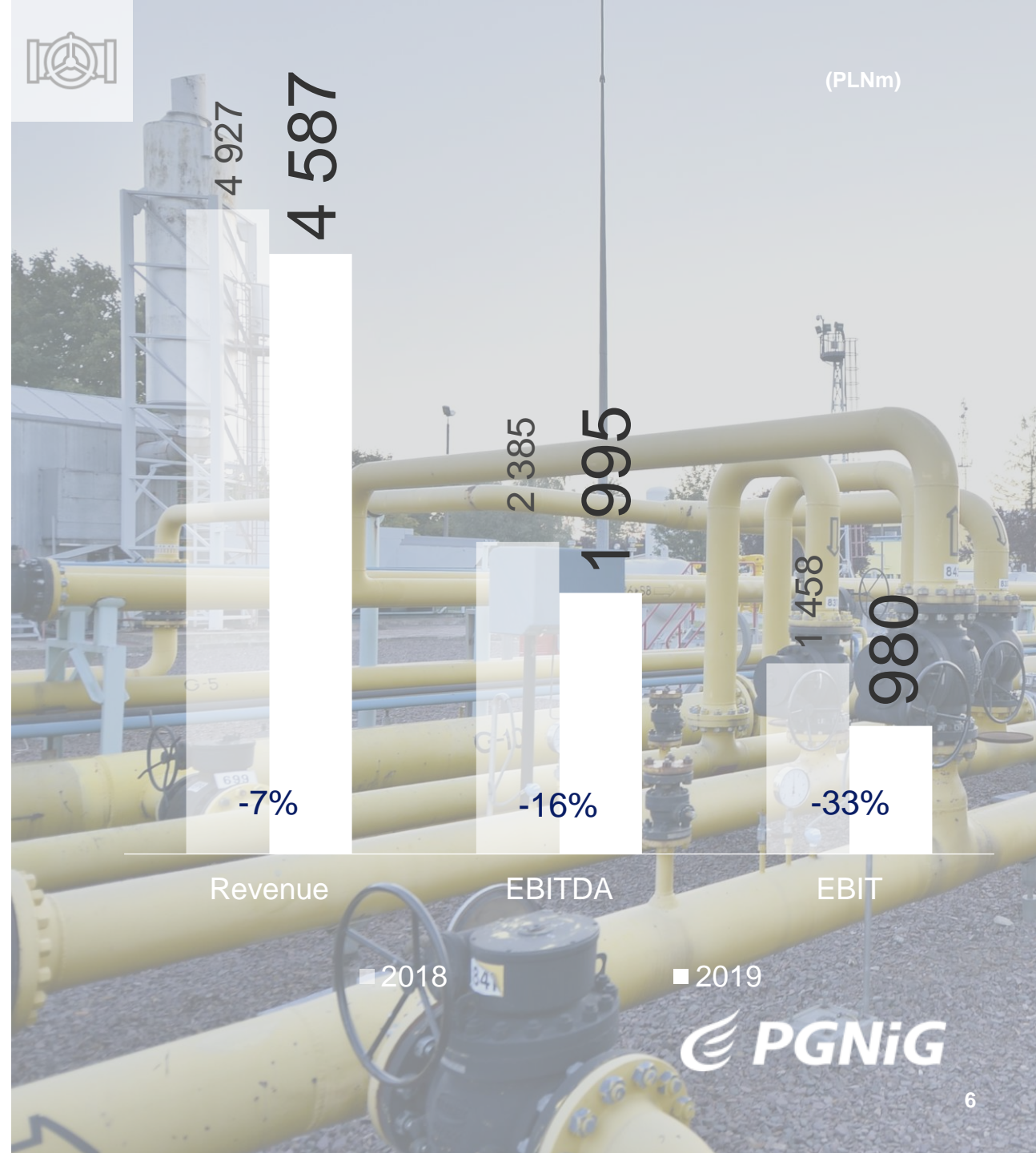
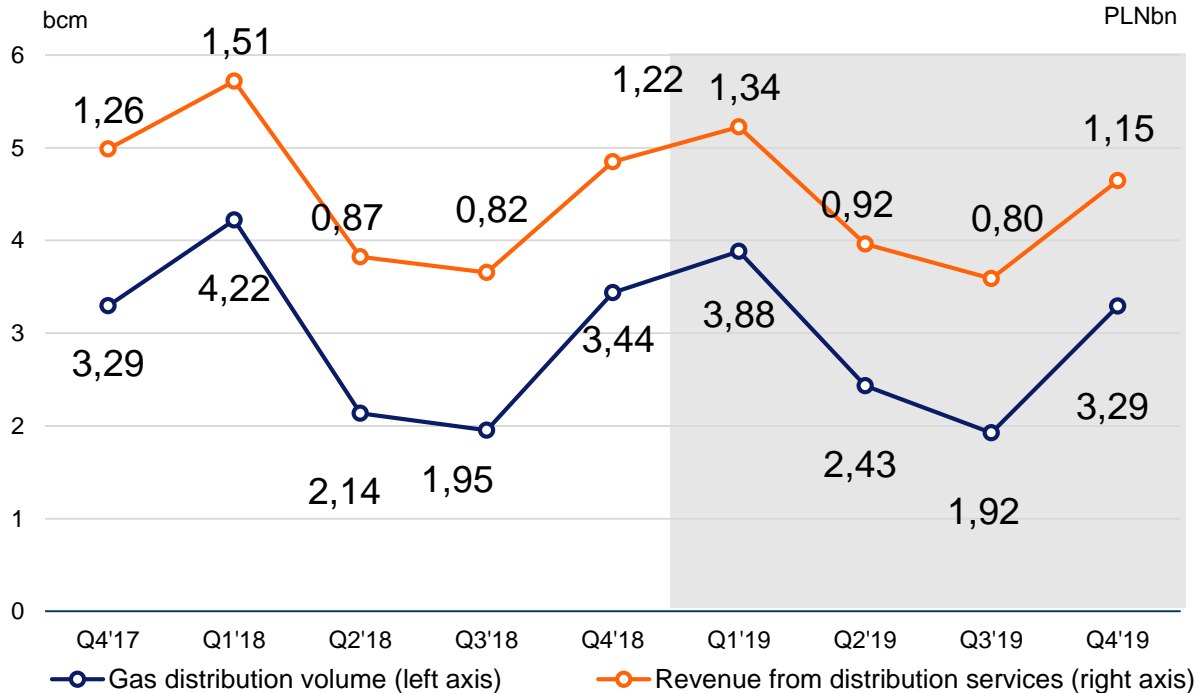
Gas distribution yoy
11.75 / 11.53 bcm

-2% ▼

Revenue from distribution services yoy
4.41 / PLN 4.21bn

-5% ▼

Revenue from distribution services and gas distribution volume



(PLNm)

Generation

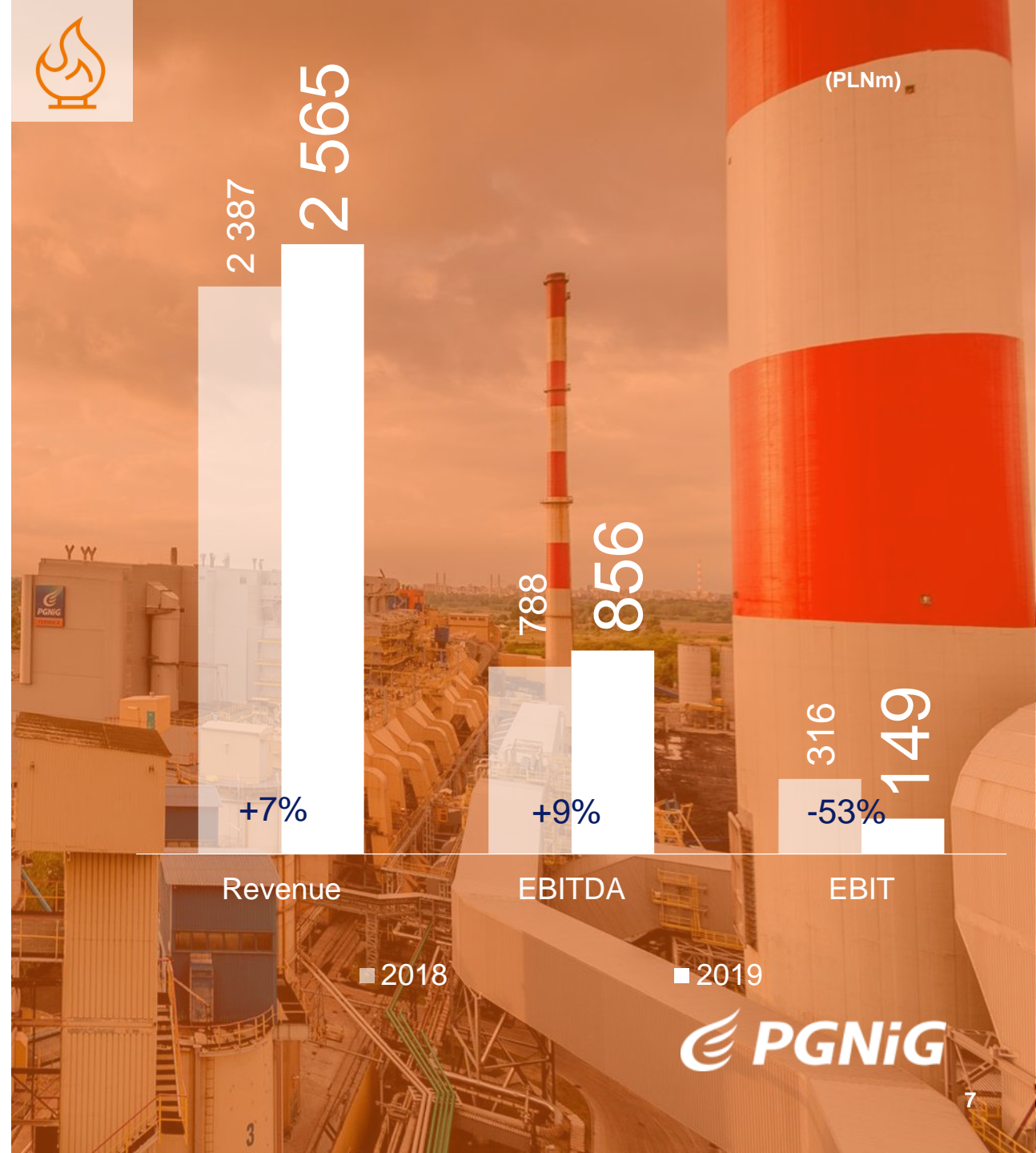
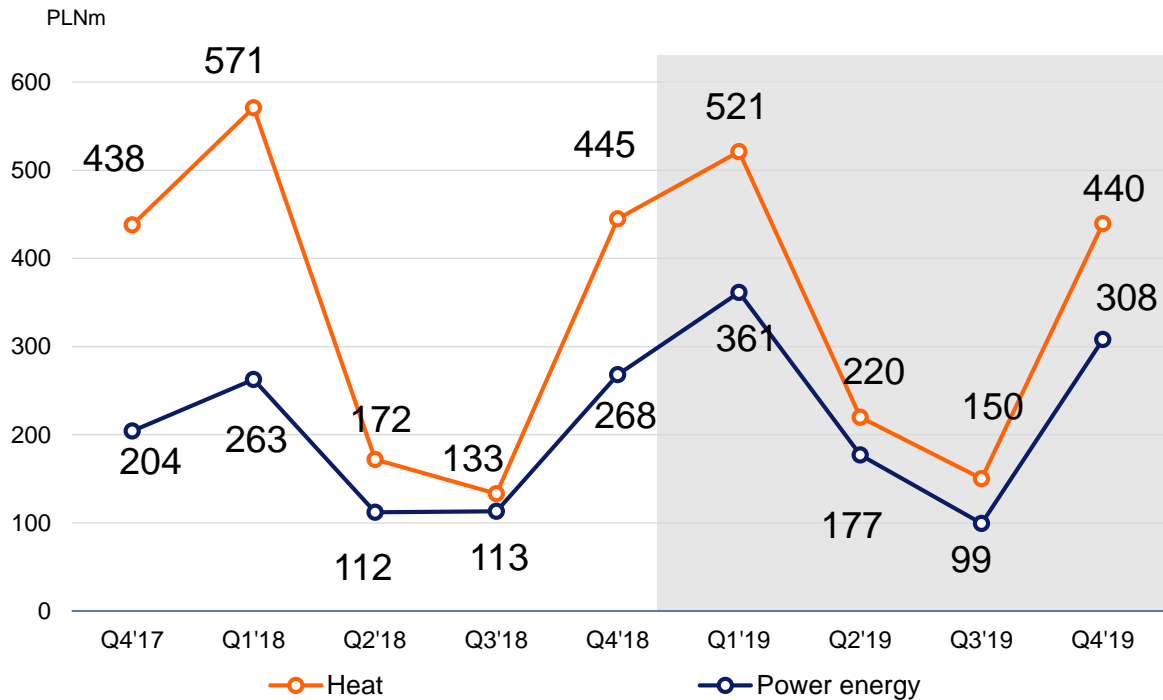
Heat sales yoy
40.66 / **39.26 PJ**

-3% ▼

Sales of electricity from own generation sources yoy
3.97 / **3.95 TWh**

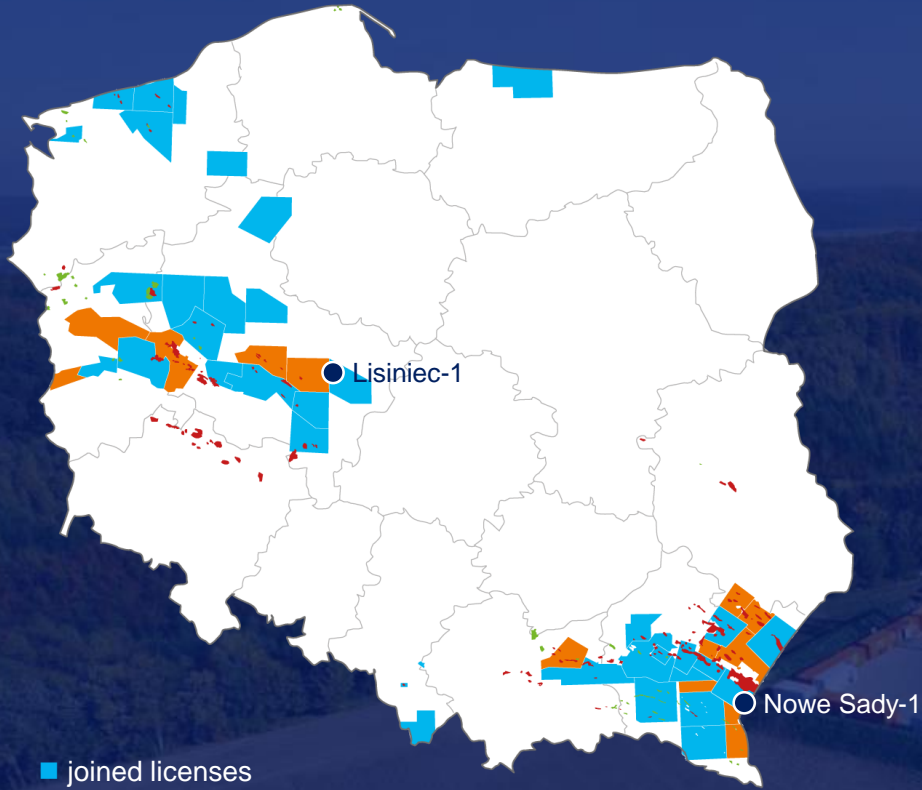
-0,5% ▼

Revenue from sales of heat and electricity (own generation)



Major areas of operations

Exploration and production in Poland



- joined licenses
- exploratory licenses
- natural gas production licenses
- crude oil production licenses

190
production
licenses

over 2 thousand
production
wells

54 mines
of natural gas
and crude oil



PRODUCTION

3.8 bcm
natural gas
776.2 thousand
tonnes
crude oil



DRILLING

35
drilled wells
87.5 %
positive
4.66 bcm
discovered resources
of natural gas



INVESTMENT

PLN 831m
CAPEX
7 deposits
included in
„Digital oilfield”

■ Production of helium

He

- **PGNiG is the biggest helium producer in the European Union, ranks 6th in the world**
- Production covers approx. 9 % of European demand
- Annual production – approx. 3 mcm
- About 20 % of production is sold in Poland, main destination – foreign markets



Expansion of distribution network



Comparison 2019 vs 2018

New grid connections

81.7 thousand vs 60.7 thousand



34.5 %

New sections of network

2322 km vs 1751 km



571 km

New municipalities connected to grid

86 vs 28



1595

Number of municipalities
with access to gas grid
at the end of 2019

approx. 64.35 %

Level of Polish municipalities
with access to gas grid

■ Retail operations

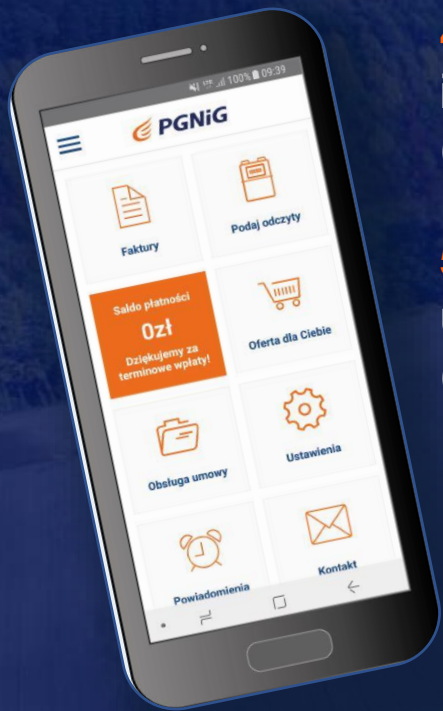
Rapid expansion of digital solutions

1.5 million contracts handled in eBOK

1.03 million contracts with active EKOfaktura option

47 % share of eBOK
in total customer service
(up from 38 % in 2018)

5.18 million number of
user interactions with eBOK
(up from 3.89 million in 2018)



Growing customer base

Close to 7 million customers

67 thousand growth of customer base

7.59 bcm of gas sold to end consumers

100 mcm more gas sold to end consumers y/y

Almost 160 thousand contracts signed
for the sale of Pomocna Ekipa (Helpful Squad)
partner product (a home service plan)

■ Expanding product range

Gas fuel in transit



Over 1,000 tonnes of LNG

sold as a marine fuel in 2019 following the launch of commercial bunkering services



30 %

increase in sales of CNG as a fuel for public transport



Over 1,000 tonnes of LNG

contract for the supply of fuel for the largest fleet of gas-powered trucks in Poland



Small scale LNG market expansion

Approx. 7,000 road tankers filled with LNG have left the Świnoujście terminal since 2016 (as of March 2020)



Comparison 2019 vs 2018



2,360 vs 1,794 road tankers

Exclusive use of the small-scale LNG reloading terminal in Klaipėda, Lithuania (starting April 2020)



Contract term: 5 years

LNG imports – progressing diversification

More LNG deliveries

- **86** deliveries in total
(as of March 11, 2020)

Comparison 2019 vs 2018

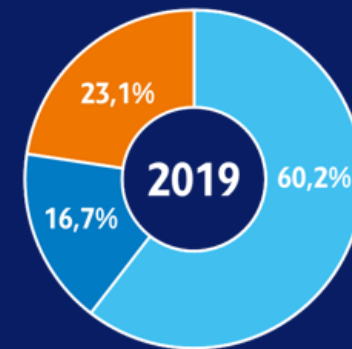
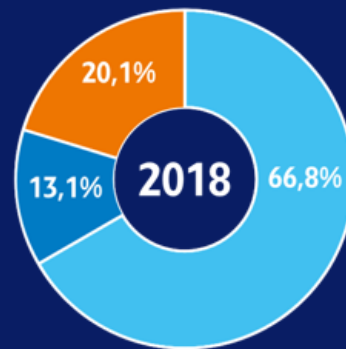
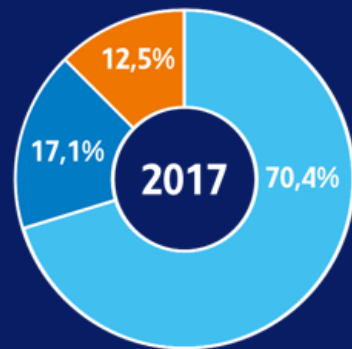
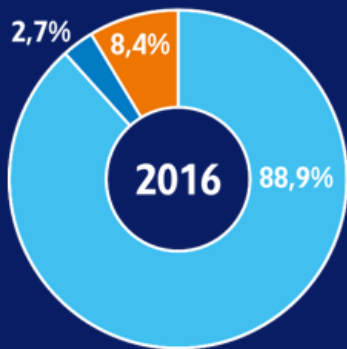
31 vs **23** LNG deliveries

3.43 bcm vs **2.71 bcm**

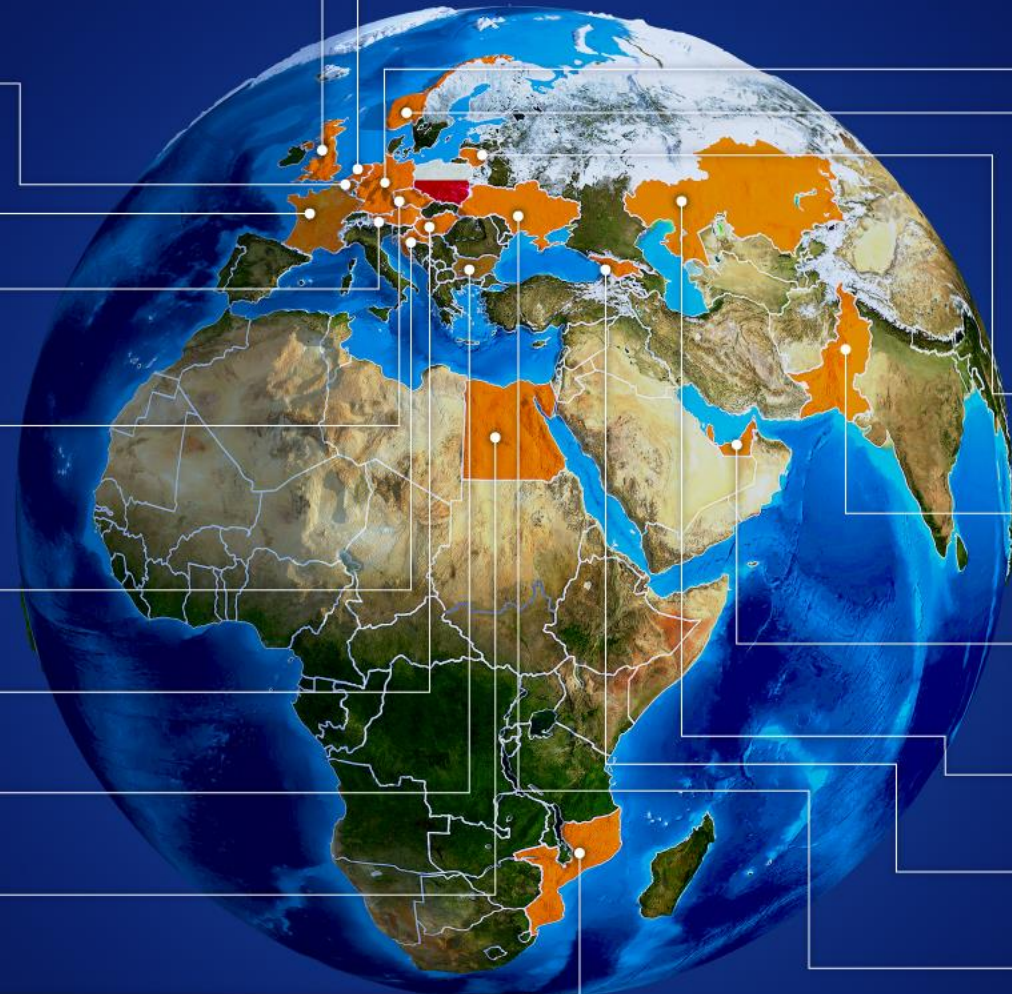
Total volume of deliveries in 2019 vs 2018

 **26.2 %**

Import structure



PGNiG GROUP INTERNATIONAL OPERATIONS



UNITED KINGDOM

LNG trading office
Geophysical surveys

BELGIUM

Gas trading

FRANCE

Gas trading

AUSTRIA

Gas and electricity trading
Gas and electricity sales

CZECH REPUBLIC

Gas trading
LNG sales
LNG transport

CROATIA

Geophysical surveys

HUNGARY

Geophysical surveys

BULGARIA

Geophysical surveys

EGYPT

Geophysical surveys

MOZAMBIQUE

Geophysical surveys

THE NETHERLANDS

Gas trading
Geophysical surveys

GERMANY

Gas and electricity trading
Gas and electricity sales
LNG sales
Geophysical surveys

NORWAY

Oil and gas exploration
and production

LITHUANIA

The sole user of the LNG reloading
station in Klaipėda*

PAKISTAN

Natural gas exploration and production
Drilling operations and oilfield services

UNITED ARAB EMIRATES

Geophysical surveys
Oil and gas exploration

KAZAKHSTAN

Drilling operations

GEORGIA

Geophysical surveys

UKRAINE

Gas sales
Drilling operations and oilfield services



CZECH REPUBLIC
LITHUANIA
GERMANY
PAKISTAN
UKRAINE
UNITED ARAB EMIRATES



NORWAY



AUSTRIA
BELGIUM
CZECH REPUBLIC
FRANCE
THE NETHERLANDS
GERMANY
UNITED KINGDOM



BULGARIA
CROATIA
EGYPT
GEORGIA
THE NETHERLANDS
MOZAMBIQUE
GERMANY
HUNGARY
UNITED KINGDOM
UNITED ARAB EMIRATES



KAZAKHSTAN
PAKISTAN
UKRAINE*



CZECH REPUBLIC

* from Apr 1 2020

* Exalo Drilling Ukraine

■ Exploration and production abroad



Norway

- **January 2020:** Final clearance from the Norwegian administration to acquire an additional 10 % interest in the Duva field (transaction completed in November 2019)
- **February 2020:** Increasing shares in Gina Krog field and acquiring shares in Alve Nord field
- **March 2020:** Start of production from the Skogul field
- Increase in oil and gas reserves from 80 mboe in 2017 to 200 mboe currently



United Arab Emirates

- **December 2019:** Commencement of geophysical work in the Ras Al Khaimah licence area (Geofizyka Toruń of the PGNiG Group)
- Oil and gas exploration programme covering ca. 700 km, with 25 % of the work completed
- A network of ca. 30,000 geophones used



Pakistan

- **2019:** Production in Pakistan carried out from 8 wells
- **March 2020:** Spudding of the Rehman-7 production well



Key financial results of the PGNiG Group for Q4 2019

