

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 31st 2021

Current Report No. 52/2021

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Execution of a settlement agreement between Elektrociepłownia Stalowa Wola S.A. and Abener Energia S.A.

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Further to Current Reports No. 16/2019 of May 2nd 2019, No. 43/2019 of August 8th 2019, and No. 48/2020 of September 22nd 2020 concerning a dispute between Elektrociepłownia Stalowa Wola S.A. of Stalowa Wola ("ECSW") and Abener Energia S.A. of Campus Palmas Altas, Seville ("Abener Energia"), the Management Board of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") announces that it was notified that on December 31st 2021 ECSW and Abener Energia (the "Parties") signed a settlement agreement (the "Settlement") to define the terms on which ECSW and Abener Energia will settle their mutual claims arising from all court and arbitration proceedings between the parties conducted in connection with the contract to construct a CCGT unit, entered into on June 26th 2012 between Abener Energia (the general contractor) and ECSW (the principal) (the "Contract"). Based on the Settlement:

1. ECSW agrees to pay a gross amount of EUR 92,768,963.70 to Abener Energia on the basis of the award issued by the Arbitration Court of the National Chamber of Commerce of Warsaw on April 25th 2019 (the „Arbitration Court's Award") and other settlements;
2. Upon the entry into force of the terms and conditions of the Settlement, the Parties agree to discontinue all existing court and arbitration proceedings between them, and acknowledge that they have no further or future claims under the Contract.

The entry into force of the Settlement is subject to conditions subsequent, whereby Abener Energia is obliged to produce documents enabling performance of the Settlement by February 28th 2022, including documents endorsed with an apostille confirming the consent of the pledgees (under the pledges created over amounts receivable by Abener Energia under the Arbitration Court's Award) to the Settlement. ECSW is obliged to submit a resolution of the Supervisory Board approving the Settlement by January 11th 2022.

PGNiG indirectly holds a 50% equity interest in ECSW through its subsidiary PGNiG Termika S.A.