



PGNiG

Thursday, 2.09.2021 11:00AM

IMPORTANT ANNOUNCEMENT

followed by

**PRESENTATION OF PGNIG CAPITAL GROUP
FINANCIAL RESULTS
FOR H1 2021**



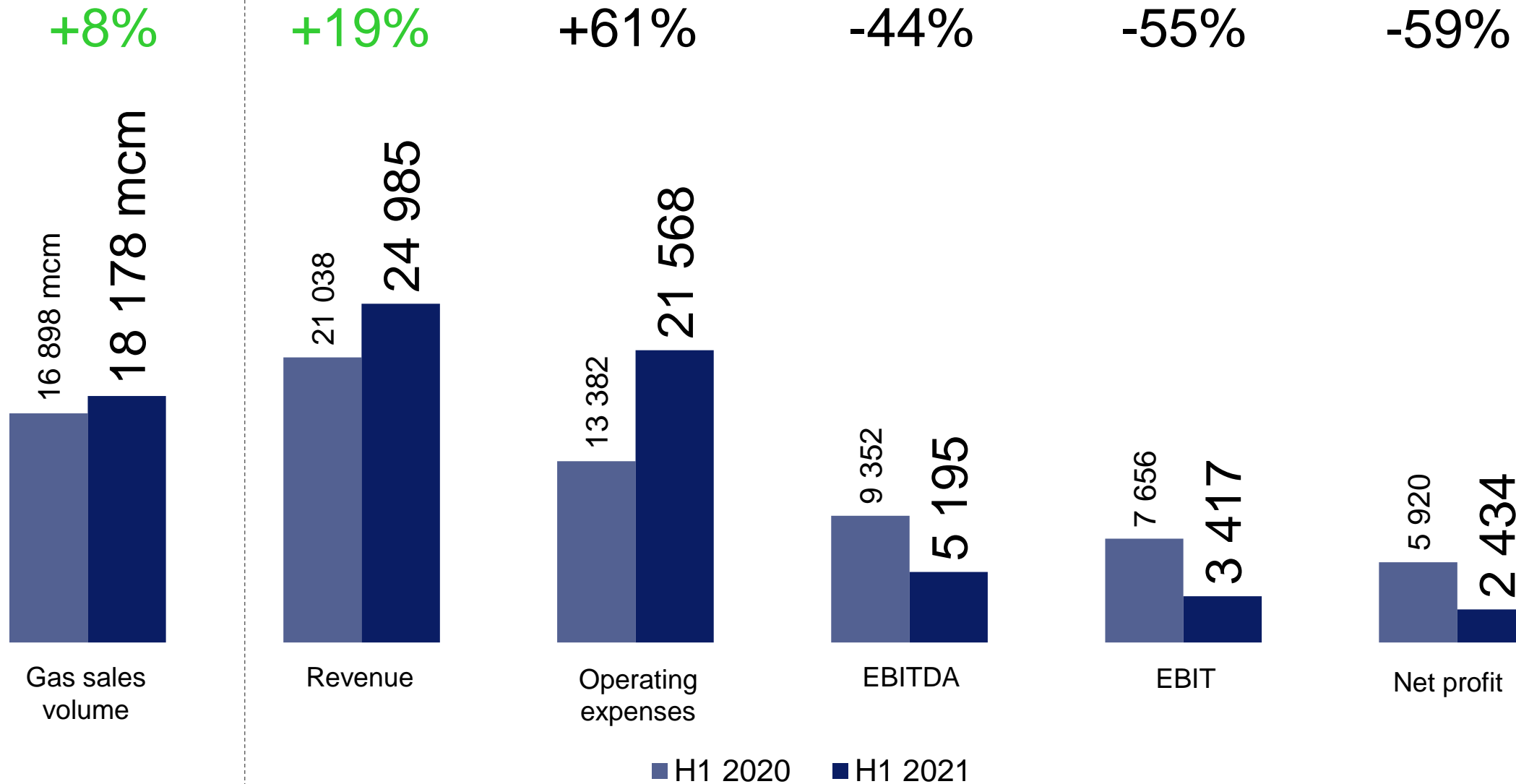
IMPORTANT ANNOUNCEMENT

 **PGNiG**

**PGNiG Capital Group
Financial Results
Q2 and H1 2021**

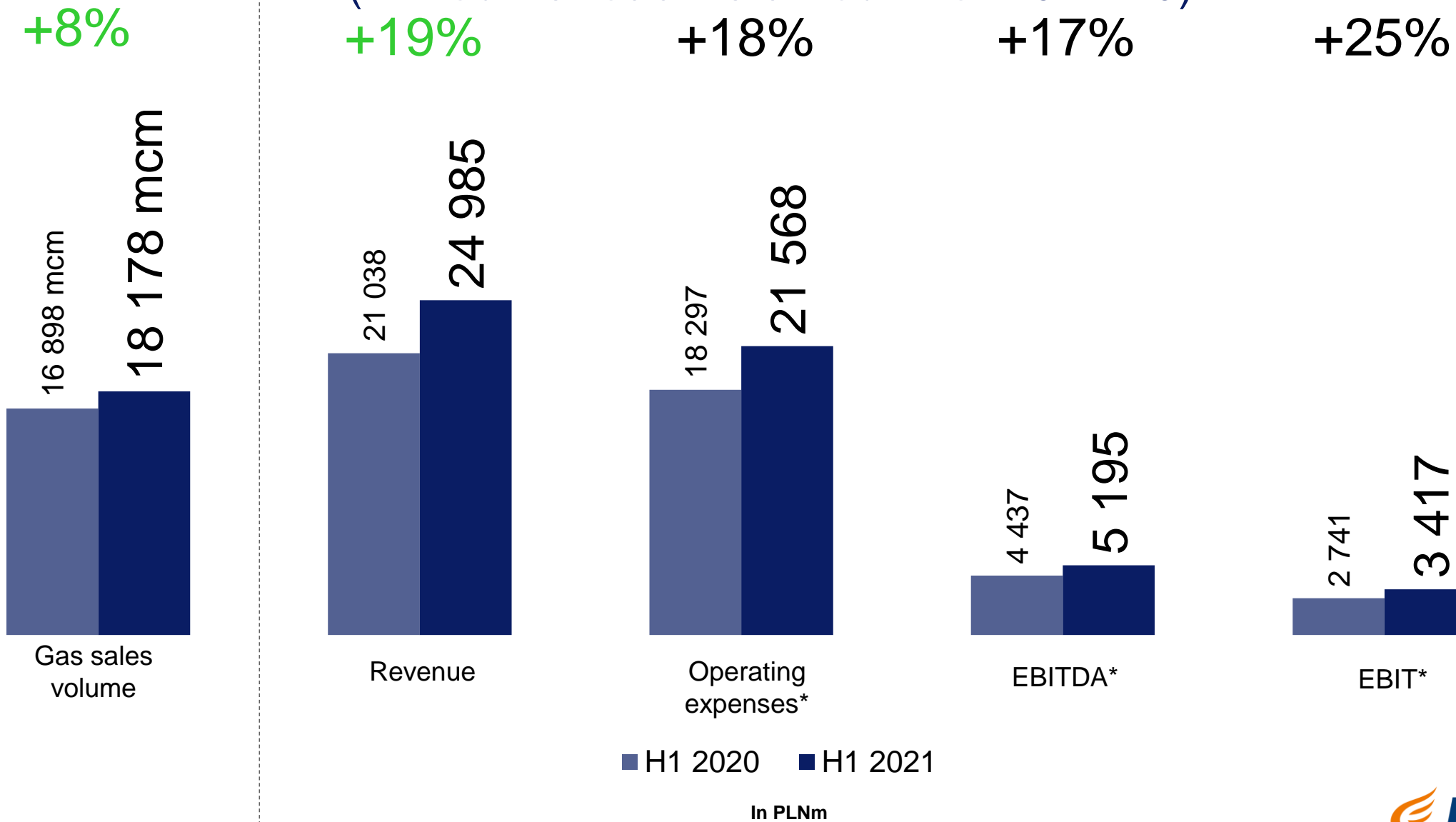


Financial results of the PGNiG Group for H1 2021



In PLNm

Financial results of the PGNiG Group for H1 2021 (without retroactive amount for 2014-19)



* H1 2020 results adjusted for the impact of the retroactive amount included in operating costs for 2014-19 (PLN 4 915 million)

Exploration and Production

Trade and Storage

Distribution

Generation

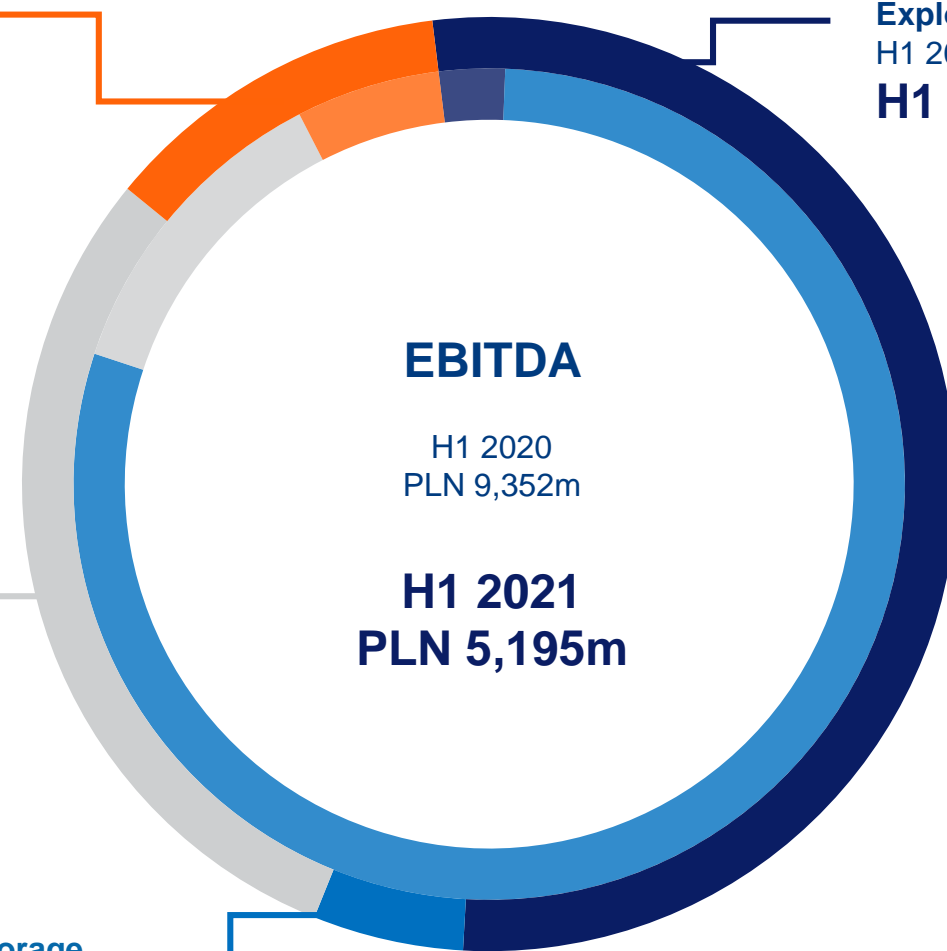
Segments' contribution to EBITDA

Generation
H1 2020: 6%
H1 2021: 12%

Exploration and Production
H1 2020: 3%
H1 2021: 53%

Distribution
H1 2020: 13%
H1 2021: 30%

Trade and Storage
H1 2020: 81%
H1 2021: 5%



EBITDA
H1 2020
PLN 9,352m

H1 2021
PLN 5,195m

Contribution of other „segments and eliminations” to EBITDA in H1 2021: -1%, in H1 2020: +1%

Exploration and Production

Trade and Storage

Distribution

Generation

Segments' contribution to EBITDA (without retroactive amount for 2014-19)

Generation
H1 2020: 12%
H1 2021: 12%

Exploration and Production
H1 2020: 5%
H1 2021: 53%

Distribution
H1 2020: 27%
H1 2021: 30%

EBITDA
H1 2020
PLN 4,437m
H1 2021
PLN 5,195m

Trade and Storage
H1 2020: 60%
H1 2021: 5%

Contribution of other „segments and eliminations“ to EBITDA in H1 2021: +1%, in H1 2020: -3%

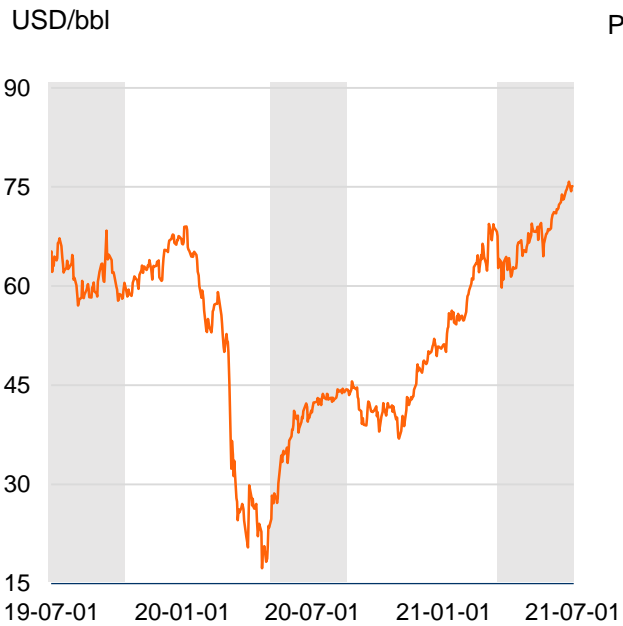
Exploration and Production



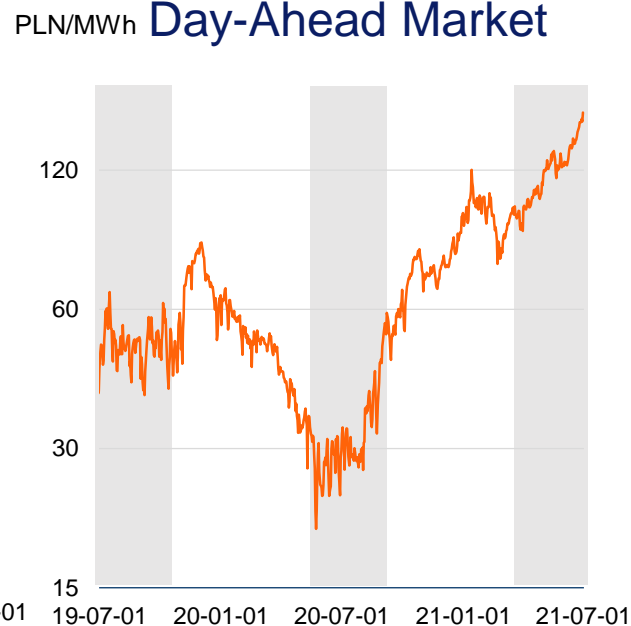
(PLNm)

- Average price of Brent crude yoy **+49%** ▲
164 / PLN 244/bbl
- Arithmetic average POLPX DAMg price yoy **+159%** ▲
41 / PLN 106/MWh
- Crude oil production yoy **-7%** ▼
656 / 608 thousand tonnes
- Natural gas production yoy **+7%** ▲
2.19 / 2.34 bcm

Brent crude oil price



Price on the POLPX Day-Ahead Market



Trade and Storage

Average POLPX (spot and futures) price yoy
78.1 / PLN 84.4/MWh

+8% ▲

LNG import volumes yoy
7.47 / 8.27 bcm

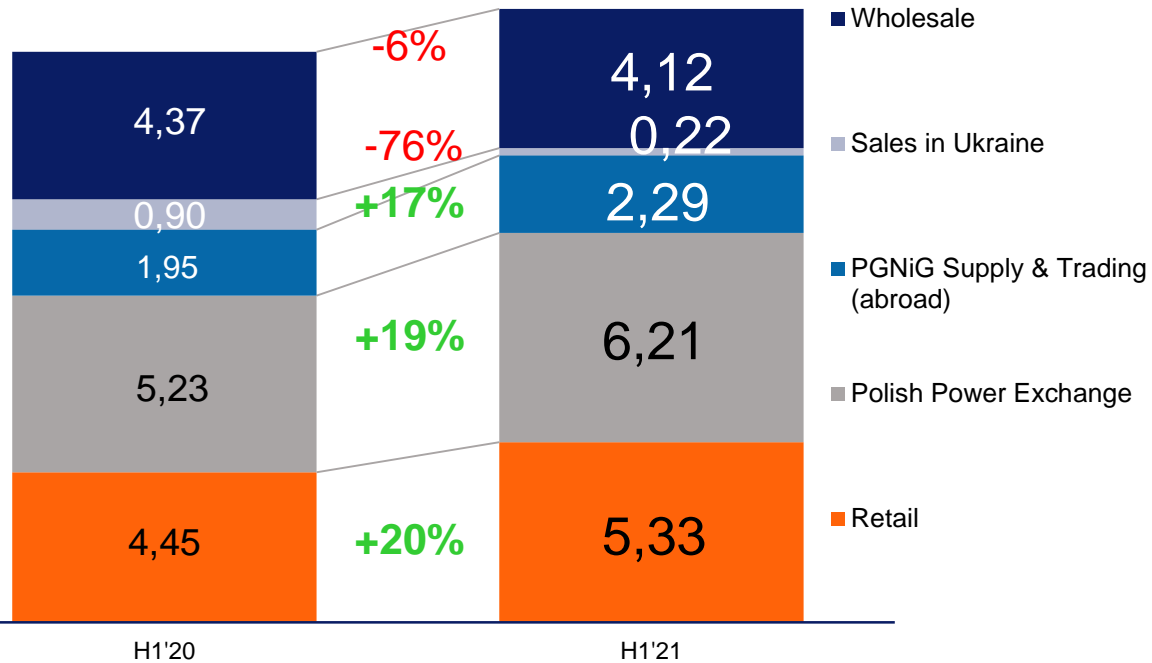
+11% ▲

Total gas sales outside the PGNiG Group yoy
16.90 / 18.18 bcm

+8% ▲

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

bcm



(PLNm)



Distribution

Gas distribution yoy
6.19 / 7.35 bcm

+19% ▲

Revenue from distribution services yoy
2.28 / PLN 2.71bn

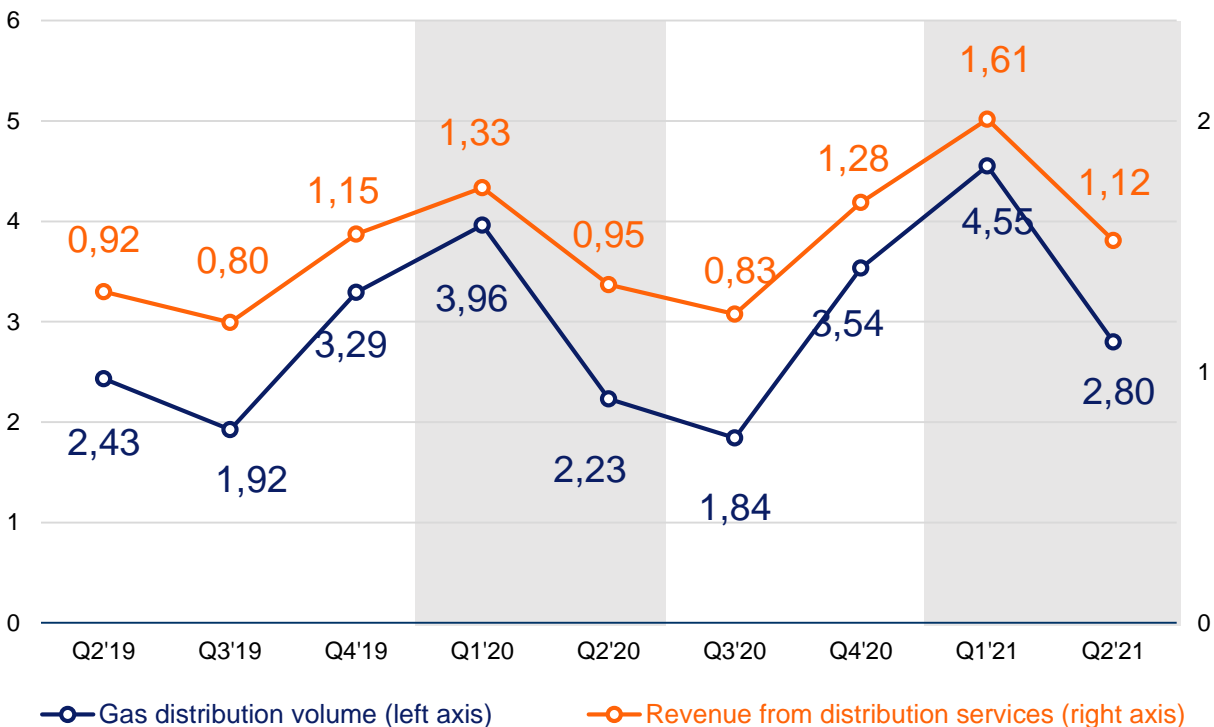
+19% ▲

Temperature yoy
8.2°C / 6.7°C

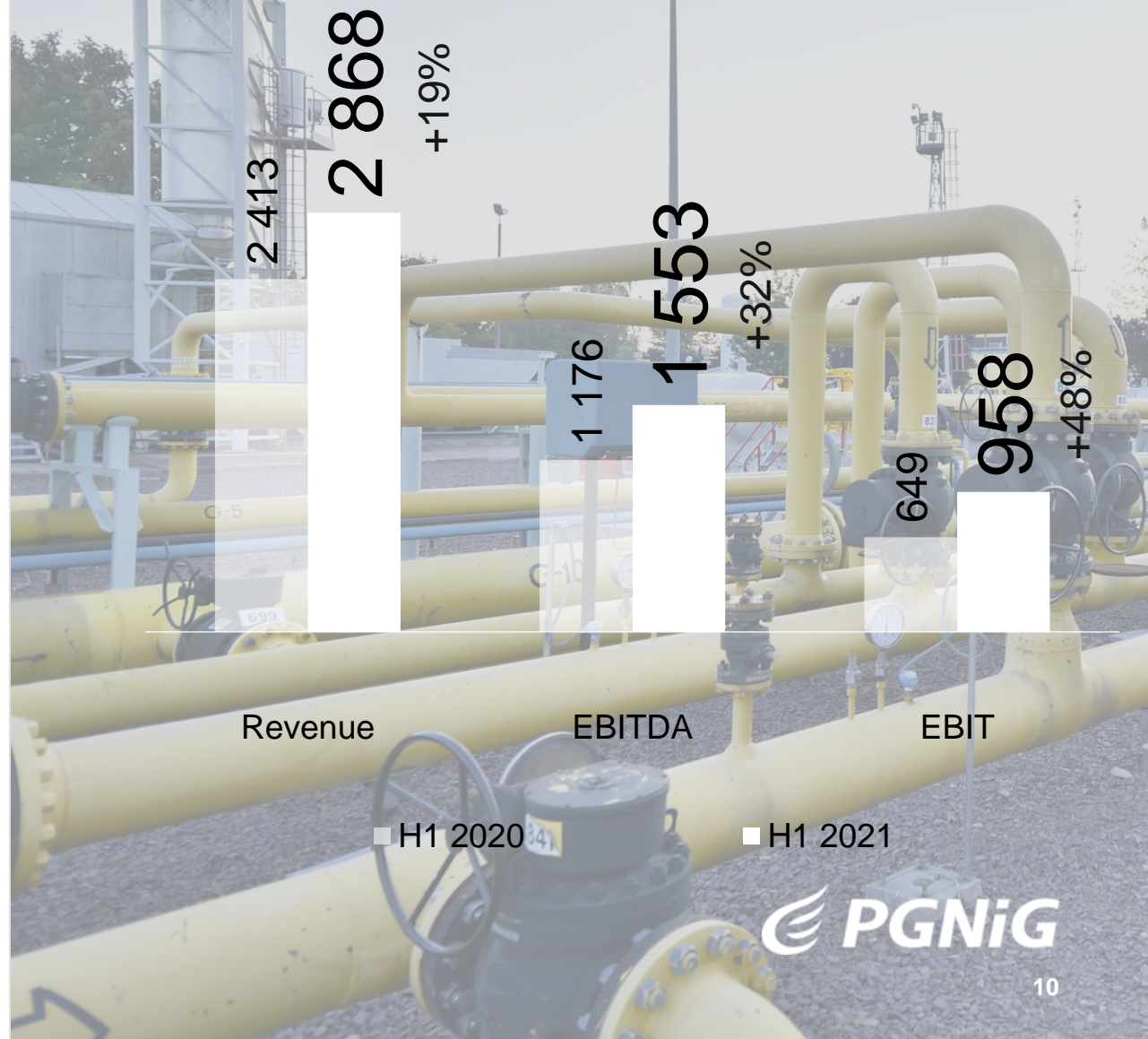
-1.5°C ▼

Revenue from distribution services and gas distribution volume

bcm PLNbn



(PLNm)



Generation

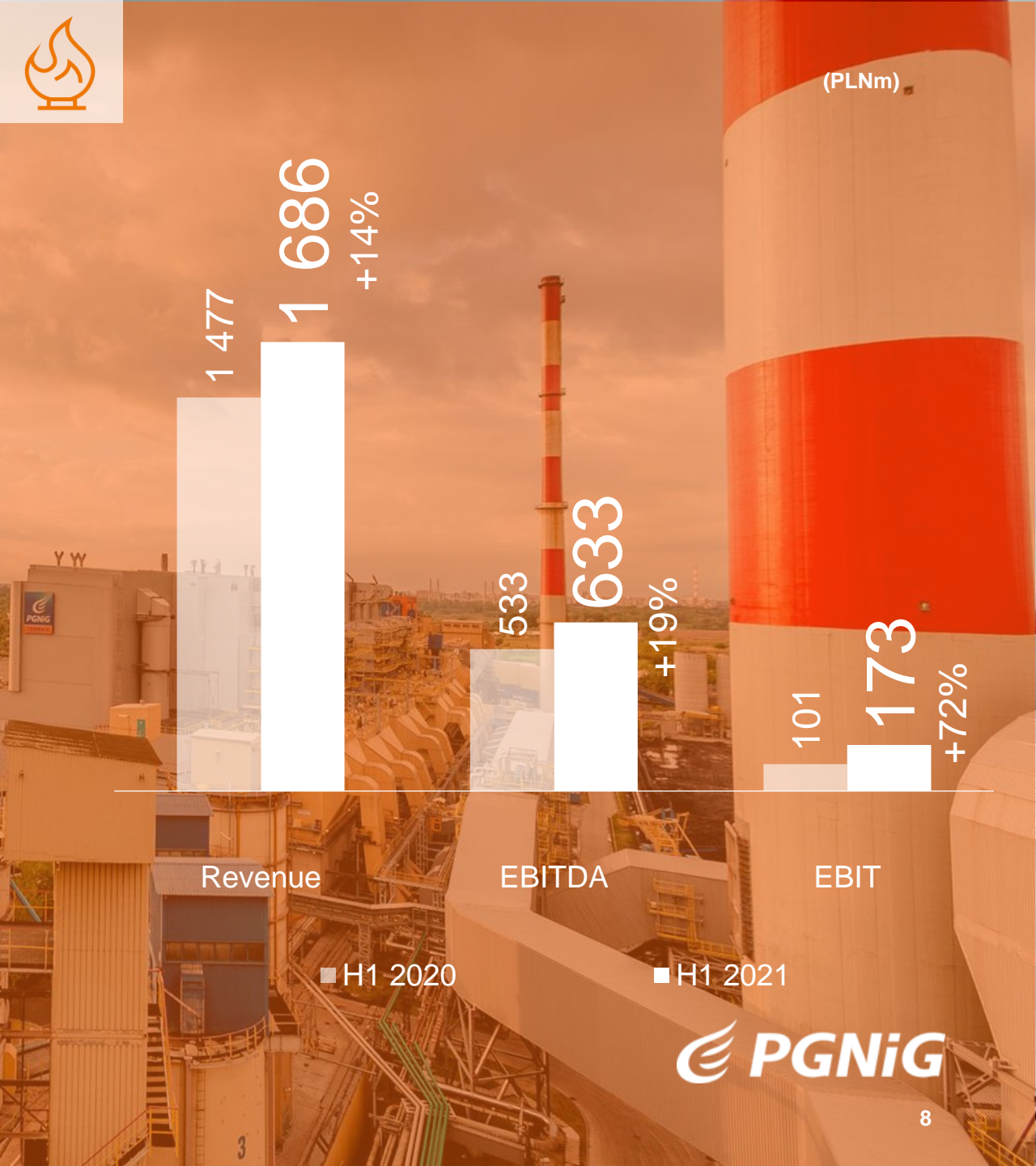
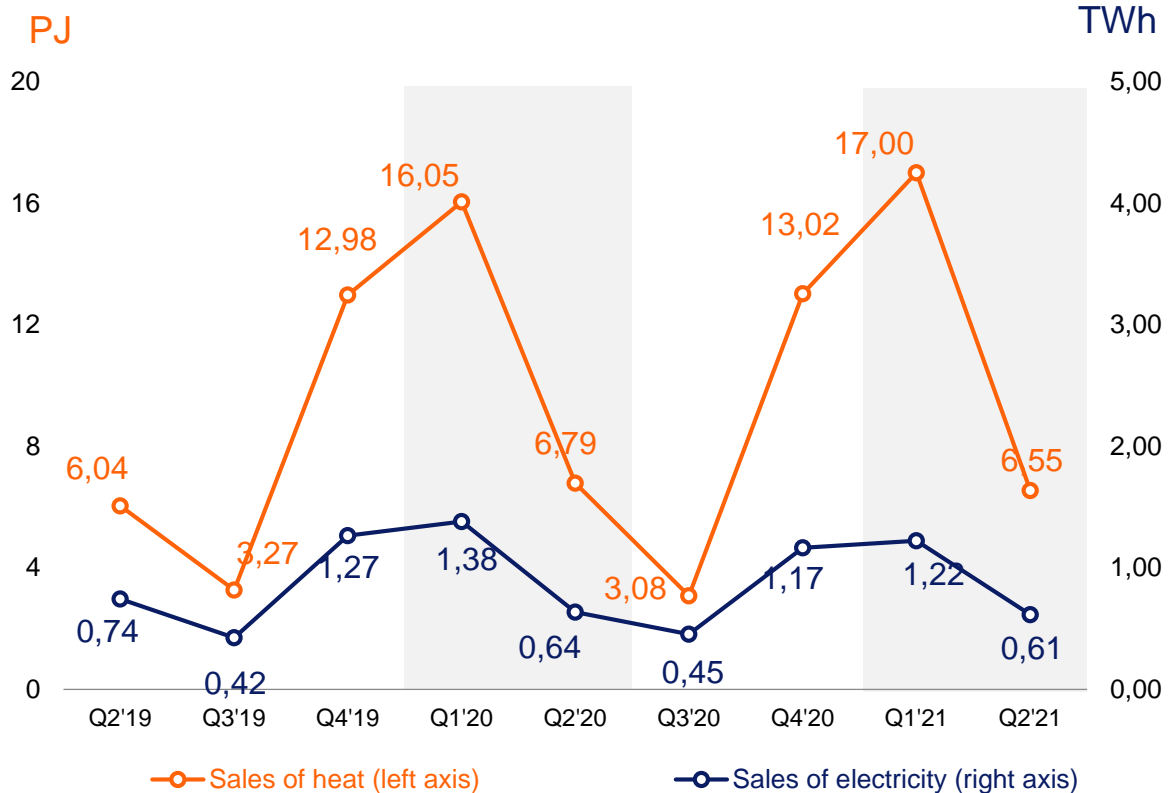
Revenue from sales of heat yoy
790 / PLN 946m

+20% ▲

Revenue from sales of electricity (from own generation) yoy
506 / PLN 472m

-7% ▼

Revenue from sales of heat and electricity (own generation)



Key events and information



European energy regulations initiatives



15.07.2021

The Court of Justice of the EU found that the European Commission violated the principle of energy solidarity by releasing the OPAL gas pipeline from the obligation to apply EU regulations. The decision of the European Commission has been challenged by the Polish government.

30.07.2021

PGNiG SA and PGNiG Supply & Trading have applied for inclusion in the certification procedure of the operator of the Nord Stream 2 gas pipeline.

25.08.2021

The ruling of the Higher Regional Court in Düsseldorf recognized arguments of PGNiG and PGNiG Supply & Trading and upheld the decision of BNetzA to dismiss Nord Stream 2 AG's request for derogation from the regulations of the 3rd Energy Package.



Exploration & Production - Poland

- 16 wells put on stream
(14 by PGNiG Sanok Branch,
2 by PGNiG Zielona Góra Branch)
- Drilling works in 14 wells, from which 12 reached
the planned depth and 9 underwent formation tests
- 392 km² of 3D seismic survey and 215 km²
of 2D seismic survey performed
- Launching of Smart Field project



Exploration & Production - Norway

- Entering agreement to purchase all assets of INEOS E&P Norge
- We await respective corporate and administrative approvals
- Gråsel field put on stream
- Duva field put on stream



Exploration & Production - Pakistan



**Acquisition of 25% shares
in Musakhel license block**

Estimated license resources amount to
16 bcm of natural gas

Production from Kirthar license*

H1 2020

H2 2021

approx. 125 mcm

approx. 168 mcm

*PGNiG production

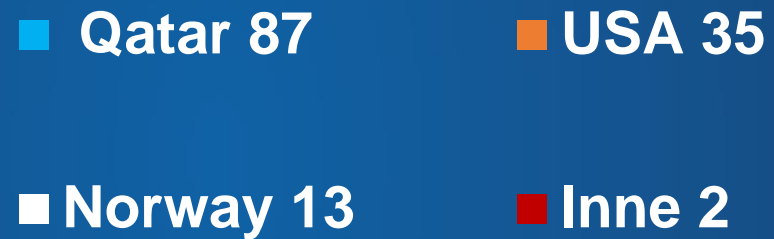
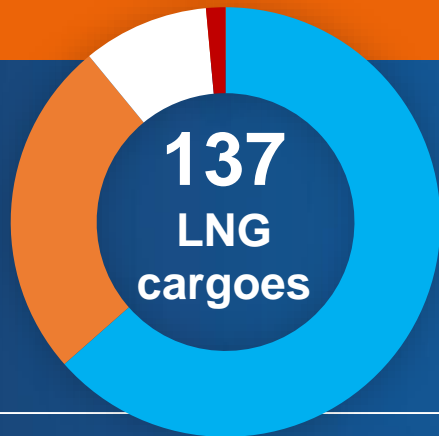


Exploration & Production - Ukraine

- Acquisition of 85% share in Karpatgazvydobuvannya – agreement with ERU Management Services
- The company owns exploration and production licence Byblivska in Western Ukraine
- End of 2021 – preparatory works planned
- H2 2022 – planned drilling of exploratory well
- In case of positive formation testing putting on stream possible in 2023



Over 15 bcm after regasification



of supplies

tons in millions

bcm after regasification

H1 2020

21

1,58

2,19

H1 2021

18

1,47

2,04



Sales of LNG from Świnoujście terminal

Comparison

	H1 2020	H1 2021
TANK TRUCKS	1 556	2 900
TONS OF LNG	26 995	51 296
MWh	411 968	783 405

tonnage **+90%**



Sales of LNG from Klaipeda reloading station

Comparison

H1 2020*

H1 2021

TANK TRUCKS

60

249

TONS OF LNG

1 055

4 558

MWh

16 178

69 365

*Start of exclusive use of the facility – April 1, 2020



Sales of LNG from Odolanów and Grodzisk Wlkp.

Comparison

	H1 2020	H1 2021
TANK TRUCKS	558	587
TONS OF LNG	9 181	9 665
MWh	134 556	141 698



Retail Branch – H1 2021 and H1 2020 comparison



Retail sales



+22,2%

increase of natural gas sales volume
in **B2C segment**

+16,7%

increase of natural gas sales volume
in **B2B segment**

CNG and LNG sales



+19%

increase of sales in
compressed natural gas CNG

+150%

increase of sales in
liquefied natural gas LNG

Retail Branch – digital transition



109 thousand
agreements online

7 million
online payments

+95,1%

H1 2021 vs. H1 2020

+50,6%

H1 2021 vs. H1 2020

Launching of **virtual assistant (chatbot)** to help customers 24/7

59 thousand chats and 125 thousand questions taken care of the chatbot in H1 2021

Over **100 thousand chats** served by the chatbot since launching



Development of distribution network

Comparison

	H1 2020	H1 2021	
New gas grid connections	51 389	60 831	+18%
New network sections built	2 149 km	2 915 km	+766 km
New service-line contracts	57 695	68 513	+19%
Service-line pre-contracts	112 264	145 384	+30%



Research and innovative projects - hydrogen, bioCNG



Project: bioCNG
prototype of integrated energy
installation to manage
biodegradable fraction
of municipal waste



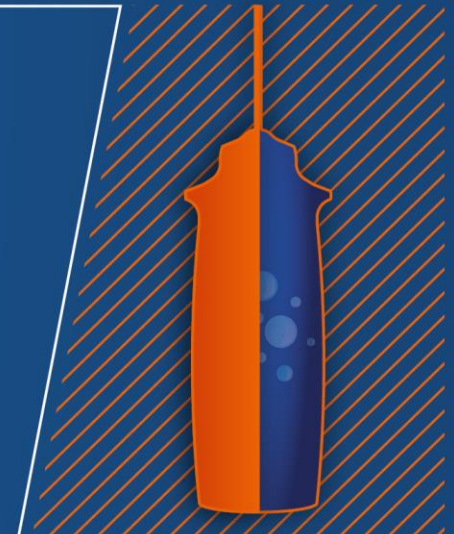
Productivity comparison
of PV foil against traditional
photovoltaic panels



InGrid - Power to Gas:
Obtaining decisions
on building and connection
conditons



Large-scale storing of energy
in salt caverns qualified
to first phase of IPCEI



Business development projects - PV, EE, ESCO



- 6 projects as part of development of ESCO services and regarding energy (PGNiG Termika Energetyka Rozproszona)
- PV installations on buildings and premises of PGNiG Group
- 4 projects as part of Energy Efficiency Improvement Program in Zielona Góra, Sanoka and Odolanów branches as well as in the headquarters
- Joint pilot projects with start-ups.
We take advantage of public grants to test technology and know-how of start-ups for PGNiG.





