



Verdict of the Supreme Court in case of the settlement of value of annual adjustment of the stranded costs (so-called LTC compensations) for 2008 for Lublin-Wrotków CHP and for 2009 for Rzeszów CHP

The Management Board of PGE Polska Grupa Energetyczna S.A. ("PGE") discloses that on January 26, 2017 the Supreme Court:

- (1) issued a verdict in case of the settlement of value of annual adjustment of the stranded costs (so-called LTC compensations) for 2008 for PGE GiEK S.A. Branch Lublin-Wrotków CHP,
- (2) issued a verdict in case of the settlement of value of annual adjustment of the stranded costs (so-called LTC compensations) for 2009 PGE GiEK S.A. Branch Rzeszów CHP.

Verdict in case of PGE GiEK Branch Lublin-Wrotków CHP was issued as a result of examination of a cassation appeal filed by the President of the Energy Regulatory Office (the "ERO President") against the verdict of the Court of Appeal of September 17, 2013. In its verdict the Supreme Court sets the amount of annual adjustment of LTC compensations for approximately (+) PLN 8.8 million. As a result of the above verdict, PGE GiEK will return approximately PLN 1.3 million to Zarządca Rozliczeń S.A. (company responsible for LTC settlements).

Verdict in case of PGE GiEK Branch Rzeszów CHP was issued as a result of examination of a cassation appeal filed by the President of the Energy Regulatory Office (the "ERO President") against the verdict of the Court of Appeal of June 6, 2014. In its verdict the Supreme Court sets the amount of annual adjustment of LTC compensations for 2009 for PGE GiEK S.A. Branch Rzeszów CHP for PLN 0 million. As a result of the above verdict, PGE GiEK will return approximately PLN 6.8 million to Zarządca Rozliczeń S.A. (company responsible for LTC settlements).

The above verdicts of the Supreme Court ends the disputes between PGE GiEK S.A. and the ERO President in both cases has no impact on the consolidated revenues of the current period.

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Verdict in case of PGE GiEK Branch Lublin-Wrotków CHP was issued as a result of examination of a cassation appeal filed by the President of the Energy Regulatory Office (the "ERO President") against the verdict of the Court of Appeal of September 17, 2013. In its verdict the Supreme Court sets the amount of annual adjustment of LTC compensations for approximately (+) PLN 8.8 million. As a result of the above verdict, PGE GiEK will return approximately PLN 1.3 million to Zarządca Rozliczeń S.A. (company responsible for LTC settlements).

Verdict in case of PGE GiEK Branch Rzeszów CHP was issued as a result of examination of a cassation appeal filed by the President of the Energy Regulatory Office (the "ERO President") against the verdict of the Court of Appeal of June 6, 2014. In its verdict the Supreme Court sets the amount of annual adjustment of LTC compensations for 2009 for PGE GiEK S.A. Branch Rzeszów CHP for PLN 0 million. As a result of the above verdict, PGE GiEK will return approximately PLN 6.8 million to Zarządca Rozliczeń S.A. (company responsible for LTC settlements).

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