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Closing of acquisition of EDF's Polish assets

With reference to current reports no. 29/2017 dated May 19, 2017 and no. 49/2017 dated October 31, 2017, the Management Board of PGE Polska Grupa Energetyczna S.A. ("PGE", the "Company") discloses that on November 13, 2017 (the "Closing Date") the transaction between PGE and EDF International SAS with EDF Investment II B.V. (jointly „EDF”) regarding a sale of EDF assets in Poland according to the Conditional Share Sale Agreement signed on May 19, 2017 (the "Agreement") (the "Transaction") has been closed.

The Transaction value amounted to approximately PLN 4.27 billion. As a consequence of final settlement, the total Transaction-related expenditures incurred by PGE include:- equity value of approximately PLN 2.45 billion, determined as at December 31, 2016 according to the Locked-Box formula and consistent with the information disclosed in the current report no. 29/2017 (the "Equity Value"),- intra-company debt balance as of the Closing Date of the Transaction, i.e. November 13, 2017, in amount of approx. PLN 1.68 billion and approx. USD 10 million (the "Intra-Company Debt"), previously calculated at PLN 1.68 billion and USD 40 million respectively,- interest on the Equity Value accrued pro rata from January 1, 2017 until the Closing Date of the Transaction, i.e. until November 13, 2017, amounting to PLN 93.27 million as a result of economic benefits from operations of acquired assets vesting with the Company following the Locked Box Date i.e. December 31, 2016 – previously calculated in amount not higher than approx. PLN 107 million,- outstanding interest as of the Closing Date of the Transaction related to the Intra-Company Debt (and other fees) in amount of PLN 18.21 million and USD 0.05 million respectively.

The payment for the EDF assets in Poland as well as the transfer of shares took place at the Closing Date of the Transaction.

PGE will fully consolidate result starting from the acquisition date.

In connection with the closing of the Transaction and PGE's indirect acquisition of shares of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. („Kogeneracja”) resulting in crossing the 33% threshold of voting rights in Kogeneracja, PGE will be obliged to announce a subsequent tender offer for shares in Kogeneracja in number sufficient to reach 66% threshold of voting rights in Kogeneracja in accordance with Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated July 29, 2005 (Journal of Laws of 2016 item 1639, as amended). Cost of the tender is not included in the Transaction value.

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The Transaction value amounted to approximately PLN 4.27 billion. As a consequence of final settlement, the total Transaction-related expenditures incurred by PGE include:- equity value of approximately PLN 2.45 billion, determined as at December 31, 2016 according to the Locked-Box formula and consistent with the information disclosed in the current report no. 29/2017 (the "Equity Value"),- intra-company debt balance as of the Closing Date of the Transaction, i.e. November 13, 2017, in amount of approx. PLN 1.68 billion and approx. USD 10 million (the "Intra-Company Debt"), previously calculated at PLN 1.68 billion and USD 40 million respectively,- interest on the Equity Value accrued pro rata from January 1, 2017 until the Closing Date of the Transaction, i.e. until November 13, 2017, amounting to PLN 93.27 million as a result of economic benefits from operations of acquired assets vesting with the Company following the Locked Box Date i.e. December 31, 2016 – previously calculated in amount not higher than approx. PLN 107 million,- outstanding interest as of the Closing Date of the Transaction related to the Intra-Company Debt (and other fees) in amount of PLN 18.21 million and USD 0.05 million respectively.

The payment for the EDF assets in Poland as well as the transfer of shares took place at the Closing Date of the Transaction.

PGE will fully consolidate result starting from the acquisition date.

In connection with the closing of the Transaction and PGE's indirect acquisition of shares of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. („Kogeneracja”) resulting in crossing the 33% threshold of voting rights in Kogeneracja, PGE will be obliged to announce a subsequent tender offer for shares in

Kogeneracja in number sufficient to reach 66% threshold of voting rights in Kogeneracja in accordance with Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated July 29, 2005 (Journal of Laws of 2016 item 1639, as amended). Cost of the tender is not included in the Transaction value.