ORLEN Group consolidated financial results

3Q23

31 October 2023

#ORLEN3Q23@GrupaORLEN

01

Key facts

Key facts 3Q23

Revenues

75,4 PLN bn

EBITDA LIFO

8,2 PLN bn

Cash flows from operations

7,2 PLN bn

CAPEX - cumulative for 9 months 2023

20,4 PLN bn

TRANSFORMATION PROJECTS

- OFFSHORE: final investment decision for Baltic Power, construction of the installation terminal.
- Conditional agreement for purchase of wind farms in Poland with capacity of ca. 60 MW.
- CCS: partnership with Horisont Energi to explore potential collaboration on one of the most advanced CCS initiatives on the Norwegian Continental Shelf.
- Synthetic fuels: cooperation agreement with Yokogawa to develop cutting-edge integrated production system.
- Biofuels: UCO FAME installation launching to produce II generation biocomponents from cooking oils.
- H2: tests of the company's first publicly available hydrogen station in Poland.

RETAIL

- Entering the Austrian market: EC consent to purchase 266 fuel stations.
- Finalisation of rebranding of 90 fuel stations in Slovakia.
- The next stage of rebranding in Germany: 100 ORLEN stations till the beginning of 2024.

CRUDE THROUGHPUT AND UPSTREAM

- Finalisation of the third nitrogen fertilizer production line.
- Start of production from the Tommeliten Alpha by PGNiG Upstream Norway.

ORGANISATION

- Starting the process of taking control of the Transit Gas Pipeline System.
- Agreement for the construction of a modern oil pressing plant in Kętrzyn.
- The first hydrogen locomotive in ORLEN's fleet.
- Conditional share purchase agreement in ENERGOP, pipelines producer, e.g. for refining and petchem sectors.

DIVERSIFICATION OF DELIVERIES

- Expansion of Underground Gas Storage in Wierzchowice, the biggest investment in domestic gas storage facilities started.
- Reservation of regasification capacity at Floating Storage Regasification Unit (FSRU) to be built in the Gulf of Gdansk in 2028.
- Two LNG carriers Święta Barbara and Ignacy Łukasiewicz in ORLEN fleet.

02

Market environment

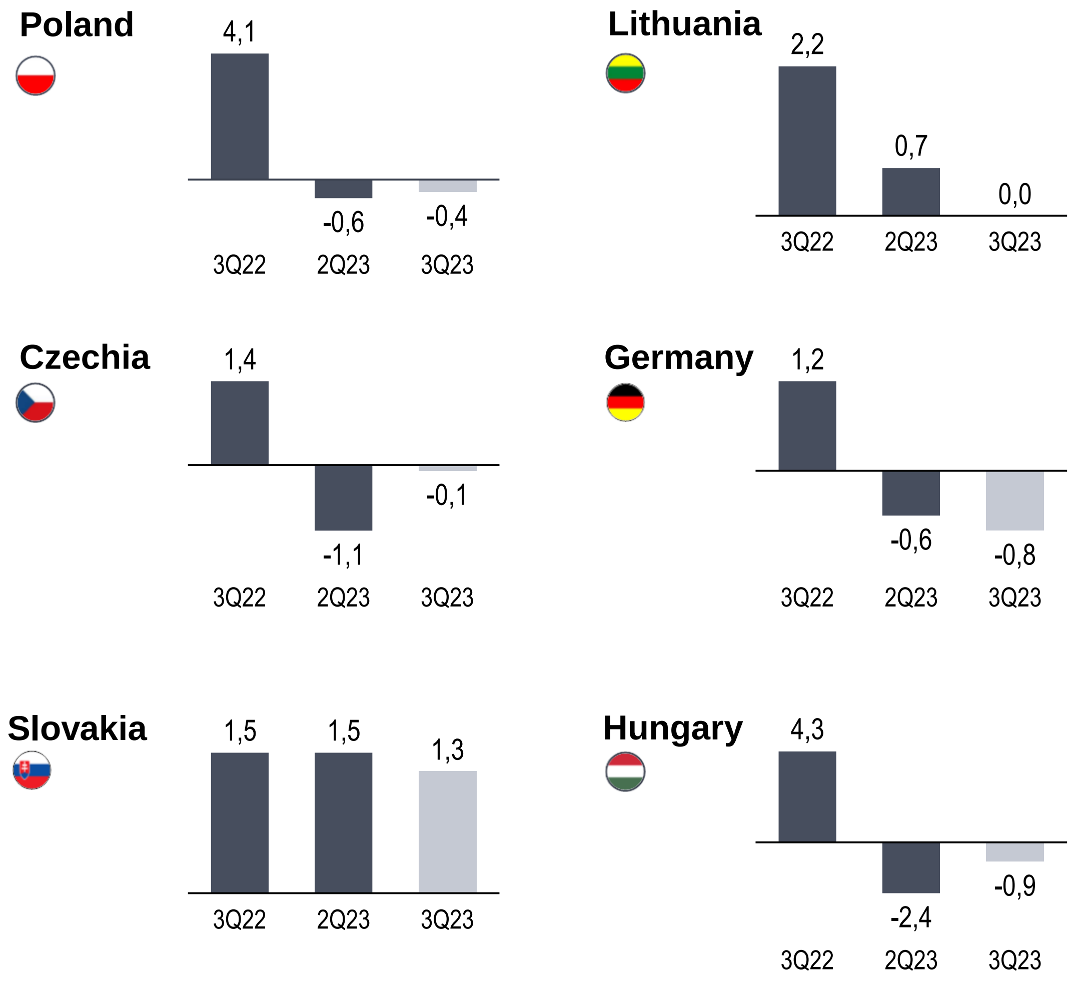
Macroeconomic environment 3Q23

		3Q22	2Q23	3Q23	Δ (y/y)
Brent crude oil	USD/bbl	101	78	87	-14%
Model refining margin[1]	USD/bbl	16,4	13,8	21,9	34%
Differential[2]	USD/bbl	7,4	1,8	-1,0	-114%
Natural gas price TTF month-ahead	PLN/MWh	965	158	152	-84%
Natural gas price TGEgasDA	PLN/MWh	954	176	172	-82%
Electricity price TGeBase	PLN/MWh	1 067	527	504	-53%
Refining products[4] - crack margins from quotations					
Diesel	USD/t	328	134	243	-26%
Gasoline	USD/t	287	304	325	13%
HSFO	USD/t	-325	-164	-138	58%
Petrochemical products[4] - crack margins from quotations					
Polyethylene[5]	EUR/t	471	433	353	-25%
Polypropylene[5]	EUR/t	460	429	345	-25%
Ethylene	EUR/t	639	664	547	-14%
Propylene	EUR/t	598	554	421	-30%
PX	EUR/t	586	481	419	-28%
Average exchange rates[6]					
USD/PLN	USD/PLN	4,71	4,17	4,14	-12%
EUR/PLN	EUR/PLN	4,75	4,54	4,50	-5%

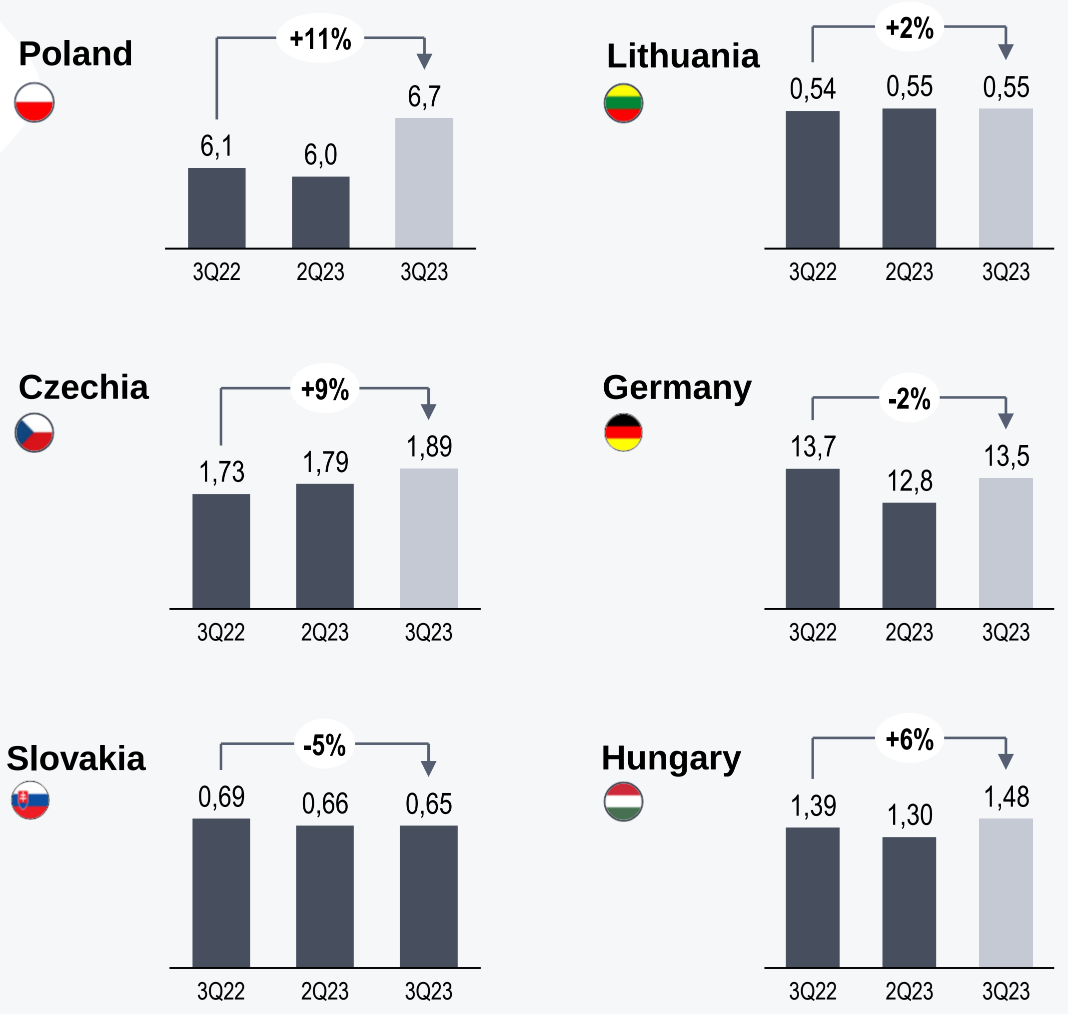
(1) Model refining margin = revenues (93,5% Products = 36% Gasoline + 43% Diesel + 14,5% HHO) - costs (100% input: Brent crude oil and other raw materials). Spot quotations. (valid till 31.07.2022)
Model refining margin = revenues (93,6% Products = 33% Gasoline + 48% Diesel + 13% HHO) - costs (100% input: 98% Brent crude oil + 2% natural gas). Spot quotations. (valid from 01.08.2022)
(2) Differential calculated on the real share of processed crude oils. Spot quotations.
(4) Margin (crack) for refining and petrochemical products (excluding polymers) calculated as difference between a quotation of given product and a quotation of Brent DTD crude oil.
(5) Margin (crack) for polymers calculated as difference between quotations of polymers and monomers
(6) Average exchange rates according to the data of the National Bank of Poland.

Significant increase of fuel consumption in Poland and Czechia (y/y)

GDP[1]
Change % (y/y)



Fuel consumption[2]
mt



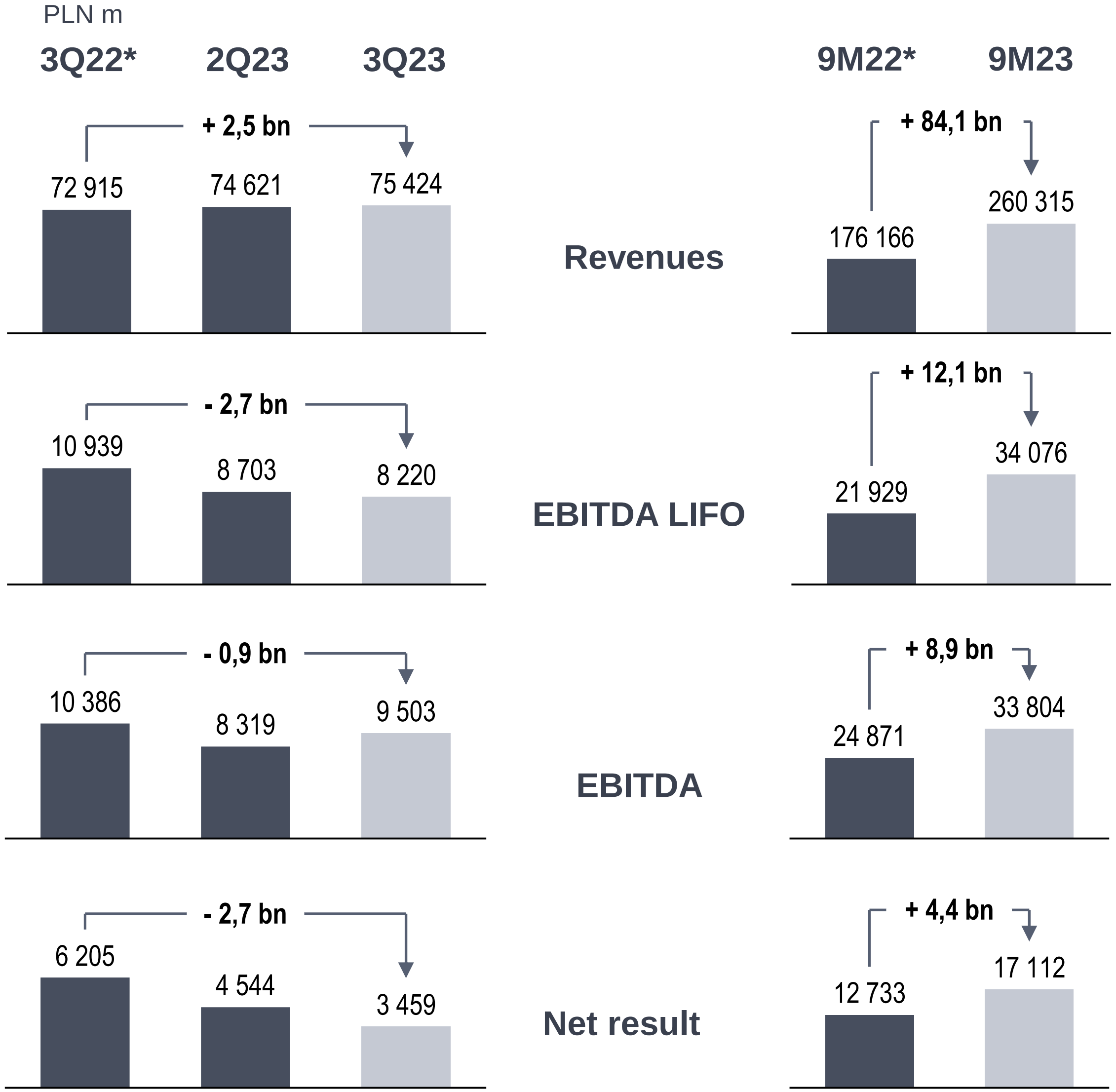
[1] 3Q23 – own estimates based on bank's projections
[2] 3Q23 – own estimates based on: Poland (ARE), Lithuania (Statistical Office), Czechia (Statistical Office), Germany (Association of Petroleum Industry), Slovakia and Hungary (Eurostat)

03

Financial and operating results

Financial results

PLN ~ 75 bn of revenues



Revenues: increase by 3% (y/y) due to higher sales volumes and higher quotations of refining products at lower quotations of petchem products and hydrocarbons.

EBITDA LIFO: decrease by PLN (-) 2,7 bn (y/y) due to negative impact of lower volumes effect, lower differential, lower trade margins, lower petchem margins, hedging, strengthening PLN/USD, lower fuel margins in retail, lower margins in upstream as well as higher overheads and labour costs.

Abovementioned effects were limited by positive impact of consolidation of PGNiG Group results, higher refining margins, higher non-fuel margins in retail, lower provisions for CO2 emissions as well as usage of historical inventory layers.

LIFO effect: PLN 1,3 bn impact of changes in crude oil prices on inventory valuation.

Financial result: PLN (-) 0,6 bn as a result of negative impact of net FX differences at positive impact of net interests.

Net result: PLN 3,5 bn of net profit.

Operational results before impairment of assets: 3Q22 PLN (-) 53 m / 2Q23 PLN (-) 77 m / 3Q23 PLN (-) 1086 m / 9M22 PLN (-) 2940 m / 9M23 PLN (-) 1692 m

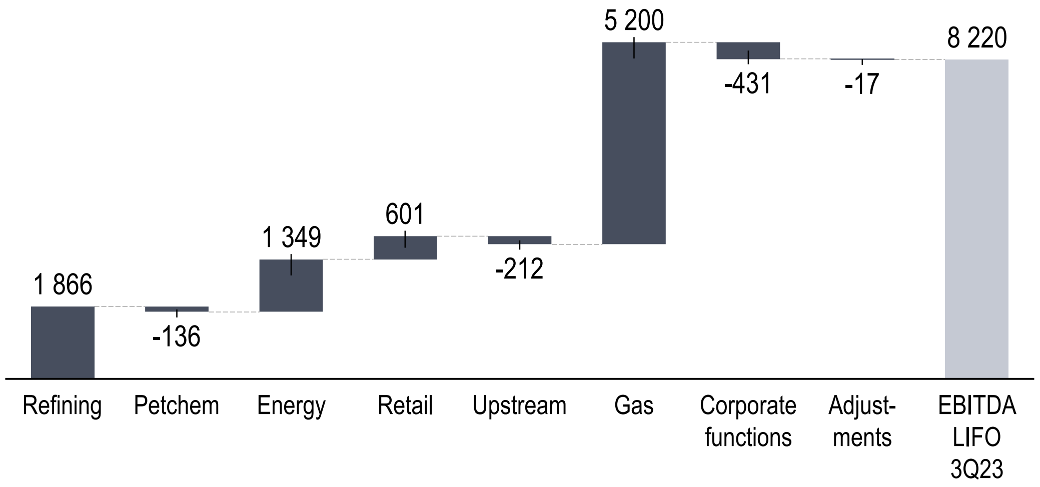
* Operational results for 3Q22 and 9M22 do not include profit on bargain purchase of Lotos Group in the amount of PLN 8546 m recognised in 3Q22

EBITDA LIFO

PLN 4,8 bn of positive impact of consolidation of PGNiG Group results

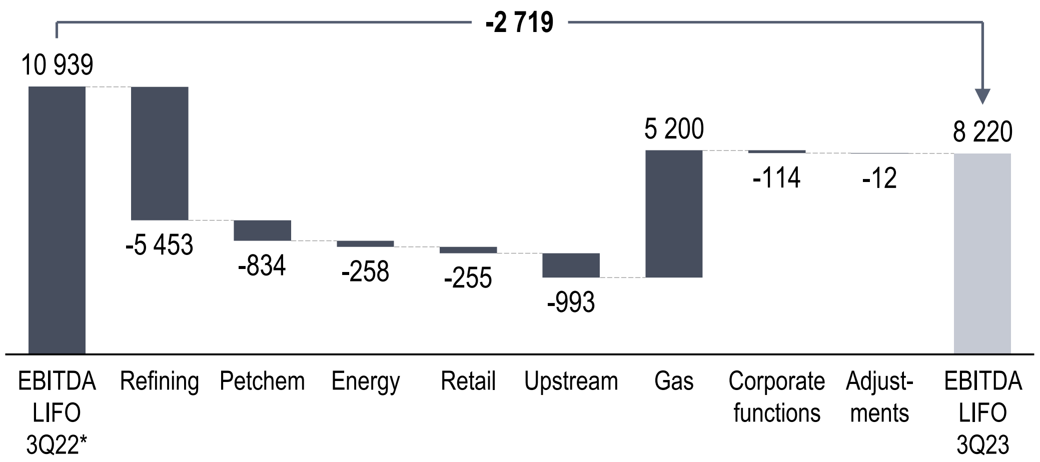
Segments' results

PLN m



Change in segments' results (y/y)

PLN m



Refining: lower by PLN (-) 5,5 bn (y/y) due to negative macro impact, lower sales volumes, lower result of Lotos Group, lower trade margins as well as higher overheads and labour costs at positive impact of usage of historical inventory layers.

Petchem: lower by PLN (-) 0,8 bn (y/y) due to negative impact of macro, lower sales volumes and lower trade margins.

Energy: lower by PLN (-) 0,3 bn (y/y) as a result of negative impact of macro, negative impact of payments to the Price Difference Payment Fund and provision created in ENERGA Group due to one-off reduction in electricity bills for households at positive impact of consolidation of PGNiG Group results.

Retail: lower by PLN (-) 0,3 bn (y/y) as a result of negative impact of lower fuel margins and higher costs of running fuel stations at positive impact of higher sales volumes and higher non-fuel margins.

Upstream: lower by PLN (-) 1,0 bn (y/y) due to negative macro impact, lower sales volumes, negative impact of write-off for the Price Difference Payment Fund and higher labour costs at positive impact of consolidation of PGNiG Group results.

Gas: higher by PLN 5,2 bn (y/y) as a result of positive impact of consolidation of PGNiG Group results.

Corporate functions: higher costs by PLN 0,1 bn (y/y) due to increase in the scale of ORLEN Group's operations.

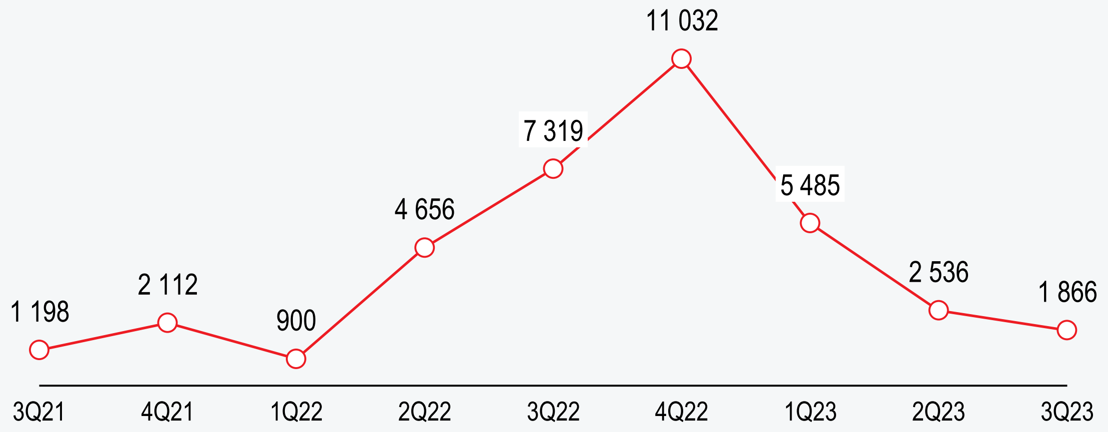
Operational results before impairment of assets: 3Q22 PLN (-) 53 m / 2Q23 PLN (-) 77 m / 3Q23 PLN (-) 1086 m / 9M22 PLN (-) 2940 m / 9M23 PLN (-) 1692 m
* Operational results do not include profit on bargain purchase of Lotos Group in the amount of PLN 8546 m recognised in 3Q22

Refining – EBITDA LIFO

Negative impact of macro, lower volumes effect, lower result of Lotos Group and higher costs (y/y)

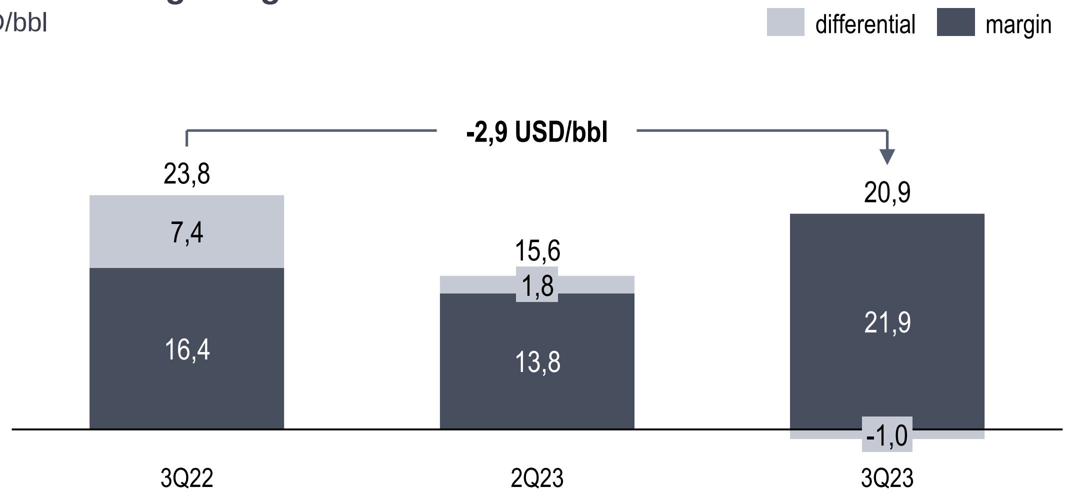
EBITDA LIFO

PLN m



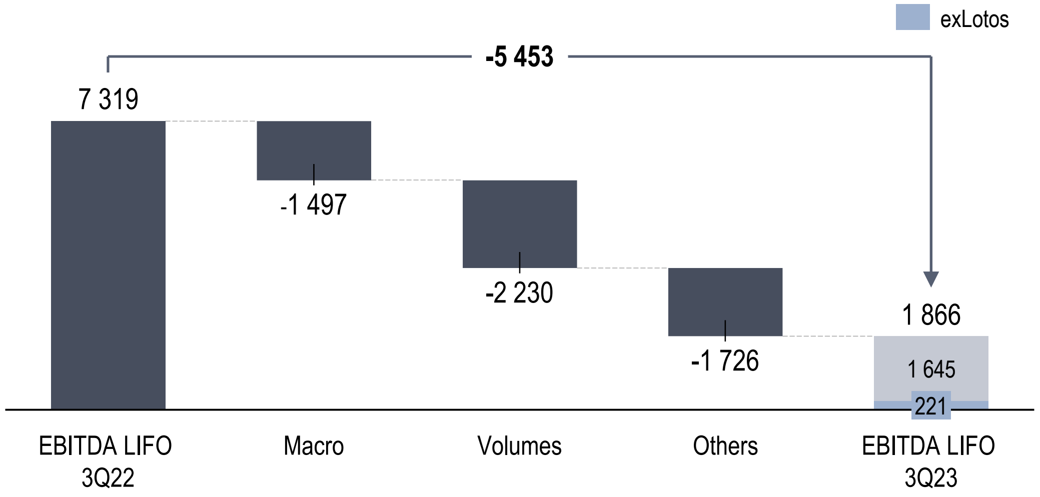
Model refining margin and differential

USD/bbl



EBITDA LIFO – impact of factors

PLN m



- Positive EBITDA LIFO of all refineries in 3Q23.
- Negative macro impact (y/y) as a result of significantly lower differential by (-) 8,4 USD/bbl (y/y) due to changes in the structure of processed crudes, negative impact of hedging and strengthening of PLN vs USD. The above effects were limited by positive impact of higher refining margins, lower costs of CO_2 provision and the positive impact of the valuation of CO_2 contracts.
- Negative volume effect (y/y) due to decrease in sales volumes in Poland by (-) 7%, in the Czech Republic by (-) 18% and in Lithuania by (-) 37% as well as changes in the structure of processed crude oils, i.e. limitation of REBCO processing and replacing it with more expensive grades of crude oil.

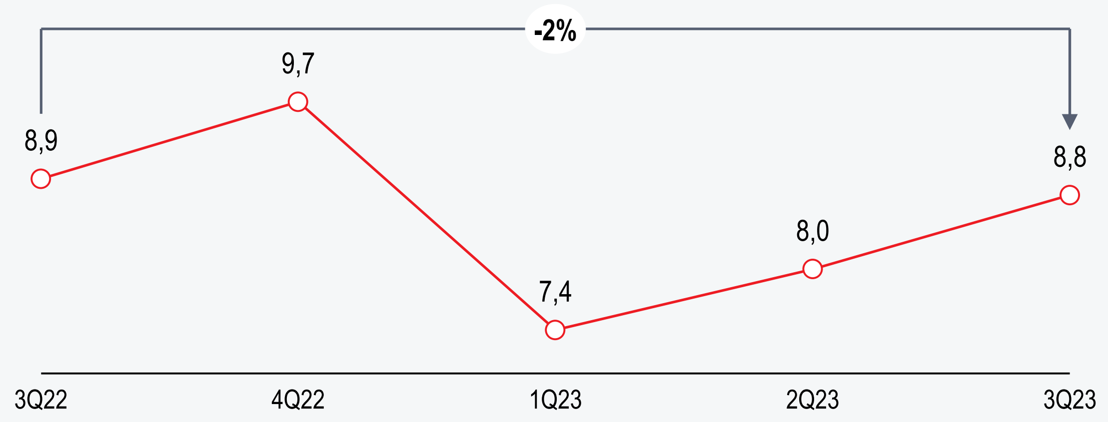
  In Poland, there is a visible negative impact of maintenance shutdowns (Hydrocracking / FCC II / H-Oil / Hydrogen Plant) on higher share of heavy fractions in the sales structure.
- Others include negative impact of lower result of Lotos Group by PLN (-) 0,8 bn (y/y), lower trade margins and higher overheads and labour costs at positive impact of usage of historical inventory layers.

Operational results before impairment of assets: 3Q22 PLN (-) 3 m / 3Q23 PLN 0 m
Macro: margins PLN 1574 m, differential PLN (-) 1256 m, exchange rate PLN (-) 424 m, hedging PLN (-) 1557 m, valuation of CO_2 contracts PLN 97 m, CO_2 provision PLN 69 m

Refining – operational data

Lower throughput due to bigger scope of maintenance shutdowns in Płock refinery (y/y)

Sales volumes
mt

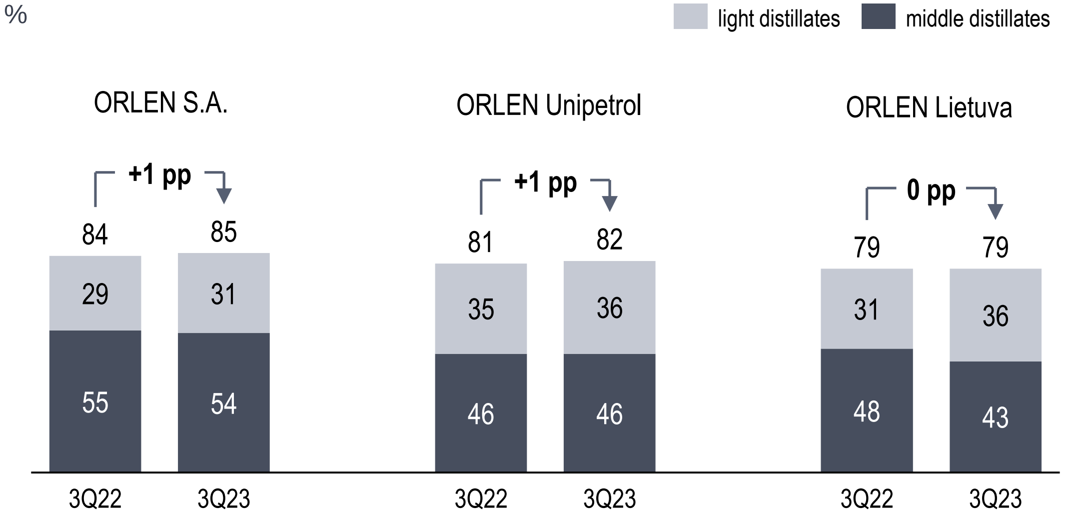


Crude oil throughput and utilization ratio
mt, %

Throughput (mt)	3Q22	2Q23	3Q23	Δ (y/y)
ORLEN S.A.	6,0	5,3	5,5	-0,5
ORLEN Unipetrol	2,0	1,9	2,0	0,0
ORLEN Lietuva	2,4	2,3	2,4	0,0
ORLEN Group	10,4	9,5	10,0	-0,4

Utilization (%)	3Q22	2Q23	3Q23	Δ (y/y)
ORLEN S.A.	102%	89%	93%	-9 pp
ORLEN Unipetrol	93%	87%	91%	-2 pp
ORLEN Lietuva	91%	89%	95%	4 pp
ORLEN Group	98%	90%	94%	-4 pp

Fuel yield
%



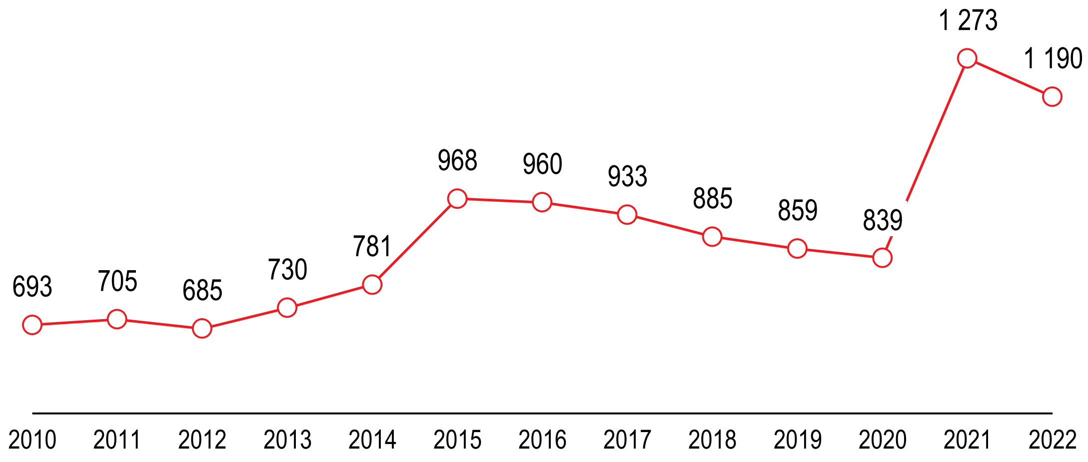
- Throughput amounted to 10,0 mt, i.e. a decrease by (-) 0.4 mt (y/y), including:
  - ORLEN S.A. – decrease in throughput by (-) 0,5 mt (y/y) due to lower throughput in Płock refinery by (-) 0,5 mt (y/y) as a result of shutdowns of installations: CDU VI, Hydrocracking, FCC II and stoppage of the H-Oil installation since September 2022 with an increase in throughput in Gdańsk refinery by 0,1 mt (y/y). Fuel yield at a comparable level (y/y).
  - ORLEN Unipetrol – comparable oil throughput and fuel yield (y/y).
  - ORLEN Lietuva – comparable oil throughput and fuel yield (y/y).

Petrochemicals – EBITDA LIFO

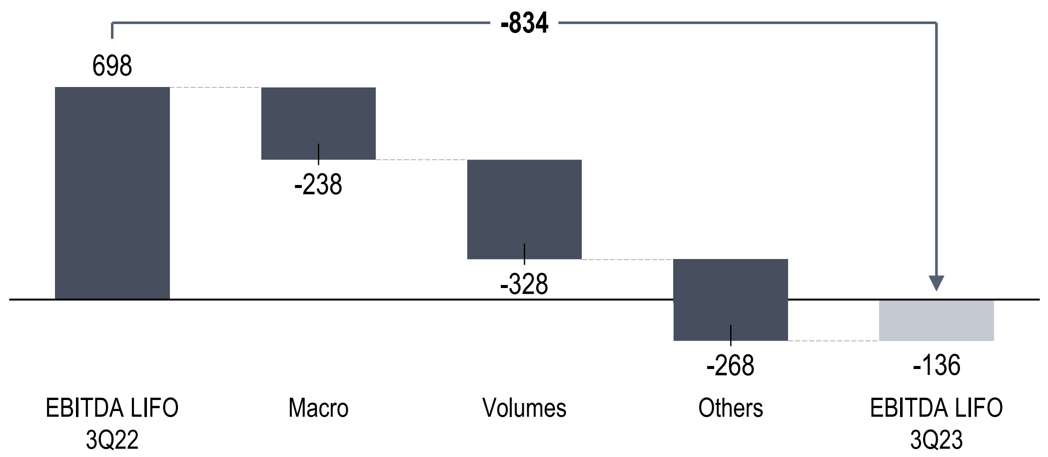
Negative impact of macro, negative volumes effect and lower trading margins (y/y)

EBITDA LIFO
PLN m

Model petrochemical margin
EUR/t



EBITDA LIFO – impact of factors
PLN m



- Negative macro impact (y/y) resulting from lower margins on olefins, polyolefins, aromatics, PVC and PTA. The above effect was limited by the positive impact of the strengthening of the EUR vs USD, higher fertilizers margins and the valuation of CO2 contracts.
- Sales volumes increase by 2% (y/y), including:
  - higher sales of fertilizers by 28% and polyolefins by 13% with lower sales of olefins by (-) 8%, PVC by (-) 25% and PTA by (-) 8%.
  - higher sales in Poland by 7% with lower sales in Czechia by (-) 4% and in Lithuania by (-) 50%.
  - the negative volumes effect results mainly from increase in natural gas consumption due to higher fertilizer production (y/y).
- Others include negative impact of lower trading margins (y/y).
- EBITDA LIFO includes:
  - PLN (-) 63 m of Anwil result; decrease of PLN (-) 158 m (y/y).
  - PLN (-) 140 m PTA result; decrease of PLN (-) 100 m (y/y).

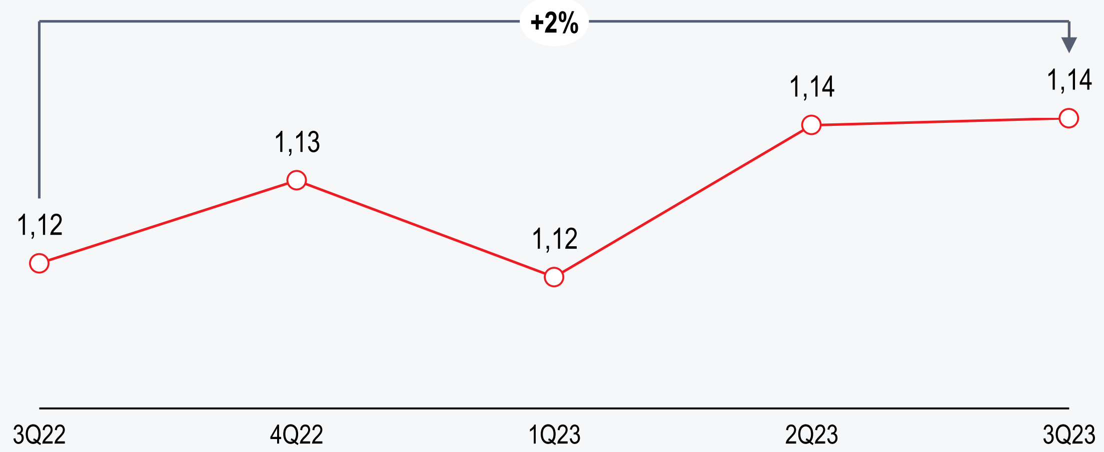
Operational results before impairment of assets: PLN 3Q22 0 m / 3Q23 PLN 0 m
Macro: margins PLN (-) 465 m, exchange rate PLN 138 m, hedging PLN 43 m, valuation of CO2 contracts PLN 84 m, CO2 provision PLN (-) 38 m

Petrochemicals – operational data

Increase in sales volumes by 2% (y/y). Utilization ratio adjusted to the demand.

Sales volumes

mt



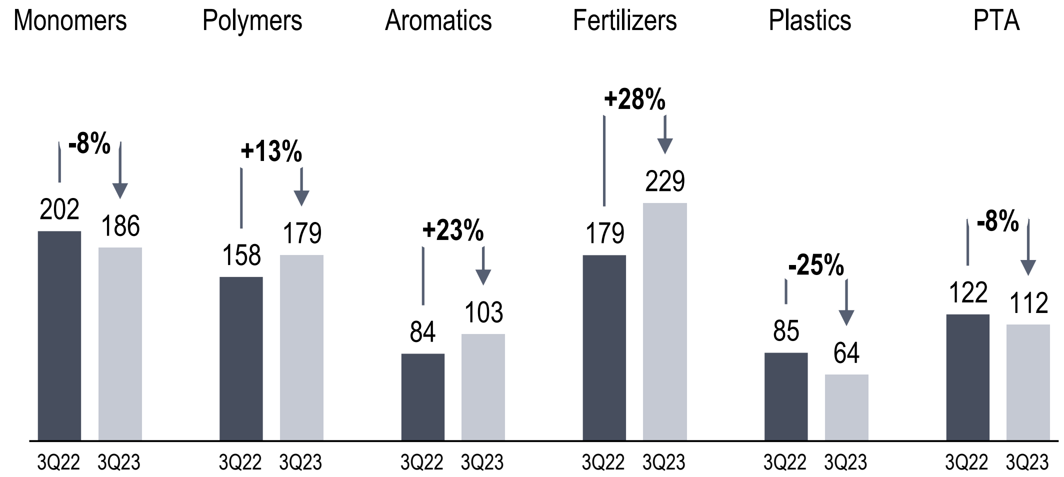
Utilization ratio

%

Petchem installations	3Q22	2Q23	3Q23	Δ (y/y)
Olefins (Płock)	72%	70%	67%	-5 pp
BOP (Płock)	64%	67%	67%	3 pp
Metathesis (Płock)	0%	18%	0%	0 pp
Fertilizers (Włocławek)	49%	60%	62%	13 pp
PVC (Włocławek)	68%	42%	61%	-7 pp
PTA (Włocławek)	65%	51%	65%	0 pp
Olefins (ORLEN Unipetrol)	73%	49%	82%	9 pp
PPF Splitter (ORLEN Lietuva)	80%	80%	82%	2 pp

Sales volumes – split by product

kt

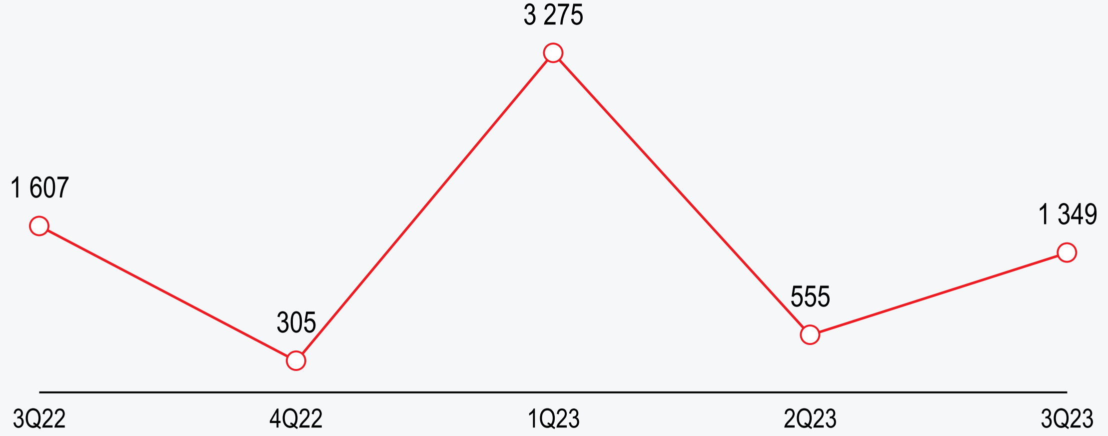


- Utilization ratio of petrochemical installations:
  - Olefins (Płock) – lower utilization (y/y) due to deficit in feedstock (CDU VI and Hydrocracking shutdowns at the Refinery).
  - BOP (Płock) – higher availability of production installations (y/y) with low demand.
  - Metathesis (Płock) – no use of the installation in 3Q22 and 3Q23 due to limited demand for the product.
  - Fertilizers – increase (y/y) resulting from lower utilization in 3Q22 resulting from high gas prices at the time and shutdown of the ammonia line in September 22.
  - PVC (Włocławek) – lower utilization (y/y) as a result of adjustment of use of the installation to market conditions.
  - PTA (Włocławek) – comparable installation utilization (y/y) resulting from low demand.
  - Olefins (ORLEN Unipetrol) – higher utilization as a result of increased availability of production installations in 3Q23.
  - PPF Splitter (ORLEN Lietuva) – slightly higher utilization (y/y).

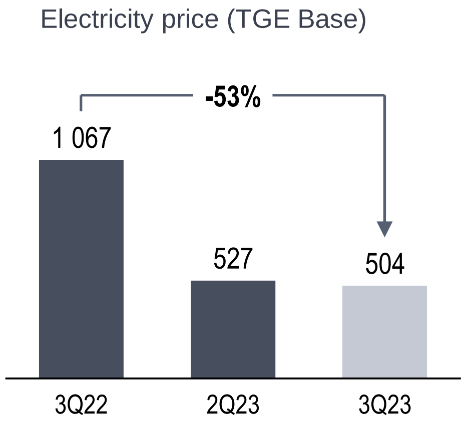
Energy – EBITDA

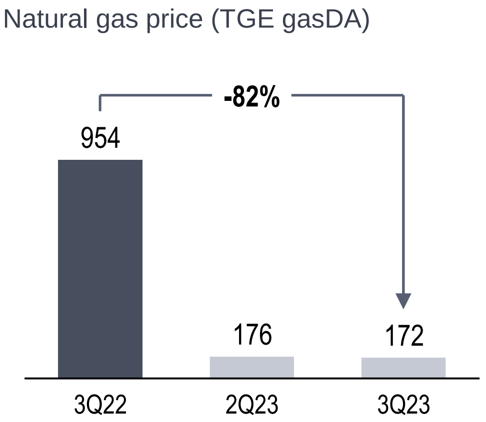
Lower margins on production and sales of electricity (y/y)

EBITDA
PLN m

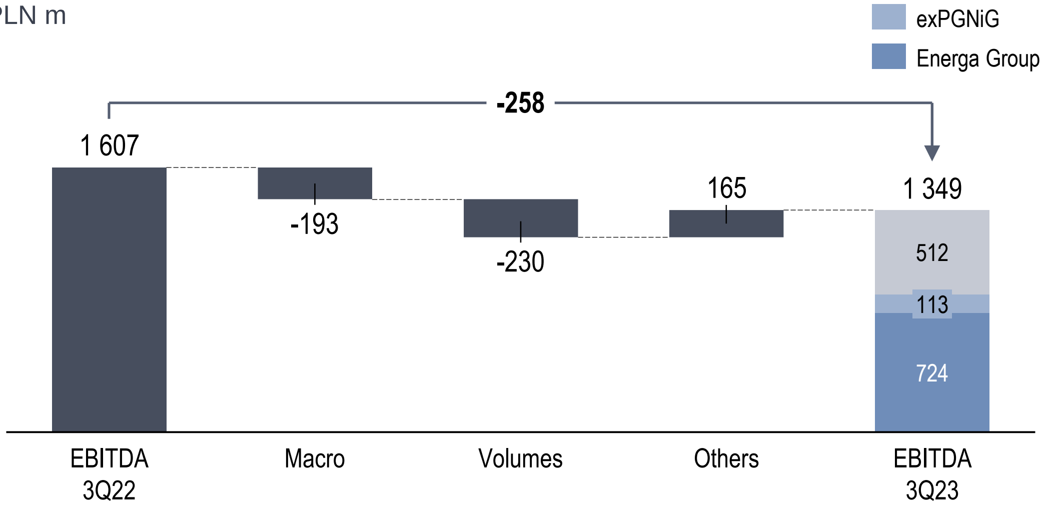


Electricity and natural gas prices
PLN/MWh





EBITDA – impact of factors
PLN m



- Negative macro impact (y/y) due to electricity price hedging in Energa Group and ORLEN S.A., lower margins on electricity production in Energa Group with higher distribution margins and lower margins on electricity sales in Energa Group as a result of the regulation on price reductions for households. Above effects were limited by positive effect of spread electricity vs. gas in ORLEN S.A. and lower costs of provisions for CO2 emissions.
- Negative volume effect (y/y) resulting from lower production, sales and distribution of electricity in Energa Group, lower production and sales of electricity in CCGT Płock (shutdown) and CHP Płock with negative impact of higher consumption of natural gas as a result of lower prices (y/y).
- Others include positive impact of consolidation of PGNiG Group results in the amount of PLN 0,1 bn and profit on the dilution of Baltic Power's shares in the amount of PLN 0,2 bn at negative impact of payments to the Price Difference Payment Fund at ORLEN S.A. and higher costs of transmission and transit fees (y/y).

- **Heating (exPGNiG):**
  - Increase of PGNiG TERMIKA's average heat selling prices due to tariff changes.

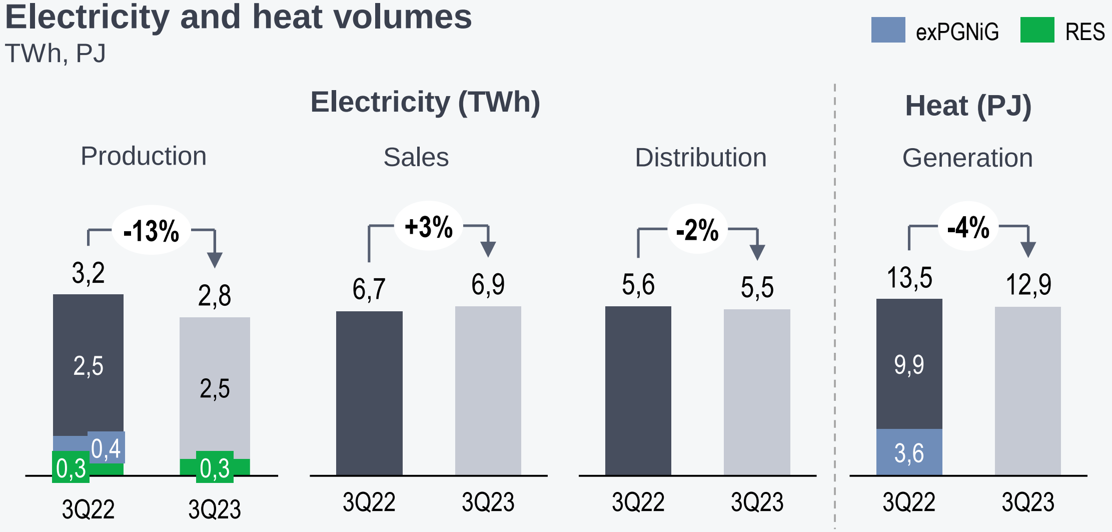
Operational results before impairments of assets: 3Q22 PLN (-) 7 m / 3Q23 PLN (-) 4 m
Macro: margins PLN (-) 34 m, exchange rate PLN (-) 4 m, hedging PLN (-) 128 m, valuation of CO2 contracts PLN (-) 128 m, CO2 provision PLN 101 m

Energy – operational data

60% of electricity production from zero and low emission sources

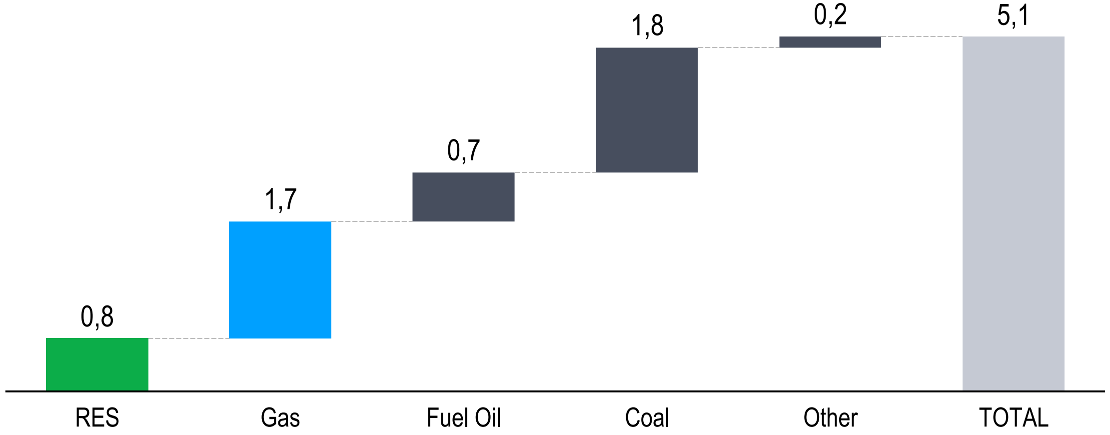
Electricity and heat volumes

TWh, PJ



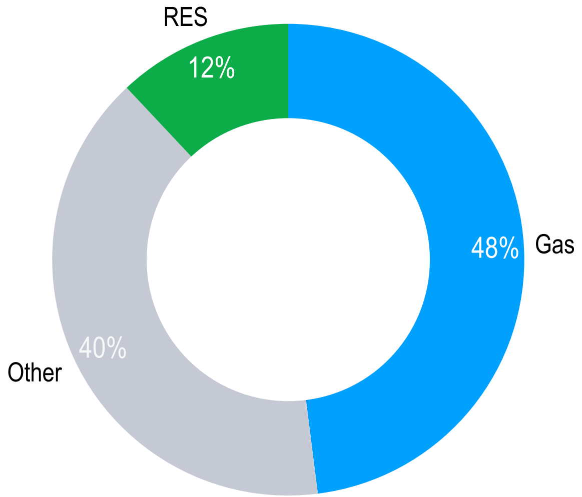
Installed capacity

GWe



Electricity production by type of sources

%



- Installed capacity: 5,1 GWe (electricity) / 13,4 GWt (heat).
- Production: 2,8 TWh (electricity) / 12,9 PJ (heat).

Electricity

- Decrease in production by (-) 13% (y/y) as a result of the planned shutdown of CCGT Płock and lower production at the Ostrołęka power plant.
- Increase in sales by 3% (y/y) due to higher volumes traded on the wholesale market of the new trading company ORLEN Energia.

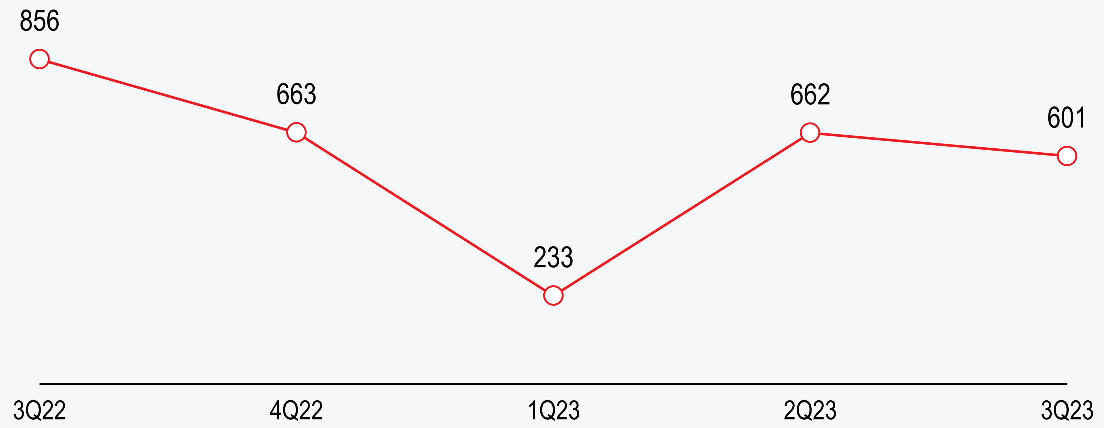
Heat:

- Heat sales decreased by (-) 4% (y/y) as a result of higher quarterly average temperature by 1,2°C (y/y).

Retail – EBITDA

Decrease in fuel margins and higher operating costs of fuel stations (y/y)

EBITDA
PLN m



Alternative fuel stations
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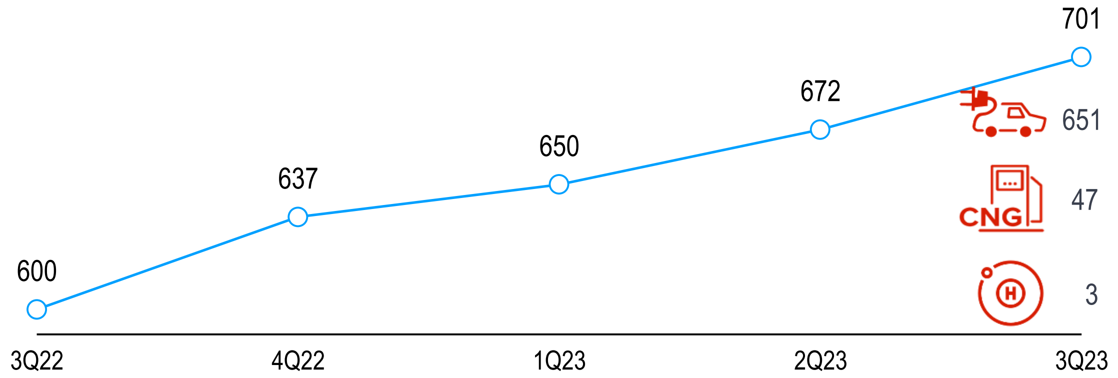
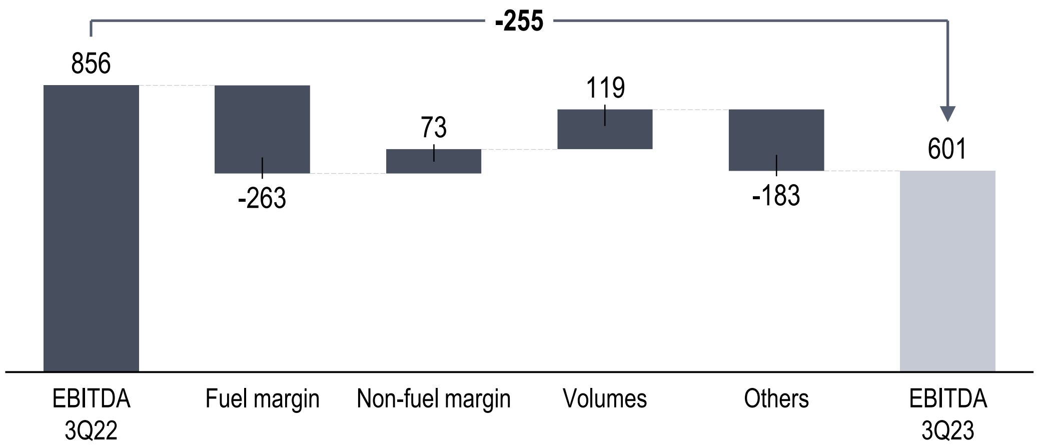


EBITDA – impact of factors
PLN m



- Decrease in fuel margin (y/y) in all markets.
- Increase in non-fuel margin (y/y) in all markets.
- Higher by 10% (y/y) sales volumes, of which:
  - higher sales of gasoline by 9%, diesel by 12% and LPG by 4%.
  - higher sales in Poland by 9%, Czechia by 61% and Lithuania by 6% at lower sales in Germany by (-) 4%.
- 3153 fuel stations; increase by 255 (y/y).
- 2596 non-fuel stations; increase by 273 (y/y).
- 701 alternative fuel stations; increase by 101 (y/y).
- 9609 „ORLEN Paczka" locations in Poland; increase by 2226 (y/y).
- Others include higher operating costs of fuel stations (y/y).

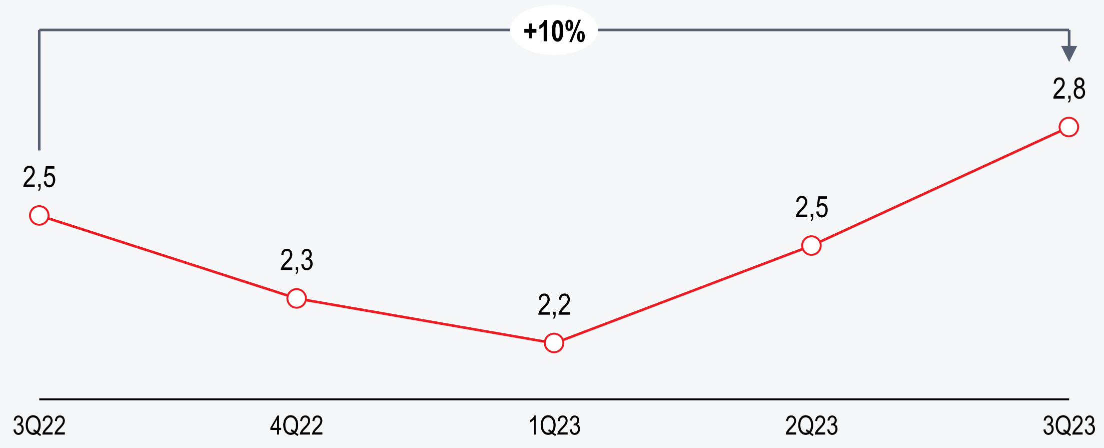
Operational results before impairment of assets: 3Q22 PLN (-) 1 m / 3Q23 PLN (-) 3 m

Retail – operational data

Increase in the number of fuel stations, non-fuel locations and alternative fuel stations (y/y)

Sales volumes

mt



Number of fuel stations and market shares

#, %

	# stations	(y/y)	% market	(y/y)
Poland	1 915	90	33,9	0,4 pp
Germany	606	19	6,0	- 0,1 pp
Czechia	434	4	25,7	3,7 pp
Lithuania	30	1	4,1	0,2 pp
Slovakia	90	63	3,6	2,1 pp
Hungary*	78	78	2,4	2,4 pp

Non-fuel locations

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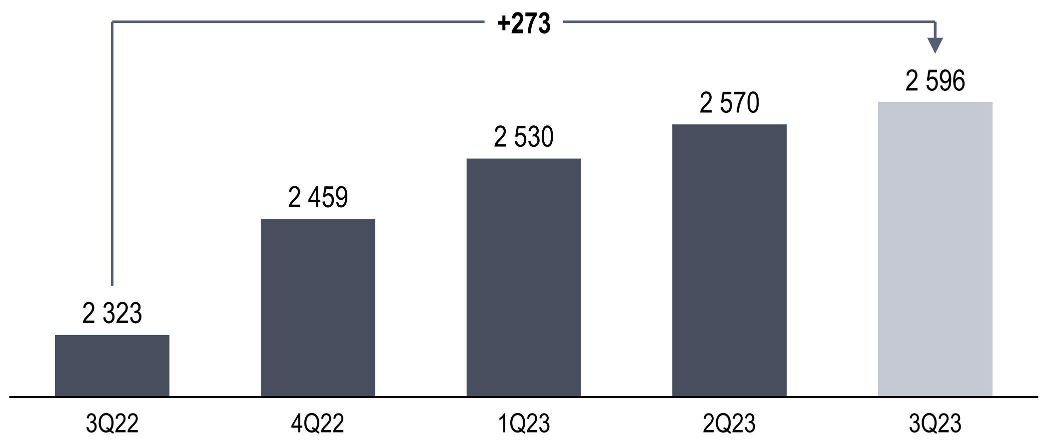


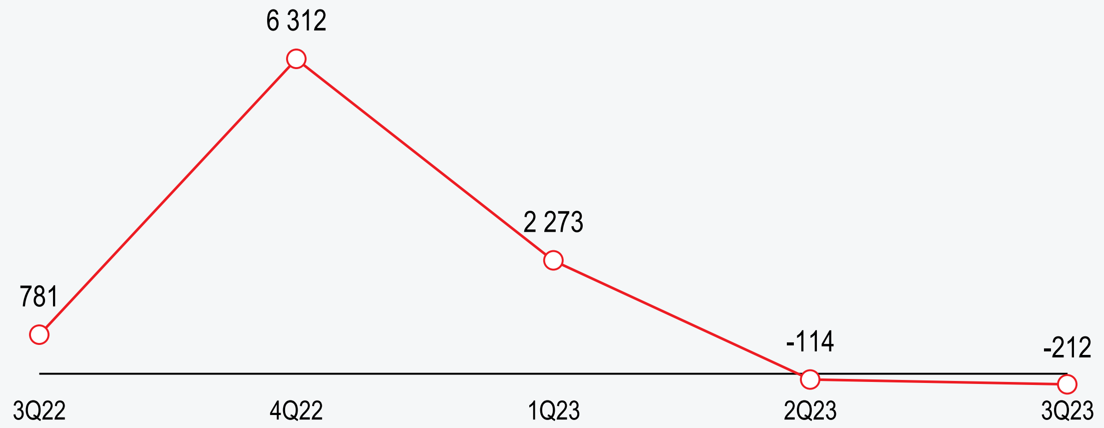
- 3153 fuel stations, i.e. an increase by 255 (y/y), of which: in Poland, Hungary and Slovakia as a result of the implementation of remedies related to the merger with Lotos Group, additionally in Slovakia due to launch and rebranding of self-service fuel stations acquired from the local network and in Germany due to launch of self-service fuel stations acquired from OMV. European Commission's approval for acquisition of 266 fuel stations in Austria.
- Market share increase in Poland, Czechia, Slovakia and Hungary (y/y).
- 2596 non-fuel locations, of which: 1912 in Poland (incl. 48 ORLEN w ruchu), 342 in Czechia, 190 in Germany, 30 in Lithuania, 49 in Slovakia and 72 in Hungary.
- 701 alternative fuel stations, including: 532 in Poland, 142 in Czechia, 18 in Germany and 9 in Hungary.
- 9609 „ORLEN Paczka” locations in Poland, of which: 1079 ORLEN stations, 608 RUCH kiosks, 4387 partner points, 3535 parcel machines.

* Targeted 144 fuel stations in Hungary. ORLEN will gain over 7% market share in Hungary and will be the fourth concern on this market in terms of the number of fuel stations.

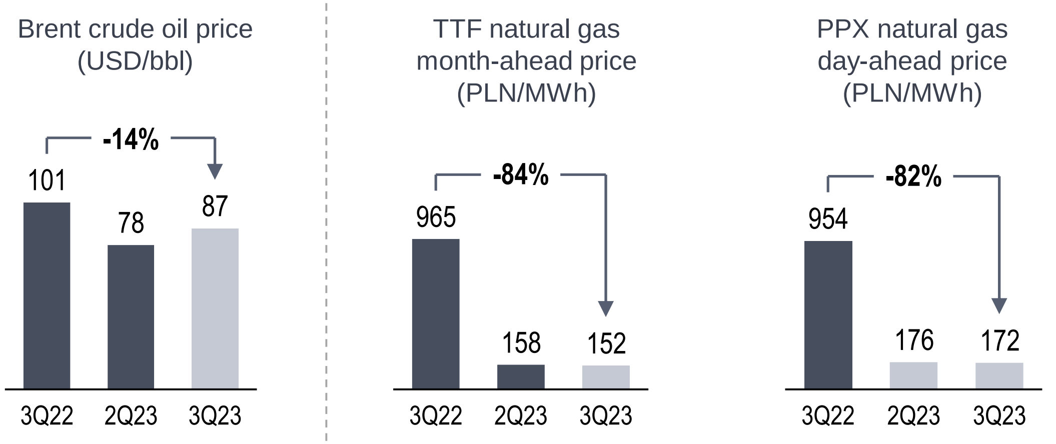
Upstream – EBITDA

Negative effect of lower hydrocarbons prices (y/y) and write-down on the Price Difference Payment Fund

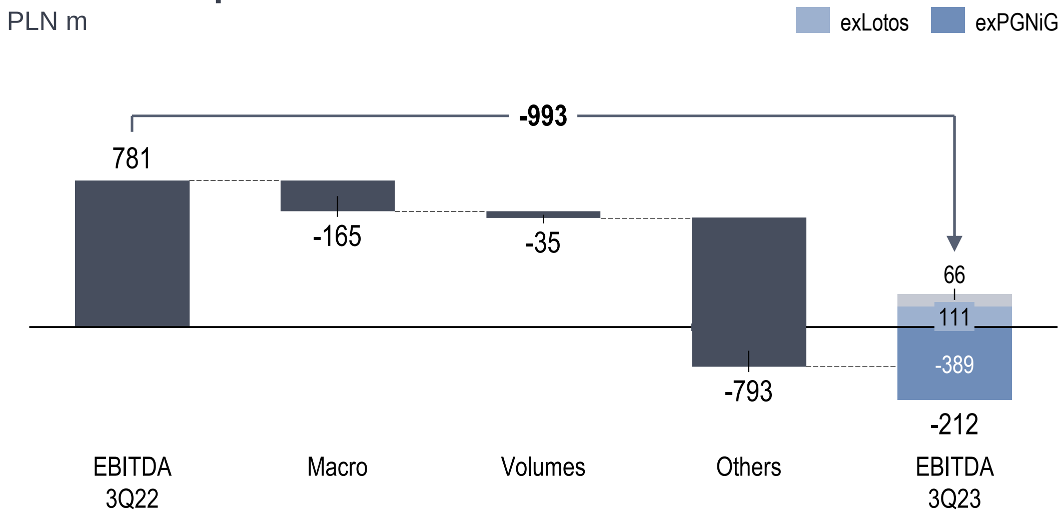
EBITDA
PLN m



Oil & natural gas prices
USD/bbl, PLN/MWh



EBITDA – impact of factors
PLN m



- Decrease in oil and gas prices (y/y).
- The average price of gas transferred to Gas segment was PLN 169/MWh.
- Increase in average gas production by 100,8 kboe/d (y/y); decrease by (-) 1,9 kboe/d (q/q).
- Increase in average crude oil and NGL production by 23,9 kboe/d (y/y); decrease by (-) 7,1 kboe/d (q/q).
- Increase in total average production by 124,8 kboe/d (y/y) at decrease by (-) 9,0 kboe/d (q/q), of which:
  - lower production in Poland by (-) 6,1 kboe/d (q/q), in Norway by (-) 1,4 kboe/d (q/q) and in Canada by (-) 1,4 kboe/d (q/q) and comparable level of production in Pakistan and Lithuania (q/q).
- Others include negative impact of consolidation of PGNiG Group results of PLN (-) 0,4 bn, including gas write-down on the Price Difference Payment Fund in the amount of PLN (-) 3,0 bn and higher labour costs (y/y).

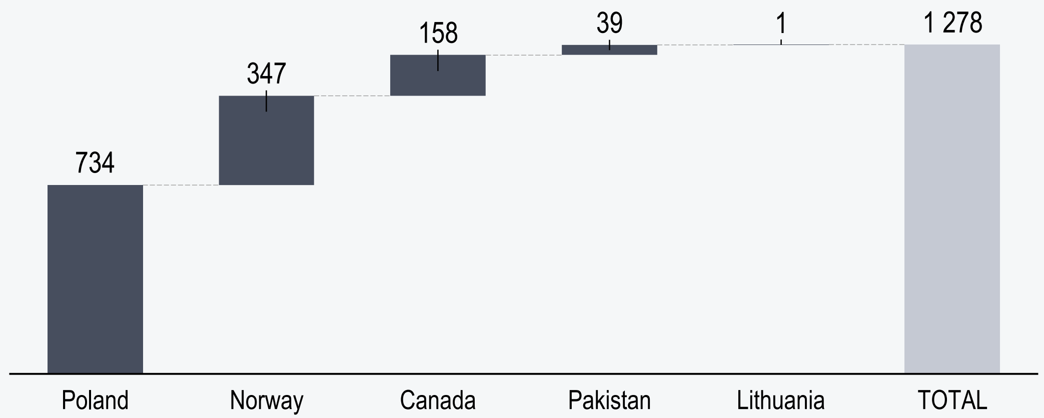
Operational results before impairments of assets: 3Q22 PLN (-) 40 m / 3Q23 PLN (-) 12 m
Macro: margins PLN (-) 138 m, hedging PLN (-) 27 m

Upstream – operational data

Higher average hydrocarbon production (y/y) as a result of Lotos Group and PGNiG Group assets consolidation

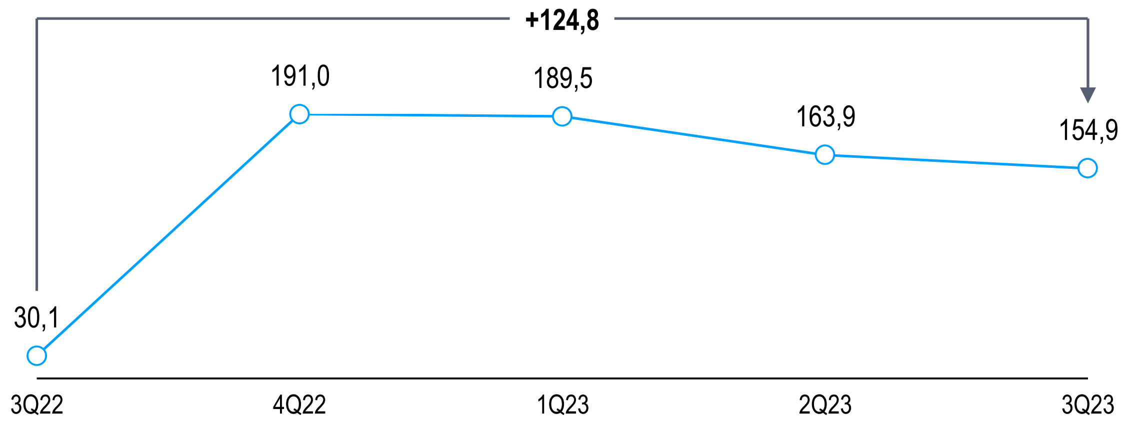
Crude oil and natural gas reserves (2P)*

m boe



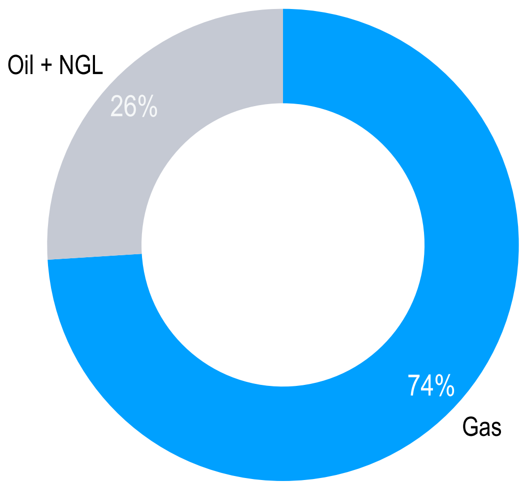
Average production

kboe/d



Average production – share of hydrocarbons

%



Poland
2P reserves*: 733,6 m boe (19% oil / 81% gas)
Average production: 68,7 kboe/d
(21% oil / 79% gas)

Norway
2P reserves*: 346,6 m boe (30% oil / 70% gas)
Average production: 66,9 kboe/d
(29% oil / 71% gas)

Canada
2P reserves*: 158,0 m boe (58% oil + NGL / 42% gas)
Average production: 14,0 kboe/d
(49% oil + NGL / 51% gas)

Pakistan
2P reserves*: 38,7 m boe (100% gas)
Average production: 5,1 kboe/d
(100% gas)

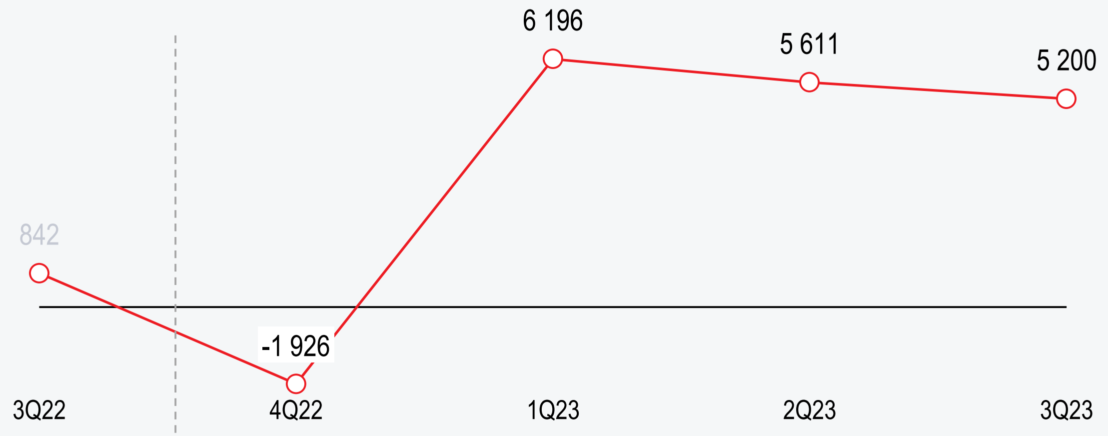
Lithuania
2P reserves*: 1,3 m boe (100% oil)
Average production: 0,3 kboe/d
(100% oil)

* As at 31.12.2022; presented data do not include production of hydrocarbons in 2023.

Gas (trade and storage + distribution) – EBITDA

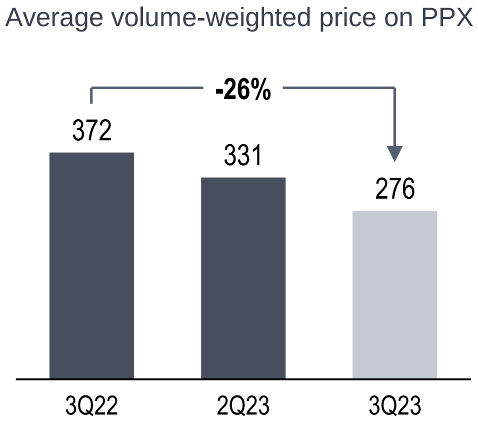
Positive impact of consolidation of PGNiG Group results

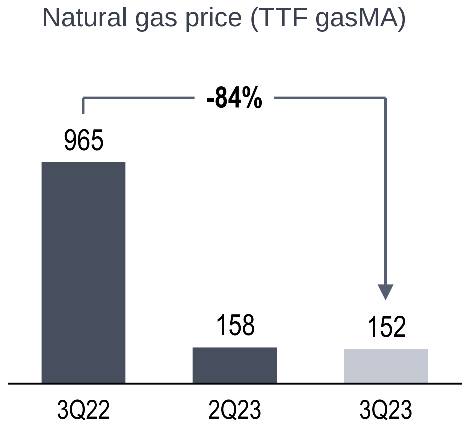
EBITDA
PLN m



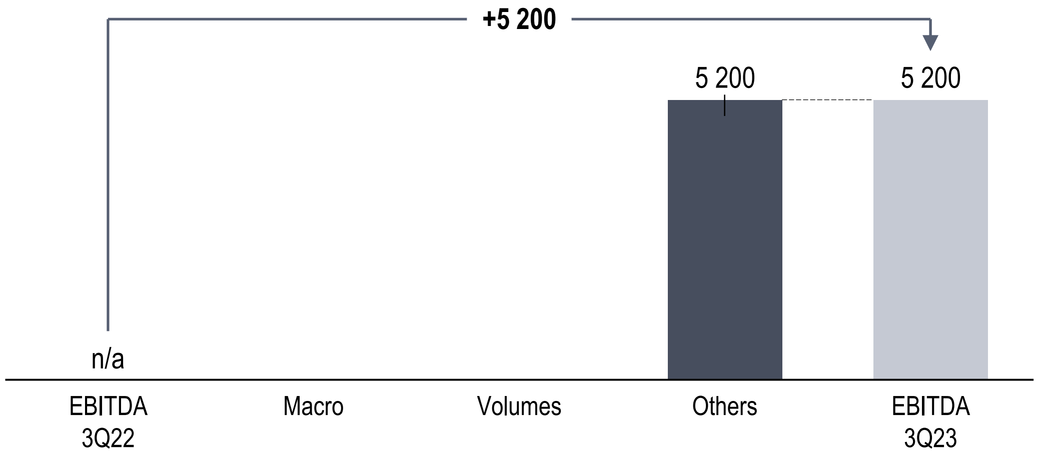
Creation of Gas segment due to consolidation of acquired PGNiG Group since November 2022

Natural gas prices
PLN/MWh





EBITDA – impact of factors
PLN m



- EBITDA (trade and storage) of PLN 4,8 bn.
- EBITDA (distribution) of PLN 0,4 bn.
- Decrease in average price of volume-weighted contracts on PPX by (-) 26% (y/y).
- Lower costs of gas (y/y) in the segment as a result of falling prices on the spot market and in monthly contracts.
- Price for households and protected customers: PLN 517/MWh (17.01-30.09.).
- Price reductions for business in the quarter by (-) 31%: PLN 355/MWh (1-31.04.), PLN 302/MWh (1-31.05.), PLN 293/MWh (1-30.06.), PLN 240/MWh (1.07-31.08), PLN 201/MWh (1-30.09).
- Others include positive impact of consolidation of PGNiG Group results in the amount of PLN 5,2 bn including received compensation by PGNiG Obrót Detaliczny from the Price Difference Payment Fund in the amount of PLN 1,5 bn.

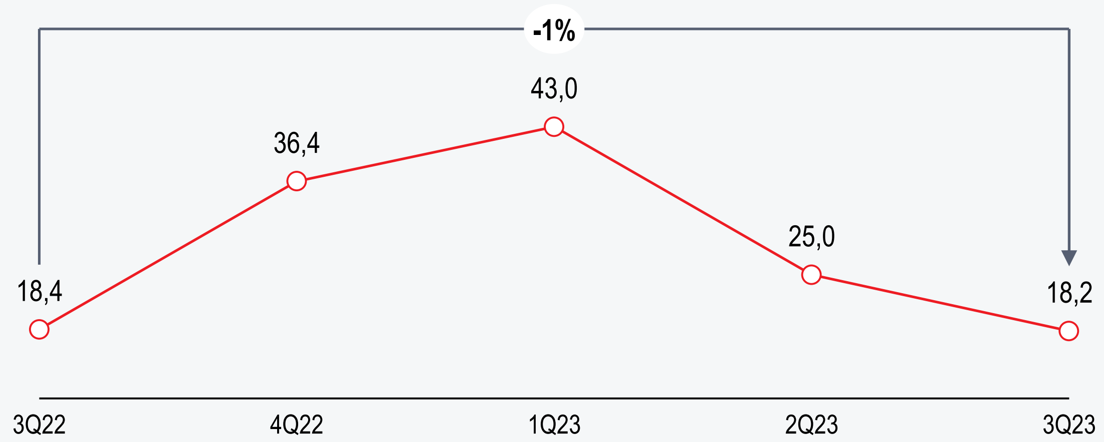
Operational results before impairments of assets: 3Q22 n/a / 2Q23 PLN (-) 1067 m

Gas (trade and storage + distribution) – operational data

Decrease in sales volumes as a result of higher intra-group sales (y/y)

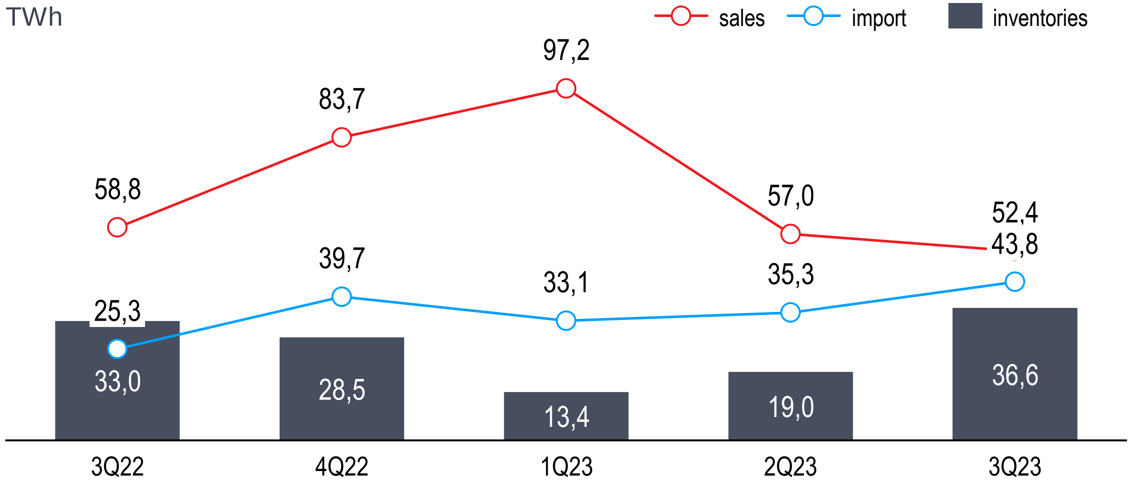
Volumes of distributed gas

TWh



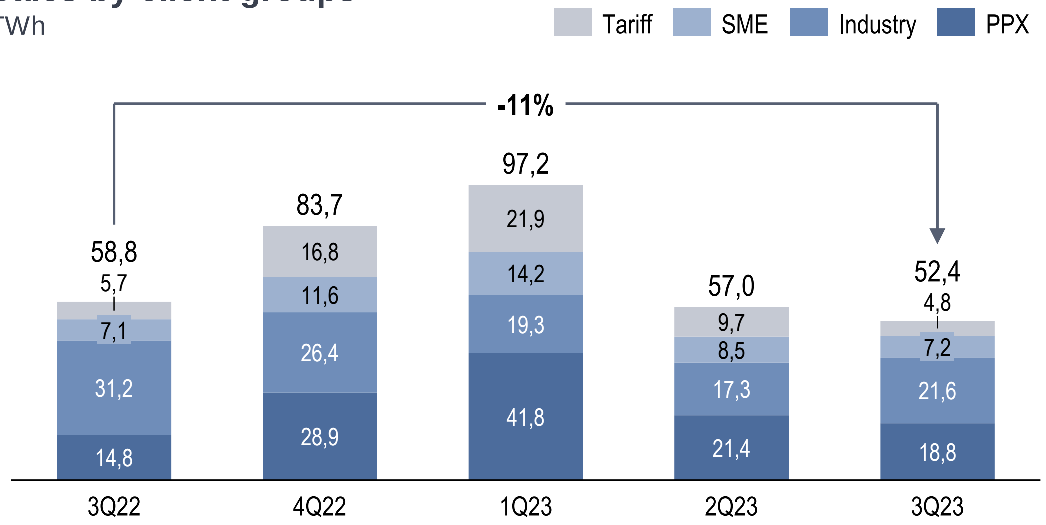
Gas sales volumes, inventory levels and imports

TWh



Sales by client groups

TWh



Trade and storage

- Gas imports to Poland: 43,8 TWh, of which 41% was LNG. 15 ships were unloaded at the LNG terminal in Świnoujście, including: 9 under contracts, i.e.: Qatargas (5) and Cheniere (4) along with spot deliveries (6).
- At the of 3Q23, volumes of gas stored by ORLEN Group (Poland and abroad) amounted to 36,6 TWh, whereas overall level of stored gas in the country reached 99%.
- Total gas sales outside ORLEN Group amounted to 52,4 TWh i.e. decrease by (-) 11% (y/y) as a result of consolidation of companies (intra-group sales). Internal sales in ORLEN Group amounted to 33,5 TWh.

Distribution

- Decrease in volumes of distributed gas by (-) 1% (y/y) to 18,2 TWh with higher average temperature in quarter by 1,8°C (y/y).
- Increase in average tariff distribution rates from 1 January 2023 by 21% compared to the previous tariff form 2022.

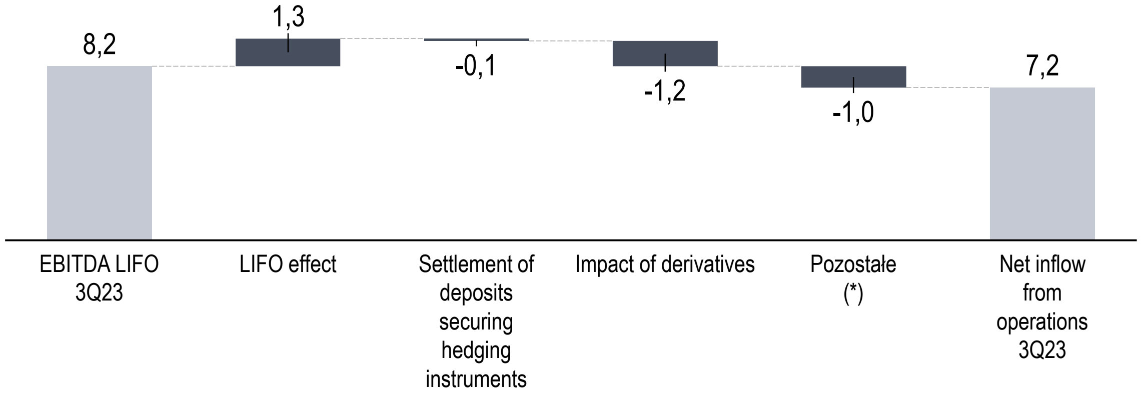
04

Financial situation

Cash flow

Cash flow from operations

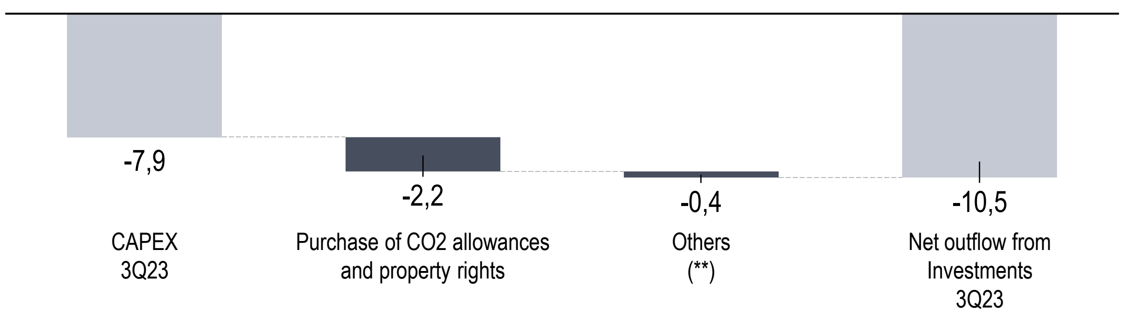
PLN bn



* mainly: income tax paid PLN (-) 1,0 bn, change in provisions PLN 1,6 bn, settlement of grants for property rights PLN (-) 1,0 bn, effect of exchange rate and interest differences adjusting operating activities PLN (-) 0,2 bn, profit from dilution of share in Baltic Power PLN (-) 0,2 bn

Cash flow from investments

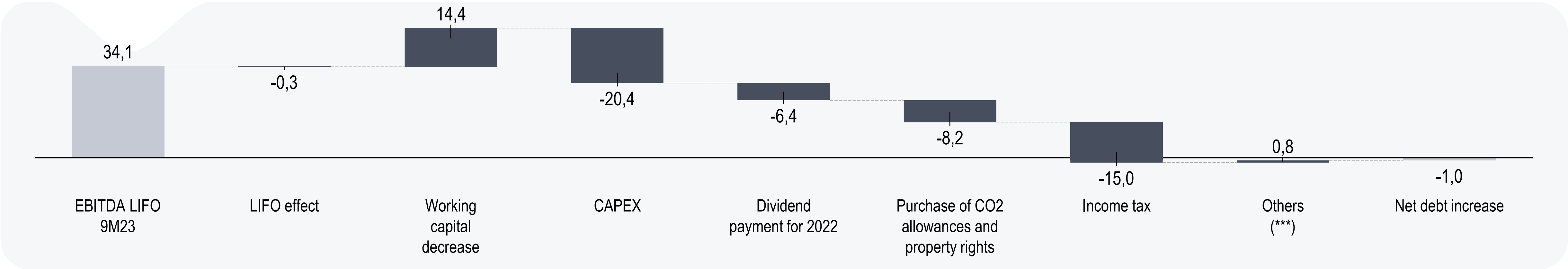
PLN bn



** mainly: change in advances and investment liabilities PLN 0,4 bn, net inflows from loans PLN (-) 0,6 bn

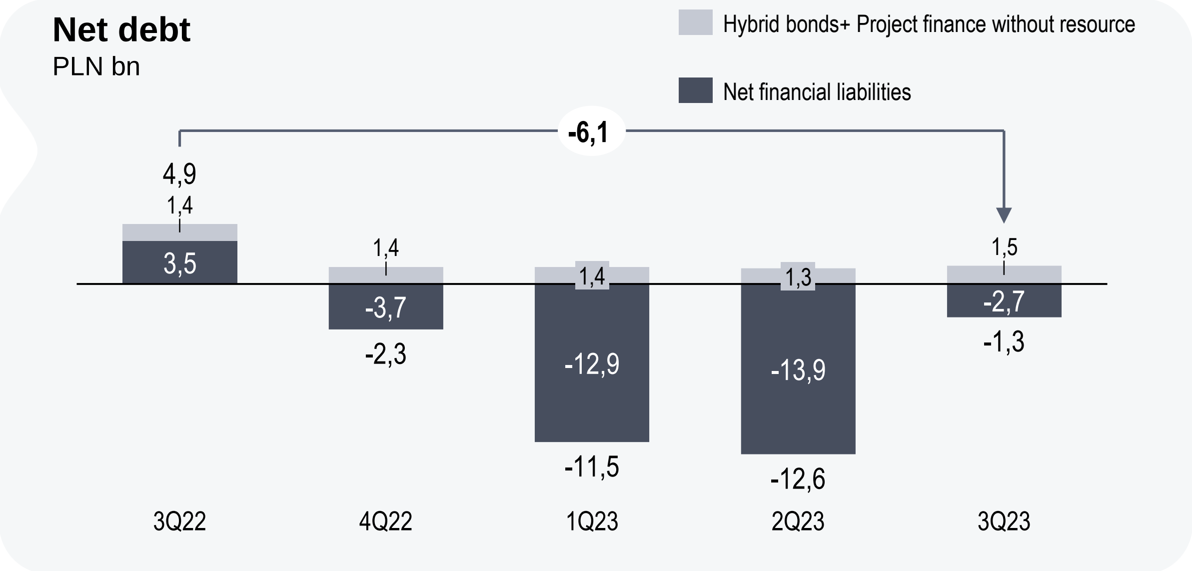
Free cash flow 9M23

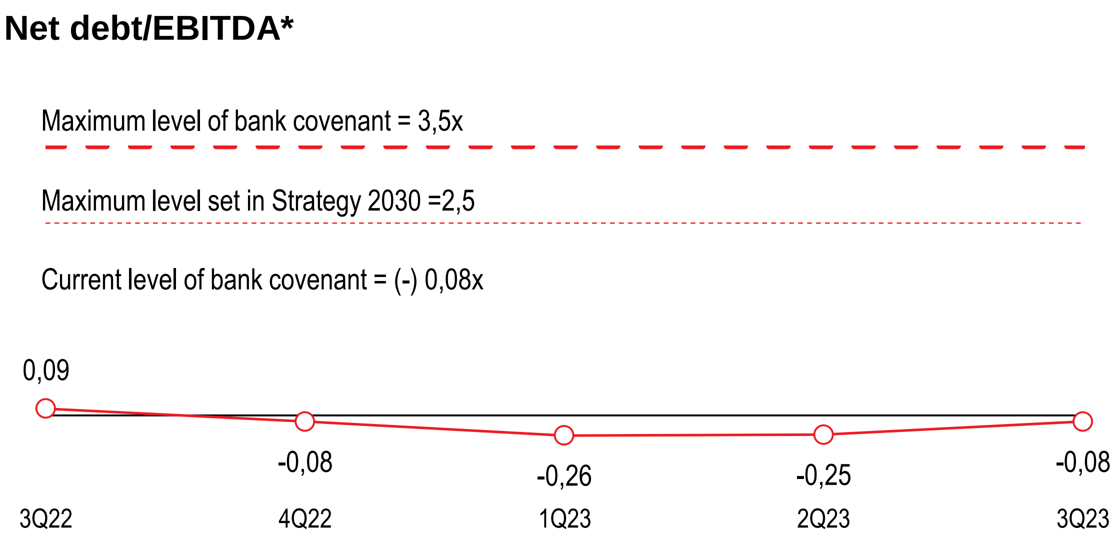
PLN bn

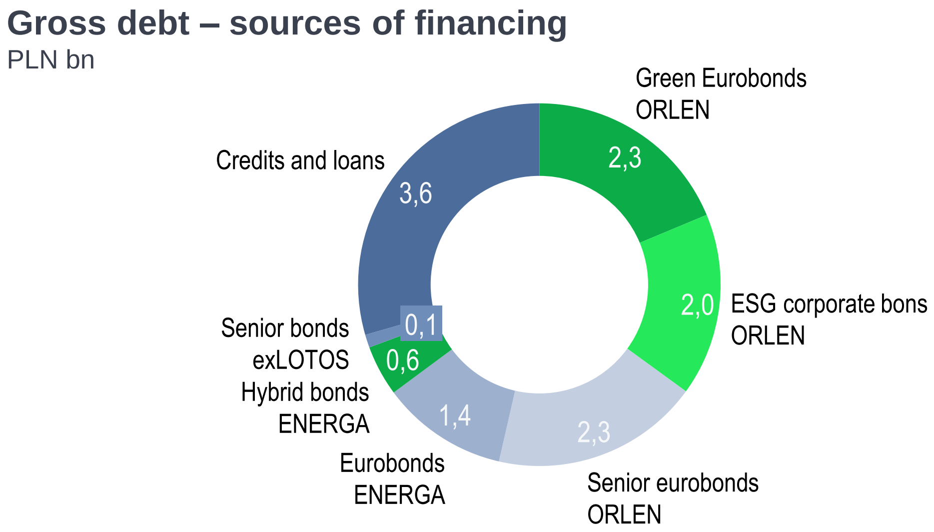


*** mainly: increase in rights-of-use assets PLN 1,6 bn, change in reserves PLN 6,2 bn, change in advances and investment liabilities PLN (-) 0,4 bn, settlement of grants for property rights PLN (-) 3,1 bn, purchase/sale of bonds PLN (-) 0,9 bn, recapitalization in joint-venture investment PLN (-) 1,1 bn, lease payments PLN (-) 1,1 bn, provision for reclamation PLN 0,3 bn, subsidies received PLN 0,1 bn, interest received PLN 0,1 bn, dividend received PLN 0,1 bn, change in liabilities from contracts with customers PLN 0,8 bn, exchange rates and interest differences adjusting operational activity and changes in cash PLN (-) 0,5 bn, changes in deferred income PLN (-) 0,2 bn, inflows from the sale of shares/stake in connection with the implementation of the Remedies PLN 0,3 bn, interest paid PLN (-) 0,8 bn, acquisition of petrochemical assets less cash PLN (-) 0,2 bn, valuation and revaluation of debt of net exchange rates differences PLN 0,2 bn, net inflows from loans PLN -0,6 bn

Debt







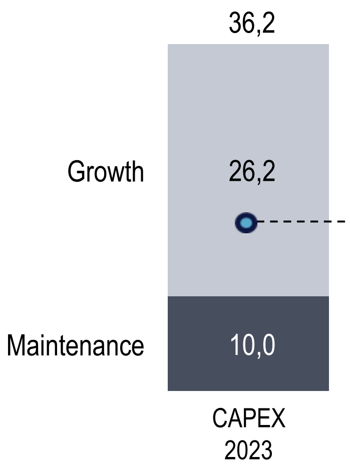
- Decrease in net debt by PLN (-) 6,1 bn (y/y), as a result, at the end of 3Q23 net debt amounted to PLN (-) 1,3 bn. Compared to the previous quarter, net debt increased by PLN by 11,4 bn as a result of net outflow from investments of PLN (-) 10,5 bn and dividend paid in the amount of PLN (-) 6,4 bn at net inflow from operations of PLN 7,2 bn.
- Gross debt currency structure: EUR 67%, PLN 31%, USD 1%, CAD 1%.
- Weighted average debt maturity: 2026.
- Investment grade: A3 stable outlook (Moody's), BBB+ stable outlook (Fitch). Moody's and Fitch Rating at the highest level in the Concern's history due to effective realization of merger processes and strong financials of ORLEN Group

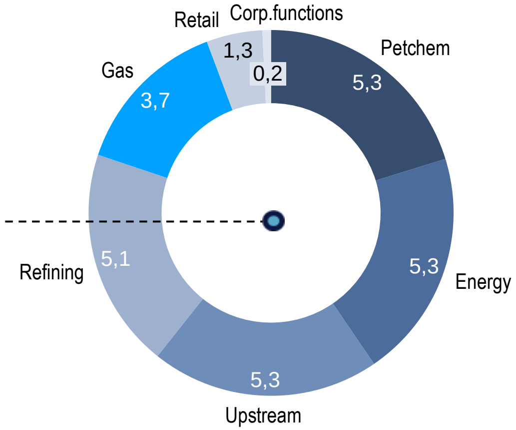
*The level of net debt adopted for the calculation of the ratio does not take into account project finance debt without recourse and hybrid bond issue

CAPEX

Planned CAPEX in 2023

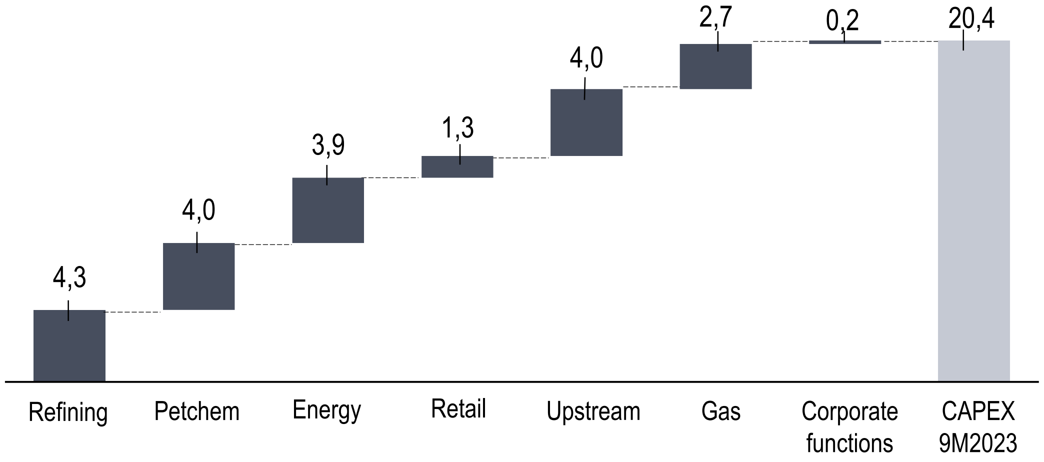
PLN bn





Realized CAPEX 9M23 – split by segment

PLN bn



CAPEX includes IFRS16 leasing.

Main growth projects in 2023

Refining

- Construction of Hydrocracking unit – Lithuania
- Construction of Bioethanol 2 Gen. unit – ORLEN Południe
- Construction of Visbreaking unit – Płock
- Construction of HVO (Hydrotreated Vegetable Oils) – Płock
- Construction of Hydrocracking Oil Block installation – Gdańsk
- Construction of sea terminal for transhipment of petroleum products on Martwa Wisła - Gdańsk

Petchem

- Expansion of olefins capacities – Płock
- Expansion of fertilizers production – Anwil

Energy

- Modernization of current assets and connection of new clients – ENERGA Group
- Construction of CCGT Ostrołęka and CCGT Grudziądz
- Construction of PV farms
- Construction project of a wind farm in the Baltic Sea

Retail

- Growth of fuel network and non-fuel sales
- Growth of alternative fuel stations network
- Automated Parcel Machines

Upstream

- PGNiG Upstream Norway and Lotos Norge projects
- ORLEN Upstream projects in Poland and Canada

Gas

- Construction and modernization of customer connections to the grid - PSG

05

Outlook

Macroeconomic environment 4Q23*

		4Q22	3Q23	4Q23	Δ (q/q)	Δ (y/y)
Brent crude oil	USD/bbl	89	87	92	6%	3%
Differential[2]	USD/bbl	6,4	-1,0	-1,6	-	-
Natural gas price TTF month-ahead	PLN/MWh	580	152	207	36%	-64%
Natural gas price TGEgasDA	PLN/MWh	474	169	195	15%	-59%
Electricity price TGeBase	PLN/MWh	750	504	397	-21%	-47%
Refining products[4] - crack margins from quotations						
Diesel	USD/t	383	243	230	-5%	-40%
Gasoline	USD/t	251	325	190	-42%	-24%
HSFO	USD/t	-311	-138	-212	-54%	32%
Petrochemical products[4] - crack margins from quotations						
Polyethylene[5]	EUR/t	487	353	360	2%	-26%
Polypropylene[5]	EUR/t	438	345	319	-8%	-27%
Ethylene	EUR/t	606	547	599	10%	-1%
Propylene	EUR/t	514	421	459	9%	-11%
PX	EUR/t	593	419	429	2%	-28%
Average exchange rates[6]						
USD/PLN	USD/PLN	4,64	4,14	4,30	4%	-7%
EUR/PLN	EUR/PLN	4,73	4,50	4,54	1%	-4%

* Data as of 20.10.2023

(2) Differential calculated on the real share of processed crude oils. Spot quotations.
(4) Margin (crack) for refining and petrochemical products (excluding polymers) calculated as difference between a quotation of given product and a quotation of Brent DTD crude oil.
(5) Margin (crack) for polymers calculated as difference between quotations of polymers and monomers
(6) Average exchange rates according to the data of the National Bank of Poland.

Market outlook for 2023

Macro

- Brent crude oil – in 2023, we expect oil prices to drop (y/y) to the level of ca. 80 USD/bbl. Currently, we are observing increased volatility of commodity prices due to the risk of conflict escalation in the Middle East, which might lead to a temporary price increase above 90 USD/bbl.
- Refining margin – in 2023, we expect refining margins to drop (y/y) to ca. 15 USD/bbl. Currently, we are observing a seasonal drop in margins. Global crude oil throughput remains at pre-pandemic levels and ongoing low inventory levels of fuels indicate that global refining capacity is struggling to meet demand. Slowing demand growth or accelerated supply growth are the main levers for easing restrictions.
- Differential – in 2023, we expect differential to fall (y/y) to ca.1,5 USD/bbl as a result of changes in the structure of processed crude oils due to reduction of Russian REBCO throughput in ORLEN Group (in Poland we do not process Russian crude oil).
- Petrochemical margin – in 2023, we expect petrochemical margins to decline by ca. (-) 20% (y/y) as a result of a decrease in demand for petrochemical products due to the economic slowdown and competitive imports.
- Natural gas – in 2023, we expect a drop in natural gas prices (y/y) to ca. 200 PLN/MWh. The volume of LNG imports to Europe has increased by leaps as a result of which the European gas market has become more of a global market and is now more dependent on external factors, like weather.
- Electricity – in 2023, we expect a decrease in electricity prices (y/y) to ca. 500 PLN/MWh.

Economy

- GDP* – Poland 0,6%, Germany (-) 0,5%, Czechia 0,2%, Lithuania (-) 0,2%, Slovakia 1,3%, Hungary (-) 0,3%.
- Decrease in total demand for fuels and petrochemical products (r/r) as a result of economic slowdown.
- Lower gas consumption (y/y) as a result of energy crisis, high feedstock prices and reductions.
- Decrease in domestic consumption of electricity (y/y).

Regulations

- EU embargo on fuel imports from Russia from 5 February 2023
- Act on special protection of certain customers consuming gas - gas write-down for the Price Difference Payment Fund in upstream of natural gas production in Poland (negative impact on the result of the Upstream segment in the amount of PLN 14 bn) and inflows from compensation in gas sales and distribution in Poland resulting from setting the maximum price below tariffs (positive impact on the result of the Gas segment).
- National Index Target – base level increase from 8,8 to 8,9% (reduced ratio for ORLEN Group is 5,8%).
- E10 – we are working on implementation of gasoline with increased bioethanol content on ORLEN stations from beginning of 2024.

* Data: IMF, World Economic Outlook, October 2023.

ORLEN

Powering the future.

Sustainably.

06

Supporting slides

Results – split by quarter

PLN m	1Q22	2Q22	3Q22	4Q22	12M22	1Q23	2Q23	3Q23	(y/y)
Revenues	45 447	57 804	72 915	101 317	277 483	110 270	74 621	75 424	2 509
EBITDA LIFO	2 786	8 204	19 485	24 659	55 134	17 153	8 703	8 220	-11 265
LIFO effect	2 174	1 321	-553	-1 845	1 097	-1 171	-384	1 283	1 836
EBITDA	4 960	9 525	18 932	22 814	56 231	15 982	8 319	9 503	-9 429
Depreciation	-1 400	-1 447	-1 549	-2 545	-6 941	-3 049	-2 872	-2 834	-1 285
EBIT LIFO	1 386	6 757	17 936	22 114	48 193	14 104	5 831	5 386	-12 550
EBIT	3 560	8 078	17 383	20 269	49 290	12 933	5 447	6 669	-10 714
Net result	2 845	3 683	14 751	14 363	35 642	9 109	4 544	3 459	-11 292

Operational results before impairment of assets: 1Q22 PLN (-) 27 m / 2Q22 PLN (-) 2860 m / 3Q22 PLN (-) 53 m / 4Q22 PLN (-) 3734 m / 12M22 PLN (-) 6674 m / 1Q23 PLN (-) 529 m / 2Q23 PLN (-) 77 m / 3Q23 PLN (-) 1086 m

EBITDA LIFO – split by segment

PLN m	1Q22	2Q22	3Q22	4Q22	12M22	1Q23	2Q23	3Q23	(y/y)
Refining, incl:	**900**	**4 656**	**7 319**	**11 032**	**23 907**	**5 485**	**2 536**	**1 866**	**-5 453**
NRV	-30	26	-27	8	-23	-59	-121	-69	-42
hedging	-1 913	-2 558	729	-59	-3 801	365	51	-806	-1 535
valuation of CO2 contracts	-568	21	-175	125	-597	52	0	0	175
Petchem, incl:	**451**	**1 643**	**698**	**581**	**3 373**	**98**	**-120**	**-136**	**-834**
NRV	0	0	-11	-16	-27	-1	-16	17	28
hedging	48	58	63	57	226	86	100	106	43
valuation of CO2 contracts	-614	23	-84	84	-591	0	0	0	84
Energy, incl:	**1 004**	**1 176**	**1 607**	**305**	**4 092**	**3 275**	**555**	**1 349**	**-258**
hedging	50	-62	134	126	248	38	11	6	-128
valuation of CO2 contracts	-543	21	128	68	-326	11	0	0	-128
Retail	**585**	**697**	**856**	**663**	**2 801**	**233**	**662**	**601**	**-255**
Upstream, incl:	**162**	**336**	**781**	**6 312**	**7 591**	**2 273**	**-114**	**-212**	**-993**
hedging	-80	-24	15	2	-87	0	9	-12	-27
Gas,incl:	**n/a**	**n/a**	**n/a**	**-1 926**	**-1 926**	**6 196**	**5 611**	**5 200**	**5 200**
hedging	n/a	n/a	n/a	141	141	83	1 002	951	951
valuation of CO2 contracts	n/a	n/a	n/a	116	116	85	6	-2	-2
Corporate functions	**-316**	**-304**	**8 229**	**7 698**	**15 307**	**-399**	**-438**	**-431**	**-8 660**
Adjustments	**n/a**	**n/a**	**-5**	**-6**	**-11**	**-8**	**11**	**-17**	**-12**
EBITDA LIFO, incl:	**2 786**	**8 204**	**19 485**	**24 659**	**55 134**	**17 153**	**8 703**	**8 220**	**-11 265**
NRV	-30	26	-38	-8	-50	-60	-137	-52	-14
hedging	-1 895	-2 586	941	267	-3 273	572	1 173	245	-696
valuation of CO2 contracts	-1 725	65	-131	393	-1 398	148	6	-2	129

Operational results before impairment of assets: 1Q22 PLN (-) 27 m / 2Q22 PLN (-) 2860 m / 3Q22 PLN (-) 53 m / 4Q22 PLN (-) 3734 m / 12M22 PLN (-) 6674 m / 1Q23 PLN (-) 529 m / 2Q23 PLN (-) 77 m / 3Q23 PLN (-) 1086 m

Results – split by company

3Q23 PLN m	ORLEN S.A.	ORLEN Lietuva	ORLEN Unipetrol	ENERGA Group	Others	ORLEN Group
Revenues	54 279	8 233	8 416	6 054	-1 558	75 424
EBITDA LIFO	2 245	815	188	724	4 248	8 220
LIFO effect	587	167	528	-	1	1 283
EBITDA	2 832	982	716	724	4 249	9 503
Depreciation	797	20	279	291	1 447	2 834
EBIT	2 035	962	437	433	2 802	6 669
EBIT LIFO	1 448	795	-91	433	2 801	5 386
Net result	507	930	332	166	1 524	3 459

- **ORLEN Lietuva** – EBITDA LIFO increased by PLN 260 m (y/y) as a result of higher margins on light and heavy distillates, partially limited by lower margins on middle distillates and negative impact of hedging (y/y). Positive effects of better sales structure due to reduction of heavy fractions share, higher trade margins and usage of historical inventory layers.
- **ORLEN Unipetrol** – EBITDA LIFO decreased by PLN (-) 1 922 m (y/y) as a result of significant increase of Ural crude oil price, lower margins on middle distillates and negative impact of hedging (y/y). Additionally, decrease of sales volumes in Refining and Petchem segment with higher volumes in Retail. Lower trade margins at higher costs of CO2 emissions and higher overheads and labour costs.
- **ENERGA Group** – EBITDA decreased by PLN (-) 364 bn (y/y) in all business lines. Generation Business Line – lower production in Ostrołęka Power Plant, negative impact of hedging at positive impact of lower costs of CO2 provision. Sales Business Line – lower electricity sales volumes at higher margins. Distribution Business Line – lower electricity distribution volumes and increase (y/y) in costs of transmission and transit fees at higher distribution margins.
- **exPGNiG Group** – no possibility to calculate business effects due to the incomparability of consolidation periods – consolidation of PGNiG Group in ORLEN Group results in 3Q23 amounted PLN 4 844 m.

Operational results before impairment of assets: 3Q23 PLN (-) 1086 m

ORLEN Group refinery production data

ORLEN Group	3Q22	2Q23	3Q23	Δ (y/y)	Δ (q/q)	9M22	9M23	Δ 9M/9M
Crude oil throughput (kt)	10 449	9 535	10 048	-4%	5%	25 856	29 057	12%
Utilization	98%	90%	94%	-4 pp	4 pp	92%	91%	-1 pp
ORLEN [1]								
Crude oil throughput (kt)	5 990	5 289	5 538	-8%	5%	14 427	16 303	13%
Utilization	102%	89%	93%	-9 pp	4 pp	104%	92%	-12 pp
Fuel yield [4]	84%	83%	85%	1 pp	2 pp	84%	84%	0 pp
Light distillates yield [5]	29%	30%	31%	2 pp	1 pp	32%	30%	-2 pp
Middle distillates yield [6]	55%	53%	54%	-1 pp	1 pp	52%	54%	2 pp
ORLEN Unipetrol [2]								
Crude oil throughput (kt)	2 040	1 879	2 000	-2%	6%	5 413	5 661	5%
Utilization	93%	87%	91%	-2 pp	4 pp	83%	87%	4 pp
Fuel yield [4]	81%	78%	82%	1 pp	4 pp	81%	80%	-1 pp
Light distillates yield [5]	35%	35%	36%	1 pp	1 pp	35%	35%	0 pp
Middle distillates yield [6]	46%	43%	46%	0 pp	3 pp	45%	45%	0 pp
ORLEN Lietuva [3]								
Crude oil throughput (kt)	2 350	2 275	2 445	4%	7%	5 776	6 851	19%
Utilization	91%	89%	95%	4 pp	6 pp	76%	90%	14 pp
Fuel yield [4]	79%	79%	79%	0 pp	0 pp	82%	78%	-4 pp
Light distillates yield [5]	31%	35%	36%	5 pp	1 pp	32%	34%	2 pp
Middle distillates yield [6]	48%	44%	43%	-5 pp	-1 pp	51%	44%	-7 pp

[1] Throughput capacity for ORLEN is 23,7 mt/y, including: Płock 16,3 mt/y and Gdańsk 7,4 mt/y.
[2] Throughput capacity for ORLEN Unipetrol is 8,7 mt/y, including: Litvinov 5,4 mt/y and Kralupy 3,3 mt/y
[3] Throughput capacity for ORLEN Lietuva is 10,2 mt/y.
[4] Fuel yield equals middle distillates yield plus light distillates yield.
[5] Light distillates yield is a ratio of gasoline, naphtha, LPG production excluding BIO and internal transfers to crude oil throughput.
[6] Middle distillates yield is a ratio of diesel, light heating oil (LHO) and JET production excluding BIO and internal transfers to crude oil throughput.

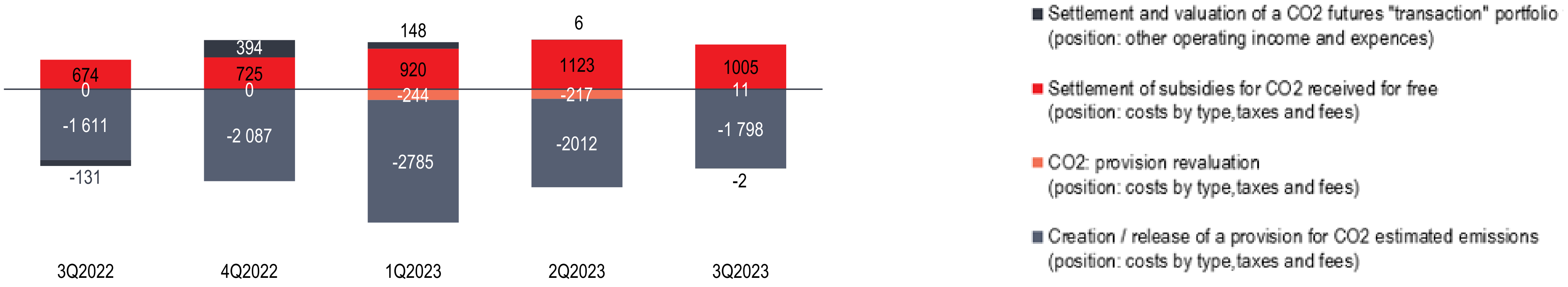
Effect of the operations related to reserve on CO2 and valuation of CO2 contracts on ORLEN Group consolidated financial results

Contracts portfolio for purchase of CO_2 emission rights in ORLEN Group and EUA balance on ORLEN Group accounts
(mt)

Portfels	Approach to valuation		30.09.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023
Own contracts portfolio for purchase of emission rights*	Is not subject to fair value valuation at the balance sheet date		0,14	3,74	0,00	0,00	0,00
Transaction portfolio for purchase of emission rights**	It is subject to fair value valuation at the balance sheet date	with Hedge Accounting (HA)	3,07	2,37	1,34	1,34	1,34
		without Hedge Accounting (noHA)	3,91	1,66	-0,10	0,10	0,10
EUA portfolio on ORLEN Group accounts (intangible assets)***	Is not subject to fair value valuation at the balance sheet date		9,37	22,56	29,46	20,58	26,03

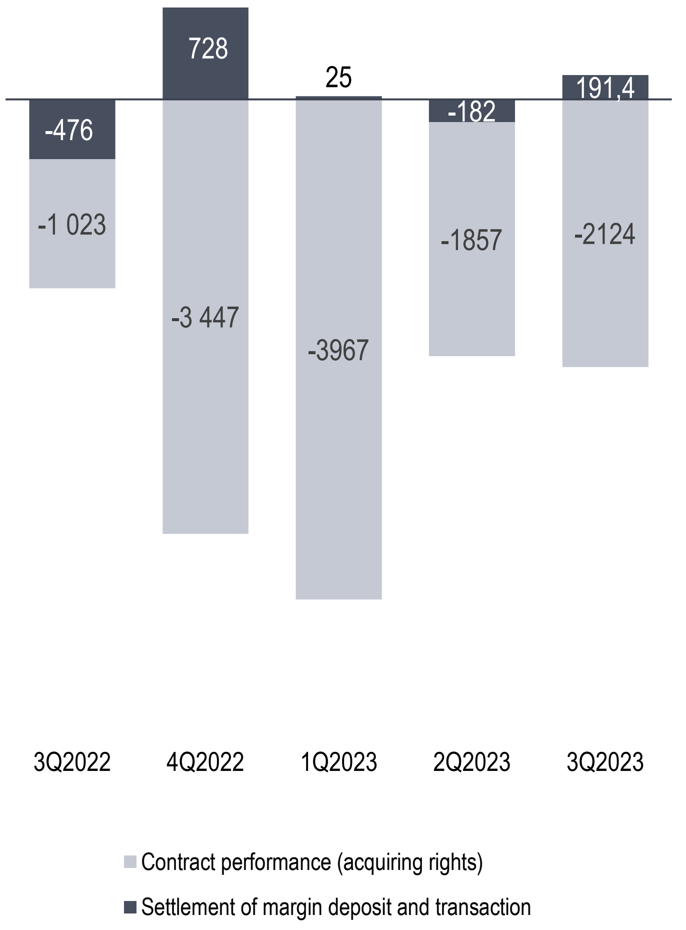
* Own use contracts portfolio with physical delivery, not subject to fair value valuation.
** Transaction portfolio is valuated in accordance with the IFRS9 requirements. From 1st of July 2022, the Group started to apply hedge accounting (HA) regarding the EUA transactions, therefore Transaction portfolio was divided into instruments without HA, whose valuation and settlement is recognized in other operating profit and lost and instruments with HA, whose valuation is recognized in capital and the financial effect of settlement adjusts the purchase price of EUA contracts. (according to IFRS9)
*** Recognized as intangible assets, which are not amortized and analyzed for impairment. Purchased rights valuated according to the purchase price, received for free in fair value fixed for registration on the account day less any write-offs for impairment.

Impact of activities related to CO_2 on ORLEN Group consolidated financial result (PLN m)

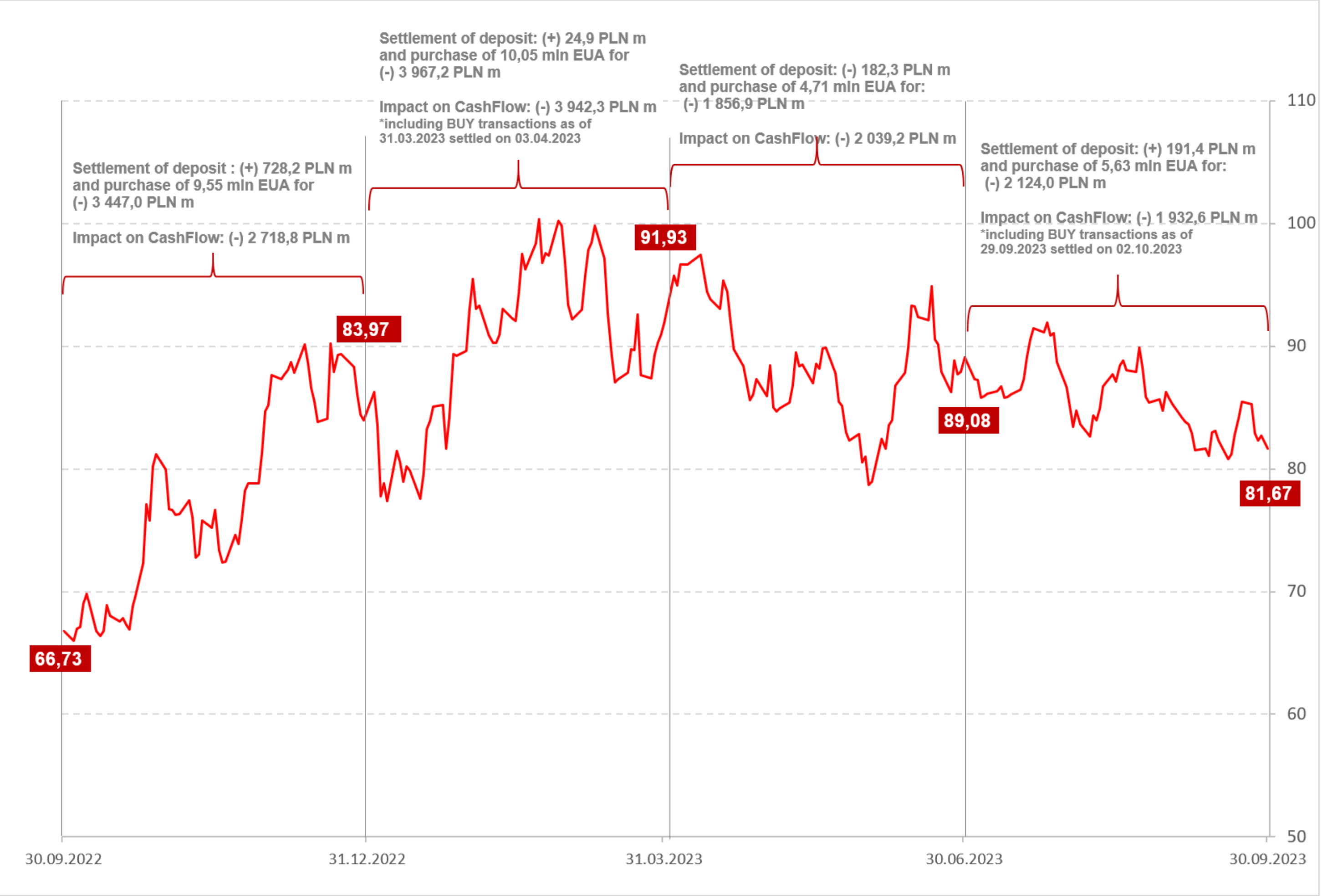


Settlement of securing deposit and realization of CO2 contracts on cash flow

Impact on cash flow
(PLN m)



Impact on cash flow from settlement of securing deposit and settlement of transactions vs CO_2 contracts quotations



Dictionary

Model refining margin = revenues (93,6% Products = 33% Gasoline + 48% Diesel + 13% HHO) - costs (100% input: 98% Brent crude oil + 2% natural gas). Spot quotations.

Differential calculated on the real share of processed crude oils. Spot quotations.

Model petrochemical margin = revenues (98% Products = 44% HDPE + 7% LDPE + 35% PP Homo + 12% PP Copo) - costs (100% input = 75% Naphtha + 25% LS VGO). Revenues contract quotations; costs spot quotations.

Fuel yield = middle distillates yield + gasoline yield. Yields are calculated in relation to crude oil.

Working capital (in balance sheet) = inventories + trading receivables and other receivables – trading liabilities and other liabilities

Working capital change (in cash flow) = changes in receivables + changes in inventories + changes in liabilities

Net debt = (short-term + long-term loans, borrowings and bonds) – cash

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