ORLEN Group – the biggest multiutility company in CEE (1/2)

**Refining**
- Refineries located in Poland, Lithuania and the Czech Rep. with total max. crude oil throughput of 35,2 mt/y
- Strategic location with an access to crude oil, product pipelines and sea terminals
- REBCO crude oil processing allows to benefit from Brent/Ural differential
- Diversification of crude oil supplies

**Petrochem**
- Petrochemical assets fully integrated with refining
- Launching new installations

**Energy**
- 6,8 GWh (heat) / 3,3 GWe (electricity), including: 1,1 GWe from modern CCGT blocks located in Włocławek and Płock and 1,4 GWe from ENERGA Group
- Ca. 80% of electricity production comes from zero and low-emission sources (RES and gas)
- 1,2 GWe – project of offshore wind farm on the Baltic Sea

**Retail**
- 2832 fuel stations – the largest retail network in CEE
- 2162 coffee corners Stop Cafe / Star Connect (including convenience stores)
- 130 points of alternative fueling
- Cobranding – ORLEN brand present on foreign fuel stations within the Group

**Upstream**
- 197 m boe 2P crude oil and gas reserves in Poland and Canada
- Average production 19,6 th. boe/d
ORLEN Group – the biggest multiutility company in CEE (2/2)

SHAREHOLDERS STRUCTURE

- Others: 43.33%
- Polish Pension Funds: 29.15%
- State Treasury: 27.52%

KEY DATA 2019

- EBITDA LIFO: 9.4 PLN bn
- Record-high retail result: 3.1 PLN bn
- Record-high sales: 43.3 mt
- Record-high throughput: 33.9 mt
- 2P oil and gas reserves: 197 mln boe
- Dividend: 3.5 PLN / share

PKN ORLEN listed on WSE since 1999

Included in WSE indices: WIG, WIG20, WIG30, WIG Poland, WIG Paliwa, WIG - ESG

Market cap.: PLN 26.8 bn

Data as of 30.06.2020
Refining

**FY 2019**

**PLN 2,8 bn**

**6M 2020**

**PLN 0,3 bn**

**KEY DATA**

- Max. throughput capacity 35.2 mt/y: 16.3 mt/y Płock, 10.2 mt/y ORLEN Lietuva, 8.7 mt/y Unipetrol
- Ca. 60% of crude oil throughput is REBCO, which allows to benefit from B/U differential
- Long-term contracts secure ca. 50% of crude oil throughput. Remaining crude oil is bought on SPOT market
- Sales in 2019 amounted to 26.7 mt
- Wholesale market share: gasoline (PL: 65%, CZ: 64%, LT: 83%) / diesel (PL: 51%, CZ: 55%, LT: 78%)
- Investments: building Propylene Glycol Unit and the purchase of a license and base project for Bioethanol Second Generation Unit (ORLEN Południe), building Visbreaking unit (Płock)

**COMPETITIVE ADVANTAGES**

- Refinery in Płock is classified as a super-site (acc. to Wood Mackenzie) considering the depth and throughput capacity as well as integration with petchem
- Diversification of crude oil and security of natural gas supplies
- Prepared for regulatory changes and market trends due to realization of investment projects
- Leader on the fuel market in CEE

**THROUGHPUT AND UTILIZATION RATIO**

<table>
<thead>
<tr>
<th>Year</th>
<th>Throughput</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>33.2 mt</td>
<td>94%</td>
</tr>
<tr>
<td>2018</td>
<td>33.4 mt</td>
<td>95%</td>
</tr>
<tr>
<td>2019</td>
<td>33.9 mt</td>
<td>96%</td>
</tr>
</tbody>
</table>

Data as of 30.06.2020
Petrochemicals

KEY DATA
- Sales in 2019 amounted to ca. 5,2 mt
- Market share between 40% – 100% depending on the product
- PX/PTA – one of the most advanced petrochemical complex in Europe with PTA production capacity of 690 th.t/y
- Launching of Metathesis Unit (Płock), PPF Splitter (ORLEN Lietuva) and Polyethylene Unit (Unipetrol)
- Investments: expansion of Fertilizers production capacity (Anwil), Petrochemicals Development Program (building of Aromatics complex, expansion of Olefins, expansion of Phenol capacity, building new R&D Center)

COMPETITIVE ADVANTAGES
- The largest petrochemical company in CEE
- Petchem assets integrated with refining
- Wide portfolio of petchem products including: monomers, polymers, aromatics, PTA as well as fertilizers and PVC produced in Anwil
- Ethylene pipeline connection with Plock refinery secures feedstock for PVC production
- Strategic regional supplier for chemical industry

SALES VOLUMES

Data as of 30.06.2020

<table>
<thead>
<tr>
<th></th>
<th>Monomers</th>
<th>Polymers</th>
<th>Aromatics</th>
<th>Fertilizers</th>
<th>Plastics</th>
<th>PTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 6M20</td>
<td>458</td>
<td>209</td>
<td>424</td>
<td>533</td>
<td>195</td>
<td>298</td>
</tr>
<tr>
<td>2019 6M20</td>
<td>1,022</td>
<td>519</td>
<td>162</td>
<td>343</td>
<td>647</td>
<td></td>
</tr>
</tbody>
</table>
KEY DATA
- Installed capacity (3,3 GWe / 6,8 GWt), of which:
  - EC Płock (415 MWe / 2150 MWt) – the biggest industrial block in Poland
  - CCGT Włocławek (474 MWe / 417 MWt) and CCGT Płock (608 MWe / 519 MWt) – modern Combined Cycle Gas Turbines blocks
  - ENERGA Group (1443 MWe / 661 MWt)
- Net electricity production in 2019 amounted to 8,6 TWh and sales 6,8 TWh
- In 2Q20, we acquired ENERGA Group, where Distribution generates ca. 90% of EBITDA
- Gas consumption in ORLEN Group in 2019 amounted to 3,1 bcm, including 2,9 bcm in Poland, which makes us the largest gas consumer in Poland. Gas usage in Energy segment amounted to 1,47 bcm.
- Investments: project of offshore wind farm on the Baltic Sea with maximum capacity up to 1200 MWe.

Data as of 30.06.2020

COMPETITIVE ADVANTAGES
- Modern, low and zero-emission power generation assets
- Broad usage of high-efficiency cogeneration to secure stable high heat and electricity needs of production plants
- Big database of business and individual customers
- Dynamic growth of renewable energy sources portfolio of assets (including offshore) supported by flexible gas units
- Staff and financial potential for realization of large investment projects and taking part in energy transformation
- Diversified sources of revenues from production, distribution and sales

SOURCES OF ELECTRICITY PRODUCTION

Gas: 68%
RES: 11%
Others: 21%

%
Retail

**FY 2019**

PLN 3,0 bn

**6M 2020**

PLN 1,4 bn

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**KEY DATA**

- 2832 fuel stations: 1792 Poland, 586 Germany, 417 Czech Rep., 26 Lithuania, 11 Slovakia
- Market share: 34% Poland, 25% Czech Rep., 7% Germany, 5% Lithuania, 0.3% Slovakia
- 2162 Stop Cafe/Star Connect points: 1701 Poland (including 552 O!SHOP), 308 Czech Rep., 127 Germany, 26 Lithuania
- In 2019 we sold 66,8 million hot-dogs (2.1 per second) and 17,2 million liters of coffee (almost 8.5 Olympic swimming pools)
- At the end of 2019 we had 0.6 million active FLOTA customers and 5.9 million active VITAY customers
- Alternative fuels (# stations): 86 EV chargers, 2 hydrogen, 42 CNG
- Investments: development of fuel network and non-fuel concept as well as introduction of new services and products

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**COMPETITIVE ADVANTAGES**

- Modern and the largest network of fuel stations in CEE
- ORLEN – the most recognizable brand of fuel stations in Poland
- Attractive loyalty programs
- Dynamic growth of non-fuel offer by launching new Stop Cafe/Star Connect coffee corners (including convenience stores under the brand O!SHOP)
- E-mobility – expansion of EV chargers
- Cobranding – implementation of ORLEN brand at foreign fuel stations within the Group

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**COFFEE CORNERS**

# at the end of the year

<table>
<thead>
<tr>
<th>Year</th>
<th>Coffee corners</th>
<th>Fuel stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>813</td>
<td>1,047</td>
</tr>
<tr>
<td>2013</td>
<td>1,250</td>
<td>2,692</td>
</tr>
<tr>
<td>2014</td>
<td>1,558</td>
<td>2,679</td>
</tr>
<tr>
<td>2015</td>
<td>1,691</td>
<td>2,726</td>
</tr>
<tr>
<td>2016</td>
<td>1,815</td>
<td>2,783</td>
</tr>
<tr>
<td>2017</td>
<td>2,016</td>
<td>2,803</td>
</tr>
<tr>
<td>2018</td>
<td>2,145</td>
<td>2,836</td>
</tr>
</tbody>
</table>

Data as of 30.06.2020
Upstream

FY 2019
PLN 0,3 bn

6M 2020
PLN 0,2 bn

KEY DATA

- 197 m boe 2P crude oil and gas reserves, of which:
  - Poland – 11 m boe (5% liquid hydrocarbons, 95% gas)
  - Canada – 186 m boe (58% liquid hydrocarbons, 42% gas)

- 18,2 th. boe/d of average production in 2019, of which:
  - Poland – 1,0 th. boe/d (100% gas)
  - Canada – 17,2 th. boe/d (49% liquid hydrocarbons)

- 19,6 th. boe/d of average production in 6M20, of which:
  - Poland – 1,1 th. boe/d (100% gas)
  - Canada – 18,5 th. boe/d (50% liquid hydrocarbons)

COMPETITIVE ADVANTAGES

- Flexible response to changes on oil and gas market
- Adjusting CAPEX to macro situation
- Focusing on the most profitable and promising projects in Poland and Canada

Data as of 30.06.2020

AVERAGE PRODUCTION

th. boe/d


3,8 8,4 7,1 13,6 15,6 18,0 18,2
ORLEN Group foundations

Value creation
- Refinery: high-class assets and strong position on the competitive market
- Petchem: petrochemical assets integrated with refining / wide portfolio of products / new units
- Energy: modern, low and zero-emission power generation assets / dynamically growing portfolio of RES (including offshore) supported by flexible gas units
- Retail: modern and the largest network of fuel stations equipped in non-fuel concept in CEE with strong and recognizable ORLEN brand
- Upstream: focusing on the most profitable and promising projects in Poland and Canada

People
- The World’s Most Ethical Company 2020
- Top Employer Polska 2020
- Platts 2019 TOP250 45th place among the largest energy companies in the world
- ORLEN becomes a Title Sponsor of Alfa Romeo Racing

Financial strength
- Diversified sources of financing
- Average debt maturity in 2021
- Investment rating from Fitch and Moody’s
- Financial gearing – below 30%
- Net debt / EBITDA LIFO – below 1,5
- Dividend – paid every year since 2013
Thank you for your attention

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e-mail:  ir@orlen.pl

www.orlen.pl
Agenda

Supporting slides
Dividend

- PKN ORLEN divided policy is to pay dividend on the regular basis
- Dividend level depends on achieved results, macro situation, liquidity and financial ratios as well as planned investments
- According to divided policy, the dividend is paid regularly since 2013 (8 years in a row)
- In 2020 PKN ORLEN paid a dividend in the amount of PLN 1,00 PLN per share (ca. PLN 430 m PLN) despite unfavorable market conditions due to COVID-19
**Sustainable development and implementation of ESG practices**

### ENVIRONMENT
- **Renewable Energy Sources (RES)**
  - Further actions related to construction of the offshore wind farms in the Baltic Sea
  - 30% of the energy volume produced by acquired Energa Group comes from RES
- **Reduction of Emissions**
  - Energy efficiency - recovery of wasted heat from CDU and hydrocracking installations
  - ORLEN Południe invests in clean energy sources (natural gas) to reduce emissions of e.g. SO2 by 30%
  - Construction of the 2nd generation bioethanol plant in Jedlicze - next steps
- **Green innovations**
  - **EUR 40,5 m** dedicated to environmental investments in 2019
  - Cooperation with Pesa Bydgoszcz in the field of Hydrogen technologies

### SOCIETY
- **Human Capital Development**
  - A unique scholarship programme for outstanding students for pursuing international education
- **Supporting Local Communities**
  - „ORLEN for firefighters” („ORLEN dla Strażaków”) - in 2020 a record number of 4000 applications submitted, 185 donations awarded
- **Volunteer Workers Programme**
  - 800 involved employees in PKN ORLEN Volunteer Workers Programme
  - 400 employees reported bottom-up volunteering initiatives in 2019.

### GOVERNANCE
- **Integrated Management Systems Implementation**
  - In 2019, the **Energy Management System** (according to ISO 50001) and the **Biomass and Biofuel Production Chain Certification System** were implemented and certified.
- **Bribery & Corruption Programmes**
  - Over 4000 employees trained in anti-corruption practices
  - Three Lines of Defence model
- **Building an organisational structure for sustainable development**
  - Development of the **CSR Strategy to 2022**, which supports an implementation of the Sustainable Development Goals
Refinery (capacity m tonnes p.a.; Nelson complexity index)

Source: Oil & Gas Journal, PKN Orlen own calculations, Concawe, Reuters, WMRC, EIA, NEFTE Compass, Transneft.ru
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