



Consolidated report on payments to governments of ORLEN Group

in 2024

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1. BASIS OF PREPARATION AND REPORTING PRINCIPLES

This Consolidated Report on Payments to Governments (the "Report") has been prepared in accordance with the Polish Accounting Act of 29 September 1994 (consolidated text: Dz.U. of 2023, item 120, Chapter 6a) (the "Act"). It details payments made to governments by the ORLEN Group (the "ORLEN Group" or "Group") in relation to its extractive activities for the year ended 31 December 2024.

ORLEN S.A., as the Parent entity of the Group, is required to prepare and issue this Report, covering payments made by both the Parent and its subsidiaries which are active in the extractive industry.

Payments disclosed in this Report relate to activities involving the exploration, appraisal, and extraction of hydrocarbons in Poland, Canada, Norway, Pakistan, the United Arab Emirates, and Lithuania, as well as rock salt extraction in Poland.

Any refunds received by the Group during the reporting period have been disclosed as negative values.

For further information on the Group's extractive activities, please refer to the Directors' Report on the operations of the ORLEN Group and ORLEN S.A. in 2024, available at:

<http://www.orklen.pl/PL/RelacjeInwestorskie/InformacjeFinansowe/Strony/SprawozdaniaFinansowe.aspx>

2. TERMINOLOGY

Government – as defined in the Act, includes Poland's national and local governments, and entities supervised or controlled by these governments. For countries within or outside the European Economic Area (EEA) other than Poland, it includes analogous national, regional, or local authorities and entities supervised or controlled by them.

In 2024, all disclosed payments were made either directly to national, regional, or local governments in the countries listed below, or to entities supervised or controlled by these governments.

Project – under the Act, a "project" represents operational activities governed by a single agreement, such as a lease, licence, or concession, that forms the basis for payment liabilities towards governments in different countries.

Payments under agreements that are substantially interconnected have been aggregated under a single project. For the purposes of this Report, agreements are considered substantially interconnected if they relate to geographically integrated licence or concession operations with aligned objectives. As such, they are generally treated as a single unit for the purpose of conducting exploration and appraisal programmes and developing the infrastructure necessary for the development and extraction of hydrocarbon and rock salt deposits.

Where it was impractical to allocate payments directly to specific projects, such amounts are disclosed as "unallocated payments." Corporate income tax and certain extraction taxes are typical cases in point.

Presentation currency – the presentation currency is the Polish zloty (PLN). Payments are presented in thousands of PLN (PLN '000) and rounded to the nearest thousand.

Foreign currency translation – foreign currency-denominated payments to governments made by the Group's foreign entities for the year ended 31 December 2024 have been translated into PLN using the following average exchange rates for the reporting period (calculated as the arithmetic mean of daily midpoint rates determined by the National Bank of Poland):

EUR/PLN 4.3064

USD/PLN 3.9815

CAD/PLN 2.9072

NOK/PLN 0.3705

UAH/PLN 0.0992

Payment – as defined by the Act, means any payment made in cash or in kind relating to extractive activities. In cases where Group entities participate in exploration and production licences under operatorship agreements but do not act as the operator, payments made to the operator (which is not a governmental authority or entity) are not reported, except when such payments made indirectly through the operator to governments can be clearly identified.

Materiality threshold – payments within the project (whether individual or cumulative) below PLN 425 thousand are not disclosed.



In 2024, the Group identified the following payment categories:

- Taxes levied on income, production, or profits (Taxes)

Under the Act, these are taxes levied on income, production, or profits of companies, excluding taxes levied on consumption such as value added taxes, personal income taxes, or sales taxes.

This category includes corporate income taxes, extraction taxes, and production-related mining fees, calculated based on extracted volumes or profits earned from specific production licences.

- Royalties

Royalties represent payments made for non-current exploration and production assets, i.e. the rights to explore for and extract natural resources, such as crude oil, natural gas, and other minerals.

The Group incurred royalties related to crude oil, natural gas, and natural gas liquids (NGLs) in Canada, as well as oil condensate and natural gas in Pakistan.

Royalties for crude oil were paid in kind, whereas royalties for other resources were settled in cash. Payments in kind were valued based on the delivered volume and the benchmark price for the relevant grade of crude oil, as published by the Alberta Department of Energy.

- Concession fees and discovery and production bonuses (Concession fees)

This category includes fees paid by the Group for obtaining and maintaining exploration and production concessions.

- Licence fees, rental fees, entry fees and other considerations for licences or concessions (Other fees and considerations)

This category comprises the following payments:

In Poland: primarily fees for obtaining mining rights (mining usufruct), environmental charges (e.g., fees for discharging wastewater into water or soil, abstracting surface water for mining purposes, and emissions of gases and particulate matter into the atmosphere), fees related to the exclusion of land from agricultural use, fees under geological and mining law calculated based on the volumes of gas and condensates extracted, and stamp duties;

In Canada: contributions to reclamation funds;

In Norway: acreage and natural resource fees payable to the State in relation to awarded production licences;

In the United Arab Emirates: rental fees.

- Infrastructure improvements

This category includes mandatory annual payments made to the government of Pakistan at rates specified in the applicable hydrocarbon concession agreements. These payments fund social welfare programmes in concession areas, including anti-narcotics initiatives, sports promotion, rehabilitation services for children with disabilities, improvements to educational facilities, drinking water supply, healthcare, road infrastructure, and scholarships for local students.



3. PAYMENTS OVERVIEW

3.1 Payments to governments by country

Country/government	Taxes	Royalties	Concession fees	Other fees and considerations	Infrastructure improvements	Total
Poland	399,403	-	922	42,237	-	442,562
National government	274,251	-	-	39,706	-	313,957
Ministry of Climate and Environment	-	-	-	39,255	-	39,255
Revenue authorities (tax offices)	274,251	-	-	451	-	274,702
Local governments	89,235	-	766	1,735	-	91,735
Municipalities	73,082	-	511	1,599	-	75,192
Counties	13,843	-	128	1	-	13,971
Voivodships (provinces)	2,310	-	128	135	-	2,572
Entities supervised by national or local government authorities	35,918	-	156	797	-	36,870
National Fund for Environmental Protection and Water Management	35,918	-	85	-	-	36,003
Polish Waters State Water Management Agency	-	-	-	797	-	797
Energy Regulatory Office	-	-	71	-	-	71
Lithuania	7,228	-	-	-	-	7,228
National government	7,228	-	-	-	-	7,228
State Tax Inspectorate (LR VMI)	7,228	-	-	-	-	7,228
Canada	-	56,638	-	2,217	-	58,855
Regional governments	-	44,056	-	-	-	44,056
Alberta Department of Energy ¹	-	44,056	-	-	-	44,056
Entities supervised by regional government authorities	-	12,582	-	2,217	-	14,799
Alberta Energy Regulator ²	-	-	-	2,217	-	2,217
Alberta Petroleum Marketing Commission ³	-	12,582	-	-	-	12,582
Pakistan	94,314	52,805	-	-	597	147,716
National government	94,314	52,805	-	-	597	147,716
Federal Board of Revenue ⁴	94,314	-	-	-	-	94,314
Director General Petroleum Concessions	-	52,805	-	-	-	52,805
Social Welfare Obligation Kirthar JV	-	-	-	-	597	597
Norway	3,247,275	-	-	1,107	-	3,248,382
National government	3,007,028	-	-	1,107	-	3,008,135
Norwegian Tax Administration	3,007,028	-	-	-	-	3,007,028
Norwegian Offshore Directorate ⁵	-	-	-	1,107	-	1,107
Entities supervised by national government authorities	240,247	-	-	-	-	240,247
Petoro ⁶	240,247	-	-	-	-	240,247
United Arab Emirates	-	-	754	-	-	754
Entities supervised by national government authorities	-	-	754	-	-	754
Ras Al Khaimah Petroleum Authority	-	-	754	-	-	754
	3,748,220	109,443	1,676	45,561	597	3,905,497

¹ The Alberta Department of Energy is responsible, among other duties, for selling licence rights for crude oil and natural gas exploration and production, collecting rental fees for these licences, and collecting royalties on natural gas and natural gas liquids (NGLs) extracted in the province.

² The Alberta Energy Regulator oversees, among other responsibilities, the collection of fees contributing to the land reclamation fund.

³ The Alberta Petroleum Marketing Commission is the entity responsible for selling crude oil received by the province in kind.

⁴ The Federal Board of Revenue is the Government of Pakistan's agency responsible, among other tasks, for collecting taxes and duties.

⁵ Formerly known as the Norwegian Petroleum Directorate, the Norwegian Offshore Directorate is a government agency responsible for regulating petroleum resources on the Norwegian Continental Shelf. Its mission is to ensure the optimal allocation of petroleum resources while minimising environmental impacts.



⁶ Petoro is a Norwegian state-owned company responsible for managing the State's Direct Financial Interest (SDFI) in exploration and production licences for oil and natural gas on the Norwegian Continental Shelf.

* In 2024, the Group paid royalties in kind totalling 45,719 boe of crude oil, valued at PLN 12,582 thousand (approximately CAD 4,328 thousand), net of a negative adjustment of PLN (187) thousand relating to prior periods.

3.2 Payments by country, project and payment category

Country/project	Taxes	Royalties	Concession fees	Other fees and considerations	Infrastructure improvements	Total
Poland	399,403	-	922	42,237	-	442,562
Unallocated payments	332,307	-	-	28,385	-	360,692
Rock salt extraction	10,187	-	-	797	-	10,984
Exploration for and appraisal and production of hydrocarbons	56,909	-	922	13,055	-	70,886
Edge	1,482	-	922	3,177	-	5,581
Miocen	24	-	-	632	-	656
Rozewie	-	-	-	748	-	748
B-8	43,860	-	-	-	-	43,860
B-3	11,543	-	-	265	-	11,808
Kosakowo	-	-	-	609	-	609
Rokietnica	-	-	-	5,587	-	5,587
Pyzdry	-	-	-	541	-	541
Szamotoły-Poznań	-	-	-	625	-	625
Mogilno II	-	-	-	871	-	871
Lithuania	7,228	-	-	-	-	7,228
Unallocated payments	7,228	-	-	-	-	7,228
Canada	-	56,638	-	2,217	-	58,855
Kakwa	-	34,076	-	1,129	-	35,205
Central Alberta Oil	-	1,576	-	-	-	1,576
Ferrier	-	13,195	-	1,088	-	14,283
South Alberta	-	7,791	-	-	-	7,791
Pakistan	94,314	52,805	-	-	597	147,716
Unallocated payments	3,861	-	-	-	-	3,861
Kirthar	90,453	52,805	-	-	597	143,855
Norway	3,247,275	-	-	1,107	-	3,248,382
Unallocated payments	3,007,028	-	-	1,107	-	3,008,135
PL029 (Sleipner West)	3,500	-	-	-	-	3,500
Gina Krog	236,747	-	-	-	-	236,747
United Arab Emirates	-	-	754	-	-	754
Ras Al Khaimah	-	-	754	-	-	754
	3,748,220	109,443	1,676	45,561	597	3,905,497



This Consolidated Report on Payments to Governments was authorised for issue by the Management Board of the Parent on 14 April 2025.

signed digitally on the Polish original

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Ireneusz Fąfara
President of the Management Board

signed digitally on the Polish original

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