ORLEN GROUP

CONSOLIDATED QUARTERLY REPORT

FOR THE 3rd QUARTER 2024

ORLEN GROUP - SELECTED DATA

	PLN million 9 MONTHS ENDED 30/09/2024	PLN million 9 MONTHS ENDED 30/09/2023 (restated data)	EUR million 9 MONTHS ENDED 30/09/2024	EUR million 9 MONTHS ENDED 30/09/2023 (restated data)
Sales revenues	219 778	274 314	51 085	59 929
Operating profit increased by depreciation and amortisation (EBITDA)	17 306	37 532	4 023	8 200
EBITDA before net impairment allowances	22 069	40 864	5 130	8 928
Profit from operations (EBIT)	7 083	26 934	1 646	5 884
Profit before tax	7 573	28 023	1 760	6 122
Net profit before net impairment allowances	7 775	23 378	1 807	5 107
Net profit	**3 012**	**20 046**	**700**	**4 379**
Total net comprehensive income	(201)	23 677	(47)	5 173
Net profit attributable to equity owners of the parent	3 020	19 950	702	4 358
Total net comprehensive income attributable to equity owners of the parent	(188)	23 581	(44)	5 152
Net cash from operating activities	26 205	36 784	6 091	8 037
Net cash (used) in investing activities	(23 239)	(28 782)	(5 401)	(6 288)
Net cash (used) in financing activities	(5 314)	(15 007)	(1 236)	(3 279)
Net (Decrease) in cash and cash equivalents	(2 348)	(7 005)	(546)	(1 530)
Net profit and diluted net profit per share attributable to equity owners of the parent (in PLN/EUR per share)	2.60	17.18	0.60	3.75
	30/09/2024	31/12/2023 (restated data)	30/09/2024	31/12/2023 (restated data)
Non-current assets	175 066	171 007	40 912	39 330
Current assets	77 838	93 456	18 190	21 494
Total assets	**252 904**	**264 463**	**59 102**	**60 824**
Share capital	1 974	1 974	461	454
Equity attributable to equity owners of the parent	147 346	152 322	34 434	34 033
Total equity	**148 402**	**153 420**	**34 681**	**35 285**
Non-current liabilities	43 482	41 551	10 161	9 556
Current liabilities	61 020	69 492	14 260	15 983
Number of shares	1 160 942 049	1 160 942 049	1 160 942 049	1 160 942 049
Carrying amount and diluted carrying amount per share attributable to equity owners of the parent (in PLN/EUR per share)	126.92	131.21	29.66	30.18

ORLEN – SELECTED DATA

	PLN million		EUR million	
	9 MONTHS ENDED 30/09/2024	9 MONTHS ENDED 30/09/2023 (restated data)	9 MONTHS ENDED 30/09/2024	9 MONTHS ENDED 30/09/2023 (restated data)
Sales revenues	150 467	186 434	34 974	40 730
Profit from operations increased by depreciation and amortisation (EBITDA)	5 225	24 841	1 214	5 427
EBITDA before net impairment allowances	7 379	27 100	1 715	5 921
Profit from operations (EBIT)	2 053	20 894	477	4 565
Profit before tax	2 991	23 026	695	5 030
Net profit before net impairment allowances	9 714	22 139	2 258	4 837
Net profit	**2 125**	**18 933**	**494**	**4 136**
Total net comprehensive income	113	23 104	26	5 048
Net cash from operating activities	4 794	24 063	1 114	5 257
Net cash (used) in investing activities	(1 499)	(18 224)	(348)	(3 981)
Net cash (used) in financing activities	(5 121)	(8 624)	(1 190)	(1 884)
Net (decrease) in cash	(1 826)	(2 785)	(424)	(608)
Net profit and diluted net profit per share (in PLN/EUR per share)	1.83	16.31	0.43	3.56

	30/09/2024	31/12/2023	30/09/2024	31/12/2023
Non-current assets	137 739	135 594	32 189	31 185
Current assets	56 343	68 775	13 167	15 818
Total assets	**194 082**	**204 369**	**45 356**	**47 003**
Share capital	1 974	1 974	461	454
Total equity	**136 196**	**140 899**	**31 828**	**32 405**
Non-current liabilities	15 916	16 552	3 719	3 807
Current liabilities	41 970	46 918	9 809	10 791
Number of shares	1 160 942 049	1 160 942 049	1 160 942 049	1 160 942 049
Carrying amount and diluted carrying amount per share (in PLN/EUR per share)	117.32	121.37	27.42	27.91

The above financial data for the 9-month period of 2024 and 2023 was translated into EUR using the following exchange rates:

– items in the statement of profit or loss and other comprehensive income and the statement of cash flows - by the arithmetic average of average exchange rates quoted by the National Bank of Poland as of the last day of each month during the reporting period: from 1 January to 30 September 2024 – 4.3022 EUR/PLN and from 1 January to 30 September 2023 – 4.5773 EUR/PLN;
– items of assets, equity and liabilities – by the average exchange rate published by the National Bank of Poland as on 30 September 2024 – 4.2791 EUR/PLN and as at 31 December 2023 – 4.3480 EUR/PLN.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 9 AND 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024

PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

ORLEN GROUP (in PLN million)

A. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

Consolidated statement of profit or loss and other comprehensive income

	NOTE	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Sales revenues	*5.1*	219 778	67 936	274 314	79 457
revenues from sales of finished goods and services		*186 089*	*55 802*	*233 411*	*66 184*
revenues from sales of merchandise and raw materials		*33 689*	*12 134*	*40 903*	*13 273*
Cost of sales	*5.2*	(192 615)	(57 342)	(229 861)	(66 086)
cost of finished goods and services sold		*(163 517)*	*(46 551)*	*(194 634)*	*(54 703)*
cost of merchandise and raw materials sold		*(29 098)*	*(10 791)*	*(35 227)*	*(11 383)*
Gross profit on sales		**27 163**	**10 594**	**44 453**	**13 371**
Distribution expenses		(10 773)	(3 543)	(11 429)	(3 918)
Administrative expenses		(4 512)	(1 619)	(4 030)	(1 285)
Other operating income	*5.4*	2 023	444	5 956	2 924
Other operating expenses	*5.4*	(6 593)	(3 908)	(6 949)	(3 083)
(Loss)/reversal of loss due to impairment of trade receivables		(153)	(86)	(94)	(29)
Share in profit from investments accounted for using the equity method		(72)	(287)	(973)	(862)
Profit from operations		**7 083**	**1 595**	**26 934**	**7 118**
Finance income	*5.5*	1 535	652	2 593	597
Finance costs	*5.5*	(1 007)	(300)	(1 458)	(1 240)
Net finance income and costs		**528**	**352**	**1 135**	**(643)**
Reversal of loss due to impairment of financial assets other than trade receivables		(38)	28	(46)	(19)
Profit before tax		**7 573**	**1 975**	**28 023**	**6 456**
Tax expense		(4 561)	(1 787)	(7 977)	(1 900)
current tax		*(3 674)*	*(803)*	*(2 980)*	*739*
deferred tax		*(887)*	*(984)*	*(4 997)*	*(2 639)*
Net profit		**3 012**	**188**	**20 046**	**4 556**
Other comprehensive income:					
which will not be reclassified subsequently into profit or loss		**(37)**	**(54)**	**(1)**	**(29)**
actuarial gains and losses		*(50)*	*(56)*	*5*	*(30)*
gains and losses on investments in equity instruments at fair value through other comprehensive income		*5*	*(9)*	*(8)*	*(7)*
deferred tax		*8*	*11*	*2*	*8*
which will be reclassified into profit or loss		**(3 176)**	**(996)**	**3 632**	**34**
cash flow hedging instruments		*(2 126)*	*(377)*	*4 591*	*(1 415)*
hedging costs		*(408)*	*2*	*684*	*223*
exchange differences on translating foreign operations		*(1 135)*	*(696)*	*(700)*	*982*
share in other comprehensive income of investments accounted for using the equity method		*9*	*1*	*-*	*2*
deferred tax		*484*	*74*	*(943)*	*242*
		(3 213)	**(1 050)**	**3 631**	**5**
Total net comprehensive income		**(201)**	**(862)**	**23 677**	**4 561**
Net profit attributable to		**3 012**	**188**	**20 046**	**4 556**
equity owners of the parent		*3 020*	*222*	*19 950*	*4 561*
non-controlling interest		*(8)*	*(34)*	*96*	*(5)*
Total net comprehensive income attributable to		**(201)**	**(862)**	**23 677**	**4 561**
equity owners of the parent		*(188)*	*(826)*	*23 581*	*4 569*
non-controlling interest		*(13)*	*(36)*	*96*	*(8)*
Net profit per share attributable to equity owners of the parent (in PLN per share)					
basic		*2.60*	*0.19*	*17.18*	*3.93*
diluted		*2.60*	*0.19*	*17.18*	*3.93*

The accompanying notes disclosed on pages 10 – 52 are an integral part of these interim condensed consolidated financial statements.

(in PLN million)

Consolidated statement of financial position

	NOTE	30/09/2024 (unaudited)	31/12/2023 (restated data)
ASSETS			
Non-current assets			
Property, plant and equipment		141 024	135 191
Intangible assets and goodwill		11 265	13 830
Right-of-use asset		13 683	13 486
Investments accounted for using the equity method		2 032	2 170
Deferred tax assets		1 578	1 017
Derivatives	5.8	1 703	1 682
Other assets	5.8	3 781	3 631
		175 066	**171 007**
Current assets			
Inventories		32 453	32 794
Trade and other receivables		29 909	39 722
Current tax assets		767	1 417
Cash		10 829	13 282
Derivatives	5.8	1 300	2 617
Assets classified as held for sale		145	242
Other assets	5.8	2 435	3 382
		77 838	**93 456**
Total assets		**252 904**	**264 463**
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1 974	1 974
Share premium		46 405	46 405
Own shares		-	(2)
Hedging reserve		1 717	3 767
Revaluation reserve		-	(1)
Exchange differences on translating foreign operations		(1 314)	(179)
Retained earnings		98 564	100 358
Equity attributable to equity owners of the parent		**147 346**	**152 322**
Non-controlling interests		**1 056**	**1 098**
Total equity		**148 402**	**153 420**
LIABILITIES			
Non-current liabilities			
Loans, borrowings and bonds	5.7	10 878	10 671
Provisions	5.9	10 517	9 952
Deferred tax liabilities		11 318	10 485
Derivatives	5.8	312	241
Lease liabilities		9 530	9 343
Other liabilities	5.8	927	859
		43 482	**41 551**
Current liabilities			
Trade and other liabilities		43 091	41 509
Lease liabilities		1 471	1 386
Liabilities from contracts with customers		1 723	1 818
Loans, borrowings and bonds	5.7	825	4 496
Provisions	5.9	7 854	11 605
Current tax liabilities		2 774	2 331
Derivatives	5.8	1 068	1 797
Other liabilities	5.8	2 214	4 550
		61 020	**69 492**
Total liabilities		**104 502**	**111 043**
Total equity and liabilities		**252 904**	**264 463**

The accompanying notes disclosed on pages 10 – 52 are an integral part of these interim condensed consolidated financial statements.

ORLEN GROUP (in PLN million)

Consolidated statement of changes in equity

	Share capital	Share premium	Own shares	Hedging reserve	Revaluation reserve	Exchange differences on translating foreign operations	Retained earnings	Equity attributable to equity owners of the parent	Non-controlling interests	Total equity
01/01/2024	1 974	46 405	(2)	3 767	(1)	(179)	100 358	152 322	1 098	153 420
Net profit	-	-	-	-	-	-	3 020	3 020	(8)	3 012
Components of other comprehensive income	-	-	-	(2 050)	1	(1 135)	(24)	(3 208)	(5)	(3 213)
Total net comprehensive income	-	-	-	**(2 050)**	**1**	**(1 135)**	**2 996**	**(188)**	**(13)**	**(201)**
Sale of own shares	-	-	2	-	-	-	-	2	-	2
Change in share structure	-	-	-	-	-	-	28	28	(28)	-
Dividends	-	-	-	-	-	-	(4 818)	(4 818)	(1)	(4 819)
30/09/2024	**1 974**	**46 405**	**-**	**1 717**	**-**	**(1 314)**	**98 564**	**147 346**	**1 056**	**148 402**
(unaudited)										
01/01/2023	1 974	46 405	(2)	5 005	(5)	2 701	85 992	142 070	1 040	143 110
Net profit	-	-	-	-	-	-	19 950	19 950	96	20 046
Components of other comprehensive income	-	-	-	4 332	(6)	(700)	5	3 631	-	3 631
Total net comprehensive income	-	**-**	**-**	**4 332**	**(6)**	**(700)**	**19 955**	**23 581**	**96**	**23 677**
Dividends	-	-	-	-	-	-	(6 385)	(6 385)	-	(6 385)
30/09/2023	**1 974**	**46 405**	**(2)**	**9 337**	**(11)**	**2 001**	**99 562**	**159 266**	**1 136**	**160 402**

(unaudited)
(restated data)

The accompanying notes disclosed on pages 10 – 52 are an integral part of these interim condensed consolidated financial statements.

(in PLN million)

Consolidated statement of cash flows

	NOTE	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Cash flows from operating activities					
Profit before tax		**7 573**	**1 975**	**28 023**	**6 456**
Adjustments for:					
Share in profit from investments accounted for using the equity method		72	287	973	862
Depreciation and amortisation	5.2	10 223	3 365	10 598	3 401
Foreign exchange (profit)/loss		(248)	(147)	(291)	220
Net interest and dividends		310	91	193	74
(Profit)/Loss on investing activities, incl.:		4 737	3 519	2 339	(84)
recognition/(reversal) of impairment allowances of property, plant and equipment, intangible assets, goodwill and other assets	5.4	*4 763*	*3 524*	*2 336*	*26*
Change in provisions		4 583	1 634	6 297	1 696
Change in working capital		8 187	(512)	12 205	(1 524)
inventories		*179*	*(557)*	*8 217*	*(4 243)*
receivables		*10 065*	*1 615*	*3 737*	*326*
liabilities		*(2 057)*	*(1 570)*	*251*	*2 393*
Other adjustments, incl.:		(6 408)	(1 692)	(8 556)	(4 057)
settlement of grants for property rights		*(1 934)*	*(631)*	*(3 108)*	*(1 006)*
security deposits		*(769)*	*(167)*	*7 039*	*(159)*
derivatives		*(2 172)*	*(649)*	*(6 841)*	*(1 101)*
change in assets and liabilities due to contracts valued at the time of settlement of business combination		*(1 412)*	*(380)*	*(5 995)*	*(542)*
Income tax received/(paid)		(2 824)	52	(14 997)	(999)
Net cash from operating activities		**26 205**	**8 572**	**36 784**	**6 045**
Cash flows from investing activities					
Acquisition of property, plant and equipment, intangible assets and right-of-use asset		(21 630)	(6 689)	(26 533)	(9 226)
Proceeds from the sale of shares in connection with the implementation of REMEDIES		20	-	340	-
Disposal of property, plant and equipment, intangible assets and right-of-use asset		191	152	209	60
(Purchase)/Disposal of bonds		-	-	(938)	47
Acquisition of petrochemical assets less cash		-	-	(214)	-
Recapitalisation in investments in joint ventures		(2)	-	(1 147)	(621)
Interest received		25	2	149	19
Dividends received		69	2	108	8
(Outflows) net cash from loans		28	(10)	(609)	(634)
(Acquisition)/Disposal of shares lowered by cash		(1 914)	16	(110)	(133)
Other		(26)	4	(37)	(19)
Net cash (used) in investing activities		**(23 239)**	**(6 523)**	**(28 782)**	**(10 499)**
Cash flows from financing activities					
Proceeds from loans and borrowings received		4 992	994	2 220	99
Bonds issued		-	-	2 183	2 183
Repayment of loans and borrowings		(8 246)	(2 061)	(7 037)	(694)
Redemption of bonds		(105)	-	(3 999)	(578)
Interest paid from loans, borrowings and bonds		(409)	(179)	(513)	(135)
Interest paid on lease		(345)	(100)	(277)	(79)
Dividends paid		(1)	(1)	(6 385)	(6 385)
Payments of liabilities under lease agreements		(1 210)	(350)	(1 141)	(254)
Grants received		121	28	101	17
Other		(111)	(25)	(159)	(38)
Net cash (used) in financing activities		**(5 314)**	**(1 694)**	**(15 007)**	**(5 864)**
Net increase/(decrease) in cash		**(2 348)**	**355**	**(7 005)**	**(10 318)**
Effect of changes in exchange rates		(105)	42	(707)	365
Cash, beginning of the period		13 282	10 432	21 046	23 287
Cash, end of the period		**10 829**	**10 829**	**13 334**	**13 334**
including restricted cash		*825*	*825*	*1 038*	*1 038*

The accompanying notes disclosed on pages 10 – 52 are an integral part of these interim condensed consolidated financial statements.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principal activity of the ORLEN Group

The Parent Company of the ORLEN S.A. Capital Group ("Group", "ORLEN Group") is ORLEN S.A. ("ORLEN", "Company", "Parent Company") with its headquarters in Płock, 7 Chemików Street.
The core business of the ORLEN Group is the processing of crude oil and the production of fuel, petrochemical and chemical products as well as their wholesale and retail sale and generates, distributes and trades of electricity and heat, incl. from renewable energy sources. The ORLEN Group also conducts exploration, recognition and extraction of hydrocarbons. Moreover, the operations of the ORLEN Group also include exploration and production of natural gas, import of natural gas, as well as storage, sale and distribution of gaseous and liquid fuels.

The activity of the ORLEN Group companies is also service-related activity: storage of crude oil and fuels, transportation, maintenance and overhaul services, laboratory, security, design, administrative, courier services, insurance and financial services

2. Information on principles adopted in the preparation of the interim condensed consolidated financial statements

2.1. Statement of compliance and general principles of preparation

These interim condensed consolidated financial statements ("consolidated financial statements") were prepared in accordance with requirements of IAS 34 "Interim financial reporting" and in the scope required by the Minister of Finance Regulation of 29 March 2018 on current and periodical information to be published by issuers of securities and conditions of consideration of information required by the law of non-member country's law as equal (Official Journal 2018, item 757) and present the ORLEN Group's financial position as at 30 September 2024 and as at 31 December 2023, financial results and cash flows for the 9 and 3-month period ended 30 September 2024 and 30 September 2023.

These interim condensed consolidated financial statements were prepared on the assumption that the Group will continue to operate as a going concern in the foreseeable future.

As part of the assessment of the Group's ability to continue as a going concern, the Management Board analysed the existing risks, both financial and operational, and in particular assessed the impact of armed conflicts in the world, including the ongoing war in Ukraine for the Group's operations and the related changes in the macroeconomic situation in Europe and around the world. Moreover, in its assessment of the correctness of adopting the going concern assumption, the Management Board included an analysis of the Group's basic financial ratios, including liquidity ratios, debt ratios, as well as profitability and turnover ratios, which confirmed the good financial condition of the Group.

As at the date of approval of these interim condensed consolidated financial statements there is no evidence indicating that the Group will not be able to continue its operations as a going concern.

The Parent Company and the entities comprising the ORLEN Group have unlimited period of operations.

These interim condensed consolidated financial statements, except for the consolidated statement of cash flows, were prepared using the accrual basis of accounting.

2.2. Accounting principles and amendments to International Financial Reporting Standards (IFRS)

2.2.1. Accounting principles

In these interim condensed consolidated financial statements, the significant accounting policies applied by the Group and significant values based on judgments and estimates were the same as described in individual explanatory notes in the Consolidated Financial Statements for 2023.

2.2.2. Restatement of comparative data

The following events had an impact on the comparative data presented in the Consolidated Financial Statements for 2023:

- in the Consolidated Half-Year Report for the 1st half of 2024, the Group presented the final settlement of the transaction of acquiring the Ujazd, Dobrzyca and Dominowo wind farms and acquiring wind farms in Wielkopolska and Western Pomerania. As a result of determining the final fair values of the acquired assets and assumed liabilities as at the acquisition date, which resulted in the adjustment of the provisional values previously recognized, the Group verified the comparative information as at 31 December 2023;
- in this consolidated report for 3rd quarter of 2024, the Group presented the final settlement of the transaction of taking control over System Gazociągów Tranzytowych EuRoPol GAZ S.A. ("EuRoPol Gaz"). As a result of determining the final fair values of the acquired assets and assumed liabilities as at the acquisition date, which resulted in the adjustment of the provisional values previously recognized, the Group verified the comparative information as at 31 December 2023.

ORLEN GROUP (in PLN million)

	31/12/2023 (published data in the annual report)	Adjustments to comparative data due to completion acquisition settlement: Wind farms	EuRoPol Gaz	31/12/2023 (restated data)
ASSETS				
Non-current assets				
Property, plant and equipment	134 685	498	8	135 191
Intangible assets and goodwill	14 150	(349)	29	13 830
Right-of-use asset	13 486	-	-	13 486
Investments accounted for using the equity method	2 170	-	-	2 170
Deferred tax assets	991	(4)	30	1 017
Derivatives	1 682	-	-	1 682
Other assets	3 631	-	-	3 631
	170 795	**145**	**67**	**171 007**
Current assets				
Inventories	32 794	-	-	32 794
Trade and other receivables	39 722	-	-	39 722
Current tax assets	1 417	-	-	1 417
Cash	13 282	-	-	13 282
Derivatives	2 617	-	-	2 617
Assets classified as held for sale	242	-	-	242
Other assets	3 309	73	-	3 382
	93 383	**73**	**-**	**93 456**
Total assets	**264 178**	**218**	**67**	**264 463**
EQUITY AND LIABILITIES				
Equity				
Share capital	1 974	-	-	1 974
Share premium	46 405	-	-	46 405
Own shares	(2)	-	-	(2)
Hedging reserve	3 767	-	-	3 767
Revaluation reserve	(1)	-	-	(1)
Exchange differences on translating foreign operations	(179)	-	-	(179)
Retained earnings	100 118	-	240	100 358
Equity attributable to equity owners of the parent	**152 082**	**-**	**240**	**152 322**
Non-controlling interests	**1 098**	**-**	-	**1 098**
Total equity	**153 180**	**-**	**240**	**153 420**
Non-current liabilities				
Loans, borrowings and bonds	10 671	-	-	10 671
Provisions	10 165	-	(213)	9 952
Deferred tax liabilities	10 337	137	11	10 485
Derivatives	241	-	-	241
Lease liabilities	9 343	-	-	9 343
Other liabilities	859	-	-	859
	41 616	**137**	**(202)**	**41 551**
Current liabilities				
Trade and other liabilities	41 509	-	-	41 509
Lease liabilities	1 386	-	-	1 386
Liabilities from contracts with customers	1 818	-	-	1 818
Loans, borrowings and bonds	4 496	-	-	4 496
Provisions	11 467	81	57	11 605
Current tax liabilities	2 331	-	-	2 331
Derivatives	1 797	-	-	1 797
Other liabilities	4 578	-	(28)	4 550
	69 382	**81**	**29**	**69 492**
Total equity and liabilities	**264 178**	**218**	**67**	**264 463**

In relation to the figures presented in the Consolidated Financial Statements for 2023, as a result of the completion of the acquisition settlement processes of Wind Farms and EuRoPol Gaz individual items of net assets and liabilities have changed:

– property, plant and equipment increasing in value at 31 December 2023 to the amount of PLN 135,191 million mainly as a result of revaluation to fair value of property, plant and equipment less depreciation for the period from the time of acquisition of control to the end of 2023 by the amount of PLN 506 million;
– intangibles and goodwill, the value of which as at 31 December 2023 had fallen to the amount of PLN 13,830 million, mainly as a result of adjustments to goodwill arising on the acquisition of Wind Farms in amount of PLN (349) million;

ORLEN GROUP (in PLN million)

- other short-term assets, the value of which as at 31 December 2023 has increased to an amount of PLN 3,382 million as a result of the recognition in Wind Farms Ujazd, Dobrzyca i Dominowo of a compensation asset of PLN 73 million;
- short-term and long-term provisions, the value of which at 31 December 2023 respectively increased to PLN 11,605 million and decreased to value PLN 9,952 million, mainly as a result of revaluation and partial use of the provision for onerous contracts EuRoPol Gaz in total amount of PLN (156) million.

As a result of the above changes, the amount of deferred tax assets and liabilities also changed, with the respective amounts as at 31 December 2023 as follows PLN 1,017 million and PLN 10,485 million.

The following events affected the comparative data presented in the statement of profit or loss or other comprehensive income in the Consolidated Quarterly Report for the 3rd quarter of 2023:

- in the interim condensed consolidated financial statements for the 4th quarter of 2023, the Group presented the final settlement of the merger transaction with the PGNIG Group. As a result of determining the final fair values of the acquired assets and assumed liabilities as at the acquisition date, which resulted in the adjustment of the provisional values previously recognised, the Group verified the comparative information for 9 and 3-months ended 30 September 2023;

	9 MONTHS ENDED 30/09/2023 (unaudited) (published data)	Adjustments to comparative data due to completion of accounting settlement of merger with the ORLEN Group	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Sales revenues	260 315	13 999	274 314
Cost of sales	(221 159)	(8 702)	(229 861)
Gross profit on sales	**39 156**	**5 297**	**44 453**
Distribution expenses	(11 429)	-	(11 429)
Administrative expenses	(4 044)	14	(4 030)
Other operating income	6 051	(95)	5 956
Other operating expenses	(5 245)	(1 704)	(6 949)
(Loss) due to impairment of trade receivables	(94)	-	(94)
Share in profit from investments accounted for under equity method	(1 038)	65	(973)
Profit from operations	**23 357**	**3 577**	**26 934**
Finance income	2 593	-	2 593
Finance costs	(1 380)	(78)	(1 458)
Net finance income and costs	**1 213**	**(78)**	**1 135**
(Loss) due to impairment of loans and interest on trade receivables	(46)	-	(46)
Profit before tax	**24 524**	**3 499**	**28 023**
Income tax	(7 412)	(565)	(7 977)
Net profit	**17 112**	**2 934**	**20 046**
Net profit attributable to	**17 112**	**2 934**	**20 046**
equity owners of the parent	*17 016*	*2 934*	*19 950*
non-controlling interest	*96*	-	*96*
Total net comprehensive income attributable to	**20 691**	**2 986**	**23 677**
equity owners of the parent	*20 595*	*2 986*	*23 581*
non-controlling interest	*96*	-	*96*
Net profit and diluted net profit per share attributable to equity owners of the parent (in PLN per share)	*14.66*	*2.52*	*17.18*

Compared to the data presented in the interim condensed consolidated financial statements for the 3rd quarter of 2023, as a result of the completion of the settlement processes for the mergers with the PGNiG Group, the following revenue and expense have changed:

- sales revenue, the value of which for the three quarters period of 2023 increased to PLN 274,314 million, mainly as a result of the settlement of assets and liabilities under gas sales contracts, for which the actual implementation of the underlying contracts took place by the end of the 3rd quarter of 2023 in the amount of PLN 13,999 million;
- cost of sales, the value of which for the period of three quarters of 2023 decreased to the amount of PLN (229,861) million, mainly due to the reversal of inventory write-downs in PGNiG, recognition of changes in depreciation of property, plant and equipment, intangible assets and assets under rights of use, which were revalued as part of the merger settlement process and the settlement of assets and liabilities under contracts for the purchase of gas and electricity for which the actual implementation of the underlying contracts took place by the end of the 3rd quarter of 2023 in the total amount of PLN (8,702) million;
- other net operating income/expenses, the value of which for the period of three quarters of 2023 decreased to PLN (993) million net, mainly due to the verification of recognized impairment losses on fixed assets (PLN (1,669) million.
- as a result of the above changes, the deferred tax position also changed by the amount of PLN (565) million.

ORLEN GROUP (in PLN million)

	3 MONTHS ENDED 30/09/2023 (unaudited)	Adjustments to comparative data due to completion of accounting settlement of merger with the ORLEN Group	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Sales revenues	75 424	4 033	79 457
Cost of sales	(63 587)	(2 499)	(66 086)
Gross profit on sales	**11 837**	**1 534**	**13 371**
Distribution expenses	(3 918)	-	(3 918)
Administrative expenses	(1 290)	5	(1 285)
Other operating income	2 993	(69)	2 924
Other operating expenses	(3 083)	-	(3 083)
(Loss) due to impairment of trade receivables	(29)	-	(29)
Share in profit from investments accounted for under equity method	(927)	65	(862)
Profit from operations	**5 583**	**1 535**	**7 118**
Finance income	597	-	597
Finance costs	(1 163)	(77)	(1 240)
Net finance income and costs	**(566)**	**(77)**	**(643)**
(Loss) due to impairment of loans and interest on trade receivables	(19)	**-**	**(19)**
Profit before tax	**4 998**	**1 458**	**6 456**
Income tax	(1 539)	(361)	(1 900)
Net profit	**3 459**	**1 097**	**4 556**
Net profit attributable to	**3 459**	**1 097**	**4 556**
equity owners of the parent	*3 464*	*1 097*	*4 561*
non-controlling interest	*(5)*	*-*	*(5)*
Total net comprehensive income attributable to	**3 498**	**1 063**	**4 561**
equity owners of the parent	*3 506*	*1 063*	*4 569*
non-controlling interest	*(8)*	*-*	*(8)*
Net profit and diluted net profit per share attributable to equity owners of the parent (in PLN per share)	*2.98*	*0.95*	*3.93*

	9 MONTHS ENDED 30/09/2023 (unaudited) (published data)	Adjustments to comparative data due to completion of accounting settlement of merger with the ORLEN Group	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Cash flows from operating activities			
Profit before tax	**24 524**	**3 499**	**28 023**
Adjustments for:			
Share in profit from investments accounted for using the equity method	1 038	(65)	973
Depreciation and amortisation	8 755	1 843	10 598
Net interest and dividends	174	19	193
Loss on investing activities	524	1 815	2 339
Change in provisions	6 214	83	6 297
Change in working capital	14 385	(2 180)	12 205
inventories	*9 054*	*(837)*	*8 217*
receivables	*4 510*	*(773)*	*3 737*
liabilities	*821*	*(570)*	*251*
Other adjustments	(2 574)	(5 982)	(8 556)
Net cash from operating activities	**37 752**	**(968)**	**36 784**
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets and right-of-use asset	(26 514)	(19)	(26 533)
Disposal of property, plant and equipment, intangible assets and right-of-use asset	237	(28)	209
Other	(11)	(26)	(37)
Net cash from investing activities	**(28 709)**	**(73)**	**(28 782)**
Net cash (used in) financing activities	**(15 007)**	**-**	**(15 007)**
Net increase in cash	**(5 964)**	**(1 041)**	**(7 005)**
Effect of changes in exchange rates	(1 885)	1 178	(707)
Cash, beginning of the period	21 456	(410)	21 046
Cash, end of the period	**13 607**	**(273)**	**13 334**

	3 MONTHS ENDED 30/09/2023 (unaudited) (published data)	Adjustments to comparative data due to completion of accounting settlement of merger with the ORLEN Group	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Cash flows from operating activities			
Profit before tax	**4 998**	**1 458**	**6 456**
Adjustments for:			
Share in profit from investments accounted for using the equity method	927	(65)	862
Depreciation and amortisation	2 834	567	3 401
Net interest and dividends	56	18	74
Loss on investing activities	(144)	60	(84)
Change in provisions	1 628	68	1 696
Change in working capital	(41)	(1 483)	(1 524)
inventories	*(4 194)*	*(49)*	*(4 243)*
receivables	*1 177*	*(851)*	*326*
liabilities	*2 976*	*(583)*	*2 393*
Other adjustments	(2 238)	(1 819)	(4 057)
Net cash from operating activities	**7 241**	**(1 196)**	**6 045**
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets and right-of-use asset	(9 207)	(19)	(9 226)
Other	(14)	(5)	(19)
Net cash from investing activities	**(10 475)**	**(24)**	**(10 499)**
Net cash (used in) financing activities	**(5 864)**	**-**	**(5 864)**
Net increase in cash	**(9 098)**	**(1 220)**	**(10 318)**
Effect of changes in exchange rates	(796)	1 161	365
Cash, beginning of the period	23 501	(214)	23 287
Cash, end of the period	**13 607**	**(273)**	**13 334**

2.3. Functional currency and presentation currency of financial statements and methods applied to translation of financial statements of foreign entities

2.3.1. Functional currency and presentation currency

The functional currency of the Parent Company and presentation currency of these interim condensed consolidated financial statements is Polish Zloty (PLN). Possible differences in the amount of PLN 1 million when summing up the items presented in the explanatory notes result from the adopted rounding's. The data in interim consolidated financial statements is presented in PLN million, unless otherwise stated.

2.3.2. Methods applied to translation of financial data

Translation into PLN of financial statements of foreign entities, for consolidation purposes:
- particular assets and liabilities – at spot exchange rate as at the end of the reporting period,
- items of the statement of profit or loss and other comprehensive income and the statement of cash flows - at the average exchange rate for the reporting period (arithmetic average of daily average exchange rates published by the National Bank of Poland ("NBP") in a given period).

Foreign exchange differences resulting from the above recalculations are recognised in equity in the line exchange differences on translating foreign operations. Upon disposal of foreign entity, foreign exchange differences accumulated in equity, relating to a given foreign entity, are recognised in the statement of profit and loss as the result on disposal.

CURRENCY	Average exchange rate for the reporting period				Exchange rate as at the end of the reporting period	
	9 MONTHS ENDED 30/09/2024	3 MONTHS ENDED 30/09/2024	9 MONTHS ENDED 30/09/2023	3 MONTHS ENDED 30/09/2023	30/09/2024	31/12/2023
EUR/PLN	4.3061	4.2840	4.5854	4.5001	4.2791	4.3480
USD/PLN	3.9621	3.8995	4.2333	4.1368	3.8193	3.9350
CAD/PLN	2.9134	2.8594	3.1466	3.0843	2.8252	2.9698
CHF/PLN	4.4963	4.5050	4.6908	4.6808	4.5279	4.6828
CZK/PLN	0.1717	0.1701	0.1924	0.1865	0.1700	0.1759
NOK/PLN	0.3719	0.3643	0.4047	0.3945	0.3637	0.3867

2.4. Information concerning the seasonal or cyclical character of the ORLEN Group's operations in the presented period

Sales and distribution of natural gas and production, sales and distribution electricity and heat during the year are subject to seasonal fluctuations. The volume of natural gas and energy sold and distributed, and consequently sales revenues, increases in the winter months and decreases in the summer months. This depends on the ambient temperature and day length. The range of these fluctuations is determined by low temperatures and shorter days in winter and higher temperatures and longer days in summer. The seasonal nature of this part of revenues applies to a much greater degree to individual customers than to the production/industrial sector clients.

In the other segments of the ORLEN Group is no significant seasonality or cyclicality of operations.

3. Financial situation and the organization of the ORLEN Group

3.1. Group achievements and factors that have a significant impact on the interim condensed consolidated financial statements

Profit or loss for the 9 months of 2024

Sales revenues of the ORLEN Group for the 9 months of 2024 amounted to PLN 219,778 million and was lower by PLN (54,536) million (y/y). The decrease in sales revenues concerned the Refining, Energy and Gas segments and was partially compensated by the increase in revenues in the Retail and Upstream segments.
The operating expenses amounted to PLN (207,900) million and were lower by PLN 37,420 million (y/y) mainly as a result of the decrease in costs in the Refining, Energy, and Gas segments mitigated by the increase in costs in the Upstream and Retail segments.

Refining Segment
The decrease in sales revenues in the Refining segment amounted to PLN (10,607) million (y/y) as a result of the negative impact of lower crack spreads on light and middle distillates due to global trends in margin normalization, and the strengthening of the PLN against the USD by (-) 6% and lower sales volumes by (-) (3%) (y/y) as a result of aggressive pricing policy, as a result of which low trade margins in 3rd and 4th quarter 2023 resulted in a significant increase in sales volumes in the base year.

The decrease in operating expenses in the Refining segment amounted to PLN 5,612 million (y/y) and resulted mainly from lower operating costs, including lower natural gas and electricity prices (y/y).

Petrochemical Segment
The increase in sales revenues in the Petrochemical segment by PLN 140 million (y/y) was accompanied mainly by a rise in sales volumes by 6,5%, including: PTA by 36%, fertilisers by 19% and monomers by 9%. In the domestic market and European markets in general, a very difficult market environment persists affecting the ability to realise margins and place volumes. Operating costs of the Petrochemicals segment decreased by PLN 1,001 million (y/y).

Energy Segment
The decrease in sales revenues in the Energy segment amounted to PLN (8,257) million (y/y) and was mainly due to the decrease in energy prices (TGeBase) by (28%), lower electricity sales volumes by (11%) and a lower level of compensation by PLN (873) milion.
The decrease in operating costs in the Energy segment amounted to PLN 10,030 million (y/y) and was mainly due to from lower natural gas prices, lower gas consumption, lower CO_2 emission costs and the lack of deductions for the Price Difference Payment Fund, which were valid in 2023.

Retail Segment
The increase in sales revenues in the Retail segment amounted to PLN 5,233 million (y/y) and was mainly due to an increase in demand, as well as, the increase in sales volumes in connection with the purchase of a local network of petrol stations in Austria in January 2024.
Sales volume increased by 14,8%.The increase in operating costs in the Retail segment amounted to PLN (4,306) million (y/y) and was mainly due to an increase in the operating costs of fuel stations.

Upstream Segment
The increase in sales revenues in the Upstream segment amounted to PLN 610 million (y/y) was mainly due to increased production on the Norwegian continental shelf. The negative impact on sales revenue was related to the lower (y/y), gas price and the strengthening of the PLN against the USD and the NOK.
The increase in operating costs in the Upstream segment amounted to PLN (5,661) million (y/y) and resulted mainly from a higher (y/y) contribution to the Price Difference Payment Fund by PLN (5,666) million, and the implementation of deposits development projects in Norway.

Gas Segment
The decrease in sales revenues in the Gas segment amounted to PLN (41,566) million and resulted mainly from lower gas prices on the markets (y/y), including: natural gas TGEgasDA by (24,1%), and lower by PLN (8,350) million (y/y) contribution from the Price Difference Payment Fund.
The decrease in operating costs in the Gas segment amounted to PLN 34,171 million (y/y) and resulted mainly from lower gas purchase costs as a result of the decrease in market prices and strengthening of the PLN exchange rate against foreign currencies.
Additionally, both sales revenues and operating costs of the segment included the impact of the settlement of assets and liabilities under contracts valued as at the date of the merger with the PGNiG Group, which was lower by PLN (5,578) million (y/y).

The result of other operating activities amounted to PLN (4,570) million and was lower by PLN (3,577) million (y/y). The change was mainly influenced by higher net impairment allowances on fixed assets (y/y) by PLN (2,427) million and a negative impact (y/y) of the effect of settlement and valuation of derivative financial instruments related to operational exposure in the total amount of PLN (998) million.

As a result, profit from operations amounted to PLN 7,083 million and was lower by PLN (19,851) million (y/y). An additional comment regarding the main reasons of the change in profit from operations increased by depreciation and amortisation (so-called EBITDA) is presented in point B1.

Net finance income in the described period amounted to PLN 528 million and included mainly net foreign exchange gain in the amount of PLN 476 million, net interest income in the amount of PLN 102 million.

After the deduction of tax charges in the amount of PLN (4,561) million, the net profit of the ORLEN Group for the 9 months of 2024 amounted to PLN 3,012 million and was lower by PLN (17,034) million (y/y).

Profit or loss for the 3rd quarter of 2024

Sales revenues of the ORLEN Group in the 3rd quarter of 2024 amounted to PLN 67,936 million and were lower by PLN (11,521) million (y/y). The decrease in sales revenues concerned the segments: Refining, Energy and Gas and was partially compensated by an increase in revenues in the Petrochemical, Retail and Upstream segments.

Operating expenses amounted to PLN (62,504) million and were lower by PLN 8,785 million (y/y) mainly as a result of a decrease in costs in the segments: Refining, Petrochemical, Energy, Upstream and Gas, and mitigated by an increase in costs in the Retail segments.

Refining Segment

The decrease in sales revenues in the Refining segment amounted to PLN (4,794) million (y/y) and resulted was mainly due to a decline in quotations of light and middle distillates and heavy fractions.

Segment volume sales were lower by (-) 5,4% as a result of high sales in 3Q23 due to low trading margins in Poland.

The decrease in operating costs in the Refining segment amounted to PLN 762 million (y/y) and resulted mainly from lower natural gas and electricity consumption costs.

Petrochemical Segment

The increase in sales revenues in the Petrochemical segment amounted to PLN 282 million (y/y) and resulted mainly from an increase in sales volumes by 3%, including: PTA by 42%, plastics by 16% and fertilizers by 8 as a result of lower product imports due to higher logistics rates. Operating costs in the Petrochemical segment decreased by PLN 16 million (y/y).

Energy Segment

The decrease in sales revenues in the Energy segment amounted to PLN (2,054) million (y/y) and was mainly due to the decrease in energy prices (TGBASE) by (14%), lower volumes of electricity sales outside the ORLEN Group (by 7%) and a lower level of compensation.

The decrease in operating costs in the Energy segment amounted to PLN 2,308 million (y/y) and was mainly due to from lower natural gas consumption, and the lack of deductions for the Price Difference Payment Fund, which were valid in 2023, in amount of PLN (426) million.

Retail Segment

The increase in sales revenues in the Retail segment amounted to PLN 881 million (y/y) and was mainly due to the increase in demand as well as the increase in sales volumes in connection with the purchase of a local network of petrol stations in Austria. Sales volume increased by 8,1%, mainly gasoline by 10,5% and diesel by 6,5%.

The increase in operating costs in the Retail segment amounted to PLN (400) million (y/y) and was mainly due to the increase in operating costs of petrol stations.

Upstream segment

The increase in sales revenues in the Upstream segment amounted to PLN 187 million (y/y) and resulted mainly due to an increase in production levels on the Norwegian Continental Shelf and positive macro impact (y/y) due to increase in gas prices TGEgasDA by (2%).

The decrease in operating costs in the Upstream segment amounted to PLN 2,767 million (y/y) and was mainly due to the lack of costs associated with Price Difference Payment Fund, which in 3rd quarter 2023 amounted to PLN (3,044) million.

Gas Segment

The decrease in sales revenues in the Gas segment amounted to PLN (5,980) million (y/y) and resulted mainly from lower prices on natural gas (y/y) and lower contribution from the Price Difference Payment Fund by PLN (1,041) million (y/y).

The decrease in operating costs in the Gas segment amounted to PLN 1,656 million (y/y) and was mainly due to the lower cost of purchasing gas in contracts and, as a result, additionally strengthening of the PLN exchange rate against foreign currencies.

Additionally, both sales revenues and operating costs of the segment included the impact of the settlement of assets and liabilities under contracts valued as at the date of the merger with the PGNiG Group, which was lower by PLN (1,381) million (y/y).

The result of other operating activities amounted to PLN (3,464) million and was lower by PLN (3,305) million (y/y) mainly as a result of recognition of net impairment allowances on fixed assets in the amount of PLN (3,498) million in the refining (Lithuania Refinery) and petrochemical segment (Olefins Płock). Detailed information in note 5.3.

As a result, profit from operations amounted to PLN 1,595 million and was lower by PLN (5,523) million (y/y). An additional comment regarding the main reasons of the change in profit from operations increased by depreciation and amortisation (so-called EBITDA) is presented in point B1.

After the deduction of tax charges in the amount of PLN (1,787) million, the net result of the ORLEN Group amounted to PLN 188 million and was lower by PLN (4,368) million (y/y).

Statement of financial position

As at 30 September 2024, the total assets of the ORLEN Group amounted to PLN 252,904 million and was lower by PLN (11,559) million in comparison with 31 December 2023.

The change in the value of assets was influenced by an increase in the value of fixed assets by 2.4% and a decrease in the value of current assets by (16.7)%.

As at 30 September 2024, the value of non-current assets amounted to PLN 175,066 million and was higher by PLN 4,059 million in comparison with the end of the previous year, mainly due to increase in property, plant and equipment by PLN 5,833 million, deferred tax asset by PLN 561 million with a decrease in the intangible assets and goodwill by PLN (2,565) million.

The change in balance of property, plant and equipment and intangible assets and goodwill by PLN 3,268 million (y/y) comprised:

1) investment expenditures in the amount of PLN 19,381 million including:

a) <u>Refining segment</u>
- ✓ construction of the Visbreaking and HVO (Hydrotreated Vegetable Oil) Installation in Płock,
- ✓ construction of the new hydrocracking in Lithuania,
- ✓ construction of the Bioetanol 2nd Gen installation in Jedlicze,
- ✓ construction of the Hydrocracking Oil Unit and a marine terminal for transhipment of petroleum products on the Martwa Wisła in Gdańsk,

b) <u>Petrochemical segment</u>
- ✓ development of fertilizer production capacities in Włocławek,
- ✓ expenditure of the production capacity of the Olefin installation in Płock,

c) <u>Energy segment</u>
- ✓ modernization of existing assets and the connection of new customers,
- ✓ construction of CCGT Ostrołęka and CCGT Grudziądz,
- ✓ construction of photovoltaic farms,

d) <u>Retail segment</u>
- ✓ expansion, modernization and rebranding of the network petrol stations and expansion of the non-fuel sales network

e) <u>Upstream segment</u>
- ✓ upstream projects in Norway including development of the Tommeliten Alpha and Fenris deposits and the Yggdrasil area,
- ✓ upstream projects in Poland

f) <u>Gas segment</u>
- ✓ construction and modernization of customer connections to the grid

2) depreciation and amortisation in the amount of PLN (9,072) million,
3) purchase and amortisation of CO_2 allowances and energy certificates in the amount of PLN 1,439 million and PLN (8,162) million, respectively,
4) rights received free of charge in the amount of PLN 2,618 million;
5) recognition of net impairment allowances on assets mainly in the Petrochemical and Refining segment in the amount of PLN (4,763) million,
6) goodwill recognised on the acquisition of new subsidiaries (mainly KUFPEC Norway AS i Doppler Energie GnbH) in the amount of PLN 1,595 million.
7) effect of recognition assets of the acquisition of new subsidiaries (KUFPEC Norway AS i Doppler Energie GmbH) in the amount of PLN 1 459 million,
8) effect of differences in balance on translating foreign operations in the amount of PLN (1,423) million.

The value of current assets as at 30 September 2024 decreased by PLN (15,618) million in comparison with the end of the previous year, mainly as:

- decrease in trade and other receivables by PLN (9,813) million mainly as a result of lower prices of refinery, petrochemical and gas products on the European market, accompanied by a simultaneous decrease in the sales volume in the Refining segment and in the Gas and Energy segment (seasonal effect),
- decrease in balance of cash by PLN (2,453) million,
- a decrease in the valuation of derivative financial instruments by PLN (1,317) million, mainly due to the settlement of purchase and sale transactions of natural gas (commodity swap transactions and commodity futures and forwards),
- decrease in other assets by PLN (947) million mainly related to a decrease in assets from contracts valued at the time of settlement of the business combination by PLN (1,367) million and an increase in security deposits by PLN 830 million, mainly due to CO_2 commodity futures purchase transactions concluded on the ICE exchange.

As at 30 September 2024, total equity amounted to PLN 148,402 million and was lower by PLN (5,018) million in comparison with the end of 2023, mainly due to recognition of the liability for the dividend payments from the profits of the previous years to ORLEN's shareholders in the amount of PLN (4,818) million, impact of the change in hedging reserve in the amount of PLN (2,050) million, impact of exchange differences on translating foreign operations in the amount of PLN (1,135) million and recognition of net profit for the 9 months of 2024 in the amount of PLN 3,012 million.

The value of trade and other liabilities increased by PLN 1,582 million in comparison to the end of 2023 mainly due to recognition of ORLEN's shareholder dividend liabilities by PLN 4,818 million and decrease of investment liabilities by PLN (2,143) million.

Value of provisions as at 30 September 2024 amounted to PLN 18,371 million and was lower by PLN (3,186) million in comparison to the end of 2023. The change resulted mainly from a decrease in the net provisions for estimated CO_2 emissions and energy certificates in the amount of PLN (3,007) million due to the recognition and updating of the net provision in the amount of PLN 5,920 million based on the weighted average price of allowances and certificates held and their use due to redemption of property rights for 2023 in the amount of PLN (8,562) million,

As at 30 September 2024, net financial indebtedness of the ORLEN Group amounted to PLN 820 million and was lower by PLN (988) million in comparison with the end of 2023. The decrease in debt is mainly the effect of net repayment of loans, borrowings and redemption of bonds in the amount of PLN (3,310) million with a simultaneous decrease in balance of cash by PLN 2,453 million.

Statement of cash flows for the 9 months of 2024

As at 30 September 2024, the Group's cash balance amounted to PLN 10,829 million and after taking into consideration revaluation of cash due to exchange differences was lower by PLN (2,453) million compared to 31 December 2023. The decrease in cash is mainly due to the net cash outflow used in investing activities in the amount of PLN (23,239) million, including capital expenditures incurred, among others, for the construction of installations, modernization of assets, construction of photovoltaic farms and expenditures related to the acquisition of new entities in the amount of PLN (1,914) million, mainly concerning the acquisition of shares in KUFPEC Norway AS and Doppler Energie GmbH. Net cash flows from operating activities in the 9-month period ended 30 September 2024 amounted to PLN 26,205 million and decreased by PLN (10,579) million compared to the comparable period of 2023, mainly due to lower financial results of the Group caused primarily by the negative impact of macroeconomic parameters on the Group's operations, including lower margins in the Refining, Petrochemical, Gas, Energy, Upstream segments and lower sales volumes in the Energy segment with a positive impact of changes in working capital in the amount of PLN 8,187 million. Paid income taxes in the 9-month period ended 30 September 2024 amounted to PLN (2,824) million. Net cash flows used in financing activities for the 9 months ended 30 September 2024 amounted to PLN (5,314) million and mainly comprised net repayment of loans and borrowings of PLN (3,254) million, interest paid of PLN (754) million and liabilities under lease agreements in the amount of PLN (1,210) million.

Statement of cash flows for the 3rd quarter of 2024

The decrease in cash in the 3rd quarter of 2024 is mainly due to the net cash outflow used in investing activities in the amount of PLN (6,523) million, including capital expenditure incurred, among others, for the construction of installations, modernization of assets and construction of photovoltaic farms.
Net cash flow from operating activities in the 3-month period ended 30 September 2024 amounted to PLN 8,572 million and increased by PLN 2,527 million compared to the comparable period of 2023, mainly as a result of a smaller negative effect of changes in net working capital and the impact of cash flows related to income tax payments. Net cash flow used in financing activities in the 3-month period ended 30 September 2024 amounted to PLN (1,694) million and mainly included net repayment of loans and borrowings in the amount of PLN (1,067) million, interest payments in the amount of PLN (279) million and payments of liabilities under lease agreements in the amount of PLN (350) million.

Factors and events which may influence future results

The key factors that will affect future financial results of the ORLEN Group include:
- impact of the geopolitical situation on the global economy, availability and prices of energy carriers,
- the shape of the new US administration's policies, particularly on international relations, tariffs and duties, and climate protection,
- structural slowdown in China's economy and a program to stimulate domestic consumer demand,
- paths of inflation and central bank interest rates,
- European Commission decisions on the list of goods covered by the CO_2 border price adjustment mechanism (CBAM),
- European Union policy and national solutions for the implementation of the REDIII Directive,
- prices of property rights and CO_2 emission allowances
- administrative interventions on international and domestic oil, fuel markets and electricity (price caps, taxation of windfall profits, tariff policy of the President of the Energy Regulatory Office),
- availability of production installations,
- the pace of putting new refinery capacity into operation in Africa, South America, the Middle East and Asia,
- the pace of infrastructure development in the USA for LNG exports,
- applicable legal regulations,
- implementation schedules for the ORLEN Group's development investments,
- progress in realizing synergies resulting from the Grupa LOTOS and PGNiG acquisition,
- availability of infrastructure for LPG import, enabling diversification of supply sources.

3.2. Description of the organization of the ORLEN Group

As at 30 September 2024 the ORLEN Group includes ORLEN as the Parent Company and entities located in Poland, Germany, the Czech Republic, Lithuania, Norway, Austria, Canada, Slovakia, Hungary, Malta, Sweden, Cyprus, Estonia, Switzerland, the United Kingdom, the Netherlands, Ukraine, Latvia, and China.

ORLEN as the Parent Company is a multi-segment entity, appropriately allocated to all operating segments and corporate functions.

ORLEN GROUP - CONSOLIDATION SCHEME AS AT 30 09 2024
(% of share in share capital)

REFINING SEGMENT

- ORLEN Lietuva Group 100%
- ORLEN Asfalt Group 100 %
- ORLEN Południe Group 100%
- ORLEN UNIPETROL Group 100%
- ORLEN Oil Sp. z o.o. 100%
- IKS SOLINO S.A. 100%
- ORLEN Paliwa Sp. z o.o. 100%
- ORLEN Aviation Sp. z o.o. 100%
- ORLEN Transport Sp. z o.o. 100%
- ORLEN International Trading (SUZHOU) Co., Ltd. 100%
- ORLEN Serwis Group 100%
- ORLEN Eko Group 100%
- Kopalnia Soli Lubień Sp. z o.o. 100%
- ORLEN Trading Switzerland GmbH 100%
- LOTOS Kolej Sp. z o.o. 100%
- LOTOS SPV 3 Sp. z o.o. 100%
- LOTOS SPV 4 Sp. z o.o. 100%
- LOTOS SPV 6 Sp. z o.o. 100%

ENERGY SEGMENT

- ENERGA Group 90.92%
- ORLEN Południe Group 100%
- ANWIL S.A. 100%
- ORLEN Lietuva Group 100%
- ORLEN UNIPETROL Group 100%
- ORLEN Neptun Group 100%
- ORLEN Wind 3 Group 100%
- ORLEN Energia Sp. z o.o. 100%
- LOTOS Green H2 Sp. z o.o. 100%
- PGNiG TERMIKA Group 100%
- SOLGEN Sp. z o.o. 100%
- PGNiG BioEvolution Group 100%

UPSTREAM SEGMENT

- ORLEN Upstream Group 100%
- LOTOS Upstream Group 100%
- LOTOS Petrobaltic Group 99,99%
- Exalo Drilling Group 100%
- GEOFIZYKA Toruń S.A. 100%
- PGNiG Technologie S.A. 100%
- PGNiG Upstream North Africa B.V. 100%
- ORLEN Upstream Norway AS 100%
- LLC "Karpatgazvydobuvannya" 100%
- PGNiG Upstream Polska Sp. z o.o. 100%

RETAIL SEGMENT

- ORLEN UNIPETROL Group 100%
- ORLEN Deutschland Group 100%
- ORLEN Centrum Serwisowe Sp. z o.o. 100%
- ORLEN Budonaft Sp. z o.o. 100%
- AB ORLEN Baltics Retail 100%
- RUCH Group 65%
- ORLEN AustriaGroup 100%

PETROCHEMICAL SEGMENT

- ORLEN UNIPETROL Group 100%
- ORLEN Lietuva Group 100%
- ANWIL S.A. 100%
- ORLEN Olefiny Sp. z o.o. 100%

GAS SEGMENT

- Polska Spółka Gazownictwa Group 100%
- PGNiG GAZOPROJEKT S.A.* 95.17%
- PGNiG Supply&Trading GmbH Group 100%
- PGNiG Obrót Detaliczny Sp. z o.o. 100%
- PGNiG SPV 6 Sp. z o.o. 100%
- System Gazociągów Tranzytowych EuRoPol GAZ S.A. 100%
- PGNiG SPV 10 Sp. z o.o. 100%
- GAS -TRADING Group 79.58%

CORPORATE FUNCTIONS

- ORLEN Laboratorium S.A. 100%
- ORLEN Centrum Usług Korporacyjnych sp. z o.o. 100%
- ORLEN UNIPETROL Group 100%
- ORLEN Holding Malta Group 100%
- ORLEN Capital AB 100%
- ORLEN Usługi Finansowe Sp. z o.o. 100%
- Sigma BIS S.A. 66%
- ORLEN Lietuva Group 100%
- ORLEN Administracja Sp. z o.o. 100%
- Polska Press Group 100%
- ORLEN Projekt Group 100%
- LOTOS Straż Sp. z o.o. 100%
- ORLEN Nieruchomości Sp. z o.o. 100%
- LOTOS Lab Sp. z o.o. 100%
- ORLEN Ochrona Group 100%
- PGNiG Serwis Group 100%
- ORLEN VC sp. z o.o 100%

* 96.37% in number of votes

companies not consolidated using the full method due to their immateriality

(in PLN million)

The list of entities included in the lower-level Capital Groups presented in the consolidation diagram

Name of the Capital Group/Companies	The Group's ownership interest	Segment
ORLEN Lietuva Group		
AB ORLEN Lietuva	100%	Refinery, Petrochemical, Energy, Corporate Functions
ORLEN Eesti OÜ	100%	Refinery
ORLEN Latvija SIA	100%	Refinery
UAB ORLEN Mockavos terminalas	100%	Refinery
ORLEN Asfalt Group		
ORLEN Asfalt Sp. z o.o.	100%	Refinery
ORLEN Asfalt Ceska Republika s.r.o.	100%	Refinery
ORLEN Poludnie Group		
ORLEN Poludnie S.A.	100%	Refinery, Energy
Energomedia Sp. z o.o.	100%	Energy
Konsorcjum Olejów Przepracowanych - Organizacja Odzysku Opakowań i Olejów S.A.	90%	Refinery
ORLEN UNIPETROL Group		
ORLEN Unipetrol a.s.	100%	Corporate Functions
ORLEN UniCRE a.s.	100%	Corporate Functions
ORLEN UNIPETROL RPA s.r.o.	100%	Refinery, Petrochemical, Energy, Retail, Corporate Functions
ORLEN UNIPETROL Hungary Kft.	100%	Refinery
ORLEN UNIPETROL Deutschland GmbH	100%	Petrochemical
ORLEN UNIPETROL Doprava s.r.o.	100%	Refinery
ORLEN UNIPETROL Slovakia s.r.o.	100%	Refinery
PETROTRANS s.r.o.	100%	Refinery
Spolana s.r.o.	100%	Petrochemical
ORLEN HUNGARY Kft.	100%	Retail
REMAQ, s.r.o.	100%	Petrochemical
HC Verva Litvinov a.s.	70.95%	Corporate Functions
Paramo a.s.	100%	Refinery
ORLEN Serwis Group		
ORLEN Serwis S.A.	100%	Refinery
ORLEN Service Česká Republika s.r.o.	100%	Refinery
UAB ORLEN Service Lietuva	100%	Refinery
ORLEN Eko Group		
ORLEN Eko Sp. z o.o.	100%	Refinery
ORLEN EkoUtylizacja Sp. z o.o.	100%	Refinery
ENERGA Group		
Energa S.A.	90.92%	Energy
CCGT Gdańsk Sp. z o.o.	100%	Energy
CCGT Grudziądz Sp. z o.o.	100%	Energy
CCGT Ostrołęka Sp. z o.o.	100%	Energy
Centrum Badawczo-Rozwojowe im. M. Faradaya Sp. z o.o.	100%	Energy
Energa Finance AB	100%	Energy
Energa Green Development Sp. z o.o.	100%	Energy
Farma Wiatrowa Szybowice Sp. z o.o.	100%	Energy
Energa Informatyka i Technologie Sp. z o.o.	100%	Energy
Energa Logistyka Sp. z o.o.	100%	Energy
Energa Prowis Sp. z o.o.	100%	Energy
Energa Oświetlenie Sp. z o.o.	100%	Energy
Energa-Obrót S.A.	100%	Energy
Enspirion Sp. z o.o.	100%	Energy
Energa Kogeneracja Sp. z o.o.	64.59%	Energy
Energa Ciepło Kaliskie Sp. z o.o.	91.24%	Energy
Energa Ciepło Ostrołęka Sp. z o.o.	100%	Energy
Energa-Operator S.A.	100%	Energy
Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o.	100%	Energy
Energa Wytwarzanie S.A.	100%	Energy
Energa Elektrownie Ostrołęka S.A.	89.64%	Energy
ECARB Sp. z o.o.	100%	Energy
Energa Serwis Sp. z o.o.	100%	Energy
ENERGA MFW 1 Sp. z o.o.	100%	Energy
ENERGA MFW 2 Sp. z o.o.	100%	Energy
Energa Wind Service Sp. z o.o.	100%	Energy

ORLEN GROUP (in PLN million)

WENA PROJEKT 2 sp. z o.o.	100%	Energy
PVE 28 Sp. z o.o.	100%	Energy
VRS 14 Sp. z o.o.	100%	Energy
Aktywa Ostrołęka sp. z o.o.	100%	Energy
ORLEN Neptun Group		
ORLEN Neptun Sp. z o.o.	100%	Energy
ORLEN Neptun II Sp. z o.o.	100%	Energy
ORLEN Neptun III Sp. z o.o.	100%	Energy
ORLEN Neptun IV Sp. z o.o.	100%	Energy
ORLEN Neptun V Sp. z o.o.	100%	Energy
ORLEN Neptun VI Sp. z o.o.	100%	Energy
ORLEN Neptun VII Sp. z o.o.	100%	Energy
ORLEN Neptun VIII Sp. z o.o.	100%	Energy
ORLEN Neptun IX Sp. z o.o.	100%	Energy
ORLEN Neptun X Sp. z o.o.	100%	Energy
ORLEN Neptun XI Sp. z o.o.	100%	Energy
ORLEN Neptūnas, UAB	100%	Energy
ORLEN Wind 3 Group		
ORLEN Wind 3 Sp. z o.o.	100%	Energy
Livingstone Sp. z o.o.	100%	Energy
Nowotna Farma Wiatrowa sp. z o.o.	100%	Energy
Forthewind sp. z o.o.	100%	Energy
Copernicus Windpark sp. z o.o.	100%	Energy
Ujazd Sp. z o.o.	100%	Energy
EW Dobrzyca Sp. z o.o.	100%	Energy
Wind Field Wielkopolska Sp. z .o.o.	100%	Energy
PV WAŁCZ 01 Sp. z o.o.	100%	Energy
PGNiG TERMIKA Group		
PGNiG TERMIKA S.A.	100%	Energy
PGNiG TERMIKA Energetyka Przemysłowa S.A.	100%	Energy
PGNiG TERMIKA Energetyka Przemysłowa - Technika Sp. z o.o.*	100%	Energy
PGNiG TERMIKA Energetyka Przemyśl sp. z o.o.	100%	Energy
PGNiG TERMIKA Energetyka Rozproszona sp. z o.o.	100%	Energy
ORLEN Upstream Group		
ORLEN Upstream Sp. z o.o.	100%	Upstream
ORLEN Upstream Canada Ltd.	100%	Upstream
KCK Atlantic Holdings Ltd.	100%	Upstream
LOTOS Upstream Group		
LOTOS Upstream Sp. z o.o.	100%	Upstream
AB LOTOS Geonafta	100%	Upstream
UAB Genciu Nafta	100%	Upstream
UAB Manifoldas	100%	Upstream
LOTOS Exploration and Production Norge AS	100%	Upstream
LOTOS Petrobaltic Group		
LOTOS Petrobaltic S.A.	99.99%	Upstream
B8 Sp. z o.o.	100%	Upstream
B8 Sp. z o.o. BALTIC S.K.A.	100%	Upstream
Energobaltic Sp. z o.o.	100%	Upstream
Miliana Shipholding Company Ltd.	100%	Upstream
Bazalt Navigation Company Ltd.	100%	Upstream
Granit Navigation Company Ltd.	100%	Upstream
Kambr Navigation Company Ltd.	100%	Upstream
Miliana Shipmanagement Ltd.	100%	Upstream
Petro Aphrodite Company Ltd.	100%	Upstream
Petro Icarus Company Ltd.	100%	Upstream
St. Barbara Navigation Company Ltd.	100%	Upstream
Technical Ship Management Sp. z o.o.	100%	Upstream
SPV Baltic Sp. z o.o.	100%	Upstream
SPV Petro Sp. z o.o.	100%	Upstream
Exalo Drilling Group		
Exalo Drilling S.A.	100%	Upstream
Exalo Diament Sp. z o.o.	100%	Upstream
EXALO DRILLING UKRAINE LLC	100%	Upstream
Zakład Gospodarki Mieszkaniowej sp. z o.o. w Pile	100%	Upstream
ORLEN Deutschland Group		
ORLEN Deutschland GmbH	100%	Retail
ORLEN Deutschland Betriebsgesellschaft GmbH	100%	Retail
ORLEN Deutschland Süd Betriebsgesellschaft mbH	100%	Retail
RUCH Group		
RUCH S.A.	65%	Retail

ORLEN GROUP (in PLN million)

Fincores Business Solutions Sp. z o.o.	100%	Retail
ORLEN Holding Malta Group		
ORLEN Holding Malta Ltd.	100%	Corporate Functions
Orlen Insurance Ltd.	100%	Corporate Functions
Polska Spółka Gazownictwa Group		
Polska Spółka Gazownictwa Sp. z o.o.	100%	Gas
Gaz Sp. z o.o.	100%	Gas
PSG Inwestycje Sp. z o.o.	100%	Gas
PGNiG Supply & Trading Group		
PGNiG Supply & Trading GmbH	100%	Gas
PGNiG Supply&Trading Polska Sp. z o.o.*	100%	Gas
ORLEN LNG SHIPPING LIMITED	100%	Gas
ORLEN LNG TRADING LIMITED	100%	Gas
GAS - TRADING Group		
GAS - TRADING S.A.	79.58%	Gas
Gas-Trading Podkarpacie sp. z o.o.	99.04%	Gas
Polska Press Group		
Polska Press Sp. z o.o.	100%	Corporate Functions
PL24 Sp. z o.o.	100%	Corporate Functions
Pro Media Sp. z o.o.	53%	Corporate Functions
ORLEN Ochrona Group		
ORLEN Ochrona Sp. z o.o.	100%	Corporate Functions
UAB ORLEN Apsauga	100%	Corporate Functions
PGNiG Serwis Group		
PGNiG Serwis Sp. z o.o.	100%	Corporate Functions
Polskie Centrum Brokerskie sp. z o.o.*	100%	Corporate Functions
ORLEN Projekt Group		
ORLEN Projekt S.A.	100%	Corporate Functions
ORLEN Projekt Česká republika s.r.o.	59.91%	Corporate Functions
ENERGOP Sp. z o.o.	74.11%	Corporate Functions
PGNiG Bioevolution Group		
PGNiG Bioevolution sp. z o.o.	100%	Energy
Bioenergy Project Sp. z o.o.	100%	Energy
CHP Energia Sp. z o.o.	100%	Energy
Bioutil Sp. z o.o.	100%	Energy
ORLEN Austria Group		
ORLEN Austria GmbH	100%	Retail
Austrocard GmbH	100%	Retail
Doppler Badener Tankstellenbetriebs GmbH	100%	Retail
Doppler Strom GmbH	100%	Retail
Doppler Kärntner Tankstellenbetriebs GmbH	100%	Retail
Doppler Klagenfurter Tankstellenbetriebs GmbH	100%	Retail
Doppler Korneuburger Tankstellenbetriebs GmbH	100%	Retail
Favoritner Tankstellenbetriebs GmbH	100%	Retail
FIDO GmbH	100%	Retail
Gmundner Tankstellenbetriebs GmbH	100%	Retail
Halleiner Tankstellenbetriebs GmbH	100%	Retail
Innviertler Tankstellenbetriebs GmbH	100%	Retail
Linzer Tankstellenbetriebs GmbH	100%	Retail
Mühlviertler Tankstellenbetriebs GmbH	100%	Retail
Puchenauer Tankstellenbetriebs GmbH	100%	Retail
Salzburger Tankstellenbetriebs GmbH	100%	Retail
Salzkammergut Tankstellenbetriebs GmbH	100%	Retail
Sattledter Tankstellenbetriebs GmbH	100%	Retail
Trauner Tankstellenbetriebs GmbH	100%	Retail
Tulpen Tankstellenbetriebs GmbH	100%	Retail
Waldviertler Tankstellenbetriebs GmbH	100%	Retail
Welser Tankstellenbetriebs GmbH	100%	Retail
Wiener Tankstellenbetriebs GmbH	100%	Retail
Wr.Neustädter Tankstellenbetriebs GmbH	100%	Retail

* companies excluded from consolidation using the full method due to immateriality

Changes in the structure of the ORLEN Group from 1 January 2024 up to the date of preparation of this report

- on 2 January 2024, ORLEN finalized the transaction of purchasing 100% of shares in Doppler Energie GmbH from the Doppler Group. On 9 July 2024, Doppler Energie GmbH changed its name to ORLEN Austria GmbH Additional information in note 3.3.1.1.;
- on 3 January 2024, ENERGA Invest Sp. z o.o. (the company being acquired) and ORLEN Projekt S.A. (the acquiring company) merged. The merger took place pursuant to Article 492 § 1 item 1 of the Commercial Companies Code, i.e. by transferring all assets of the company being acquired to the acquiring company.
- on 5 January 2024, PGNiG Upstream Norway AS (PUN) acquired 100% of shares in KUFPEC Norway AS and changed its name to ORLEN Upstream Norway 2 AS. Additional information in note 3.3.1.2.;

- on 25 January 2024, the legal title to 100% of the shares in the share capital of Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych was transferred to Powszechny Zakład Ubezpieczeń S.A. For this reason, the Group recognised in other operating income the result on the sale of the company in the amount of PLN 11 million;
- on 8 March 2024 ENERGA Green Development Sp. z o.o. finalized the purchase of Farma Wiatrowa Szybowice sp. z o.o. from Onde and Goalscreen Holdings Limited. The acquired company has a wind farm project with a capacity of 37.4 MW in the stage of readiness for construction. The order to start work has been issued on 20 March 2024. The planned wind farm is located in the Prudnik commune in Opole Voivodeship. The planned costs of the company's implementation of the Szybowice Wind Farm project, estimated on the basis of separate contracts concluded (i.e. contract for the supply of 17 turbines, general and comprehensive contracting contract and project management contract during construction) are approximately PLN 350 million. The construction of the installation is to be completed by the end 2025. The Group has initially assessed that the assets and related liabilities taken over by the Group as part of this transaction do not constitute a project as defined in IFRS 3 and it has recognized this transaction as the acquisition of a group of assets. The fair value of the payment transferred so far amounted to PLN 58 million and included the purchase of shares as well as the repayment of loans granted to the company by former shareholders, which was a necessary condition for taking control of the company,
- on 4 April 2024 Energa S.A. finalised a purchase of 50% shares in company Elektrownia Ostrołęka sp. z o.o. (EO) from Enea S.A. Currently, Energa S.A. has 100% of shares in EO. The acquired entity was initially established to implement the project of a new coal-fired power plant in Ostrołęka, however, due to the change in the project regarding the fuel used from coal to gas, the project is continued in another special purpose vehicle. Currently, EO has assets in a form of, among others, land, including land leased by CCGT Ostrołęka Sp. z o.o. and railway siding used by the company Energa Elektrownie Ostrołęka S.A. Purchase price of 50% of shares in EO amounted to PLN 42 million. The purpose of the transaction was to take full control over EO in order to use its potential and resources, including, among others, real estate for the implementation of the ORLEN Group's strategic investment projects. The Group has initially assessed that the assets and related liabilities taken over by the Group as part of this transaction do not constitute a project as defined in IFRS 3 and it has recognized this transaction as the acquisition of a group of assets.
- on 12 April 2024 Energa Wytwarzanie S.A. purchased from Lightsource bp 100% of shares in special purpose vehicle Wena Projekt 2 Sp. z o.o. with its seat in Warsaw, having the rights to the design of a photovoltaic installation with a total capacity of approx. 130 MW. Also on 12 April 2024, orders were issued to the general contractor to start work. The photovoltaic installation is to be built in the Kotla commune in Głogów County, Lower Silesian Voivodeship. The photovoltaic installation is expected to be commissioned before the end of 2025. The fair value of the consideration transferred amounted to PLN 117 million and included the purchase of shares as well as the repayment of a loan granted to the special purpose vehicle by former shareholders, which was a necessary condition for taking control of the company and may change in subsequent periods as a result of the process of determining the final sale price. The Group has initially assessed that the assets and related liabilities taken over by the Group as part of this transaction do not constitute a project as defined in IFRS 3 and it has recognized this transaction as the acquisition of a group of assets. The company mainly has assets in the form of fixed assets under construction relating to the expenditure incurred so far for the implementation of the investment.
- on 14 May 2024, ORLEN S.A. acquired 15% of shares in LLC "KARPATGAZVYDOBUVANNYA" and currently holds 100% of shares in this company,
- on 18 June 2024, ORLEN Upstream Norway 2 AS was deleted from the Norwegian Register of Businesses as a result of the completion of the merger with PGNiG Upstream Norway AS. This operation was carried out in connection with the regulatory requirements of the Norwegian authorities regarding the Group's petroleum operations in Norway through a single entity;
- on 20 June 2024, ORLEN sold 100% of shares in Gas Storage Poland sp. z o.o., the operator of the gas fuel storage system, to Operator Gazociągów Przesyłowych Gaz-system S.A., thus meeting the condition required by the President of the Office of Competition and Consumer Protection in connection with the merger of ORLEN with PGNIG S.A. As a result of this transaction, a result on sale of PLN 9 million was recognized, presented as part of other operating income;
- on 9 July 2024, ORLEN Wind 3 finalized the purchase of 100% of shares in the PV Wałcz 01 Sp. z o.o. photovoltaic farm from Forum IV Fundusz Inwestycyjny Zamknięty and Prime PV Assets. The photovoltaic power plant with a total installed capacity of approximately 10 MW is located in the West Pomeranian Voivodeship, near the town of Wałcz;
- on 31 July 2024, indirect subsidiaries based in London, with 100% capital participation of PGNiG Supply & Trading GmbH changed their company names:
  - ✓ PST LNG Trading Limited to ORLEN LNG Trading Limited;
  - ✓ PST LNG Shipping Limited to ORLEN LNG Shipping Limited;
- on 29 August 2024, Energa Wytwarzanie S.A. acquired 100% of shares in two special purpose vehicles, PVE28 Sp. z o.o. and VRS14 Sp. z o.o., from the Greenvolt Group. The transaction included the purchase of the Opalenica photovoltaic farms, located in the Wielkopolska Province, with a total capacity of 22.2 MW (including 20.2 MW built and 2 MW under construction). Both acquired companies have concluded agreements for technical and commercial management and service agreements. The only scope of the companies' activities is the production of electricity from photovoltaic sources. The provisional fair value of the payment transferred as part of the transaction of acquisition of shares in PVE28 Sp. z o.o. and VRS14 Sp. z o.o. amounted to PLN 60 million and included the purchase of shares, as well as the repayment of loans granted to the companies by the former owner, which was a necessary condition for taking control over the companies. The fair value of the consideration transferred may change in subsequent periods as a result of the process of determining the final purchase price,

- on 30 August 2024, ORLEN acquired 125 shares in Solgen Sp. z o.o. (3rd tranche - in accordance with the share purchase agreement). As a result of this transaction, since 30 August 2024, ORLEN holds 100% of the share capital of Solgen sp. z o.o.;
- on 4 September 2024, Elektrownia Ostrołęka sp. z o.o. changed its name to Aktywa Ostrołęka sp. z o.o.;
- on 26 September 2024, based on the resolution of the Extraordinary General Meeting of Shareholders of PGNiG Upstream Norway AS, the company's name was changed to ORLEN Upstream Norway AS,
- on 14 October 2024, the change of the name of LOTOS Kolej Sp. z o.o. was registered in the National Court Register to ORLEN Kolej Spółka z ograniczoną odpowiedzialnością,
- on 23 October 2024, ORLEN Wind 3 sp. z o.o. acquired 3 companies: Neo Solar Chotków sp. z o.o., Neo Solar Farms sp. z o.o., FW WARTA sp. z o.o. Additional information in note 5.18,
- on 5 November 2024 Energa Green Development Sp. z o.o. acquired from EGN Polska T.Bąkowski W.Kalisz B.Królikowski sp. k. 100% shares in Helios Polska Energia Sp. z o.o. with its seat in Konin, developing a PV Łosienice photovoltaic farm project with installed capacity of 39.9 MW, located in the commune Kościerzyna. At the same time, an order was issued on the same day to start construction work (NTP) general contractor. The Group expects the occupancy permit for the completed farm to be issued by the end of the 2025. The purchase price for 100% of the shares amounted to approx. PLN 26 million.

Changes in the Group structure are an element of the ORLEN Group strategy, assuming a focus on core activities and allocating capital for the development of the Group in the most prospective areas a strong and strengthening the position of an multi-energy concern, and the element of the implementation of the process of integration and consolidation of the activities of companies with identical scopes of operations.

3.3. Settlement of acquisition of shares in accordance with IFRS 3 Business Combinations

3.3.1. Settlement of business combinations that took place in the current reporting period

3.3.1.1. Finalization of acquisition of service stations in Austria

On 2 January 2024, ORLEN finalized the transaction of purchasing 100% of shares in Doppler Energie (currently ORLEN Austria) from the Doppler Group. Doppler Energie manages 267 gas stations in Austria under the Turmöl brand, being one of the top three players in the Austrian fuel market, boasting a retail market share of approximately 10%.
As a result of the transaction the ORLEN network additionally expanded by 110 electric car charging points in Austria (across 34 locations), operating under the Turmstrom brand.
Almost half of the acquired service stations are self-service facilities, aligning with the preferences of Austrian consumers who appreciate the ease of purchasing and paying for fuel directly at the pump. Additionally, 40 locations are equipped with solar PV panels.
The transaction also included the acquisition of Austrocard, a fuel card provider serving both private and business customers, accepted at over 500 locations throughout Austria.
At the same time, ORLEN took over a significant part of the wholesale fuel market, which will allow to optimize logistics and guarantee the stability of supplies to the stations.
The transaction is the result of the ORLEN Group's strategy to expand the gas station network on the markets of Central and Eastern Europe, which also assumes increasing the share of foreign stations in the entire network. On 9 July 2024, the acquired company Doppler Energie GmbH changed its name to ORLEN Austria GmbH.

Provisional settlement of the transaction

The acquisition of shares in Doppler Energie is settled applying the acquisition method in accordance with IFRS 3 Business Combinations.
As at the date of preparation of these interim condensed consolidated financial statement, the accounting settlement of the merger has not been completed, and the process of measuring the acquired net assets to fair value, in which the Group engaged external experts, has not been completed. Therefore, the Group presented provisional values of identifiable assets and liabilities which correspond to their book values as at 31 December 2023. The Group plans to finalize purchase price allocation process within 12 months from the acquisition date.

ORLEN GROUP (in PLN million)

The provisional value of identifiable assets acquired and liabilities assumed recognised as at the acquisition date are as follows:

		02/01/2024
Acquired assets	**A**	**1 136**
Non-current assets		**468**
Property, plant and equipment		200
Intangible assets		47
Right-of-use asset		219
Deferred tax assets		2
Current assets		**668**
Inventories		72
Trade and other receivables		486
Cash		110
Acquired liabilities	**B**	**1 066**
Non-current liabilities		**200**
Deferred tax liabilities		4
Provision		4
Lease liabilities		192
Current liabilities		**866**
Trade and other liabilities		839
Lease liabilities		27
Provisional total net assets	**C = A - B**	**70**
Acquired net assets attributable to the equity owners of the parent	D	70
% share in the share capital	E	100
Value of shares measured as a proportionate share in the net assets	F = D*E	70
Fair value of the consideration transferred (Cash paid)	G	654
Provisional goodwill	**I = G-F**	**584**

The net cash outflow related to the acquisition of shares in Doppler Energie, being the difference between the net cash acquired in the amount of PLN 110 million (recognised as cash flows from investing activities) and the paid cash transferred as consideration in the amount of PLN (654) million, amounted to PLN (544) million.

The Group expects that, as a result of the purchase price settlement process, provisionally determined goodwill of PLN 584 million will be reduced as a significant portion will be allocated to other assets as a result of the fair value measurement process for property, plant and equipment.

The remainder of the goodwill relates to the expected benefits and synergies within the Group arising from the development of the fuel network in foreign markets and the optimisation of logistics costs due to the presence and ownership of production assets in a number of markets in the region, including the proximity to the ORLEN Group's Czech refineries.

Doppler Group's share in the revenues and the result generated by the ORLEN Group for the three quarters 2024 amounted to PLN 5,049 million and PLN 11 million, respectively.

3.3.1.2. KUFPEC Norway AS company acquisition transaction

On 5 January 2024 PGNiG Upstream Norway (currently ORLEN Upstream Norway AS) from the ORLEN Group finalised acquisition transaction of KUFPEC Norway AS mining company and took control of its operations.

The acquired business includes, among others: shares in five deposits, in which the ORLEN Group already operates, as well as Eirin gas field, which is planned to be developed using the existing production infrastructure. All producing deposits and, in the future, also Eirin, have a connection to the infrastructure for pumping the extracted gas through the Baltic Pipe pipeline to Poland. As a result of the transaction, the ORLEN Group's natural gas production in Norway will increase by one third and exceed 4 billion cubic meters annually.

Purchase of shares in KUFPEC Norway AS was financed from funds generated by PGNiG Upstream Norway from operational activities on the Norwegian Continental Shelf. The acquisition of KUFPEC Norway AS will translate into an increase in controlled extractable resources of PGNiG Upstream Norway up to almost 400 million boe. Over 80 % of the acquired resources are natural gas. Additionally, as a result of the acquisition of shares in KUFPEC Norway AS, the production of PGNIG Upstream Norway will increase to over 100 thousand barrels of oil equivalent (boe) per day.

The transaction is the result of the Group's strategy to maximise gas production to supply the Polish market and other countries in the region.

Provisional settlement of transaction

The acquisition of KUFPEC Norway AS is accounted for using the acquisition method in accordance with IFRS 3 Business Combinations.

As at the date of preparation of these interim condensed consolidated financial statements, the Group has presented provisional values of identifiable assets and liabilities, that correspond to their fair values at the date of the combination estimated based on work performed by the Group to date with the participation of an external advisor, which are currently subject to verification and therefore may still be subject to change. The Group plans to make a final settlement of the acquisition in the period of 12 months from the acquisition date.

ORLEN GROUP (in PLN million)

The provisional value of identifiable assets acquired and liabilities assumed recognised as at the acquisition date are as follows:

		05/01/2024
Acquired assets	**A**	***2 327***
Non-current assets		***1 212***
Property, plant and equipment		1 212
Current assets		***1 115***
Trade and other receivables		240
Inventories		36
Cash		839
Acquired liabilities	**B**	***1 599***
Non-current and current liabilities		***1 599***
Trade and other liabilities		126
Current tax liabilities		362
Deferred tax liabilities		295
Provisions for infrastructure decommissioning		815
Other liabilities		1
Provisional total net assets	**C = A - B**	**728**
Acquired net assets attributable to the equity owners of the parent	**D**	728
% share in the share capital	**E**	100
Value of shares measured as a proportionate share in the net assets	**F= D*E**	728
Fair value of the consideration transferred (Cash paid)	***G***	1 868
Provisional goodwill	**I = G-F**	**1 140**

Net cash outflow related to the acquisition of KUFPEC Norway AS (recognised as cash flow from investing activities) being the difference between the cash acquired and the cash transferred as payment, taking into account exchange rate differences on translation, amounted to PLN (1,024) million.

There were no significant changes to data presented in the provisional settlement of the merger presented in the Half-Year Report for the 1st half of 2024. As a result of the provisional settlement of the transaction, the Group recognised goodwill in the amount of PLN 1,140 million. Part of the goodwill in the amount of PLN 873 million is reflected in the value of the deferred tax liability recognised as at the acquisition date relating to the difference between the fair value of the acquired property, plant and equipment and their value recognised for tax purposes. The remaining part of the goodwill in the amount of PLN 267 million represents the value of the expected benefits and synergies in the Group as part of the implemented strategy including strengthening the development potential in Norway by integrating acquired assets, optimizing operating costs and increasing the scale of operations.

3.3.2. Settlement of business combinations that took place in the previous financial year

3.3.2.1. The acquisition of the Ujazd, Dobrzyca oraz Dominowo wind farms

On 12 October 2023 ORLEN Group completed a transaction to acquire EDP Renewables Polska wind farms by acquiring 100% of shares in: Ujazd Sp. z o.o., EW Dobrzyca Sp. z o.o. and Wind Field Wielkopolska Sp. z o.o.

The transaction included the purchase of three wind farms located in the Wielkopolska region, near Dobrzyca (49.9 MW), Ujazd (30 MW), and Dominowo (62.4 MW). The purchased wind farms, whose total capacity is 142 MW, can be additionally expanded with photovoltaic installations with a total capacity of approximately 160 MW, using the existing network connection (cable pooling). ORLEN Wind 3 became the direct owner of the farms.

The fair value of the consideration transferred was PLN 2,231 million and included the purchase price of the shares, as well as the repayment of loans granted to the wind farms by the former shareholder, which was a necessary condition for taking control of the farms.

As a result of the acquisition of the wind farms, the Group enhanced generation capacity of the concern by increasing the capacity installed in onshore wind farms. The transaction is the result of the implementation of the Group's strategy aimed at providing low-emission and attractively priced energy and strengthens the Group's position as one of the leading contributor to energy transition.

Full settlement of transaction

The acquisition of wind farms is accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. In the consolidated half-year report for the 1st half of 2024, the Group presented the results of work carried out by independent experts in the process of identifying and measuring at fair value individual acquired assets and assumed liabilities, including potential contingent liabilities and made the final settlement of the Ujazd, Dobrzyca and Dominowo wind farm acquisition transaction.

The fair value of identifiable main assets and liabilities acquired as at the acquisition date are as follows:

in PLN million		12/10/2023
Acquired assets	A	***1 351***
Non-current assets		***1 244***
Property, plant and equipment		1 152
Right-of-use asset		30
Deferred tax assets		62
Current assets		**107**
Trade and other receivables		14
Cash		16
Other assets		77
Acquired liabilities	B	**241**
Non-current and current liabilities		**241**
Lease liabilities		3
Trade and other liabilities		15
Deffered tax liabilities		110
Provisions		85
Other liabilities		28
Total net assets	C = A - B	**1 110**
The fair value of the payment	*D*	2 231
The value of pre-existing connections	*E*	(14)
Goodwill	F = D + E - C	**1 107**

The final net asset value amounted to PLN 1,110 million, which means an increase of PLN 211 million relative to the provisional settlement of the transaction presented in the Consolidated Financial Statements for 2023. The change was mainly due to:

- valuation of property, plant and equipment, the fair value of which in the final settlement amounted to PLN 1,152 million (the provisional value amounted to PLN 807 million), which means an increase of PLN 344 million,
- recognition of additional provisions whose fair value was determined at PLN 85 million (the provisional value amounted to at PLN 5 million), which means an increase of PLN 80 million,
- an increase in the position of other assets as a result of recognizing an asset for compensation resulting from securing potential regulatory, legal, environmental and other risks at an estimated fair value of PLN 73 million,
- recognition of an additional liability related to deferred tax as a result of the above changes in the amount of PLN 110 million (the provisional value amounted to PLN 0 million), which means an increase of PLN 110 million.

There were no significant changes with respect to other net asset items.

The goodwill determined in the final settlement amounted to PLN 1,107 million and has decreased by PLN 225 million relative to the provisional settlement of the transaction presented in the Consolidated Report for 2023.

The goodwill remaining in the final settlement relates primarily to the expected benefits and synergies throughout the Group as part of the implemented strategy to expand the renewable energy sources portfolio.

Net cash outflow related to the acquisition of wind farms, which is the difference between the net cash acquired (recognised as cash flows from investing activities) and the cash transferred as consideration, amounted to PLN 2,215 million.

If the takeover of the wind farms had taken place at the beginning of the period, the Group's sales revenues and net profit for the 12-month period ended 31 December 2023 would have amounted to PLN 372,824 million and PLN 20,869 million.

The share of wind farms in the revenues and result generated by the ORLEN Group for 2023 was irrelevant.

3.3.2.2. Purchase transaction of wind farms in Wielkopolska and Western Pomerania

On 12 December 2023 ORLEN Wind 3, the company belonging to the ORLEN Group, signed an agreement to acquire wind farms from a UK company Octopus Renewables Infrastructure Trust PLC, through acquisition of 100% of shares in Forthewind sp. z o.o. and Copernicus Windpark sp. z o.o. The transaction encompassed installations in Kuślin near Nowy Tomyśl in Wielkopolska and in Krzęcin, near Choszczno in Western Pomerania, with a total capacity of approximately 60 MW.

The fair value of the consideration transferred amounted to PLN 442 million and included the purchase of the shares, as well as, the repayment of the loan granted to wind farms by the former shareholders, a necessary condition for taking control of farms.

Full settlement of the transaction

The acquisition of wind farms is settled applying the acquisition method in accordance with IFRS 3 Business Combinations.

In the Consolidated Half-Year Report for the first half of 2024, the Group presented the results of work carried out by external experts in the process of identifying and fair value measurement of acquired assets and assumed liabilities, including potential contingent liabilities and made the final settlement of the acquisition transaction of wind farms in Wielkopolska and Western Pomerania.

ORLEN GROUP (in PLN million)

The fair value of identifiable main assets and liabilities acquired as at the acquisition date are as follows:

		12/12/2023
Acquired assets	**A**	**626**
Non-current assets		**574**
Property, plant and equipment		574
Current assets		**52**
Trade and other receivables		8
Cash		44
Acquired liabilities	**B**	**33**
Non-current and current liabilities		***33***
Trade and other liabilities		6
Deferred tax liabilities		27
Total net assets	**C = A - B**	**593**
Fair value of the consideration transferred (Cash paid)	***D***	442
The value of pre-existing connections	***E***	314
Goodwill	***F = D + E - C***	**163**

The final net assets value amounted to PLN 593 million, which means an increase by PLN 128 million in relation to the provisional settlement of the transaction presented in the Consolidated Financial Statements for 2023. The change resulted mainly from the valuation of property, plant and equipment, the fair value of which in the final settlement amounted to PLN 574 million (the provisional value amounted to PLN 420 million), which means an increase by PLN 154 million, as well as the related recognition of an additional deferred tax liability in the amount of PLN 27 million (the provisional value amounted to PLN 6 million).
The other net asset items have not changed significantly.
Moreover, as part of the final settlement of the merger, the Group recognised the value of loans granted to wind farms by the former shareholder, repaid on the transaction date, in the amount of PLN 98 million, as an element of the purchase price. As part of the provisional settlement of the transaction, the value of these loans was recognised as a settlement of pre-existing relationships.
The remaining value of the settlement of pre-existing relationships relates to loans granted by the Group to the acquired companies prior to the transaction date.
As a result of above changes the goodwill recognised as part of the final merger settlement amounted to PLN 163 million and decreased by PLN 129 million in relation to the provisional settlement of the transaction presented in the Consolidated Report for 2023. The remaining goodwill in the final settlement relates mainly to the expected benefits and synergies across the Group as part of the implemented strategy to expand the renewable energy sources portfolio.
The net cash outflow related to the acquisition of wind farms, being the difference between the net cash acquired (recognised as cash flows from investing activities) and the cash transferred as consideration, amounted to PLN 398 million.
If the acquisition of wind farms took place at the beginning of the period, the sales revenue and net profit of the Group for the 12-month period ended 31 December 2023 would amount to PLN 372,854 million and PLN 20,901 million, respectively.
The share of wind farms in the ORLEN Group's revenues and result for 2023 was immaterial.

3.3.2.3. Transaction of taking control over the company System Gazociągów Tranzytowych EuRoPol Gaz S.A

On 10 October 2023 the Minister of Economic Development and Technology (“Minister”) issued a decision on taking over 100% the shares entitled to PAO Gazprom in company Transit Gas Pipeline System EuRoPol Gaz S.A. with its seat in Warsaw (“EuRoPol Gaz”), (“Decision”) under Art. 6b section 5 of the Act of 13 April 2022 on special solutions for counteracting support for aggression against Ukraine and for protecting national security ("Decision"; "Sanctions Act").
As part of the decision the Minister determined the amount of compensation for the takeover of 100% of shares of PAO Gazprom in the amount of PLN 787 million, corresponding to the market value of these shares determined based on a valuation prepared by an independent external entity.
By Resolution on 13 October 2023, the Minister made the decision immediately enforceable (“Resolution”).
On 1 November 2023, there was a delivery to PAO Gazprom of (i) decision of the Minister and (ii) resolution of the Minister of Economic Development and Technology from 13 October 2023, the Minister made the decision immediately enforceable.
Therefore, as of 1 November 2023 ORLEN took exclusive control over EuRoPol Gaz.
The capital structure before the date of taking control was as follows: PAO Gazprom 48% of shares, ORLEN S.A. 48% of shares, GAS TRADING S.A. 4% of shares. Capital structure of EuRoPol Gaz as at the date of taking control looked as follows: EuRoPol Gaz S.A. 48% of shares (own shares, non-voting), ORLEN S.A. 48% of shares, GAS-TRADING S.A. 4% of shares.

Full settlement of the transaction

The transaction of taking control over EuRoPol Gaz is subject to settlement applying the acquisition method in accordance with IFRS 3 Business Combinations.

As at the date of preparation of these interim condensed consolidated financial statements the Group finally concluded the independent experts' process of identification and valuation of fair value of specific acquired assets and acquired liabilities, including an update of the estimate of the fair value of the onerous contract provision relating to the entrustment agreement between company and Gaz-System described below.

ORLEN GROUP (in PLN million)

Accordingly, in these interim condensed consolidated financial statements the Group presents final fair values of assets and liabilities aquired and makes the final settlement of the merger transaction with EuRoPol Gaz.

The fair value of identifiable major items of acquired assets and liabilities as at the acquisition date is as follows:

		01/11/2023
Assets acquired	**A**	**3 465**
Non-current assets		**28**
Intangible assets		28
Current assets		**3 437**
Inventories		44
Trade and other receivables		39
Deferred tax liabilities		159
Cash		3 195
Assumed liabilities	**B**	**2 528**
Non-current liabilities		**1 539**
Provision		1 539
Current liabilities		**989**
Provision		163
Trade and other liabilities		826
Total net assets	**C = A - B**	**937**
Acquired net assets attributable to the equity owners of the parent	D	937
% share in the share capital	E	100
Value of shares measured as a proportionate share in the net assets	F = D*E	937
Fair value of the consideration transferred (Cash paid)	G	852
Bargain purchase gain	**I = F - G**	**85**

** Taking control of EuRoPol Gaz took place without the transfer of payment (as a result of the assumption by the EuRoPol Gaz of shares of PAO Gazprom) and thus, in accordance with the principles of IFRS 3, to account for the merger, the Group replaced the fair value of the consideration transferred with the fair value of the Group's holdings in EuRoPol Gaz as of the acquisition date.*
In the 3rd quarter of 2023, the Group recognised an write-down on its investment in EuRoPol Gaz to the fair value corresponding to the shares in this company held by ORLEN Group. The determined fair value was PLN 852 million.
In the Group's opinion, this value also reflected the fair value of the shares held by the Group in EuRoPol Gaz as at the acquisition date, therefore the Group did not recognise any additional result on revaluation to fair value before the business combination.

EuRoPol Gaz is an owner of Polish part of gas pipeline Yamal-Europe, which is about 684 km long – gas infrastructure element, 5 gas compressor stations and connection points with the National Transmission System, i.e. physical entry points in Włocławek, Lwówek and Mallnow.
In April 2022, Gazprom halted gas supplies under the Yamal contract. Moreover, in May 2022, Gazprom announced that due to sanctions, it would not use the pipeline to export gas to European customers in the future. As a result of the above actions, the Yamal gas pipeline does not transmit gas in the primary direction and does not use any of the five gas compressor stations. Gas is transmitted in reverse from Germany to Poland via the Mallnow point.
On 29 August 2022, the President of the Energy Regulatory Office, in accordance with the Energy Law, issued a decision establishing the contents of the next agreement between EuRoPol Gaz and Gaz-System S.A., as the transmission system operator on SGT section, to entrust the duties of the operator on the Polish section of the Yamal-Western Europe Transit Gas Pipeline System ("SGT") for a period from 1 January 2023 to 6 December 2068 (Entrustment Agreement).
As a result, under the Entrustment Agreement, SGT's infrastructure was separated from the assets of EuRoPol Gaz and included in the scope of entrustment, which includes the gas pipeline, the physical entry point Mallnow and the physical exit points Mallnow (transit), Lwówek and Włocławek (to the Polish transmission system) ("SGT's Assets"). The remaining assets not covered by the entrustment agreement, including in particular the 5 gas compressor stations, are currently not used.
Based on Article. 9h section 5c of the Energy Law, EuRoPol Gaz is obliged to cover the costs incurred by Gaz-System in connection with the performance of operator duties using the SGT's Assets, to the extent that they were not covered by revenues from the services provided by Gaz-System using the SGT's Assets.

In relation to the data presented in the interim settlement of the merger with the EuRoPol Gaz in the 2023 Consolidated Financial Statements, the following net asset items changed as a result of the final completion of the identification and fair value measurement of the individual assets acquired and liabilities assumed at the merger date:
1) intangible assets whose value in the final settlement amounted to PLN 28 million (the provisional value was zero), as a result of the valuation to fair value of the company's CO_2 property rights;
2) trade and other receivables, the fair value of which at final settlement amounted to PLN 39 million (the provisional value was PLN 102 million PLN), mainly due to the remeasurement to fair value of trade receivables;
3) income tax receivables, the value of which in the final settlement amounted to PLN 159 million (the provisional value was PLN 133 million), in connection with the adjustment of current income tax settlements;
4) deferred revenue whose fair value in the final settlement was zero (provisional value was PLN 28 million) due to an adjustment to the value of the grant, which does not meet the definition of an assumed liability at the date of the merger;
5) provisions the fair value of which, as part of the final settlement, has fallen by PLN 65 million, as a result of updating the estimate of the fair value of the provision for the onerous contract. In addition, the Group made a presentation adjustment regarding the split of the provision into short-term and long-term parts. At the date of the merger, the Group estimated that the current entrustment

agreement is the binding contract, due to the obligation to EuRoPol Gaz to cover the costs incurred by Gaz System in connection with the performance of the operator's duties using the Assets SGT, to the extent that they were not covered by revenue from the services provided by the Gaz-System services using the Assets of SGT. The reserve estimate was prepared based on financial projections of EuRoPol Gaz in force at the date of the merger with ORLEN.

The period from the date of takeover to the end of the entrustment agreement, i.e. the end of the 2068. Due to the method of settlement with the operator specified in the entrustment agreement, the estimate of the provision is subject to a high degree of uncertainty as to the amount and timing of future cash outflows. Consequently, there is a significant risk that the value of the provision, may change significantly in subsequent reporting periods. This is due to the unpredictability of the further use of the SGT Assets and the method of billing the operator.

The Group did not recognise a deferred tax asset (analogous to the temporary settlement of transactions), due to the asset not being realisable in future periods. With regard to other net assets, there were no significant changes.

As a result of changes in the fair value of net assets EuRoPol Gaz described above, as part of the final settlement of the transaction, the Group recognised a bargain purchase gain in the amount of PLN 85 million.

Taking into account the specific requirements of IFRS 3 Business Combinations regarding the possibility of recognising a possible bargain purchase gain, the Group reviewed the identification and measurement procedures performed for all items affecting the calculation of the result on the transaction before recognising the final settlement of the transaction and considered the recognition of a bargain purchase gain to be justified.

The bargain purchase gain was recognised in the consolidated statement of profit or loss and other comprehensive income within other operating income.

Included in the measurement of the fair value of the shares held at the acquisition date were assumed negative cash flows relating to the maintenance costs of the gas compressor stations, which are not currently in use and therefore do not generate revenue, and which will have a negative impact on the Group's future financial performance. In accordance with IFRS guidelines, no provisions are made for future operating losses. Consequently, at the date of acquisition, the Group could not reflect the impact of these negative flows by recognising an additional liability for them.

Thus, the positive difference between the fair value of the shares held at the date of acquisition and the fair value of the net assets, recognised as a bargain purchase gain in accordance with IFRS 3 guidance, represents the Group's estimate of the negative cash flows relating to the maintenance of the gas compressor stations, which were included in the fair value of the shares held at the acquisition date but could not be included by the Group in the value of the net assets acquired.

If the acquisition of shares of EuRoPol Gaz occurred at the beginning of the period, the Group's sales revenue and net profit for the 12-month period ended 31 December 2023 would have been respectively PLN 372,790 million and PLN 20 756 million.

Share of EuRoPol Gaz in the ORLEN Group's revenue and result for 2023 was negligible.

On 29 December 2023, the General Meeting of EuRoPol GAZ adopted resolutions, among others, consenting to the sale of GAS-TRADING S.A. shares, purchasing of GAS – TRADING S.A. shares for the purpose of redemption, as well as consent to the redemption of a total of 416,000 own shares (i.e. 384,000 of PAO Gazprom shares and 32,000 of GAS – TRADING S.A. shares) and the reductions related to the above the company's share capital by amending the Company's Articles of Association in accordance with Art. 455 § 1 of the Commercial Companies Code.

GAS-TRADING S.A. remained shareholder of EuRoPol Gaz until deletion from the register of shareholders, i.e. by 16 January 2024.

The above decisions of the General Meeting from 29 December 2023, were registered with the National Court Register on 5 March 2024.

4. Segment's data

As at 30 September 2024 the operations of the ORLEN Group were conducted in:

- the Refining segment, which includes refinery products processing and wholesale, oil production and sale as well as supporting production,
- the Petrochemical segment, which includes the production and wholesale of petrochemicals, production and sale of chemicals and supporting production,
- the Energy segment, which includes production, distribution and sale of electricity and heat and trading in electricity,
- the Retail segment, which includes mainly activity carried out at petrol stations,
- the Upstream segment, which includes activity related to exploration and extraction of mineral resources,
- the Gas segment, which includes the sale of imported natural gas, extracted from deposits and purchased on gas exchanges, distribution of natural gas through the distribution network to individual, industrial and wholesale customers as well as operation, repairs and expansion of the distribution network;
- and Corporate Functions, which include activities related to management, administration and remaining activities not allocated to separate operating segments i.e. reconciling items.

The allocation of the ORLEN Group's companies to operating segments and Corporate Functions was presented in note 3.2.

(in PLN million)

Revenues, costs, financial results, increases in non-current assets

for the 9-month period ended 30 September 2024

	NOTE	Refining Segment (unaudited)	Petrochemical Segment (unaudited)	Energy Segment (unaudited)	Retail Segment (unaudited)	Upstream Segment (unaudited)	Gas Segment (unaudited)	Corporate Functions (unaudited)	Adjustments (unaudited)	Total (unaudited)
External revenues	5.1	72 058	11 783	22 340	47 151	5 498	60 476	472	-	219 778
Inter-segment revenues		34 180	3 188	5 080	138	8 781	11 293	755	(63 415)	-
Sales revenues		106 238	14 971	27 420	47 289	14 279	71 769	1 227	(63 415)	219 778
Total operating expenses		(102 799)	(15 572)	(23 872)	(45 641)	(22 833)	(57 784)	(2 832)	63 433	(207 900)
Other operating income	5.4	853	161	224	42	160	549	34	-	2 023
Other operating expenses	5.4	(2 740)	(2 472)	(229)	(62)	(363)	(471)	(256)	-	(6 593)
recognition of impairment allowances of property, plant and equipment and intangible assets	5.4	*(2 397)*	*(2 049)*	*(44)*	*(3)*	*(266)*	*(37)*	*(33)*	-	*(4 829)*
(Loss)/reversal of loss due to impairment of trade receivables		(29)	(1)	(26)	(1)	18	(118)	4	-	(153)
Share in profit from investments accounted for using the equity method		22	(5)	(48)	-	(43)	-	2	-	(72)
Profit/(Loss) from operations		**1 545**	**(2 918)**	**3 469**	**1 627**	**(8 782)**	**13 945**	**(1 821)**	**18**	**7 083**
Net finance income and costs	5.5									528
(Loss)/reversal of loss due to impairment of financial assets other than trade receivables										(38)
Profit before tax										**7 573**
Tax expense										(4 561)
Net profit										**3 012**
Depreciation and amortisation	5.2	**1 250**	**610**	**1 830**	**851**	**3 800**	**1 588**	**294**	**-**	**10 223**
EBITDA		**2 795**	**(2 308)**	**5 299**	**2 478**	**(4 982)**	**15 533**	**(1 527)**	**18**	**17 306**
LIFO		**(261)**	**34**	**-**	**-**	**-**	**-**	**-**	**-**	**(227)**
EBITDA LIFO		**3 056**	**(2 342)**	**5 299**	**2 478**	**(4 982)**	**15 533**	**(1 527)**	**18**	**17 533**
Increases in non-current assets		**4 356**	**3 756**	**3 963**	**1 574**	**5 017**	**1 835**	**263**	**-**	**20 764**

for the 9-month period ended 30 September 2023

	NOTE	Refining Segment (unaudited) (restated data)	Petrochemical Segment (unaudited) (restated data)	Energy Segment (unaudited) (restated data)	Retail Segment (unaudited) (restated data)	Upstream Segment (unaudited) (restated data)	Gas Segment (unaudited) (restated data)	Corporate Functions (unaudited) (restated data)	Adjustments (unaudited) (restated data)	Total (unaudited) (restated data)
External revenues	5.1	82 665	11 643	30 597	41 918	4 888	102 042	561	-	274 314
Inter-segment revenues		33 930	3 454	6 083	139	10 180	12 212	752	(66 750)	-
Sales revenues		116 595	15 097	36 680	42 057	15 068	114 254	1 313	(66 750)	274 314
Total operating expenses		(108 411)	(16 573)	(33 902)	(41 335)	(17 172)	(91 955)	(2 708)	66 736	(245 320)
Other operating income	5.4	1 097	536	469	88	220	3 500	47	(1)	5 956
Other operating expenses	5.4	(792)	(119)	(151)	(62)	(2 544)	(3 109)	(173)	1	(6 949)
recognition of impairment allowances of property, plant and equipment and intangible assets	5.4	*(17)*	*(3)*	*(9)*	*(6)*	*(2 345)*	*(22)*	-	-	*(2 402)*
(Loss)/reversal of loss due to impairment of trade receivables		2	(5)	(66)	-	(82)	73	(16)	-	(94)
Share in profit from investments accounted for using the equity method		21	6	(1)	-	2	(1 004)	3	-	(973)
Profit/(Loss) from operations		**8 512**	**(1 058)**	**3 029**	**748**	**(4 508)**	**21 759**	**(1 534)**	**(14)**	**26 934**
Net finance income and costs	5.5									1 135
(Loss)/reversal of loss due to impairment of financial assets other than trade receivables										(46)
Profit before tax										**28 023**
Tax expense										(7 977)
Net profit										**20 046**
Depreciation and amortisation	5.2	**1 115**	**868**	**1 741**	**741**	**4 172**	**1 695**	**266**	**-**	**10 598**
EBITDA		**9 627**	**(190)**	**4 770**	**1 489**	**(336)**	**23 454**	**(1 268)**	**(14)**	**37 532**
LIFO		**(243)**	**(29)**	**-**	**-**	**-**	**-**	**-**	**-**	**(272)**
EBITDA LIFO		**9 870**	**(161)**	**4 770**	**1 489**	**(336)**	**23 454**	**(1 268)**	**(14)**	**37 804**
Increases in non-current asset		**4 340**	**4 034**	**3 850**	**1 335**	**3 928**	**2 682**	**264**	**-**	**20 433**

ORLEN ORLEN GROUP (in PLN million)

for the 3-month period ended 30 September 2024

	NOTE	Refining Segment (unaudited)	Petrochemical Segment (unaudited)	Energy Segment (unaudited)	Retail Segment (unaudited)	Upstream Segment (unaudited)	Gas Segment (unaudited)	Corporate Functions (unaudited)	Adjustments (unaudited)	Total (unaudited)
External revenues	5.1	24 581	3 795	6 446	16 165	1 488	15 309	152	-	67 936
Inter-segment revenues		12 822	1 085	1 691	48	3 050	3 670	241	(22 607)	-
Sales revenues		37 403	4 880	8 137	16 213	4 538	18 979	393	(22 607)	67 936
Total operating expenses		(37 715)	(5 173)	(7 544)	(15 418)	(2 432)	(15 951)	(878)	22 607	(62 504)
Other operating income	5.4	125	54	107	17	52	81	8	-	444
Other operating expenses	5.4	(2 411)	(1 016)	(93)	(29)	(205)	(103)	(51)	-	(3 908)
recognition of impairment allowances of property, plant and equipment and intangible assets	5.4	*(2 351)*	*(922)*	*(35)*	*(3)*	*(184)*	*(2)*	*(32)*	-	*(3 529)*
(Loss)/reversal of loss due to impairment of trade receivables		3	(1)	(31)	(1)	19	(75)	-	-	(86)
Share in profit from investments accounted for using the equity method		8	(3)	(281)	-	(11)	-	-	-	(287)
Profit/(Loss) from operations		**(2 587)**	**(1 259)**	**295**	**782**	**1 961**	**2 931**	**(528)**	**-**	**1 595**
Net finance income and costs	5.5									352
(Loss)/reversal of loss due to impairment of financial assets other than trade receivables										28
Profit before tax										**1 975**
Tax expense										(1 787)
Net profit										**188**
Depreciation and amortisation	5.2	**433**	**218**	**619**	**292**	**1 170**	**531**	**102**	**-**	**3 365**
EBITDA		**(2 154)**	**(1 041)**	**914**	**1 074**	**3 131**	**3 462**	**(426)**	**-**	**4 960**
LIFO		**(323)**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(324)**
EBITDA LIFO		**(1 831)**	**(1 040)**	**914**	**1 074**	**3 131**	**3 462**	**(426)**	**-**	**5 284**
Increases in non-current assets		**1 339**	**1 035**	**1 530**	**331**	**1 748**	**723**	**68**	**-**	**6 774**

for the 3-month period ended 30 September 2023

	NOTE	Refining Segment (unaudited) (restated data)	Petrochemical Segment (unaudited) (restated data)	Energy Segment (unaudited) (restated data)	Retail Segment (unaudited) (restated data)	Upstream Segment (unaudited) (restated data)	Gas Segment (unaudited) (restated data)	Corporate Functions (unaudited) (restated data)	Adjustments (unaudited) (restated data)	Total (unaudited) (restated data)
External revenues	5.1	29 375	3 513	8 500	15 284	1 301	21 289	195	-	79 457
Inter-segment revenues		11 882	1 166	1 933	47	2 369	3 333	257	(20 987)	-
Sales revenues		41 257	4 679	10 433	15 331	3 670	24 622	452	(20 987)	79 457
Total operating expenses		(38 477)	(5 189)	(9 852)	(15 018)	(5 199)	(17 607)	(917)	20 970	(71 289)
Other operating income	5.4	344	151	205	62	63	2 084	16	(1)	2 924
Other operating expenses	5.4	(366)	(49)	(38)	(28)	(25)	(2 526)	(52)	1	(3 083)
recognition of impairment allowances of property, plant and equipment and intangible assets	5.4	-	-	*(4)*	*(1)*	*(20)*	*(8)*	-	-	*(33)*
(Loss)/reversal of loss due to impairment of trade receivables		-	(6)	(9)	1	(23)	26	(18)	-	(29)
Share in profit from investments accounted for using the equity method		7	7	31	-	1	(909)	1	-	(862)
Profit/(Loss) from operations		**2 765**	**(407)**	**770**	**348**	**(1 513)**	**5 690**	**(518)**	**(17)**	**7 118**
Net finance income and costs	5.5									(643)
(Loss)/reversal of loss due to impairment of financial assets other than trade receivables										(19)
Profit before tax										**6 456**
Tax expense										(1 900)
Net profit										**4 556**
Depreciation and amortisation	5.2	**366**	**289**	**574**	**250**	**1 288**	**547**	**87**	**-**	**3 401**
EBITDA		**3 131**	**(118)**	**1 344**	**598**	**(225)**	**6 237**	**(431)**	**(17)**	**10 519**
LIFO		**1 265**	**18**	**-**	**-**	**-**	**-**	**-**	**-**	**1 283**
EBITDA LIFO		**1 866**	**(136)**	**1 344**	**598**	**(225)**	**6 237**	**(431)**	**(17)**	**9 236**
Increases in non-current assets		**1 860**	**2 013**	**1 589**	**348**	**1 316**	**614**	**135**	**-**	**7 875**

***EBITDA** – profit/(loss) from operations increased by depreciation and amortisation*
***EBITDA LIFO** – profit/(loss) from operations according to LIFO method valuation of inventories increased by depreciation and amortization*
In accordance with the disclosures of IFRS, the valuation of inventories according to LIFO is not allowed for use and, as a result, it is not used in the applicable accounting policy and therefore in ORLEN Group's financial statements.
***Increase in non-current assets (CAPEX)** includes increase of property, plant and equipment, intangible assets, investment property and right-of-use asset together with the capitalisation of borrowing costs and a decrease in received/due penalties for the improper execution of a contract*

ORLEN GROUP (in PLN million)

Assets by operating segments

	30/09/2024 (unaudited)	31/12/2023 (restated data)
Refining Segment	65 145	61 730
Petrochemical Segment	18 152	16 543
Energy Segment	54 936	57 877
Retail Segment	16 334	14 689
Upstream Segment	41 864	39 578
Gas Segment	138 539	124 284
Segment assets	**334 970**	**314 701**
Corporate Functions	24 170	29 187
Adjustments	(106 236)	(79 425)
	252 904	**264 463**

Operating segments include all assets except for financial assets, tax assets and cash, which are presented as part of the Corporate Functions. Assets used jointly by the operating segments are allocated on the basis of a key based on revenues generated by individual operating segments.

5. Other notes

5.1. Sales revenues

PROFESSIONAL JUDGMENT

Sales revenues of goods and services are recognised at a point in time (or over time) when a performance obligations are satisfied by transferring a promised good or service (i.e. an asset) to a customer in the amount reflecting the consideration, to which - as the Group expects - it will be entitled in exchange for these goods or services.

This principle the Group also applies to consideration, which includes a variable amount and recognises revenue by the amount of expected consideration that is likely not to be reversed in the future. The Group recognizes that an asset is transferred when the customer obtains control of the asset

The following circumstances indicate the transfer of control in accordance with IFRS 15: the current right of the seller to consideration for an asset, the legal ownership of the asset by the customer, physical possession of the asset, transfer of risks and rewards and acceptance of the asset by the customer.

Revenues include received and due payments for delivered finished goods, merchandise, raw materials and services, decreased by the amount of any trade discounts, penalties and value added tax (VAT), excise tax and fuel charges. Revenues from the sale of finished goods and services are adjusted for profits or losses from settlement of cash flows hedging instruments related to the above mentioned revenues.

For sales transferred over time, the revenues are recognised based on the extent to which the performance obligation is completely fulfilled ie the transfer of control of goods or services promised to the customer. The Group uses both the outcome method and the input-based method to measure the degree of fulfilment of the performance obligation. The Group excludes the impact of those expenditures that do not reflect the service

provided by the Group which involves the transfer of control of goods or services to the customer. Applying the outcome method the Group uses mostly the practical expedient whereby it recognises revenue that it is entitled to invoice in an amount that corresponds directly to the value to which the Group is entitled for the goods and services already provided to the customer.

If the Group is subject to laws guaranteeing compensation to sales prices, and the fact of granting compensation does not modify the contract concluded with the customer, the received compensation is classified as revenue from contracts with customers, in accordance with IFRS 15.These compensations are treated as performance of the contract concluded with the customer, the remuneration for which will be obtained partly from the customer and partly from the state institution (where part of the sales revenue from contracts concluded with customers is covered under the compensation program, not by customers who are parties to the contract but by a government institution, e.g. the Settlement Manager).Thus, the revenue from the contract with the customer, in the part to which it will be covered under the compensation scheme, is recognised in accordance with IFRS 15, in particular when, in the Group's opinion, obtaining compensation from the state institution is probable.

In the case of sales of crude oil extracted on the Norwegian Continental Shelf, where the Group has a joint interest in individual licenses with other shareholders, revenue from crude oil sales is recognized based on the volumes of the product extracted and sold to customers.

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Revenues from sales of finished goods and services	186 089	55 802	233 411	66 184
revenues from contracts with customers	*182 915*	*54 748*	*218 672*	*61 792*
excluded from scope of IFRS 15	*3 174*	*1 054*	*14 739*	*4 392*
Revenues from sales of merchandise and raw materials	33 689	12 134	40 903	13 273
revenues from contracts with customers	*33 689*	*12 134*	*40 975*	*13 320*
excluded from scope of IFRS 15	-	-	*(72)*	*(47)*
Sales revenues, incl.:	**219 778**	**67 936**	**274 314**	**79 457**
revenues from contracts with customers	*216 604*	*66 882*	*259 647*	*75 112*

Revenues excluded from the scope of IFRS 15 refer to operating lease contracts. Moreover, the Group presented in this line the settlement of assets and liabilities under contracts valued at the moment of settlement of the business combination in connection with the physical execution of the relevant sales futures contracts.

Performance obligations

As part of the contractual obligations, the Group commits to deliver to its customers mostly refining, petrochemical products and goods, electricity and heat, crude oil, natural gas, energy distribution and gas transmission services, geophysical and geological services, connection services and press supply and subscription, as well as courier distribution services. Under these agreements, the Group acts as a principal.

Transaction prices in existing contracts with customers are not subject to restrictions, except for prices for customers subject to the tariff approval by the President of the Energy Regulatory Office (Urząd Regulacji Energetyki, URE in Polish), mainly for the sale and distribution services of electricity and heat in the Energy segment and the sale of gaseous fuel and the gaseous fuel distribution services in Gas segment. There are no contracts in force providing for significant obligations for returns and other similar obligations. Press revenues in the case of retail sales for most points/networks are recognised based on the difference accounting between delivered and returned press. The invoice is issued for the completed press sales to end customers.

The warranties provided under the contracts are warranties that provide a customer with assurance that the related product complies with agreed-upon specification. They are not a distinct service.

There are mainly sales with deferred payment in the Group. Additionally in the Retail segment cash sales take place. In contracts with customers, in most cases payment terms not exceeding 30 days are used, while in the Upstream segment payment terms not exceeding 60 days are used. Usually payment is due after transferring good or service.

Within the Refining, Petrochemical, Retail, Gas and Upstream segments, in case of deliveries of goods, where control is transferred to the customer in terms of services satisfied at a point in time, settlements with customers and recognition of revenues take place after each delivery.

In the Group the revenues from deliveries of goods and provision of services, when the customer simultaneously receives and benefits from them, are being accounted and recognised over time. In the Refining, Petrochemical and Gas segment, in continuous sale, when goods are transferring using pipelines, the ownership right over the transferred good passes to the customer at an agreed point in the infrastructure of the plant. This moment is considered as the date of sale. Revenue is recognised based on the output method for the delivered units of goods. In the Group in case of construction services, when an asset is created as a result of the performance, and control over this component is exercised by the customer, revenue is recognised over time using input-based method based on the costs incurred irrespective of the signed acceptance protocols. Within the Retail segment, in Fleet Program settlements with customers take place mostly in two-week periods, the delivery of the press are accounted for on a weekly basis, and subscriptions on a monthly, quarterly, semi-annual and annual periods.

Within the Energy and Gas segment, revenue for energy and gaseous fuel delivered in the period, as well as energy distribution, transmission and distribution of heat and distribution and transmission of gaseous fuel are recognised on a decadal or monthly and are determined on the basis of billed price and volumes as well as additional estimations. The estimates of revenues for energy are made on the basis of reports from billing systems as well as forecasts of customers' energy needs and prices for the estimated days of energy consumption, as well as a result of reconciliations of the energy balance.
The value of uninvoiced gas delivered to individual customers is estimated on the basis of the current consumption characteristics in comparable reporting periods. The value of estimated gas sales is determined as the product of the quantities assigned to individual tariff groups and the rates specified in the applicable tariff.

Accounts with customers are settled on decade cycles and a one- and two-month basis. Revenues from services related to connection to the energy network are recognised at the point in time when the works are completed.

Revenues according to categories taking into account significant economic factors affecting their recognition
Except of revenues according to product type and geographical region presented in notes 5.1.1 and 5.1.2, , the Group analyses revenues based on the type of contract, date of transfer, contract duration and sales channels.
In the Group, most contracts with customers in exchange for the goods/services provided are based on a fixed price, and thus the revenues already recognised will not change.
The Group classifies as revenues from contracts based on a variable price, when the consideration is a variable fee on turnover, customers have the rights to trade discounts and bonuses, a part of revenues related to penalties and where the selling price of services is determined based on the costs incurred. Revenue from contracts with a variable amount is presented mainly in the Refining, Petrochemical, Energy and Corporate Functions segments.
As part of the Refining, Petrochemical, Upstream and Gas segments, with respect to sales of refinery, petrochemical and gas products, the Group recognises revenue from the fulfilment of the performance obligation, depending on the terms of delivery applied Incoterms. In case of some deliveries, the Group as a seller is obliged to organize transport. When the control of good transferred to the customer before the transport service is completed, the delivery of goods and transport becomes separate performance obligations. The delivery of goods is an obligation satisfied at a point in time, while transport is a continuous obligation (satisfied over time), where the customer simultaneously receives and consumes benefits from the service.
In the Retail segment, the moment of fulfilment of the performance obligation is the moment of transfer of good, except for sales of fuels in the Fleet Program using Fleet Cards. Revenues recognised over the time in the Refining, Petrochemical and Energy segment relate mainly to sales of crude oil, petrochemical products, energy and heat.
In the Gas segment, revenues from gas sales on exchanges are realised at a point in time.
Revenues generated by the Group over time are recognised using the output method and the time and effort used.
Revenues recognised over time recognised using the output method for the delivered units of goods relate mainly to the sale and distribution of electricity and gas to business and institutional customers, as well as the sale, transmission and distribution of heat within the Energy and Gas segment, fuel sales in the Fleet Programme and subscription sale within Retail segment and the sale of gas and crude oil within the Upstream segment.

Contracts accounted for on the basis of time and effort consumed include contracts, among them construction and IT contracts.
The duration of most contracts within the Group is short-term. Revenues on services for which start and end dates fall in different reporting periods are recognised according to the degree of complete fulfilment of the performance obligation using the input-based method. Contracts that remain unfulfilled in full as at the balance sheet date relate to i.a. construction and installation contracts.
As at 30 September 2024 the Group analysed the value of the transaction price allocated to unfulfilled performance obligations.
The unfulfilled or partially unfulfilled performance obligations as at 30 September 2024 mainly concerned contracts for the sale of electricity, gas and power media and for the supply of newspapers, subscriptions, advertising broadcast, parcel delivery and collection services that will end within 12 months or are concluded for an indefinite period with a notice period of up to 12 months.
Due to the fact that the described performance obligations are part of the contracts, that can be considered short-term, or the revenues from fulfilled performance obligation under these contracts are recognised in the amount that the Group has the right to invoice, the Group applied a practical solution, according to which it does not disclose information about the total amount of the transaction price allocated to the performance obligation.
The Group mostly realises revenue from direct sales to end customers based on its own, leased or based on the franchise agreement system sales channels in the Retail segment. The Group manages the network of 3,511 fuel stations: 2,908 own brand stations and 603 stations operated under franchise agreements and carries out sales through 280 retail outlets/ kiosks managed by the RUCH Group. Additionally, the press is sold in third-party outlets, i.e. large organised networks, including franchised and private shops. As part of the publishing activity of the Polska Press Group, revenues are also generated through own websites.
The Group's direct sales to customers in the Refining, Petrochemical, Gas and Upstream segment are carried out using a network of complementary infrastructure components: fuel terminals, land transhipment bases, pipeline networks, as well as rail transport and tanker trucks. Sales and distribution of energy and gas to customers in the Energy and Gas segment are carried out mostly with the use of own distribution infrastructure.

Compensation for electricity and gas prices

Due to the crisis situation on the electricity market in 2022, when there was a significant increase in electricity prices in SPOT and futures contracts, largely caused by increases in the prices of conventional fuels as a result of the war in Ukraine, as well as to protect some gas recipients from the increase gas prices, the regulator introduced a number of legal acts in 2022 and 2023 aimed at regulating the market and protecting consumers. On 31 December 2023, the Act of 7 December 2023 amending the Act to support consumers of electricity, gas fuels and heat entered into force, which extended the validity period of the solutions in force in 2023 in the field of, among others: eligible customers, maximum prices and compensation until the end of June 2024 in an unchanged form. In addition, on 13 June 2024, the Act of 23 May 2024 on the energy voucher and amending certain acts in order to limit the prices of electricity, natural gas and district heating entered into force. In particular, the Act extended the validity of the maximum price mechanism for electricity in 2nd half of 2024 for eligible customers. The Group is entitled to compensation for the application of the maximum price in the 2nd half of 2024.
Based on the applicable regulations, in 9 and 3-month period ended 30 September 2024, the Group presented the following:

- PLN 1,461 million and PLN 115 million revenues from compensations due to electricity distribution and trading companies and, as a consequence, the use of frozen electricity prices in settlements with eligible customers (in 9 and 3-month period ended 30 September 2023, revenues from compensation amounted, respectively PLN 3,238 million and PLN 988 million);
- PLN 4,109 million and PLN 567 million revenues from compensation due in connection with the freezing of gas fuel prices and the freezing of rates for the distribution service (in 9 and 3-month period ended 30 September 2023, revenues from compensation amounted to PLN 12,459 million and PLN 1,608 million). The revenue from gas price compensations recognised in the 3rd quarter of 2024 resulted from the settlement of gas compensations for 2023 within the statutory deadline in connection with the adjustment of the amount of gas sold for that period based on actual readings that were already available at the time of submitting the application for settlement.

In connection with, the fact of granting the above compensations does not modify the contracts concluded with customers, but only changes the method of obtaining remuneration by the Group (partly the remuneration will be received from the Settlement Manager), the Group classified the received compensations as revenues from contracts with customers, in accordance with IFRS 15.

(in PLN million)

5.1.1. Sales revenues of operating segments according to product type

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Refining Segment				
Revenue from contracts with customers IFRS 15	**72 045**	**24 575**	**82 651**	**29 371**
Light distillates	14 806	4 641	17 166	6 147
Medium distillates	44 051	14 501	49 782	18 545
Heavy fractions	7 724	2 766	8 005	3 027
Other*	5 464	2 667	7 698	1 652
Excluded from scope of IFRS 15	**13**	**6**	**14**	**4**
	72 058	**24 581**	**82 665**	**29 375**
Petrochemical Segment				
Revenue from contracts with customers IFRS 15	**11 777**	**3 793**	**11 637**	**3 511**
Monomers	2 550	792	2 430	731
Polymers	2 615	845	2 607	812
Aromas	1 171	339	1 031	365
Fertilizers	1 024	304	1 070	301
Plastics	742	285	1 047	286
PTA	1 389	505	1 165	417
Other**	2 286	723	2 287	599
Excluded from scope of IFRS 15	**6**	**2**	**6**	**2**
	11 783	**3 795**	**11 643**	**3 513**
Energy Segment				
Revenue from contracts with customers IFRS 15	**22 300**	**6 434**	**30 558**	**8 487**
Excluded from scope of IFRS 15	**40**	**12**	**39**	**13**
	22 340	**6 446**	**30 597**	**8 500**
Retail Segment				
Revenue from contracts with customers IFRS 15	**46 945**	**16 094**	**41 715**	**15 209**
Light distillates	17 911	6 275	16 279	6 057
Medium distillates	24 204	8 102	20 968	7 531
Other***	4 830	1 717	4 468	1 621
Excluded from scope of IFRS 15	**206**	**71**	**203**	**75**
	47 151	**16 165**	**41 918**	**15 284**
Upstream Segment				
Revenue from contracts with customers IFRS 15	**5 497**	**1 488**	**4 887**	**1 300**
NGL ****	801	231	675	227
Crude oil	2 777	864	2 369	579
Natural Gas	1 247	180	1 149	282
LNG *****	29	11	46	10
Helium	240	73	243	79
Mining services	392	126	394	121
Other	11	3	11	2
Excluded from scope of IFRS 15	**1**	**-**	**1**	**1**
	5 498	**1 488**	**4 888**	**1 301**
Gas Segment				
Revenue from contracts with customers IFRS 15	**57 591**	**14 353**	**87 664**	**17 048**
Natural Gas	51 778	12 678	82 462	15 659
LNG *****	382	133	389	101
CNG ******	91	30	116	38
Electricity	554	188	67	59
Other *******	4 786	1 324	4 630	1 191
Excluded from scope of IFRS 15	**2 885**	**956**	**14 378**	**4 241**
	60 476	**15 309**	**102 042**	**21 289**
Corporate Functions				
Revenue from contracts with customers IFRS 15	**449**	**145**	**535**	**186**
Excluded from scope of IFRS 15	**23**	**7**	**26**	**9**
	472	**152**	**561**	**195**
	219 778	**67 936**	**274 314**	**79 457**

* *Other includes mainly: brine, industrial salt, vacuum distillates, acetone, phenol, technical gases and sulphur. In addition, it includes revenues from sale of services and materials.*
** *Other includes mainly: ammonia, butadiene, soda lye, caprolactam*
*** *Other mainly includes the sale of non-fuel merchandise*
**** *NGL (Natural Gas Liquids) a gas composed of heavier molecules than methane: ethane, propane, butane, isobutane*
***** *LNG Liquefied Natural Gas*
****** *CNG Compressed Natural Gas*
******* *Other includes mainly gas distribution services*

ORLEN GROUP (in PLN million)

During the 9 and 3-month period ended 30 September 2024 and 30 September 2023 revenues from none of Group leading customers individually transactions exceeded 10% of the total sales revenues of the ORLEN Group.

5.1.2. Sales revenues according to geographical region – as per location of customer's headquarters

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Revenue from contracts customers				
Poland	*141 489*	*42 058*	*182 375*	*48 061*
Germany	*14 787*	*5 232*	*18 536*	*6 127*
Czech Republic	*14 710*	*5 120*	*15 848*	*5 614*
Lithuania, Latvia, Estonia	*9 942*	*3 203*	*10 141*	*3 952*
Austria	*5 353*	*1 822*	*782*	*782*
Other countries, incl.:	*30 323*	*9 447*	*31 965*	*10 576*
Netherlands	*7 196*	*2 121*	*5 412*	*2 866*
United Kingdom	*4 763*	*1 383*	*4 808*	*1 346*
Switzerland	*4 054*	*1 311*	*5 823*	*1 483*
Ukraine	*3 293*	*998*	*3 615*	*1 323*
Hungary	*1 934*	*705*	*1 653*	*688*
Slovakia	*1 550*	*510*	*1 485*	*517*
Ireland	*750*	*271*	*1 557*	*239*
Singapore	*301*	*97*	*1 595*	*90*
	216 604	**66 882**	**259 647**	**75 112**
excluded from scope of IFRS 15				
Poland	*2 623*	*893*	*14 271*	*4 231*
Germany	*70*	*24*	*66*	*27*
Czech Republic	*122*	*41*	*136*	*49*
Lithuania, Latvia, Estonia	*1*	*1*	*1*	*-*
Other countries	*358*	*95*	*193*	*38*
	3 174	**1 054**	**14 667**	**4 345**
	219 778	**67 936**	**274 314**	**79 457**

5.2. Operating expenses

Cost by nature

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Materials and energy	(104 552)	(33 333)	(128 149)	(39 064)
Gas costs	(21 880)	(5 672)	(32 822)	(5 990)
Cost of merchandise and raw materials sold	(29 098)	(10 791)	(35 227)	(11 383)
External services	(9 668)	(3 432)	(8 002)	(3 086)
Employee benefits	(9 640)	(3 135)	(8 619)	(2 844)
Depreciation and amortisation	(10 223)	(3 365)	(10 598)	(3 401)
Taxes and charges, incl.:	(23 520)	(2 732)	(20 205)	(6 074)
write-off for the Fund for the Payment of Price Differences	(15 414)	(4)	(11 609)	(3 637)
Other	(1 484)	(412)	(1 399)	(393)
	(210 065)	**(62 872)**	**(245 021)**	**(72 235)**
Change in inventories	1 094	25	(1 412)	145
Cost of products and services for own use and other	1 071	343	1 113	801
Operating expenses	**(207 900)**	**(62 504)**	**(245 320)**	**(71 289)**
Distribution expenses	10 773	3 543	11 429	3 918
Administrative expenses	4 512	1 619	4 030	1 285
Cost of sales	**(192 615)**	**(57 342)**	**(229 861)**	**(66 086)**

Changes in the item taxes and charges in the 9 and 3-month period ended 30 September 2024 compared to the 9 and 3-month period ended 30 September 2023 by PLN (3,315) million and PLN 3,342 million, respectively, resulted mainly from:

– a higher value of the write-off for the Price Difference Payment Fund in the 9-month period ended 30 September 2024 compared to the 9-month period ended 30 September 2023 by PLN (3,805) million and a lower value of the write-off for to the Price Difference Payment Fund by PLN 3,633 million in the 3-month period ended 30 September 2024 compared to the 3-month period ended 30 September 2023. In 2023, energy producers and sellers and natural gas extraction companies were obliged to transfer the contribution to the Price Difference Payment Fund. In 2024, based on the amended Act on special protection of certain gas fuel recipients, only natural gas extraction companies were obliged to pay for the Price Difference Payment Fund and only for the period from January to June 2024;

ORLEN GROUP (in PLN million)

– changes in the revaluation of the provision for the estimated costs of CO_2 emissions for 2023, taking into account the settlement of the grant for allowances received free of charge for the year, by PLN 701 million and PLN (210) million in connection with the lower price of CO_2 emission allowances in 2024.

5.3. Impairment of property, plant and equipment and intangible assets, goodwill and right-of-use assets

As at 30 September 2024, the ORLEN Group identified indications asset impairment in accordance with IAS 36 "Impairment of Assets" and performed tests for the assets of the ORLEN Lietuva Group operating mainly in the Refining segment and for ORLEN assets in the Petrochemical segment.

5.3.1. Recognition and reversal of impairment losses on tangible fixed assets, intangible assets, goodwill and right-of-use assets

In the 9-month and 3-month period ended 30 September 2024, the total impact of recognized net impairment losses on the ORLEN Group's fixed assets amounted to PLN (4,763) million and PLN (3,524) million, respectively.

Net impairment losses on property, plant and equipment, intangible assets and right-of-use assets of the ORLEN Group in the 9-month and 3-month period ended 30 September 2024 broken down by companies:

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)] (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
ORLEN	(2 154)	(958)	(2 259)	(12)
ORLEN Lietuva	(2 420)	(2 419)	-	-
Other	(189)	(147)	(77)	(14)
Total	**(4 763)**	**(3 524)**	**(2 336)**	**(26)**

Net impairment losses on property, plant and equipment, intangible assets and right-of-use assets of the ORLEN Group in the 9 and 3 month period ended 30 September 2024 broken down by segments:

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Refining	(2 358)	(2 351)	(17)	-
Petrochemical	(2 048)	(922)	(3)	-
Energy	(44)	(35)	(8)	(4)
Retail	(3)	(3)	(6)	(2)
Upstream	(243)	(181)	(2 284)	(14)
Gas	(34)	-	(18)	(6)
Corporate Functions	(33)	(32)	-	-
Total	**(4 763)**	**(3 524)**	**(2 336)**	**(26)**

Accordingly, reversals and creation of impairment losses of property, plant and equipment, intangible assets and right-of-use assets were included in other operating income and other operating expenses (note 5.4.).

Production assets of the Refining segment

In the 9-month and 3-month period ended 30 September 2024, net impairment losses were recognized mainly on fixed assets of the ORLEN Lietuva Group.

ORLEN Lietuva

As at 30 September 2024, indications of impairment of assets of the ORLEN Lietuva Group were identified and impairment tests were performed. The impairment loss on fixed assets of the ORLEN Lietuva Group as at 30 September 2024 amounted to PLN (2,420) million and mainly concerned the Refining segment in the amount of PLN (2,343) million. This impairment loss is mainly due to changes in the expected economic and regulatory conditions, which, due to delays in the implementation of the work schedule and increasing costs of investment in the installation for deep crude oil processing implemented in ORLEN Lietuva, resulted in the impairment.

The value of assets after impairment losses for the assets of the ORLEN Lietuva Group (excluding land, CO_2 emission rights and precious metals) amounted to PLN 0 million. The value in use of the assets of the ORLEN Lietuva Group as at 30 September 2024 and 31 December 2023, respectively, i.e. as at the date of the last asset valuation, amounted to PLN (4,115) million and PLN 3,852 million.

The discount rates after tax for Lithuania Refining estimated by the ORLEN Group as at 30 September 2024 and 31 December 2023 were as follows:

Lithuania Refining	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030+*
30 September 2024	7.87%	7.51%	7.60%	7.75%	7.88%	8.00%	7.17%
31 December 2023	9.43%	8.45%	8.23%	8.32%	8.46%	7.71%	7.71%

The sensitivity analysis of the impairment of ORLEN Lietuva's value in use, assuming changes in discount rates by +/- 1 p.p. and changes in EBITDA by +/- 5%, did not reveal any impact on the amount of the recognized impairment loss.

Production assets of the Petrochemical segment

In the 9- and 3-month period ended 30 September 2024, net impairment losses were recognized mainly on ORLEN's fixed assets, mainly relating to expenditures incurred for the implementation of the Olefiny III investment.

As a result of impairment tests conducted as at 30 September 2024 for ORLEN assets in the Petrochemical segment, an impairment loss of assets in the amount of PLN (912) million was recognized. The total value of ORLEN's impairment loss in the Petrochemical segment due to impairment tests for 9 months of 2024 amounted to PLN (2,029) million.

The value in use of the assets of the Petrochemical segment of the ORLEN Company as at 30 September 2024 and as at 30 June 2024, i.e. as at the date of the last asset valuation, amounted to PLN 6,164 million and PLN 6,398 million, respectively, and was calculated using discount rates dedicated to petrochemical activities in Poland (Poland Petrochemical). Other macroeconomic assumptions and methodology in the tests conducted were analogous to those at the end of 2023.

Sensitivity analysis of the impairment of the value in use of the ORLEN Petrochemical segment as part of the tests conducted as at 30 September 2024.

in PLN million — EBITDA

DISCOUNT RATE change	-5%	0%	5%
- 1 p.p.	*decrease in impairment loss* 998	*decrease in impairment loss* 2,873	*decrease in impairment loss* 4,749
0,0 p.p.	*increase in impairment loss* (1,641)	-	*decrease in impairment loss* 1,641
+ 1 p.p.	*increase in impairment loss* (3,769)	*increase in impairment loss* (2,321)	*increase in impairment loss* (873)

The discount after tax rates for Poland Petrochemical estimated by the ORLEN Group as at 30 September 2024 and 30 June 2024 were as follows:

Poland Petrochemical	*2024*	*2025*	*2026*	*2027*	*2028*	*2029*	*2030+*
30 September 2024*	9.26%	8.94%	8.96%	9.02%	9.16%	9.32%	8.60%
30 June 2024	8.91%	8.56%	8.84%	9.00%	9.07%	9.10%	7.89%

*The discount rates for Petrochemical segment assets as at 30 September 2024 include an additional risk premium of +1pp due to the difficult economic conditions on the petrochemical market.

Other net impairment losses recognized on fixed assets of the ORLEN Group in the Petrochemical segment in the 9-month and 3-month period ended 30 September 2024 amounted to PLN (19) million and PLN (10) million, respectively.

As at 30 September 2024, the ORLEN Group did not identify any other impairment of other property, plant and equipment, intangible assets, goodwill and right-of-use assets.

The ORLEN Group is in the process of preparing new budget plans in relation to its assets and will take into account any changes resulting from the adoption of new assumptions in subsequent Consolidated Financial Statements of the ORLEN Group.

5.4. Other operating income and expenses

Other operating income

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Profit on sale of non-current non-financial assets	50	22	39	20
Reversal of impairment allowances of property, plant and equipment and intangible assets and other assets	66	5	66	7
Reversal of provisions	57	15	141	68
Penalties and compensations	677	56	300	157
Grants	44	15	69	18
Derivatives, incl.:	774	229	4 726	2 354
not designated for hedge accounting purposes - settlement and valuation	*305*	*92*	*3 972*	*2 112*
hedging cash flows - ineffective part concerning measurement and settlement	*307*	*79*	*332*	*91*
fair value hedges - valuation of hedging instruments and items	*2*	*-*	*4*	*3*
hedging cash flows - settlement of hedging costs	*160*	*58*	*418*	*148*
Other	355	102	615	300
	2 023	**444**	**5 956**	**2 924**

ORLEN GROUP (in PLN million)

In the 9-month period ended 30 September 2024 in the position penalties and compensations the Group recognised income from partial compensation in the amount of PLN 443 million (USD 110 million) corresponding to the amount of funds received from insurers to date, constituting an indisputable and non-refundable amount determined at the level of insurance markets with the loss adjuster in connection with the failure at the Hydrodesulphurization of Rubber installation at ORLEN Production Plant in Płock. The final amount of compensation will depend on the final arrangements with the insurers.

Other operating expenses

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Loss on sale of non-current non-financial assets	(104)	(31)	(89)	(26)
Recognition of impairment allowances of property, plant and equipment and intangible assets, goodwill and other assets	(4 829)	(3 529)	(2 402)	(33)
Recognition of provisions	(139)	(37)	(90)	(30)
Penalties, damages and compensations	(70)	(27)	(83)	(31)
Derivatives, incl.:	(836)	(190)	(3 790)	(2 845)
not designated for hedge accounting purposes - settlement and valuation	*(370)*	*(63)*	*(3 457)*	*(2 064)*
hedging cash flows - ineffective part concerning measurement and settlement	*(203)*	*(38)*	*(265)*	*(752)*
fair value hedges - valuation of hedging instruments and items	*(2)*	*-*	*(2)*	*-*
hedging cash flows - settlement of hedging costs	*(261)*	*(89)*	*(66)*	*(29)*
Other	(615)	(94)	(495)	(118)
donations	*(326)*	*(8)*	*(118)*	*(33)*
	(6 593)	**(3 908)**	**(6 949)**	**(3 083)**

In the 9 and 3-month period ended 30 September 2024 the line recognition of impairment allowances of property, plant and equipment and intangible assets, goodwill and other assets concerned mainly recognition of impairment allowances in Refinery and Petrochermical segment. Additional information in note 5.3.

Net settlement and valuation of derivative financial instruments not designated as hedge accounting purposes related to operating exposure

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Valuation of derivative financial instruments	(5)	22	(276)	67
commodity futures, incl.:	*117*	*5*	*(231)*	*(39)*
CO2 emission allowances	*-*	*-*	*(152)*	*(3)*
electricity	*(39)*	*(17)*	*2*	*(1)*
natural gas	*156*	*22*	*(81)*	*(35)*
commodity forwards, incl.:	*(133)*	*4*	*(31)*	*(40)*
electricity	*38*	*27*	*(136)*	*(74)*
natural gas	*(171)*	*(23)*	*105*	*34*
commodity swaps	*10*	*12*	*(10)*	*151*
foreign currency swap	*-*	*-*	*-*	*-*
other	*1*	*1*	*(4)*	*(5)*
Settlement of derivative financial instruments	(60)	7	791	(19)
commodity futures, incl.:	*-*	*-*	*304*	*2*
CO2 emission allowances	*-*	*-*	*281*	*2*
diesel oil	*-*	*-*	*23*	*-*
commodity forwards, incl.:	*(8)*	*-*	*19*	*-*
electricity	*(8)*	*-*	*19*	*-*
commodity swaps	*(50)*	*7*	*465*	*(22)*
foreign currency swap	*(1)*	*1*	*-*	*-*
other	*(1)*	*(1)*	*3*	*1*
	(65)	**29**	**515**	**48**

ORLEN GROUP (in PLN million)

5.5. Finance income and costs

Finance income

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)	3 MONTHS ENDED 30/09/2023 (unaudited)
Interest calculated using the effective interest rate method	733	199	1 479	471
Net foreign exchange gain	476	413	625	-
Derivatives not designated as hedge accounting - settlement and valuation	239	8	248	58
Other	87	32	241	68
	1 535	**652**	**2 593**	**597**

Finance costs

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Interest calculated using the effective interest rate method	(152)	(36)	(219)	(36)
Interest on lease	(439)	(144)	(361)	(134)
Interest on tax liabilities	(40)	(10)	(44)	(1)
Net foreign exchange loss	-	-	-	(838)
Derivatives not designated as hedge accounting - settlement and valuation	(232)	(62)	(540)	(100)
Other	(144)	(48)	(294)	(131)
	(1 007)	**(300)**	**(1 458)**	**(1 240)**

Borrowing costs capitalized in the 9 and 3-month period ended 30 September 2024 and 30 September 2023 amounted to PLN (438) million and PLN (134) million, PLN (394) million and PLN (154) million, respectively.

Settlement and valuation of derivative financial instruments not designated as hedge accounting purposes

During the 9 and 3-month period ended 30 September 2024 and 30 September 2023 the net positions of valuation and settlement of derivative financial instruments (non-designated instruments for hedge accounting purposes) related mainly to hedging the risk of changes in exchange rates with regard to payments of invoices for crude oil in foreign currency, the currency hedge for liquidity transactions, and to hedging interest rates. The main impact on the valuation and settlement of derivative financial instruments was the fluctuation of PLN against EUR and USD currency.

5.6. Effective tax rate

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Profit before tax	**7 573**	**1 975**	**28 023**	**6 456**
Tax expense by the valid tax rate in Poland (19%)	(1 439)	(375)	(5 324)	(1 227)
Differences between tax rates	(2 218)	(675)	(2 120)	(404)
Switzerland (25%)	*(22)*	*(1)*	*(9)*	*(8)*
Lithuania (15%)	*(78)*	*(102)*	*74*	*37*
Czech Republic (19%)	*6*	*5*	*(8)*	*(7)*
Germany (30% and 33%)	*(32)*	*(11)*	*(64)*	*(15)*
Canada (27%)	*(1)*	*-*	*(1)*	*-*
Norway (78%)	*(2 085)*	*(563)*	*(2 108)*	*(409)*
Malta (35%)	*(6)*	*(3)*	*(4)*	*(2)*
Impairment allowances of property, plant and equipment and intangible assets	(370)	(373)	3	3
Tax losses	(120)	(83)	(25)	(25)
Estimated impact of windfall tax in 2023 on deferred tax in ORLEN UNIPETROL Group	-	-	(495)	(70)
Other	(414)	(294)	(16)	(177)
Tax expense	**(4 561)**	**(1 787)**	**(7 977)**	**(1 900)**
Effective tax rate	**60%**	**90%**	**28%**	**29%**

ORLEN GROUP (in PLN million)

5.7. Loans, borrowings and bonds

	Non-current 30/09/2024 (unaudited)	Non-current 31/12/2023	Current 30/09/2024 (unaudited)	Current 31/12/2023 (restated data)	Total 30/09/2024 (unaudited)	Total 31/12/2023 (restated data)
Loans *	2 748	2 451	713	4 235	3 461	6 686
Borrowings	132	122	32	48	164	170
Bonds	7 998	8 098	80	213	8 078	8 311
	10 878	**10 671**	**825**	**4 496**	**11 703**	**15 167**

** at 30 September 2024 and as at 31 December 2023, the line Loans includes loans in the Project Finance formula (financing obtained by special purpose companies for the implementation of investments): PLN 414 million and PLN 437 million in the non-current part and PLN 4 million and PLN 3 million in the current part, respectively.*

During 9-month period of 2024, as a part of cash flows from financing activities the Group has made drawings and repayments of borrowings and loans from available credit lines in the total amount of PLN 4,992 million and PLN (8,197) million.
As at 30 September 2024 the decrease in debt level of the Group results mainly from:
- net repayments of ORLEN loans in the amount of PLN (2,709) million, in particular, this concerns the syndicated loan repaid from current funds in the amount of PLN (3,000) million, for which the agreement terminated in July 2024,
- advanced redemption of senior bonds issued by B8 Sp.z o.o. Baltic SKA in the amount of PLN (105) million which corresponds to the nominal value of USD (26) million.

Additional information on active bond issues is presented in note 5.12.

As at 30 September 2024 and as at 31 December 2023 the maximum possible indebtedness due to loans and borrowings amounted to PLN 27,353 million and PLN 32,829 million, respectively. As at 30 September 2024 and as at 31 December 2023 PLN 23,214 million and PLN 25,698 million, respectively, remained unused. The decrease in the value of the Group maximum possible indebtedness and open credit lines are mainly due to:
- changes in ORLEN credit agreements which include in particular: expired financing of the 2020 syndicated loan in the amount of EUR 1,415 million and increase in Bank Pekao S.A. financing by the amount of PLN 200 million and in Bank Gospodarstwa Krajowego financing by the amount of PLN 3,000 million, as well as obtaining a new financing at Deutsche Bank in the amount of PLN 350 million,
- from the premature termination of credit agreements in the ENERGA Group: with SMBC Bank in the amount of EUR 120 million and a syndicated loan in the amount of PLN 2,000 million,

On 18 October 2024 ORLEN signed a new syndicated loan agreement in the amount of EUR 2 billion. Additional information is presented in note 5.18.

In the period covered by these interim condensed consolidated financial statements as well as after the reporting date, there were no defaults on repayment of principal or interest of loans nor defaults on other terms of the loans agreements.

ORLEN GROUP (in PLN million)

5.8. Derivatives and other assets and liabilities

Derivatives and other assets

	Non-current 30/09/2024 (unaudited)	Non-current 31/12/2023	Current 30/09/2024 (unaudited)	Current 31/12/2023 (restated data)	Total 30/09/2024 (unaudited)	Total 31/12/2023 (restated data)
Cash flow hedging instruments	1 477	1 500	649	1 501	2 126	3 001
currency forwards	*1 425*	*1 493*	*426*	*429*	*1 851*	*1 922*
commodity swaps	-	*6*	*116*	*686*	*116*	*692*
CO2 commodity futures	*52*	*1*	*107*	*258*	*159*	*259*
foreign currency swaps	-	-	-	*128*	-	*128*
Derivatives not designated as hedge accounting	225	180	651	1 107	876	1 287
currency forwards	-	-	*6*	*12*	*6*	*12*
commodity swaps	-	-	*15*	*7*	*15*	*7*
currency interest rate swaps	-	*7*	*2*	*10*	*2*	*17*
interest rate swaps	*4*	-	-	-	*4*	-
commodity futures, incl.:	*121*	*83*	*341*	*552*	*462*	*635*
electricity	*17*	*33*	*64*	*105*	*81*	*138*
natural gas	*104*	*50*	*277*	*447*	*381*	*497*
commodity forwards, incl.:	*96*	*74*	*284*	*515*	*380*	*589*
electricity	*11*	*26*	*90*	*174*	*101*	*200*
natural gas	*85*	*48*	*194*	*341*	*279*	*389*
other	*4*	*16*	*3*	*11*	*7*	*27*
Fair value hedging instruments	1	2	-	9	1	11
commodity swaps	*1*	*2*	-	*9*	*1*	*11*
Derivatives	**1 703**	**1 682**	**1 300**	**2 617**	**3 003**	**4 299**
Other financial assets	2 856	2 693	1 929	1 509	4 785	4 202
receivables on settled derivatives	-	-	*218*	*286*	*218*	*286*
investments in equity instruments at fair value through other comprehensive income	*330*	*326*	-	-	*330*	*326*
investments in equity instruments at fair value through profit or loss	*176*	*149*	-	-	*176*	*149*
hedged item adjustment	*8*	*1*	*10*	*5*	*18*	*6*
security deposits	-	-	*1 474*	*644*	*1 474*	*644*
short-term deposits	-	-	*54*	*78*	*54*	*78*
loans granted	*1 160*	*1 128*	*92*	*125*	*1 252*	*1 253*
purchased securities	*282*	*369*	*8*	*8*	*290*	*377*
including restricted cash	*691*	*312*	*69*	*310*	*760*	*622*
other	*209*	*408*	*4*	*53*	*213*	*461*
Other non-financial assets	925	938	506	1 873	1 431	2 811
investment property	*593*	*598*	-	-	*593*	*598*
assets due to contracts valued at the time of settlement of business combination	-	-	*433*	*1 800*	*433*	*1 800*
shares and stocks of consolidated subsidiaries	*47*	*69*	-	-	*47*	*69*
*other **	*285*	*271*	*73*	*73*	*358*	*344*
Other assets	**3 781**	**3 631**	**2 435**	**3 382**	**6 216**	**7 013**

** The line Other include mainly advances for non-current assets. They concern the projects related to the construction of gas and steam power plants in ENERGA Group and wind farms*

As at 30 September 2024 and as at 31 December 2023, the Group has security deposits that do not meet the definition of cash equivalents concerning mainly securing the settlement of commodity transactions and hedging commodity risk traded with financial institutions and on commodity exchanges. The amount of security deposits depends on the valuation of the portfolio of outstanding transactions and market prices of the products and is subject to ongoing revisions. The change of PLN 830 million results mainly from the increase in the volume of CO_2 commodity futures „buy" transactions on Intercontinental Exchange and changes in the market price of the current portfolio of transactions.

As at 30 September 2024 and as at 31 December 2023, the Group had loans granted, mainly for Baltic Power, consolidated using the equity method, in the amount of PLN 635 million and PLN 609 million accordingly, for Grupa Azoty Polyolefins S,A, accounted for as investments in equity instruments at fair value through other comprehensive income, in the amount of PLN 299 million and PLN 282 million accordingly and for other companies (jointly controlled and unconsolidated subsidiaries) in the amount of PLN 318 million and PLN 359 million accordingly.

The restricted cash represents cash of the Extraction Facilities Decommissioning Fund, accumulated in a separate bank account due to securing future costs of decommissioning mines and fields. The Extraction Facilities Decommissioning Fund is created on the basis of the Mining and Geological Law, which requires the Group to decommission extraction facilities once their operation is discontinued. The Fund's resources comprise restricted cash in accordance with IAS 7 and due to its multi-year nature are presented under group of long-term assets. The Fund's cash is increased by the amount of interest accruing on the Fund's assets. Due to formal and legal restrictions related to the possibility of using these Funds only for a specific purpose carried out over a multi-year period, the assets accumulated in the Extraction Facilities Decommissioning Fund are recognised in the Group's statement of financial position under non-current assets section as Other assets.

ORLEN GROUP (in PLN million)

Derivatives and other liabilities

	Non-current 30/09/2024 (unaudited)	Non-current 31/12/2023	Current 30/09/2024 (unaudited)	Current 31/12/2023 (restated data)	Total 30/09/2024 (unaudited)	Total 31/12/2023 (restated data)
Cash flow hedging instruments	66	50	453	392	519	442
currency forwards	*5*	*9*	*20*	*24*	*25*	*33*
commodity swaps	*-*	*41*	*253*	*368*	*253*	*409*
CO2 commodity futures	*61*	*-*	*180*	*-*	*241*	*-*
Derivatives not designated as hedge accounting	239	190	606	1 400	845	1 590
currency forwards	*1*	*1*	*17*	*57*	*18*	*58*
commodity swaps	*-*	*36*	*1*	*307*	*1*	*343*
interest rate swaps	*3*	*4*	*-*	*-*	*3*	*4*
currency interest rate swaps	*3*	*-*	*1*	*-*	*4*	*-*
commodity futures, incl.:	*116*	*90*	*309*	*614*	*425*	*704*
electricity	*5*	*7*	*17*	*30*	*22*	*37*
natural gas	*111*	*83*	*292*	*584*	*403*	*667*
commodity forwards, incl.:	*116*	*59*	*278*	*422*	*394*	*481*
electricity	*21*	*46*	*114*	*229*	*135*	*275*
natural gas	*95*	*13*	*164*	*193*	*259*	*206*
Fair value hedging instruments	7	1	9	5	16	6
commodity swaps	*7*	*1*	*9*	*5*	*16*	*6*
Derivatives	**312**	**241**	**1 068**	**1 797**	**1 380**	**2 038**
Other financial liabilities	277	269	306	518	583	787
liabilities on settled derivatives	*-*	*-*	*96*	*352*	*96*	*352*
investment liabilities	*69*	*69*	*-*	*-*	*69*	*69*
hedged item adjustment	*2*	*2*	*1*	*9*	*3*	*11*
refund liabilities	*-*	*-*	*40*	*31*	*40*	*31*
security deposits	*-*	*-*	*165*	*102*	*165*	*102*
*other **	*206*	*198*	*4*	*24*	*210*	*222*
Other non-financial liabilities	650	590	1 908	4 032	2 558	4 622
liabilities from contracts with customers	*59*	*37*	*-*	*-*	*59*	*37*
deferred income	*579*	*510*	*1 038*	*414*	*1 617*	*924*
liabilities due to contracts valued at the time of settlement of business combination	*12*	*43*	*870*	*3 618*	*882*	*3 661*
Other liabilities	**927**	**859**	**2 214**	**4 550**	**3 141**	**5 409**

* *As at 30 September 2024 and as at 31 December 2023, the line other in other financial liabilities in the non-current part mainly concerns received security deposits, liabilities under concessions and mining usufruct.*

Description of changes of derivatives not designated as hedge accounting is presented in note 5.4 and 5.5.

The line receivables/liabilities due to settled derivatives refer to derivatives with a maturity date at the end of the reporting period or earlier, however the payment date falls after the balance sheet date. As at 30 September 2024, these line include the value of matured commodity swaps hedging mainly the time mismatch on crude oil purchases, excess inventories and natural gas.

The position of contract assets and contract liabilities recognized for a business combination includes futures contracts existing at the moment of acquisition, measured at fair value, relating mainly to the purchase and sale of gas, electricity and CO_2 emission allowances of the PGNiG Group. Both contract assets and contract liabilities recognized for a business combination reflect their fair value determined as the difference between the contract price and the market price at the acquisition date and are not subject to measurement to fair value in subsequent reporting periods. At the time of actual execution of a given contract, the Group settles the appropriate value of the contract asset or contract liability relating to the relevant contract in correspondence with the same position in the income statement or balance sheet where the impact of the execution of the underlying contract is presented. As at 30 September 2024 and as at 31 December 2023, the position of contract assets and contract liabilities recognized for a business combination amounted to PLN 433 million and PLN 882 million and PLN 1,800 million and PLN 3,661 million, respectively.

Deferred income as at 30 September 2024 includes mainly the unsettled part of the grants for property rights of CO_2 allowances in the amount of PLN 718 million.

(in PLN million)

5.9. Provisions

	Non-current 30/09/2024 (unaudited)	Non-current 31/12/2023	Current 30/09/2024 (unaudited)	Current 31/12/2023 (restated data)	Total 30/09/2024 (unaudited)	Total 31/12/2023 (restated data)
For decommissioning and environmental costs	6 609	5 854	123	180	6 732	6 034
Jubilee bonuses and post-employment benefits	1 973	1 953	261	289	2 234	2 242
CO_2 emissions, energy certificates	-	-	6 099	9 106	6 099	9 106
Other	1 935	2 145	1 371	2 030	3 306	4 175
	10 517	**9 952**	**7 854**	**11 605**	**18 371**	**21 557**

The increase in the provision for liquidation and environmental costs as at 30 September 2024 compared to the end of 2023 by PLN 698 million results mainly from the recognition of provisions acquired due to the acquisition of natural resources on the Norwegian shelf. The decrease in the value of other provisions by PLN 869 million compared to 2023 results from the settlement of the provision for onerous contract in the ENERGA Group in the amount of PLN 355 million related to the introduction of the act on the freezing of energy prices and the elimination of provisions as a result of the sale of TUW in the amount of PLN 308 million. A detailed description of changes in provision is presented in note 3.1.

5.10. Methods applied in determining fair value (fair value hierarchy)

As compared to the previous reporting period the Group did not change the valuation methods concerning financial instruments.
Methods applied in determining the fair value were described in the Consolidated Financial Statements for 2023 in note 16.3.1.
In the position financial assets measured at fair value through other comprehensive income quoted/unquoted shares not held for trading are presented. With respect to shares unquoted on active market for which there are no observable inputs, fair value is determined on the basis of expected discounted cash flows.

Fair value hierarchy

	30/09/2024		Fair value hierarchy		
	Carrying amount (unaudited)	Fair value (unaudited)	Level 1	Level 2	Level 3
Financial assets					
Financial assets measured at fair value through other comprehensive income	330	330	60	-	270
Financial assets measured at fair value through profit or loss	176	176	-	-	176
Loans granted	1 252	1 294	-	1 294	-
Derivatives	3 003	3 003	1 080	1 923	-
Purchased securities	290	397	-	397	-
	5 051	**5 200**	**1 140**	**3 614**	**446**
Financial liabilities					
Loans	3 461	3 508	-	3 508	-
Borrowings	164	165	-	165	-
Bonds	8 078	8 015	6 479	1 536	-
Derivatives	1 380	1 380	1 074	306	-
	13 083	**13 068**	**7 553**	**5 515**	**-**

The fair value for other classes of financial assets and liabilities corresponds to their book value.
The fair value of financial assets and liabilities quoted on active markets is determined based on market quotations (i.e. Level 1). In other cases, the fair value is determined based on other input data which are directly or indirectly observable (i.e. Level 2) or unobservable inputs (i.e. Level 3).
There were no reclassifications in the Group between levels of the fair value hierarchy during the reporting and comparative period.

5.11. Future commitments resulting from signed investment contracts

As at 30 September 2024 and as at 31 December 2023 the value of future commitments resulting from investment contracts signed until that day amounted to PLN 25,853 million and PLN 27,600 million, respectively.

5.12. Issue and redemption of debt securities

The balance of debt securities liabilities as at 30 September 2024:

a) in ORLEN under:

- the non-public bond issue on the domestic market C Series and D series with a total nominal value of PLN 2,000 million, remains open;
- the medium-term Eurobonds issue program on the international market, series A and B with a nominal value of EUR 1,000 million remains open;

b) in ENERGA Group under:
– the Eurobond issue program, a series with a nominal value of EUR 300 million, remains open;
– the subscription agreement and the project agreement concluded with the European Investment Bank, one series of subordinated bonds remain open with a total nominal value of EUR 125 million.

C Series and D series of ORLEN corporate bonds with a total nominal value of PLN 2,000 million was issued as a part of the sustainable and balanced grow bonds, with an ESG rating as an element. The ESG rating is assigned by independent agencies and assesses a company's or industry's ability to sustainable and balanced grow by taking into account three main, non-financial factors such as: environmental issues, social issues and corporate governance. In terms of environmental issues, product emissions and carbon footprint, environmental pollution, as well as the use of natural resources and usage of green technologies are crucial.

A Series of ORLEN Eurobonds with a nominal value of EUR 500 million was issued with a green bonds certificate, which provide financing for projects supporting environmental and climate protection. ORLEN has established and published on its website the principles of green and sustainable financing, the "Green Finance Framework" which define the planned investment processes for energy transformation covered by this financing and key performance indicators were defined for these projects in terms of their advance of implementation and their impact on the environment.

5.13. Distribution of the Parent Company's profit for 2023 and the dividend payment in 2024

The Ordinary General Meeting of Shareholders of ORLEN on 25 June 2024 decided to distribute the net profit of ORLEN for the year 2023 in the amount of PLN 21,215,917,147.93 as follows: the amount of PLN 4,817,909,503.35 allocate as a dividend payment (4.15 per 1 share) and the remaining amount of PLN 16,398,007,644.58 as reserve capital. The dividend date was set at 20 September of 2024 and the dividend payment date at 20 December of 2024.

5.14. Contingent liabilities

Information concerning significant proceedings in front of court, body appropriate for arbitration proceedings or in front of administration bodies in which the companies of the ORLEN Group act as the defendant:

Claim of Warter Fuels S.A. (formerly: OBR S.A.) against ORLEN for compensation

On 5 September 2014, OBR S.A. (currently: Warter Fuels S.A.) filled an action against ORLEN with the District Court in Łódź for a claim for payment in respect of an alleged breach by ORLEN of patent rights. The amount of the claim in the lawsuit was estimated by Warter Fuels S.A. at PLN 84 million. The claim covers the adjudged sum of money from ORLEN for Warter Fuels S.A. in the amount corresponding to the value of the license fee for the use of the solution under the above patent and adjudge the obligation to repay the benefits derived from the use of this solution. On 16 October 2014 ORLEN responded to the lawsuit. By the procedural document from 11 December 2014 the value of the dispute was referred to by the plaintiff in the amount of PLN 247 million. So far, several hearings have been held, during which witnesses submitted by the parties were heard by the court. The court and the parties are looking for an expert who could provide an expert opinion on the case.

POLWAX S.A. - ORLEN Projekt S.A. dispute

There are in progress 3 cases from the lawsuit of ORLEN Projekt against POLWAX:
- payment of the amount of PLN 6.7 million legally concluded to advantage of ORLEN Projekt. POLWAX filed a cassation appeal. The case is at the stage of cassation proceedings,
- payment of the amount of PLN 67.8 million. The District Court in Rzeszów ordered POLWAX to pay ORLEN Projekt the amount of PLN 28.9 million, together with interest and costs of legal representation. The court dismissed the remaining part of ORLEN Projekt's claims.
  Both Parties appealed against the judgment. The case is at the appeal stage.
- for payment of the amount of PLN 1.1 million for storage and transport of equipment purchased by ORLEN Projekt towards the implementation of the Investment. The case is at the stage of proceedings before the Court of First Instance.

There are 3 cases pending from the lawsuit of POLWAX against ORLEN Projekt:
- payment of PLN 132 million for actual damage and lost profits that allegedly occurred in connection with improper performance and non-performance of the contract by ORLEN Projekt. The District Court in Rzeszów issued a judgment dismissing in its entirety the claim of POLWAX against ORLEN Projekt for payment of PLN 132 million with interest. The case is at the appeal stage.
- payment of PLN 9.9 million as reimbursement of the costs of removal and disposal of waste in the form of contaminated soil from the Investment area, and (ii) non-contractual storage of soil from the Investment area on a property belonging to POLWAX. The case is at the stage of proceedings before the Court of first instance.
- for removal of movable property – request of POLWAX for a commitment of ORLEN Projekt to restore the lawful state by emptying the warehouses transferred to ORLEN Projekt in order to store equipment and materials for the needs of the Investment. The case is at the appeal stage. ORLEN Projekt filed an appeal.
  In evaluation of ORLEN Projekt the claims are groundless and therefore the Group did not recognise the provision.

In the opinion of ORLEN Projekt, the claim is without merit, therefore the company did not recognise the provision. The aforementioned proceedings are described in detail in Consolidated Financial Statements for 2023 (note 17.4.2).

Contingent liabilities related to the ENERGA Group
As at 30 September 2024, the contingent liabilities of the ENERGA Group recognised in these consolidated financial statement of the ORLEN Group amounted to PLN 236 million.
The largest item of contingent liabilities of the ENERGA Group consists of legal claims relating to the power infrastructure of Energa-Operator S.A. located on private land. The Group recognises provisions for filed legal claims. If there is uncertainty as to the validity of the amount of the claim or legal title to land, the Group recognises contingent liabilities. As at 30 September 2024, the estimated value of those claims recognised as contingent liabilities amounts to PLN 220 million, while as at 31 December 2023 its value amounted to PLN 219 million. Considering the legal opinions, the estimated amounts represent a risk of liability of less than 50%.

Arbitration procedure brought by Elektrobudowa S.A. against ORLEN
The subject of the proceedings is a claim of Elektrobudowa S.A. in bankruptcy for payment of the total amount PLN 118.63 million and Euro 13.97 million.
The case concerns the settlement of the EPC contract with date 1 August 2016 for the construction of the Metathesis Installation, put into operation in 2019 year.
So far, the Court of Arbitration has issued twenty awards (5 preliminary awards and 15 partial awards), in which it awarded a total amount PLN 36.83 million and Euro 7.28 million for the benefit to the bankruptcy Trustee Elektrobudowa S.A. and dismissed the claims as to amounts PLN 1.24 million and Euro 0.37 million.
The remaining claims have not yet been resolved.
The amounts awarded in judgments have been paid in full.
Detailed information regarding the lawsuit proceedings regarding the claim of Elektrobudowa S.A. against ORLEN were presented in the Consolidated Financial Statements for 2023 in note 17.4.2.

The value of open provisions for the ongoing proceedings with Elektrobudowa as of 30 September 2024 amounted to PLN 68 million.

ORLEN Upstream Norway AS (formerly PGNiG Upstream Norway AS) tax settlements
On 1 May 2023, based on the Business Purchase Agreement - the purchase of an organized part of the enterprise PGNiG Upstream Norway AS (currently: ORLEN Upstream Norway AS) purchased from LOTOS Exploration and Production Norge AS (LEPN) all assets and related liabilities with the employees of the Company. Following the transaction to consolidate the ORLEN Group's Norwegian assets, all tax settlements and pending tax cases against LEPN were taken over by ORLEN Upstream Norway AS.
ORLEN Upstream Norway AS is currently involved in several disputes with the tax authority in Norway and has established provisions related to the following cases:

- Dispute over gas prices in a gas sales contract with a related party (PGNiG Supply & Trading GmbH),
- Dispute regarding LEPN's historical thin capitalisation,
- Dispute regarding the classification of capital expenditure at the Alvheim project.

The value of provisions made for pending tax proceedings as at 30 September 2024 amounted PLN 87 million (equivalent of NOK 237 million).

Settlements for natural gas supplied under the Yamal Contract and suspension of natural gas supplies by Gazprom
On 31 March 2021 Decree of the President of the Russian Federation No. 172 "On a special procedure for the performance of obligations of foreign buyers towards Russian natural gas suppliers" (the "Decree") was published, following which Gazprom requested PGNiG to amend the terms and conditions of the Yamal Contract, among others by introducing settlements in Russian rubles.
On 12 April 2022, the Management Board of PGNiG S.A. decided to continue settling PGNiG's liabilities for gas supplied by Gazprom under the Yamal Contract, in accordance with its applicable terms, and not to consent to PGNiG's performance of its settlement obligations for natural gas supplied by Gazprom under the Yamal Contract, in accordance with the provisions of the Decree.
From 27 April 2022, from 8:00 am CET Gazprom completely suspended natural gas deliveries under the Yamal Contract, citing the Decree's prohibition on delivering natural gas to foreign buyers from countries "unfriendly to the Russian Federation" (including Poland). if payments for natural gas supplied to such countries starting from 1 April 2022, will be made contrary to the terms of the Decree.
In response, PGNiG took steps to protect the Company's interests under its contractual rights, including: call for deliveries and compliance with settlement conditions, etc. terms of the agreement binding the parties until the end of 2022.
By 31 December 2022, natural gas supplies had not been resumed by Gazprom, the supplier refused to make settlements based on the applicable contractual conditions. Pursuant to PGNiG's declaration of intent of 15 November 2019, the Yamal Contract expired at the end of 2022.
Disputes arising during the term of the Yamal Contract remain pending and are being considered in arbitration proceedings, which will resolve the parties' claims regarding, among others, change of price terms of natural gas supplies based on a number of applications for renegotiation submitted by Gazprom and ORLEN (as the legal successor of PGNiG) from 2017 and causes and effects of Gazprom's suspension of natural gas supplies from 27 April 2022.
Due to its extensive scope, the arbitration proceedings have been divided into several phases, in which the parties' individual claims will be resolved. The current phase of the proceedings covers the issue of a possible change of price terms based on the ORLEN's and Gazprom's renegotiation requests from 2017. The parties filed counterclaims in this respect.
Separately, arbitration proceedings are also being conducted regarding ORLEN's claim against Gazprom for the payment of interest on the overpayment for natural gas supplied under the Yamal Contract in 2014-2020. The case remains pending.

ORLEN GROUP (in PLN million)

Claim by B. J. Noskiewicz against Exalo Drilling S.A.(hereinafter: Exalo) for payment of rent and damages

On 9 February 2015, B.J. Noskiewicz filed an action against Exalo seeking payment of a total of PLN 130 million. The demand of the claim includes an adjudication for a fee for the use of a property owned by the plaintiffs (occupied by the Company for the purpose of drilling a geothermal water well) and compensation for lost income. The plaintiffs claim that the property was not properly returned to them upon completion of the works. Exalo has filed a response to the claim. Exalo argues (based on expert opinions) that it completed the use of the property within the contractual deadline, removed all equipment and movable property, the site was cleaned up and rehabilitated, and therefore properly offered and released the property to the owners in 2012, so that the claim for both any fees for the period after that date and damages is completely unjustified.

In accordance with the decision of the Warsaw Regional Court of 11 February 2022, the proceedings remain suspended pending the outcome of the criminal case pending at the Warsaw Regional Prosecutor's Office.

As a result of the analysis of new circumstances in this case, it was estimated that the risk of losing the case has become negligible at the current stage of the proceedings and, as a consequence, the Company's probable obligation to pay becomes negligible.

In view of the above a provision of approx. PLN 35 million established for the case has been resolved. In Exalo's opinion, the claim is without merit.

Veolia Energia Warsaw's claim against PGNiG TERMIKA S.A.

On 21 February 2018, PGNiG TERMIKA received a claim for payment in respect of the execution of the agreement for services for the development of the heat market in Warsaw. brought by Veolia Energia Warszawa S.A. to the District Court in Warsaw. On 29 June 2018, PGNiG TERMIKA filed a response to the lawsuit. where it addressed the plaintiff's claims. Veolia Energia Warszawa S.A. originally claimed PLN 5.7 million as payment under the agreement, and later extended the claim by PLN 66.6 million, i.e. to PLN 72.3 million and then to the amount of PLN 93.6 million, representing further tranches of remuneration under the agreement. Further pleadings are being exchanged in the case. In the opinion of PGNiG TERMIKA, the agreement for the provision of services for the development of the heat market in Warsaw is invalid, as it violated mandatory provisions of law.

As at 30 September 2024 the total reserve in connection with the pending proceedings due to lawsuits from Veolia Energia Warszawa S.A. against PGNiG TERMIKA taking into account the principal claim and interest amounted to PLN 141 million.

PBG SA (currently under restructuring in liquidation) claim against PGNiG S.A. (currently ORLEN S.A.)

Counterclaim dated 1 April 2019 was filed by PBG SA against PGNiG S.A. for payment of the amount of PLN 118 million, in the case pending before the Regional Court of Warsaw from a PGNiG S.A. claim against PBG SA. in Wysogotowo, TCM in Paris and Technimont in Milan (value of the object of that dispute is PLN 147 million). The cases relate to mutual settlements in the performance of contracts for the upgrade of PMG (the underground gas storage) Wierzchowice. The basis of the claims in the counterclaim is a challenge by PBG SA to the statements of set-off of mutual receivables and liabilities made by PGNiG SA in the course of settling the contracts for the execution of upgrading PMG Wierzchowice. The stage of the proceedings for the counterclaim is identical to that of the main claim, i.e. the evidentiary proceedings are ongoing, the court has heard all witnesses and admitted expert evidence. The court excluded the selected expert from the case. The court obliged ORLEN to name another entity that could prepare an appropriate opinion on the matter. The Company submitted an application for the Warsaw University of Technology to prepare an opinion.

Except of described above proceedings, the Group has not identified any other significant contingent liabilities.

5.15. Related parties transactions

5.15.1. Transactions of the key executive personnel and their relatives with related parties of the ORLEN Group

As at 30 September 2024 and 31 December 2023 and in the 9 and 3-month period ended 30 September 2024 and 30 September 2023 there were no significant transactions of related parties of the ORLEN Group with Members of the Management Board and the Supervisory Board of the Parent Company, members of the other key executive personnel of ORLEN and the ORLEN Group and their relatives.

5.15.2. Remuneration of key executive personnel of the Parent Company and the ORLEN Group companies

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)	3 MONTHS ENDED 30/09/2023 (unaudited)
Parent Company				
Short-term employee benefits	60.8	21.3	69.1	24.2
Post-employment benefits	0.6	0.6	0.1	-
Termination benefits	27.9	3.9	1.3	0.8
Subsidiaries				
Short-term employee benefits	342.0	99.2	339.3	108.9
Post-employment benefits	1.0	0.4	0.2	0.2
Other long term employee benefits	2.9	0.3	1.2	0.1
Termination benefits	44.1	22.5	4.3	1.2
	479.3	**148.2**	**415.5**	**135.4**

(in PLN million)

5.15.3. ORLEN Group companies' transactions and balances of settlements with related parties

	Sales				Purchases			
	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)	3 MONTHS ENDED 30/09/2023 (unaudited)	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)	3 MONTHS ENDED 30/09/2023 (unaudited)
Jointly-controlled entities	**2 898**	**919**	**2 861**	**946**	**(534)**	**(183)**	**(566)**	**(306)**
joint ventures	*2 898*	*919*	*2 861*	*946*	*(534)*	*(183)*	*(566)*	*(306)*
Other related parties	**73**	**5**	**134**	**43**	**(39)**	**(8)**	**(1 436)**	**(1 196)**
	2 971	**924**	**2 995**	**989**	**(573)**	**(191)**	**(2 002)**	**(1 502)**

	Trade receivables, other receivables and loans granted		Trade, lease and other liabilities	
	30/09/2024 (unaudited)	31/12/2023	30/09/2024 (unaudited)	31/12/2023
Jointly-controlled entities	**1 576**	**1 526**	**80**	**80**
joint ventures	*1 576*	*1 526*	*80*	*80*
Other related parties	**98**	**79**	**59**	***38***
	1 674	**1 605**	**139**	**118**

The above transactions with related parties include mainly sales and purchases of refinery and petrochemicals products and services. During the 9 and 3-month period ended 30 September 2024 and 30 September 2023 there were no related parties transactions within the Group concluded on other than an arm's length basis.

5.15.4. Transactions with entities related to the State Treasury

The Ultimate Parent Company preparing the consolidated financial statements is ORLEN S.A., in which as at 30 September 2024 and 31 December 2023 the largest shareholder is the State Treasury with 49.9% of shares.

The Group identified transactions with related parties, which are also parties related to the State Treasury, based on the "List of companies with State Treasury share" provided by the Prime Minister's Office

During the 9 and 3-month period ended 30 September 2024 and 30 September 2023 and as at 30 September 2024 and as at 31 December 2023 the Group identified the following transactions:

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited)	3 MONTHS ENDED 30/09/2023 (unaudited)
Sales	7 523	2 446	6 733	2 008
Purchases	(6 998)	(2 230)	(7 198)	(3 672)

	30/09/2024 (unaudited)	31/12/2023
Trade receivables, other receivables	1 325	1 462
Trade, lease and other liabilities	794	775

Above transactions were concluded on an arm's length basis, were related to the ORLEN Group current operating activities and concerned mainly fuel sales, purchases and sales of natural gas, energy, transport and storage services.
Additionally, there were also financial transactions (loans, bank fees, commissions) with Bank Gospodarstwa Krajowego and transaction fees on the Polish Power Exchange.

5.16. Excise tax guarantees

Excise tax guarantees and excise tax on goods and merchandise under the excise tax suspension procedure are part of off-balance sheet liabilities and as at 30 September 2024 and as at 31 December 2023 amounted to PLN 3,982 million and PLN 2,950 million, respectively. In the 3rd and 4th quarter of 2023, the Group used part of the inventories of finished products, which resulted in a lower value of excise tax in the suspended procedure, while from January to September 2024, the Group rebuilt the level of these stocks. As at 30 September 2024 the Group assesses the materialisation of this type of liability as very low.

5.17. Information on loan sureties or guarantees granted by the Parent Company or its subsidiaries to one entity or its subsidiary where the total value of existing sureties or guarantees is significant

The guarantees and sureties granted within the Group to third parties as at 30 September 2024 and as at 31 December 2023 amounted to PLN 19,623 million and PLN 19,526 million, respectively. As at 30 September 2024 they related mainly to security of:

- future liabilities arising from bond issuance of Group's subsidiary in the amount of PLN 5,349 million,
- liabilities of PGNiG Supply&Trading GmbH, ORLEN Upstream Norway AS, ORLEN Trading Switzerland and ORLEN LNG SHIPPING LIMITED arising from operational activities in the total amount of PLN 9,671 million,
- financial liabilities arising from credit and borrowings agreements of Group's subsidiaries in total amount of PLN 632 million
- realisation of investment projects of subsidiaries: CCGT Ostrołęka and CCGT Grudziądz in total amount of PLN 311 million,

ORLEN GROUP (in PLN million)

as well as the timely payment of liabilities by subsidiaries.

As at 30 September 2024 an unconditional and irrevocable guarantee issued by ORLEN for the benefit of the government of Norway, covering the exploration and production activities of ORLEN Upstream Norway AS on the Norwegian Continental Shelf, was effective. The guarantee is open-ended and does not have a defined value. In the guarantee, ORLEN undertook to assume any financial liabilities which may arise in connection with the operations of ORLEN Upstream Norway AS on the Norwegian Continental Shelf, consisting in exploration for and extraction of the natural resources from the sea bottom, including their storage and transport using means of transport other than ships.

Future liabilities arising from bonds issuances are secured by the irrevocable and unconditional guarantee issued in favour of the bondholders by ENERGA. The guarantee is issued with a maturity date of 31 December 2033 for the issuer of Eurobonds, Energa Finance.

	Nominal value					Value of guarantee issued	
		PLN	Subscription date	Expiration date	Rating		PLN
Eurobonds	300 EUR	1 284	7.03.2017	7.03.2027	BBB+, Baa2	1 250 EUR	5 349

The value of guarantees granted was translated using the exchange rate as at 30 September 2024

In addition, the value of guarantees regarding liabilities to third parties granted during ongoing operations as at 30 September 2024 and as at 31 December 2023 amounted to PLN 5,415 million and PLN 5,007 million, respectively. Guarantees concerned mainly: civil-law guarantees of contract performance and public-law guarantees resulting from generally applicable regulations secured regularity of business licensed in the liquid fuels sector and resulting from this activity tax and customs receivables.

5.18. Events after the end of the reporting period

Significant bank financing

On 18 October 2024 ORLEN signed a credit facility agreement with a syndicate of 16 banks for the amount of EUR 2 billion. The financing has a five-year term maturity period with two one-year extension options (structured as 5+1+1), has the renewable structure and replaces the previous agreement. The funds obtained under that loan will be utilised to support ongoing commercial and operational activities.

On 6 November 2024 ORLEN signed a credit facility agreement with European Investment Bank for the amount of PLN 900 million. The financing has a fifteen-year term maturity period and has an investment loan character. The funds obtained under that loan will be utilised to finance the strategic modernization program of the electricity distribution network operated within the ENERGA Group by Energa-Operator S.A.

Fire at Sleipner B platform

On 22 October 2024 was a fire at the Sleipner B platform, whose shareholder is ORLEN Upstream Norway. As a result of the incident, no one was hurt, but the installation's work was suspended. The Sleipner B platform represents approximately 4% of the ORLEN Group's daily production in Norway. At present, the Group estimates that, despite of the failure, the oil and gas production plan for ORLEN Upstream Norway for 2024 will be implemented. Taking into account the unfinished process of determining the causes and effects of the fire and the possibility of restarting the installation, the Group is not able to estimate the financial consequences of the incident.

The Sleipner B platform was insured and the Group will seek to recover the costs of future repairs from its insurance policy.

Transaction of acquisition of two photovoltaic farms and one wind farm

On 23 October 2024 ORLEN Wind 3, a subsidiary of the ORLEN Group, has finalised a deal with EDP Renewables Polska to acquire two solar photovoltaic farms and a wind farm by acquiring 100% of shares in Neo Solar Chotków sp. z o.o., Neo Solar Farms sp. z o.o. and "FW WARTA" sp. z o.o.

The transaction included the acquire: solar PV farm, with a capacity of 40 MWp, located in Chotków in the Province of Zielona Góra, solar PV farm situated in the Przykona municipality in the Province of Poznań with a capacity of 200 MWp and is currently undergoing expansion by another 40 MWp and Warta onshore wind farm in the Łódź region with a capacity of 26 MW.

The provisional fair value of the consideration transferred amounted to PLN 1,109 million and included the purchase price of the shares, as well as the repayment of loans granted to the farms by the former shareholder, which was a necessary condition for taking control over the farms. This value may change as part of the merger settlement process and estimation of the fair value of the contingent consideration resulting from the provisions of the concluded company acquisition agreements.

Thanks to the transaction, the ORLEN Group increased its renewable energy capacity by almost 1/3. The transaction is a continuation of the Group's strategy aimed at providing low-emission and attractively priced energy and strengthens the Group's position as one of the leading entities in the area of energy transformation.

The completed transaction is subject to acquisition method accounting in accordance with IFRS 3 Business Combinations. Due to the short period of time between the business combination date, i.e. 23 October 2024, and the date of approval of these interim condensed consolidated financial statements, the Group did not obtain the information necessary to present all the disclosures related to the business combination transaction required by IFRS 3. In particular, the Group did not receive financial data on the basis of which it could present provisional values of the acquired assets and assumed liabilities and make a provisional settlement of the purchase price, which would result in the presentation of provisional goodwill or a provisional gain on a bargain purchase. The lack of financial data also prevented the Group from presenting the disclosures required by IFRS 3 regarding the revenue and profit of the combined entities for the current reporting period, calculated as if the acquisition date was 1 January 2024

After the end of the reporting period there were no other events that should be disclosed in these interim condensed consolidated financial statements.

OTHER INFORMATION TO CONSOLIDATED QUARTERLY REPORT

FOR THE 9 AND 3-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(in PLN million)

B. OTHER INFORMATION TO CONSOLIDATED QUARTERLY REPORT

1. Major factors having impact on EBITDA and EBITDA LIFO

Statement of profit or loss for 9 months of 2024
Result from operations increased by depreciation and amortization ("EBITDA") for the 9 months of 2024 amounted to PLN 17,306 million compared to PLN 37,532 million in the same period of 2023.
The impact of crude oil prices changes on inventory valuation in the 9 months of 2024 included in EBITDA result amounted to PLN (227) million compared to PLN (272) million for the 9 months of 2023.

EBITDA according to LIFO inventory valuation method ("EBITDA LIFO") after elimination of net impairment allowances on non-current assets* amounted to PLN 22,296 million and was lower by PLN (18,840) million (y/y).

	9 months 2024	9 months 2023	change (y/y)
EBITDA	17 306	37 532	(20 226)
LIFO	(227)	(272)	45
EBITDA LIFO	17 533	37 804	(20 271)
Net impairment allowances on non-current assets*	(4 763)	(3 332)	(1 431)
EBITDA LIFO (after elimination of impairment allowances*)	**22 296**	**41 136**	**(18 840)**

Factors influencing the change in results:		**(18 840)**
Macro	(1)	(19 857)
Volume	(2)	1 202
Others	(3)	(185)

* Net impairment allowances on non-current assets:
- 9 months of 2024 PLN (4,763) million – mainly the Rafinery assets amounted to PLN (2,358) million, Petrochemicals segment assets amounted to PLN (2,048) million, Upstream segment assets amounted to PLN (243) million.
- 9 months of 2023 PLN (3,332) million – mainly the upstream assets assets and a write-down of the investment in EuRoPol Gaz to the fair value corresponding to the shares in this company held by ORLEN Group

(1) Total impact of macroeconomic parameters amounted to PLN (19,857) million (y/y).

In the Refinery segment the impact of changes in macro factors was negative PLN (5,039) million (y/y) and was mainly due to lower (y/y) margins (crack) on light and middle distillates, negative impact of processed crude oil grades differentials and the strengthening of the PLN against the USD partially offset by the positive impact of lower (y/y) CO_2 emission costs and hedging transactions.

In the Petrochemical segment the impact of changes in macroeconomic parameters amounted PLN (75) million and was mainly due to the negative impact of hedging transactions and the strengthening of the PLN against the EUR, with the positive impact of higher petrochemicals margins and lower electricity and natural gas prices.

In the Energy segment the impact of changes in macro factors amounted to PLN (575) million (y/y) and included mainly the negative impact of lower margins realized on electricity sales. The negative effects were partially offset by the positive impact of higher margins on electricity distribution, lower (y/y) network loss costs and CO_2 emission costs.

In the Upstream segment the impact of changes in macro factors amounted PLN (3,581) million (y/y) as a result of lower (y/y) gas quotations and the strengthening of the of PLN against USD and NOK.

In the Gas segment the impact of changes in macro enviroment amounted PLN (10,587) million (y/y) and resulted mainly from lower margin on the sale of E gas (high-methane) in connection with the execution of futures contracts on TGE at lower prices compared to the 9 months of 2023. The above negative effects were partially compensated by positive impact of the strengthening of PLN against USD and EUR.

(2) ORLEN Group's total volume sales in the Refinery, Petrochemical and Retail segments increased by 2.0% (y/y), i.e. to 35,654 thousand tons. Sales of the Energy segment decreased by (10.7)% (y/y) and amounted to 21.3 TWh. In contrast, sales of the Upstream segment amounted to 19.6 million boe and was higher by 23.4% (y/y), while volumes of the Gas segment amounted to 212.9 TWh, and increased of 1.4% (y/y).
As a result of the increase in total sales volumes, **the volume effect amounted to PLN 1,202 million (y/y).**

In the Refining segment, the volume impact amounted to PLN (1,653) million (y/y) and was mainly due to a decrease in volume sales by (3)% (y/y), mainly in the Polish market. This is the effect of an aggressive pricing policy, as a result of which low trading margins in the 3rd and 4th quarters of 2023 resulted a significant increase in base year sales volumes. As a result, there was a drawdown of mandatory and operating inventories, which had to be replenished to required levels during 2024. In addition, the negative volume effect is derived from the reduction in the processing of Rebco crude oil by 8 pp. (y/y) at the Unipetrol Group (from 4.0 million t to 1.7 million t) and replacing it with more expensive types of crude oil. The level of sales was also affected by lower product availability due to the cyclical shutdown of the Litvinov refinery and its stoppage in August and September 2024 due to an unexploded bomb found at the site.

ORLEN GROUP (in PLN million)

In the Petrochemical segment, the volume change effect amounted to PLN 433 million (y/y) as a result of higher by 6% (y/y) sales of olefins, polyolefins, fertilizers and PTA. The increase in sales volumes (y/y) was due to higher demand for petrochemical products from Europe as a result of logistical constraints.

In the Energy segment, the volume impact amounted to PLN (183) million (y/y) mainly as a result of lower power energy production in the Ostrołęka Power Plant as a result of the unfavorable relationship between electricity and coal prices. The above negative effect was partially offset by the positive impact (y/y) of higher energy distribution volumes.

In the Retail segment, the change in sales volumes was positive and amounted to PLN 181 million (y/y) due to higher fuel sales in the Czech market by 15% (y/y), Polish by 6% and German by 1%, with comparable volumes in the Lithuanian market (y/y). In addition, the 9 months of 2024 included volumes of ORLEN Austria Group managing fuel stations in Austria at 665,000 tons.

In the Upstream segment, the volume effect amounted to PLN 2,039 million (y/y) and was mainly due to higher production and sales of hydrocarbons due to the consolidation of volumes of the new upstream company KUFPEC Norway AS.

In the Gas segment, the impact of sales volumes amounted to PLN 385 million (y/y) mainly as a result of a positive effect on the resale of surplus E (high-methane) gas at PGNiG Obrót Detaliczny partially limited by lower sales of high-methane gas on TGE by ORLEN.

(3) The impact of other factors amounted to PLN (185) million (y/y) and mainly included:
- higher (y/y) write-downs on the Price Difference Payment Fund in the amount of PLN (3,805) million,
- lower impact of the settlement of assets and liabilities of the former PGNiG Group as at the merger date in the amount of PLN (5,178) million (y/y),
- higher (y/y) trade margins mainly in the Gas segment as a result of the positive impact of lower prices of gas withdrawals from storage with lower trading margins on sales of Ls/Lw (nitrogenated) and E (high-methane). In addition, an increase in retail margins and trade margins at the Refinery with lower margins at the Petrochemicals,
- lower results of Baltic Power consolidated under the equity method by PLN (222) million (y/y) (mainly change in fair value of IRS instrument),
- positive impact of net write-downs on inventories (NRV) of PLN 223 million (y/y),
- increase (y/y) in fixed and labor costs.

Statement of profit or loss for 3rd quarter of 2024

Result from operations increased by depreciation and amortization ("EBITDA") in the 3rd quarter of 2024 amounted to PLN 4,960 million compared to PLN 10,519 million in the same period of 2023.
The impact of crude oil prices changes on inventory valuation in the 3rd quarter of 2024 included in EBITDA result amounted to PLN (324) million compared to PLN 1,283 million in the 3rd quarter of 2023.

EBITDA according to LIFO inventory valuation method ("EBITDA LIFO") after elimination of net impairment allowances on non-current assets* amounted to PLN 8,808 million and was lower by PLN (1,450) million (y/y).

	3rd quarter 2024	3rd quarter 2023	change (y/y)
EBITDA	4 960	10 519	(5 559)
LIFO	(324)	1 283	(1 607)
EBITDA LIFO	5 284	9 236	(3 952)
Net impairment allowances on non-current assets*	(3 524)	(1 022)	(2 502)
EBITDA LIFO (after elimination of impairment allowances*)	**8 808**	**10 258**	**(1 450)**

Factors influencing the change in results:		**(1 450)**
Macro	(1)	(4 609)
Volume	(2)	523
Others	(3)	2 637

* Net impairment allowances on non-current assets:
- 3rd quarter of 2024 PLN (3,524) million – mainly the Rafinery segment assets amounted to PLN (2,351) million, Petrochemicals segment assets amounted to PLN (922) million and Upstream segment amounted to PLN (181) million.
- 3rd quarter of 2023 PLN (1,022) million – mainly the Gas segment assets and a write-down of the investment in EuRoPol Gaz to the fair value corresponding to the shares in this company held by ORLEN Group

(1) The total impact of macroeconomic parameters amounted to PLN (4,609) million (r/r).

In the Refinery segment the impact of changes in macro factors was negative PLN (2,759) million (y/y) and was mainly due to lower margins on light and middle distillates and heavy fuel oil, the strengthening of the PLN against the USD and higher CO_2 emission costs. The segment's results were positively affected by hedging transactions.

In the Petrochemical segment the impcat of changes in macro parameters amounted to PLN (22) million (y/y) despite higher (y/y) petrochemical margins, lower natural gas and electricity costs, mainly as a result of the negative impact of hedging transactions, the strengthening of the PLN against the EUR and higher CO_2 emission costs.

In the Energy segment the impcat of changes in macro amounted to PLN (109) million (y/y) and was mainly due to lower margins on electricity sales with a positive impact of higher margins on energy distribution and lower (y/y) costs of network losses.

In the Upstream segment the impcat of changes in macro environment amounted to PLN 181 million (y/y) as a result of the positive impact of higher gas prices by 2% (y/y) partially limited by the impact of the strengthening of the PLN against the USD and NOK.

In the Gas segment the impcat of changes in macro factors amounted to PLN (1,900) million (y/y) as a result of lower margins on sales of E gas (high-methane) due to the execution of futures contracts on TGE at lower prices compared to 3rd quarter of 2023 and the negative impact (y/y) of hedging transactions. The above negative effects were partially offset by the positive impact of the strengthening of the PLN against the USD, EUR.

(2) Total volume sales of the ORLEN Group in the Refining, Petrochemical and Retail segments declined by (1.7)% (y/y), i.e. to 12,506 thousand tons. Sales of the Energy segment decreased by (7.2)% (y/y) and amounted to 6.6 TWh. In contrast, sales of the Upstream segment amounted to 5.3 million boe, and was higher by 15.1% (y/y), while sales of the Gas segment amounted to 56.3 TWh and increased of 4.5% (y/y).
As a result, **the volume effect amounted to PLN 523 million (y/y).**

In the Refinery segment, the volume effect amounted to PLN (70) million (y/y) and was mainly due to a decrease in sales by (5)% (y/y) mainly in the Polish market. This is the effect of an aggressive pricing policy, as a result of which low trading margins in 3rd and 4th 2023 resulted a significant increase in base year sales volumes. Additionally, lower volume sales were impacted by the stoppage of the Litvinov refinery due to an unexploded bomb found at the site.

In the Petrochemicals segment, the volume change effect amounted to PLN 125 million (y/y) and was due to higher (y/y) sales of olefins, fertilizers, PVC and PTA as a result of improved macroeconomic conditions (y/y) and lower product imports due to higher logistics rates.

In the Energy segment, the volume impact amounted to PLN (52) million (y/y) mainly as a result of lower energy production at the Ostrołęka Power Plant as a result of the unfavorable relations of electricity prices to hard coal price. The above effect was partially offset by the positive impact of higher sales volumes at CCGT Plock and the increase in energy distribution volumes in the Energa Group

In the Retail segment, the change in sales volumes reached the level of PLN 12 million (y/y) due to higher fuel sales in the Czech market by 14% (y/y) and Lithuanian market by 6% (y/y), comparable sales in the German market with lower sales in the Polish market by (3)%. Aditionally in 3rd quarter of 2024 volumes of ORLEN Austria managing fuel stations in Austria were included at the level of 235 thousand tons.

In the Upstream segment, the volume effect amounted to PLN 310 million (y/y) and was mainly due to higher production and sales of hydrocarbons due to the consolidation of volumes of the new extraction company KUFPEC Norway AS.

In the Gas segment, the impact of sales volumes amounted to PLN 198 million (y/y) mainly as a result of a positive effect on the resale of surplus E (high-methane) gas at PGNiG Obrót Detaliczny and the sale of Lw (nitrogen) gas by ORLEN partially limited by lower sales of high-methane gas on TGE.

(3) The impact of other factors amounted to PLN 2,637 million (y/y) and mainly included:

- lower (y/y) write-downs on the Price Difference Payment Fund in the amount PLN 3,633 million,
- lower impact of the settlement of assets and liabilities of the former PGNiG Group as at the merger date in the amount of PLN (1,382) million (y/y),
- positive (y/y) impact of trading margins in the Refining, Petrochemical and Retail segments, with a negative impact of margins in the Gas segment mainly on sales of Ls/Lw gas (nitrogenated) and in the Energy,
- lower results of Baltic Power consolidated by equity method by PLN (471) million (y/y) (mainly change in fair value of IRS instrument),
- negative (y/y) impact of net write-downs on inventories (NRV) in the amount of PLN (83) million,

- higher (y/y) fixed and labor costs and a negative impact (y/y) of the use of historical inventory layers as a result of the aggressive pricing policy in 3rd quarter of 2023, which made it necessary to use of operating and mandatory fuel inventories accumulated at lower prices.

2. The most significant events in the period from 1 January 2024 up to the date of preparation of this report

JANUARY 2024

Changes in Supervisory Board
ORLEN announced that on 25 January 2024 the Minister of the State Assets, acting on behalf of the shareholder the State Treasury, according to § 8 item 2 point 1 of the Company's Articles of Association appointed Mr Wojciech Popiołek to the ORLEN S.A. Supervisory Board.

Changes in Management Board
ORLEN announced that the Company's Supervisory Board, after reviewing the letter of the President of ORLEN's Management Board, Mr Daniel Obajtek, where he declared that "he placed himself at the disposal of the Company's Supervisory Board in the scope of the performed function", decided to dismiss Mr Daniel Obajtek from the ORLEN's Management Board with effect from the end of the day, 5 February 2024.

FEBRUARY 2024

Changes in Management Board
ORLEN announced that on 2 February 2024 Mr Michał Róg submitted a resignation with the effect from the end of 5 February 2024 from the position of ORLEN Management Board Member.

ORLEN announced that on 5 February 2024 Ms Patrycja Klarecka and Mr Armen Artwich submitted resignations from the positions of ORLEN Management Board Members with the effect from the end of 5 February 2024.

ORLEN announced that on 5 February 2024 Mr Jan Szewczak submitted resignation from the position of ORLEN Management Board Member with the effect from the end of 5 February 2024.

Changes in Supervisory Board
ORLEN announced that on 6 February 2024 the Minister of the State Assets, acting on behalf of the shareholder the State Treasury, according to § 8 item 2 point 1 of the Company's Articles of Association removed effective from 6 February 2024 Mr Wojciech Popiołek from the Supervisory Board of ORLEN S.A. of the current term of office.

Changes in Management Board
ORLEN announced that on 6 February 2024 the Minister of the State Assets, acting on behalf of the shareholder the State Treasury, according to § 9 item 1 point 3 of the Company's Articles of Association appointed effective 6 February 2024 Mr Witold Literacki to the ORLEN Management Board. At the same time the Company's Supervisory Board on 6 February 2024 meeting appointed Mr Witold Literacki with effect from 6 February 2024 as acting President of the Company's Management Board.
Moreover the Company's Supervisory Board dismissed following persons from the Management Board:
- Mr Adam Burak,
- Mr Krzysztof Nowicki,
- Mr Robert Perkowski,
- Mr Piotr Sabat,
- Ms Iwona Waksmundzka-Olejniczak.

At the same meeting the Company's Supervisory Board decided to delegate with effect from 7 February 2024 the following members of the Company's Supervisory Board for temporary acting as members of the Company's Management Board, by the time of appointment of the Management Board members for that positions, providing that no longer than for three months:
- Mr Kazimierz Mordaszewski,
- Mr Tomasz Sójka,
- Mr Tomasz Zieliński.

Changes in Supervisory Board
ORLEN announced that on 9 February 2024 Mr Tomasz Sójka submitted resignation from the position of ORLEN Management Board Member with the effect on 16 February 2024.

Changes in Management Board
ORLEN announced that on 16 February 2024 the Company's Supervisory Board decided to delegate with effect from 17th February, 2024 Mr Ireneusz Sitarski, member of the Company's Supervisory Board for temporary acting as a member of ORLEN's Management Board, by the time of appointment of the Management Board member for that position, providing that no longer than for three months.

APRIL 2024

Changes in Management Board
ORLEN announced that on:
- 10 April 2024 the Company's Supervisory Board appointed Mr Ireneusz Fąfara with effect from 11 April 2024 for the position of President of the Company's Management Board for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025.
  At the same meeting the Company's Supervisory Board entrusted Mr Witold Literacki, appointed to the Company's Management Board by the Minister of the State Assets, according to § 9 item 1 point 3 of the Company's Articles of Association, the duties of the Vice-president of the Management Board for Corporate Affairs and the function of the first deputy of the President of the Company's Management Board with effect from 11 April 2024.

Moreover the Company's Supervisory Board decided to terminate with immediate effect the period of delegation of the member of the Company's Supervisory Board, Mr Ireneusz Sitarski for temporary acting as a member of the Company's Management Board.

– 16 April 2024 the Company's Supervisory Board appointed to the composition of the Company's Management Board with effect from 1 May 2024 the following persons:
  - Ms Magdalena Bartoś for the position of Vice-president of the Management Board, Financials,
  - Mr Robert Soszyński for the position of Vice-president of the Management Board, Strategy and Sustainable Development,
  - Mr Wiesław Prugar for the position of Member of the Management Board, Upstream.

for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025.

Moreover the Company's Supervisory Board at the same meeting decided to remove Mr Józef Węgrecki from the position of the Company's Management Board Member with effect from 30 April 2024

Changes in Supervisory Board

ORLEN announced that on 25 April 2024 the Minister of the State Assets, acting on behalf of the shareholder the State Treasury, according to § 8 item 2 point 1 of the Company's Articles of Association appointed on 25 April 2024 Mr. Piotr Wielowieyski to the ORLEN S.A. Supervisory Board of the current term of office.

MAY 2024

Dismissal of a claim to declare the non-existence of a resolution of the EGM of PGNiG S.A.

ORLEN announced that the District Court in Płock, I Civil Department, ruled in one of the proceedings to repeal or declare invalidity of the resolution no. 3/2022 of the Extraordinary General Meeting of PGNiG S.A. of October 10, 2022 on the merger of the Company with PGNiG S.A. and consent to the proposed amendments to the Articles of Association of ORLEN ("Resolution").

The Court decided to discontinue the proceeding with respect to the claim for repealing the Resolution and for declaration of its invalidity due to the effective withdrawal of the claim in this part, and also dismissed the claim for determination of non-existence of the Resolution.

Changes in the Management Board and Supervisory Board

ORLEN announced that on 14 May 2024 Mr. Witold Literacki resigned from the Company's Management Board and from the function of Vice-President of the Management Board of ORLEN S.A. and first deputy of the President of the Company's Management Board with effect on the end of the day of 15 May 2024.

Moreover, on 14 May 2024 Mr. Ireneusz Sitarski submitted resignation from the function of ORLEN Supervisory Board Member with effect on the end of the day of 15 May 2024.

The Company's Supervisory Board at its meeting on 14 May 2024, appointed to the composition of the ORLEN's Management Board with effect on the start of the day of 16 May 2024 the following persons:

- Mr. Witold Literacki for the position of Vice-president of the Management Board, Corporate Affairs,
- Mr. Ireneusz Sitarski for the position of Vice-president of the Management Board, Retail Sales,

for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025.

Dismissal of the appeal in the case for annulment or repeal of the resolution of EGM of Grupa LOTOS S.A.

ORLEN announced that the Court of Appeal in Łódź, I Civil Division on 15 May 2024 has announced the verdict, in which it dismissed the appeal of shareholders of the former Grupa LOTOS S.A. ("Grupa LOTOS") for annulment of Resolution No. 3 of the Extraordinary General Meeting of Grupa LOTOS as of 20 July 2022 on the merger of the Company with Grupa LOTOS, an increase in the share capital of PKN ORLEN and consent to the proposed amendments to the Articles of Association of PKN ORLEN, together with a claim for potential repealing of this resolution. The judgment is final.

JUNE 2024

Changes in the Management Board

ORLEN announced that on 12 June 2024 the Company's Supervisory Board appointed to the composition of the ORLEN S.A. Management Board the following persons:

– Mr Marek Balawejder with effect on the start of the day of 1 August 2024 for the position of Member of the Management Board, Wholesale and Logistics,

– Mr Artur Osuchowski with effect on the start of the day of 13 June 2024 for the position of Member of the Management Board, Energy and Energy Transformation,

for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025.

Changes in the Supervisory Board

ORLEN announced that the Minister of the State Assets, acting on behalf of the shareholder the State Treasury, according to § 8 item 2 point 1 of the Company's Articles of Association dismissed effective from 24 June 2024 Mr Piotr Wielowieyski from the Supervisory Board of ORLEN S.A. of the current term of office.

ORLEN's Supervisory Board approved the disposal of own shares retained after merger with LOTOS Group and PGNiG

ORLEN announced that on 19 June 2024 the Company's Supervisory Board approved the disposal of own shares, issued by ORLEN in connection with the merger of the Company with LOTOS Group S.A. and with Polskie Górnictwo Naftowe i Gazownictwo S.A. that due to the adopted rules of shares swap ratio described in the merger plans of the companies were not handed over to the shareholders, in the amount of 7,220 of series E shares and 26,938 of series F

shares ("Shares"). The disposal of Shares will be ordered in the brokerage firm that maintains the ORLEN securities account at the current market price. The total number of Shares for disposal amounts to 34,158 and presents ca. 0.003% of the ORLEN share capital.
Transaction of the Shares disposal shall be made in the next three months.

JULY 2024

Changes in the Supervisory Board
ORLEN announced that on 24 July 2024 Ordinary General Meeting of ORLEN appointed following persons to the Company's Supervisory Board:
- Mr Marian Sewerski for the member of the Company's Supervisory Board,
- Mr Piotr Wielowieyski for the member of the Company's Supervisory Board

AUGUST 2024

The statements of claims for annulment or repeal of the resolutions of the Ordinary General Meeting of ORLEN
ORLEN acquired an information from the District Court for Łódź, X Commercial Division, about the statements of claims filed by the Company's shareholders for annulment or repeal of the following resolutions adopted by the Ordinary General Meeting of ORLEN on 25 June 2024:
- Resolution No 12 on discharge of member of the Management Board, Mr Armen Konrad Artwich of liability for his activities in 2023,
- Resolution No 14 on discharge of member of the Management Board, Mrs Patrycja Klarecka of liability for her activities in 2023,
- Resolution No 15 on discharge of member of the Management Board, Mr Michał Róg of liability for his activities in 2023,
- Resolution No 16 on discharge of member of the Management Board, Mr Jan Szewczak of liability for his activities in 2023,
- Resolution No 17 on discharge of member of the Management Board, Mr Józef Węgrecki of liability for his activities in 2023,
- Resolution No 18 on discharge of member of the Management Board, Mr Piotr Sabat of liability for his activities in 2023,
- Resolution No 19 on discharge of member of the Management Board, Mr Krzysztof Nowicki of liability for his activities in 2023,
- Resolution No 21 on discharge of member of the Management Board, Mr Robert Perkowski of liability for his activities in 2023,
- Resolution No 26 on discharge of member of the Supervisory Board, Mr Andrzej Szumański of liability for his activities in 2023,
- Resolution No 30 on discharge of member of the Supervisory Board, Mr Michał Klimaszewski of liability for his activities in 2023.

In the Company's opinion the statements of claims are groundless.

The statements of claims for annulment or repeal of the resolutions of the Ordinary General Meeting of ORLEN
ORLEN acquired an information from the District Court for Łódź, X Commercial Division, about the statements of claims filed by the Company's shareholder for annulment or repeal of the following resolutions adopted by the Ordinary General Meeting of ORLEN on 25 June 2024:
- Resolution No 13 on discharge of member of the Management Board, Mr Adam Burak of liability for his activities in 2023,
- Resolution No 20 on discharge of member of the Management Board, Mrs Iwona Waksmundzka-Olejniczak of liability for her activities in 2023.

In the Company's opinion the statements of claims are groundless.

SEPTEMBER 2024

Changes in the Management Board
ORLEN announced that on 25 September 2024 the Company's Supervisory Board appointed Mr Marcin Wasilewski to the Company's Management Board with effect on the start of the day of 1 January 2025 for the position of Member of the Management Board, Technology for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025.

The statement of claims for annulment or repeal of the resolution of the Ordinary General Meeting of ORLEN S.A.
ORLEN acquired an information from the District Court for Łódź, X Commercial Division, about the statement of claims filed by the Company's shareholder for annulment or repeal of the Resolution No 11 on discharge of the Company's President of the Management Board, Mr Daniel Obajtek of liability for his activities in 2023, adopted by the Ordinary General Meeting of ORLEN on 25 June 2024.
In the Company's opinion the statement of claims is groundless.

OCTOBER 2024

Change of the date of appointment of Mr Marcin Wasilewski as Member of the Management Board of ORLEN
ORLEN announced that the Company's Supervisory Board has decided to change the date of appointed Mr Marcin Wasilewski as the Company's Management Board Member for Technology from 1 January 2025 to 6 November 2024.
According to the Supervisory Board's resolution of 25 September 2024, Mr Marcin Wasilewski was to take up his position on the Management Board of ORLEN 1 January 2025.

According to the resolution adopted on 16 October 2024, the Company's Supervisory Board decided to appoint Mr Marcin Wasilewski to the Company's Management Board with effect on the start of the day of 6 November 2024 for the position of Member of the Management Board for Technology, for the common term of office, which ends on the date of the Ordinary Shareholders Meeting that will approve the Company's financial statement for 2025

NOVEMBER 2024

Notice from Shareholders on the conclusion of an agreement
ORLEN announced that the Company has received a notification pursuant to Art. 69 in connection with Art. 87.1.5 and Art. 87.1.6 of the Act on Public Offering (unified text in Journal of Laws 2024, item 620) on the conclusion of an agreement between the Company's shareholders: Nationale-Nederlanden Otwarty Fundusz Emerytalny, PZU "Złota Jesień" Otwarty Fundusz Emerytalny and Generali Otwarty Fundusz Emerytalny ("Agreement"). According to the notice, the Agreement was concluded on 4 November 2024 in order to submit a request to add to the agenda of the Extraordinary General Meeting of ORLEN convened for 2 December 2024, an item: "Consideration of and voting on the resolutions regarding changes in the composition

ORLEN GROUP (in PLN million)

of the Company's Supervisory Board".
The notification, submitted by the proxy on behalf of the parties to the Agreement, also informs that the parties to the Agreement independently hold the following number of ORLEN shares:

- Nationale-Nederlanden Otwarty Fundusz Emerytalny holds 68 379 124 shares in the Company, representing 5.89% of the share capital and the total number of votes in the Company,
- PZU "Złota Jesień" Otwarty Fundusz Emerytalny holds 35 006 722 shares in the Company, representing 3.01% of the share capital and the total number of votes in the Company,
- Generali Otwarty Fundusz Emerytalny holds 30 833 617 shares in the Company, representing 2.65% of the share capital and the total number of votes in the Company.

The parties to the Agreement hold a total of 134 219 463 shares in the Company, representing 11.56% of the share capital and entitling to exercise 11.56% of the total number of votes in the Company.

Information on Olefins III complex development

ORLEN announced that on 6 November 2024 the Company's Management Board decided it will concentrate further analysis on selected strategic options of Olefins III complex development ("Project").
Following strategic options are subject to thorough analysis:

- Optimization of the Project with respect to output capacity and utilization of currently existing units.
- Termination of the Project in its current form or its temporary, partial suspension.

Continuation of the Project with the current scope and scale (described in regulatory announcements no 26/2021 and 27/2021 as of 24 May 2021, no 34/2021 as of 22 June 2021, no 30/2023 as of 29 June 2023) is unprofitable. The capital expenditures and project-related costs for the Project realization would amount to ca. PLN 45-51 bn. Completion of the construction works would be feasible no sooner than at the beginning of 2030. Those have been assessed by external, reputable advisors, based on the current scope and scale and include all required infrastructure, procurement contracts' conditions, macroeconomic and market outlook.
Selection of the strategic options has been made to safeguard the Company's interest and is made on the basis of petrochemical market analysis, macroeconomic situation and Project profitability.

Notice from Shareholders on the termination of an agreement

ORLEN announced that the Company has received a notification pursuant to Art. 69 in connection with Art. 87.1a of the Act on Public Offering (unified text in Journal of Laws 2024, item 620) on the termination of an agreement between the Company's shareholders: Nationale-Nederlanden Otwarty Fundusz Emerytalny, PZU "Złota Jesień" Otwarty Fundusz Emerytalny and Generali Otwarty Fundusz Emerytalny ("Agreement"). According to the notice, the Agreement was concluded on 4 November 2024 in order to submit a request to add to the agenda of the Extraordinary General Meeting of ORLEN convened for 2 December 2024, an item: "Consideration of and voting on the resolutions regarding changes in the composition of the Company's Supervisory Board". The agreement has been terminated due to submit to ORLEN on 4 November 2024 a request to amend the agenda.
The notification, submitted by the proxy on behalf of the parties to the Agreement, also informs that, after termination of the Agreement, shareholders independently held the following number of ORLEN shares:

- Nationale-Nederlanden Otwarty Fundusz Emerytalny holds 68 379 124 shares in the Company, representing 5.89% of the share capital and the total number of votes in the Company,
- PZU "Złota Jesień" Otwarty Fundusz Emerytalny holds 35 006 722 shares in the Company, representing 3.01% of the share capital and the total number of votes in the Company,
- Generali Otwarty Fundusz Emerytalny holds 30 833 617 shares in the Company, representing 2.65% of the share capital and the total number of votes in the Company.

The parties to the Agreement after termination of the Agreement held a total of 134 219 463 shares in the Company, representing 11.56% of the share capital and entitling to exercise 11.56% of the total number of votes in the Company.

3. Other information

3.1. Composition of the Management Board and the Supervisory Board

As at the date of approval of these interim condensed consolidated financial statements, the composition of the management and supervisory bodies of the Company is as follows:

Management Board

Ireneusz Fąfara	– President of the Management Board, Chief Executive Officer
Marek Balawejder	– Member of the Management Board, Retail Sales
Magdalena Bartoś	– Vice-President of the Management Board, Financials
Witold Literacki	– Vice-President of the Management Board for Corporate Affairs,
Artur Osuchowski	– Member of the Management Board, Energy and Energy Transformation
Wiesław Prugar	– Member of the Management Board, Upstream
Ireneusz Sitarski	– Vice-President of the Management Board, Wholesale and Logistics
Robert Soszyński	– Vice-President of the Management Board, Operations
Marcin Wasilewski	– Member of the Management Board, Technology

ORLEN ORLEN GROUP (in PLN million)

Supervisory Board

Wojciech Popiołek	– Chairman of the Supervisory Board, Independent Member of the Supervisory Board
Michał Gajdus	– Vice-Chairman of the Supervisory Board, Independent Member of the Supervisory Board
Katarzyna Łobos	– Secretary of the Supervisory Board, Independent Member of the Supervisory Board
Ewa Gąsiorek	– Independent Member of the Supervisory Board
Kazimierz Mordaszewski	– Member of the Supervisory Board
Mikołaj Pietrzak	– Independent Member of the Supervisory Board
Marian Sewerski	– Independent Member of the Supervisory Board
Piotr Wielowieyski	– Independent Member of the Supervisory Board
Tomasz Zieliński	– Member of the Supervisory Board

3.2. Shareholders holding directly or indirectly via related parties at least 5% of total votes at the Parent's General Shareholders' Meeting as at the submission date of this report

	Percentage share in total voting rights at Shareholder's Meeting as at submission date			Number of shares as at submission date		
Shareholder	foregoing quarterly report*	change p.p.	previous half-year report**	foregoing quarterly report*	change	previous half-year report**
State Treasury *	49.90%	-	49.90%	579 310 079	-	579 310 079
Nationale-Nederlanden OFE*	5.89%	-0.14%	6.03%	68 379 124	(1 603 876)	69 983 000
Other	44.21%	0,14%	44.07%	513 252 846	1 603 876	511 648 970
	100.00%	**-**	**100.00%**	**1 160 942 049**	**-**	**1 160 942 049**

* *according to the notification from the Shareholders about the conclusion of the agreement of 4 November 2024*
** *according to the information from the Extraordinary General Shareholders' Meeting of ORLEN of 24 July 2024*

3.3. Changes in the number of the Parent Company's shares held by the Management Board and the Supervisory Board Members

Changes in the number of the Parent Company's shares held by the Management Board

	Number of shares, options as at the date of the previous quarterly report*	Acquisition	Disposal	Number of shares, options as at the date of the foregoing quarterly report**
Management Board	**-**	**77**	-	**77**
Marek Balawejder	-	77	-	77

** According to the confirmations received as at 14 August 2024*
*** According to the confirmations received as at 5 November 2024*

As at the date of preparation of this interim condensed consolidated financial statements, the Members of the Supervisory Board did not hold any shares in ORLEN.
In the period covered by this interim condensed consolidated financial statements, there were no changes in the ownership of ORLEN shares held by Members of the Management Board and the Supervisory Board.

3.4. Statement of the Management Board regarding the possibility to realise previously published forecasts of current year results

The ORLEN Group did not publish forecasts of its results.

QUARTERLY FINANCIAL INFORMATION
ORLEN S.A.

FOR THE 3rd QUARTER 2024

PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

QUARTERLY FINANCIAL INFORMATION OF ORLEN S.A. (in PLN million)

C. QUARTERLY FINANCIAL INFORMATION OF ORLEN

Separate statement of profit or loss and other comprehensive income

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Sales revenues	150 467	47 953	186 434	57 771
revenues from sales of finished goods and services	*111 799*	*34 397*	*141 995*	*41 695*
revenues from sales of merchandise and raw materials	*38 668*	*13 556*	*44 439*	*16 076*
Cost of sales	(139 035)	(41 183)	(155 681)	(49 368)
cost of finished goods and services sold	*(102 812)*	*(28 482)*	*(113 377)*	*(34 064)*
cost of merchandise and raw materials sold	*(36 223)*	*(12 701)*	*(42 304)*	*(15 304)*
Gross profit on sales	**11 432**	**6 770**	**30 753**	**8 403**
Distribution expenses	(6 211)	(2 102)	(6 462)	(2 343)
Administrative expenses	(1 765)	(617)	(1 661)	(526)
Other operating income	3 333	1 020	7 452	2 935
Other operating expenses	(4 661)	(1 502)	(9 098)	(3 457)
(Loss)/reversal of loss due to impairment of trade receivables	(75)	(51)	(90)	(32)
Profit from operations	**2 053**	**3 518**	**20 894**	**4 980**
Finance income	4 992	2 654	4 087	184
Finance costs, incl.:	(5 999)	(4 276)	(2 004)	(1 299)
recognition of impairment allowances of shares in ORLEN Lietuva	*(4 005)*	*(4 005)*	-	-
Net finance income and costs	**(1 007)**	**(1 622)**	**2 083**	**(1 115)**
(Loss)/reversal of loss due to impairment of financial assets other than trade receivables	1 945	79	49	(50)
Profit before tax	**2 991**	**1 975**	**23 026**	**3 815**
Tax expense	(866)	(990)	(4 093)	(780)
Net profit	**2 125**	**985**	**18 933**	**3 035**
Other comprehensive income:				
which will not be reclassified subsequently into profit or loss	**5**	**(20)**	**(1)**	**(3)**
actuarial gains and losses	*3*	*(19)*	-	-
gains/(losses) on investments in equity instruments at fair value through other comprehensive income	*3*	*(5)*	*(1)*	*(4)*
deferred tax	*(1)*	*4*	-	*1*
which will be reclassified into profit or loss	**(2 017)**	**(393)**	**4 172**	**(723)**
hedging instruments	*(1 990)*	*(374)*	*4 470*	*(996)*
hedging costs	*(500)*	*(111)*	*680*	*103*
deferred tax	*473*	*92*	*(978)*	*170*
	(2 012)	**(413)**	**4 171**	**(726)**
Total net comprehensive income	**113**	**572**	**23 104**	**2 309**
Net profit and diluted net profit per share (in PLN per share)	1.83	0.85	16.31	2.61

QUARTERLY FINANCIAL INFORMATION OF ORLEN S.A. (in PLN million)

Separate statement of financial position

	30/09/2024 (unaudited)	31/12/2023
ASSETS		
Non-current assets		
Property, plant and equipment	46 266	43 799
Intangible assets and goodwill	3 467	4 933
Right-of-use asset	4 789	4 696
Shares in subsidiaries and jointly controlled entities	65 485	67 974
Derivatives	1 482	1 505
Long-term lease receivables	19	19
Other assets, incl.:	16 231	12 668
loans granted	*14 783*	*11 271*
	137 739	**135 594**
Current assets		
Inventories	23 143	23 726
Trade and other receivables	16 168	18 792
Current tax assets	74	46
Cash	1 015	2 854
Derivatives	678	1 594
Other assets, incl.:	13 136	17 837
security deposits	*1 093*	*206*
loans granted	*2 585*	*4 637*
cash pool	*9 019*	*12 312*
assets due to contracts valued at the time of settlement of business combination	*55*	*296*
Non-current assets classified as held for sale	2 129	3 926
	56 343	**68 775**
Total assets	**194 082**	**204 369**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1 974	1 974
Share premium	46 405	46 405
Own shares	-	(2)
Hedging reserve	1 036	3 053
Revaluation reserve	17	15
Retained earnings	86 764	89 454
Total equity	**136 196**	**140 899**
LIABILITIES		
Non-current liabilities		
Loans, borrowings and bonds	8 545	9 337
Provisions	2 963	2 871
Deferred tax liabilities	750	626
Liabilities from contracts with customers	13	6
Derivatives	510	629
Lease liabilities	2 934	2 899
Other liabilities	201	184
	15 916	**16 552**
Current liabilities		
Trade and other liabilities	28 070	26 226
Lease liabilities	558	482
Liabilities from contracts with customers	370	431
Loans, borrowings and bonds	632	3 319
Provisions	3 108	4 428
Current tax liabilities	99	7
Derivatives	758	1 030
Other liabilities, incl.:	8 375	10 995
cash pool	*7 050*	*7 732*
liabilities due to contracts valued at the time of settlement of business combination	*612*	*2 757*
	41 970	**46 918**
Total liabilities	**57 886**	**63 470**
Total equity and liabilities	**194 082**	**204 369**

QUARTERLY FINANCIAL INFORMATION OF ORLEN S.A. (in PLN million)

Separate statement of changes in equity

	Share capital	Share premium	Own shares	Hedging reserve	Revaluation reserve	Retained earnings	Total equity
01/01/2024	1 974	46 405	(2)	3 053	15	89 454	140 899
Net profit	-	-	-	-	-	2 125	2 125
Components of other comprehensive income	-	-	-	(2 017)	2	3	(2 012)
Total net comprehensive income	**-**	**-**	**-**	**(2 017)**	**2**	**2 128**	**113**
Dividends	-	-	-	-	-	(4 818)	(4 818)
Sale of own shares	-	-	2	-	-	-	2
30/09/2024	**1 974**	**46 405**	**-**	**1 036**	**17**	**86 764**	**136 196**
(unaudited)							
01/01/2023	1 974	46 405	(2)	4 539	10	74 690	127 616
Net profit	-	-	-	-	-	18 933	18 933
Components of other comprehensive income	-	-	-	4 172	(1)	-	4 171
Total net comprehensive income	**-**	**-**	**-**	**4 172**	**(1)**	**18 933**	**23 104**
Equity resulting from merger under common control	-	-	-	-	-	(2)	(2)
Dividends	-	-	-	-	-	(6 385)	(6 385)
30/09/2023	**1 974**	**46 405**	**(2)**	**8 711**	**9**	**87 236**	**144 333**
(unaudited) (restated data)							

QUARTERLY FINANCIAL INFORMATION OF ORLEN S.A. (in PLN million)

Separate statement of cash flows

	9 MONTHS ENDED 30/09/2024 (unaudited)	3 MONTHS ENDED 30/09/2024 (unaudited)	9 MONTHS ENDED 30/09/2023 (unaudited) (restated data)	3 MONTHS ENDED 30/09/2023 (unaudited) (restated data)
Cash flows from operating activities				
Profit before tax	**2 991**	**1 975**	**23 026**	**3 815**
Adjustments for:				
Depreciation and amortisation	3 172	1 082	3 947	1 242
Foreign exchange (gain)/loss	(82)	(5)	(92)	293
Net interest	(1 131)	(337)	(1 147)	(333)
Dividends	(2 535)	(1 687)	(1 223)	(2)
Loss on investing activities, incl.:	5 227	4 682	3 287	917
recognition/(reversal) of impairment allowances of property, plant and equipment, intangible assets, other assets and shares	*5 644*	*4 988*	*3 153*	*1 009*
Change in provisions	2 137	768	2 892	865
Change in working capital	1 118	(1 303)	10 489	(1 426)
inventories	*561*	*(511)*	*7 694*	*(3 370)*
receivables	*2 520*	*1 009*	*1 355*	*(1 542)*
liabilities	*(1 963)*	*(1 801)*	*1 440*	*3 486*
Other adjustments, incl.:	(5 897)	(1 591)	(12 312)	(5 641)
settlement of grants for property rights	*(1 025)*	*(348)*	*(1 612)*	*(550)*
security deposits	*(787)*	*25*	*6 760*	*(130)*
derivatives	*(2 179)*	*(497)*	*(7 158)*	*(1 608)*
change in contract assets and liabilities measured at the time of settlement of the business combination	*(1 904)*	*(556)*	*(10 304)*	*(3 280)*
Income tax (paid)	(206)	(122)	(4 804)	(1)
Net cash from/(used in) operating activities	**4 794**	**3 462**	**24 063**	**(271)**
Cash flows from investing activities				
Acquisition of property, plant and equipment, intangible assets and right-of-use asset	(8 984)	(2 625)	(15 855)	(5 056)
Acquisition of shares	(658)	-	(2)	(2)
Acquisition of bonds	-	-	(3 978)	-
Recapitalisation of subsidiaries	(231)	(100)	(1 162)	(555)
Recapitalisation in investments in joint ventures	-	-	(1 523)	(753)
Disposal of property, plant and equipment, intangible assets and right-of-use asset	2 678	1 917	1 237	10
Proceeds as to implementation of Remedies	20	-	340	-
Disposal of shares	163	77	-	-
Interest received	1 363	374	1 428	406
Dividends received	2 399	1 593	649	317
Sale of bonds	-	-	3 055	55
Acquisition of petrochemical assets less cash	-	-	(212)	-
Expenses from loans granted	(4 179)	(1 683)	(12 916)	(997)
Proceeds from loans granted	3 332	374	13 440	224
Net flows within cash-pool system	2 645	(1 539)	(2 474)	(53)
Other	(47)	26	(251)	(60)
Net cash (used) in investing activities	**(1 499)**	**(1 586)**	**(18 224)**	**(6 464)**
Cash flows from financing activities				
Proceeds from loans and borrowings received	3 104	806	23	-
Bonds issued	-	-	2 183	2 183
Repayments of loans and borrowings	(6 419)	(1 789)	(6 892)	(40)
Interest paid from loans, borrowings, bonds and cash pool	(659)	(253)	(610)	(159)
Interest paid on lease	(131)	(32)	(116)	(29)
Dividends paid to equity owners of the parent	-	-	(6 385)	(6 385)
Net flows within cash-pool system	(633)	(1 093)	3 577	1 457
Payments of liabilities under lease agreements	(323)	(111)	(280)	(78)
Other	(60)	(13)	(124)	(33)
Net cash (used) in financing activities	**(5 121)**	**(2 485)**	**(8 624)**	**(3 084)**
Net (decrease) in cash	**(1 826)**	**(609)**	**(2 785)**	**(9 819)**
Effect of changes in exchange rates	(13)	(5)	27	24
Cash, beginning of the period	2 854	1 629	7 939	14 976
Cash, end of the period	**1 015**	**1 015**	**5 181**	**5 181**
including restricted cash	*147*	*147*	*208*	*208*

This consolidated quarterly report was approved by the Management Board of the Parent Company on 13 November 2024.

signed digitally on the Polish original
……………………..…………..
Ireneusz Fąfara
President of the Management Board

signed digitally on the Polish original
……………………..…………..
Marek Balawejder
Member of the Management Board

signed digitally on the Polish original
……………………..…………..
Magdalena Bartoś
Vice-President of the Management Board

signed digitally on the Polish original
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Witold Literacki
Vice-President of the Management Board

signed digitally on the Polish original
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Artur Osuchowski
Member of the Management Board

signed digitally on the Polish original
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Wiesław Prugar
Member of the Management Board

signed digitally on the Polish original
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Ireneusz Sitarski
Vice-President of the Management Board

signed digitally on the Polish original
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Robert Soszyński
Vice-President of the Management Board

signed digitally on the Polish original
……………………..…………..
Marcin Wasilewski
Member of the Management Board