



ORLEN Unipetrol a.s. Annual Report 2024

6

Content

1	ORLEN Unipetrol Group profile	3
2	Analysis and assessment of the Group's Performance.....	3
3	Financial standing	3
4	Significant post financial statements events	4
5	Expected development for 2025.....	4
6	Research and development	5
7	Key environmental activities	7
8	Employees	7
9	Information on foreign branches.....	8
10	Acquisition of own shares.....	8
11	Risk management	8
12	Management report.....	8
13	Audit.....	9
14	Separate Financial Statements	9
15	Consolidated Financial Statements	9
16	Report on relation between related parties	10
17	Persons responsible for the Annual Report 2024	10
	Glossary and abbreviations.....	11
	Glossary	11
	Abbreviations	14
	Identification and contact information.....	15

1 ORLEN Unipetrol Group profile

The ORLEN Unipetrol refinery and petrochemical group constitutes an important part of the Czech industry. It is the only crude oil processor in the Czech Republic, one of the most important producers of plastics and the owner of the largest network of filling stations Benzina ORLEN. In the field of refinery and petrochemical production, it is also a major player in Central and Eastern Europe. It has been part of the PKN ORLEN refinery and petrochemical group since 2005.

ORLEN Unipetrol a.s., the parent company of ORLEN Unipetrol Group, is a company with a majority shareholder and as such it is a controlled entity. The sole shareholder is ORLEN S.A.

ORLEN Unipetrol Group operates:

- 2 refineries with an annual conversion capacity of 8.7 million tons of crude oil
- 3 polyolefin units - in the year 2024 was the annual capacity 790 000 tons
- a steam cracker unit with an annual capacity of 544 000 tons
- 439 petrol stations in the Czech Republic, 97 petrol stations in Slovakia and 139 stations in Hungary (numbers as of 31 December 2024)
- a broad range of transport services

Two core business segments:

- downstream (combining refining and petrochemicals)
- retail distribution of fuels

2 Analysis and assessment of the Group's Performance

The combination of the ongoing difficult geopolitical and macroeconomic situation destabilising the refining and petrochemical segments for a long time and extraordinary unexpected operational impacts (discovery of an unexploded bomb from World War II at the Litvínov site) negatively affected the 2024 result.

3 Financial standing

Consolidated statement of profit or loss and other comprehensive income

The Group's revenues for the year 2024 amounted to CZK 163 063 million and were 2% lower than in the year 2023. The territorial structure of the Group's revenues remained stable with the majority of sales directed toward EU countries in 2024.

The Group's profit from operations on EBIT level decreased from CZK 7 483 million in 2023 to CZK (17 565) million for 2024 mainly due to recognition of the impairment to assets in Petrochemical segment and restructuring of SPOLANA s.r.o. In 2024 the Group reported a net loss in the amount of CZK 16 262 million (2023: net profit of CZK 5 195).

Consolidated statement of financial position

As of December 31, 2024, non-current assets of ORLEN Unipetrol Group amounted to CZK 67 503 million. In 2024, the Group acquired tangible and intangible assets worth CZK 17 149 million. Most investments were done in the downstream segment followed by investments in the retail segment.

As of December 31, 2024, total current assets amounted to CZK 54 250 million. Total equity decreased by CZK 17 039 million, to CZK 68 513 million during the year, stemming mainly from the loss of 2024.

Consolidated statement of cash flows

Net cash provided by the Group's operating activities in the year 2024 amounted to CZK 3 304 million. Despite the net loss incurred in 2024, the Group's financial position was stable at the end of 2024 as the cash amounted to CZK 10 732 million.

4 Significant post financial statements events

Mrs. Magdalena Zablocka-Foulkes has been appointed as a member of the Supervisory board the with the effect as of 10 January 2025.

On 31 March 2025, ORLEN Unipetrol a.s. and ORLEN Unipetrol RPA s.r.o. entered into an agreement under which ORLEN Unipetrol a.s. provided ORLEN Unipetrol RPA s.r.o. with a payment outside the share capital of CZK 16 billion.

The Group's management is not aware of any other events that have occurred since the end of the reporting period that would have any material impact on or would be required to be included in the Annual report as at 31 December 2024.

5 Expected development for 2025

The main development trends of the ORLEN Unipetrol Group include the development and increase of petrochemical production, integration of refinery assets, involvement in low-emission energy, hydrogen and circular economies, development of retail sales and strengthening the leading position in the retail market of fuel sales in the Czech Republic and further development of filling station networks in Slovakia and Hungary. Furthermore, the Group emphasises a strong R&D background and the implementation of innovations that will support all activities on a sound financial basis. The main tasks for 2025 include the marketing and sale of the product portfolio of the new production units, including the polyethylene unit (PE3) and the DCPD unit (dicyclopentadiene) in Chempark Záluží, preparation of the construction of a new energy source and a demonstration pyrolysis unit for chemical plastic recycling in Chempark Záluží, the gradual integration of the recycling company, REMAQ, s.r.o. (acquired in 2023), in the ORLEN Unipetrol Group structures and the recycled plastic portfolio development under the ENVITEN® brand. Also, the Group wants to develop its own project company, ORLEN Projekt Česká republika s.r.o., continue building the retail network in Slovakia and Hungary and successfully implement the targets arising from the new transformation strategy of the capital ORLEN Group until 2035, announced on 9 January 2025. All of the above plans are to be implemented in the context of the challenging macroeconomic environment in the refining and petrochemical industry related to the ongoing war conflict in Ukraine and the stagnation of the European economy.

6 Research and development

In 2024, ORLEN Unipetrol's development activities focused on the key pillars of the Group's strategy and operational excellence. A number of digitalisation projects were implemented, the aim of which is to modernise/optimize production processes. Digitalisation projects primarily focus on increasing the production of products with a higher added value but also on reducing the CO₂ emissions of our products.

In plastics development, ORLEN Unipetrol focuses on developing the PP Mosten, HDPE Liten portfolio, recycled plastics, compounds, electrically conductive plastics and additives for plastics. As for the PP Mosten and HDPE Liten products, the Group successfully modernised the portfolio of products intended for the food packaging industry, which represents almost half of the production capacity, so that these products meet the new requirements of EU legislation on food safety. New polymerisation catalysts were implemented in the operating conditions, additive systems were changed, and new product types were introduced. These efforts enabled the Group to maintain the existing customers and also to acquire new ones.

DIGITALISATION

The key digitalisation project was the implementation of the Plantwide optimiser (PWO) at the Kralupy nad Vltavou Refinery, which aims to optimise diesel production. It is an extension of the project of the same name implemented in 2023 at the Litvínov Refinery, which won in category Profit Maximisation in the 'ORLEN Group Project of the Year 2023' competition. The PWO at the Litvínov Refinery generated a profit of approximately EUR 800,000 in the first 11 months of this year.

The implementation of the Digital Twin project will significantly help increase the safety and efficiency of production at the fluid catalytic cracking (FCC) unit at the Kralupy nad Vltavou Refinery. The Digital Twin computer program, a virtual replica of real-world operations of the FCC unit, currently starts the "model debugging" process. Then it will be launched in full-fledged operations. The real-time mirroring of the technological process allows us to verify and test technological processes in terms of size, set an optimal operating mode and unveil any operational discrepancies in time.

The pilot installation of the ClearView® platform on most catalytic production units registered according to the purchasing strategy in the category „High-Margin“. ClearView is a digitally connected service that delivers closer collaboration between production units, its personnel, and catalyst experts to enhance overall performance. This helps to optimise performance and establish best practices for the operation of the unit.

The Litvínov Refinery is preparing to switch to processing non-Russian crude oil blends. The vacuum column was replaced, which contributed to an increase in efficiency and yield of higher-value-added products by approximately 2%. The second operational test of non-Russian crude oil blends was successfully carried out at the Litvínov Refinery.

BIOFUELS

This year, R&D continued searching for the most effective way to meet the 6% emission savings target in biofuels. The potential for partial replacement of the existing FAME - 1st generation biofuel with esters originating from waste animal fats TME - 2nd generation biofuel specified in RED III was verified. It was confirmed that these esters can be used as a bio-component in diesel fuel up to a concentration of 7% vol., especially in production for the summer and transitional periods. Based on these positive results, a request was made for the supply of approximately 16 kt of TME material,

the partial replacement of which for FAME will generate a benefit in the winter period of CZK 23 million.

In connection with the ReFuelEU directive, a 2% addition of biodegradable materials with the abbreviation SAF "Sustainable Aviation Fuels" to JET A1 jet fuel is required from 2025. This requirement will be solved in the short term by blending SAF product (produced externally) into JET A1 at the Kralupy Refinery. In 2024, an investment with a cost of CZK 150 million was approved, which is currently in an advanced stage of development, so that it can be finally completed during Q3 2025, and continuous blending of SAF can be started.

The research teams are intensively engaged in the analysis focused on the possible start of their own SAF production to meet the ReFuelEU requirements in the medium term. Research activities are primarily focused on the possible installation of a new catalytic system in the existing hydrogenation unit U2513, which will ensure the possibility of starting continuous UCO co-processing in an amount of approximately 12 kt per year from 2030.

RESEARCH

The CDU "Cyclic Deactivation Unit" was put into operation at the Litvínov Refinery. This unit is used for controlled deactivation of the FCC catalyst, enabling simulations of operating conditions used to better understand the basic principles and primarily express the effect of the transfer of contaminants present in the raw material, i.e., metals V, Ni, to the FCC catalyst. The CDU unit, in conjunction with the ACE test unit put into operation in 2022, is planned to be used within the ORLEN Group for initial screening/comparison of FCC catalyst performance in tenders with the aim of eliminating risks associated with inefficient FCC catalyst replacement in commercial FCC units in the ORLEN Group.

Additive research and implementation of new types of additives contributed to reducing the fouling rate of the isobutane column 2512-C04 and the reboiler 2515-Rb10, which led to a reduction in maintenance/cleaning costs by at least CZK 6 million.

Corrosion research confirmed that the corrosion rate of the evaporator tubes of the T700 heating plant is significantly accelerated by galvanic corrosion caused by the presence of copper particles on the inner surface of the tubes.

A new grade of peroxide-free melt-blown PP MOSTEN has been introduced in the segment of PP textiles for hygiene. ORLEN Unipetrol is one of two suppliers of this PP type in Europe.

In the automotive sector, new grades of Mosten PP intended for foams of the "EPP - expanded PP" type were successfully introduced. This PP type is used in electromobility as a structural and safety component of electric vehicles, as a copolymer to produce automotive batteries, and as PP for the production of lightweight boards for structural and building applications. Also, there are PP compounds with mineral fillers to produce AGM-type pressure car batteries and composites to produce safety elements such as buffers and the front car grilles.

The development of the Liten HDPE portfolio focuses mainly on the volume-dominant area of pressure pipes. The development of coloured pipe grades for gas and water transport with certification for markets outside Europe and a new PE type intended for large-diameter "low-sag" type pipes and pipes with higher temperature resistance, type PE-RT, is successfully underway.

A new grade of HDPE Liten for agriculture, intended for the production of netting, has been introduced. It represents the highest standard in terms of strength and durability to weight per unit area. The product is intended both for the European and international markets. New grades of HDPE

Liten for construction and technical packaging have also been introduced, and materials for cable insulation are being developed.

New alternative polymerisation catalysts were introduced for the PE2 and PE3 production units, increasing production safety in the event of supply outages from standard catalyst manufacturers.

Chezacarb carbon black-based electrically conductive plastics from the ORLEN Unipetrol product portfolio have been successfully introduced to the market. They have found application particularly in the automotive industry, where they are used to shield electrical equipment from the disruptive effects of electromagnetic smog.

7 Key environmental activities

The “Responsible Undertaking in the Field of Chemistry - Responsible Care” Program

The Responsible Care Programme is a voluntary global chemical industry initiative focused on supporting sustainable development in the industry with targeted improvements in plant safety and product transport and improved human health and environmental protection. The Programme reflects a long-term strategy coordinated by the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (CEFIC) in Europe. The Responsible Care Programme’s contribution to sustainable development has been awarded by the UN Programme for the Environment at the global summit in Johannesburg.

The national version of the Responsible Care Programme is the Responsible Business in the Chemical Industry, officially announced in October 1994 by the Minister of Industry and Trade and the president of the Czech Association of Chemical Industry (SCHP ČR). This programme has met the conditions of the Charter of Global Responsible Care Programmes since 2008.

In 2021, after a successful public defence, the right to use the Responsible Care logo was repeatedly granted to ORLEN Unipetrol a.s., ORLEN Unipetrol RPA s.r.o. and ORLEN Unipetrol Doprava s.r.o. In 2022, the right went to SPOLANA s.r.o. As PARAMO, a.s. is no longer a member of the Czech Association of Chemical Industry, it does not have the right to use the Responsible Care logo. Still, it continues observing the Programme’s principles.

8 Employees

ORLEN Unipetrol Group considers human resources to be one of the key drivers of every company. In 2024 ORLEN Unipetrol Group employed 5 593 employees.

In 2024, the Group continued its training programme focused on digitalisation through hybrid lectures and training sessions. The Group’s strategy and managerial communication were among other crucial topics addressed in 2024. The Group organised corporate training sessions for employees in various forms, such as on-site courses, online training sessions, e-learning programmes, and hybrid training forms. Employees participated in mandatory training courses, specialised workshops, and foreign language lessons. Employees could also join in one-day and multi-day workshops.

The HR Division continued to increase the efficiency of all personnel processes within the Group and to implement advanced and innovative solutions, taking into account cost optimization.

9 Information on foreign branches

ORLEN Unipetrol a.s. has no foreign branch. The Group structure is presented in the notes to the Consolidated financial statements for the year 2024.

10 Acquisition of own shares

ORLEN Unipetrol a.s. has not acquired any own shares in the year 2024.

11 Risk management

The Group is exposed to financial risks, i. e. mainly foreign currency risk due to the high proportion of sales and purchase in foreign currencies and commodity risk resulting from time mismatch between transactions of seaborne purchase of crude oil and sales of crude oil products and EUAs price volatility. These risks are mitigated by hedging transactions based on Group's hedging strategy.

12 Management report

The combination of the ongoing difficult geopolitical and macroeconomic situation destabilising the refining and petrochemical segments for a long time and extraordinary unexpected operational impacts (discovery of an unexploded bomb from World War II at the Litvínov site) negatively affected the 2024 result. Another significant negative impact was the impairment of assets in the Petrochemical segment and the inclusion of impacts related to the restructuring process of Spolana Neratovice. In terms of the amount of investments made, we have invested nearly CZK 14 billion in the modernisation and development of our business.

The volume of crude oil processed in 2024 was 6.6 million tonnes. Sales of refinery products amounted to 6.0 million tonnes and sales of petrochemical products to 1.6 million tonnes. Total investments amounted to CZK 13.8 billion and were directed towards the continued modernisation of production technologies. The main projects were, for example, the cold asphalt project in Litvínov, the flue gas heat recovery in Kralupy and the modernisation of the H₂SO₄ plant in Neratovice. The investments also included preparations for the transition to processing non-Russian oil blends and the development of the retail network of petrol stations in the Czech Republic, Hungary (taking over petrol stations from MOL at a cost of CZK 2.1 billion) and Slovakia, including the unification of its labelling and the expansion of hydrogen and battery electromobility.

ORLEN Unipetrol also made investments related to the gradual transformation towards emission neutrality. In the context of building recycling capacities, the integration of REMAQ, s.r.o., one of the most important mechanical recyclers in Central Europe, was successfully continued. The acquisition and integration of ORLEN Projekt ČR, a key player in the market of suppliers of complex investment units, was successfully completed.

In the retail sector, ORLEN Unipetrol continued to invest in the modernisation and development of its network of petrol stations, the operation of which it coordinates in the Czech Republic, Hungary and Slovakia. In the Czech Republic, the Group operates 439 stations and offers its Stop Cafe refreshment concept to customers at 357 stations. Year-on-year, the market share remained at a comparable level and with a current share of 28.7 per cent of the total volume of fuel sold, it is the

market leader in the Czech Republic. ORLEN Unipetrol Group is also working on expanding the infrastructure for hydrogen and battery electromobility. It currently operates hydrogen stations in Prague Barrandov and Litvínov. At the end of the year, it already operated 294 electric charging points at 72 service stations, which puts it in first place among service station chains in the Czech Republic.

Last year, ORLEN Unipetrol completed the unification of its petrol station network under the ORLEN brand. The Slovak part of the ORLEN network includes 97 petrol stations. The Hungarian part of the network comprises 139 stations, which grew last year thanks to the acquisition of 60 MOL stations. Both networks operate fully under the ORLEN brand.

13 Audit

(in CZK thousand)	2024
Audit and other verification services (main auditor) ¹	10 227
Other services and translations fees (main auditor) ¹	-
Audit and other verification services (additional auditors) ¹	5 299

¹ Without VAT

Auditor for 2024

Name: Forvis Mazars Audit s.r.o.
License no.: 158
Address: Pod dráhou 1637/4, 170 00 Prague 7
Company No.: 639 86 884

14 Separate Financial Statements

The audit report forms an integral part of this report. It contains the Separate financial statements for the year 2024 in the following extent:

- Separate Profit and Loss Statement for the year 2024
- Separate Balance Sheet as at 31 December 2024
- Statement of Changes in Equity for the year 2024
- Separate Cash Flow Statement for the year 2024
- Explanatory Notes to the Separate Financial Statements for the year 2024

15 Consolidated Financial Statements

The audit report forms an integral part of this report. It contains the Consolidated financial statements for the year 2024 in the following extent:

- Consolidated Profit and Loss Statement for the year 2024
- Consolidated Balance Sheet as at 31 December 2024
- Consolidated of Changes in Equity for the year 2024
- Consolidated Cash Flow Statement for the year 2024
- Explanatory Notes to the Consolidated Financial Statements for the year 2024

16 Report on relation between related parties

The report on relations between the related parties forms an integral part of this report.

17 Persons responsible for the Annual Report 2024

Mariusz Marek Wnuk Chairman of the Board of Directors of ORLEN Unipetrol a.s., and Zdeněk Jíra, member of the Board of Directors of ORLEN Unipetrol a.s., hereby claim to their best knowledge, that the Annual Report and the Consolidated Annual Report present, in all aspects, a true and fair image of the financial standing, business, and results of the Company and its consolidated Group for the previous accounting period, as well as of the future outlook for the financial standing, business, and results.

Date: 15 April 2025

A blue ink signature of Mariusz Marek Wnuk, consisting of stylized, flowing letters.

Mariusz Marek Wnuk

Chairman of the Board of Directors

A blue ink signature of Zdeněk Jíra, featuring a more compact and angular script.

Zdeněk Jíra

Member of the Board of Directors

Annexes:

1. Auditor's report to Consolidate and Separate financial statements
2. Consolidated Financial statements for 2024
3. Separate Financial statements for 2024
4. Report on relations for 2024

Glossary and abbreviations

Glossary

Atmospheric distillation unit

A unit for atmospheric distillation of crude oil (dividing crude oil into lighter fractions according to their boiling temperature) under slight positive pressure and temperatures up to 350-400 °C.

Azeri Light crude oil

Light, low sulphur crude oil from Azerbaijan.

Brent-Ural differential

The difference between Brent (mix of North Sea crude oils) quoted price and Ural (Russian export crude oil) quoted price.

COCO (Company Owned – Company Operated)

A filling station operating model – filling stations are owned and operated by the same company.

CODO (Company Owned – Dealer Operated)

A filling station operating model – filling stations are owned by the company and are operated by dealers under a contract with the company.

Compressed Natural Gas (CNG)

Natural gas (mainly composed of methane) stored at high pressure. CNG can be used in place of gasoline, diesel fuel or propane.

Conversion capacity

The total amount of crude oil which can be processed in a refinery – usually stated in mt/y (million tons per year).

CPC Blend crude oil

Light crude oil from Western Kazakhstan which consists of several crude oil streams.

D-A-CH region

German speaking countries (Deutschland, Austria, Switzerland).

DOFO (Dealer Owned – Franchise Operated)

A filling station operating model operated under franchise – filling stations are not owned by the company.

Downstream

This sector of the oil and gas industry commonly refers to the refining of petroleum crude oil, and processing and purifying of raw natural gas, as well as to the marketing and distribution of the products derived from crude oil and natural gas.

Ethylene

Also known as **ethene** is a hydrocarbon produced in the petrochemical industry most often by steam cracking of crude oil products (ethane, LPG, naphtha). Ethylene is widely used in the chemical industry.

Fluid Catalytic Cracking (FCC)

Fluid catalytic cracking is one of the most important catalytic conversion processes used in petroleum refineries. It is widely used to convert the high-boiling, high-molecular-weight hydrocarbon fractions from petroleum crude oil (residues from atmospheric distillation, vacuum distillate) to more valuable and demanded products such as gasoline, unsaturated LPG, middle distillates and other products. The FCC process operates at high temperature and moderate pressure, with a fluidised powdered catalyst.

High density polyethylene (HDPE)

It is a polyethylene thermoplastic made from ethylene commonly used in the production of plastic bottles, corrosion-resistant piping, geomembranes and plastic lumber.

Hydrocracking

Hydrocracking is another important catalytic conversion process used in petroleum refineries. It is used for the conversion of high-boiling, high-molecular-weight hydrocarbon fractions from petroleum crude oil (vacuum distillate) to more valuable and demanded products such as diesel, gasoline, unsaturated LPG or synthetic oils by the addition of hydrogen under high pressure and in the presence of a catalyst.

Hydroskimming

It is one of the simplest types of refinery. It is defined as a refinery equipped with atmospheric distillation, naphtha reforming and necessary treating processes.

Ingolstadt-Kralupy-Litvínov pipeline (IKL)

The IKL pipeline is a crude oil pipeline in Central Europe. It allows the transportation of crude oil from Germany to the Czech refineries in Kralupy and Litvínov.

Liquefied Petroleum Gas (LPG)

It is a flammable mixture of hydrocarbon gases, predominantly with three or four carbon atoms in a molecule, used as fuel in heating appliances and vehicles, as well as an aerosol propellant and refrigerant.

Olefin

Also known as **alkene** is an unsaturated hydrocarbon with one double bond between carbon atoms. Alkenes are produced during catalytic or thermal cracking without the presence of hydrogen.

Polyolefin

It is a polymer also known as **polyalkene**, produced from simple olefins. It is used for blown film and heatshrink electrical insulation sleeves, as well as under garments for wetsuits.

Petrochemical olefin margin (Unipetrol model)

Revenues from sold products (100% Products = 40% Ethylene + 20% Propylene + 20% Benzene + 20% Naphtha) minus costs (100% Naphtha). Product prices are according to benchmark quotations in euros per ton.

Petrochemical polyolefin margin (Unipetrol model)

Revenues from sold products (100% Products = 60% Polyethylene/HDPE + 40% Polypropylene) minus costs (100% input = 60% Ethylene + 40% Propylene). Product prices are according to benchmark quotations in euros per ton.

Polypropylene (PP)

Also known as **polypropene**, is a thermoplastic polymer used in a wide variety of applications, including packaging and labelling, plastic parts and reusable containers of various types, laboratory equipment, loudspeakers, automotive components, and polymer banknotes.

POX unit

A unit where the gasification of oil distillates (partial oxidation reaction) takes place. It is commonly used for the liquidation of the hardest unprocessable residues from the refinery and it produces a synthetic gas consisting primarily of hydrogen and carbon monoxide. The yield of hydrogen can be increased in the shift reactor by reaction of CO with steam. Pure hydrogen is used in the refinery and for ammonia production.

Propylene

Also known as **propene** or **methyl ethylene** is an unsaturated organic compound. It is produced as a by-product during the pyrolysis of fossil fuels – mainly petroleum and natural gas.

Pyrolysis

It is a chemical reaction during which organic materials are thermally decomposed without the presence of any oxygen.

Pyrolysis gasoline

It is a high aromatic naphtha product which arises during the pyrolysis of naphtha or hydrocrackates in a steam cracker unit.

Refining margin (Unipetrol model)

Revenues from products sold (96% Products = Gasoline 17%, Naphtha 20%, JET 2%, Diesel 40%, Sulphur Fuel Oils 9%, LPG 3%, Other feedstock 5%) minus costs (100% input = Brent Dated). Product prices are according to benchmark quotations in dollars per barrel.

Steam cracker unit

Steam cracker units are facilities in which a feedstock such as naphtha, HCVD, liquefied petroleum gas (LPG), ethane, propane or butane are thermally cracked through the use of steam in a bank of pyrolysis furnaces to produce lighter hydrocarbons. The products (yield of ethylene, propylene, benzene, aromatics, butadiene) obtained depend on the composition of the feedstock, the hydrocarbon-to-steam ratio, and on the cracking temperature and furnace residence time.

Steam cracking

Steam cracking is a petrochemical process in which saturated hydrocarbons are broken down into smaller, often unsaturated, hydrocarbons. It is the principal industrial method for producing the lighter alkenes (or commonly olefins), including ethene (or ethylene) and propene (or polypropene).

Transalpine pipeline (TAL)

The Transalpine pipeline is a crude oil pipeline which connects Italy, Austria and Germany. It starts from the marine terminal in Trieste, runs through the Alps to Ingolstadt. It is connected with the IKL pipeline in Vohburg.

Vacuum distillation

Leftover from atmospheric distillation of crude oil (long residue) is often distilled in a second – vacuum – distillation under lower pressure conditions (2 – 10 kPa). With lower pressure the boiling point of present compounds is also lower. Therefore it is possible to distillate crude oil (mazut) at temperatures to 360 - 400 °C and to get other fractions without any thermal degradation.

Abbreviations

a.s.

Public limited company (Czech Republic)

DCPD

Dicyklopentadien

EBIT

Earnings Before Income Tax

EU

European Union

HR

Human Resources

HVO

Hydrogenated vegetable oil

IAS 36

International accounting standard 36 – Impairment of assets

IČ

Identification number

IFRS

International Financial Reporting Standards

NGO

Non-governmental organisation

R&D

Research and development

S.A.

Public liability company (Poland)

s.r.o.

Limited liability company (Czech Republic)

Sp. z o.o.

Limited liability company (Poland)

UNEP

United Nations Environment Program

UniCRE

Unipetrol Centre for Research and Education

Identification and contact information

Name:	ORLEN Unipetrol, a.s.
Registered office:	Milevská 2095/5, 140 00 Praha 4
Company number:	61672190
Tax ID:	CZ61672190
Bank:	Česká spořitelna, a.s. Olbrachtova 1929/62, 140 00, Prague 4, Account No. 910952/0800
Date of establishment: time	27 December 1994 – established for an indeterminate period of time
Datum of incorporation:	Incorporated on 17 February 1995
Incorporation registration:	Municipal Court in Prague, Section B, File 3020
Tel.:	+420 225 001 425 (Investor Relations Department) +420 225 001 407 (Press Department)
Website:	www.unipetrol.cz
E-mail:	info@unipetrol.cz
Auditor:	Forvis Mazars Audit s.r.o.

Law and legal regulation under which the Company was established

Law:	Czech Republic jurisdiction
Legal regulation:	Act No. 104/1990 on Public Limited Companies

The company is a member of the ORLEN Unipetrol Consolidation Group.

The names of Unipetrol Group companies (ORLEN Unipetrol, a.s., ORLEN Unipetrol RPA, s.r.o., BENZINA – registered branch, PARAMO, a.s., ORLEN Unipetrol RPA, s.r.o., SPOLANA s.r.o., Remaq s.r.o. and others) appear in this report also in their simplified form (ORLEN Unipetrol, ORLEN Benzina, Paramo, ORLEN Unipetrol RPA, Spolana, Remaq etc.).

The English language version of ORLEN Unipetrol's Annual Report 2024 is a convenience translation. The version in the Czech language is the definitive version.

ORLEN Unipetrol a.s. Annual Report 2024 was approved for issue by the Board of Directors of ORLEN Unipetrol a.s. on the meeting held on 15 April 2025.

INDEPENDENT AUDITOR'S REPORT

**on the consolidated and separate financial statements as
at 31 December 2024 of ORLEN Unipetrol a.s.**

Identification data:

Company name:	ORLEN Unipetrol a.s.
Registration number:	616 72 190
Company address:	Milevská 2095/5 140 00 Praha 4
Balance sheet date:	31 December 2024
Audited period:	from 1 January 2024 to 31 December 2024
Financial reporting framework:	International Financial Reporting Standards as endorsed by the European Union
Date of issue auditor's report:	15 April 2025
Auditor:	Pavel Škraňka Licence No. 2025
	Forvis Mazars Audit s.r.o. Licence No. 158

Independent Auditor's Report for the shareholders of ORLEN Unipetrol a.s.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of ORLEN Unipetrol a.s. and its subsidiaries (hereinafter also the "Group") prepared in accordance with International Financial Reporting Standards as endorsed by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement and the statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information. For details of the Group, see Note 1 to the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of ORLEN Unipetrol a.s. as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Financial Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Financial Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company and the Group obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Consolidated Financial Statements

The Board of Directors of ORLEN Unipetrol a.s. is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of ORLEN Unipetrol a.s. is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process of ORLEN Unipetrol a.s.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of ORLEN Unipetrol a.s.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain a sufficient and appropriate audit evidence about the financial information of the entities included in the Group and its business activities in order to express an opinion on the consolidated financial statements. We are responsible for overseeing and supervising the Group's audit. The auditor's opinion on the consolidated financial statements is our sole responsibility.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying separate financial statements of ORLEN Unipetrol a.s. (hereinafter also the “Company”) prepared in accordance with International Financial Reporting Standards as endorsed by the European Union, which comprise the statement of financial position as at 31 December 2024, the income statement and the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information. For details of the Company, see Note 1 to the separate financial statements.

In our opinion, the separate financial statements give a true and fair view of the financial position of ORLEN Unipetrol a.s. as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Company's Board of Directors and Supervisory Board for the Separate Financial Statements

The Board of Directors of ORLEN Unipetrol a.s. is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors of ORLEN Unipetrol a.s. is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process of ORLEN Unipetrol a.s.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above mentioned laws and regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of ORLEN Unipetrol a.s.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors and the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prague, 15 April 2025

Forvis Mazars Audit

Forvis Mazars Audit s.r.o.
Evidenční číslo 158
Pod dráhou 1637/4
170 00 Praha 7

Represented by Pavel Škraňka

Pavel Škraňka

Pavel Škraňka
Statutory auditor, Licence No. 2025



ORLEN Unipetrol a.s.

**CONSOLIDATED
FINANCIAL STATEMENTS**
Translation from the Czech original

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

FOR THE YEAR 2024

Index

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	4
Consolidated statement of financial position	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Description of the Company	8
2. Basis of preparation of the consolidated financial statements	9
3. Functional currency and presentation currency of financial statements and methods applied to translation of financial data for consolidation purposes	10
4. Accounting principles	10
5. Impact of IFRS changes on consolidated financial statements of the group	11
5.1. Binding amendments to IFRSs and interpretations	11
5.2. IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective	11
5.3. New and revised IFRS standards, amendments and interpretations adopted by International Accounting Standards Board, waiting for approval of the European Union	11
6. Structure of the group and its changes	12
6.1. Group structure	12
6.2. Changes in shareholder structure of the Group	13
7. Revenues	14
7.1. Revenues by assortments	15
7.2. Revenues by geographical division	15
7.3. Information about major customers	15
7.4. Revenues from contracts with customers by type of contract	16
7.5. Revenues from contracts with customers by date of transfer	16
7.6. Revenues from contracts with customers by duration of contract	16
7.7. Revenues from contracts with customers by sales channel	16
8. Costs	16
8.1. Cost of sales	16
8.2. Cost by nature	17
8.3. Employee benefits costs	17
9. Other operating income and expenses	17
9.1. Other operating income	17
9.2. Other operating expenses	18
10. Impairment loss on receivables	18
11. Finance income and costs	18
11.1. Finance income	18
11.2. Finance costs	18
12. Tax expense	19
12.1. The reconciliation of effective tax rate	19
12.2. Pillar 2 – global minimum taxation	19
12.3. Deferred tax	20
12.4. Income tax (paid)/received	20
13. Non-current assets by geographical location	21
14. Property, plant and equipment	21
14.1. Changes in property, plant and equipment	22
14.2. Other information on property, plant and equipment	22
15. Investment property	23
15.1. Fair value of investment property measurement	23
15.2. Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value	23
16. Intangible assets	24
16.1. Changes in intangible assets	25
16.2. Other information on intangible assets	25
16.3. CO2 emission allowances	25
16.4. Goodwill	26
17. Investment in associate	26
18. Financial derivatives and Other non-current assets	26
19. Impairment of property, plant, equipment, intangible assets, goodwill and right of use assets	27
20. Inventories	29
20.1. Changes in impairment allowances of inventories to net realizable value	30

21.	Trade and other receivables	30
22.	Financial derivatives and Other financial assets	31
23.	Cash and cash equivalents	31
24.	Shareholders' equity	31
24.1.	Share capital.....	32
24.2.	Statutory reserves.....	32
24.3.	Hedging reserve	32
24.4.	Revaluation reserve.....	32
24.5.	Exchange differences on translating foreign operations	32
24.6.	Retained earnings.....	32
24.7.	Equity management policy	32
24.8.	Profit per share	33
25.	Loans and borrowings.....	33
25.1.	Bank loans.....	33
25.2.	Borrowings	33
26.	Provisions	34
26.1.	Environmental provision.....	35
26.2.	Provision for jubilee bonuses and retirement benefits	35
26.3.	Provision for CO2 emission allowances	36
26.4.	Other provision	37
27.	Financial derivatives and Other non-current liabilities	37
28.	Trade and other liabilities.....	38
29.	Deferred income	38
29.1.	Government grants	38
30.	Liabilities from contracts with customers.....	39
31.	Financial derivatives and Other financial liabilities	39
32.	Lease	39
32.1.	The Group as a lessee.....	42
32.2.	The Group as a lessor	43
33.	Financial instruments.....	44
33.1.	Financial instruments by category and class	45
33.2.	Income, costs, gain and loss in the consolidated statement of profit or loss and other comprehensive income	46
33.3.	Fair value measurement	47
33.4.	Hedge accounting.....	47
33.5.	Financial risks management	51
34.	Investment expenditures incurred and future commitments resulting from signed investment contracts	55
35.	Guarantees and securities	55
36.	Related party transactions	56
36.1.	Material transactions concluded by the Group companies with related parties	56
36.2.	Transactions with key management personnel	56
36.3.	Transactions with related parties concluded by key management personnel of the Group companies	56
36.4.	Transactions and balances of settlements of the Group companies with related parties	56
37.	Remuneration paid and due or potentially due to the Board of Directors, the Supervisory Board and other members of key executive personnel of the parent company and the Group companies	56
37.1.	Key management personnel and statutory bodies' members' compensation.....	57
37.2.	Bonus system for key executive personnel of the Group	57
37.3.	The entitlements upon the termination of employment	57
38.	Information concerning significant proceedings in front of court or in front of public administration bodies	57
38.1.	Proceedings in which the Group entities acts as a plaintiff	57
38.2.	Proceedings in which the Group entities acts as the defendant.....	58
39.	Events after the reporting period	59
40.	Statement of the Board of Directors and approval of the financial statements	59

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	2024	2023
Revenues	7.	163 063	166 433
Cost of sales	8.	(156 604)	(150 086)
Gross profit		6 459	16 347
Distribution expenses	8.2.	(6 808)	(6 062)
Administrative expenses	8.2.	(3 441)	(3 256)
Other operating income	9.1.	5 140	4 097
Other operating expenses	9.2.	(18 778)	(3 583)
Impairment loss on receivables	10.	(116)	(59)
Share in loss from investments accounted for using equity method	17.	(21)	(1)
Profit/(loss) from operations		(17 565)	7 483
Finance income	11.1.	1 670	2 124
Finance costs	11.2.	(1 319)	(867)
Net finance income		351	1 257
Profit/(loss) before tax		(17 214)	8 740
Tax income (expense)	12.	962	(3 545)
Net profit/(loss)		(16 252)	5 195
Other comprehensive income			
items which will not be reclassified subsequently into profit or loss		5	14
Fair value measurement of investment property as at the date of reclassification	15.1	4	12
Actuarial gains and losses	26.2	2	(9)
Deferred tax	12.	(1)	11
items which will be reclassified into profit or loss under certain conditions		(792)	(145)
Hedging instruments		(711)	(856)
Exchange differences on translating foreign operations		(230)	242
Deferred tax		149	469
		(787)	(131)
Total net comprehensive income		(17 039)	5 064
Net profit/(loss) attributable to		(16 252)	5 195
equity owners of the parent		(16 247)	5 195
non-controlling interests		(5)	-
Total net comprehensive income attributable to		(17 039)	5 064
equity owners of the parent		(17 034)	5 064
non-controlling interests		(5)	-
Net profit/(loss) and diluted net profit/(loss) per share attributable to equity owners of the parent (in CZK per share)	24.8.	(89.60)	28.65

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 - 59.

Consolidated statement of financial position

	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Property, plant and equipment	14.	57 206	58 058
Investment property	15.	660	593
Intangible assets and goodwill incl. goodwill	16. 16.4.	3 198 1 505	5 164 2 879
Right of use assets	32.	4 926	4 678
Investments accounted for using the equity method	17.	11	8
Deferred tax assets	12.2.	112	673
Financial derivatives	18.	1 218	2 043
Other non-current assets	18.	172	222
		67 503	71 439
Current assets			
Inventories	20.	22 425	21 320
Trade and other receivables	21.	16 431	17 446
Financial derivatives	22.	1 200	1 202
Lease receivables	32.	14	47
Other financial assets	22.	2 449	10 335
Current tax assets		999	3 705
Cash and cash equivalents	23.	10 732	14 984
		54 250	69 039
Total assets		121 753	140 478
EQUITY AND LIABILITIES			
EQUITY			
Share capital	24.1.	18 133	18 133
Statutory reserves	24.2.	56	51
Hedging reserve	24.3.	1 923	2 485
Revaluation reserve	24.4.	68	55
Exchange differences on translating foreign operations	24.5.	(26)	204
Retained earnings	24.6.	48 361	64 621
Equity attributable to equity owners of the parent		68 515	85 549
Non-controlling interests		(2)	3
Total equity		68 513	85 552
LIABILITIES			
Non-current liabilities			
Loans, borrowings	25.	5 195	1 906
Provisions	26.	3 559	1 249
Deferred tax liabilities	12.	876	2 982
Deferred income	29.	482	407
Lease liabilities	32.	4 380	3 948
Financial derivatives	27.	26	29
Other non-current liabilities	27.	248	253
		14 766	10 774
Current liabilities			
Trade and other liabilities	28.	29 196	31 036
Liabilities from contracts with customers	30.	515	474
Loans, borrowings	25.	2	1 993
Current tax liabilities		67	234
Provisions	26.	7 235	8 435
Deferred income	29.	99	903
Financial derivatives	31.	235	45
Lease liabilities	32.	716	683
Other financial liabilities	31.	409	349
		38 474	44 152
Total liabilities		53 240	54 926
Total equity and liabilities		121 753	140 478

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 – 59.

Consolidated statement of changes in equity

Note	Equity attributable to equity owners of the parent						Total	Non-controlling interests	Total equity
	Share capital	Statutory reserves	Hedging reserve	Revaluation reserve	Exchange differences on translating foreign operations	Retained earnings			
	24.1.	24.2.	24.3.	24.4.	24.5.	24.6.			
01/01/2024	18 133	51	2 485	55	204	64 621	85 549	3	85 552
Net loss	-	-	-	-	-	(16 247)	(16 247)	(5)	(16 252)
Other comprehensive income	-	-	(562)	13	(230)	(8)	(787)	-	(787)
Total net comprehensive income	-	-	(562)	13	(230)	(16 255)	(17 034)	(5)	(17 039)
Allocation of profit	-	5	-	-	-	(5)	-	-	-
31/12/2024	18 133	56	1 923	68	(26)	48 361	68 515	(2)	68 513
01/01/2023	18 133	44	2 872	33	(38)	59 441	80 485	3	80 488
Net profit	-	-	-	-	-	5 195	5 195	-	5 195
Other comprehensive income	-	-	(387)	22	242	(8)	(131)	-	(131)
Total net comprehensive income	-	-	(387)	22	242	5 187	5 064	-	5 064
Allocation of profit	-	7	-	-	-	(7)	-	-	-
31/12/2023	18 133	51	2 485	55	204	64 621	85 549	3	85 552

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 - 59.

Consolidated statement of cash flows

	Note	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		(17 214)	8 740
Adjustments for:			
Share in loss from investment accounted for using the equity method	17.	21	1
Depreciation and amortisation	8.2.	6 521	5 915
Foreign exchange losses		29	34
Interest and dividends, net		372	161
Impairment loss of property plant and equipment, intangible assets and right of use assets	19.	9 056	157
Profit on investing activities		(41)	(511)
Change in provisions		8 649	8 272
Other adjustments including:		(3 917)	(5 702)
<i>Change in balances of settled derivatives designated for hedge accounting</i>		(20)	(123)
<i>Settlement of subsidies including CO₂ allowances</i>		(3 003)	(4 353)
<i>Movements in Liabilities from contracts with customers</i>		42	2
Change in working capital	24.7.3.	(2 271)	7 815
<i>inventories, including:</i>		(1 121)	1 825
<i>change in impairment allowances of inventories to net realisable value</i>		(439)	1 231
<i>receivables, including:</i>		177	1 108
<i>change in impairment allowances to receivables</i>		311	(59)
<i>liabilities</i>		(1 327)	4 882
Income tax received (paid)		2 099	(8 573)
Net cash from operating activities		3 304	16 309
Cash flows from investing activities			
Acquisition of property, plant and equipment, intangible assets and right of use assets		(17 149)	(15 553)
Disposal of property, plant and equipment and intangible assets and right of use assets		61	83
Acquisition of REMAQ, s.r.o.		-	(19)
Cash and cash equivalents acquired in acquisition of REMAQ, s.r.o.		-	186
Acquisition of ORLEN Projekt Česká republika s.r.o.		-	(9)
Contribution to capital of ORLEN Projekt Česká republika s.r.o.		(24)	-
Acquisition of ORLEN HUNGARY Kft.		-	(74)
Settlement of financial derivatives not designated as hedge accounting		722	286
Proceeds/(outflows) from cash pool assets		8 589	(7 266)
Other		66	210
Net cash used in investing activities		(7 735)	(22 156)
Cash flows from financing activities			
Proceeds from loans and borrowings		1 269	284
Proceeds/(outflows) from cash pool liabilities		(20)	95
Interest paid		(378)	(320)
Payments of liabilities under lease agreements		(835)	(727)
Inflow from subsidies		152	168
Contribution to capital		-	2 081
Other		(10)	(15)
Net cash used in financing activities		178	1 566
Net decrease in cash and cash equivalents		(4 253)	(4 281)
Effect of changes in exchange rates		1	66
Cash and cash equivalents, beginning of the year		14 984	19 199
Cash and cash equivalents, end of the year	23.	10 732	14 984

The consolidated financial statements are to be read in conjunction with the notes forming part of the consolidated financial statements set out on pages 8 - 59.

DESCRIPTION OF THE COMPANY AND PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE COMPANY

Establishment of the Company

ORLEN Unipetrol a.s. (the "Company", "parent", "parent company") is a joint stock company established by the National Property Fund of the Czech Republic by a foundation agreement dated 27 December 1994. The Company was registered in the Register of Companies at the Regional Commercial Court in Prague on 17 February 1995.

Identification number of the Company

616 72 190

Registered office of the Company

ORLEN Unipetrol a.s.
Milevská 2095/5
140 00 Praha 4
Czech Republic

Ownership structure

The sole shareholder of the Company is ORLEN S.A., with its registered office at Chemików 7, 09-411 Plock, Poland.

Principal activities

The Company operates as a holding company covering and administering a group of companies (the "Group"). The principal business activities of the Group include oil and petroleum products processing, production of commodity chemicals, polymer materials, mineral lubricants, plastic lubricants, road and insulation bitumen, special refinery and petrochemical products. Furthermore, the Group is engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Group is engaged in other activities that are necessary to support the principal activities, such as production, distribution and sale of heat and electricity, operation of railway tracks and railway transportation, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

Statutory and supervisory bodies

Members of the statutory and supervisory bodies of ORLEN Unipetrol a.s. as at 31 December 2024:

	Position	Name
Board of Directors	Chairman	Mariusz Wnuk
	Vice-chairman	Zbigniew Pawlucky
	Member	Agnieszka Bobrukiewicz
	Member	Milan Brejchal
	Member	Zdeněk Jíra
Supervisory Board	Chairman	Jacek Krawiec
	Vice-chairman	Marek Baławejder
	Vice-chairman	Rafał Trzebiński
	Member	Agata Śmiechowska-Więczkowska
	Member	Przemysław Wasilewski

Changes in the Board of Directors in 2024:

Position	Name	Change	Date of change
Member	Zbigniew Leszczyński	Recalled from the office	with the effect as of 1 March 2024
Chairman	Tomasz Wiatrak	Termination of the office	with the effect as of 2 March 2024
Member	Tomasz Wiatrak	Re-elected to the office	with the effect as of 3 March 2024
Vice-chairman	Katarzyna Woś	Termination of the office	with the effect as of 15 March 2024
Member	Katarzyna Woś	Re-elected to the office	with the effect as of 16 March 2024
Member	Tomasz Wiatrak	Re-elected as Chairman	with the effect as of 27 March 2024
Member	Katarzyna Woś	Re-elected as Vice-chairman	with the effect as of 27 March 2024
Chairman	Tomasz Wiatrak	Recalled from the office	with the effect as of 13 April 2024
Vice-chairman	Katarzyna Woś	Recalled from the office	with the effect as of 13 April 2024
Member	Maciej Romanów	Recalled from the office	with the effect as of 17 June 2024
Member	Zbigniew Pawlucky	Elected to the office	with the effect as of 18 June 2024
Vice-chairman	Ryszard Pilch	Recalled from the office	with the effect as of 20 June 2024
Member	Mariusz Wnuk	Elected to the office	with the effect as of 21 June 2024
Member	Mariusz Wnuk	Elected as Chairman	with the effect as of 25 June 2024
Member	Zbigniew Pawlucky	Elected as Vice-chairman	with the effect as of 25 June 2024
Member	Agnieszka Bobrukiewicz	Elected to the office	with the effect as of 1 September 2024
Member	Tomáš Herink	Recalled from the office	with the effect as of 30 September 2024
Member	Milan Brejchal	Elected to the office	with the effect as of 1 October 2024
Member	Adam Jarosz	Recalled from the office	with the effect as of 31 October 2024
Member	Zdeněk Jíra	Elected to the office	with the effect as of 1 November 2024

1. Description of the Company (continued)

Changes in the Supervisory Board in 2024:

Position	Name	Change	Date of change
Chairman	Robert Harasimiuk	Recalled from the office	with the effect as of 22 February 2024
Vice-chairman	Janusz Jakub Szurski	Recalled from the office	with the effect as of 23 February 2024
Member	Wioletta Kandziak	Resignation from the office	with the effect as of 8 March 2024
Vice-chairman	Barbara Hajdas	Resignation from the office	with the effect as of 8 March 2024
Member	Edyta Wątor	Recalled from the office	with the effect as of 25 March 2024
Member	Beata Kozłowska-Chyła	Recalled from the office	with the effect as of 25 March 2024
Member	Agata Śmiechowska-Więczkowska	Elected to the office	with the effect as of 26 March 2024
Member	Rafał Trzebiński	Elected to the office	with the effect as of 26 March 2024
Member	Rafał Trzebiński	Elected as a Chairman	with the effect as of 28 March 2024
Member	Agata Śmiechowska-Więczkowska	Elected as a Vice-chairman	with the effect as of 28 March 2024
Member	Aneta Agnieszka Kowalczyk	Recalled from the office	with the effect as of 17 June 2024
Member	Dariusz Krawiec	Elected to the office	with the effect as of 18 June 2024
Chairman	Rafał Trzebiński	Recalled from the position of Chairman	with the effect as of 20 June 2024
Member	Dariusz Krawiec	Elected as a Chairman	with the effect as of 20 June 2024
Member	Rafał Trzebiński	Elected as a Vice-chairman	with the effect as of 20 June 2024
Member	Tomasz Marek Januszewski	Recalled from the office	with the effect as of 19 August 2024
Member	Marek Baławejder	Elected to the office	with the effect as of 20 August 2024
Vice-chairman	Agata Śmiechowska-Więczkowska	Recalled from the position of Vice-chairman	with the effect as of 10 September 2024
Member	Marek Baławejder	Elected as a Vice-chairman	with the effect as of 10 September 2024
Member	Fryderyk Maria Radwan-Bieda	Recalled from the office	with the effect as of 31 October 2024
Member	Przemysław Wasilewski	Elected to the office	with the effect as of 1 November 2024

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with accounting principles contained in the International Financial Reporting Standards (IFRSs), comprising International Accounting Standards (IAS) as well as Interpretations of Standing Interpretation Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), which were adopted by the European Union (EU). The accounting principles applied by the Group are based on standards and interpretations adopted by the EU and applicable to the period beginning on 1 January 2024 or earlier periods.

The consolidated financial statements have been prepared based on a historical cost basis, except derivatives and investment property measured at fair value and financial assets measured at fair value through other comprehensive income.

The consolidated financial statements are compliant with all requirements of IFRSs adopted by the EU and present a true and fair view of the Group's financial position as at 31 December 2024, results of its operations and cash flows for the year ended 31 December 2024.

The consolidated financial statements of the Group for the year ended 31 December 2024 include the Company and its subsidiaries and the Group's interest in jointly controlled entities.

These consolidated financial statements have been prepared on a going concern basis. As at the date of approval of the consolidated financial statements there is no uncertainty that the Group will not be able to continue as a going concern in the foreseeable future.

The consolidated financial statements, except for the statement of cash flows, are prepared on the accrual basis of accounting.

3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY OF FINANCIAL STATEMENTS AND METHODS APPLIED TO TRANSLATION OF FINANCIAL DATA FOR CONSOLIDATION PURPOSES

These consolidated financial statements are presented in Czech crowns (CZK), which is the Group's presentation and Company's functional currency. All financial information presented in CZK has been rounded to the nearest million.

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The transaction day is the day on which the transaction for the first time qualifies for recognition under IFRS. In particular, when the transfer of control of ownership of assets or in the case of financial instruments, the day on which the Group commits to purchase or sell an asset.

At the end of the reporting period:

- foreign currency monetary items including units of currency held by the Group as well as receivables and liabilities due in defined or definable units of currency are translated using the closing rate, i.e. spot rate as at the end of the reporting period,
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement and valuation of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition as finance income or expense in the period in which they arise, except for monetary items which hedge the currency risk, are accounted in accordance with cash flow hedge accounting principles. Foreign exchange differences are included in the financial result (or in certain circumstances in other comprehensive income) on a net basis, unless they relate to the individually significant transactions.

Financial statements of foreign entities, for consolidation purposes, are translated into CZK using the following methods:

- assets and liabilities of each presented statement of financial position are translated at the closing rate published by the Czech National Bank (CNB) at the end of the reporting period;
- respective items in the statement of profit or loss and other comprehensive income and statement of cash flows are translated at average exchange rates published by the CNB.

Foreign exchange differences resulting from the above calculations are recognized in equity as exchange differences on translating foreign operations.

Currency	Average exchange rate for the reporting period		Exchange rate as at the end of reporting period	
	2024	2023	2024	2023
CZK/EUR	25.119	24.007	25.185	24.725
CZK/USD	23.208	22.210	24.237	22.376
CZK/100 HUF	6.358	6.288	6.121	6.455

4. ACCOUNTING PRINCIPLES

Material information regarding applied accounting principles and significant values based on judgements and estimates are presented as a part of the specific explanatory notes to the consolidated financial statements. The Group applied the accounting principles consistently to all presented reporting periods.

Note	
6.	Group structure
7.	Revenues
8.	Costs
12.	Tax expense
14.	Property, plant and equipment
15.	Investment property
16.	Intangible assets
19.	Impairment of property, plant, equipment, intangible assets, goodwill and right of use assets
20.	Inventories
21.	Trade and other receivables
23.	Cash and cash equivalents
24.	Shareholders' equity
26.	Provisions
28.	Trade and other liabilities
29.	Deferred income
32.	Lease
33.	Financial instruments

5. IMPACT OF IFRS CHANGES ON CONSOLIDATED FINANCIAL STATEMENTS OF THE ROUP

5.1. Binding amendments to IFRSs and interpretations

Standards and Interpretations adopted by the EU, effective from 01/01/2024	Impact on financial statements
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	no material impact
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	no material impact
Amendments to IAS 1 Non-current Liabilities with Covenants	no material impact
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	no material impact

5.2. IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective

New and revised IFRS Standards adopted by the EU in issue but not yet effective, effective from 01/01/2025	Possible impact on financial statements
Amendments to IAS 21 Lack of Exchangeability	no impact expected

5.3. New and revised IFRS standards, amendments and interpretations adopted by International Accounting Standards Board, waiting for approval of the European Union

New and revised IFRS Standards not yet adopted by the EU	Effective from	Possible impact on financial statements
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments	Effective date deferred	no impact expected
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity	01/01/2026	no impact expected
Annual improvements to IFRS – volume 11 related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	01/01/2026	no impact expected
IFRS 18 Presentation and Disclosure in Financial Statements	01/01/2027	impact*
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01/01/2027	no impact expected

*IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, the IASB has made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings Per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss,
 - provide disclosures on management-defined Key Performance Indicators (KPI) in the notes to the financial statements.
- The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when the Group applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. The Group anticipates that the application of the new standard may have an impact on the consolidated financial statements in future periods.

6. STRUCTURE OF THE GROUP AND ITS CHANGES

6.1. Group structure

SELECTED ACCOUNTING PRINCIPLES

Basis of consolidation

The consolidated financial statements of the Group include assets, liabilities, equity, income, expenses and cash flows of the Parent Company and its subsidiaries that are presented as those of a single economic entity and are prepared as at the same reporting period as separate financial statements of the Parent Company and using uniform accounting principles in relation to similar transactions and other events in similar circumstances.

Subsidiaries are consolidated using the full method from the date of takeover, which is the date of gaining control over the company, until the date of loss of control.

Data of subsidiaries and jointly controlled entities (joint ventures) that together do not significantly affect the Group's financial statements may not be subject to consolidation.

In such a case, shares in these entities are valued at cost.

Where necessary, adjustments are made to separate financial statements to ensure consistency between the accounting policies applied by a given entity and those applied by the Group.

Acquisition of control of an entity representing a business is accounted for with the acquisition method. Identifiable acquired assets and assumed liabilities of an acquiree which is a business within the meaning of IFRS 3 are recognised as at the acquisition date and are measured at fair value. The excess of the acquisition cost (the consideration transferred (at fair value), any non-controlling interest in the acquiree measured in accordance with IFRS 3, and – in a business combination achieved in stages – the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed, is recognised as goodwill. If the acquisition cost is lower than the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised as gain in profit or loss as at the acquisition date (gain on bargain purchase). The transaction costs are recognised in profit or loss when incurred and in the case of issue costs, they are recognised as a decrease in equity. The subsidiaries are consolidated using full consolidation method, non-controlling interests shall be presented in the consolidated statement of financial position as non-controlling interest, separately from the equity of the owners of the Parent Company.

If the Parent loses control of a subsidiary in a reporting period, the consolidated financial statements account for the subsidiary's results for such part of the reporting year in which control was held by the Parent.

Joint activities are presented by recognizing appropriate assets, liabilities, revenues and expenses.

Investments in associates are accounted for under equity method. The Group's share in net profit or loss of the investee is recognised in the line Share in profit from investments accounted for using the equity method as a part of the result of operating activity. For investments in associates - the Group has a significant influence if it holds, directly or indirectly (i.e. through subsidiaries), from 20% to 49% of the voting rights of an entity, in which the Group invested, unless it can be clearly stated otherwise. If an entity holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence.

PROFESSIONAL JUDGEMENT

Investments in subsidiaries and joint operation

The Group, regardless of the nature of its involvement in the entity (the entity in which it invested) defines its status by assessment, whether it controls the entity in which the investment was made, and whether it has a joint control in a joint venture, after consideration of all the facts and circumstances.

The Group assessed that its investment in Butadien Kralupy a.s. constitute a joint operation, and therefore the Group recognizes its share in assets, liabilities, revenues and costs of this entity. The contractual agreement indicates that sides to the contract are entitled to substantially all economic benefits generated by the company's assets and are their main source of income ensuring the continuity of this company's operations. The obligation of the sides to the agreement to purchase the entire production of Butadien Kralupy a.s. reflects the exclusive dependence of this company on the sides in terms of generating cash flows, which means that the parties are effectively obliged to finance the settlement of the company's liabilities.

6.1. Group structure (continued)

The following table shows subsidiaries and investments in joint operation and associate forming the consolidated group of ORLEN Unipetrol a.s., and the parent company's interest in the capital of subsidiaries and joint entities held either directly by the parent company or indirectly by the consolidated subsidiaries and allocation of subsidiaries into the Operating segments (as of 31 December 2024).

Name and place of business	Ownership interest of the parent company in share capital	Ownership interest in share capital through subsidiaries	Operating segment	Website
Parent company ORLEN Unipetrol a.s. Milevská 2095/5, 140 00 Praha 4, Czech Republic			Corporate Functions	www.orlenunipetrol.cz
Subsidiaries consolidated in full method HC VERVA Litvínov, a.s. Litvínov, S.K. Neumanna 1598, Czech Republic	–	70.95%	Corporate Functions	www.hokej-litvinov.cz
Nadace ORLEN Unipetrol Milevská 2095/5, 140 00 Praha 4, Czech Republic	–	100.00%	Corporate Functions	www.nadaceorlenunipetrol.cz
ORLEN HUNGARY Kft. Boldizsár utca 2, 1112 Budapest, Hungary	–	100.00%	Retail	www.orlen.hu
PARAMO, a.s. Přerovská 560, Svítkov, 530 06 Pardubice, Czech Republic	100.00%	–	Refining	www.paramo.cz
PETROTRANS, s.r.o. Poděbradská 538/46, 190 00 Praha 9, Czech Republic	0.63%	99.37%	Refining	www.petrotrans.cz
REMAQ, s.r.o. tř. Tomáše Bati 1729, 765 02 Otrokovice, Czech Republic	–	100.00%	Petrochemical	www.remaq.cz
SPOLANA s.r.o. ul. Práce 657, 277 11 Neratovice, Czech Republic	–	100.00%	Petrochemical	www.spolana.cz
ORLEN Unipetrol Deutschland GmbH Paul Ehrlich Str. 1/B, 63225 Langer/Hessen, Germany	0.10%	99.90%	Petrochemical	www.orlenunipetrol.de
ORLEN Unipetrol Doprava s.r.o. Litvínov - Růžodol č.p. 4, 436 70 Litvínov, Czech Republic	0.12%	99.88%	Refining	www.orlenunipetroidoprava.cz
ORLEN Unipetrol RPA s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	–	Refining Petrochemical Energy Corporate Functions Retail	www.orlenunipetrolrpa.cz
ORLEN Unipetrol Hungary Kft. 2040 Budaörs, Puskás Tivadar utca 12, Hungary	–	100.00%	Refining	www.orlenunipetrol.hu
ORLEN Unipetrol Slovakia s.r.o. Kalinčiakova 14083/33A, 831 04 Bratislava, Slovak Republic	13.04%	86.96%	Refining Retail	www.orlenunipetrol.sk
ORLEN Unicre a.s. Revoluční 1521/84, 400 01 Ústí nad Labem, Czech Republic	100.00%	–	Corporate functions	www.unicre.cz
Investments in joint operation Butadien Kralupy a.s. O. Wichterleho 810, 278 01 Kralupy nad Vltavou, Czech Republic	51.00%	–	Petrochemical	www.butadien.cz
Investment in associate ORLEN Projekt Česká republika s.r.o. O. Wichterleho 809, 278 01 Kralupy nad Vltavou, Czech Republic	–	40.00%	Corporate functions	

The Group has a 70.95% interest in HC VERVA Litvínov, a.s., the remaining non-controlling interest in this company is owned by municipality of Litvínov.

	Place of business	Ownership interest of the parent company in share capital or through subsidiaries	Principal activities	Method of consolidation
Butadien Kralupy a.s.	Czech Republic	51.00%	Production of butadiene	Share in assets and liabilities
ORLEN Projekt Česká republika s.r.o.	Czech Republic	40.00%	Engineering services	Equity method

6.2. Changes in shareholder structure of the Group

There were no changes in structure of the Group in 2024.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

7. REVENUES

SELECTED ACCOUNTING PRINCIPLES

The Group applies the principles in a five-step model in relation to the portfolio of contracts (or performance obligations) with similar characteristics, if the entity reasonably expects that the impact of the following principles on the financial statements will not significantly differ from the application of the following principles to individual contracts (or performance obligations).

Requirements to identify a contract with a customer

A contract with a customer meets its definition when all of the following criteria are met: the parties of the contract have approved the contract and are committed to perform their obligations; the Group can identify each party's rights regarding goods or services to be transferred; the Group can identify the payment terms for the goods or services to be transferred; the contract has commercial substance and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Identification of performance obligations

At contract inception the Group assesses the goods or services promised in the contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Determination of the transaction price

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes, fuel charges, excise taxes). The consideration promised in the contract with a customer may include fixed amounts, variable amounts or both.

To estimate variable consideration, the Group decided to apply the most probable value method for contracts with one value threshold and the expected value method for contracts with more value thresholds from which a rebate is granted to the customer.

Allocating the transaction price to individual performance obligations

The Group allocates the transaction price to each performance obligation (or distinct good or service) at an amount that reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Recognition of revenue when performance obligations are satisfied

The Group recognises revenue when (or as) the Group satisfies performance obligations by transferring a promised good or service (i.e. an asset) to a customer (the customer obtains control of that asset). Revenues are recognised as amounts equal to the transaction price that has been allocated to a given performance obligation.

The Group transfers control of good or service over time and, therefore, satisfies a performance obligation and recognises revenues over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits from performance as the Group performs,
- the asset is created or enhanced as a result of the performance, and the customer controls the asset as it is created or enhanced,
- as a result of the performance of the service, an alternative component for the Group is not created, and the Group has an enforceable right to payment for performance completed to date.

	2024	2023
Revenues from sales of finished goods and services, net	151 708	158 856
revenue from contract with customers	150 848	157 893
excluded from scope of IFRS 15*	860	963
Revenues from sales of merchandise and raw materials, net	11 355	7 577
revenue from contract with customers	11 355	7 577
Sales revenues, incl.:	163 063	166 433
revenue from contract with customers	162 203	165 470

Revenues excluded from scope of IFRS 15 relates to lease of non-current assets.

Performance obligations

As part of the contractual obligations, the Group commits to deliver to its customers mostly refining, petrochemical products and goods and connected services. Under these agreements, the Group acts as a principal.

Transaction prices in existing contracts with customers are not constrained. There are no contracts in force providing for significant obligations for returns and other similar obligations. There is no significant financing component in contracts with customers.

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

Within the Refining, Petrochemical, Retail 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 and Petrochemical 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.

7. Revenues (continued)

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 7.1 and 7.2, the Group analyses revenues based on the type of contract, date of transfer, contract duration and sales channels.

Revenues based on a fixed price constitute the majority of revenues in the Group. According to IFRS 15, the variable component of remuneration is penalties and the customer's right to discounts. The Group recognises revenues in the amount of consideration, to which – in line with expectations – it will be entitled and which will not be reversed in the future. Consequently, the Group adjusts revenues for highly probable discounts and penalties. The variability of consideration in contracts with customers is largely related to volume rebates and concern mainly the Retail segment.

As part of the Refining and Petrochemical segments, with respect to sales of petrochemical and refinery products, the Group recognises revenue from satisfaction of performance obligation, depending on the terms of delivery (Incoterms) used. In case of some deliveries, the Group is obliged to organize transport and/or insurance. When the control of good passes to the customer before transport is performed, the delivery of goods and transport (and possibly insurance) 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). In case of transport and insurance, the customer simultaneously receives and consumes benefits from the service.

In the Retail segment, the moment of satisfaction of performance obligation is the moment of transfer of good, except for sales of fuels using TANKARTA Easy, TANKARTA Business, in Fleet Program settlements with customers take place mostly in monthly periods.

In case of sales satisfied over time, the Group recognises revenues at least on a monthly basis, where settlements between parties to the contract take place periodically and reflect the amount of consideration that the Group is entitled for transfer of goods and services to the customer.

The majority of contracts within the Group are short-term.

The Group realizes sales directly to end customers in the Retail segment, managing the network of 439 fuel stations in the Czech Republic, 97 in Slovakia and 139 in Hungary.

The Group's sales to customers in the Refining and Petrochemical segment are carried out using a network of complementary infrastructure components: fuel terminals, land transshipment bases, pipeline networks, as well as rail transport and tanker trucks.

7.1. Revenues by assortments

	2024	2023
Revenues from contract with customers	162 203	165 470
Light distillates	36 781	37 654
Medium distillates	76 763	79 960
Heavy fractions	5 651	7 704
Monomers	2 395	2 646
Polymers	17 856	16 463
Aromas	3 990	3 595
Fertilizers	364	441
Plastics	845	1 122
Services	4 231	4 352
Others	13 327	11 533
Excluded from scope of IFRS 15*	860	963
	163 063	166 433

*Revenues excluded from scope of IFRS 15 relates to lease of non-current assets.

7.2. Revenues by geographical division

	2024	2023
Revenues from contract with customers	162 203	165 470
Czech Republic	110 922	110 681
Germany	12 875	14 700
Poland	8 877	13 850
Slovakia	11 255	10 239
Hungary	10 295	8 269
Austria	814	519
Other countries	7 165	7 212
Excluded from scope of IFRS 15	860	963
Czech Republic	858	961
Poland	2	2
	163 063	166 433

No other country than the Czech Republic accounted for more than 10% of consolidated revenues in 2024 (2023: the Czech Republic).

7.3. Information about major customers

No one of the Group's customers constitutes 10% or more of all revenues in 2024 nor in 2023.

7.4. Revenues from contracts with customers by type of contract

	2024	2023
Based on a fixed price contracts	141 286	144 582
Based on a variable price contracts	20 917	20 888
	162 203	165 470

The customer has the right to discounts, penalties, which constitute in accordance with IFRS 15 an element of variable consideration. The Group recognizes the revenue in the amount of consideration, to which – in line with expectations – will be entitled and which will not be reversed in the future. Consequently, it does not recognize the revenue, that may change due to granted discounts and penalties imposed.

7.5. Revenues from contracts with customers by date of transfer

	2024	2023
At the a point in time	108 956	103 567
Over time	53 247	61 903
	162 203	165 470

7.6. Revenues from contracts with customers by duration of contract

	2024	2023
Current	162 203	165 469
Non-current	-	1
	162 203	165 470

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 recognized based on the stage of service completion, if the result on the transaction can be reliably estimated.

As at 31 December 2024 and as at 31 December 2023 the Group analysed the value of the transaction price allocated to unsatisfied performance obligations at the end of the year. The unfulfilled or partially unfulfilled performance obligations as at 31 December 2024 mainly concerned contracts for the sale of electricity and gas and collection services that will end within 2025 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.

7.7. Revenues from contracts with customers by sales channel

The Group mostly realizes revenue from direct sales to end customers based on its own, leased or based on the franchise agreement system sales channels. The Group realizes sales directly to end customers in the Retail segment managing the network 675 fuel stations: 644 own stations and 31 stations operated under franchise agreements.

The Group's sales to customers in the Refining and Petrochemical segment are carried out using a network of complementary infrastructure components: fuel terminals, land transshipment bases, pipeline networks, as well as rail transport and tanker trucks. Sales and distribution of energy to customers in the Energy segment are carried out mostly with the use of own distribution infrastructure.

8. COSTS

SELECTED ACCOUNTING PRINCIPLES

Costs (relating to operating activity) include costs that relate to core activities, i.e. activities for which the Group was founded, costs are recurring and are not of incidental character.

Costs are recognized in the statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The Group recognizes costs in accordance with the principle of proportionality of revenues and costs. In line with matching concept, cost that relate to the earned revenues are:

- costs that may be directly attributed to the revenues of the reporting period,
- costs that are not directly attributable to the revenues, for which there is evidence that they led to the economic benefits received in the reporting period.

Cost of sales comprises costs of finished goods, services, merchandise and raw materials sold and adjustments related to inventories written down to net realizable value.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. Additional costs of contract inception are recognized as costs when they are incurred, if the depreciation period of the asset that would otherwise were recognized by the Company is one year or less.

Distribution expenses include trading expenses, advertising and promotion expenses as well as distribution expenses.

Administrative expenses include expenses relating to management and administration of the Group as a whole.

8.1. Cost of sales

	2024	2023
Cost of finished goods and services sold	(145 253)	(143 641)
Cost of merchandise and raw materials sold	(11 351)	(6 445)
	(156 604)	(150 086)

8.2. Cost by nature

	2024	2023
Materials and energy	(127 772)	(125 142)
Cost of merchandise and raw materials sold	(11 351)	(6 445)
External services	(9 315)	(8 433)
Employee benefits	(6 640)	(6 212)
Depreciation and amortization	(6 521)	(5 915)
Taxes and charges	(4 636)	(5 289)
Other	(20 169)	(5 158)
	(186 404)	(162 594)
Change in inventories	(203)	(512)
Cost of products and services for own use	976	119
Operating expenses	(185 631)	(162 987)
Distribution expenses	6 808	6 062
Administrative expenses	3 441	3 256
Other operating expenses	18 778	3 583
Cost of sales	(156 604)	(150 086)

8.3. Employee benefits costs

	2024	2023
Payroll expenses	(4 747)	(4 445)
Future benefits expenses	-	(7)
Social security expenses	(1 544)	(1 429)
Other employee benefits expenses	(349)	(331)
	(6 640)	(6 212)

2024	Employees	Key Management	Board of Directors	Supervisory Board	Total
Wages and salaries	(4 400)	(262)	(79)	(6)	(4 747)
Social and health insurance	(1 454)	(75)	(15)	-	(1 544)
Social expense	(312)	(32)	(5)	-	(349)
	(6 166)	(369)	(99)	(6)	(6 640)

Number of employees average per year*

Number of employees as at balance sheet day*

5 565

5 693

2023	Employees	Key Management	Board of Directors	Supervisory Board	Total
Wages and salaries	(4 134)	(232)	(69)	(10)	(4 445)
Social and health insurance	(1 357)	(62)	(9)	(1)	(1 429)
Social expense	(289)	(34)	(8)	-	(331)
Change of employee benefits provision	(7)	-	-	-	(7)
	(5 787)	(328)	(86)	(11)	(6 212)

Number of employees average per year*

Number of employees as at balance sheet day*

5 593

5 780

* In case of joint operations the relevant share is used.

9. OTHER OPERATING INCOME AND EXPENSES

9.1. Other operating income

	2024	2023
Penalties and compensations	51	55
Reversal of provisions	3	131
Reversal of impairment allowances of property, plant and equipment, intangible assets and right of use assets	2 660	212
Gain on revaluation of investment properties	14	3
Profit on sale of non-current non-financial assets	37	137
Settlement and valuation of financial instruments (operation risk)	1 797	3 005
Ineffective part of hedging	68	52
Settlement of hedging costs	64	57
Subsidies	278	320
Other	168	125
	5 140	4 097

The information relating to the impairment reversal is presented in note 19 and reversal of provisions in note 26.

The row Subsidies includes compensation for indirect costs received from Ministry of Trade and Industry in amount of CZK 234 million in 2024 (2023: CZK 222 million).

9.2. Other operating expenses

	2024	2023
Penalties, damages and compensations	(16)	(22)
Recognition of provisions	(2 433)	(118)
Recognition of impairment allowances of property, plant and equipment, intangible assets and right of use assets	(11 716)	(369)
Loss on revaluation of investment properties	(30)	(59)
Loss on sale of non-current non-financial assets	(13)	(49)
Donations	(30)	(22)
Settlement and valuation of financial instruments (operation risk)	(2 297)	(2 456)
Ineffective part of hedging	(57)	(47)
Settlement of hedging costs	(2 067)	(381)
Other	(119)	(60)
	(18 778)	(3 583)

The information relating to the impairment recognition is presented in note 19 and recognition of provisions in note 26.

In connection with new restructuring plan of SPOLANA s.r.o. the Group recognized provisions for dismantling costs related to the PVC and Caprolactam units in Neratovice in the amount of CZK 2 424 million. Further information are presented in note 26.4.

For 2024 and 2023 the net positions of valuation and settlement of derivative financial instruments related to operating exposure (non-designated instruments for hedge accounting purposes) amounted to CZK (500) million and CZK 549 million respectively, and mainly related to commodity swaps hedging time mismatch on crude oil purchases and future sales of products, including fixed prices.

The change in valuation and settlement of derivative financial instruments in 2024 and 2023 was affected by the prices of crude oil and refinery products as well as exchange rates.

In 2024 and 2023 the net positions of ineffective part relating to operating exposure amount to CZK 11 million and CZK 5 million, respectively and mainly related to commodity swaps hedging abnormal operating stocks, physical sales of products and foreign currency forwards hedging operating exposure.

10. IMPAIRMENT LOSS ON RECEIVABLES

Loss due to impairment of receivables at the amount of CZK 119 million and reversal of loss due to impairment of receivables at the amount of CZK 3 million was recognized based on the expected credit loss model (2023: loss at the amount of CZK 67 million and reversal of loss at the amount of CZK 8 million). Additional information is presented in note 33.5.4.

11. FINANCE INCOME AND COSTS

11.1. Finance income

	2024	2023
Settlement and valuation of financial instruments	823	389
Net foreign exchange gain	-	112
Interest	821	1 615
Other	26	8
	1 670	2 124

11.2. Finance costs

	2024	2023
Settlement and valuation of financial instruments	(279)	(506)
Net foreign exchange loss	(619)	-
Interest	(396)	(325)
Other	(25)	(36)
	(1 319)	(867)

In 2024 and 2023 the net positions of valuation and settlement of derivative financial instruments (non-designated instruments for hedge accounting purposes) amounted to CZK 544 million and CZK (117) million, respectively and related mainly to hedging the risk of changes in exchange rates with regard to payments of invoices in foreign currency and the currency hedge for liquidity transactions.

The main impact on the change in valuation and settlement of derivative financial instruments in 2023 and 2022 was affected by changes in exchange rates (the difference between the exchange rate as the transaction date and the exchange rate as at the transaction settlement date or transaction valuation).

12. TAX EXPENSE

SELECTED ACCOUNTING PRINCIPLES

Income tax expenses include current tax and deferred tax.

Current tax expense is determined in accordance with the relevant tax law based on the taxable profit for a given period and is recognized as a liability, in the amount which has not been paid or as an asset, if the amount of the current and prior periods income tax paid exceeds the amount due.

Deferred tax assets and liabilities are accounted for as non-current, are not discounted and are offset in the statement of financial position, if, and only if, the Company has a legally enforceable right to offset the recognized amounts and concern income tax levied by the same tax authority on the same taxpayer.

The transactions settled directly in equity are recognized in equity.

ESTIMATES

The Group recognises a deferred tax asset to transfer the unsettled tax losses and unused tax credits, to the extent that it is probable that there will be future taxable profit available, from which unsettled tax losses and unused tax credits can be write off. The assessment of this probability is made on the basis of planned budgets to achieve the assumed tax revenues in the following years. The Group has assessed the likely impact of the Windfall tax to the financial statements taking into account the financial projections for the year 2025.

	2024	2023
Tax credit/(expense) in the statement of profit or loss		
Current tax	(440)	(1 000)
Deferred tax	1 402	(2 545)
	962	(3 545)
Deferred tax recognized in other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	149	469
Fair value measurement of investment property as at the date of reclassification	(1)	10
Actuarial gains or losses	-	1
	148	480
	1 110	(3 065)

Domestic tax is calculated in accordance with Czech tax regulations at the rate of 21% in 2024 (2023: 19%) of the estimated taxable income for the year. The companies ORLEN Unipetrol RPA s.r.o., PARAMO a.s. and Butadien Kralupy a.s. are payers of the Windfall tax in the years 2023-2025. Windfall tax rate in 2023-25 was set at 60% and is calculated from a tax base exceeding the average tax base in the years 2018-2021.

Deferred tax has been calculated using the tax rates approved for the years 2025 and forward i.e. 21% and the Windfall tax. The effective tax rate for calculation of deferred tax as at 31 December 2024 was predicted to be 21%.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

12.1. The reconciliation of effective tax rate

	2024	2023
Profit/(loss) for the year	(16 252)	5 195
Tax credit/(expense)	962	(3 545)
Profit/(loss) before tax	(17 214)	8 740
Income tax using domestic income tax rate	3 615	(1 661)
Effect of tax rates in foreign jurisdictions	(46)	29
Non-deductible expenses	(144)	(230)
Tax exempt income	1	2
Recognition of previously unrecognized deferred tax asset	(936)	-
Change in not recognized deferred tax	(691)	87
Impact of prior periods	39	108
Estimated impact of windfall tax in 2023 on deferred tax	-	(1 453)
Increase in tax rate	-	(291)
Impairment of property, plant and equipment, intangible and right of use assets	(352)	-
Impairment loss of goodwill in REMAQ, s.r.o.	(238)	-
Other	(286)	(136)
Tax credit/(expense)	962	(3 545)
Effective tax rate	(5.59%)	(40.56%)

12.2. Pillar 2 – global minimum taxation

Based on the analysis of the year 2024 results, the Group would not have a tax liability from minimum taxation in any of the tax jurisdictions in which the Group operates.

12.3. Deferred tax

Deferred taxes result from future tax benefits and costs related to the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred taxes have been calculated using the tax rate expected to apply to periods when the respective asset is realized or liability is settled (i.e. 21% in 2024 and onward). The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) recognized by the Group during the year is as follows:

	31/12/2023	Change in Group structure	Reclassification	Deferred tax recognized in the statement of profit or loss	Deferred tax recognized in other comprehensive income	FX difference	31/12/2024
Deferred tax assets							
Provisions	1 355	-	-	296	-	-	1 651
Unused tax losses carried forward	672	-	-	66	-	(5)	733
Inventories	362	-	-	(209)	-	-	153
Lease liabilities	816	-	-	30	-	-	846
Other	172	-	-	(36)	-	-	136
	3 377	-	-	147	-	(5)	3 519
Deferred tax liabilities							
Property, plant and equipment	(4 182)	-	-	1 232	-	-	(2 950)
Right of use assets	(781)	-	-	(19)	-	-	(800)
Provisions	(4)	-	-	-	-	-	(4)
Hedging instruments	(660)	-	-	-	148	-	(512)
Other	(59)	-	-	42	-	-	(17)
	(5 686)	-	-	1 255	148	-	(4 283)
	(2 309)	-	-	1 402	148	(5)	(764)

	31/12/2022 (restated)	Change in Group structure	Reclassification	Deferred tax recognized in the statement of profit or loss	Deferred tax recognized in other comprehensive income	FX difference	31/12/2023
Deferred tax assets							
Provisions	2 939	-	-	(1 584)	-	-	1 355
Unused tax losses carried forward	275	-	-	397	-	-	672
Inventories	256	-	-	106	-	-	362
Lease liabilities	785	-	2	29	-	-	816
Other	118	-	-	54	-	-	172
	4 373	-	2	(998)	-	-	3 377
Deferred tax liabilities							
Property, plant and equipment	(3 476)	(9)	747	(1 460)	10	6	(4 182)
Right of use assets	-	-	(749)	(32)	-	-	(781)
Provisions	(5)	-	-	-	1	-	(4)
Hedging instruments	(1 129)	-	-	-	469	-	(660)
Other	(4)	-	-	(55)	-	-	(59)
	(4 614)	(9)	(2)	(1 547)	480	6	(5 686)
	(241)	(9)	-	(2 545)	480	6	(2 309)

The above positions of deferred tax assets and liabilities are netted of on the level of particular financial statements of the Groups companies for presentation purposes in the consolidated financial statement of ORLEN Unipetrol a.s. As at 31 December 2024 deferred tax assets and liabilities amounted to CZK 112 million (31 December 2023: CZK 673 million) and CZK 876 million (31 December 2023: CZK 2 982 million).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority.

Deferred tax assets are recognized for tax losses and deductible temporary differences carried forward to the extent that realization of the related tax benefit through the future taxable profit is probable based on financial projections for years 2025 – 2029.

In the calculation of deferred tax assets as at 31 December 2024 the Group has not recognized tax losses carried forward in amount of CZK 1 075 million due to the unpredictability of future taxable income (31 December 2023: CZK 51 million). These unrecognized tax losses will expire by the end of 2028.

12.4. Income tax (paid)/received

	2024	2023
Tax expense on profit before tax	962	(3 545)
Change in deferred tax assets and liabilities	(1 545)	2 068
Change in current tax assets and liabilities	2 539	(7 563)
Deferred tax recognized in other comprehensive income	148	480
Change in Group structure	-	(13)
FX difference	(5)	-
	2 099	(8 573)

EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

13. NON-CURRENT ASSETS BY GEOGRAPHICAL LOCATION

	31/12/2024	31/12/2023
Czech Republic	57 494	60 954
Slovakia	3 528	3 298
Germany	5	4
Hungary	3 458	1 358
	64 485	65 614

Non-current assets by geographical location include of property, plant and equipment, intangible assets, investment property and right of use assets. No other country than the Czech Republic accounted for more than 10% of consolidated assets.

14. PROPERTY, PLANT AND EQUIPMENT

SELECTED ACCOUNTING PRINCIPLES

Property, plant and equipment

Property, plant and equipment are assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period (one year or the operating cycle, if longer than one year).

Property, plant and equipment include both fixed assets (assets that are in the condition necessary for them to be capable of operating in the manner intended by management) as well as construction in progress (assets that are in the course of construction or development necessary for them to be capable of operating in the manner intended by management).

Property, plant and equipment are initially stated at cost (without including the grants related to assets). The cost of an item of property, plant and equipment comprises its purchase price, including any costs directly attributable to bringing the asset into use.

The initial value of property, plant and equipment is increased by the value of discounted provisions for the costs of dismantling and removing the item and restoring the site/land on which it is located, the obligation for which is connected with acquisition or construction of an item of property, plant and equipment, and capitalized borrowing costs. The value of discounted provisions recognised as property, plant and equipment is amortised over their useful life.

Property, plant and equipment received for free are initially included in the cost corresponding to the estimated fair value. Income from property, plant and equipment received for free, which does not require the Group to meet any conditions related to its activities, is recognised directly in other operating income at the moment of recognition of the asset in the accounting records. Where there are additional conditions relating to the receipt of an asset for free, such a transaction is treated in the same way as an asset granted and is recorded as described in note 29.1. – Government grants.

Property, plant and equipment are stated in the statement of financial position prepared at the end of the reporting period at the carrying amount i.e. at cost increased by the subsequent costs of their improvement, and decreased by accumulated depreciation and accumulated impairment losses (without including received grants related to assets). An improvement is the reconstruction, extension, modernisation or reconstruction of an asset, plant and equipment, as a result of which the value in use of the asset, after completion of the improvement, exceeds the value in use of the asset when it was available for use, measured by its useful life, production capacity, the quality of products obtained with the use of the improved property, plant and equipment, lower operation costs or other measures.

Borrowing cost directly attributable to the acquisition, construction or production of an item of property, plant and equipment are part of the initial cost.

Significant spare parts are qualified to property, plant and equipment if the Group expects to use them for longer than one period.

Land, precious metal and pieces of art are not depreciated. Their value is decreased by the eventual impairment allowances.

Depreciation of an item of property, plant and equipment begins when it is available for use that is from the month it is in the location and condition necessary for it to be capable of operating in the manner intended by the management, over the period reflecting their estimated useful life, considering the residual value. Components of property, plant and equipment which are material for the whole item are depreciated separately in accordance with their useful lives.

The following standard useful lives are used for property, plant and equipment:

Buildings and constructions	10-40 years
Machinery and equipment	4-35 years
Vehicles and other	2-20 years

The straight-line method of depreciation is used. Residual values, estimated useful lives and depreciation methods are reassessed annually. The adjustments to depreciation expense are accounted for in subsequent period (prospectively).

The costs of significant repairs and regular maintenance programs are recognized as property, plant and equipment and depreciated in accordance with their useful lives. The costs of current maintenance of property, plant and equipment are recognized as an expense when they are incurred.

Property, plant and equipment are tested for impairment, when there are indicators or events that may imply that the carrying amount of those assets may not be recoverable.

ESTIMATES

Useful lives of property, plant and equipment

The Group verifies useful lives of property, plant and equipment once per year. The reassessment of the useful life of land, buildings and equipment is mainly based on the verification of the technical condition of the assets by the workers responsible for their operation. Such estimates are accompanied by uncertainty as to future business conditions, technological changes and competition on the market, which may result in a different assessment of the economic usefulness of the components and their remaining useful lives, which may significantly affect the value of property, plant and equipment and depreciation costs in the future. The impact of verification of useful lives in 2024 resulted in an increase of deprecation costs by CZK 252 million compared to depreciation costs that were recognised based on useful lives applied in 2023.

14.1. Changes in property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
Net carrying amount at 01/01/2024						
Gross carrying value	2 246	43 874	73 712	4 682	12 749	137 263
Accumulated depreciation and impairment allowances	(194)	(24 914)	(50 901)	(3 010)	(186)	(79 205)
	2 052	18 960	22 811	1 672	12 563	58 058
increase/(decrease) net						
Investment expenditures	554	1 339	99	36	10 199	12 227
Depreciation	(43)	(1 325)	(3 750)	(309)	-	(5 427)
Net impairment allowances, incl.:	(23)	(1 448)	(3 010)	(146)	(1 725)	(6 352)
Recognition	(23)	(2 704)	(5 231)	(182)	(1 816)	(9 956)
Reversal	-	1 103	1 463	1	8	2 575
Reclassifications**	16	1 401	7 775	379	(10 324)	(753)
Sale	(2)	(10)	-	-	-	(12)
Liquidation	-	(21)	(276)	(34)	-	(331)
Other increases/(decreases)	-	2	-	-	(40)	(38)
Foreign exchange differences	(12)	(12)	(4)	(1)	(137)	(166)
Net carrying amount at 31/12/2024	2 542	18 886	23 645	1 597	10 536	57 206
Gross carrying value	2 798	46 644	79 357	4 684	12 447	145 930
Accumulated depreciation and impairment allowances	(256)	(27 758)	(55 712)	(3 087)	(1 911)	(88 724)
	2 542	18 886	23 645	1 597	10 536	57 206
Net carrying amount at 01/01/2023						
Gross carrying value	1 972	41 338	71 873	4 601	8 145	127 929
Accumulated depreciation and impairment allowances	(146)	(23 999)	(49 408)	(2 907)	(120)	(76 580)
	1 826	17 339	22 465	1 694	8 025	51 349
increase/(decrease) net						
Investment expenditures	-	130	97	31	11 413	11 671
Depreciation	(47)	(1 160)	(3 374)	(316)	-	(4 897)
Change in Group structure	-	-	55	1	-	56
Net impairment allowances, incl.:	-	128	98	-	(66)	160
Recognition	-	(109)	(104)	-	(118)	(331)
Reversal	-	142	21	-	-	163
Reclassifications	252	2 592	3 658	292	(6 803)	(9)
Sale	(11)	(54)	(132)	(4)	-	(201)
Liquidation	-	(50)	(80)	(29)	-	(159)
Other increases/(decreases)	(1)	1	(1)	-	(29)	(30)
Foreign exchange differences	33	34	25	3	23	118
Net carrying amount at 31/12/2023	2 052	18 960	22 811	1 672	12 563	58 058

*net impairment allowances include recognition, reversal, usage and reclassifications

** the Group records separately the impairment allowances and accumulated depreciation. The reclassification includes the transfer between impairment allowances and accumulated depreciation after reversal of the impairment relating to the carrying amount of assets as of the balance sheet date.

Detailed information related to impairment recognized in 2024 and 2023 is presented in note 19.

Material additions

The major additions in 2024 to non-current assets were capitalized shut down costs in amount of CZK 2 684 million, capitalized spare parts in amount of CZK 1 349 million, Cold bitumens project in amount of CZK 707 million and capitalized maintenance costs in amount of CZK 594 million. In the retail segment the Group acquired petrol stations in Hungary worth CZK 2 126 million.

The major additions in 2023 to non-current assets were capitalized shut down costs in amount of CZK 3 285 million, capitalized maintenance costs in amount of CZK 1 719 million, capitalized spare parts in amount of CZK 863 million and modernisation of H₂SO₄ production in amount of CZK 357 million.

14.2. Other information on property, plant and equipment

	31/12/2024	31/12/2023
The gross carrying amount of all fully depreciated property, plant and equipment still in use	8 662	8 895

15. INVESTMENT PROPERTY

SELECTED ACCOUNTING PRINCIPLES

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment property is recognized as an asset only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and
- the cost of the investment property can be measured reliably.

An investment property is measured initially at its cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. For internally constructed investment property the final cost is set at the date of construction completion when the asset is brought into use, in accordance with rules set for property, plant and equipment.

After initial recognition investment property is measured at fair value applying comparative and income methods depending on the nature of the investments. Gains and losses resulting from changes in fair value of investment property are presented in the statement of profit or loss and other comprehensive income in the period which they arise. The Group determines fair value without any deduction for transaction costs it may incur on sale or other disposal.

If the Group determines that the fair value of an investment property is not reliably determinable on a continuing basis, the Group shall measure that investment property at cost in accordance with rules set for property, plant and equipment.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected.

The Group transfers a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

	2024	2023
At the beginning of the year	593	637
Reclassification to property, plant and equipment	(25)	(7)
Transfer from property, plant and equipment	111	8
Fair value measurement	(12)	(45)
increase	18	15
decrease	(30)	(60)
Other	(7)	-
	660	593

Rental income amounted to CZK 61 million in 2024 (2023: CZK 70 million). Operating costs generating profit related to investment property amounted to CZK 8 million in 2024 (2023: CZK 11 million) and non-generating profit amounted to CZK 13 million in 2024 (2023: CZK 4 million) and are included in the cost of sales.

15.1. Fair value of investment property measurement

Investment property as at 31 December 2024 included the land and buildings owned by the Group and leased to third parties, which fair value was estimated depending on the characteristics based on comparison or revenue approach.

The comparison approach was applied assuming, that the value of the assessed property was equal to the market price of similar property (such assets belong to Level 2 as defined by IFRS 13).

In the revenue approach the calculation was based on the discounted cash flow method. 10 year period forecasts were applied in the analysis. The discount rate used reflects the relation, as expected by the buyer, between annual revenue from an investment property and expenditures required to purchase investment property. Forecasts of discounted cash flows relating to the property consider arrangements included in all rent agreements as well as external data, e.g. current market rent charges for similar property, in the same location, technical conditions, standard and designed for similar purposes (investment property valued under the revenue approach belong to Level 3 as defined by IFRS 13). The discount rate of average 6.02% was used for the calculation of the investment property fair value.

In the year ended 31 December 2024 and the comparative period there were no changes in measurement approach.

	Carrying amount	Fair value	Fair value hierarchy	
			Level 2	Level 3
31/12/2024	660	660	110	550
31/12/2023	593	593	118	475

15.2. Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value

Analysis of the influence of potential changes in the fair value of investment property on profit before tax in relation to a hypothetical change in discount rate:

	Level 3			
	Increase by	Total Impact	Decrease by	Total Impact
Change in discount rate	+1 pp	(23)	-1 pp	23

16. INTANGIBLE ASSETS

SELECTED ACCOUNTING PRINCIPLES

Intangible assets

Intangible assets include identifiable non-monetary assets without physical substance. An asset is identifiable if it is either separable, i.e. is capable of being separated or divided from the Group and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Group intends to do so, or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets are recognized if it is probable that the expected future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

An intangible asset arising from development (or from development phase of an internal project) shall be recognized if, and only if, the Group can demonstrate all of the following: the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete the intangible asset and use or sell it, its ability to use or sell the intangible asset, how the intangible asset will generate probable future economic benefits, among other things, the Group can demonstrate the existence of a market for the output of the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, its ability to measure reliably the expenditure attributable to the intangible asset during its development.

If the definition criteria of an intangible asset are not met, the cost incurred to acquire or self develop an asset are recognized in profit or loss when incurred. An intangible asset that is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date.

An intangible asset is measured initially at cost (without including the grants related to assets).

After initial recognition, an intangible asset is presented in the financial statements at its net carrying amount, without including grants related to assets.

Intangible assets are measured at acquisition or at construction cost less amortization and impairment allowances. Intangible assets with a finite useful life are amortized when they become available for use that is when they are in the location and condition necessary for them to be capable of operating in the manner intended by the management over their estimated useful life. The depreciable amount of an asset with a finite useful life is determined after deducting its residual value. Excluding particular cases, the residual value of an intangible asset with a finite useful life shall be assumed to be zero.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, e.g. interest, commissions, are part of the initial cost.

The following standard useful lives are used for intangible assets:

Acquired licenses, patents, and similar intangible assets	2-15 years
Acquired computer software	2-10 years

The straight-line method of amortization is used. Appropriateness of the applied amortization periods and rates is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods.

Intangible assets with an indefinite useful life are not amortized. Their value is decreased by the eventual impairment allowances. Additionally, the useful life of an intangible asset that is not being amortized shall be reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

Goodwill

Goodwill acquired in a business combination from the acquired date, shall be allocated to each of the acquirer's cash-generating units, that is expected to benefit from the synergies of the combination.

Each unit of group of unit to which goodwill has been assigned:

- corresponds to the lowest level within the acquire at which goodwill is monitored for internal management purposes; and
- may not be greater than the operating segment before aggregation, as determined in accordance with paragraph 5 of IFRS 8 Operating Segments.

After combination the acquirer shall measure goodwill in the amount recognised at the acquisition dated less any accumulated impairment allowances.

A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired.

Rights

The main item of property rights is CO₂ emission rights, not amortised, tested for impairment

Received free of charge emission allowances are presented as intangible assets in correspondence with deferred income at fair value as at the date of registration. Purchased allowances are presented at purchase price. Grants are accounted systematically in individual reporting periods to ensure proportionality with the costs of the created provision.

For the estimated CO₂ emission during the reporting period, a provision is created and charged to the costs of basic activities (taxes and charges).

Property rights, including CO₂ emission allowances are redeemed against the book value of the provision, as its settlement.

Outgoing of CO₂ emission allowance are recognised using the weighted average method.

PROFESSIONAL JUDGEMENT

Allocation of goodwill to cash-generating unit

Applying the Group's accounting policy with regard to allocating goodwill to cash-generating units requires making a judgement as to which CGU will benefit from the synergy obtained as a result of combination of entities. Goodwill is allocated based on a number of subjective criteria, including:

- analysis of qualitative factors that led to the recognition of goodwill as part of the purchase price settlement, including expected operating and financial synergies as well as intangible assets that do not qualify for separate recognition;
- existence of an active market for the products generated or the services provided by the acquirer;
- manner in which goodwill is monitored for the internal management needs of the Group;
- existence of integration and reorganisation plans, which in the near future influenced changed within the CGU;
- geographical location in which the acquired unit operates.

ESTIMATES

Useful lives of intangible assets

The Group verifies useful lives of intangible assets once at year end. The impact of verification of useful lives in 2024 resulted in an increase of depreciation costs by CZK 14 million compared to depreciation costs that were recognised based on useful lives applied in 2023.

16.1. Changes in intangible assets

	Software	Licences, patents and trade marks	CO ₂ emission allowance	Other intangible assets	Other internally generated assets	Total
Net carrying amount at 01/01/2024						
Gross carrying value	2 272	2 437	406	961	48	6 124
Accumulated amortization and impairment allowances	(1 792)	(1 724)	-	(276)	(47)	(3 839)
	480	713	406	685	1	2 285
increase/(decrease) net						
Investment expenditures	13	-	-	255	-	268
Amortization	(167)	(49)	-	(15)	(1)	(232)
Net impairment allowances, incl.:	(207)	-	-	(15)	-	(222)
Recognition	(227)	-	-	(18)	-	(245)
Reversal	16	-	-	-	-	16
Reclassifications**	97	1	-	(98)	-	-
Liquidation	-	-	-	(1)	-	(1)
Other decreases	-	-	(403)	-	-	(403)
Foreign exchange differences	(2)	-	-	-	-	(2)
Net carrying amount at 31/12/2024	214	665	3	811	-	1 693
Gross carrying value	2 370	2 438	3	1 090	5	5 905
Accumulated amortization and impairment allowances	(2 156)	(1 773)	-	(279)	(5)	(4 213)
	214	665	3	811	-	1 693
Net carrying amount at 01/01/2023						
Gross carrying value	2 162	2 432	371	889	88	5 942
Accumulated amortization and impairment allowances	(1 655)	(1 701)	-	(309)	(83)	(3 748)
	507	731	371	580	5	2 194
increase/(decrease) net						
Investment expenditures	7	-	-	246	-	253
Amortization	(146)	(49)	-	(8)	(3)	(206)
Net impairment allowances, incl.:	(26)	25	-	(1)	-	(2)
Reclassifications	134	6	-	(132)	-	8
Other increases/(decreases)	-	-	35	-	(1)	34
Foreign exchange differences	4	-	-	-	-	4
Net carrying amount at 31/12/2023	480	713	406	685	1	2 285

*net impairment allowances include recognition, reversal, usage and reclassifications

** the Group records separately the impairment allowances and accumulated depreciation. The reclassification includes the transfer between impairment allowances and accumulated depreciation after reversal of the impairment relating to the carrying amount of assets as of the balance sheet date.

Recognition and reversal of impairment allowances for intangible assets are recognized in other operating activities. Detailed information related to impairment recognized in 2024 and 2023 is presented in note 19.

16.2. Other information on intangible assets

	31/12/2024	31/12/2023
The gross carrying amount of all fully amortised intangible assets still in use	756	761
The net carrying amount of intangible assets with indefinite useful life	33	32

The major addition in 2024 was software for PE2 in the amount of CZK 21 million. No major addition to intangible assets in 2023.

16.3. CO₂ emission allowances

Based on the Czech National Allocation Scheme for the years 2021-2030 the Group was to obtain CO₂ emission allowances free of charge. During the year ended 31 December 2024 the Group obtained CO₂ emission allowances in the amount of 1 860 936 tons (2023: 1 908 530 tons).

	Value	Quantity (in tonnes)
Net carrying amount at 01/01/2024	406	197 501
Granted free of charge for 2024	2 886	1 860 936
Settlement for 2023	(7 539)	(4 031 089)
Purchase/(sale), net	4 250	1 973 897
	3	1 245
Estimated annual consumption	6 995	3 543 875

The market value of owned EUA allowances exceeds their total carrying amount, therefore the Group does not identify impairment indicators.

As at 31 December 2024 the market value of one EUA allowance (European Union Emission Allowance) amounted to EUR 73.00 (31 December 2023: EUR 80.37).

CO₂ emission allowances acquired and sold by the Group are included in the statement of consolidated cash flows, under investing activities in Acquisition of property, plant and equipment and intangible assets and Proceeds from disposals of property, plant and equipment and intangible assets, respectively.

16.4. Goodwill

	31/12/2024	31/12/2023
At the beginning of the period	2 879	1 542
ORLEN HUNGARY Kft.	-	74
REMAQ, s.r.o.	-	1 131
Impairment allowances ORLEN HUNGARY Kft.	(149)	-
Impairment allowances REMAQ, s.r.o.	(1 131)	-
Foreign exchange differences	(94)	132
	1 505	2 879

As at 31 December 2024 the Group performed a test for impairment of the above presented goodwill. As a result to the conducted analysis, the impairment allowance was recognized for the goodwill of the ORLEN Hungary Kft. and REMAQ, s.r.o.

17. INVESTMENT IN ASSOCIATE

The share in ORLEN Projekt Česká republika s.r.o. was classified as an associate accounted for using the equity method. Detailed information in note 6.1.

Condensed financial information of the associate of ORLEN Projekt Česká republika s.r.o.

	31/12/2024	31/12/2023
Non-current assets	158	1
Current assets	19	22
Total assets	177	23
Non-current liabilities	91	-
Current liabilities	58	4
Total liabilities	149	4
Total equity and liabilities	177	23
Net assets	28	19
Investments in associates (Group's share 40%)	11	8

	2024	2023
Revenues	85	-
Cost of sales	(43)	-
Gross profit on sales	42	-
Administrative expenses	(102)	(4)
Loss from operations	(60)	(4)
Net finance costs	(5)	-
Loss before tax	(65)	(4)
Tax credit	13	1
Net loss	(52)	(3)
Group's share in loss of associate	(21)	(1)

18. FINANCIAL DERIVATIVES AND OTHER NON-CURRENT ASSETS

	31/12/2024	31/12/2023
Financial derivatives		
Cash flow hedging instruments	1 218	2 041
<i>currency forwards</i>	1 218	2 041
Derivatives not designated as hedge accounting	-	2
<i>interest rate swap</i>	-	2
	1 218	2 043

The information related to cash flow hedging instruments and derivatives not designated as hedge accounting is presented in note 33.4.

	31/12/2024	31/12/2023
Other non-current assets		
Other non-current receivables	23	44
Financial assets	23	44
Prepayments	149	178
Non-financial assets	149	178
	172	222

The non-current prepayments relate to the deposit for the purchase of natural gas in the amount of CZK 81 million as at 31 December 2024 (31 December 2023: CZK 111 million).

19. IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT, INTANGIBLE ASSETS, GOODWILL AND RIGHT OF USE ASSETS

SELECTED ACCOUNTING PRINCIPLES

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

At the end of the reporting period the Group assesses whether there are indicators that an asset or cash generating unit (CGU) may be impaired or any indicators that the previously recognized impairment should be reversed. If any such indicator exists, the Group shall estimate the recoverable amount of the asset (CGU).

The recoverable amount of other assets is the higher of the fair value less costs to sell and value in use.

Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less costs to sell.

Value in use is the present value of the future cash flows expected to be derived from an asset or CGU.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Assets that do not generate independent cash flows are grouped at the lowest level at which cash flows, independent from cash flows from other assets, are generated (cash generating units).

To the cash generating unit the following assets are allocated:

- goodwill, if it may be assumed, that the cash generating unit benefited from the synergies associated with a business combination with another entity,
- corporate assets, if they may be allocated on a reasonable and coherent basis.

If there are external or internal indicators that the carrying amount of an asset as at the end of the reporting period may not be recoverable, impairment tests are carried out. The tests are also carried out annually for intangible assets with an indefinite useful life and for goodwill.

When the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the carrying amount is decreased to the recoverable amount by an adequate impairment allowance charged against cost in profit or loss.

The impairment loss is allocated to the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

At the end of each reporting period an assessment is made whether an impairment loss recognized in prior periods for an asset shall be partly or completely reversed. Indications of a potential decrease in an impairment loss mainly mirror the indications of a potential impairment loss in prior periods.

A reversal of an impairment loss for an asset other than goodwill is recognized immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard.

PROFESSIONAL JUDGEMENT AND ESTIMATES

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

The Group tested assets for impairment using discounted cash flow models. The most important areas of estimation are the assumptions adopted in the models regarding the development of future expected cash flows, as well as the method used to calculate discount rates.

The critical assumptions in the developed scenarios for future expected cash flows primarily relate to forecasts of key macroeconomic parameters including estimates of the probability of the impact of CO₂ emission allowance prices on revenue from sales of products.

The significant judgement made by the ORLEN Management Board was to allocate probability weights to individual macroeconomic scenarios. The scenario analysis was applied to measure the refining and petrochemical segments' assets at ORLEN Unipetrol Group.

Financial projections and assumptions for years 2025-2033 for purposes of impairment analysis as at 31 December 2024

As at 31 December 2024 in accordance with International Accounting Standard 36 "Impairment of assets" the ORLEN Unipetrol Group has verified the existence of impairment indicators in relation to Cash Generating Units (CGUs) i.e. the smallest identifiable group of assets that generate cash inflows largely independent from other assets. In the ORLEN Unipetrol group CGUs are established at the level of operating activities: refining, petrochemical and retail. In retail segment the impairment tests are assessed at individual fuel stations.

As at 31 December 2024 the tests were carried out for all CGUs based on the most recent available financial projections for the years 2025-2033.

Impairment analysis on ORLEN Unipetrol group assets' as at 31 December 2024 was based on following financial data:

- non-audited financial statements as at 31 December 2024,
- financial projections for 2025 included in Business Plan 2025 and projections for the years 2026-2033 based on macroeconomic assumptions derived from Group's strategy adjusted by the macro indicators observed at the end of 2024 year,
- necessary adjustments mainly relating to capital expenditures and effectiveness activities for years 2025-2033, corresponding with IAS 36 requirement of basing the analysis on projections excluding impact of development and restructuring (IAS 36.33 b) and maintenance of shareholding structure in the Group as at 31 December 2024.

Key financial assumptions used in the analysis

During development of assumptions to impairment tests the possibility of estimation of the fair value and value in use of individual assets was considered. Lack of market transactions for similar assets to those held by the Group which would allow to reliably estimate their fair value makes fair value method of valuation not possible to implement. As a result, it was concluded that the best estimate of the actual values of individual assets of the Group will be its value in use ("VIU").

The recoverable amounts of CGUs were estimated based on their value in use. The analyses were performed based on available projections for the years 2025-2033 adjusted to exclude the impact of planned capital expenditures enhancing the assets' performance.

The assets used in analyses: i.e. fixed assets (excluding lands and CO₂ allowances), right of use and net working capital were derived from non-audited financial statements as at 31 December 2024. The information related to CO₂ allowances is presented in note 33.4.

For determining the value in use as at given balance sheet date forecasted cash flows are discounted using the discount rates after taxation reflecting the risk levels specific for particular sectors to which the CGU belongs.

19. IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT, INTANGIBLE ASSETS, GOODWILL AND RIGHT OF USE ASSETS (CONTINUED)

The Group determines individual discount rates for each defined CGU using the so-called CAPM model-Capital Asset Pricing Model. For each CGU as at the date of impairment test, i.e. as at 31 December 2024, market risks specific to the Czech Republic and business segment were taken into account to reflect the current market assessment of the time value of money as at the balance sheet date and the risk associated with a given group of assets corresponding to the return that investors would require when making investment decisions that would generate cash flows in the amount, timing and type of risk corresponding to the flows that the Group expects to receive from a given CGU.

The discount rates as at 31 December 2024 for the estimation of value in use of assets were calculated using the peer-to-peer method as the weighted average cost of equity and debt. The sources of macroeconomic indicators necessary to estimate the cost of capital and the cost of debt were provided by the Bloomberg website and the publications of prof. Aswath Damodaran (source: <http://pages.stern.nyu.edu>) and government bond quotes available as of 31 December 2024.

The structure of the discount rates and long term inflation rate applied in the testing for impairment of assets of individual operating CGUs as at 31 December 2024

	Refinery CGU	Petchem CGU	Retail CGUs
Average cost of capital in years 2025 - 2033	7.02%	8.22%	6.68%
Average cost of debt after tax in years 2025 - 2033	3.30%	3.30%	3.30%
Capital structure	58.76%	69.59%	63.21%
Average nominal discount rate 2025 – 2033	5.58%	6.79%	5.52%
Long-term inflation rate	2.00%	2.00%	2.00%

The structure of the discount rates and long term inflation rate applied in the testing for impairment of assets of individual operating CGUs as at 31 December 2023

	Refinery CGU	Petchem CGU	Retail CGUs
Average cost of capital in years 2024 - 2033	8.74%	8.10%	7.08%
Average cost of debt after tax in years 2024 - 2033	3.04%	3.04%	3.04%
Capital structure	58.75%	71.34%	64.54%
Average nominal discount rate 2024 – 2033	6.50%	6.73%	5.74%
Long-term inflation rate	2.00%	2.00%	2.00%

The results of impairment analysis as at 31 December 2024

As a result of the impairment test analysis, the impairment allowance in the amount of CZK 10 764 million was recognized in the Petrochemical CGU and the amount of CZK 2 469 million was released in the Refinery CGU.

In the Retail CGU, where the impairment test was performed on the level of each petrol station, the Group recognized the impairment allowance in the amount of CZK 688 million and CZK 166 million was reversed.

The Group's future financial performance is based on a number of factors and assumptions in respect of macroeconomics development, such as foreign exchange rates, commodity prices, interest rates outside the Company's control. The change of these factors and assumptions might influence the Group's financial position, including the results of the impairment test of non-current assets, and consequently might lead to changes in the financial position and performance of the Group.

Sensitivity analysis of the value in use as at 31 December 2024

The crucial elements influencing the value in use of assets within individual units responsible for generating cash flows are: operating profit plus depreciation and amortization (known as EBITDA) and the discount rate.

Impact of changes in EBITDA by +/- 5% and change of the discount rate +/- 1.0 p.p. on the impairment charge:

	Change	Refinery CGU EBITDA			Petchem CGU EBITDA		
		-5%	0%	5%	-5%	0%	5%
Discount rate	-1.0 p.p.	617	5 168	9 720	1 077	4 898	8 719
	0.0 p.p.	(4 040)	-	4 040	(3 404)	-	3 404
	+1.0 p.p.	(7 929)	(4 322)	(716)	(7 148)	(4 100)	(1 052)

The results of impairment analysis as at 31 December 2023

As a result of the impairment test analysis, the impairment allowance in the amount of CZK 193 million was recognized and CZK 202 million was reversed in the Retail CGU, where the impairment test was performed on the level of each petrol station. The impairment allowances in the amount of CZK 176 million were recognized for damaged or obsolete assets as at 31 December 2023.

The Group's future financial performance is based on a number of factors and assumptions in respect of macroeconomics development, such as foreign exchange rates, commodity prices, interest rates outside the Company's control. The change of these factors and assumptions might influence the Group's financial position, including the results of the impairment test of non-current assets, and consequently might lead to changes in the financial position and performance of the Group.

20. INVENTORIES

SELECTED ACCOUNTING PRINCIPLES

Inventories

Inventories are assets held for sale in the ordinary course of business, or in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories comprise products, semi-finished products and work in progress, merchandise and materials.

Finished goods, semi-finished products and work in progress are measured initially at production cost. Production costs include costs of materials and costs of conversion for the production period. Costs of production also include a systematic allocation of fixed and variable production overheads estimated for normal production level.

Finished goods, semi-finished products and work in progress shall be measured at the end of the reporting period at the lower of cost or net realizable value, after deducting any impairment losses.

Disposals of finished goods, semi-finished products and work in progress are determined based on the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items produced during the reporting period.

Merchandise and materials are measured initially at acquisition cost.

As at the end of the reporting period merchandise and raw materials are measured at the lower of cost or net realizable value, considering any impairment allowances. Disposals of merchandise and raw materials are determined based on the weighted average acquisition cost or production cost formula except for inventories which, due to technical parameters and/or the specifics of the production process, are issued from the warehouse according to the order in which they are received (e.g. materials, printing materials) –outgoing according to FIFO method. Impairment tests for specific items of inventories are carried out on a current basis during an annual reporting period. Write-down to net realizable value concerns raw materials and merchandise that are damaged, obsolete or its sales prices have fallen.

Raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when a decline in the price of materials indicates that the cost of the finished products exceeds net realizable value, the materials are written down to net realizable value.

Recognition and reversal of impairment allowances of inventories is recognized in cost of sales.

ESTIMATES

Net realizable value from sale of inventories

In the event that the purchase price or production cost of inventories are not recoverable, the Group determines the amount of inventory write-offs based on estimates of their net realizable value.

Inventories which have lost their functional properties, usefulness or have dropped their selling prices are subject to revaluation to the level of net realizable sale prices.

At the end of each month, the Group compares the purchase prices of inventories (average purchase price for a given group of inventories) or inventory manufacturing costs (average production cost for a given group of inventories) with their achievable net value, which is the estimated selling price in the ordinary course of business economic activity reduced by the estimated costs of preparation of the sale and estimated costs necessary to complete the sale.

In practice, realizable values are determined on the basis of the actual selling prices of inventories (both retail and wholesale) for transactions made on the last day of the month and on the first day of the month following the day on which the inventory impairment analysis is prepared, no later than, in which the books of accounts are closed and taking into account the current rotation cycle, as well as taking into account the execution prices include in the actual contracts signed as at the balance sheet date.

The value of materials intended for use in the production process is not written down below the purchase price, if it is expected that the finished products, for the production of which they will be used, will be sold for amounts higher or equal to the estimated production costs determined on the basis of historical data. However, if the cost of manufacturing products is higher than the net realizable value, the value of the materials is written down to the level of the net realizable value.

For intermediates and products in progress, verification the necessity to make a write-off takes place by comparing the cost of production with the actual prices of sale, taking into account dedicated price formulas that define the degree of their processing in relation to finished products.

Depending on the type of inventories, the Group makes individual and collective write-offs.

Individual write-offs are made when, as a result of analyses and comparisons, the net realizable value is lower than the purchase price of a given inventory component or its production cost, in the value of this difference. If there is a change in the net realizable value, than the creation or reversal of write-offs in the amount of this change is recognised.

Collective impairment allowances apply when you group together similar or related items of inventory that originate in the same product line, have a similar purpose or end-use, produced and sold in the same facility, and that cannot be practically assessed in isolation from other items derived from the same product line and relate mainly to stocks of crude oil and petroleum products.

At the end of each month, the total value of the write-off of the inventory group is determined. The change in the value of the collective write-off at the end of the next reporting period is the amount of:

- recognition of a write-off (increase in the write-off value compared to the write-off value at the end of the previous reporting period);
- reversal of the write-off (decrease in the write off value compared to the write-off value at the end of the previous reporting period);
- use of the write-off (reduction of the write-off due to the use, sale or liquidation of components for which the write-off was created).

Recognition and reversal of impairment allowances on both individual and collective inventories are recognised in cost of sales.

	31/12/2024	31/12/2023
Raw materials	8 898	8 783
Work in progress	2 718	2 936
Finished goods	8 026	7 100
Merchandise	648	252
Spare parts	2 135	2 249
Inventories, net	22 425	21 320
Impairment allowances of inventories to net realizable value	1 395	1 834
Inventories, gross	23 820	23 154

20.1. Changes in impairment allowances of inventories to net realizable value

	2024	2023
At the beginning of the year	1 834	602
Recognition	2 926	2 341
Usage	(3 341)	(1 074)
Reversal	(24)	(38)
Change in Group structure	-	3
	1 395	1 834

Changes in the net realizable value allowances for inventories amount to CZK 2 902 million and are included in cost of sales (2023: CZK 2 303 million) presented in note 8.

21. TRADE AND OTHER RECEIVABLES

SELECTED ACCOUNTING PRINCIPLES

Receivables

Receivables, excluding trade receivables, are recognized initially at a fair value and subsequently, at amortized cost using the effective interest rate including expected credit loss. On initial recognition, the Group measures trade receivables that do not have a significant financing component at their transaction price.

After the initial recognition, these receivables, except for the portfolio of receivables transferred to non-recourse factoring within the limit granted to the Group, are valued at amortized cost adjusted for any loss allowance for expected credit loss. Receivables subject to non-recourse factoring are measured at fair value through profit or loss.

The Group applies simplified method of valuation of receivables measured at amortized cost.

Receivables accounted at amortised cost, where the Group applies simplifications, are accounted at the initial recognition in the amount due, and later, including at the end of the reporting period, in the amount of the payment due less impairment allowances.

ESTIMATES

Impairment of trade and other receivables

Recognition and reversal of impairment losses of receivables are recognized in other operating activity in relation to the principal amount and in financial activities in relation to interest for delayed payments.

As default the Group considers the event when the customer does not meet obligations after 90 days from maturity of receivables.

For the purpose of estimating the expected credit loss, the Group uses the provision matrix, which was estimated based on historical levels of repayment and recoveries from receivables from customers. The Group includes information on the future in parameters used in the expected loss estimation model, through the management adjustment of the basis default probability rates.

The Group does not monitor changes in the credit risk during life of instrument. The Group estimates the expected credit loss until maturity of the instrument. The expected credit loss is calculated when the receivables are recognised in the statement of financial position and is updated on each subsequent day ending the reporting period.

	31/12/2024	31/12/2023
Trade receivables	12 051	12 601
Trade receivables within the full factoring limit	3 157	2 823
Rental of investment property	29	29
Other	67	30
Financial assets	15 304	15 483
Excise tax and fuel charge receivables	2	22
Other taxation, duty, social security receivables	15	51
Advances for non-current non-financial assets	136	192
Prepayments and deferred costs	861	821
Receivables from subsidies	113	877
Non-financial assets	1 127	1 963
Receivables, net	16 431	17 446
Expected credit loss related to financial assets	696	385
Receivables, gross	17 127	17 831

Net receivables include expected credit loss amount.

Trade receivables result primarily from sales of finished goods and sales of merchandise. The management considers that the carrying amount of trade receivables approximates their fair value. The average credit period on sales of goods is 27 days. Trade receivables overdue bear an interest based on terms agreed in the selling contracts.

The Group has active factoring agreements for selling trade receivables under full factoring (non-recourse). The position trade receivables within the full factoring limit is measured at fair value through profit or loss and represents the value of receivables possible for resale to the factor, within the limit available at the end of the reporting period.

The Group exposure to credit and currency risk related to trade and other receivables is disclosed in note 33.5. and detailed information about receivables from related parties is presented in note 36.

22. FINANCIAL DERIVATIVES AND OTHER FINANCIAL ASSETS

	31/12/2024	31/12/2023
Financial derivatives		
Cash flow hedging instruments	1 151	1 029
<i>currency forwards</i>	1 151	1 029
Derivatives not designated as hedge accounting	49	173
<i>currency forwards</i>	49	15
<i>commodity swaps</i>	-	158
	1 200	1 202

Information regarding cash flow hedging instruments and derivatives not designated as hedge accounting is presented in note 33.4.

	31/12/2024	31/12/2023
Other financial assets		
Cash pool	68	8 674
Restricted funds	2 342	1 345
Receivables on settled cash flow hedging instruments	39	316
	2 449	10 335

The Group had assets in the ORLEN group's cash pool system in the amount of CZK 68 million as at 31 December 2024 (31 December 2023: CZK 8 674 million). The interest rates were based on appropriate inter-bank rates and the fair value of the assets approximates their carrying amount.

The Group verified the conditions for presentation of cash pool assets as cash equivalents as present in IAS 7 Statement of cash flows and is in opinion that the criteria for such presentation are not met.

23. CASH AND CASH EQUIVALENTS

SELECTED ACCOUNTING PRINCIPLES

Cash

Cash comprises cash on hand and in bank accounts as well as cash in transit. Cash equivalents are short-term, highly liquid investments (of original maturity up to three months) that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

	31/12/2024	31/12/2023
Cash on hand and in bank	10 732	14 984
	10 732	14 984

The carrying amount of these assets approximates their fair value. There is no credit risk in relation to cash and cash equivalents and potential expected credit loss is immaterial.

24. SHAREHOLDERS' EQUITY

SELECTED ACCOUNTING PRINCIPLES

Share capital

The share capital is paid by shareholders and is stated at nominal value in accordance with the parent company's articles of association and the entry in the Commercial Register.

Hedging reserve

The hedging reserve relates to valuation and settlement of hedging instruments that meet the criteria of cash flow hedge accounting. The Group applies cash flow hedge accounting to hedge commodity risk, exchange rate risk and interest rate risk. Changes in fair value, which are an ineffective part of the hedge relationship, are recognized in the statement of profit or loss.

Revaluation reserve

The revaluation reserve includes revaluation of items, which, according to the Group's regulations, relates to the revaluation reserve, including particularly:

- change in the fair value of the assets measured at fair value through other comprehensive income;
- differences between the net book value and the fair value of an investment property at the date of reclassification from the property occupied by the Group to an investment property.

Exchange differences on translating foreign operations

Exchange differences on translating foreign operations result mainly from translation of financial statements of subsidiaries into the presentation currency of the Group.

Retained earnings

Retained earnings include:

- the amounts arising from profit distribution/loss cover,
- the undistributed result from prior periods,
- the current reporting period profit/loss,
- the corrections (profit/loss) of prior period errors,
- changes in accounting principles,
- reserve capital created from the distribution of profits and used in accordance with the Commercial Group Code
- other reserve capital as additional payments to equity,
- actuarial gains and losses from retirement benefits.

Profit per share

Basic profit/(loss) per share is calculated by dividing the net profit or loss for a given period which is attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. The Group has no potential dilutive shares.

24.1. Share capital

The issued capital of the Company as at 31 December 2024 amounted to CZK 18 133 million (31 December 2023: CZK 18 133 million). This represents 181 334 764 (31 December 2023: 181 334 764) bearer ordinary shares, each with a nominal value of CZK 100. All issued shares have been fully paid and bear equal voting rights.

Shareholders' structure

	Number of shares	Nominal value of shares (in CZK)	Share in share capital
ORLEN S.A.	181 334 764	18 133 476 400	100%
	181 334 764	18 133 476 400	100%

24.2. Statutory reserves

The Group established a reserve fund for possible future losses. The balance of the Statutory reserve fund as at 31 December 2024 amounted to CZK 56 million (31 December 2023: CZK 51 million).

24.3. Hedging reserve

The amount of the hedging reserve of CZK 1 923 million as at 31 December 2024 resulted from the valuation of derivatives meeting the requirements of cash flow hedge accounting (31 December 2023: CZK 2 485 million).

24.4. Revaluation reserve

Revaluation reserve comprises the difference between the net book value and the fair value of the property as at the date of reclassification of the property occupied by the Group and recognized as an investment property.

24.5. Exchange differences on translating foreign operations

The amount of reserve is adjusted by foreign exchange differences resulting from translation of the financial statements of foreign entities belonging to the Group from foreign currencies into CZK. The balance of this reserve as at 31 December 2024 amounted to CZK (26) million (31 December 2023: CZK 204 million).

24.6. Retained earnings

In accordance with appropriate Czech law, dividends can be paid from unconsolidated profits of the parent company. The sole shareholder of ORLEN Unipetrol a.s. decided, pursuant to Article 8 (2) (k) of the Articles of Association of ORLEN Unipetrol a.s., to allocate the Company's profit generated on separate basis in 2023 in the amount of CZK 970 million to retained earnings.

The decision regarding appropriation of 2024 profit will be made by the sole shareholder in 2025.

24.7. Equity management policy

Equity management is performed on the Group level in order to protect the Group's ability to continue its operations as a going concern while maximizing returns for shareholders.

The Group monitors the equity debt ratio (net financial leverage). As at 31 December 2024 and as at 31 December 2023 Group's financial leverage amounted to -8.01% and -12.98%, respectively.

Net financial leverage = net debt/equity (calculated as at the end of the period) x 100%

Net debt = non-current and current loans and borrowings lower by cash and short-term deposits.

24.7.1. Net debt

	31/12/2024	31/12/2023
Cash on hand and in bank	10 732	14 984
Loans and borrowings	(5 197)	(3 899)
Loans and borrowings non-current	(5 195)	(1 906)
Loans and borrowings current	(2)	(1 993)
	5 535	11 085

24.7.2. Changes in net debt

	Note	31/12/2024	31/12/2023
At the beginning of the year		11 085	15 718
Cash changes in net debt			
Cash and cash equivalents	23.	(4 252)	(4 215)
Loans and borrowings	25.	(1 298)	(418)
		5 535	11 085

24.7.3. Net working capital

	Inventories	Receivables	Liabilities	Working capital
31/12/2023	21 320	17 446	31 036	7 730
31/12/2024	22 425	16 431	29 196	9 660
Net working capital change in Statement of financial position	(1 105)	1 015	(1 840)	(1 930)
Adjustments				
Movements in prepayments for construction in progress	-	(56)	-	(56)
Movements in investing liabilities	-	-	454	454
Movements in receivables from subsidies	-	(764)	-	(764)
Foreign exchange differences	(16)	(18)	59	25
Change in working capital in Cash flow statement	(1 121)	177	(1 327)	(2 271)

24.8. Profit per share

	2024	2023
Profit/(loss) for the year attributable to equity owners	(16 252)	5 195
Weighted average number of shares	181 334 764	181 334 764
Profit/(loss) per share (in CZK per share)	(89.60)	28.65

25. LOANS AND BORROWINGS

SELECTED ACCOUNTING PRINCIPLES

Loans and borrowings

At initial recognition, all loans and borrowings are recognized at fair value, less transaction costs and discounts or premiums. After initial recognition, loans and borrowings are measured at amortized cost using the effective interest rate method.

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Bank loans	3 684	422	1	1 992	3 685	2 414
Borrowings	1 511	1 484	1	1	1 512	1 485
	5 195	1 906	2	1 993	5 197	3 899

25.1. Bank loans

by currency (translated into CZK)/by interest rate

	31/12/2024	31/12/2023
CZK/PRIBOR	1	1
EUR/EURIBOR	3 684	2 408
HUF/BUBOR	-	5
	3 685	2 414

The company SPOLANA s.r.o. has a bank loan of CZK 662 million and does not meet the bank covenant - non-negative equity as of 31 December 2024. The creditor bank has been informed of this fact. Given the corporate guarantee issued, the Company's management does not anticipate that the lending bank will require a material change in the terms of this bank loan.

In the period covered by these 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 agreements.

Disclosures relating to loans are included in note 33 and are presented together with other financial instruments.

25.2. Borrowings

by currency (translated into CZK)/by interest rate

	31/12/2024	31/12/2023
EUR/EURIBOR	1 512	1 485
	1 512	1 485

In the period covered by these consolidated financial statements as well as after the reporting date, there were no defaults on repayment of principal or interest of borrowings.

Disclosures relating to borrowings are included in note 33 and are presented together with other financial instruments.

26. PROVISIONS

SELECTED ACCOUNTING PRINCIPLES

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Provisions are not recognized for future operating losses.

Environmental provision

The Group creates provisions for future liabilities due to reclamation of contaminated land or water or elimination of harmful substances if there is such a legal or constructive obligation. The environmental provision for reclamation is periodically reviewed on the basis of expert assessment.

Jubilee bonuses and retirement benefits provision

Under the Group's remuneration plans, its employees are entitled to jubilee bonuses and retirement benefits. Jubilee bonuses are paid to employees after the elapsing of a defined number of years in service. Retirement benefits are paid once at retirement. The amount of retirement benefits and jubilee bonuses depends on the number of years of service and an employee's average remuneration.

The jubilee bonuses are other long-term employee benefits, whereas retirement and pension benefits are classified as retirement defined benefit plans.

The provision for jubilee bonuses, retirement and pension benefits is created in order to allocate costs to relevant periods.

The present value of those liabilities is estimated at the end of each reporting period by an independent actuary and adjusted if there are any material indications impacting the value of the liabilities. The accumulated liabilities equal discounted future payments, considering the demographic and financial assumptions including employee rotation, planned increase of remuneration and relate to the period ended at the last day of the reporting year. Actuarial gains and losses from:

- post employment benefits are recognized in components of other comprehensive income,
- other employment benefits, including jubilee bonuses, are recognized in the statement of profit and loss.

Shield programs provision

Shield programs provision (restructuring provision) is created when the Group initiates a restructuring plan or announces the main features of a restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the restructuring will be carried out. A restructuring provision shall include only the direct expenditures arising from the restructuring, i.e. connected with the termination of employment (paid leave payments and compensations), termination of lease contracts, dismantling of assets.

Provision for CO₂ emission allowances

The Group creates a provision for the estimated CO₂ emissions during the reporting period in operating activity costs (taxes and charges). Provision is recognized based on the value of allowances taking into account the weighted average method. In case of a shortage of allowances, the provision is created based on the purchase price of allowance in forward contracts concluded by the Group for own-use for the purpose of fulfillment of the redemption obligation by Parent company and Group entities (or purchase prices from other binding purchase agreements) or market quotations of allowances at the reporting date.

Other provision

Other provisions include mainly provisions for dismantling costs connected with liquidation of unused asset, legal proceedings and are recognized after consideration of all available information, including opinions of independent experts. If on the basis of such information it is more likely than not that a present obligation exists at the end of the reporting period, the Group recognizes a provision (if the recognition criteria are met).

If it is more probable that no present obligation exists or when the reliable estimate of the amount of obligation cannot be made at the end of the reporting period, the Group discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

ESTIMATES

Recognition of provisions requires estimates of the probable outflow of resources embodying economic benefits and making the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provision are recognized when the probability of outflow of resources embodying economic benefits is higher than 50%.

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Environmental provision	1 021	1 075	91	148	1 112	1 223
Jubilee bonuses and retirement benefits provision	113	111	17	16	130	127
Shield programs provision	-	-	5	2	5	2
Provision for CO ₂ emission allowances	-	-	6 995	8 102	6 995	8 102
Other provision	2 425	63	127	167	2 552	230
	3 559	1 249	7 235	8 435	10 794	9 684

Changes in provisions in 2024

	Environmental provision	Jubilee bonuses and retirement benefits provision	Shield programs provision	Provision for CO ₂ emission allowances	Other provision	Total
01/01/2024	1 223	127	2	8 102	230	9 684
Recognition	1	5	4	6 995	2 428	9 433
Discounting	(22)	-	-	-	1	(21)
Usage	(88)	(6)	-	(8 102)	(107)	(8 303)
Reversal	(2)	(1)	(1)	-	-	(4)
Interest	-	5	-	-	-	5
31/12/2024	1 112	130	5	6 995	2 552	10 794

26. PROVISIONS (CONTINUED)

Changes in provisions in 2023

	Environmental provision	Jubilee bonuses and retirement benefits provision	Shield programs provision	Provision for CO ₂ emission allowances	Other provision	Total
01/01/2023	1 220	106	2	8 018	401	9 747
Recognition	37	24	-	8 494	81	8 636
Reclassification	39	-	-	-	-	39
Discounting	20	-	-	-	-	20
Usage	(59)	(8)	-	(8 410)	(155)	(8 632)
Reversal	(34)	-	-	-	(97)	(131)
Interest	-	5	-	-	-	5
31/12/2023	1 223	127	2	8 102	230	9 684

26.1. Environmental provision

As at 31 December 2024 the Group had under environmental provisions mainly:

- provision for land restoration created as a result of the legal obligation to restore the fly-ash dump in Litvínov after it is discontinued, which is expected after 2032. The provision amounted to CZK 615 million (31 December 2023: CZK 665 million),
- provision for liquidation and restoration of production area in Kolín amounted to CZK 128 million (31 December 2023: CZK 158 million),
- provision in the amount of CZK 188 million in respect of remediation of historical ecological contamination in the Kralupy location recognized following the decision of the Czech Environmental Inspectorate (31 December 2023: CZK 186 million),
- provision for liquidation and restoration of an electrolysis facility which is expected to occur after the termination of the operation in the current amalgam electrolysis facility in 2023 in the amount of CZK 17 million (31 December 2023: CZK 19 million),
- provision for land restoration created as a result of the legal obligation to restore the fly-ash deposits and toxic waste dump in Neratovice after it is discontinued, which was after 2021 in case of fly-ash deposits and is expected after 2024 in case of toxic waste dump. The provision amounted to CZK 113 million (31 December 2023: CZK 107 million),

26.2. Provision for jubilee bonuses and retirement benefits

The companies of the Group realize the program of paying out retirement benefits and jubilee bonuses in line with remuneration policies in force. The jubilee bonuses are paid to employees after the elapse of a defined number of years in service. Retirement benefits are paid as a one-time payment at retirement. The amount of retirement benefits as well as jubilee bonuses depends on the number of years of service. The base for the calculation of the provision for an employee is the expected benefit which the Group is obliged to pay in accordance with internal regulations.

The present value of these obligations is estimated at the end of each reporting year and adjusted if there are any material indications impacting the value of the obligations. The accrued liabilities equal discounted future payments, considering employee rotation.

Employment benefit provisions for retirement and anniversary benefits received by employees were created using discount rates in the range 3.9% p.a. in 2024 (2023: 3.7%), assumptions used were based on the Collective Agreement.

Should the prior year's assumptions be used, the provision for the jubilee bonuses and retirement benefits would be higher by CZK 1 million.

26.2.1. Changes in employee benefits obligations

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
At the beginning of the year	37	32	90	74	127	106
Current service costs	2	2	4	4	6	6
Interest expenses	2	2	3	3	5	5
Actuarial gains and losses arising from changes	-	3	(2)	9	(2)	12
<i>demographic assumptions</i>	-	1	1	3	1	4
<i>financial assumptions</i>	-	2	(1)	7	(1)	9
<i>other</i>	-	-	(2)	(1)	(2)	(1)
Past employment costs	-	1	-	5	-	6
Payments under program	(3)	(3)	(3)	(5)	(6)	(8)
	38	37	92	90	130	127

The carrying amount of employee benefits liabilities is identical to their present value as at 31 December 2024 and as at 31 December 2023.

26.2.2. Division of employee benefits liabilities by employees

	Active employees		Pensioners		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Czech Republic	130	127	-	-	130	127
	130	127	-	-	130	127

26.2.3. Geographical division of employee benefits liabilities

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Czech Republic	38	37	92	90	130	127
	38	37	92	90	130	127

26.2.4. Sensitivity analysis to changes in actuarial assumptions

The Group analysed the impact of the financial and demographic assumptions and calculated that the changes of ratios: remuneration ratio by +/- 0.5 p.p., the discount rate by +/- 0.5 p.p. and the rate of turnover by +/- 0.5 p.p. are no higher than CZK 7 million. Therefore the Group does not present any detailed information.

26.2.5. Employee benefits maturity

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Less than one year	4	4	13	12	17	16
Between one and three years	9	8	10	9	19	17
Between three and five years	7	7	11	12	18	19
Later than five years	18	18	58	57	76	75
	38	37	92	90	130	127
Weighted average duration of liability (years)			8	8	8	8

26.2.6. Total employee benefits expenses recognized in the statement of profit or loss and other comprehensive income

	31/12/2024	31/12/2023
In profit and loss		
Current service costs	(6)	(6)
Interest expenses	(5)	(5)
Actuarial gains and losses arising from changes	-	(3)
<i>demographic assumptions</i>	-	(1)
<i>financial assumptions</i>	-	(2)
Past employment costs	-	(6)
Payments under program	6	8
	(5)	(12)
In components of other comprehensive income		
Gains and losses arising from changes	2	(9)
<i>demographic assumptions</i>	(1)	(3)
<i>financial assumptions</i>	1	(7)
<i>other</i>	2	1
	2	(9)
	(3)	(21)

Provisions for employee benefits recognized in profit or loss were allocated as follows:

	31/12/2024	31/12/2023
Cost of sales	(1)	1
Administrative expenses	1	(8)
Interest of provisions	(5)	(5)
	(5)	(12)

Based on current legislation, the Group is obliged to pay contributions to the national pension insurance. These costs are recognized as expenses for social security and health insurance. The Group does not have any other commitments in this respect.

26.3. Provision for CO₂ emission allowances

The provision for CO₂ emission allowances is created for estimated CO₂ emission allowances consumption in the reporting period. Further information regarding CO₂ emission allowances is presented in note 16.4.

26.4. Other provision

The Group created other provisions in respect of future liabilities related to dismantling costs connected with liquidation of unused assets and in respect of expected future outflows arising from legal disputes with third parties where the Group is the defendant.

Restructuring of SPOLANA s.r.o.

Financial results of SPOLANA s.r.o. are substantially affected by a drop in the demand for petrochemical products, especially caprolactam, caused by the macroeconomic slowdown and subsequent stagnation, higher production costs in Europe, and hence lower competitiveness compared to producers from the US and the Middle East. The situation is also complicated because company's facilities are among the smaller ones in terms of production capacity in Europe. All of this has been negatively reflected in company's results, which have long been in the red even though SPOLANA s.r.o. has recently focused on products with a higher added value and margin and used the strong financial background of the parent ORLEN Unipetrol Group.

The above means that the execution of a strategic plan approved in December 2022 has been stopped. New restructuring plan expects the execution of only selected projects:

- Sulphuric Acid Plant Modernization – project's execution schedule streamlined as a consequence of caprolactam unit closure decision with the aim of maximizing sulphuric acid production (instead of oleum) and production start in 4Q 2025,
- Anti-flood protection wall – continuation of the project in the same scope,
- Waste to Energy Power Plant – continuation of the cooperation with partner executing project on the company's premises.

The restructuring plan includes closure of the PVC and Caprolactam units. The Group recognized provisions for dismantling costs related to these units in the amount of CZK 2 424 million.

As a long-term response to changing environment, SPOLANA s.r.o. together with the business partners are working on the development of new projects from the area of recycling, waste management, decarbonisation and energy.

27. FINANCIAL DERIVATIVES AND OTHER NON-CURRENT LIABILITIES

	31/12/2024	31/12/2023
Financial derivatives		
Cash flow hedging instruments	7	12
<i>currency forwards</i>	7	12
Derivatives not designed as hedge accounting	19	17
<i>interest rate swap</i>	19	17
	26	29

Information about cash flow hedging instruments is presented in note 33.4.

	31/12/2024	31/12/2023
Other non-current liabilities		
Investment liabilities	1	-
Guarantee payment received	244	250
Financial liabilities	245	250
Other	3	3
Non-financial liabilities	3	3
	248	253

The Group has cash advances from business partners presented as guarantee payments received in connection with operation of fuel stations.

28. TRADE AND OTHER LIABILITIES

SELECTED ACCOUNTING PRINCIPLES

Liabilities

Liabilities, including trade liabilities, are initially stated at fair value, increased by, in the case of financial liability not qualified as those measured at fair value through profit or loss, transaction cost and subsequently, at amortized cost using the effective interest rate method. The Group applies simplified methods of valuation of liabilities measured at amortized cost if it does not distort information included in the statement of financial position.

Accruals are liabilities due for goods received or services provided, but not paid, invoiced or formally agreed with the seller, together with amounts due to employees.

Although it is sometimes necessary to estimate the amount or timing of accruals, the related uncertainty is generally much lower than it is for provisions.

	31/12/2024	31/12/2023
Trade liabilities	15 843	17 641
Investment liabilities	1 859	2 430
Other	712	726
Financial liabilities	18 414	20 797
Payroll liabilities	598	551
Excise tax and fuel charge	7 387	7 306
Value added tax	2 057	1 927
Other taxation, duties, social security and other benefits	443	201
Accruals	297	254
holiday pay accrual	25	26
wages accrual	227	209
other	45	19
Non-financial liabilities	10 782	10 239
	29 196	31 036

Management considers that the carrying amount of trade and other liabilities and accruals approximate their fair value. Division of financial liabilities denominated in foreign currencies is presented in note 33.5.2. Division of liabilities from related parties is presented in note 36.

29. DEFERRED INCOME

SELECTED ACCOUNTING PRINCIPLES

Grants

Grants are recognized when there is reasonable assurance that the grant will be received and met all the conditions associated with it.

Grants related to property, plant and equipment are recognised as deferred income and is recognised in other operating income on a systematic basis over the useful life of the asset.

Grants related to costs are recognised as decrease of costs at the period they are incurred and the surplus amount of the received grant over the value of the given cost is recognised as other operating income.

	31/12/2024	31/12/2023
Non-current	482	407
Grants received	482	407
Current	99	903
Grants received	99	902
Other	-	1
	581	1 310

29.1. Government grants

	31/12/2024	31/12/2023
Grants for assets	579	1 300
Grants for cost covering	2	9
	581	1 309

The Group obtained in 2010 a support grant from the European Regional Development Fund (ERDF) and the Czech national budget for the new research and education centre UniCRE construction for CZK 584 million. The resources provided were used mainly for restoration of research laboratories, conference and education areas and the purchase of modern equipment and laboratory equipment. The carrying amount of the part of grant used for financing of fixed assets was CZK 139 million as at 31 December 2024 (as at 31 December 2023: CZK 162 million).

30. LIABILITIES FROM CONTRACTS WITH CUSTOMERS

	31/12/2024	31/12/2023
Prepayments for deliveries	515	474
	515	474
	31/12/2024	31/12/2023
At the beginning of the year	474	471
Revenues recognised in a given reporting period, included in the balance of liabilities from contracts with customers at the beginning of the year	(831)	(372)
Advances received, prepayments	872	374
Foreign exchange differences	-	1
	515	474

31. FINANCIAL DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	31/12/2024	31/12/2023
Financial derivatives		
Derivatives not designated as hedge accounting	235	45
currency forwards	3	24
commodity swaps	232	21
	235	45

Information about cash flow hedging instruments and derivatives not designed as hedge accounting is presented in note 33.4.

	31/12/2024	31/12/2023
Other financial liabilities		
Cash pool	305	326
Liabilities on settled cash flow hedging instruments	104	23
	409	349

32. LEASE

SELECTED ACCOUNTING PRINCIPLES

Lease

The Group as a lessee

Rights resulting from lease, rental, hire or other agreements which meet the definition of a lease as per IFRS 16 are recognised as right of use underlying assets within the framework of non-current assets with a corresponding lease liabilities.

Initial recognition and measurement

The Group recognises the right of use asset as well as the lease liability on the date of commencement of the lease.

On the date of commencement the Group measured the right of use asset at cost.

The cost of the right of use asset is inclusive of the following:

- the amount of the initial measurement of the lease liability,
- all lease payments made on or before the date of commencement, less any lease incentives received,
- all initial costs directly incurred by the lessee, and
- estimated costs to be incurred by the lessee in connection with the dismantling and removal of underlying assets, the refurbishment of premises within which they were located, or the refurbishment of underlying assets to the condition required by the terms and conditions of the lease, unless these costs are incurred with the aim of creating stocks.

Lease payments included in the evaluation of lease liability include:

- fixed lease payments;
- variable lease payments, which depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts that are expected to be paid by the lessee as part of the guaranteed residual value;
- the call exercise price, should it be assumed with reasonable certainty that the Group shall decide to exercise the call option;
- penalty payments for termination of a lease, unless it can be assumed with reasonable certainty that the Group shall not terminate the lease.

Other variable payments, which do not depend on an index or a rate and do not have a set minimal level, should not be taken into account when calculating lease liability. Such payments are recognized in the profit and loss account in the period of the occurrence which renders them payable. The lease liability on the commencement date shall be calculated on the basis of the current lease payments that are payable by that date and discounted by the incremental borrowing rates of the lessee.

The Group does not discount lease liabilities by the interest rate implicit in the lease as the calculation of such rates requires information known only to the lessor (the non-guaranteed final value of the leased asset as well as the direct costs incurred by the lessor).

Determining the lessee's incremental borrowing rate

Lessee's incremental borrowing rates were specified as the sum of:

- the risk free rate, based on the Interest Rate Swap (IRS) in accordance with the maturity of the discount rate, and the relevant basic rate for the given currency, as well as
- the ORLEN group's matrix set credit risk premium based on the credit margin calculated inclusive of the credit risk segmentation of all companies which have entered into lease agreements.

32. LEASE (CONTINUED)

Subsequent measurement

After the commencement date, the Group measures the right of use asset applying the cost model (cost pricing model).

In applying the cost model, the Group shall measure the cost of the right of use asset:

- less any accumulated depreciation and accumulated impairment losses; and
- adjusted in respect of any updates to the measurement of lease liability not resulting in the necessity for recognition of a separate asset.

After the date of commencement the Group measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- decreasing the carrying amount to reflect any lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to revise in-substance fixed lease payments.

The Group remeasures the lease liability in cases where there is a change in future lease payments as a result of a change in the index or rate used to determine lease payments (e.g. a change in payment associated with the right of perpetual use), in cases where there is a change in the amount expected by the Group to be payable under the residual amount guarantee, or if the Group reassesses the likelihood of the exercise of the call option, or the extension or termination of the lease.

Updating the lease liability also adjusts the value of the right of use asset. In a situation where the carrying amount of the right of use asset has been reduced to zero, further reductions in the measurement of the lease liability shall be recognised by the Group in the statement of profit or loss.

Depreciation

The right of use asset is depreciated linearly over the shorter of the following two periods: the period of lease or the useful life of the underlying asset. However in cases where the Group can be reasonably sure that it will regain ownership of the asset prior to the end of the lease term, right of use shall be depreciated from the day of commencement of the lease until the end of the useful life of the asset.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right of use asset reflects the fact that the Group will exercise the call option, the lessee shall depreciate the right of use asset from the date of commencement until the end of the useful life of the underlying assets. Otherwise the Group depreciates the right of use asset from the date of commencement of the lease until the end of the useful life of the asset or the lease term, whichever is sooner.

In determining the lease term, the Group considers all important facts and incidents behind the economic incentives to make use of the option to extend the lease or not to exercise the option of its termination.

The useful life of right of use asset is determined in the same manner as for property, plant and equipment.

The Group has leases agreements regarding mainly:

Land, including:

- perpetual usufruct of land for a fixed period of up to 99 years,
- land for petrol stations and motorway service areas concluded for a specified period up to 30 years and for an indefinite period.

Buildings and construction, including petrol stations, storage tank, office spaces for a fixed period up to 30 years.

Vehicles and other, including:

- railway tank concluded for a specified period of 3 to 10 years,
- cars for a fixed period up to 3 years,
- locomotives for a fixed period up to 3 years.

Impairment

The Group applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account appropriately for any impairment loss identified.

Exemptions, simplifications and practical solutions in the application of IFRS 16

Exemptions

Following agreements within the Group are not included within the scope of IFRS 16:

- lease for the exploration or use of natural resources,
- licences granted and recognised in accordance with IFRS 15 – “Revenue from Contracts with Customers”, and
- lease of intangible assets in accordance with IAS 38 - Intangible Assets.

The Group does not apply IFRS 16 to lease agreements or similar for intangible assets.

Simplifications and practical solutions

Short-term lease

The Group applies a practical solution for asset classes in relation to short-term lease contracts, which are characterised by a maximum possible contract term of up to 12 months, including any options to extend.

Simplifications regarding these contracts involve the settlement of lease payments as costs:

- on a straight-line basis, for the duration of the lease agreement, or
- another systematic method, if it better reflects the way of spreading the benefits gained by the user in time.

Leases of low-value assets

The Group does not apply the rules concerning recognition, measurement and presentation outlined in IFRS 16 to lease agreements of low-value assets.

As low-value assets are considered assets which, when are new, have the value up to CZK 100 thousand for each concluded lease agreement.

Simplifications in respect of such contracts are due to the settlement of costs on:

- a straight-line basis for the term of the lease contract; or
- another systematic method basis should it be more representative of the time pattern of the user's benefit.

An asset covered by a lease must not be counted as a low-value asset if the asset would typically not be of low value when new. As low-value items, the Group includes for example: gas cylinders, coffee machines, and small items of furniture.

The underlying asset may have a low-value only if:

- the Group lessee may benefit from use of the underlying asset itself or in conjunction with other resources which are readily available to him, and
- the underlying asset is not highly dependent on or related to other assets.

If the Group lessee transfers asset into subleasing or expects the asset to be transferred to subleasing, then the main lease does not qualify as lease of a low-value asset.

32. LEASE (CONTINUED)

Determining the lease term: indefinite contracts

When establishing the term for indefinite leases contracts, the Group determines the lease period, in which termination of the contract will not be justified by making makes a professional judgment and taking into account, among others:

- expenditure incurred in connection with the contract or
- potential costs connected with the termination of the lease contract, including the costs involved in obtaining a new lease contracts, such as negotiation costs; reallocation costs, costs of identifying other underlying asset suitable for the lessee's needs; costs of integrating a new asset into the Group's operations; or termination penalties and similar costs, including costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location or
- existing business plans and other existing contracts justifying the use of the leased item in the given period.

In cases where the costs connected with the termination of the lease contract are substantial, the lease term adopted is equal to that adopted for the depreciation period of a similar fixed asset with parameters similar to the subject of the lease.

In cases where expenditure incurred in connection with the contract is more than insignificant, the lease term adopted is equal to that of the expected period of economic benefits derived from the incurred expenses.

The value of the incurred expenses represents a separate asset to the right of use asset.

Separating non-lease components

From contracts, that include lease and non-lease components, the Group separates and recognises non-lease components separately for all asset classes e.g. service of assets constituting the subject of the contract and allocates consideration based on the terms of the contract, unless all non-lease items are considered immaterial in the context of the whole contract.

The Group as a Lessor

When the Group is the lessor, the lease is classified as finance or operating lease at the inception date of the lease.

In order to classify a lease as described above, the Group assesses whether all risks and rewards associated with ownership of the underlying assets are transferred substantially to the lessee. In case of the substantial transfer of all risks and rewards, the leasing is classified as a finance lease. If the substantial transfer of risks and rewards does not take place it is classified as an operations lease.

Determination of whether the risks and rewards are to be transferred is carried out based on an assessment of the content of the economic transaction.

When assessing the classification of leases the Group considers some situations, such as whether ownership of the asset is to be transferred to the lessee before the end of the lease term as well as the relationship between the lease terms and the useful life of the asset in questions, even in cases where the legal title of the asset is not to be transferred.

If a contract contains both lease and non-lease components, the Group allocates the consideration in the contract to each lease component in accordance with IFRS 15.

On the date of commencement of the lease the lessor recognizes any assets leased as part of a financial lease in its statement of financial position and includes them as receivables equal to the value of the net investment in the lease. Net investment in the lease is gross investment in the lease discounted at the interest rate implicit in the lease.

On the date of commencement of the lease, lease payments included in the measurement of the net investment in the lease comprise of the following payments for the right of use of the underlying assets, which have not yet been received on the date of commencement.

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments, that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- all guaranteed residual values awarded to the lessor by the lessee, an entity connected to the lessee or an independent third party;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

If the Group conveyed to another entity the right to use an asset under the finance lease, the present value of the minimum lease payments and unguaranteed residual value is recognised in the statement of financial position as receivables with the division into short and long-term part. The minimum lease payments and unguaranteed residual value are discounted using interest rate implicit in the lease, i.e. rate at which the sum present value of the minimum lease payments, unguaranteed residual value and initial direct costs of conclusion of a contract equal the fair value of the leased asset.

Lease payments and any unguaranteed residual value is equal to the sum of:

- i) the fair value of the leased asset and
- ii) any initial direct costs of the lessor.

Assets leased by the Group to other entities for use on the basis of an operational lease are accounted for as Group's assets. Lease payments from operations leases are recognised by the lessor linearly as revenue from the sale of products and services.

Subleases

In respect of subleases, the Group operates as both a lessee and lessor in relation to the same underlying assets. Such contracts are classified as operational or finance leases using the same criteria applied by the lessor, however they are considered in relation to right of use as part of the main lease rather than in relation to the underlying assets. If the main lease is a short-term lease, the Group classifies the sublease as an operational lease.

PROFESSIONAL JUDGEMENT

Determining the lease term

In determining the lease term, the Group considers all important facts and events resulting in existence of the economic incentives to make use of the option to extend the lease or not to exercise the option of its termination.

The Group also makes a professional judgment to determine the period of contract enforceability (lease term in which termination of the contract will not be justified) in the case of contracts concluded for an indefinite period.

An assessment of a lease term is carried out on the date of commencement of the lease. A reassessment is made upon the occurrence of either a significant event or a significant change in circumstances, that the lessee controls, that impact such an assessment.

ESTIMATES

The useful life of right of use asset

The estimated useful life of right of use asset is determined in the same manner as for property, plant and equipment, when the useful life of the right of use asset covers the irrevocable lease period and the useful life of the property, plant and equipment resulting from the highly probable use of an option his redemption.

Determining the lessee's incremental borrowing rate

Due to the fact that the Group does not have information regarding the interest rate for lease contracts, it uses the incremental borrowing rate to measure lease liabilities, that the Company would have to pay, to borrow, over a similar term and with a similar security, the funds in a given currency necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

32.1. The Group as a lessee

Changes in right of use assets

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Total
Net carrying amount at 01/01/2024					
Gross carrying amount	1 326	3 428	572	1 814	7 140
Accumulated depreciation and impairment allowances	(356)	(715)	(315)	(1 076)	(2 462)
	970	2 713	257	738	4 678
increase/(decrease), net					
New lease agreements	83	283	48	598	1 012
Increase in leasing remuneration	97	162	-	27	286
Depreciation	(102)	(216)	(72)	(472)	(862)
Net impairment allowances	(25)	(88)	(5)	(48)	(166)
Recognition	(31)	(150)	(5)	(49)	(235)
Reversal	6	62	-	1	69
Other	(11)	(12)	(7)	(24)	(54)
Foreign exchange differences	(5)	37	-	-	32
Net carrying amount at 31/12/2024	1 007	2 879	221	819	4 926
Gross carrying amount	1 473	3 901	608	2 349	8 331
Accumulated depreciation and impairment allowances	(466)	(1 022)	(387)	(1 530)	(3 405)
	1 007	2 879	221	819	4 926
Net carrying amount at 01/01/2023					
Gross carrying amount	1 126	3 265	553	1 648	6 592
Accumulated depreciation and impairment allowances	(264)	(567)	(251)	(765)	(1 847)
	862	2 698	302	883	4 745
increase/(decrease), net					
New lease agreements	49	78	11	354	492
Increase in leasing remuneration	149	175	9	25	358
Depreciation	(88)	(197)	(64)	(463)	(812)
Net impairment allowances	(6)	25	-	(8)	11
Recognition	(22)	(8)	-	(8)	(38)
Reversal	16	33	-	-	49
Change in Group structure	1	121	-	-	122
Other	(4)	(237)	(1)	(54)	(296)
Foreign exchange differences	7	50	-	1	58
Net carrying amount at 31/12/2023	970	2 713	257	738	4 678

The total value of cash outflows from lease agreements presented in financing and operating activities in the statement of cash flows in 2024 and 2023 amounted to CZK 1 066 million and CZK 928 million, respectively.

Lease liabilities

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Lease liabilities	4 380	3 948	716	683	5 096	4 631
Financial liabilities	4 380	3 948	716	683	5 096	4 631

Maturity analysis of lease liabilities

	2024	2023
up to 1 year	716	682
from 1 to 2 years	712	663
from 2 to 3 years	585	516
from 3 to 4 years	418	423
from 4 to 5 years	341	420
above 5 years	4 748	4 359
	7 520	7 063
Discount	(2 424)	(2 432)
	5 096	4 631

Amounts of lease contracts recognized in the statement of profit or loss and other comprehensive income

	2024	2023
Costs due to:	(482)	(418)
interest on lease	(231)	(200)
short-term lease	(230)	(213)
lease of low value assets that are not short-term lease	(21)	(5)

32.2. The Group as a lessor

Lease receivables

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Lease receivables	-	-	14	47	14	47
Financial assets	-	-	14	47	14	47

Operating leases relate to the investment property owned by the Group with lease terms for indefinite period usually. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

Rental income earned by the Group from its investment property and direct operating expenses arising on the investment property for the year are set out in note 15.

Maturity analysis for undiscounted lease payments

	2024	2023
up to 1 year	70	66
from 1 to 2 years	71	66
from 2 to 3 years	71	66
from 3 to 4 years	70	66
from 4 to 5 years	70	66
above 5 years	780	647
	1 132	977

EXPLANATORY NOTES TO FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

33. FINANCIAL INSTRUMENTS

SELECTED ACCOUNTING PRINCIPLES

Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual of the instrument.

The Group derecognises a financial asset in the statement of financial position when:

- the contractual rights to the cash flows from the financial asset expired; or
- the Group transferred the financial asset to another entity, and the transfer qualified for derecognition.

The Group removes a financial liability from its statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Measurement of financial assets and liabilities

At initial recognition, the Group measures financial assets and liabilities not qualified as at fair value through profit or loss (i.e. held for trading) at their fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The Group does not classify instruments as measured at fair value through profit or loss upon initial recognition, i.e. does not apply the fair value option.

At the end of the reporting period, the Group measures item of financial assets and liabilities at amortised cost using effective interest rate method, except for derivatives, which are measured at fair value.

With regard to equity instruments, in particular quoted/unquoted shares held for the purpose of obtaining contractual cash flows representing only principal and interest payments as well as in order to sell, the Group classifies the instruments as measured at fair value through other comprehensive income.

Derivative financial instruments not designated for hedge accounting

Derivatives for the purchase of non-financial assets that are entered into and held with the intention of selling those transaction by physical delivery of the assets for use in the Group's own operations are not valued at the balance sheet date.

Derivative financial instruments used to hedge the Group's risk which are not hedging instruments designated for hedge accounting and classified as financial assets/liabilities at fair value through profit or loss. Profits and losses due to changes in the fair value of derivatives that do not meet the hedge accounting principles are recognised in the profit or loss of the reporting period.

Such instruments are economic hedges. The Group also permits speculative transaction to be executed, but they are strictly controlled and limited by risk limits. Derivative instruments classified at fair value through profit or loss include also derivatives in relation to which hedging relationship has been cancelled.

Impairment of financial assets

The Group recognizes impairment allowances due to expected credit losses on financial assets measured at amortized cost or measured at fair value through other comprehensive income (with the exception of investments in equity instruments).

The Group uses the following models for determining impairment allowances:

- General model

The general model is applied by the Group for financial assets measured at amortized cost-other than trade receivables and for debt instruments measured at fair value through other comprehensive income.

In the general model, the Group monitors the changes in the level of credit risk associated with a given financial asset and classifies financial assets to one of the three stages of impairment allowances based on the observation of the change in the credit risk level in relation to the initial recognition of the instrument.

Depending on the classification to particular stages, the impairment allowance is estimated in the 12-month horizon (stage 1) or in the life horizon of the instrument (stage 2 and stage 3).

On each day ending the reporting period, the Group considers the indications resulting in the classification of financial assets to particular stages of determining impairment allowances.

For the purpose of estimating the expected credit loss, the Group applies default probability levels based on market credit quotes of derivatives for entities with a given rating and from a given sector.

- Simplified model

The simplified model is applied by the Group for trade receivables.

In the simplified model, the Group does not monitor changes in the credit risk level during the life and estimates the expected credit loss in the horizon up to maturity of the instrument.

Hedge accounting

In the field of hedge accounting, the Group applies the requirements of IFRS 9.

Derivatives designated as hedging instruments, whose fair value or cash flows are expected to offset changes in fair value or in the cash flows of a hedged item, are accounted for in accordance with fair value or cash flow hedge accounting.

The Group has two types of hedging relation: cash flow and fair value hedge.

The Group assesses effectiveness of cash flow hedge at the inception of the hedge and later, at minimum, at each reporting date. In case of cash flow hedge accounting, the Group recognizes in other comprehensive income part of profits and losses connected with the effective part of the hedge, whereas profits or losses connected with the ineffective part-under profit or loss.

In addition (in case of currency risk hedge-sport rate risk element), as part of equity in a separate item, the Group recognizes a change in the fair value due to the hedge costs.

To assess the effectiveness of hedge the Group uses statistical methods, including in particular the direct compensation method. The verification of fulfilment of conditions in the scope of binding effectiveness is made on a prospective basis, based on a qualitative analysis. If it is necessary, the Group uses quantitative analysis (linear regression method) to confirm the existence of an economic link between the hedging instrument and the hedged item.

In case of applying fair value hedge accounting, the Group recognizes profits or losses resulting from the revaluation of fair value of derivative financial instrument in financial result, and adjust carrying amount of hedged item by profit or loss related to the hedged item, resulting from the risk being hedged and recognizes it in the profit or loss (in the same item in which hedging derivatives are recognized). Cumulative adjustment of the measured hedged item due to the hedged risk is transferred to the profit or loss when the realization of the hedged item impacts the statement of profit or loss.

If a cash flow hedge is used the Group recognises a portion of the gain or loss on the hedging instrument that is determined to be an effective hedge due to the hedged risk in other comprehensive income. Additionally in case of currency risk hedging-a spot risk element, a change in the fair value due to the forward element (including the cross-currency margin) the Group recognise as part of equity as a separate item (hedging cost).

The ineffective portion of the gain or loss on the hedging instrument the Group recognise in profit or loss.

33. FINANCIAL INSTRUMENTS (CONTINUED)

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified to profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if the Group expects that all or a portion of a loss recognized in other comprehensive income will not be recovered in one or more future periods, it reclassifies the amount that is not expected to be recovered to profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment, the Group removes the associated gains and losses that were recognized in the other comprehensive income and includes them in the initial cost or other carrying amount of the asset or liability.

If a hedge of forecast transaction result in the recognition of revenue from sales of products, merchandise, materials or services, the Group removes the associated gains or losses that were recognised in the other comprehensive income and adjust above revenues.

In case of applying fair value hedge accounting, cumulated adjustment of hedged item valuation for hedged risk is transferred to the financial result at the movement when the realization of hedged item affects the result.

Derivatives are recognised as assets when their valuation is positive and as liabilities in case of negative valuation.

The Group ceases to classify an instrument as a hedge if the derivative expires or is sold, terminated or exercised, the hedge no longer meets the criteria of hedge accounting, or if the hedged transaction is no longer expected to be executed.

Fair value measurement

The Group maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs to estimate the fair value, i.e. the price at which an orderly transaction to transfer the liability or equity instrument would take place between market participants as at the measurement date under current market conditions.

The Group measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves for currencies and commodities quoted on active markets.

The fair value of derivative instruments is based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction. Forward exchange rate is not modelled as a separate risk factor, but is derived from the relevant spot rate and forward interest rate for foreign currencies in relation to CZK.

PROFESSIONAL JUDGEMENT

Financial instruments

The Management Board assesses the classification of financial instruments, nature and extent of risk related to financial instruments and application of hedge accounting. The Group classifies financial instruments into individual categories based on the assessment of the business model, taking into account the purpose of their purchase and the nature of the acquired assets as well as assessment of the profile of contractual cash flows.

33.1. Financial instruments by category and class

Financial assets

31/12/2024		Financial instruments by category					Total
Financial Instruments by class	Note	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Financial assets at fair value through other comprehensive income	Hedging financial instruments	Receivables excluded from the scope of IFRS 9	
Unquoted shares		-	-	1	-	-	1
Trade receivables	21.	-	12 051	-	-	-	12 051
Receivables subject to factoring	21.	-	3 157	-	-	-	3 157
Cash pool	22.	-	68	-	-	-	68
Financial derivatives	18., 22.	49	-	-	2 369	-	2 418
Cash and cash equivalents	23.	-	10 732	-	-	-	10 732
Receivables on settled cash flow hedging instruments	22.	-	39	-	-	-	39
Restricted funds	22.	-	2 342	-	-	-	2 342
Lease receivables	32.	-	-	-	-	14	14
Other	18., 21.	-	119	-	-	-	119
		49	28 508	1	2 369	14	30 941

31/12/2023		Financial instruments by category					Total
Financial Instruments by class	Note	Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Financial assets at fair value through other comprehensive income	Hedging financial instruments	Receivables excluded from the scope of IFRS 9	
Unquoted shares		-	-	1	-	-	1
Trade receivables	21.	-	12 601	-	-	-	12 601
Receivables subject to factoring	21.	-	2 823	-	-	-	2 823
Cash pool	22.	-	8 674	-	-	-	8 674
Financial derivatives	18., 22.	175	-	-	3 070	-	3 245
Cash and cash equivalents	23.	-	14 984	-	-	-	14 984
Receivables on settled cash flow hedging instruments	22.	-	316	-	-	-	316
Restricted funds	22.	-	1 345	-	-	-	1 345
Lease receivables	32.	-	-	-	-	47	47
Other	18., 21.	-	103	-	-	-	103
		175	40 846	1	3 070	47	44 139

33.1. Financial instruments by category and class (continued)

Financial liabilities

31/12/2024		Financial instruments by category				Total
Financial Instruments by class	Note	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost	Hedging financial instruments	Liabilities excluded from the scope of IFRS 9	
Borrowings	25.	-	1 512	-	-	1 512
Loans	25.	-	3 685	-	-	3 685
Trade liabilities	28.	-	15 843	-	-	15 843
Investment liabilities	28.	-	1 860	-	-	1 860
Cash pool	31.	-	305	-	-	305
Financial derivatives	27., 31.	254	-	7	-	261
Liabilities on settled cash flow hedging instruments	31.	-	104	-	-	104
Lease liabilities	32.	-	-	-	5 096	5 096
Other	27., 28.	-	956	-	-	956
		254	24 265	7	5 096	29 622

31/12/2023		Financial instruments by category				Total
Financial Instruments by class	Note	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortized cost	Hedging financial instruments	Liabilities excluded from the scope of IFRS 9	
Borrowings	25.	-	1 485	-	-	1 485
Loans	25.	-	2 414	-	-	2 414
Trade liabilities	28.	-	17 641	-	-	17 641
Investment liabilities	28.	-	2 430	-	-	2 430
Cash pool	31.	-	326	-	-	326
Financial derivatives	27., 31.	62	-	12	-	74
Liabilities on settled cash flow hedging instruments	31.	-	23	-	-	23
Lease liabilities	32.	-	-	-	4 631	4 631
Other	27., 28.	-	976	-	-	976
		62	25 295	12	4 631	30 000

33.2. Income, costs, gain and loss in the consolidated statement of profit or loss and other comprehensive income

2024		Financial instruments by category				Total
		Financial assets and liabilities at fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Liabilities excluded from the scope of IFRS 9	
Interest income		-	821	-	-	821
Interest costs		-	-	(165)	(231)	(396)
Foreign exchange gain/(loss)		-	142	(758)	(3)	(619)
Settlement and valuation of financial instruments		544	-	-	-	544
Impairment loss on receivables		-	(116)	-	-	(116)
Other		-	-	(16)	-	(16)
		544	847	(939)	(234)	218

other, excluded from the scope of IFRS 7

Provisions discounting						17
						17

2023		Financial instruments by category				Total
		Financial assets and liabilities at fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Liabilities excluded from the scope of IFRS 9	
Interest income		-	1 615	-	-	1 615
Interest costs		-	-	(125)	(200)	(325)
Foreign exchange gain/(loss)		-	193	(82)	1	112
Settlement and valuation of financial instruments		(117)	-	-	-	(117)
Impairment loss on receivables		-	(59)	-	-	(59)
Other		-	2	(6)	-	(4)
		(117)	1 751	(213)	(199)	1 222

other, excluded from the scope of IFRS 7

Provisions discounting						(24)
						(24)

33.3. Fair value measurement

31/12/2024				Fair value hierarchy	
	Note	Carrying amount	Fair value	Level 1	Level 2
Financial assets					
Financial derivatives	18., 22.	2 418	2 418	-	2 418
		2 418	2 418	-	2 418
Financial liabilities					
Borrowings	25.	1 512	1 515		1 515
Loans	25.	3 685	3 673	-	3 673
Financial derivatives	27., 31.	261	261		261
		5 458	5 449	-	5 449
31/12/2023				Fair value hierarchy	
	Note	Carrying amount	Fair value	Level 1	Level 2
Financial assets					
Financial derivatives	18., 22.	3 245	3 245	-	3 245
		3 245	3 245	-	3 245
Financial liabilities					
Borrowings	25.	1 485	1 488	-	1 488
Loans	25.	2 414	4 389	-	4 389
Financial derivatives	27., 31.	74	74	-	74
		3 973	5 951	-	5 951

Financial liabilities due to loans and borrowings are measured at fair value using discounted cash flows method. Discount rates are calculated based on fixed interest rate.

For other classes of financial assets and liabilities presented in note 28.1. fair value approximates their carrying amount.

33.3.1. Methods applied in determining fair value of financial instruments (fair value hierarchy)

Fair value of shares quoted on active markets is determined based on market quotations (Level 1). In other cases, fair value is determined based on other input data, apart from market quotations, which are directly or indirectly possible to observe (Level 2) and data to valuation, which are not based on observable market data (Level 3).

The Group measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves for currencies and commodities quoted on active markets. As compared to the previous reporting period the Group has not changed valuation methods concerning derivative instruments.

The fair value of derivative instruments is based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction. Forward exchange rate is not modelled as a separate risk factor, but is derived from the relevant spot rate and forward interest rate for foreign currencies in relation to CZK.

Derivative instruments are presented as assets, when their valuation is positive and as liabilities, when their valuation is negative. Gains and losses resulting from changes in the fair value of derivative instruments, for which hedge accounting is not applicable, are recognized in the current year statement of profit or loss. In the year ended 31 December 2024 and the comparative period there were no transfers between Levels 1, 2 and 3 in the Group.

33.4. Hedge accounting

In the field of hedge accounting, the Group applies the requirements of IFRS 9. Derivatives designated as hedging instruments whose fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item are accounted for in accordance with the principles of fair value or cash hedge accounting flows.

The Group hedges its cash flows resulting from the future transactions from sale of petrochemical and refinery products as well as operating expenses due to purchases of crude oil against changes in exchange rates (EUR/CZK for sale and USD/CZK for purchases and sale) and commodity prices risks. Foreign exchange forwards are used as hedging instruments.

The Group has derivative financial instruments, which serve as a hedging instrument pursuant to the Group's risk management strategy. Changes in the fair value of derivatives that do not meet the hedge accounting criteria are included in derivatives held for trading and their fair value changes are reported in profit or loss.

The fair value of derivative instruments are designated as hedging instruments according to the hedging cash flow planned realization date and the planned date of the influence on the result of the hedged cash flow as well as the net fair value which will be recognized in the profit or loss at the realization date:

Cash flows hedging Instruments	31/12/2024	31/12/2023	Hedging strategies
currency forwards	2 362	3 058	operating and investing activity; sales of products and purchase of crude oil operational inventories; refining margin, time mismatch occurring on purchases of crude oil by sea, risk of crude oil prices on arbitrage transactions cash & carry, offering customers the goods for which price formulas are based on fixed price
commodity swaps	-	-	
	2 362	3 058	

33.4. Hedge accounting (continued)

Planned period of the influence on the result of the hedged cash flow:

Planned realization date of hedged cash flows	31/12/2024	31/12/2023
Currency operating exposure		
2024	-	1 029
2025	1 151	1 086
2026	1 030	955
2027	-	(12)
2028	181	-
Commodity risk exposure		
2024	-	-
	2 362	3 058

Maturity structure 31/12/2024

Risk type/type of Instrument	Unit of measure	Up to 1 year	From 1 to 3 years	From 3 to 5 years
Cash flow hedge				
Foreign exchange risk				
Currency forwards - short position hedge (sell)				
Nominal value		460 000 000	449 000 000	222 000 000
Average exchange rate EUR/CZK	EUR	27.76	27.64	26.22

31/12/2023

Risk type/type of Instrument	Unit of measure	Up to 1 year	From 1 to 3 years	From 3 to 5 years
Cash flow hedge				
Foreign exchange risk				
Currency forwards -short position hedge (sell)				
Nominal value		456 000 000	879 000 000	30 000 000
Average exchange rate EUR/CZK	EUR	27.33	27.79	25.00

Hedge accounting effects on financial situation and results

31/12/2024

Risk type/type of Instrument	Buy (B)/ Sell (S)	Hedging strategies within the cash flow hedge	Unit of measure	Nominal value/volume 31/12/2024	Assets 31/12/2024	Liabilities 31/12/2024	Changes in fair value (as basis for determining an ineffective part in a given period)
Cash flow hedge							
Foreign exchange risk							
FX_EUR.CZK	S	sales of goods denominated in foreign currencies/indexed to foreign currencies	EUR	1 131 000 000	2 369	7	(696)
					2 369	7	(696)
					2 369	7	(696)

31/12/2023

Risk type/type of Instrument	Buy (B)/ Sell (S)	Hedging strategies within the cash flow hedge	Unit of measure	Nominal value/volume 31/12/2023	Assets 31/12/2023	Liabilities 31/12/2023	Changes in fair value (as basis for determining an ineffective part in a given period)
Cash flow hedge							
Foreign exchange risk							
FX_EUR.CZK	S	sales of goods denominated in foreign currencies/indexed to foreign currencies	EUR	1 365 000 000	3 070	12	(796)
FX_USD.CZK	B	deliveries for purchases denominated in foreign currency/indexed to exchange rate of foreign currency	USD	-	-	-	1
					3 070	12	(795)
Fair value hedge							
Commodity risk							
Crude Oil	B	bitumen sale at fixed price	BBL	-	-	-	(3)
					-	-	(3)
					3 070	12	(798)

Cash flow hedge

31/12/2024

Risk type/type of Instrument	Changes in fair value of the hedged item (as basis for determining an ineffective part in a given period)	Hedging reserve (gross value) for relationships remains in hedge accounting
Cash flow hedge		
Foreign exchange risk (EUR)		
Future sales revenues	1 127	1 287

33.4. Hedge accounting (continued)

31/12/2023

Risk type/type of instrument	Changes in fair value of the hedged item (as basis for determining an ineffective part in a given period)	Hedging reserve (gross value) for relationships remains in hedge accounting
Cash flow hedge		
Foreign exchange risk (EUR)		
Future sales revenues	1 404	3 862
Foreign exchange risk (USD)		
Future manufacturing costs	(1)	-

Fair value hedge

31/12/2024

Risk type/type of instrument	Accumulated balance sheet adjustment due to fair value	Item in statement of financial position in which carrying amount was recognised	Change in value of hedged item adjustment in a given period	Changes in fair value (as basis for determining an ineffective part in a given period)	Difference between profit or loss due to hedge on hedging instrument and hedged item
	Assets	Liabilities			
Commodity risk					
Future sales revenues	-	-	Financial derivatives	-	-

31/12/2023

Risk type/type of instrument	Accumulated balance sheet adjustment due to fair value	Item in statement of financial position in which carrying amount was recognised	Change in value of hedged item adjustment in a given period	Changes in fair value (as basis for determining an ineffective part in a given period)	Difference between profit or loss due to hedge on hedging instrument and hedged item
	Assets	Liabilities			
Commodity risk					
Future sales revenues	-	-	Financial derivatives	3	(3)

Impact of cash flow hedge accounting on the statement of profit or loss and other comprehensive income

31/12/2024

Risk type/ type of instrument	Profits of losses from hedge for the reporting period recognised in other comprehensive income	Ineffectiveness of hedge recognized in profit or loss in the period	Item in the statement, where ineffectiveness of hedge was recognised	Amount reclassified from other comprehensive income to profit or loss as adjustment due to reclassification, because:	Item in profit or loss, that includes reclassification adjustment
				Implementation of hedged item in the period (continued relationship)	
Foreign exchange risk					
EUR/CZK					
currency forwards	(2 576)	-		3 018	Sales revenues
currency forwards	-	-		9	Manufacturing costs (operations)
currency forwards	1 882	(1)	Other operating income and costs	(2 003)	Other operating income/expenses
USD/CZK					
currency forwards	1	-		-	
	(694)	(1)		1 024	
Commodity risk					
commodity swaps	-	-		(76)	Inventories
commodity swaps	-	-		128	Sales revenues
	-	-		52	
	(694)	(1)		1 076	

31/12/2023

Risk type/ type of instrument	Profits of losses from hedge for the reporting period recognised in other comprehensive income	Ineffectiveness of hedge recognized in profit or loss in the period	Item in the statement, where ineffectiveness of hedge was recognised	Amount reclassified from other comprehensive income to profit or loss as adjustment due to reclassification, because:	Item in profit or loss, that includes reclassification adjustment
				Implementation of hedged item in the period (continued relationship)	
Foreign exchange risk					
EUR/CZK					
currency forwards	(4)	-		1 956	Sales revenues
currency forwards	-	-		(36)	Manufacturing costs (operations)
currency forwards	(791)	(1)	Other operating income and costs	(324)	Other operating income/expenses
USD/CZK					
currency forwards	1	-		-	
	(794)	(1)		1 596	
Commodity risk					
commodity swaps	-	-		97	Inventories
commodity swaps	-	-		(59)	Sales revenues
	-	-		38	
	(794)	(1)		1 634	

33.4. Hedge accounting (continued)

Reconciliation of equity from hedge accounting

	Hedging reserve by			Total
	Effective part of change in fair value	Effective part due to settlement of instruments	Cost of hedging related to occurrence of transaction	
Foreign exchange risk				
01/01/2024	3 863	64	(782)	3 145
Cash flow hedge				
Impact of valuation of hedging transactions (effective part)	387	-	(146)	241
Reclassification to profit or loss in connection with realization of hedged item, incl.: reclassification of instruments from the previous year – no hedged item	(2 962)	(65)	2 003	(1 024)
Instruments for settlement	-	(65)	(25)	(90)
Settlement of ineffective part	-	137	(64)	73
	(1)	-	-	(1)
31/12/2024	1 287	136	1 011	2 434
Commodity risk				
01/01/2024				
Cash flow hedge				
Impact of valuation of hedging transactions (effective part)	62	-	-	62
Reclassification to profit or loss in connection with realization of hedged item	(52)	-	-	(52)
Settlement of ineffective part	(10)	-	-	(10)
31/12/2024	-	-	-	-
Hedging reserve, gross 01/01/2024	3 863	64	(782)	3 145
Deferred tax from hedging instruments settlement and valuation	(813)	(12)	165	(660)
Hedging reserve, net 01/01/2024	3 050	52	(617)	2 485
Hedging reserve, gross 31/12/2024	1 287	136	1 011	2 434
Deferred tax from hedging instruments settlement and valuation	(273)	(26)	(212)	(511)
Hedging reserve, net 31/12/2024	1 014	110	799	1 923

	Hedging reserve by			Total
	Effective part of change in fair value	Effective part due to settlement of instruments	Cost of hedging related to occurrence of transaction	
Foreign exchange risk				
01/01/2023	3 866	112	23	4 001
Cash flow hedge				
Impact of valuation of hedging transactions (effective part)	1 807	-	(1 154)	653
Reclassification to profit or loss in connection with realization of hedged item, incl.: reclassification of instruments from the previous year - no hedged item	(1 808)	(112)	324	(1 596)
Instruments for settlement	-	(112)	(39)	(151)
Settlement of ineffective part	-	64	25	89
	(2)	-	-	(2)
31/12/2023	3 863	64	(782)	3 145
Commodity risk				
01/01/2023				
Cash flow hedge				
Impact of valuation of hedging transactions (effective part)	42	-	-	42
Reclassification to profit or loss in connection with realization of hedged item	(38)	-	-	(38)
Settlement of ineffective part	(4)	-	-	(4)
31/12/2023	-	-	-	-
Hedging reserve, gross 01/01/2023	3 866	112	23	4 001
Deferred tax from hedging instruments settlement and valuation	(1 104)	(21)	(4)	(1 129)
Hedging reserve, net 01/01/2023	2 762	91	19	2 872
Hedging reserve, gross 31/12/2023	3 863	64	(782)	3 145
Deferred tax from hedging instruments settlement and valuation	(813)	(12)	165	(660)
Hedging reserve, net 31/12/2023	3 050	52	(617)	2 485

33.5. Financial risks management

The Group's activities are exposed to many different types of risk. Risk management is mainly focused on the unpredictability of financial markets and aims to minimize any potential negative impacts on the Group's financial results. The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the risks outlined below relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including commodity risk, foreign currency risk, interest rate risk and other market price risk), credit risk and liquidity risk. The Group seeks to minimize the effects of these risks by using natural hedging and derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess funds. Compliance with policies and exposure limits is reviewed by the internal auditors on a regular basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

33.5.1. Commodity risks

As part of its operating activity the Group is exposed mainly to the following commodity risks:

- risk of changes in refining and petrochemical margins on the sale of products – hedges on an irregular basis as a part of hedging strategies;
- risk of changes in crude oil and products prices related to the time mismatch between the date of the crude oil and/or products, as well as future sales transactions – identified and hedged in a systematic and regular manner;
- risk of changes in CO₂ emission allowances prices – hedged on regular basis through periodic verification of numbers of owned and required rights to CO₂ emission with determining the method of balancing of the future shortages or surpluses. In 2024 and in 2023, the Group concluded forward and spot transactions for purchase of rights which in the future will be amortized as a settlement of CO₂ emissions. Valuations of these transactions are no subject to recognition in the financial statements, as purchased emission rights will be used for own purposes.

Sensitivity analysis for commodity risk

Analysis of the influence of potential changes in the book values of financial instruments on the hedging reserve in relation to a hypothetical change in prices of crude oil:

31/12/2024

Influence on profit before tax				
	Increase of price by	Total influence, USD	Decrease of price by	Total influence, USD
Crude oil USD/bbl	28%	(69 133 572)	(28%)	69 133 572
		(69 133 572)		69 133 572

31/12/2023

Influence on profit before tax				
	Increase of price by	Total influence, USD	Decrease of price by	Total influence, USD
Crude oil USD/bbl	32%	(62 241 738)	(32%)	62 241 738
		(62 241 738)		62 241 738

33.5.2. The risk of exchange rates changes

A currency risk arises most significantly from the exposure of trade receivables and liabilities denominated in foreign currencies, and the foreign currency denominated loans and borrowings. Foreign exchange risk regarding trade receivables and receivables is mostly covered by natural hedging of trade and receivables and liabilities denominated in the same currencies. Hedging instruments (forwards, currency swaps) also could be used, to cover significant foreign exchange risk exposure of trade receivables and liabilities not covered by natural hedging.

Currency structure of financial instruments denominated in main foreign currencies as at 31 December 2024

Financial instruments by class	EUR	USD	Total after translation to CZK
Financial assets			
Trade receivables	178	50	5 688
Cash pool	2	-	52
Financial derivatives	94	2	2 418
Receivables on settled cash flow hedging instruments	-	2	39
Cash and cash equivalents	16	4	502
Other	2	-	60
	292	58	8 759
Financial liabilities			
Loans	146	-	3 684
Borrowings	60	-	1 512
Lease liabilities	87	-	2 205
Trade liabilities	115	300	10 159
Investment liabilities	2	4	155
Financial derivatives	1	10	258
Liabilities on settled cash flow hedging instruments	-	4	104
Other	1	-	24
	412	318	18 101

33.5.2. The risk of exchange rates changes (continued)

Currency structure of financial instruments denominated in main foreign currencies as at 31 December 2023

Financial instruments by class	EUR	USD	Total after translation to CZK
Financial assets			
Trade receivables	216	48	6 429
Cash pool	245	117	8 674
Financial derivatives	125	7	3 238
Receivables on settled cash flow hedging instruments	-	14	316
Cash and cash equivalents	100	3	2 528
Other	1	-	24
	687	189	21 209
Financial liabilities			
Loans	97	-	2 408
Borrowings	60	-	1 485
Lease liabilities	78	-	1 935
Trade liabilities	108	351	10 516
Investment liabilities	12	4	384
Financial derivatives	2	1	71
Liabilities on settled cash flow hedging instruments	-	1	23
Other	1	-	28
	358	357	16 850

Sensitivity analysis for exchange rate changes risk

The influence of potential changes in carrying amounts of financial instruments as at 31 December 2024 and as at 31 December 2023 arising from hypothetical changes in exchange rates of relevant currencies in relation to functional currency on profit before tax and hedging reserve:

	EUR/CZK		USD/CZK		Total	
	2024	2023	2024	2023	2024	2023
	variation of exchange rates +15%					
Influence on profit before tax	(4 750)	(3 972)	(945)	(562)	(5 695)	(4 534)
Influence on hedging reserve	4 294	5 188	-	-	4 294	5 188
Total influence	(456)	1 216	(945)	(562)	(1 401)	654

In case of decrease of currency rates by 15%, sensitivity analysis assumes the same value as in the table above only with the opposite sign.

Variations of currency rates described above were calculated based on the historical volatility of particular currency rates and analysts' forecasts.

Sensitivity of financial instruments for currency risk was calculated as the difference between the initial carrying amount of financial instruments (excluding derivative instruments) and their potential carrying amount calculated using assumed increases/(decreases) in currency rates. In the case of derivative instruments, the influence of currency rate variations on fair value was examined at a constant level of interest rates. The fair value of foreign currency forward contracts is determined based on the discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction price.

33.5.3. The risk of interest rates changes

The Group is exposed to the risk of volatility of cash flows arising from interest rate loans, bank loans and cash pool based on floating interest rates.

Interest rate structure of financial instruments:

Financial Instruments by class	PRIBOR		EURIBOR		OTHER		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial assets								
Cash pool	16	-	52	6 065	-	2 609	68	8 674
	16	-	52	6 065	-	2 609	68	8 674
Financial liabilities								
Loans	1	1	3 684	2 408	-	-	3 685	2 409
Borrowings	-	-	1 512	1 485	-	-	1 512	1 485
Cash pool	305	326	-	-	-	-	305	326
	306	327	5 196	3 893	-	-	5 502	4 220

33.5.3. The risk of interest rates changes (continued)

Sensitivity analysis for interest rate risk

The influence of financial instruments on profit before tax due to changes in significant interest rates:

Interest rate	Assumed variation		Influence on profit before tax	
	31/12/2024	31/12/2023	2024	2023
PRIBOR	+0.5pp	+0.5pp	(1)	(2)
EURIBOR	+0.5pp	+0.5pp	(26)	11
OTHER	+0.5pp	+0.5pp	-	13
			(27)	22
PRIBOR	-0.5pp	-0.5pp	1	2
EURIBOR	-0.5pp	-0.5pp	26	(11)
OTHER	-0.5pp	-0.5pp	-	(13)
			27	(22)

The above interest rate variations were calculated based on observations of interest rate fluctuations in the current and prior year as well as on the basis of available forecasts.

The sensitivity analysis was performed on the basis of instruments held as at 31 December 2024 and as at 31 December 2023. The influence of interest rate changes was presented on annual basis.

33.5.4. Liquidity and credit risk

Liquidity risk

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Maturity analysis of financial liabilities

	Note	Up to 1 year	From 1 to 3 years	31/12/2024		Above 5 years	Total	Carrying amount
				From 3 to 5 years				
Borrowings	25.	62	1 642	-	-	-	1 704	1 512
Loans	25.	139	279	3 251	697	-	4 366	3 685
Cash pool	31.	305	-	-	-	-	305	305
Trade liabilities	28.	15 843	-	-	-	-	15 843	15 843
Investment liabilities	28.	1 860	-	-	-	-	1 860	1 860
Financial derivatives	27., 31.	235	7	-	19	-	261	261
Liabilities on settled cash flow hedging instruments	31.	104	-	-	-	-	104	104
Lease liabilities	32.	716	1 297	759	4 748	-	7 520	5 096
Other	27., 28.	712	-	-	244	-	956	956
		19 976	3 225	4 010	5 708	-	32 919	29 622

	Note	Up to 1 year	From 1 to 3 years	31/12/2023		Above 5 years	Total	Carrying amount
				From 3 to 5 years				
Borrowings	25.	1	1 752	-	-	-	1 753	1 485
Loans	25.	1 992	439	-	-	-	2 431	2 414
Cash pool	31.	326	-	-	-	-	326	326
Trade liabilities	28.	17 641	-	-	-	-	17 641	17 641
Investment liabilities	28.	2 430	-	-	-	-	2 430	2 430
Financial derivatives	27., 31.	45	-	12	17	-	74	74
Liabilities on settled cash flow hedging instruments	31.	23	-	-	-	-	23	23
Lease liabilities	32.	683	1 179	842	4 359	-	7 063	4 631
Other	27., 28.	726	-	-	250	-	976	976
		23 867	3 370	854	4 626	-	32 718	30 000

A financial liquidity risk is the loss of ability to settle current liabilities on time. The Group is exposed to liquidity risk resulting from the relation between current assets and current liabilities. As 31 December 2024 and 31 December 2023, the current liquidity indicator amounted to 1.41 and 1.56 respectively.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate liquid funds, borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group concluded agreements with banks, based on which may draw loans. As at 31 December 2024 and as at 31 December 2023 the maximum available credit facilities amounted to CZK 15 925 million and CZK 14 869 million respectively. Unused part of the credit facilities for bank loans amounted to CZK 10 285 million as at 31 December 2024 and CZK 10 379 million as at 31 December 2023 respectively, the drawn is also affected by granted guarantees. The description of the loans and guarantees drawn from credit facilities is presented in notes 24 and 34.

33.5.4. Liquidity and credit risk (continued)

Credit risk

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of impairment losses, estimated by the Group's management based on prior experience and their assessment of the credit status of its customers.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management. Before accepting any new customer, the Group uses its own or an external credit scoring system to assess a potential customer's credit quality and defines credit limits by customer. As at 31 December 2024, the Group had no customer with balance of the trade receivables that represented more than 19% of the total balance of the consolidated trade receivables.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of debtors and, where appropriate, credit guarantee insurance cover is purchased or sufficient collateral on debtor's assets obtained. The Group uses non-recourse factoring. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Changes in expected credit loss of trade and other receivables

	31/12/2024	31/12/2023
At the beginning of the year	385	444
Recognition	364	67
Reversal	(3)	(8)
Usage	(53)	(119)
Foreign exchange differences	3	1
	696	385

Ageing analysis of trade and other receivables, expected credit loss as at 31 December 2024

	Receivables, gross value	Expected credit loss (in horizon of whole life)	Weighted average rate of expected credit loss	Receivables, net value
current	11 084	105	0.0095	10 979
from 1 to 30 days	983	-	0.0002	983
from 31 to 60 days	22	1	0.0310	21
from 61 to 90 days	15	1	0.0756	14
more than 90 days past due	643	589	0.9162	54
	12 747	696		12 051

Ageing analysis of trade and other receivables, expected credit loss as at 31 December 2023

	Receivables, gross value	Expected credit loss (in horizon of whole life)	Weighted average rate of expected credit loss	Receivables, net value
current	11 759	3	0.0002	11 756
from 1 to 30 days	805	-	0.0003	805
from 31 to 60 days	6	-	0.0495	6
from 61 to 90 days	7	-	0.0310	7
more than 90 days past due	409	382	0.9325	27
	12 986	385		12 601

Group management believes that the risk of impaired financial assets is reflected by recognition of an impairment. Information about impairment allowances of particular classes of assets is disclosed in note 10.

The Group sets impairment charges based on analysis of customers' creditworthiness and ageing of receivables. In determining the recoverability of trade receivable, the Group considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management considers that there is no further credit risk allowance required in excess of the allowance for impairment charges.

Increases and reversals of impairment allowances in respect of the principal amount of trade and other receivables are included in other operating expense or income and in respect of interest for delayed payments in finance costs or income.

33.5.5. Emission allowances risk

The Group monitors the emission allowances granted to the Group under the National Allocation Plan and CO₂ emissions planned. The Group might enter into transactions on the emission allowances market in order to cover shortages or utilize any excess of emission allowances over the required amount.

OTHER EXPLANATORY NOTES

34. INVESTMENT EXPENDITURES INCURRED AND FUTURE COMMITMENTS RESULTING FROM SIGNED INVESTMENT CONTRACTS

The total value of investment expenditures including borrowing costs amounted to CZK 13 811 million as at 31 December 2024 and CZK 12 789 million as at 31 December 2023, including environmental expenditures in the amount of CZK 8 million and CZK 71 million, respectively and additions to right of use assets CZK 1 298 million (31 December 2023: CZK 850 million).

As at 31 December 2024 the value of future commitments resulting from contracts signed to this date amounted to CZK 4 469 million (31 December 2023: CZK 9 354 million). As at 31 December 2024 the major items related to reconstruction of the road distribution station terminal in Litvínov in the amount of CZK 679 million and cold bitumens project in the amount of CZK 651 million (31 December 2023: cold bitumens in the amount of CZK 1 248 million).

35. GUARANTEES AND SECURITIES

Guarantees

Based on the Group's request the bank guarantees relating to the security of customs debt, excise tax at customs offices and other purposes were issued. The total balance of guarantees related to excise tax amounted to CZK 1 803 million as at 31 December 2024 (31 December 2023: CZK 1 795 million) and to other purposes amounted to CZK 145 million (31 December 2023: CZK 127 million).

The Group is the beneficiary of guarantees in the amount of CZK 95 million as at 31 December 2024 (31 December 2023: CZK 93 million).

Past environmental liabilities

The Group is the recipient of funds provided by the National Property Fund of the Czech Republic for settling environmental liabilities relating to historic environmental damage. Funds up to CZK 22 886 million are provided to cover cost actually incurred in relation to settlement of historic environmental damage.

An overview of funds provided by the National Property Fund (currently administered by the Ministry of Finance) for the environmental contracts is provided below:

2024	Total amount of funds to be provided	Used funds as at 31/12/2024	Unused funds as at 31/12/2024
ORLEN Unipetrol a.s. / premises in Litvínov	6 012	4 489	1 523
ORLEN Unipetrol a.s. / premises in Kralupy nad Vltavou	4 244	65	4 179
ORLEN Unipetrol RPA s.r.o. - BENZINA odštěpný závod	1 323	903*	420
PARAMO, a.s. / premises in Pardubice	1 241	1 238	3
ORLEN Unipetrol RPA s.r.o. / premises in Kolín	1 907	1 905	2
SPOLANA s.r.o.	8 159	5 671	2 488
	22 886	14 271	8 615

2023	Total amount of funds to be provided	Used funds as at 31/12/2023	Unused funds as at 31/12/2023
ORLEN Unipetrol a.s. / premises in Litvínov	6 012	4 482	1 530
ORLEN Unipetrol a.s. / premises in Kralupy nad Vltavou	4 244	64	4 180
ORLEN Unipetrol RPA s.r.o. - BENZINA odštěpný závod	1 323	871*	452
PARAMO, a.s. / premises in Pardubice	1 241	1 202	39
PARAMO, a.s. / premises in Kolín	1 907	1 904	3
SPOLANA s.r.o.	8 159	5 670	2 489
	22 886	14 193	8 693

* Without the costs of the already completed rehabilitation of the petrol stations network of the former K-Petrol 1995-1999 of CZK 40 million and clean-up costs spent before 1997 in the amount of approximately of CZK 500 million.

36. RELATED PARTY TRANSACTIONS

36.1. Material transactions concluded by the Group companies with related parties

In 2024 and in 2023 there were no transactions concluded by the Group with related parties on other than arm's length terms.

36.2. Transactions with key management personnel

In 2024 and in 2023 the Group companies did not grant to key management personnel and their relatives any advances, borrowings, loans, guarantees and commitments or other agreements obliging them to render services to Group companies and related parties. As at 31 December 2024 and as at 31 December 2023 there were no significant transactions concluded with members of the Board of Directors, the Supervisory Board, their spouses, siblings, descendants, ascendants or their other relatives.

36.3. Transactions with related parties concluded by key management personnel of the Group companies

As at 31 December 2024 and as at 31 December 2023 members of the key management personnel of the parent company and the Group companies submitted statements that they have not concluded any transaction with related parties.

36.4. Transactions and balances of settlements of the Group companies with related parties

Parent and ultimate controlling party

As at 31 December 2024 100% (2023: 100%) of the Company's shares were in possession of ORLEN S.A.

2024	ORLEN S.A.	Joint operations*	Entities under control or significant influence of ORLEN S.A.
Sales	6 528	1 027	10 987
Purchases	102 302	649	7 302
Finance income	833	18	-
Finance costs	349	-	16
Other operating income	1 917	-	-
Other operating costs	4 408	-	-

31/12/2024	ORLEN S.A.	Joint operations*	Entities under control or significant influence of ORLEN S.A.
Intangible assets	2 686	-	-
Long term receivables	1 218	-	23
Other financial assets	1 291	-	-
Trade and other receivables	835	137	961
Trade and other liabilities	8 077	84	1 330
Other financial liabilities	335	-	305

2023	ORLEN S.A.	Joint operations*	Entities under control or significant influence of ORLEN S.A.
Sales	11 746	961	13 976
Purchases	123 877	626	4 202
Finance income	534	34	-
Finance costs	558	-	32
Other operating income	3 039	-	8
Other operating costs	2 480	-	-

31/12/2023	ORLEN S.A.	Joint operations*	Entities under control or significant influence of ORLEN S.A.
Intangible assets	4 200	-	-
Long term receivables	2 041	-	44
Other financial assets	10 186	-	-
Trade and other receivables	738	150	938
Trade and other liabilities	8 397	91	1 414
Other financial liabilities	65	-	326

*as the Joint operation are present uneliminated transactions with Butadien Kralupy a.s.

37. REMUNERATION PAID AND DUE OR POTENTIALLY DUE TO THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD AND OTHER MEMBERS OF KEY EXECUTIVE PERSONNEL OF THE PARENT COMPANY AND THE GROUP COMPANIES

The Board of Directors's, the Supervisory Board's and other key executive personnel's remuneration includes short-term employee benefits, retirement benefits, other long-term employee benefits and termination benefits paid, due and potentially due during the period.

37.1. Key management personnel and statutory bodies' members' compensation

	2024	2023
Parent Company		
Short-term employee benefits	85	99
Termination benefits	20	-
Subsidiaries		
Short-term employee benefits	414	368
Termination benefits	10	2
	529	469

Further detailed information regarding remuneration of key management personnel is included in note 8.3.

37.2. Bonus system for key executive personnel of the Group

In 2024 the key executive personnel was participating in the annual MBO bonus system (management by objectives). The regulations applicable to the Management Board (members of Board of Directors and Executives), directors directly reporting to the Management Boards of entities and other key positions have certain common features. The persons subject to the above mentioned systems are remunerated for the accomplishment of specific goals set at the beginning of the bonus period by the Supervisory Board for the Management Board Members and by the Management Board members for the key executive personnel. The bonus systems are structured in such way, so as to promote the cooperation between individual employees in view to achieve the best possible results for the Group. The goals so-said are qualitative or quantitative (measurable) and are accounted for following the end of the year for which they were set, on the rules adopted in the applicable Bonus System Regulations. Regulation gives the possibility to promote employees, who significantly contribute to the achieved results generated by the Group.

37.3. The entitlements upon the termination of employment

The entitlements arising from contracts with key management personnel upon the termination of employment contained both a competition and a stabilization clause. The competition and stabilization clause ranges between three and six average monthly earnings or monthly base salary respectively.

38. INFORMATION CONCERNING SIGNIFICANT PROCEEDINGS IN FRONT OF COURT OR IN FRONT OF PUBLIC ADMINISTRATION BODIES

As at 31 December 2024 the Group entities were parties in the following significant proceedings in front of court or in front of public administration bodies:

38.1. Proceedings in which the Group entities acts as a plaintiff

Tax proceeding

ORLEN Unipetrol RPA s.r.o., acting as legal successor of CHEMOPETROL, a.s., is a party in a tax proceeding related to the validity of investment tax relief for 2005. ORLEN Unipetrol RPA s.r.o. claims the return of income tax paid in 2006 for the fiscal year 2005 by CHEMOPETROL, a.s. The claim concerns unused investment relief attributable to CHEMOPETROL, a.s. The total value of the claim amounts to approximately CZK 325 million.

On 14 October 2015, the Czech Supreme Administrative Court annulled the Regional Court in Ústí nad Labem judgment and decided to return the case back to the Regional Court in Ústí nad Labem for re-examination. The Supreme Administrative Court commented that the Regional Court did not correctly deal with the legitimate expectations objection raised by ORLEN Unipetrol RPA s.r.o. On 30 November 2016 the Regional Court in Ústí nad Labem resolved to annul the Appellate Financial Directorate decision dated 27 October 2010.

On 22 November 2018, the Appellate Financial Directorate resolved to dismiss the ORLEN Unipetrol RPA s.r.o. appeal and confirmed the Tax Office in Litvínov decision of 27 May 2010 on the corporate income tax obligation of ORLEN Unipetrol RPA s.r.o. of approximately CZK 325 million. On 25 January 2019 ORLEN Unipetrol RPA s.r.o. filed a complaint for a court review of the decision of the Appellate Financial Directorate.

On 28 June 2022 the Regional Court in Ústí nad Labem resolved to annul the Appellate Tax Authority decision. The matter was returned to the Appellate Tax Authority for review and a new decision. On 13 July 2022, the Appellate Tax Authority filed a cassation appeal against the decision of the Regional Court in Ústí nad Labem – consequently, the case is now pending with the Czech Supreme Administrative Court.

On 21 December 2022 the Appellate Financial Directorate issued a decision on reducing the ORLEN Unipetrol RPA s.r.o. income tax for 2005 from CZK 336 million to CZK 11 million. In January 2023 Appellate Financial Directorate resolved to award a total of CZK 701 million representing interest on the overpaid corporate income tax payable by the Appellate Financial Directorate to ORLEN Unipetrol RPA s.r.o.

On 16 August 2024 the Czech Supreme Court resolved to annul the decision of the Regional Court in Ústí nad Labem; the matter was returned to the Regional Court in Ústí nad Labem for further review and decision. On 16 December 2024, the Regional Court in Ústí nad Labem dismissed ORLEN Unipetrol RPA s.r.o. complaint for a court review of the Appellate Tax Authority.

On 27 January 2025, ORLEN Unipetrol RPA s.r.o. filed a cassation appeal against the most recent decision of the Regional Court in Ústí nad Labem.

38.1. Proceeding in which the Group entities acts as a plaintiff (continued)

Claim for unjustified enrichment against ČEZ Distribuce, a.s.

On 31 August 2015 ORLEN Unipetrol RPA s.r.o., as petitioner, submitted its action to the District Court in Děčín requesting issuance of a payment order ordering ČEZ Distribuce, a.s., as respondent, to pay an unjustified enrichment to ORLEN Unipetrol RPA s.r.o. in the amount of CZK 303 million including interest and legal fees. The unjustified enrichment of ČEZ Distribuce, a.s. results from ČEZ Distribuce, a.s., during the period from 1 January 2013 until 30 September 2013, charging ORLEN Unipetrol RPA s.r.o. a monthly fee for renewable sources of energy and combined heat and power production with respect to the electricity produced and distributed by ORLEN Unipetrol RPA s.r.o. itself. The Group is of the opinion that ČEZ Distribuce, a.s., as distribution system provider, is not entitled to charge a fee to its customers with respect to electricity which was produced and consumed by the customers themselves, i.e. for electricity for which no distribution service was provided. On 25 November 2016 ORLEN Unipetrol RPA s.r.o. filed action, same as the one filed against ČEZ Distribuce, a.s., against OTE, a.s. (Czech operator of energy market responsible for, among others collecting (POZE) fees from energy distributors including ČEZ Distribuce, a.s.) The action was filed as a precaution.

On 18 July 2017 the District Court in Děčín resolved to dismiss ORLEN Unipetrol's petition against ČEZ Distribuce, a.s. On 2 November 2017 ORLEN Unipetrol a.s. filed an appeal against the district court's decision. By a notice dated 13 February 2019, the Regional Court in Ústí nad Labem informed ORLEN Unipetrol RPA s.r.o. that the case was suspended and the Supreme Court was requested to establish whether the jurisdiction in this case is with the courts or Energetický regulační úřad (Energy Regulatory Authority).

The Czech Supreme Court ruled that Energetický regulační úřad has jurisdiction over this case (and therefore there is no jurisdiction of neither District Court in Děčín nor Regional Court in Ústí nad Labem to resolve in this case).

Based on this resolution of Czech Supreme Court ORLEN Unipetrol RPA s.r.o. applied for recovery court fees paid. Both courts ruled that ORLEN Unipetrol RPA s.r.o. is entitled for full recovery of the court fees. The case was transferred to Energetický regulační úřad.

On 26 August 2019 the Supreme Court of the Czech Republic issued a ruling in a similar case held by another customer of ČEZ Distribuce – E.ON a.s. The Supreme Court formulated its opinion that, in simple terms, even though the wording of the Act No. 165/2012 Coll., on supported sources of energy, as amended did not expressly state a right of ČEZ Distribuce to collect (POZE) fees also from electricity which was produced and consumed by the producer itself (in our case ORLEN Unipetrol RPA s.r.o.) – so called "own consumption" – intention of the legislator was to collect (POZE) fees also from this own consumption. In the context of our case, this Supreme Court ruling may preclude and determine decision of Energetický regulační úřad in our case.

On 6 November 2020 Energetický regulační úřad dismissed ORLEN Unipetrol RPA s.r.o. claim in full. ORLEN Unipetrol RPA s.r.o. appealed the decision – Board of Energetický regulační úřad shall decide about the appeal.

ORLEN Unipetrol RPA s.r.o. submitted an administrative action (in Czech: správní žaloba) to the District Court in Děčín claiming return of the unjust enrichment in amount of CZK 303 million. A case hearing took place on 15 June 2022. On 24 June 2022 the District Court in Děčín resolved to dismiss ORLEN Unipetrol RPA s.r.o. administrative action in full. On 23 August 2022 ORLEN Unipetrol RPA s.r.o. appealed the court's decision.

The Regional Court in Ústí nad Labem resolved to confirm the ruling of the District Court in Děčín. ORLEN Unipetrol RPA s.r.o. filed an appeal to the Supreme Court of the Czech Republic.

38.2. Proceedings in which the Group entities acts as the defendant

Purchase of shares of PARAMO, a.s.

In January 2009 ORLEN Unipetrol a.s. effected a squeeze out of PARAMO, a.s. shares and became sole shareholder of PARAMO, a.s.

In accordance with the resolutions of the Extraordinary General Meeting of PARAMO, a.s. of 6 January 2009, all other shares in PARAMO, a.s. were transferred to the Company and the Company provided to the other shareholders of PARAMO, a.s. monetary consideration of CZK 977 per share of PARAMO, a.s.

In connection with the squeeze-out, certain minority shareholders of PARAMO, a.s. filed a petition with the Regional Court in Hradec Králové for a review of the adequacy of compensation within the meaning of the Czech Commercial Code. The case is now pending at the Regional Court in Hradec Králové.

On 23 June 2015 the court decided to appoint another expert witness – Expert Group s.r.o. having its registered seat at Radniční 133/1, České Budějovice – to provide a valuation of the PARAMO, a.s. shares.

The Expert Group s.r.o. valuation report regarding of PARAMO, a.s. shares received by ORLEN Unipetrol a.s. on 1 December 2016 provides for PARAMO, a.s. share value as at:

- a) 6 January 2009 – CZK 1 853/share;
- b) 4 March 2009 – CZK 1 691.53/share.

ORLEN Unipetrol a.s. submitted two independent expert reports to the court – one expert report reviewed conclusions made by the Expert Group s.r.o. report and the other expert report provided valuation of PARAMO, a.s. and comments on methodology applied by Expert Group s.r.o. and reliability of their conclusions. The court expert determined value of PARAMO, a.s. share at CZK 909/share as at 6 January 2009 and CZK 905/share as at 4 March 2009.

On 8 August 2019 the court ruled to dismiss the petition of the minority shareholders in full. During October 2019, all claimants filed an appeal against the first instance court filing.

On 3 August 2021 the High Court in Prague (in its position of appellate court) resolved to annul the decision of the Regional Court in Hradec Králové and returned the case to the Regional Court in Hradec Králové.

On 12 January 2022 the Regional Court in Hradec Králové again resolved to dismiss the petition of the minority shareholders in full. The minority shareholders filed an appeal against the decision of the Regional Court in Hradec Králové.

On 1 September 2023 the High Court in Prague resolved to annul the Regional Court in Hradec Králové decision and returned the case to the first instance court.

On 17 February 2025 the Regional Court in Hradec Králové yet again decided to dismiss the petition of the minority shareholders in its entirety.

39. EVENTS AFTER THE REPORTING PERIOD

Change in Supervisory Board:

Position	Name	Change	Date of change
Member	Magdalena Zablocka-Foulkes	Elected to the office	with the effect as of 10 January 2025

Restructuring of SPOLANA s.r.o.

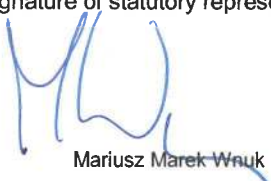
On 12 January 2025 SPOLANA s.r.o. announced the restructuring plans, based on which the company the existing organisational structure will be slimmed down and streamlined. This measure will affect approximately 500 jobs, which will be cancelled.

The Group's management is not aware of any other events that have occurred since the end of the reporting period that would have any material impact on or would be required to be included in the financial statements as at 31 December 2024.

40. STATEMENT OF THE BOARD OF DIRECTORS AND APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors of ORLEN Unipetrol a.s. hereby declares that to the best of its knowledge the consolidated financial statements and comparative data were prepared in compliance with the applicable accounting principles adopted by in the Group and that they reflect true and fair view on the financial position and financial result of the Group, including basic risks and exposures.

The consolidated financial statements were authorized by the Board of Directors meeting held on 15 April 2025.

Signature of statutory representatives	
 Mariusz Marek Wnuk Chairman of the Board of Directors	 Zdeněk Jíra Member of the Board of Directors



ORLEN Unipetrol a.s.

SEPARATE FINANCIAL STATEMENTS

Translation from the Czech original

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

FOR THE YEAR

2024

Index

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

Separate statement of profit or loss and other comprehensive income	4
Separate statement of financial position	5
Separate statement of changes in equity	6
Separate statement of cash flows	7

DESCRIPTION OF THE COMPANY AND PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Description of the Company	8
2. Principles of preparation of the financial statements	9
3. Functional currency and presentation currency of financial statements	9
4. Accounting principles	10
5. Impact of IFRS changes on separate financial statements	10
5.1. Binding amendments to IFRSs and interpretations	10
5.2. IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective	10
5.3. New and revised IFRS standards, amendments and interpretations adopted by International Accounting Standards Board, waiting for approval of the European Union	10
6. The Parent company and structure of the consolidated group	11
7. Revenues	12
8. Costs	12
8.1. Cost of sales	13
8.2. Cost by nature	13
8.3. Employee benefits costs	13
9. Other operating income and expenses	13
9.1. Other operating income	13
9.2. Other operating expenses	13
10. Finance income and costs	14
10.1. Finance income	14
10.2. Finance costs	14
11. Loss impairment for financial instruments	14
12. Tax expense	14
12.1. Reconciliation of effective tax rate	14
12.2. Pillar 2 – global minimum taxation	15
12.3. Deferred tax	15
12.4. Income tax (paid)	15
13. Property, plant and equipment	16
14. Investment property	17
14.1. Fair value of investment property measurement	17
14.2. Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value	17
15. Shares in related parties	18
16. Other non-current assets	18
17. Trade and other receivables	19
18. Other financial assets	19
19. Cash and cash equivalents	20
20. Shareholders' equity	20
20.1. Share capital	20
20.2. Revaluation reserve	20
20.3. Retained earning	20
20.4. Equity management policy	20
20.5. Profit/(loss) per share	21
21. Loans	21
22. Lease liabilities	21
23. Provisions	22

24. Trade and other liabilities	22
25. Other financial liabilities	22
26. Lease	23
26.1. The Company as a lessee	25
26.2. The Company as a lessor	26
27. Financial instruments and financial risks	27
27.1. Financial instruments by category and class	28
27.2. Income, expenses, profit and loss in the separate statement of profit or loss and other comprehensive income	28
27.3. Fair value measurement	29
27.4. Financial risks identification	29
28. Past environmental liabilities	31
29. Related party transactions	32
29.1. Information on material transactions concluded by the Company with related parties on other than market terms	32
29.2. Transactions with key management personnel	32
29.3. Transaction with related parties concluded through the key management personnel	32
29.4. Transactions and balances of settlements of the Company with related parties	32
30. Remuneration paid and due or potentially due to the Board of Directors, the Supervisory Board and other members of key executive personnel	32
30.1. Bonus system for key executive personnel of the Company	33
30.2. The entitlements upon the termination of employment	33
31. Information concerning significant proceedings in front of court or in front of public administration bodies	33
32. Other disclosures	33
33. Events after the reporting period	34
34. Statement of the Board of Directors and approval of the financial statements	35

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

Separate statement of profit or loss and other comprehensive income

	Note	2024	2023
Revenues	7.	203	126
Cost of sales	8.	(82)	(64)
Gross profit		121	62
Administrative expenses	8.2.	(192)	(151)
Other operating income	9.1.	7	-
Other operating expenses	9.2.	(433)	(181)
Loss from operations		(497)	(270)
Finance income including interest income	10.1.	1 282	1 652
Finance costs	10.2.	(153)	(173)
Net finance income		1 129	1 479
Impairment loss for financial instruments	11.	(2 191)	-
Profit/(loss) before tax		(1 559)	1 209
Tax expense	12.	(129)	(239)
Net profit/(loss)		(1 688)	970
Total net comprehensive income		(1 688)	970
Net profit/(loss) and diluted net profit/(loss) per share attributable to equity owners of the parent (in CZK per share)	20.5.	(9.31)	5.35

The separate financial statements are to be read in conjunction with the notes forming part of the separate financial statements set out on pages 8-35.

Separate statement of financial position

	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Property, plant and equipment	13.	25	25
Investment property	14.	1 124	1 543
Right of use assets	26.	5	11
Shares in related parties	15.	23 045	23 045
Other non-current assets	16.	27	-
		24 226	24 624
Current assets			
Trade and other receivables	17.	190	157
Other financial assets	18.	14 621	12 421
Cash and cash equivalents	19.	8 714	11 806
		23 525	24 384
Total assets		47 751	49 008
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20.1.	18 133	18 133
Revaluation reserve	20.2.	501	501
Retained earnings	20.3.	25 245	26 933
Total equity		43 879	45 567
LIABILITIES			
Non-current liabilities			
Loans	21.	3 022	-
Provisions	23.	49	51
Deferred tax liabilities	12.2.	106	193
Lease liabilities	22.	1	6
		3 178	250
Current liabilities			
Trade and other liabilities	24.	54	62
Lease liabilities	22.	6	5
Loans	21.	-	1 978
Current tax liabilities		42	214
Other financial liabilities	25.	592	932
		694	3 191
Total liabilities		3 872	3 441
Total equity and liabilities		47 751	49 008

The separate financial statements are to be read in conjunction with the notes forming part of the separate financial statements set out on pages 8-35.

Separate statement of changes in equity

	Share capital	Revaluation reserve	Retained earnings	Total equity
Note	20.1.	20.2.	20.3.	
01/01/2024	18 133	501	26 933	45 567
Net loss	-	-	(1 688)	(1 688)
Total net comprehensive income	-	-	(1 688)	(1 688)
31/12/2024	18 133	501	25 245	43 879
01/01/2023	18 133	501	25 963	44 597
Net profit	-	-	970	970
Total net comprehensive income	-	-	970	970
31/12/2023	18 133	501	26 933	45 567

The separate financial statements are to be read in conjunction with the notes forming part of the separate financial statements set out on pages 8-35.

Separate statement of cash flows

	Note	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		(1 559)	1 209
Adjustments for:			
Depreciation	8.2.	6	6
Foreign exchange loss		29	44
Interest and dividends, net		(573)	(62)
Impairment loss of property, plant and equipment	9.2.	4	-
Impairment loss of cash pool asset and loans	11.2.	2 191	-
Loss on investing activities		320	40
Change in provisions		(2)	1
Other adjustments		7	11
Change in working capital		(65)	48
receivables		(57)	42
liabilities		(8)	6
Income tax paid	12.3.	(388)	(118)
Net cash from (used in) operating activities		(30)	1 179
Cash flows from investing activities			
Dividends received	15.	45	69
Interest received		592	129
Capital increase in ORLEN Unipetrol RPA s.r.o.		-	(2 081)
Outflows from loans		(3 693)	(2 211)
Outflows from cash pool assets		(731)	(4 693)
Other		119	133
Net cash used in investing activities		(3 668)	(8 654)
Cash flows from financing activities			
Proceeds from loans		1 043	-
Outflows from cash pool liabilities		(336)	(735)
Contribution to capital		-	2 081
Interest paid		(89)	(183)
Payments of liabilities under lease agreements		(5)	(6)
Other		(7)	(11)
Net cash from financing activities		606	1 146
Net decrease in cash and cash equivalents		(3 092)	(6 329)
Effect of changes in exchange rates		-	3
Cash and cash equivalents, beginning of the year		11 806	18 132
Cash and cash equivalents, end of the year	19.	8 714	11 806

The separate financial statements are to be read in conjunction with the notes forming part of the separate financial statements set out on pages 8-35.

DESCRIPTION OF THE COMPANY AND PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE COMPANY

Establishment of the Company

ORLEN Unipetrol a.s. (the "Company" or "Unipetrol") is a joint stock company established by the National Property Fund of the Czech Republic by a foundation agreement dated 27 December 1994. The Company was registered in the Register of Companies at the Regional Commercial Court in Prague on 17 February 1995. As of 1 January 2021 the Company changed its business name from UNIPETROL, a.s. to ORLEN Unipetrol a.s.

Identification number of the Company
616 72 190

Registered office of the Company

ORLEN Unipetrol a.s.
Milevská 2095/5
140 00 Praha 4
Czech Republic

Ownership structure

The sole shareholder of the Company is ORLEN S.A., with its registered office at Chemików 7, 09-411 Plock, Poland.

Principal activities

The Company operates as a holding company covering and administering a group of companies (the "Group"). The principal businesses of the Group include oil and petroleum products processing, production of commodity chemicals, polymer materials, mineral lubricants, plastic lubricants, paraffins, road and insulation bitumen, special refinery and petrochemical products. Furthermore, the Group is engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Group is engaged in other activities that are necessary to support the principal activities, such as production, distribution and sale of heat and electricity, operation of railway tracks and railway transportation, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

Statutory and supervisory bodies

Members of the statutory and supervisory bodies of ORLEN Unipetrol a.s. as at 31 December 2024:

Position	Name
Board of Directors	Chairman Vice-chairman Member Member Member
	Mariusz Wnuk Zbigniew Pawlucky Agnieszka Bobrukiewicz Milan Brejchal Zdeněk Jíra
Supervisory Board	Chairman Vice-chairman Vice-chairman Member Member
	Jacek Krawiec Marek Baławejder Rafał Trzebiński Agata Śmiechowska-Więczkowska Przemysław Wasilewski

Changes in the Board of Directors in 2024:

Position	Name	Change	Date of change
Member	Zbigniew Leszczyński	Recalled from the office	with the effect as of 1 March 2024
Chairman	Tomasz Wiatrak	Termination of the office	with the effect as of 2 March 2024
Member	Tomasz Wiatrak	Re-elected to the office	with the effect as of 3 March 2024
Vice-chairman	Katarzyna Woś	Termination of the office	with the effect as of 15 March 2024
Member	Katarzyna Woś	Re-elected to the office	with the effect as of 16 March 2024
Member	Tomasz Wiatrak	Re-elected as Chairman	with the effect as of 27 March 2024
Member	Katarzyna Woś	Re-elected as Vice-chairman	with the effect as of 27 March 2024
Chairman	Tomasz Wiatrak	Recalled from the office	with the effect as of 13 April 2024
Vice-chairman	Katarzyna Woś	Recalled from the office	with the effect as of 13 April 2024
Member	Maciej Romanów	Recalled from the office	with the effect as of 17 June 2024
Member	Zbigniew Pawlucky	Elected to the office	with the effect as of 18 June 2024
Vice-chairman	Ryszard Pilch	Recalled from the office	with the effect as of 20 June 2024
Member	Mariusz Wnuk	Elected to the office	with the effect as of 21 June 2024
Member	Mariusz Wnuk	Elected as Chairman	with the effect as of 25 June 2024
Member	Zbigniew Pawlucky	Elected as Vice-chairman	with the effect as of 25 June 2024
Member	Agnieszka Bobrukiewicz	Elected to the office	with the effect as of 1 September 2024
Member	Tomáš Herink	Recalled from the office	with the effect as of 30 September 2024
Member	Milan Brejchal	Elected to the office	with the effect as of 1 October 2024
Member	Adam Jarosz	Recalled from the office	with the effect as of 31 October 2024
Member	Zdeněk Jíra	Elected to the office	with the effect as of 1 November 2024

1. Description of the Company (continued)

Changes in the Supervisory Board in 2024:

Position	Name	Change	Date of change
Chairman	Robert Harasimiuk	Recalled from the office	with the effect as of 22 February 2024
Vice-chairman	Janusz Jakub Szurski	Recalled from the office	with the effect as of 23 February 2024
Member	Wioletta Kandziak	Resignation from the office	with the effect as of 8 March 2024
Vice-chairman	Barbara Hajdas	Resignation from the office	with the effect as of 8 March 2024
Member	Edyta Wątor	Recalled from the office	with the effect as of 25 March 2024
Member	Beata Kozłowska-Chyla	Recalled from the office	with the effect as of 25 March 2024
Member	Agata Śmiechowska-Więczkowska	Elected to the office	with the effect as of 26 March 2024
Member	Rafał Trzebiński	Elected to the office	with the effect as of 26 March 2024
Member	Rafał Trzebiński	Elected as a Chairman	with the effect as of 28 March 2024
Member	Agata Śmiechowska-Więczkowska	Elected as a Vice-chairman	with the effect as of 28 March 2024
Member	Aneta Agnieszka Kowalczyk	Recalled from the office	with the effect as of 17 June 2024
Member	Dariusz Krawiec	Elected to the office	with the effect as of 18 June 2024
Chairman	Rafał Trzebiński	Recalled from the position of Chairman	with the effect as of 20 June 2024
Member	Dariusz Krawiec	Elected as a Chairman	with the effect as of 20 June 2024
Member	Rafał Trzebiński	Elected as a Vice-chairman	with the effect as of 20 June 2024
Member	Tomasz Marek Januszewski	Recalled from the office	with the effect as of 19 August 2024
Member	Marek Balawejder	Elected to the office	with the effect as of 20 August 2024
Vice-chairman	Agata Śmiechowska-Więczkowska	Recalled from the position of Vice-chairman	with the effect as of 10 September 2024
Member	Marek Balawejder	Elected as a Vice-chairman	with the effect as of 10 September 2024
Member	Fryderyk Maria Radwan-Bieda	Recalled from the office	with the effect as of 31 October 2024
Member	Przemysław Wasilewski	Elected to the office	with the effect as of 1 November 2024

ORLEN Unipetrol a.s. has not prepared a separate annual report as it included the respective information in a consolidated annual report. The separate financial statements are part of the consolidated annual report.

2. PRINCIPLES OF PREPARATION OF THE FINANCIAL STATEMENTS

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations approved by the International Accounting Standards Board (IASB) which were adopted by the European Union (EU) and were in force as at 31 December 2024. The financial statements have been prepared based on historical cost basis, except for investment property measured at fair value.

The separate financial statements are compliant with all requirements of IFRSs adopted by the EU and present a true and fair view of the Company's financial position as at 31 December 2024, results of its operations and cash flows for the year ended 31 December 2024.

These separate financial statements have been prepared on a going concern basis. As at the date of approval of the financial statements there is no uncertainty that the Company will not be able to continue as a going concern in the foreseeable future.

The separate financial statements, except for the statement of cash flows, are prepared on the accrual basis of accounting.

3. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY OF FINANCIAL STATEMENTS

These separate financial statements are presented in Czech crowns (CZK), which is the Company's presentation and functional currency. All financial information presented in CZK has been rounded to the nearest million.

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The transaction day is the day on which the transaction for the first time qualifies for recognition under IFRS. In particular, when the transfer of significant risks and rewards of ownership of assets or in the case of financial instruments, the day on which the Company commits to purchase or sell an asset.

At the end of the reporting period:

- foreign currency monetary items including units of currency held by the Company as well as receivables and liabilities due in defined or definable units of currency are translated using the closing rate, i.e. spot rate as at the end of the reporting period,
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement and valuation of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition as finance income or expense in the period in which they arise.

Foreign exchange differences are included in the financial result on a net basis, unless they relate to the individually significant transactions.

4. ACCOUNTING PRINCIPLES

Material information regarding applied accounting principles and significant values based on judgements and estimates are presented as a part of the specific explanatory notes to the separate financial statements. The Company applied the accounting principles consistently to all presented reporting periods.

Note	Selected accounting principles
7.	Revenues
8.	Costs
12.	Tax expense
13.	Property, plant and equipment
14.	Investment property
17.	Trade and other receivables
19.	Cash and cash equivalents
20.	Shareholders' equity
23.	Provisions
24.	Trade and other liabilities
26.	Lease
27.	Financial instruments

5. IMPACT OF IFRS CHANGES ON SEPARATE FINANCIAL STATEMENTS

5.1. Binding amendments to IFRSs and interpretations

Standards and Interpretations adopted by the EU effective from 01/01/2024	Impact of financial statements
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	no impact
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	no impact
Amendments to IAS 1 Non-current Liabilities with Covenants	no impact
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	no impact

5.2. IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective

New and revised IFRS Standards adopted by the EU in Issue but not yet effective, effective from 01/01/2025	Possible impact on financial statements
Amendments to IAS 21 Lack of Exchangeability	no impact expected

5.3. New and revised IFRS standards, amendments and interpretations adopted by International Accounting Standards Board, waiting for approval of the European Union

New and revised IFRS Standards not yet adopted by the EU	Effective from	Possible impact on financial statements
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments	effective date deferred	no impact expected
Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments and Contracts Referencing Nature-dependent Electricity	01/01/2026	no impact expected
Annual improvements to IFRS – volume 11 related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	01/01/2026	no impact expected
IFRS 18 Presentation and Disclosure in Financial Statements	01/01/2027	impact*
IFRS 19 Subsidiaries without Public Accountability: Disclosures	01/01/2027	no impact expected

*IFRS 18 replaces IAS 1 Presentation of Financial Statements, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. Furthermore, the IASB has made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings Per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss,
 - provide disclosures on management-defined Key Performance Indicators (KPIs) in the notes to the financial statements.
- The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when the Company applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions. The Company anticipates that the application of the new standard may have an impact on the separate financial statements in future periods.

6. THE PARENT COMPANY AND STRUCTURE OF THE CONSOLIDATED GROUP

The following table shows subsidiaries and investment in joint operation forming the consolidated group of ORLEN Unipetrol a.s. and the parent company's interest in the capital of subsidiaries and investment in associate held either directly by the parent company or indirectly by the consolidated subsidiaries and allocation of subsidiaries into the Operating segments (as of 31 December 2024).

Name and place of business	Ownership interest of the parent company in share capital	Ownership interest in share capital through subsidiaries	Operating segment	Website
Parent company				
ORLEN Unipetrol a.s. Milevská 2095/5, 140 00 Praha 4, Czech Republic			Corporate Functions	www.orlenunipetrol.cz
Subsidiaries consolidated in full method				
HC VERVA Litvínov, a.s. Litvínov, S.K. Neumannova 1598, Czech Republic	--	70.95%	Corporate Functions	www.hokej-litvinov.cz
Nadace ORLEN Unipetrol Milevská 2095/5, 140 00 Praha 4, Czech Republic	--	100.00%	Corporate Functions	www.nadaceorlenunipetrol.cz
ORLEN HUNGARY Kft. Boldizsár utca 2, 1112 Budapest, Hungary	--	100.00%	Retail	www.orlen.hu
PARAMO, a.s. Přerovská 560, Svítkov, 530 06 Pardubice, Czech Republic	100.00%	--	Refining	www.paramo.cz
PETROTRANS, s.r.o. Poděbradská 538/46, 190 00 Praha 9, Czech Republic	0.63%	99.37%	Refining	www.petrotrans.cz
REMAQ, s.r.o. tř. Tomáše Bati 1729, 765 02 Otrokovice, Czech Republic	--	100.00%	Petrochemical	www.remaq.cz
SPOLANA s.r.o. ul. Práce 657, 277 11 Neratovice, Czech Republic	--	100.00%	Petrochemical	www.spolana.cz
ORLEN Unipetrol Deutschland GmbH Paul Ehrlich Str. 1/B, 63225 Langen/Hessen, Germany	0.10%	99.90%	Petrochemical	www.orlenunipetrol.de
ORLEN Unipetrol Doprava s.r.o. Litvínov - Růžodol č.p. 4, 436 70 Litvínov, Czech Republic	0.12%	99.88%	Refining	www.orlenunipetrolodoprava.cz
ORLEN Unipetrol RPA s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Refining Petrochemical Energy Corporate Functions Retail	www.orlenunipetrolrpa.cz
ORLEN Unipetrol Hungary Kft. 2040 Budaörs, Puskás Tivadar utca 12, Hungary	--	100.00%	Refining	www.orlenunipetrol.hu
ORLEN Unipetrol Slovakia s.r.o. Kalinčáková 14083/33A, 831 04 Bratislava, Slovak Republic	13.04%	86.96%	Refining Retail	www.orlenunipetrol.sk
ORLEN Unicre a.s. Revoluční 1521/84, 400 01 Ústí nad Labem, Czech Republic	100.00%	--	Corporate functions	www.unicre.cz
Investment in joint operation				
Butadien Kralupy a.s. O. Wichterleho 810, 278 01 Kralupy nad Vltavou, Czech Republic	51.00%	--	Petrochemical	www.butadien.cz
Investment in associate				
ORLEN Projekt Česká republika s.r.o. O. Wichterleho 809, 278 01 Kralupy nad Vltavou, Czech Republic	--	40.00%	Corporate functions	

The Group has a 70.95% interest in HC VERVA Litvínov, a.s., the remaining non-controlling interest in this company is owned by municipality of Litvínov.

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS

7. REVENUES

SELECTED ACCOUNTING PRINCIPLES

The Company applies the principles in a five-step model in relation to the portfolio of contracts (or performance obligations) with similar characteristics, if the entity reasonably expects that the impact of the following principles on the financial statements will not significantly differ from the application of the following principles to individual contracts (or performance obligations).

Requirements to identify a contract with a customer

A contract with a customer meets its definition when all of the following criteria are met: the parties of the contract have approved the contract and are committed to perform their obligations; the Company can identify each party's rights regarding goods or services to be transferred; the Company can identify the payment terms for the goods or services to be transferred; the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Identification of performance obligations

At contract inception the Company assesses the goods or services promised in the contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Determination of the transaction price

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes, fuel charges, excise taxes). The consideration promised in the contract with a customer may include fixed amounts, variable amounts or both.

To estimate variable consideration, the Company decided to apply the most probable value method for contracts with one value threshold and the expected value method for contracts with more value thresholds from which a rebate is granted to the customer.

Allocating the transaction price to individual performance obligations

The Company allocates the transaction price to each performance obligation (or distinct good or service) at an amount that reflects the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Recognition of revenue when performance obligations are satisfied

The Company recognises revenue when (or as) the Company satisfies performance obligations by transferring a promised good or service (i.e. an asset) to a customer (the customer obtains control of that asset). Revenues are recognised as amounts equal to the transaction price that has been allocated to a given performance obligation.

The Company transfers control of good or service over time and, therefore, satisfies a performance obligation and recognises revenues over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits from performance as the Company performs,
- the asset is created or enhanced as a result of the performance, and the customer controls the asset as it is created or enhanced,
- as a result of the performance of the service, an alternative component for the Company is not created, and the Company has an enforceable right to payment for performance completed to date.

	2024	2023
Revenue excluded from scope of IFRS 15		
Rental income	168	155
Revenue from contracts with customers		
Other services	35	28
Settlement of Corporate Level Agreement	-	(57)
	203	126

Revenues from contracts with customers are based on short-time, fixed price contracts for consultancy. The majority of revenues was realized in the Czech Republic.

8. COSTS

SELECTED ACCOUNTING PRINCIPLES

Costs (relating to operating activity) include costs that relate to core activities, i.e. activities for which the Company was founded, costs are recurring and are not of incidental character.

Costs are recognized in the statement of profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

The Company recognizes costs in accordance with the principle of proportionality of revenues and costs. In line with matching concept, cost that relate to the earned revenues are:

- costs that may be directly attributed to the revenues of the reporting period,
- costs that are not directly attributable to the revenues, for which there is evidence that they led to the economic benefits received in the reporting period.

Cost of sales comprises costs of finished goods, services, merchandise and raw materials sold and adjustments related to inventories written down to net realizable value.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. Additional costs of contract inception are recognized as costs when they are incurred, if the depreciation period of the asset that would otherwise were recognized by the Company is one year or less.

Administrative expenses include expenses relating to management and administration of the Company as a whole.

8.1. Cost of sales

	2024	2023
Cost of services sold	(82)	(64)
	(82)	(64)

8.2. Cost by nature

	2024	2023
External services	(76)	(64)
Employee benefits	(111)	(115)
Depreciation and amortisation	(6)	(6)
Taxes and charges	(70)	(20)
Insurance	(7)	(5)
Other	(437)	(186)
Operating expenses	(707)	(396)
Administrative expenses	192	151
Other operating expenses	433	181
Cost of sales	(82)	(64)

8.3. Employee benefits costs

	2024	2023
Payroll expenses	(91)	(93)
Social security expenses	(14)	(13)
Other employee benefits expenses	(6)	(9)
	(111)	(115)

8.3.1. Employee benefits costs – additional information

2024	Employees	Key Management	Board of Directors	Supervisory Board	Total
Wages and salaries	(6)	-	(79)	(6)	(91)
Social and health insurance	-	-	(14)	-	(14)
Social expense	-	-	(6)	-	(6)
	(6)	-	(99)	(6)	(111)
Number of employees average per year					-
Number of employees as at balance sheet day					-
2023	Employees	Key Management	Board of Directors	Supervisory Board	Total
Wages and salaries	(13)	(1)	(69)	(10)	(93)
Social and health insurance	(2)	-	(10)	(1)	(13)
Social expense	(1)	-	(8)	-	(9)
	(16)	(1)	(87)	(11)	(115)
Number of employees average per year					3.42
Number of employees as at balance sheet day					3

9. OTHER OPERATING INCOME AND EXPENSES

9.1. Other operating income

	2024	2023
Reversal of provisions	2	-
Gain on revaluation of investment properties	5	-
	7	-

9.2. Other operating expenses

	2024	2023
Recognition of provisions	-	(1)
Recognition of impairment of property, plant and equipment	(4)	-
Loss on revaluation of investment properties	(420)	(174)
Donations	(7)	(6)
Other	(2)	-
	(433)	(181)

10. FINANCE INCOME AND COSTS

10.1. Finance income

	2024	2023
Interest	1 227	1 497
Dividends received	45	69
Net foreign exchange gain	-	79
Income from guarantees granted	10	7
	1 282	1 652

10.2. Finance costs

	2024	2023
Interest	(86)	(162)
Net foreign exchange loss	(61)	-
Bank fees	(2)	(8)
Other	(4)	(3)
	(153)	(173)

11. LOSS IMPAIRMENT FOR FINANCIAL INSTRUMENTS

Following to a decision about restructuring of SPOLANA s.r.o., the Company created impairment allowances at the amount of CZK 2 182 million for the cash pool asset in this entity. Loss impairment of CZK 9 million for the granted loans to ORLEN Unipetrol RPA s.r.o. and REMAQ, s.r.o. based on expected credit loss model was created.

12. TAX EXPENSE

SELECTED ACCOUNTING PRINCIPLES

Income tax expenses include current tax and deferred tax.

Current tax expense is determined in accordance with the relevant tax law based on the taxable profit for a given period and is recognized as a liability, in the amount which has not been paid or as an asset, if the amount of the current and prior periods income tax paid exceeds the amount due.

Deferred tax assets and liabilities are accounted for as non-current, are not discounted and are offset in the statement of financial position, if, and only if, the Company has a legally enforceable right to offset the recognized amounts and concern income tax levied by the same tax authority on the same taxpayer.

The transactions settled directly in equity are recognized in equity.

ESTIMATES

The Company recognises a deferred tax asset to transfer the unsettled tax losses and unused tax credits, to the extent that it is probable that there will be future taxable profit available, from which unsettled tax losses and unused tax credits can be written off. The assessment of this probability is made on the basis of planned budgets to achieve the assumed tax revenues in the following years.

	2024	2023
Tax expense in the statement of profit or loss		
Current tax	(216)	(255)
Deferred tax	87	16
	(129)	(239)

Domestic tax is calculated in accordance with Czech tax regulations at the rate of 21% in 2024 (2023: 19%) of the estimated taxable income for the year. The deferred tax has been calculated using the tax rate approved for the years 2025 and forward, i.e. 21%.

12.1. Reconciliation of effective tax rate

	2024	2023
Profit/(loss) for the year	(1 688)	970
Tax expense	(129)	(239)
Profit/(loss) before tax	(1 559)	1 209
Tax using domestic income tax rate	327	(230)
Non-deductible expenses	(523)	(14)
Tax exempt income	67	13
Under (over) provided in prior periods	-	11
Increased tax rate	-	(19)
Tax expense	(129)	(239)
Effective tax rate	8.27%	(19.77%)

12.2. Pillar 2 – global minimum taxation

Based on the analysis of the year 2024 results, the Company would not have a tax liability from minimum taxation.

12.3. Deferred tax

Deferred taxes result from future tax benefits and costs related to the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. The deferred taxes have been calculated using the tax rate expected to apply to periods when the respective asset is realized or liability is settled (i.e. 21% in 2025 and onward).

	31/12/2023	Reclassification	Deferred tax recognized in the statement of profit or loss	31/12/2024
Deferred tax assets				
Provisions	10	-	-	10
Employee benefit costs	6	-	(1)	5
Financial instruments valuation	-	-	2	2
Lease liabilities	2	-	-	2
	18	-	1	19
Deferred tax liabilities				
Investment property	(209)	-	86	(123)
Right of use assets	(2)	-	-	(2)
	(211)	-	86	(125)
	(193)	-	87	(106)

	31/12/2022	Reclassification	Deferred tax recognized in the statement of profit or loss	31/12/2023
Deferred tax assets				
Provisions	10	-	-	10
Employee benefit costs	6	-	-	6
Lease liabilities	-	2	-	2
	16	2	-	18
Deferred tax liabilities				
Investment property	(225)	-	16	(209)
Right of use assets	-	(2)	-	(2)
	(225)	(2)	16	(211)
	(209)	-	16	(193)

12.4. Income tax (paid)

	2024	2023
Tax expense on profit before tax	(129)	(239)
Change in deferred tax asset and liabilities	(87)	(16)
Change in current tax assets and liabilities	(172)	137
	(388)	(118)

13. PROPERTY, PLANT AND EQUIPMENT

SELECTED ACCOUNTING PRINCIPLES

Property, plant and equipment

Property, plant and equipment are assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to be used during more than one period (one year or the operating cycle, if longer than one year).

Property, plant and equipment include both fixed assets (assets that are in the condition necessary for them to be capable of operating in the manner intended by management) as well as construction in progress (assets that are in the course of construction or development necessary for them to be capable of operating in the manner intended by management).

Property, plant and equipment are initially stated at cost (without including the grants related to assets). The cost of an item of property, plant and equipment comprises its purchase price, including any costs directly attributable to bringing the asset into use.

The initial value of property, plant and equipment is increased by the value of discounted provisions for the costs of dismantling and removing the item and restoring the site/land on which it is located, the obligation for which is connected with acquisition or construction of an item of property, plant and equipment, and capitalized borrowing costs. The value of discounted provisions recognised as property, plant and equipment is amortised over their useful life.

Property, plant and equipment received for free are initially included in the cost corresponding to the estimated fair value. Income from property, plant and equipment received for free, which does not require the Company to meet any conditions related to its activities, is recognised directly in other operating income at the moment of recognition of the asset in the accounting records.

Property, plant and equipment are stated in the statement of financial position prepared at the end of the reporting period at the carrying amount i.e. (cost) after deducting any accumulated depreciation and accumulated impairment losses (without including received grants related to assets).

Borrowing cost directly attributable to the acquisition, construction or production of an item of property, plant and equipment are part of the initial cost.

Land, precious metal and pieces of art are not depreciated. Their value is decreased by the eventual impairment allowances.

Depreciation of an item of property, plant and equipment begins when it is available for use that is from the month it is in the location and condition necessary for it to be capable of operating in the manner intended by the management, over the period reflecting their estimated useful life, considering the residual value. Components of property, plant and equipment which are material for the whole item are depreciated separately in accordance with their useful lives.

The following standard useful lives are used for property, plant and equipment:

Buildings and constructions	10-40 years
Machinery and equipment	4-35 years
Vehicles and other	2-20 years

The straight-line method of depreciation is used. Residual values, estimated useful lives and depreciation methods are reassessed annually. The adjustments to depreciation expense are accounted for in subsequent period (prospectively).

The costs of significant repairs and regular maintenance programs are recognized as property, plant and equipment and depreciated in accordance with their useful lives. The costs of current maintenance of property, plant and equipment are recognized as an expense when they are incurred.

Property, plant and equipment are tested for impairment, when there are indicators or events that may imply that the carrying amount of those assets may not be recoverable.

ESTIMATES

Useful lives of property, plant and equipment

The Company verifies useful lives of property, plant and equipment once at year end. Revaluation of useful lives of property, plant and equipment is based mainly on the assessment of technical services responsible for their operations. Such estimates are accompanied by uncertainty as to future business conditions, technological changes and competition on the market, which may result in a different assessment of the economic usefulness of the components and their remaining useful lives, which may significantly affect the value of property, plant and equipment and depreciation costs in the future. The impact of verification of useful lives in 2024 resulted in no change in depreciation costs compared to depreciation costs that were recognised based on useful lives applied in 2023.

Changes in property, plant and equipment

	Land	Buildings and constructions	Total
01/01/2024			
Net carrying amount			
Gross carrying amount	25	-	25
Accumulated depreciation	-	-	-
	25	-	25
Increase/(decrease) net			
Reclassifications from investment property	-	4	4
Impairment allowances	-	(4)	(4)
31/12/2024			
Net carrying amount	25	-	25
Gross carrying amount	25	4	29
Impairment allowances	-	(4)	(4)
	25	-	25
01/01/2023			
Net carrying amount			
Gross carrying amount	26	-	26
Accumulated depreciation	-	-	-
	26	-	26
Increase/(decrease) net			
Other decreases	(1)	-	(1)
31/12/2023			
Net carrying amount	25	-	25

14. INVESTMENT PROPERTY

SELECTED ACCOUNTING PRINCIPLES

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment property shall be recognized as an asset only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Company, and
- the cost of the investment property can be measured reliably.

An investment property is measured initially at its cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. For internally constructed investment property the final cost is set at the date of construction completion when the asset is brought into use, in accordance with rules set for property, plant and equipment.

After initial recognition investment property shall be measured at fair value applying comparative and income methods depending on the nature of the investments. Gains and losses resulting from changes in fair value of investment property are presented in the statement of profit or loss and other comprehensive income in the period which they arise. The Company determines fair value without any deduction for transaction costs it may incur on sale or other disposal.

If the Company determines that the fair value of an investment property is not reliably determinable on a continuing basis, the Company shall measure that investment property at cost in accordance with rules set for property, plant and equipment.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected.

The Company shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use.

	2024	2023
At the beginning of the year	1 543	1 717
Reclassification to property, plant and equipment	(4)	-
Fair value measurement	(415)	(174)
increase	5	-
decrease	(420)	(174)
	1 124	1 543

Rental income amounted to CZK 168 million in 2024 (2023: CZK 155 million). Operating costs related to the investment property in reporting period amounted to CZK 74 million (2023: CZK 24 million) and are included in the cost of sales.

14.1. Fair value of investment property measurement

Investment property as at 31 December 2024 included the lands owned by the Company and leased to subsidiaries of the Company and third parties, which fair value was estimated by revenue approach.

In the revenue approach the calculation was based on the discounted cash flow method. The discount rate used reflects the relation, as expected by the buyer, between annual revenue from an investment property and expenditures required to purchase investment property. Forecasts of discounted cash flows relating to the property consider arrangements included in all rent agreements as well as external data, e.g. current market rent charges for similar property, in the same location, technical conditions, standard and designed for similar purposes. The investment property valued under the revenue approach is classified to Level 3 as defined by IFRS 13. The average discount rate of 5.90% for the years was used for the calculation of the investment property fair value.

In the year ended 31 December 2024 and the comparative period there were no changes in the measurement approach.

14.2. Sensitivity analysis of changes in fair value of investment property classified under Level 3 fair value

Analysis of the influence of potential changes in the fair value of investment property on profit before tax in relation to a hypothetical change in discount rate:

	Increase by	Level 3 Total impact	Decrease by	Total impact
Change in discount rate	+1 pp	(80)	-1 pp	80

15. SHARES IN RELATED PARTIES

SELECTED ACCOUNTING PRINCIPLES

Investments in subsidiary entities, and jointly controlled entities in the separate financial statements

Investments in subsidiaries entities and associates that are not classified as held for sale (or not as a part of a disposal the company classified as held for sale in accordance with IFRS 5), are recognised at cost less impairment losses.

Shares in related parties as at 31 December 2024 were as follows:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
Subsidiaries						
ORLEN Unipetrol RPA s.r.o.	Litvinov	21 958	100.00	-	21 958	-
ORLEN UniCRE a.s.	Ústí nad Labem	58	100.00	7	51	-
PARAMO, a.s.	Pardubice	1 252	100.00	1 252	-	-
Subsidiaries where control is present indirectly through ORLEN Unipetrol RPA s.r.o.						
ORLEN Unipetrol Doprava s.r.o.	Litvinov	2	0.12	-	2	-
ORLEN Unipetrol Slovakia s.r.o.	Bratislava	870.2	13.04	-	870.2	8
PETROTRANS, s.r.o.	Praha 4	1	0.63	-	1	-
ORLEN Unipetrol Deutschland GmbH	Langen/Hessen	0.1	0.10	-	0.1	-
Other investments						
Butadien Kralupy a.s.	Kralupy nad Vltavou	162	51.00	-	162	37
ORLEN MALTA HOLDING	La Valeta	1	-	-	1	-
Spolek pro chemickou a hutní výrobu, akciová společnost	Ústí nad Labem	0.0002	-	-	0.0002	-
Total		24 304	-	1 259	23 045	45

Shares in related parties as at 31 December 2023 were as follows:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
Subsidiaries						
ORLEN Unipetrol RPA s.r.o.	Litvinov	21 958	100.00	-	21 958	-
ORLEN UniCRE a.s.	Ústí nad Labem	58	100.00	7	51	-
PARAMO, a.s.	Pardubice	1 252	100.00	1 252	-	-
Subsidiaries where control is present indirectly through ORLEN Unipetrol RPA s.r.o.						
ORLEN Unipetrol Doprava s.r.o.	Litvinov	2	0.12	-	2	-
ORLEN Unipetrol Slovakia s.r.o.	Bratislava	870.2	13.04	-	870.2	-
PETROTRANS, s.r.o.	Praha 4	1	0.63	-	1	-
ORLEN Unipetrol Deutschland GmbH	Langen/Hessen	0.1	0.10	-	0.1	-
Other investments						
Butadien Kralupy a.s.	Kralupy nad Vltavou	162	51.00	-	162	69
ORLEN MALTA HOLDING	La Valeta	1	-	-	1	-
Spolek pro chemickou a hutní výrobu, akciová společnost	Ústí nad Labem	0.0002	-	-	0.0002	-
Total		24 304	-	1 259	23 045	69

For the purpose of impairment test of shares, each related party is treated as a separate cash-generating unit.

The Company performed the impairment analysis for its shares in related parties. Valuation was conducted on the basis of net cash flows included in the financial projections for the years 2025-2033 and by determining the residual value discounted to their present value using the base discount rate, before tax, which reflected the current market estimation of time value of money and the specific risk referring to the valued asset. The calculation considered changes in net working capital and value of net debt.

Based on the calculation no impairment was recognized.

16. OTHER NON-CURRENT ASSETS

	31/12/2024	31/12/2023
Loan granted to REMAQ, s.r.o.	27	-
Financial assets	27	-

17. TRADE AND OTHER RECEIVABLES

SELECTED ACCOUNTING PRINCIPLES

Receivables

Receivables, excluding trade receivables, are recognized initially at a fair value and subsequently, at amortized cost using the effective interest rate including expected credit loss. On initial recognition, the Company measures trade receivables that do not have a significant financing component at their transaction price.

After the initial recognition, these receivables, are valued at amortized cost adjusted for any loss allowance for expected credit loss.

The Company applies simplified method of valuation of receivables measured at amortized cost.

Receivables accounted at amortised cost, where the Company applies simplifications, are accounted at the initial recognition in the amount due, and later, including at the end of the reporting period, in the amount of the payment due less impairment allowances.

ESTIMATES

Impairment of trade and other receivables

Recognition and reversal of impairment losses of receivables are recognized in other operating activity in relation to the principal amount and in financial activities in relation to interest for delayed payments.

As default the Company considers the event when the customer does not meet obligations after 90 days from maturity of receivables.

For the purpose of estimating the expected credit loss, the Company uses the provision matrix, which was estimated based on historical levels of repayment and recoveries from receivables from customers. The Company includes information on the future in parameters used in the expected loss estimation model, through the management adjustment of the basis default probability rates.

The Company does not monitor changes in the credit risk during life of instrument. The Company estimates the expected credit loss until maturity of the instrument. The expected credit loss is calculated when the receivables are recognised in the statement of financial position and is updated on each subsequent day ending the reporting period.

	31/12/2024	31/12/2023
Trade receivables	106	51
Receivables from investment property	71	95
Financial assets	177	146
Prepayments and deferred costs	13	11
Non-financial assets	13	11
Receivables, net	190	157
Expected credit loss	245	-
Receivables, gross	435	157

Net receivables include expected credit loss amount.

Trade receivables result primarily from sales of services. The management considers that the carrying amount of trade receivables approximates their fair value and that trade and other receivables by contractors will be realized no later than twelve months after the end of the reporting period.

The Company exposure to credit and currency risk related to trade and other receivables is disclosed in note 27 and detailed information about receivables from related parties is presented in note 29.

18. OTHER FINANCIAL ASSETS

	31/12/2024	31/12/2023
Loan to ORLEN Unipetrol RPA s.r.o.	5 464	1 978
Loan to ORLEN Unipetrol Hungary Kft.	25	49
Loan to ORLEN HUNGARY Kft.	445	273
Cash pool	8 687	10 121
	14 621	12 421

Loans and cash pool granted

The Company provided financing to its subsidiaries and related companies: ORLEN Unipetrol RPA s.r.o., SPOLANA s.r.o., PARAMO, a.s., HC Verva Litvínov, a.s., ORLEN Unicre a.s., ORLEN Unipetrol Hungary Kft., ORLEN HUNGARY Kft., REMAQ, s.r.o. and ORLEN Projekt Česká republika s.r.o., ORLEN S.A.

The interest rates were based on appropriate inter-bank rates and fair value of loans approximates their carrying amount. The Company performed the expected credit loss calculation as at 31 December 2024 and as at 31 December 2023 and considered that there is no significant concentration of credit risk in relation to loans granted and potential expected credit loss is immaterial.

The analysis of current loans by currency of denomination is presented in the note 27.

The Company provides its subsidiaries with short term loans within the Group's cash pool. The loans are not collateralized and their fair value approximates the carrying amount. Further information is presented in note 21.

19. CASH AND CASH EQUIVALENTS

SELECTED ACCOUNTING PRINCIPLES

Cash

Cash comprises cash on hand and in bank accounts as well as cash in transit. Cash equivalents are short-term, highly liquid investments (of original maturity up to three months) that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

	31/12/2024	31/12/2023
Cash on hand and in bank	8 714	11 806
	8 714	11 806

The carrying amount of these assets approximates their fair value. There is no credit risk in relation to cash and cash equivalents and potential expected credit loss is immaterial.

20. SHAREHOLDERS' EQUITY

SELECTED ACCOUNTING PRINCIPLES

Share capital

The share capital is paid by shareholders and is stated at nominal value in accordance with the parent company's articles of association and the entry in the Commercial Register.

Revaluation reserve

The revaluation reserve includes revaluation of items, which, according to the Company's regulations, relates to the revaluation reserve, including particularly:

- differences between the net book value and the fair value of an investment property at the date of reclassification from the property occupied by the Company to an investment property.

Retained earnings

Retained earnings include:

- the amounts arising from profit distribution/loss cover,
- the undistributed result from prior periods,
- the current reporting period profit/loss,
- the corrections (profit/loss) of prior period errors,
- changes in accounting principles,
- reserve capital created from the distribution of profits and used in accordance with the Commercial Group Code
- other reserve capital as additional payments to equity,
- actuarial gains and losses from retirement benefits.

Profit per share

Basic profit/(loss) per share is calculated by dividing the net profit or loss for a given period which is attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. The Company has no potential dilutive shares.

20.1. Share capital

The issued capital of the Company as at 31 December 2024 amounted to CZK 18 133 million (31 December 2023: CZK 18 133 million). This represents 181 334 764 (2023: 181 334 764) bearer ordinary shares, each with a nominal value of CZK 100. All issued shares have been fully paid and bear equal voting rights.

20.2. Revaluation reserve

Revaluation reserve comprises the difference between the net book value and the fair value of the property as at the date of reclassification of the property occupied by the Company and recognized as an investment property.

20.3. Retained earning

In accordance with appropriate Czech law, dividends can be paid from unconsolidated profits of the parent company. The sole shareholder of ORLEN Unipetrol a.s. decided, pursuant to Article 8 (2) (k) of the Articles of Association of ORLEN Unipetrol a.s., to allocate the Company's profit generated on separate basis in 2023 in the amount of CZK 970 million to retained earnings.

The decision regarding appropriation of 2024 loss will be made by the sole shareholder in 2025.

20.4. Equity management policy

Equity management is performed on the Group level in order to protect the Group's ability to continue its operations as a going concern while maximizing returns for shareholders.

The Company monitors the equity debt ratio (net finance leverage). As at 31 December 2024 and as at 31 December 2023 Company's financial leverage amounted to -12.97% and -21.57%, respectively.

Net financial leverage = net debt/equity (calculated as at the end of the period) x 100%

Net debt = Non-current loans + current loans - cash and cash equivalents

20.4.1. Net debt

	31/12/2024	31/12/2023
Cash on hand and in bank	8 714	11 806
Loans	3 022	1 978
Loans non-current	3 022	-
Loans current	-	1 978
	5 692	9 828

20.4.2. Net working capital

	Receivables	Liabilities	Working capital
31/12/2023	157	67	90
31/12/2024	190	60	130
Net working capital change in statement of financial position	(33)	(7)	(40)
Adjustments:			
Movements in receivables from rental of investment property	(24)	-	(24)
Movements in leasing liabilities	-	(1)	(1)
Change in working capital in statement of cash flows	(57)	(8)	(65)

20.5. Profit/(loss) per share

	2024	2023
Profit/(loss) for the year	(1 688)	970
Weighted average number of shares	181 334 764	181 334 764
Profit/(loss) per share (in CZK per share)	(9.31)	5.35

The Company has no potential dilutive shares. Diluted profit/(loss) per share is the same as basic profit/(loss) per share.

21. LOANS

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Loans	3 022	-	-	1 978	3 022	1 978
	3 022	-	-	1 978	3 022	1 978

by currency/by interest rate

	31/12/2024	31/12/2023
EUR/EURIBOR	3 022	1 978
	3 022	1 978

Loans and cash pool agreements

During the year 2024 the Company had cash pool and loan agreements with the following banks, subsidiaries and related companies:

Banks: ING Bank N.V., organizační složka, Česká spořitelna, a.s., Komerční banka, a.s., Všeobecná úverová banka, a.s., pobočka Praha and PKO BP S.A., Czech Branch.

Subsidiaries and related companies: ORLEN Unipetrol RPA s.r.o., ORLEN Unipetrol Doprava s.r.o., SPOLANA s.r.o., PETROTRANS, s.r.o., ORLEN Unipetrol Slovakia s.r.o., HC VERVA Litvínov, a.s., ORLEN Service Česká Republika s.r.o. and Orlen Asphalt Česká republika s.r.o., ORLEN S.A.

Cash held at bank accounts of cash pool banks is drawn by the Company and above-mentioned subsidiaries. The contracts enable to access bank loans not exceeding CZK 12 922 million from all banks together. Interest income/expense is calculated from the drawn amount and consequently divided among the parties involved.

In the period covered by these financial statements as well as after the reporting date, there were no instances of violation of principal or interest repayment of loans.

Disclosures relating to loans are included in note 27 and are presented jointly with other financial instruments.

22. LEASE LIABILITIES

	Non-current		Current		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Lease liabilities	1	6	6	5	7	11
Financial liabilities	1	6	6	5	7	11

23. PROVISIONS

SELECTED ACCOUNTING PRINCIPLES

Provisions

A provision is a liability of uncertain timing or amount. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured reliably. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Provisions are not recognized for future operating losses.

Environmental provision

The Company creates provisions for future liabilities due to reclamation of contaminated land or water or elimination of harmful substances if there is such a legal or constructive obligation. The environmental provision for reclamation is periodically reviewed on the basis of expert assessment. The provision is periodically updated with current discount and inflation rates.

ESTIMATES

Recognition of provisions requires estimates of the probable outflow of resources embodying economic benefits and making the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are recognized when the probability of outflow of resources embodying economic benefits is higher than 50%.

The Company has a provision in the amount of CZK 49 million (31 December 2023: CZK 51 million) for remediation of historical ecological contamination in the Kralupy location. Based on the decision of the Czech inspection of environment the remediation works have to be finalized till 21 years after their start.

24. TRADE AND OTHER LIABILITIES

SELECTED ACCOUNTING PRINCIPLES

Liabilities

Liabilities, including trade liabilities, are initially stated at fair value, increased by, in the case of financial liability not qualified as those measured at fair value through profit or loss, transaction cost and subsequently, at amortized cost using the effective interest rate method. The Company applies simplified methods of valuation of liabilities measured at amortized cost if it does not distort information included in the statement of financial position.

Accruals are liabilities due for goods received or services provided, but not paid, invoiced or formally agreed with the seller, together with amounts due to employees.

Although it is sometimes necessary to estimate the amount or timing of accruals, the related uncertainty is generally much lower than it is for provisions.

	31/12/2024	31/12/2023
Trade liabilities	10	10
Other	9	9
Financial liabilities	19	19
Payroll liabilities	5	8
Value added tax	7	6
Other taxation, duties, social security and other benefits	2	3
Accruals	21	26
holiday pay accrual	-	1
wages accrual	21	25
Non-financial liabilities	35	43
	54	62

The management considers that the carrying amount of trade and other liabilities and accruals approximate their fair value. The currency structure of financial liabilities is presented in note 27.4.1.

As at 31 December 2024 and as at 31 December 2023 in the Company there were no material overdue liabilities. The Company expects that the payment of trade liabilities to contractors will take place no later than twelve months after the end of the reporting period.

25. OTHER FINANCIAL LIABILITIES

The Company had cash pool liabilities to subsidiaries and related entities in the amount of CZK 592 million as at 31 December 2024 (31 December 2023: CZK 932 million). The description of cash pool agreements is presented in note 21.

26. LEASE

SELECTED ACCOUNTING PRINCIPLES

Lease

The Company as a lessee

Rights resulting from lease, rental, hire or other agreements which meet the definition of a lease as per IFRS 16 are recognised as right of use underlying assets within the framework of non-current assets with a corresponding lease liabilities.

Initial recognition and measurement

The Company recognises the right of use asset as well as the lease liability on the date of commencement of the lease.

On the date of commencement, the Company measured the right of use asset at cost.

The cost of the right of use asset is inclusive of the following:

- the amount of the initial measurement of the lease liability,
- all lease payments made on or before the date of commencement, less any lease incentives received,
- all initial costs directly incurred by the lessee, and
- estimated costs to be incurred by the lessee in connection with the dismantling and removal of underlying assets, the refurbishment of premises within which they were located, or the refurbishment of underlying assets to the condition required by the terms and conditions of the lease, unless these costs are incurred with the aim of creating stocks.

Lease payments included in the evaluation of lease liability include:

- fixed lease payments;
- variable lease payments, which depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts that are expected to be paid by the lessee as part of the guaranteed residual value;
- the call exercise price, should it be assumed with reasonable certainty that the Company shall decide to exercise the call option;
- penalty payments for termination of a lease, unless it can be assumed with reasonable certainty that the Company shall not terminate the lease.

Other variable payments, which do not depend on an index or a rate and do not have a set minimal level, should not be taken into account when calculating lease liability. Such payments are recognized in the profit and loss account in the period of the occurrence which renders them payable.

The lease liability on the commencement date shall be calculated on the basis of the current lease payments that are payable by that date and discounted by the incremental borrowing rates of the lessee.

The Company does not discount lease liabilities by the interest rate implicit in the lease as the calculation of such rates requires information known only to the lessor (the non-guaranteed final value of the leased asset as well as the direct costs incurred by the lessor).

Determining the lessee's incremental borrowing rate

Lessee's incremental borrowing rates were specified as the sum of:

- the risk-free rate, based on the Interest Rate Swap (IRS) in accordance with the maturity of the discount rate, and the relevant basic rate for the given currency, as well as
- the ORLEN group's matrix set credit risk premium based on the credit margin calculated inclusive of the credit risk segmentation of all companies which have entered into lease agreements.

Subsequent measurement

After the commencement date, the Company measures the right of use asset applying the cost model (cost pricing model).

In applying the cost model, the Company shall measure the cost of the right of use asset:

- less any accumulated depreciation and accumulated impairment losses; and
- adjusted in respect of any updates to the measurement of lease liability not resulting in the necessity for recognition of a separate asset.

After the date of commencement, the Company shall measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- decreasing the carrying amount to reflect any lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to revise in-substance fixed lease payments.

The Company shall remeasure the lease liability in cases where there is a change in future lease payments as a result of a change in the index or rate used to determine lease payments (e.g. a change in payment associated with the right of perpetual use), in cases where there is a change in the amount expected by the Company to be payable under the residual amount guarantee, or if the Company reassesses the likelihood of the exercise of the call option, or the extension or termination of the lease.

Updating the lease liability also adjusts the value of the right of use asset. In a situation where the carrying amount of the right of use asset has been reduced to zero, further reductions in the measurement of the lease liability shall be recognised by the Company in the statement of profit or loss.

Depreciation

The right of use asset is depreciated linearly over the shorter of the following two periods: the period of lease or the useful life of the underlying asset. However, in cases where the Company can be reasonably sure that it will regain ownership of the asset prior to the end of the lease term, right of use shall be depreciated from the day of commencement of the lease until the end of the useful life of the asset.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right of use asset reflects the fact that the Company will exercise the call option, the lessee shall depreciate the right of use asset from the date of commencement until the end of the useful life of the underlying assets. Otherwise, the Company shall depreciate the right of use asset from the date of commencement of the lease until the end of the useful life of the asset or the lease term, whichever is sooner.

In determining the lease term, the Company shall consider all important facts and incidents behind the economic incentives to make use of the option to extend the lease or not to exercise the option of its termination. The useful life of right of use assets shall be determined in the same manner as for tangible fixed assets.

The useful life of right of use asset is determined in the same manner as for property, plant and equipment.

The Company has leases agreements regarding mainly:

Buildings and construction, office spaces for a fixed period up to 30 years.

Vehicles, including cars for a fixed period up to 3 years.

Impairment

The Company applies IAS 36 Impairment of Assets to determine whether the right of use asset is impaired and to account appropriately for any impairment loss identified.

26. Lease (continued)

Exemptions, simplifications and practical solutions in the application of IFRS 16

Exemptions

Following agreements within the Company are not included within the scope of IFRS 16:

- lease for the exploration or use of natural resources,
- licences granted and recognised in accordance with IFRS 15 – “Revenue from Contracts with Customers”, and
- lease of intangible assets in accordance with IAS 38 - Intangible Assets.

The Company does not apply IFRS 16 to lease agreements or similar for intangible assets.

Simplifications and practical solutions

Short-term lease

The Company applies a practical solution for asset classes in relation to short-term lease contracts, which are characterised by a maximum possible contract term of up to 12 months, including any options to extend.

Simplifications regarding these contracts involve the settlement of lease payments as costs:

- on a straight-line basis, for the duration of the lease agreement, or
- another systematic method, if it better reflects the way of spreading the benefits gained by the user in time.

Leases of low-value assets

The Company does not apply the rules concerning recognition, measurement and presentation outlined in IFRS 16 to lease agreements of low-value assets.

As low-value assets are considered assets which, when are new, have the value up to CZK 100 thousand for each concluded lease agreement.

Simplifications in respect of such contracts are due to the settlement of costs on:

- a straight-line basis for the term of the lease contract; or
- another systematic method basis should it be more representative of the time pattern of the user's benefit.

An asset covered by a lease must not be counted as a low-value asset if the asset would typically not be of low value when new. As low-value items, the Company includes for example: gas cylinders, coffee machines, and small items of furniture.

The underlying asset may have a low value only if:

- the Company lessee may benefit from use of the underlying asset itself or in conjunction with other resources which are readily available to him, and
- the underlying asset is not highly dependent on or related to other assets.

If the Company lessee transfers asset into subleasing or expects the asset to be transferred to subleasing, then the main lease does not qualify as lease of a low-value asset.

Determining the lease term: indefinite contracts

When establishing the term for indefinite leases contracts, the Company determines the lease period, in which termination of the contract will not be justified by making makes a professional judgment and taking into account, among others:

- expenditure incurred in connection with the contract or
- potential costs connected with the termination of the lease contract, including the costs involved in obtaining a new lease contracts, such as negotiation costs; reallocation costs, costs of identifying other underlying asset suitable for the lessee's needs; costs of integrating a new asset into the Company's operations; or termination penalties and similar costs, including costs associated with returning the underlying asset in a contractually specified condition or to a contractually specified location or
- existing business plans and other existing contracts justifying the use of the leased item in the given period.

In cases where the costs connected with the termination of the lease contract are substantial, the lease term adopted is equal to that adopted for the depreciation period of a similar fixed asset with parameters similar to the subject of the lease.

In cases where expenditure incurred in connection with the contract is more than insignificant, the lease term adopted is equal to that of the expected period of economic benefits derived from the incurred expenses.

The value of the incurred expenses represents a separate asset to the right of use asset.

Separating non-lease components

From contracts, that include lease and non-lease components, the Company separates and recognises non-lease components separately for all asset classes e.g. service of assets constituting the subject of the contract and allocates consideration based on the terms of the contract, unless all non-lease items are considered immaterial in the context of the whole contract.

The Company as a Lessor

When the Company is the lessor, the lease is classified as finance or operating lease at the inception date of the lease.

In order to classify a lease as described above, the Company assesses whether all risks and rewards associated with ownership of the underlying assets are transferred substantially to the lessee. In case of the substantial transfer of all risks and rewards, the leasing is classified as a finance lease. If the substantial transfer of risks and rewards does not take place it is classified as an operations lease.

Determination of whether the risks and rewards are to be transferred is carried out based on an assessment of the content of the economic transaction.

When assessing the classification of leases the Company considers some situations, such as whether ownership of the asset is to be transferred to the lessee before the end of the lease term as well as the relationship between the lease terms and the useful life of the asset in questions, even in cases where the legal title of the asset is not to be transferred.

If a contract contains both lease and non-lease components, the Company shall allocate the consideration in the contract to each lease component in accordance with IFRS 15.

On the date of commencement of the lease the lessor recognizes any assets leased as part of a financial lease in its statement of financial position and includes them as receivables equal to the value of the net investment in the lease. Net investment in the lease is gross investment in the lease discounted at the interest rate implicit in the lease.

On the date of commencement of the lease, lease payments included in the measurement of the net investment in the lease comprise of the following payments for the right of use of the underlying assets, which have not yet been received on the date of commencement.

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments, that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- all guaranteed residual values awarded to the lessor by the lessee, an entity connected to the lessee or an independent third party;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

26. Lease (continued)

If the Company conveyed to another entity the right to use an asset under the finance lease, the present value of the minimum lease payments and unguaranteed residual value is recognised in the statement of financial position as receivables with the division into short and long-term part. The minimum lease payments and unguaranteed residual value are discounted using interest rate implicit in the lease, i.e. rate at which the sum present value of the minimum lease payments, unguaranteed residual value and initial direct costs of conclusion of a contract equal the fair value of the leased asset.

Lease payments and any unguaranteed residual value is equal to the sum of:

- i) the fair value of the leased asset and
- ii) any initial direct costs of the lessor.

Assets leased by the Company to other entities for use on the basis of an operational lease are accounted for as Company's assets. Lease payments from operations leases are recognised by the lessor linearly as revenue from the sale of products and services.

PROFESSIONAL JUDGEMENT

Determining the lease term

In determining the lease term, the Company considers all important facts and events resulting in existence of the economic incentives to make use of the option to extend the lease or not to exercise the option of its termination.

The Company also makes a professional judgment to determine the period of contract enforceability (lease term in which termination of the contract will not be justified) in the case of contracts concluded for an indefinite period.

An assessment of a lease term is carried out on the date of commencement of the lease. A reassessment is made upon the occurrence of either a significant event or a significant change in circumstances, that the lessee controls, that impact such an assessment.

ESTIMATES

The useful life of right of use asset

The estimated useful life of right of use asset is determined in the same manner as for property, plant and equipment, when the useful life of the right of use asset covers the irrevocable lease period and the useful life of the property, plant and equipment resulting from the highly probable use of an option his redemption.

Determining the lessee's incremental borrowing rate

Due to the fact that the Company does not have information regarding the interest rate for lease contracts, it uses the incremental borrowing rate to measure lease liabilities, that the Company would have to pay, to borrow, over a similar term and with a similar security, the funds in a given currency necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

26.1. The Company as a lessee

Changes in right of use assets

	Buildings and constructions	Vehicles and other	Total
01/01/2024			
Net carrying amount			
Gross carrying amount	26	6	32
Accumulated depreciation	(19)	(2)	(21)
	7	4	11
increase/(decrease) net			
New agreements, increase in remuneration	1	-	1
Depreciation	(4)	(2)	(6)
Other decrease	-	(1)	(1)
31/12/2024			
Net carrying amount	4	1	5
Gross carrying amount	27	5	32
Accumulated depreciation	(23)	(4)	(27)
	4	1	5
01/01/2023			
Net carrying amount			
Gross carrying amount	26	5	31
Accumulated depreciation	(15)	(3)	(18)
	11	2	13
increase/(decrease) net			
New agreements	1	2	3
Depreciation	(4)	(2)	(6)
Other increase/(decrease)	(1)	2	1
31/12/2023			
Net carrying amount	7	4	11

The total value of cash outflows from lease agreements presented in financing and operating activities in the statement of cash flows in 2024 and 2023 amounted to CZK 5 million and 6 million, respectively.

26.1. The Company as a lessee (continued)

Maturity analysis of lease liabilities

	2024	2023
up to 1 year	6	5
from 1 to 2 years	1	5
from 2 to 3 years	-	1
	7	11
Discount	-	-
	7	11

Amounts from lease contracts recognized in the statement of profit or loss and other comprehensive income

	2024	2023
Costs due to:		
interest on lease	(1)	(1)
Finance costs	-	-
short-term lease	(1)	(1)
Cost by nature: External Services		

26.2. The Company as a lessor

Lease payments under operating leases are recognized on a straight-line basis over the lease period as rental income from investment property.

Maturity analysis for undiscounted lease payments

	2024	2023
up to 1 year	160	147
from 1 to 2 years	160	147
from 2 to 3 years	161	147
from 3 to 4 years	161	147
from 4 to 5 years	161	146
above 5 years	1 079	1 125
	1 882	1 859

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

SELECTED ACCOUNTING PRINCIPLES

Financial instruments

The Company recognises a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual of the instrument.

The Company derecognises a financial asset in the statement of financial position when:

- the contractual rights to the cash flows from the financial asset expired; or
- the Company transferred the financial asset to another entity, and the transfer qualified for derecognition.

The Company removes a financial liability from its statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Measurement of financial assets and liabilities

At initial recognition, the Company measures financial assets and liabilities not qualified as at fair value through profit or loss (i.e. held for trading) at their fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The Company does not classify instruments as measured at fair value through profit or loss upon initial recognition, i.e. does not apply the fair value option.

At the end of the reporting period, the Company measures item of financial assets and liabilities at amortised cost using effective interest rate method, except for derivatives, which are measured at fair value.

With regard to equity instruments, in particular quoted/unquoted shares held for the purpose of obtaining contractual cash flows representing only principal and interest payments as well as in order to sell, the Company classifies the instruments as measured at fair value through other comprehensive income.

Impairment of financial assets

The Company recognizes impairment allowances due to expected credit losses on financial assets measured at amortized cost or measured at fair value through other comprehensive income (with the exception of investments in equity instruments).

The Company uses the following models for determining impairment allowances:

- General model

The general model is applied by the Company for financial assets measured at amortized cost-other than trade receivables and for debt instruments measured at fair value through other comprehensive income.

In the general model, the Company monitors the changes in the level of credit risk associated with a given financial asset and classifies financial assets to one of the three stages of impairment allowances based on the observation of the change in the credit risk level in relation to the initial recognition of the instrument.

Depending on the classification to particular stages, the impairment allowance is estimated in the 12-month horizon (stage 1) or in the life horizon of the instrument (stage 2 and stage 3).

On each day ending the reporting period, the Company considers the indications resulting in the classification of financial assets to particular stages of determining impairment allowances.

For the purpose of estimating the expected credit loss, the Company applies default probability levels based on market credit quotes of derivatives for entities with a given rating and from a given sector.

- Simplified model

The simplified model is applied by the Company for trade receivables.

In the simplified model, the Company does not monitor changes in the credit risk level during the life and estimates the expected credit loss in the horizon up to maturity of the instrument.

Fair value measurement

The Company maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs to estimate the fair value, i.e. the price at which an orderly transaction to transfer the liability or equity instrument would take place between market participants as at the measurement date under current market conditions.

The Company measures derivative instruments at fair value using valuation models for financial instruments based on generally available exchange rates, interest rates, forward and volatility curves for currencies and commodities quoted on active markets.

The fair value of derivative instruments is based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction. Forward exchange rate is not modelled as a separate risk factor but is derived from the relevant spot rate and forward interest rate for foreign currencies in relation to CZK.

PROFESSIONAL JUDGEMENT

Financial instruments

The Management Board assesses the classification of financial instruments, nature and extent of risk related to financial instruments and application of hedge accounting. The Company classifies financial instruments into individual categories based on the assessment of the business model, taking into account the purpose of their purchase and the nature of the acquired assets as well as assessment of the profile of contractual cash flows.

27.1. Financial instruments by category and class

Financial assets

31/12/2024		Financial instruments by category	
Financial instruments by class	Note	Financial assets measured at amortized cost	Total
Trade receivables	17.	106	106
Loans	16., 18.	5 961	5 961
Cash pool	18.	8 687	8 687
Cash and cash equivalents	19.	8 714	8 714
Receivables from rental income	17.	71	71
		23 539	23 539

31/12/2023		Financial instruments by category	
Financial instruments by class	Note	Financial assets measured at amortized cost	Total
Trade receivables	17.	51	51
Loans	18.	2 300	2 300
Cash pool	18.	10 121	10 121
Cash and cash equivalents	19.	11 806	11 806
Receivables from rental income	17.	95	95
		24 373	24 373

Financial liabilities

31/12/2024		Financial instruments by category	
Financial instruments by class	Note	Financial liabilities measured at amortized cost	Liabilities excluded from the scope of IFRS 9
Trade liabilities	24.	10	-
Loans	21.	3 022	-
Cash pool	25.	592	-
Lease liabilities	22.	-	7
Other financial liabilities	24.	9	-
		3 633	7

31/12/2023		Financial instruments by category	
Financial instruments by class	Note	Financial liabilities measured at amortized cost	Liabilities excluded from the scope of IFRS 9
Trade liabilities	24.	10	-
Loans	21.	1 978	-
Cash pool	25.	932	-
Lease liabilities	22.	-	11
Other financial liabilities	24.	9	-
		2 929	11

27.2. Income, expenses, profit and loss in the separate statement of profit or loss and other comprehensive income

2024		Financial instruments by category	
		Financial assets measured at amortized cost	Financial liabilities measured at amortized cost
Interest income		1 227	-
Interest costs		-	(86)
Foreign exchange losses		(59)	(2)
Other		11	(7)
		1 179	(95)

other, excluded from the scope of IFRS 7

Dividends			45
			45

2023		Financial instruments by category	
		Financial assets measured at amortized cost	Financial liabilities measured at amortized cost
Interest income		1 497	-
Interest costs		-	(162)
Foreign exchange gain/(losses)		81	(2)
Other		7	(11)
		1 585	(175)

other, excluded from the scope of IFRS 7

Dividends			69
			69

27.3. Fair value measurement

	Note	31/12/2024		31/12/2023	
		Fair value	Carrying amount	Fair value	Carrying amount
Financial assets					
Loans	16., 18.	5 961	5 961	2 300	2 300
Cash pool	18.	8 687	8 687	10 121	10 121
		14 648	14 648	12 421	12 421
Financial liabilities					
Loans	21.	3 022	3 022	1 978	1 978
Cash pool	25.	592	592	932	932
		3 614	3 614	2 910	2 910

Receivables for loans granted to the subsidiaries and financial liabilities due to loans are measured at fair value using discounted cash flows method. Discount rates are calculated based on fixed interest rate.

For other classes of financial assets and liabilities fair value represents their carrying amount.

27.3.1. Methods applied in determining fair value of financial instruments (fair value hierarchy)

Fair value of shares quoted on active markets is determined based on market quotations (Level 1). In other cases, fair value is determined based on other input data, apart from market quotations, which are directly or indirectly possible to observe (Level 2) and data to valuation, which are not based on observable market data (Level 3).

In the year ended 31 December 2024 and the comparative period in the Company were no transfers between Levels 1, 2 and 3.

As at 31 December 2024 the Company held unquoted shares in entities amounting to CZK 23 045 million (31 December 2023: CZK 23 045 million). As at 31 December 2024 there are no binding decisions relating to the means and dates of disposal of those assets.

27.4. Financial risks identification

The Company's activities are exposed to many different types of risk. Risk management is mainly focused on the unpredictability of financial markets and aims to minimize any potential negative impacts on the Company's financial result.

27.4.1. Currency risk

A currency risk arises most significantly from the exposure of trade liabilities and receivables denominated in foreign currencies, and the foreign currency denominated loans and borrowings. Foreign exchange risk regarding trade liabilities and receivables is mostly covered by natural hedging of trade liabilities and receivables denominated in the same currencies.

Currency structure of financial instruments denominated in foreign currency

Financial Instruments by class	EUR		Total after translation to CZK	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial assets				
Loans	139	93	3 511	2 300
Cash pool	1	203	25	5 014
Cash and cash equivalents	-	1	28	27
	140	297	3 564	7 341
Financial liabilities				
Loans	120	80	3 022	1 978
Cash pool	-	3	23	78
Trade liabilities	-	-	-	1
	120	83	3 045	2 057

Sensitivity analysis for currency changes risk

The Company is mainly exposed to the fluctuation of exchange rates of EUR/CZK.

The influence of changes in carrying amount of financial instruments arising from hypothetical changes in exchange rates of relevant currencies (+/-15%) in relation to presentation currency (CZK) on profit before tax is immaterial, below CZK 1 million.

27.4.2. Interest rate risk

The Company is exposed to the risk of volatility of cash flows arising from interest rate loans and cash pool arrangements granted and taken.

Interest rate structure of financial instruments

	PRIBOR		EURIBOR		Other		Total	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial assets								
Loans	2 450	-	3 511	2 300	-	-	5 961	2 300
Cash pool	8 662	5 107	25	5 014	-	-	8 687	10 121
	11 112	5 107	3 536	7 314	-	-	14 648	12 421
Financial liabilities								
Loans	-	-	3 022	1 978	-	-	3 022	1 978
Cash pool	569	854	4	77	19	1	592	932
	569	854	3 026	2 055	19	1	3 614	2 910

Sensitivity analysis for interest rate risk

The influence of financial instruments on profit before tax due to changes in significant interest rates:

	Assumed variation		Influence on profit before tax	
	31/12/2024	31/12/2023	2024	2023
EURIBOR	+0.5 pp	+0.5 pp	3	26
PRIBOR	+0.5 pp	+0.5 pp	53	21
			56	47
EURIBOR	-0.5 pp	-0.5 pp	(3)	(26)
PRIBOR	-0.5 pp	-0.5 pp	(53)	(21)
			(56)	(47)

The above interest rates variations were calculated based on observations of interest rates fluctuations in the current and prior year as well as on the basis of available forecasts.

The sensitivity analysis was performed on the basis of instruments held as at 31 December 2024 and as at 31 December 2023. The influence of interest rates changes was presented on annual basis.

27.4.3. Liquidity and credit risk

Liquidity risk

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities using the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Maturity analysis of financial liabilities

	Note	31/12/2024			Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years		
Loans	21.	104	208	3 181	3 493	3 022
Cash pool	25.	592	-	-	592	592
Trade and other liabilities	24.	19	-	-	19	19
Lease liabilities	22.	6	1	-	7	7
		721	209	3 181	4 111	3 640

	Note	31/12/2023			Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years		
Loans	21.	1 984	-	-	1 984	1 978
Cash pool	25.	932	-	-	932	932
Trade and other liabilities	24.	19	-	-	19	19
Lease liabilities	22.	5	6	-	11	11
		2 940	6	-	2 946	2 940

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate liquid funds, borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company is exposed to liquidity risk resulting from the relation between current assets and current liabilities. As 31 December 2024 and 31 December 2023, the current liquidity indicator amounted to 33.90 and 7.64, respectively.

27.4.3. Liquidity and credit risk (continued)

As at 31 December 2024 and as at 31 December 2023, the maximum available credit facilities relating to bank loans amounted to CZK 12 922 million and CZK 11 878 million, respectively. Unused part of the credit facilities amounted to CZK 9 564 million and CZK 9 389 million as at 31 December 2024 and as at 31 December 2023, the drawn is also affected by granted bank guarantees. The description of the loans and guarantees drawn from credit facilities is presented in notes 21 and 32.

Credit risk

The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Loans granted (note 16, 18) and receivables (note 17) principally consist of amounts due from subsidiaries. The Company does not require collateral in respect of these financial assets. The Company's management monitors the most significant debtors and assesses their creditworthiness. The Company considered that there is no significant concentration of credit risk in relation to trade receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company defines trade receivables covered by simplified expected credit loss model as deliveries and services under contracts with customers and other.

Ageing analysis of trade receivables and expected credit loss as at 31 December 2024

	Trade receivables, gross value	Expected credit loss (in horizon of whole life)	Weighted average rate of expected credit loss	Trade receivables, net value
current	102	-	-	102
more than 90 days past due	249	245	1	4
	351	245		106

Ageing analysis of trade receivables and expected credit loss as at 31 December 2023

	Trade receivables, gross value	Expected credit loss (in horizon of whole life)	Weighted average rate of expected credit loss	Trade receivables, net value
current	51	-	-	51
more than 90 days past due	-	-	-	-
	51	-		51

The Company sets impairment charges based on analysis of customers' creditworthiness and ageing of receivables. In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the debtor from the date credit was initially granted up to the reporting date. Accordingly, the management considers that there is no further credit risk allowance required in excess of the allowance for impairment charges.

Increases and reversals of impairment allowances in respect of the principal amount of trade and other receivables are included in other operating expense or income and in respect of interest for delayed payments in financial expense or income. Information about financial assets valuation is presented in note 27.3.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum credit risk in respect of each class of financial assets is equal to the book value.

28. PAST ENVIRONMENTAL LIABILITIES

The Company is the recipient of funds provided by the National Property Fund of the Czech Republic for settling environmental liabilities relating to historic environmental damage. Funds up to CZK 10 256 million are provided to cover cost actually incurred in relation to settlement of historic environmental damage.

An overview of funds provided by the National Property Fund (currently administered by the Ministry of Finance) for the environmental contracts is provided below:

	Total amount of funds to be provided	Used funds as at 31/12/2024	Unused funds as at 31/12/2024
ORLEN Unipetrol a.s. / premises in Litvínov	6 012	4 489	1 523
ORLEN Unipetrol a.s. / premises in Kralupy nad Vltavou	4 244	65	4 179
	10 256	4 554	5 702
	Total amount of funds to be provided	Used funds as at 31/12/2023	Unused funds as at 31/12/2023
ORLEN Unipetrol a.s. / premises in Litvínov	6 012	4 482	1 530
ORLEN Unipetrol a.s. / premises in Kralupy nad Vltavou	4 244	64	4 180
	10 256	4 546	5 710

29. RELATED PARTY TRANSACTIONS

29.1. Information on material transactions concluded by the Company with related parties on other than market terms

In 2024 and in 2023 there were no transactions concluded by the Company with related parties on other than market terms.

29.2. Transactions with key management personnel

In 2024 and in 2023 the Company did not grant to managing and supervising persons and their relatives any advances, loans, guarantees and commitments or concluded other agreements obliging them to render services to the Company and its related parties. As at 31 December 2024 and as at 31 December 2023 there were no loans granted by the Company to managing and supervising persons and their relatives.

29.3. Transaction with related parties concluded through the key management personnel

In 2024 and in 2023 key management personnel of the Company, based on declarations sent, did not conclude any transaction with related parties.

29.4. Transactions and balances of settlements of the Company with related parties

Parent and ultimate controlling party

As at 31 December 2024 and as 31 December 2023 100% of the Company's shares were in possession of ORLEN S.A.

2024	ORLEN S.A.	Entities under control or significant influence of ORLEN Unipetrol a.s.	Entities under control or significant influence of ORLEN S.A.
Sales	-	169	-
Purchases	1	25	-
Finance income, including dividends	9	660	-
Finance costs	-	45	-
	2	13	16

31/12/2024	ORLEN S.A.	Entities under control or significant influence of ORLEN Unipetrol a.s.	Entities under control or significant influence of ORLEN S.A.
Other financial assets, including granted loans	25	14 608	15
Trade and other receivables	-	122	-
Trade and other liabilities, including loans	-	3	-
Other financial liabilities	-	287	305

2023	ORLEN S.A.	Entities under control or significant influence of ORLEN Unipetrol a.s.	Entities under control or significant influence of ORLEN S.A.
Sales	-	96	-
Purchases	3	23	-
Finance income, including dividends	12	220	-
Finance costs	-	69	-
	4	118	32

31/12/2023	ORLEN S.A.	Entities under control or significant influence of ORLEN Unipetrol a.s.	Entities under control or significant influence of ORLEN S.A.
Other financial assets, including granted loans	4 961	7 460	-
Trade and other receivables	-	109	-
Trade and other liabilities, including loans	1	2	-
Other financial liabilities	-	605	326

30. REMUNERATION PAID AND DUE OR POTENTIALLY DUE TO THE BOARD OF DIRECTORS, THE SUPERVISORY BOARD AND OTHER MEMBERS OF KEY EXECUTIVE PERSONNEL

The Board of Directors', the Supervisory Board's and other key executive personnel's remuneration includes short term employee benefits and termination benefits paid, due and potentially due during the period.

	31/12/2024	31/12/2023
Short-term employee benefits	85	99
Termination benefits	20	-
	105	99

Further detailed information regarding remuneration of key management personnel is included in note 8.3.

30.1. Bonus system for key executive personnel of the Company

In 2024 the key executive personnel was participating in the annual MBO bonus system (management by objectives). The regulations applicable to Management Board, directors directly reporting to Management Boards of entities and other key positions have certain common features. The persons subject to the above-mentioned systems are remunerated for the accomplishment of specific goals set at the beginning of the bonus period, by the Supervisory Board for the Management Board Members and by the Management Board members for the key executive personnel. The bonus systems are structured in such way, so as to promote the cooperation between individual employees in view to achieve the best possible results for the Company. The goals are qualitative or quantitative (measurable) and are accounted for following the end of the year for which they were set, on the rules adopted in the applicable Bonus System Regulations. Regulation gives the possibility to promote employees, who significantly contribute to results generated by the Company.

30.2. The entitlements upon the termination of employment

The entitlements arising from contracts with key management personnel upon the termination of employment contained both a competition and a stabilization clause. The competition and stabilization clause ranges between three and six average monthly earnings or monthly base salary, respectively.

31. INFORMATION CONCERNING SIGNIFICANT PROCEEDINGS IN FRONT OF COURT OR IN FRONT OF PUBLIC ADMINISTRATION BODIES

Purchase of shares of PARAMO, a.s.

In January 2009 ORLEN Unipetrol a.s. effected a squeeze out of PARAMO, a.s. shares and became sole shareholder of PARAMO, a.s.

In accordance with the resolutions of the Extraordinary General Meeting of PARAMO, a.s. of 6 January 2009, all other shares in PARAMO, a.s. were transferred to the Company and the Company provided to the other shareholders of PARAMO, a.s. monetary consideration of CZK 977 per share of PARAMO, a.s.

In connection with the squeeze-out, certain minority shareholders of PARAMO, a.s. filed a petition with the Regional Court in Hradec Králové for a review of the adequacy of compensation within the meaning of the Czech Commercial Code. The case is now pending at the Regional Court in Hradec Králové.

On 23 June 2015 the court decided to appoint another expert witness - Expert Group s.r.o. having its registered seat at Radniční 133/1, České Budějovice - to provide a valuation of the PARAMO, a.s. shares.

The Expert Group s.r.o. valuation report regarding of PARAMO, a.s. shares received by ORLEN Unipetrol a.s. on 1 December 2016 provides for PARAMO, a.s. share value as at:

- a) 6 January 2009 – CZK 1 853/share;
- b) 4 March 2009 – CZK 1 691.53/share.

ORLEN Unipetrol a.s. submitted two independent expert reports to the court – one expert report reviewed conclusions made by the Expert Group s.r.o. report and the other expert report provided valuation of PARAMO, a.s. and comments on methodology applied by Expert Group s.r.o. and reliability of their conclusions. The court expert determined value of PARAMO, a.s. share at CZK 909/share as at 6 January 2009 and CZK 905/share as at 4 March 2009.

On 8 August 2019 the court ruled to dismiss the petition of the minority shareholders in full. During October 2019, all claimants filed an appeal against the first instance court filing.

On 3 August 2021 the High Court in Prague (in its position of appellate court) resolved to annul the decision of the Regional Court in Hradec Králové and returned the case to the Regional Court in Hradec Králové.

On 12 January 2022 the Regional Court in Hradec Králové again resolved to dismiss the petition of the minority shareholders in full. The minority shareholders filed an appeal against the decision of the Regional Court in Hradec Králové.

On 1 September 2023 the High Court in Prague resolved to annul the Regional Court in Hradec Králové decision and returned the case to the first instance court.

On 17 February 2025 the Regional Court in Hradec Králové again decided to dismiss the petition of the minority shareholders in its entirety.

32. OTHER DISCLOSURES

Guarantees issued

As part of the operational financing of ORLEN Unipetrol a.s., the bank guarantees in the amount of CZK 1 234 million (2023: CZK 1 727 million) were provided for the companies: ORLEN Unipetrol RPA s.r.o. in the amount of CZK 752 million (2023: CZK 767 million), PARAMO, a.s. in the amount of CZK 372 million (2023: CZK 347 million), ORLEN Unipetrol Slovakia s.r.o. in the amount of CZK 0 million (2023: CZK 497 million) and ORLEN Unipetrol Hungary Kft. CZK 110 million (2023: CZK 116 million).

Furthermore, in 2024 ORLEN Unipetrol a.s. issued a guarantee for the company ORLEN Unipetrol RPA s.r.o. to ensure the excise tax in the amount of CZK 2 250 million (2023: CZK 150 million) and to ensure the payment term in the amount of CZK 1 900 million, for the company SPOLANA s.r.o. to ensure the loan agreement in the amount of CZK 929 million; in favour 1 customer to ensure the payments in the amount of CZK 40 million.

33. EVENTS AFTER THE REPORTING PERIOD

Change in the Supervisory Board in 2025:

Position	Name	Change	Date of change
Member	Magdalena Zabłocka-Foulkes	Elected to the office	with the effect as of 10 January 2025

On 31 March 2025, ORLEN Unipetrol a.s. and ORLEN Unipetrol RPA s.r.o. entered into an agreement under which ORLEN Unipetrol a.s. provided ORLEN Unipetrol RPA s.r.o. with a payment outside the share capital of CZK 16 billion.

The Company's management is not aware of any other events that have occurred since end of the reporting period that would have any material impact on the financial statements as at 31 December 2024.

34. STATEMENT OF THE BOARD OF DIRECTORS AND APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors of ORLEN Unipetrol a.s. hereby declares that to the best of its knowledge the foregoing separate financial statements and comparative data were prepared in compliance with the accounting principles adopted by the Company in force and that they reflect a true and fair view on the financial position and financial results, including basic risks and exposures.

These separate financial statements were authorized by the Board of Directors' meeting held on 15 April 2025.

Signature of statutory representatives	
	
Mariusz Marek Whuk	Zdeněk Jira
Chairman of the Board of Directors	Member of the Board of Directors



**REPORT ON RELATIONS BETWEEN THE CONTROLLING PERSON AND
THE CONTROLLED PERSON**

AND

**BETWEEN THE CONTROLLED PERSON AND OTHER PERSONS
CONTROLLED BY THE SAME CONTROLLING PERSON**

in 2024

**in accordance with article 82 of the Act No. 90/2012 Coll., on Business Companies and Cooperatives (on
Business Corporations), as amended (hereinafter the „Act on Business Corporations“)**

Financial period from 1.1.2024 to 31.12.2024 is the vesting period for this Report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person (hereinafter the „Report on Relations“). Report on relations was established within 3 months of the end of accounting period.

The structure of relations between the entities

Controlled Person

ORLEN Unipetrol a.s., with registered office at Milievská 2095/5, 140 00 Praha 4, Corporate ID: 616 72 190, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Enclosure 3020.

Controlling Persons

ORLEN S.A. with registered office at Chemików 7, PŁOCK, Poland is the majority shareholder (associate) of ORLEN Unipetrol a.s.

Other Controlled Persons

The entities controlled by the Controlling Person – ORLEN S.A. are members of business group „ORLEN Group“, whose scheme is shown in Appendix No. 2.

The entities controlled by ORLEN Unipetrol a.s. are members of ORLEN Group and are also members of „ORLEN Unipetrol“ business group, whose scheme is shown in Appendix No. 1.

The role of the Controlled Person

- strategic management of the development of the group of directly or indirectly controlled companies,
- coordination and facilitation of matters of common interest of the group of directly or indirectly controlled companies,
- arranging of financing and development of financing systems in the companies within the concern,
- development of human resources and a system of human resource management in the companies within the concern,
- administration, acquisition of and disposal with ownership interests and other assets of the Company, in particular:
 - (i) establishing of business corporations, participation in their foundation and other acquisitions of ownership interests in business of other legal entities,
 - (ii) exercising of shareholder's and similar rights within directly or indirectly controlled companies,
 - (iii) renting of real estate and provision of basic services for due functioning of real estate.

The method and means of controlling

ORLEN S.A. is the sole shareholder (associate) of ORLEN Unipetrol a.s. and has direct influence in ORLEN Unipetrol a.s.

The list of actions undertaken in the last financial period made on instigation or in the interest of the Controlling Person or entities controlled by such entity, on condition such actions concern assets exceeding 10% of the controlled entity's equity capital identified in the last financial statements

In the vesting period there were no actions carried out in accordance with article 82 (2d) of the Act on Business Corporations.

The list of mutual agreements between the Controlled Person and the Controlling Person or between the Controlled Persons

The mutual agreements between ORLEN Unipetrol a.s. and ORLEN S.A. and Other Controlled Persons were concluded on the standard terms, while agreed and provided performances or counter-performances were based on the standard terms of business relations.

The list of mutual agreements with the details is enclosed in Appendix No. 3.

The conclusion

The Board of Directors of ORLEN Unipetrol a.s. based on available information declares that ORLEN Unipetrol a.s. incurred no detriment, special advantage or disadvantage in accordance with the article 82 (4) of the Act of Business Corporations as a result of any contracts, acts or measures taken between entities in business group. No risks arise from the relations between entities in business group to ORLEN Unipetrol a.s. except those arising from standard participation in international business group.

The company's Board of Directors prepared the Report on Relations based on information available on the date of the Report on Relations.

The Report on Relations is to be read in conjunction with the Appendix No. 1, 2 and 3.

On behalf of the Board of Directors of ORLEN Unipetrol a.s.

15 -04- 2025

Mariusz Marek Wnuk

Chairman of the Board of Directors

Zdeněk Jíra

Member of the Board of Directors

CAPITAL GROUP OF ORLEN Unipetrol a.s. – CONTROLLED COMPANIES
1 January - 31 December 2024

January - 31 December 2024		Shares in directly and indirectly controlled company in %		Note
Company controlled by ORLEN Unipetrol a.s.	Residence	as at	as at	
		1.1.2024	31.12.2024	
Companies with direct share of ORLEN Unipetrol a.s.				
Companies with indirect share of ORLEN Unipetrol a.s.				
1. ORLEN Unipetrol RPA s.r.o., Reg. 275 97 075	Litvínov, Záluží 1, Czech Republic	100.00	100.00	
1.1 HC VERVA Litvínov, a.s., Reg. 640 48 098	Litvínov , S.K. Neumanna 1598, Czech Republic	70.95	70.95	
1.2 ORLEN Unipetrol Doprava s.r.o., Reg. 640 49 701	Litvínov, Růžodol 4, Czech Republic	99.88	99.88	0.12% of share owned by ORLEN Unipetrol a.s.
1.3 ORLEN Unipetrol Deutschland GmbH, REG.HRB 34346	Langen, Paul-Ehrlich-Strasse 1B, Germany	99.90	99.90	0.10% of share owned by ORLEN Unipetrol a.s.
1.4 ORLEN Unipetrol Slovakia s.r.o., Reg. 357 77 087	Bratislava, Kalinčiakova 14083/33A, Slovakia	86.96	86.96	13.04% of share owned by ORLEN Unipetrol a.s.
1.5 ORLEN Unipetrol Hungary Kft., Reg. 13-09-181774	2040 Budaörs, Puskás Tivadar utca 12, Hungary	100.00	100.00	
1.6 SPOLANA s.r.o., Reg. 451 47 787	Neratovice, ul. Práce 657, Czech Republic	100.00	100.00	
1.7 Nadace ORLEN Unipetrol, Reg. 056 61 544	Praha 4, Milevská 2095/5, Krč, Czech Republic	100.00	100.00	
1.8 PETROTRANS, s.r.o., Reg. 251 23 041	Praha 9, Poděbradská 538/46, Czech Republic	99.37	99.37	0.63% of share owned by ORLEN Unipetrol a.s.
1.9 ORLEN HUNGARY Kft., Reg. 13-10-0595244	Boldizsár utca 2, 1112 Budapest, Hungary	100.00	100.00	
1.10 REMAQ, s.r.o., Reg. 26920051	Otrokovice, tř. Tomáše Bati 1729, Česká republika	100.00	100.00	
2. ORLEN UniCRE a.s., Reg. 622 43 136	Ústí nad Labem, Revoluční 1521/ 84, Czech Republic	100.00	100.00	
3. PARAMO, a.s., Reg. 481 73 355	Pardubice, Svítkov, Přerovská 560, Czech Republic	100.00	100.00	
4. Butadien Kralupy a.s., Reg. 278 93 995	Kralupy nad Vltavou, O. Wichterleho 810, Czech Republic	51.00	51.00	49.00% of shares owned by SYNTHOS Kralupy a.s.
Other companies with share of ORLEN Unipetrol a.s.				
1. ORLEN HOLDING MALTA LIMITED, Reg. C 39945	Level 3, Triq ir-Rampa ta' San Giljan, Balluta Bay, St Julians. STJ1062, Malta	0.50	0.50	99.50% of share owned by PKN ORLEN S.A.

CAPITAL GROUP OF ORLEN S.A. – CONTROLLED COMPANIES
1 January – 31 December 2024

Company	Country	Address	Shares in directly and undirectly controlled company in % as at 1.1.2024	Shares in directly and undirectly controlled company in % as at 31.12.2024
1 AB ORLEN Lietuva	Lithuania	Juodeikiai	100,00%	100,00%
1.1 ORLEN Eesti OU	Estonia	Tallin	100,00%	100,00%
1.2 SIA ORLEN Latvija	Latvia	Ryga	100,00%	100,00%
1.3 UAB Naftel	Lithuania	Wilno	34,00%	34,00%
1.4 UAB Biržų vandenys	Lithuania	Birže / Biržai	-	6,90%
1.5 UAB ORLEN Mockavos terminalas	Lithuania	Lazdijų r. sav.	100,00%	100,00%
2 AB ORLEN Baltics Retail	Lithuania	Wilno	100,00%	100,00%
3 ANWIL S.A.	Poland	Wrocław	100,00%	100,00%
3.1 Zakłady Przemysłu Ziemiaczanego w Pile "ZETPEZET" Sp. z o.o.	Poland	Pila	-	0,046%
4 Inowrocławskie Kopalnie Soli "SOLINO" S.A.	Poland	Inowrocław	100,00%	100,00%
5 Kopalnia Soli Lubień sp. z o.o. w likwidacji	Poland	Warszawa	100,00%	100,00%
6 ORLEN Administracja Sp. z o.o.	Poland	Płock	100,00%	100,00%
7 ORLEN Asfalt Sp. z o.o.	Poland	Płock	100,00%	100,00%
7.1 ORLEN Asfalt Ceska Republika s.r.o.	Czechia	Pardubice	100,00%	100,00%
8 ORLEN Aviation Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
9 ORLEN Budonafit Sp. z o.o.	Poland	Limanowa	100,00%	100,00%
10 ORLEN Capital AB	Sweeden	Szabolim	100,00%	100,00%
11 ORLEN Centrum Usług Korporacyjnych sp. z o.o.	Poland	Płock	100,00%	100,00%
11.1 Zakłady Mięsne "Pekpol Ostrołęka" S.A.	Poland	Ławy	-	1,96%
12 ORLEN Deutschland GmbH	Germany	Elmshorn	100,00%	100,00%
12.1 ORLEN Deutschland Betriebsgesellschaft mbH	Germany	Elmshorn	100,00%	100,00%
12.2 ORLEN Deutschland Süd Betriebsgesellschaft mbH	Germany	Elmshorn	-	100,00%
13 ORLEN EKO Sp. z o.o.	Poland	Płock	100,00%	100,00%
13.1 ORLEN EkoUtylizacja Sp. z o.o.	Poland	Płock	100,00%	100,00%
14 ORLEN Laboratorium S.A.	Poland	Płock	100,00%	100,00%
15 ORLEN Ochrona Sp. z o.o.	Poland	Płock	100,00%	100,00%
15.1 UAB ORLEN Apsauga	Lithuania	Juodeikiai	100,00%	100,00%
16 ORLEN OIL Sp. z o.o.	Poland	Gdańsk	100,00%	100,00%
17 ORLEN Paliwa Sp. z o.o.	Poland	Wielka	100,00%	100,00%
17.1 Lubelski Rynek Hurtowy S.A.	Poland	Elżówka	-	0,03%
18 ORLEN Południe S.A.	Poland	Trzebinia	100,00%	100,00%
18.1 Energomedia sp. z o.o.	Poland	Trzebinia	100,00%	100,00%
18.2 KONSORCJUM OLEJÓW PRZEPACOWANYCH - ORGANIZACJA ODZY	Poland	Jedlicze	90,00%	90,00%
19 ORLEN Projekt S.A.	Poland	Płock	100,00%	100,00%
19.1 ORLEN Projekt Ceska republika s.r.o.	Czechia	Kralupy nad Vltavou	100,00%	100,00%
19.2 ENERGOP Sp. z o.o.	Poland	Sochaczew	-	74,11%
19.2.1 Energomontaż Pólnoc S.A.	Poland	Gdynia	-	0,52%
20 ORLEN Serwis S.A.	Poland	Płock	100,00%	100,00%
20.1 ORLEN Service Ceska republika s.r.o.	Czechia	Litvinov	100,00%	100,00%
20.2 UAB ORLEN Service Lietuva	Lithuania	Juodeikiai	100,00%	100,00%
21 ORLEN Upstream Polska Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
21.1 ORLEN Upstream Canada Ltd.	Canada	Calgary	100,00%	100,00%
21.1.1 Peridac Production GP Ltd.	Canada	Calgary	51,17%	51,17%
21.1.1.1 671519 N.B. Ltd. (New Brunswick)	Canada	Saint John	51,17%	51,17%
21.1.2 KCK Atlantic Holdings Ltd.	Canada	Calgary	100,00%	100,00%
21.1.2.1 Peridac Production LP (Limited Partnership)	Canada	Calgary	80,47%	80,47%
21.1.2.2 Peridac Energy Limited (Federal)	Canada	Calgary	-	2,31%
22 ORLEN Usługi finansowe sp. z o.o.	Poland	Warszawa	100,00%	100,00%
23 ORLEN Unipetrol a.s.	Czechia	Praga	100,00%	100,00%
24 ORLEN Neptun sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.1 ORLEN Neptun II sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.2 ORLEN Neptun III sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.3 ORLEN Neptun IV sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.4 ORLEN Neptun V sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.5 ORLEN Neptun VI sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.6 ORLEN Neptun VII sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.7 ORLEN Neptun VIII sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.8 ORLEN Neptun IX sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.9 ORLEN Neptun X sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.10 ORLEN Neptun XI sp. z o.o.	Poland	Warszawa	100,00%	100,00%
24.11 UAB „ORLEN Neptūnas”	Lithuania	Juodeikiai	-	100,00%
25 ORLEN Energia sp. z o.o.	Poland	Warszawa	100,00%	100,00%

Company	Country	Address	Shares in directly and indirectly controlled company in % as at 1.1.2024	Shares in directly and indirectly controlled company in % as at 31.12.2024
26 ORLEN Wind 3 Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
26.1 Livingstone sp. z o.o.	Poland	Warszawa	100,00%	100,00%
26.2 Nowotna Farma Watrowa sp. z o.o.	Poland	Warszawa	100,00%	100,00%
26.3 Ujazd Sp. z o.o.	Poland	Poznań	-	100,00%
26.4 EWDobrzyca Sp. z o.o.	Poland	Poznań	-	100,00%
26.5 Wind Field Wielkopolska Sp. z o.o.	Poland	Poznań	-	100,00%
26.6 Forthwind sp. z o.o.	Poland	Koszalin	-	100,00%
26.7 Copernicus Windpark sp. z o.o.	Poland	Koszalin	-	100,00%
26.8 PV WĄLCZ 01 Sp. z o.o.	Poland	Poznań	-	100,00%
26.9 Neo Solar Chotków sp. z o.o.	Poland	Warszawa	-	100,00%
26.10 Neo Solar Farms sp. z o.o.	Poland	Warszawa	-	100,00%
26.11 „FW WARTA” sp. z o.o.	Poland	Poznań	-	100,00%
27 ORLEN Olefiny sp. z o.o.	Poland	Płock	100,00%	100,00%
28 ORLEN VC sp. z o.o.	Poland	Warszawa	100,00%	100,00%
28.1 ICsec service sp. z o.o.	Poland	Poznań	-	27,42%
28.1.1 ICcert sp. z o.o.	Poland	Poznań	-	27,42%
28.1.2 ICdiode sp. z o.o.	Poland	Poznań	-	27,42%
28.1.3 ICaudit sp. z o.o.	Poland	Poznań	-	27,42%
28.2 Emerald Industrial Innovation Fund LP	Great Britain	St Peter Port	-	n/d
28.3 Environmental Technologies Fund 4 LP	Great Britain	London	-	n/d
28.4 Invert Robotics Group Limited	Ireland	Dublin	-	18,15%
28.4.1 Invert Robotics Global Solutions Limited	Ireland	Dublin	-	18,15%
28.4.2 Invert Robotics Services Ltd	New Zealand	Christchurch	-	18,15%
28.4.3 Invert Robotics Australia Pty Ltd	Australia	Melbourne	-	18,15%
28.4.4 Invert Robotics Inc	USA	Houston	-	18,15%
28.4.5 Invert Robotics Ltd	New Zealand	Christchurch	-	18,15%
28.4.6 Invert Robotics Coöperatief U.A	The Netherlands	Eindhoven	-	18,15%
28.4.6.1 Invert Robotics Europe BV	The Netherlands	Eindhoven	-	18,15%
28.4.6.2 Invert Robotics Manufacturing BV	The Netherlands	Eindhoven	-	18,15%
28.4.6.2.1 Invert Robotics Germany GmbH	Germany	Meerbusch	-	18,15%
28.4.6.2 Invert Robotics France SARL	France	Le Rheu	-	18,15%
28.5 Eologix Sensor Technology GmbH	Austria	Graz	-	7,15%
28.6 Apeiron Synthesis S.A.	Poland	Wrocław	-	6,69%
28.6.1 Apeiron Synthesis Inc.	USA	Cambridge	-	6,69%
28.7 Shippeo, S.A.S.	France	Paryż	-	2,60%
28.7.1 oPhone SA	France	Villeurbanne	-	2,49%
28.7.2 Shippeo Inc.	USA	New York	-	2,49%
28.7.3 Shippeo PTE Ltd.	Singapore	Oak Park	-	2,49%
28.8 Enellon Sp. z o.o.	Poland	Gdańsk	-	36,03%
28.9 Reliability Solutions Sp. z o.o.	Poland	Kraków	-	10,93%
28.9.1 ReliaSol Sp. z o.o.	Poland	Kraków	-	10,93%
28.9.2 Reliability Solutions Holding B.V.	The Netherlands	Rotterdam	-	10,93%
28.10 CIRCUNOMICS	Germany	Mainz	-	18,83%
28.11 CTHINGS.CO Sp. z o.o.	Poland	Warszawa	-	17,29%
28.12 Euroloop sp. z o.o.	Poland	Nowy Sącz	-	25,64%
28.13 Heimdall Power AS	Norway	Oslo	-	13,81%
29 ORLEN International Trading (Suzhou) Co., Ltd.	China	Suzhou	100,00%	100,00%
30 ORLEN Centrum Serwisowe Sp. z o.o.	Poland	Opole	100,00%	100,00%
31 ORLEN Transport Sp. z o.o.	Poland	Płock	100,00%	100,00%
31.1 Mostostal Zabrze S.A.	Poland	Gliwice	-	0,10%
32 Polska Press Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
32.1 Pro Media Sp. z o.o.	Poland	Opole	53,00%	53,00%
32.2 Kościńska Oficyna Wydawnicza Sp. z o.o.	Poland	Kościan	50,00%	50,00%
32.3 Południowa Oficyna Wydawnicza Sp. z o.o.	Poland	Jarocin	40,11%	40,11%
32.4 Polskie Badania Internetu Sp. z o.o.	Poland	Warszawa	-	5,30%
32.5 KIOSK Sp. z o.o.	Poland	Siemianowice Śląskie	-	2,00%
32.6 Tarnowska Agencja Rozwoju Regionalnego S.A.	Poland	Tarnów	-	0,11%
32.7 Wielkopolska Telewizja Kablowa Sp. z o.o.	Poland	Poznań	-	10,72%
32.8 Gruper Sp. z o.o.	Poland	Warszawa	-	6,80%
32.9 Garmond Press S.A.	Poland	Kraków	-	5,47%
33 ORLEN Austria GmbH	Austria	Wels	-	100,00%
33.1 Austrocard GmbH	Austria	Wels	-	100,00%
33.2 Waldviertler Tankstellenbetriebs GmbH	Austria	Wels	-	100,00%
33.3 Salzburger Tankstellenbetriebs GmbH	Austria	Wels	-	100,00%

Company	Country	Address	Shares in directly and indirectly controlled company in % as at 1.1.2024	Shares in directly and indirectly controlled company in % as at 31.12.2024
33.4	Austria	Salzkammergut Tankstellenbetriebs GmbH	-	100,00%
33.5	Austria	Wiener Tankstellenbetriebs GmbH	-	100,00%
33.6	Austria	W. Neustädter Tankstellenbetriebs GmbH	-	100,00%
33.7	Austria	Linzer Tankstellenbetriebs GmbH	-	100,00%
33.8	Austria	Welser Tankstellenbetriebs GmbH	-	100,00%
33.9	Austria	Salledier Tankstellenbetriebs GmbH	-	100,00%
33.10	Austria	Turmöl Badener Tankstellenbetriebs GmbH	-	100,00%
33.11	Austria	Mühlviertler Tankstellenbetriebs GmbH	-	100,00%
33.12	Austria	Gmundner Tankstellenbetriebs GmbH	-	100,00%
33.13	Austria	Trauner Tankstellenbetriebs GmbH	-	100,00%
33.14	Austria	Halleiner Tankstellenbetriebs GmbH	-	100,00%
33.15	Austria	Favoritner Tankstellenbetriebs GmbH	-	100,00%
33.16	Austria	FIDO GmbH	-	100,00%
33.17	Austria	Turmöl Korneuburger Handels GmbH	-	100,00%
33.18	Austria	Innviertler Tankstellenbetriebs GmbH	-	100,00%
33.19	Austria	Turmöl Kärntner Tankstellenbetriebs GmbH	-	100,00%
33.20	Austria	Puchenaus Tankstellenbetriebs GmbH	-	100,00%
33.21	Austria	Turmöl Klagenfurter Tankstellenbetriebs GmbH	-	100,00%
33.22	Austria	Or+Tu Strom GmbH	-	100,00%
33.23	Austria	Tulpen Tankstellenbetriebs GmbH	-	100,00%
34	Switzerland	ORLEN Trading Switzerland GmbH	100,00%	100,00%
35	Malta	Orlen Holding Malta Limited	100,00%	100,00%
35.1	Malta	Orlen Insurance Ltd	100,00000000%	100,00%
36	Poland	LOTOS Lab Sp. z o.o.	100,00%	100,00%
37	Poland	LOTOS Straż Sp. z o.o.	100,00%	100,00%
38	Poland	LOTOS Gaz S.A. w likwidacji	100,00%	100,00%
39	Poland	ORLEN Kolej sp. z o.o.	100,00%	100,00%
40	Poland	Rafineria Gdańska Sp. z o.o.	70,00%	70,00%
41	Poland	ORLEN Petrobaltic S.A.	99,99%	99,99%
41.1	Poland	Energobaltic Sp. z o.o.	99,99%	99,99%
41.2	Poland	B8 Sp. z o.o.	99,99%	99,99%
41.3	Poland	B8 Sp. z o.o. BALTIC S.K.A.	99,99%	99,99%
41.4	Cyprus	Milana Shipholding Company Ltd	99,99%	99,99%
41.4.1	Cyprus	Milana Shipmanagement Ltd	99,99%	99,99%
41.4.2	Cyprus	Kambr Navigation Company Ltd	99,99%	99,99%
41.4.3	Cyprus	Petro Aphrodite Company Ltd	99,99%	99,99%
41.4.4	Cyprus	Petro Icarus Company Ltd	99,99%	99,99%
41.4.5	Cyprus	St. Barbara Navigation Company Ltd	99,99%	99,99%
41.4.6	Cyprus	Granit Navigation Company Ltd	99,99%	99,99%
41.4.7	Cyprus	Bazalt Navigation Company Ltd	99,99%	99,99%
41.4.8	Poland	Technical Ship Management Sp. z o.o.	99,99%	99,99%
41.4.8.1	Poland	SPV Baltic Sp. z o.o.	99,99%	99,99%
41.4.8.2	Poland	SPV Petro Sp. z o.o.	99,99%	99,99%
42	Poland	LOTOS Upstream sp. z o.o.	100,00%	100,00%
42.1	Norway	LOTOS Exploration and Production Norge AS	100,00%	100,00%
42.2	Lithuania	AB LOTOS Geonaf	100,00%	100,00%
42.2.1	Lithuania	UAB "Manifidas"	100,00%	100,00%
42.2.2	Lithuania	UAB "Genčių nafta"	100,00%	100,00%
42.2.3	Lithuania	UAB "MINIJOS NAFTA"	50,00%	50,00%
42.3	Poland	Baltic Gas Sp. z o.o.	50,00%	50,00%
42.4	Poland	Baltic Gas Sp. z o.o. i wspólnicy sp.k.	-	46,05%
43	Poland	LOTOS Green H2 Sp. z o.o.	100,00%	100,00%
44	Poland	LOTOS SPV 3 Sp. z o.o.	100,00%	100,00%
45	Poland	LOTOS SPV 4 Sp. z o.o.	100,00%	100,00%
46	Poland	LOTOS SPV 6 Sp. z o.o.	100,00%	100,00%
47	Poland	Exalo Drilling S.A.	100,00%	100,00%
47.1	Poland	Zakład Gospodarki Mieszkaniowej Sp. z o.o.	100,00%	100,00%
47.2	Ukraine	EXALO DRILLING UKRAINE LLC	100,00%	100,00%
47.3	Poland	Exalo Diament Sp. z o.o.	100,00%	100,00%
48	Poland	GEOFIZYKA Kraków S.A. w likwidacji w upadłości	100,00%	100,00%
49	Poland	GEOFIZYKA Toruń S.A.	100,00%	100,00%
50	Poland	PGNiG Obrót Detaliczny Sp. z o.o.	100,00%	100,00%
50.1	Poland	Huta Łaziska S.A.	-	0,020%
51	Poland	PGNiG Serwis sp. z o.o.	100,00%	100,00%
51.1	Poland	Polskie Centrum Brokerskie sp. z o.o.	100,00%	100,00%

	Company	Country	Address	Shares in directly and undirectly controlled company in % as at 1.1.2024	Shares in directly and undirectly controlled company in % as at 31.12.2024
52	PGNIG SPV 10 Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
53	PGNIG SPV 6 Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
54	PGNIG BioEvolution sp. z o.o.	Poland	Warszawa	-	100,00%
54.1	CHP Energia sp. z o.o.	Poland	Szepietbwo	-	100,00%
54.2	Bioufil sp. z o.o.	Poland	Jeżewo	-	100,00%
54.3	Bioenergy Project sp. z o.o.	Poland	Warszawa	-	100,00%
55	PGNIG Upstream Polska Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
56	ORLEN Nieruchomości sp. z o.o.	Poland	Warszawa	100,00%	100,00%
57	PGNIG Supply & Trading GmbH	Germany	Monachium	100,00%	100,00%
57.1	PST Europe Sales GmbH in liquidation	Germany	Monachium	100,00%	100,00%
57.1.1	XOOL GmbH in liquidation	Germany	Monachium	100,00%	100,00%
57.2	PGNIG Supply & Trading Polska Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
57.3	ORLEN LNG SHIPPING LIMITED	Great Britain	Londyn	100,00%	100,00%
57.4	ORLEN LNG TRADING LIMITED	Great Britain	Londyn	100,00%	100,00%
58	ORLEN Technologie S.A.	Poland	Krosno	100,00%	100,00%
58.1	Polimex Mostostal S.A.	Poland	Warszawa	-	31,18%
58.1.1	Polimex Energetyka Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.2	Nafloremon- Nafobudowa Sp. z o.o.	Poland	Plock	-	31,18%
58.1.3	Polimex Opole Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.4	Polimex Opole Sp. z o.o. Sp.k.	Poland	Warszawa	-	nd
58.1.5	Polimex Operator 1 Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.6	Polimex Operator Sp. z o.o.	Poland	Warszawa	-	nd
58.1.7	Polimex Budownictwo 1 Sp. z o.o.	Poland	Siedlce	-	31,18%
58.1.8	Polimex Budownictwo Sp. z o.o.	Poland	Siedlce	-	nd
58.1.9	Mostostal Siedlce 1 Sp. z o.o.	Poland	Siedlce	-	31,18%
58.1.10	Mostostal Siedlce Sp. z o.o.	Poland	Siedlce	-	nd
58.1.11	Polimex Infrastruktura Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.12	Polimex-Mostostal ZUT Sp. z o.o.	Poland	Siedlce	-	31,18%
58.1.13	Polimex SPV1 Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.14	Polimex SPV 2 Sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.15	Stalfa Sp. z o.o.	Poland	Sokolów Podlaski	-	31,18%
58.1.16	Polimex Kogeneracja Sp. z o.o.	Poland	Lublin	-	31,18%
58.1.17	Energomontaż-Pólnoc - Belchatów S.A.	Poland	Rogowiec	-	24,08%
58.1.18	Instal Lublin S.A.	Poland	Lublin	-	31,18%
58.1.19	Polimex Centrum Usług Wspólnych Sp. z o.o. w likwidacji	Poland	Warszawa	-	31,18%
58.1.20	Polimex PV1 sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.21	Polimex Energo sp. z o.o.	Poland	Warszawa	-	15,59%
58.1.22	Polimex Prefabrykacja sp. z o.o.	Poland	Warszawa	-	31,18%
58.1.23	Centrum Projektów Polimex-Mostostal Sp. z o.o. w likwidacji	Poland	Gliwice	-	31,04%
58.1.24	WBP Zabrze Sp. z o.o. w likwidacji	Poland	Gliwice	-	31,17%
58.1.25	Przedsiębiorstwo Robót Inżynierskich PRInż-1 Sp. z o.o.	Poland	Sosnowiec	-	29,78%
58.1.26	Czerwonogrodzki Zakład Konstrukcji Stalowych Sp. z d. o.	Ukraine	Czerwonograd	-	31,18%
58.1.27	Polimex-Mostostal Wschód Sp. z o.o.	Russia	Moskwa	-	31,18%
58.1.28	S.C. Coifer Impex SRL w upadłości likwidacyjnej	Rumunia	Bukareszt	-	31,18%
58.1.29	Polimex Mostostal GmbH	Germany	Dortmund	-	31,18%
58.1.30	Polimex Mostostal B.V.	The Netherlands	Haga	-	31,18%
58.1.31	Polimex Arabia Co.Ltd.	Saudi Arabia	Riyadh	-	15,28%
58.1.32	Sinopol Trade Center Sp. z o.o.	Poland	Plock	-	15,59%
58.1.33	Przeds. Mont. Rem. Energetyki ZREMON Sp. z o.o. w likwidacji	Poland	Wroclaw	-	9,35%
58.1.34	Laborabrium Ochrony Środowiska Pracy Sp. z o.o.	Poland	Siedlce	-	8,57%
58.2	Gazobudowa Kraków Sp. z o.o. w upadłości likwidacyjnej	Poland	Kraków	47,17%	47,17%
59	PGNIG TERMIKA SA	Poland	Warszawa	100,00%	100,00%
59.1	PGNIG TERMIKA Energetyka Rozproszona sp. z o.o.	Poland	Wroclaw	100,00%	100,00%
59.2	PGNIG TERMIKA Energetyka Przemysłowa S.A.	Poland	Jastrzębie-Zdrój	100,00%	100,00%
59.2.1	PGNIG TERMIKA Energetyka Przemysłowa - Technika Sp. z o.o.	Poland	Jastrzębie-Zdrój	100,00%	100,00%
59.2.2	Ciepłownia Rydułtowy Sp. z o.o.	Poland	Rydułtowy	-	9,63%
59.2.3	Przedsiębiorstwo JAS-POL Sp. z o.o. w restrukturyzacji	Poland	Jastrzębie-Zdrój	-	2,00%
59.2.4	Przedsiębiorstwo EKO-JAS Sp. z o.o.	Poland	Zory	-	2,25%
59.3	PGNIG TERMIKA Energetyka Przemysł Sp. z o.o.	Poland	Warszawa	-	100,00%
59.4	Zakład Separacji Popiołów Siekierki sp. z o.o.	Poland	Warszawa	70,00%	70,00%
59.5	Elektrociepłownia Stalowa Wola S.A.	Poland	Stalowa Wola	50,00%	50,00%
60	PGNIG Upstream North Africa B.V.	The Netherlands	Amsterdam	100,00%	100,00%
61	ORLEN Upstream Norway AS	Norway	Stavanger	100,00%	100,00%

Company		Country	Address	Shares in directly and undirectly controlled company in % as at 1.1.2024	Shares in directly and undirectly controlled company in % as at 31.12.2024
62	Polska Spółka Gazownictwa Sp. z o.o.	Poland	Tarnów	100,00%	100,00%
62.1	Gaz Sp. z o.o.	Poland	Blonie	100,00%	100,00%
62.2	PSG Inwestycje Sp. z o.o.	Poland	Warszawa	100,00%	100,00%
63	PGNIG GAZOPROJEKT S.A.	Poland	Wrocław	95,17%	95,17%
64	LLC "Karpatskyydobuvannya"	Ukraine	Kijów	85,00%	100,00%
65	GAS-TRADING S.A.	Poland	Warszawa	79,58%	79,58%
65.1	Gas-Trading Podkarpacie Sp. z o.o.	Poland	Dębica	78,82%	78,82%
66	ENERGA S.A.	Poland	Gdańsk	90,92%	90,92%
66.1	Energa Informatyka i Technologie Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.2	Energa Logistyka Sp. z o.o.	Poland	Płock	90,92%	90,92%
66.3	Centrum Badawczo-Rozwojowe im. M. Faradaya Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.4	Energa Finance AB	Sweeden	Szokholm	90,92%	90,92%
66.5	ENERGA-OBROT S.A.	Poland	Gdańsk	90,92%	90,92%
66.6	Enspirion Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.7	ENERGA Oświecenie Sp. z o.o.	Poland	Sopot	90,92%	90,92%
66.8	ENERGA-OPERATOR SA	Poland	Gdańsk	90,92%	90,92%
66.8.1	ENERGA-OPERATOR Wykonawstwo Elektroenergetyczne Sp. z o.o.	Poland	Ślupsk	90,92%	90,92%
66.8.2	STOCZNIA REMONTOWA NAUTA S.A.	Poland	Gdynia	-	0,19%
66.9	Energa Wytwarzanie S.A.	Poland	Gdańsk	90,92%	90,92%
66.9.1	Energa Elektrownie Ostrołęka S.A.	Poland	Ostrołęka	81,50%	81,50%
66.9.1.1	ECARB Sp. z o.o.	Poland	Gdańsk	81,50%	81,50%
66.9.1.2	Energa Serwis Sp. z o.o.	Poland	Ostrołęka	81,50%	81,50%
66.9.2	ENERGA MFW 1 Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.9.3	ENERGA MFW 2 Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.9.4	Energa Wind Service Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.9.5	Baltic Offshore Service Solution Sp. z o.o.	Poland	Gdańsk	-	45,46%
66.9.6	Wena Projekt 2 sp. z o.o.	Poland	Warszawa	-	90,92%
66.9.7	PVE 28 sp. z o.o.	Poland	Gdańsk	-	90,92%
66.9.8	VRS 14 sp. z o.o.	Poland	Gdańsk	-	90,92%
66.9.9	E&G sp. z o.o.	Poland	Płock	-	90,92%
66.10	Energa Kogeneracja Sp. z o.o.	Poland	Elbląg	90,92%	90,92%
66.10.1	Energa Ciepło Kaliskie Sp. z o.o.	Poland	Kalisz	82,96%	82,96%
66.10.2	Energa Ciepło Ostrołęka Sp. z o.o.	Poland	Ostrołęka	90,92%	90,92%
66.10.2.1	Zakłady Pomiarowo-Badawcze Energetyki ENERGOPOMIAR Sp.	Poland	Gliwice	-	3,53%
66.11	Energa Prowis Sp. z o.o.	Poland	Gdańsk	-	90,92%
66.12	CCGT Gdańsk Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.13	CCGT Grudziądz Sp. z o.o.	Poland	Grudziądz	90,92%	90,92%
66.14	CCGT Ostrołęka Sp. z o.o.	Poland	Ostrołęka	95,4600%	95,46%
66.15	Energa Green Development Sp. z o.o.	Poland	Gdańsk	90,92%	90,92%
66.15.1	Helios Polska Energia sp. z o.o.	Poland	Konin	-	90,92%
66.15.2	Farma Wiatrowa Szybówice Sp. z o.o.	Poland	Warszawa	-	90,92%
66.16	Aktywa Ostrołęka sp. z o.o.	Poland	Ostrołęka	45,46%	90,92%
66.18	ElectroMobility Poland S.A.	Poland	Warszawa	-	2,09%
66.19	Rafako S.A.	Poland	Racibórz	-	0,57%
67	Sigma BIS S.A.	Poland	Warszawa	66,00%	66,00%
67.1	Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajem	Poland	Warszawa	-	0,66%
68	RUCH S.A.	Poland	Warszawa	65,00%	65,00%
68.1	Fincores Business Solutions Sp. z o. o.	Poland	Warszawa	65,00%	65,00%
68.2	ORLEN Paczka sp. z o.o. w organizacji	Poland	Warszawa	-	65,00%
69	Baltic Power Sp. z o.o.	Poland	Warszawa	51,34%	51,00%
70	SOLGEN Sp. z o.o.	Poland	Kraków	60,00%	100,00%
71	System Gazociągów Transzytowych EUROPOL GAZ S.A.	Poland	Warszawa	51,18%	100,00%
72	Basell Orlen Polyolefins Sp. z o.o.	Poland	Płock	50,00%	50,00%
72.1	Basell ORLEN Polyolefins Sprzedaż Sp. z o.o.	Poland	Płock	50,00%	50,00%
73	Płocki Park Przemysłowo-Technologiczny S.A.	Poland	Płock	50,00%	50,00%
73.1	Centrum Edukacji Sp. z o.o.	Poland	Płock	34,72%	34,72%
74	Orlen Synthos Green Energy sp. z o.o.	Poland	Warszawa	50,00%	50,00%
74.1	BWRX-300 Bełchatów sp. z o.o.	Poland	Warszawa	-	50,00%
74.2	BWRX-300 Dąbrowa Górnicza sp. z o.o.	Poland	Warszawa	-	50,00%
74.3	BWRX-300 Grudziądz sp. z o.o.	Poland	Warszawa	-	50,00%
74.4	BWRX-300 Kozienice sp. z o.o.	Poland	Warszawa	-	50,00%
74.5	BWRX-300 Kujawy sp. z o.o.	Poland	Warszawa	-	50,00%
74.6	BWRX-300 Łaziska sp. z o.o.	Poland	Warszawa	-	50,00%
74.7	BWRX-300 Łódź sp. z o.o.	Poland	Warszawa	-	50,00%

Company	Country	Address	Shares in directly and undirectly controlled company in % as at 1.1.2024	Shares in directly and undirectly controlled company in % as at 31.12.2024	
74.8	BWRX-300 Nowa Huta sp. z o.o.	Poland	Warszawa	-	50,00%
74.9	BWRX-300 Ostrołęka sp. z o.o.	Poland	Warszawa	-	50,00%
74.10	BWRX-300 Polaniec sp. z o.o.	Poland	Warszawa	-	50,00%
74.11	BWRX-300 Pomorze sp. z o.o.	Poland	Warszawa	-	50,00%
74.12	BWRX-300 Poznań sp. z o.o.	Poland	Warszawa	-	50,00%
74.13	BWRX-300 Rybnik sp. z o.o.	Poland	Warszawa	-	50,00%
74.14	BWRX-300 Stalowa Wola sp. z o.o.	Poland	Warszawa	-	50,00%
74.15	BWRX-300 Stawy Monowskie sp. z o.o.	Poland	Warszawa	-	50,00%
74.16	BWRX-300 Tarnobrzeg sp. z o.o.	Poland	Warszawa	-	50,00%
74.17	BWRX-300 Warszawa sp. z o.o.	Poland	Warszawa	-	50,00%
74.18	BWRX-300 Warta sp. z o.o.	Poland	Warszawa	-	50,00%
74.19	BWRX-300 Włocławek sp. z o.o.	Poland	Warszawa	-	50,00%
74.20	Green Energy Wall sp. z o.o.	Poland	Warszawa	-	50,00%
74.21	BWRX Limited	Great Britain	Bristol	-	50,00%
74.22	BWRX CZ s.r.o.	Czechia	Praga	-	50,00%
76	PFK GASKON S.A.	Poland	Warszawa	45,94%	45,94%
76.1	ALFA-CENTER Sp. z o.o.	Poland	Warszawa	45,94%	45,94%
77	"GAZOMONTAŻ" S.A. w upadłości likwidacyjnej	Poland	Ząbki	45,18%	45,18%
78	Zakład Wytwórczy Urządzeń Gazowniczych "INTERGAZ" Sp. z o.o.	Poland	Tarnowskie Góry	38,30%	38,30%
79	"Dewon" PSA	Ukraine	Kijów	36,38%	36,38%
79.1	INTERNAFTA INVEST Ltd.	Ukraine	Kijów	36,38%	36,38%
80	Naftoport Sp. z o.o.	Poland	Gdańsk	-	26,92%
81	Grupa Azoty Poliolefin S.A.	Poland	Police	-	17,30%
82	Walcownia Rur Jedność Sp. z o.o. w likwidacji	Poland	Siemianowice Śląskie	-	11,53%
83	Agencja Rynku Energii S.A.	Poland	Warszawa	-	7,27%
84	WODKAN S.A.	Poland	Ostrów Wielkopolski	-	2,68%
85	Bank Ochrony Środowiska S.A.	Poland	Warszawa	-	4,82%
86	Ideon S.A.	Poland	Katowice	-	0,10%
87	Huta Ostrowiec S.A. w upadłości	Poland	Ostrowiec Świętokrzyski	-	3,563%
88	Stocznia Gdynia SA w upadłości likwidacyjnej	Poland	Gdynia	-	0,0905%
89	Daewoo Motor Polska Sp. z o.o. w upadłości	Poland	Lublin	-	0,09%
90	Huta Stalowa Wola S.A.	Poland	Stalowa Wola	-	0,693%
91	Autostrada Wielkopolska S.A.	Poland	Poznań	-	0,042%
92	INWESTSTAR S.A.	Poland	Starachowice	-	0,10%
93	CFI HOLDING S.A.	Poland	Wrocław	-	0,0004%

Appendix No. 3

Contract/amendment number	Subject of the document	Company	Valid from	Valid til	Contract conclusion date
179-2008	Credit contract, as amended	Butadien Kralupy a.s.	5/15/2008	indefinite	5/15/2008
274234091	Contract on insurance and its governance - insurance of damages - 1. layer	Butadien Kralupy a.s.	5/1/2023	4/30/2024	11/15/2023
0033 - 2019	Framework agreement on securing of certain information and access to IT systems	Butadien Kralupy a.s.	1/1/2019	indefinite	6/26/2019
304478387	Liability insurance - 1st layer	Butadien Kralupy a.s.	5/1/2024	4/30/2024	10/30/2024
0036 - 2019	Framework agreement on securing of certain information and access to IT systems	ORLEN Unipetrol Slovakia s. r. o.	1/1/2019	indefinite	5/27/2019
2-2011	Contract on usage of trademarks, logos and other brand names	ORLEN Unipetrol Slovakia s. r. o.	1/1/2010	indefinite	3/8/2011
0115 - 2015	Credit contract no 160-2009	ORLEN Unipetrol Slovakia s. r. o.	12/9/2009	indefinite	12/9/2009
406-2008	Contract on provision of complex services	ORLEN Unipetrol Slovakia s. r. o.	1/1/2008	indefinite	
253-2007 rev. 0 dod. 0	mySAP.com Licensing and Maintenance Agreement	ORLEN Unipetrol Slovakia s. r. o.	12/1/2007	indefinite	12/20/2007
269562903	Liability insurance - 1st layer - premium re-invoicing	PARAMO, a.s.	5/1/2023	12/31/2024	11/15/2023
0032 - 2019	Framework agreement on securing of certain information and access to IT systems	PARAMO, a.s.	1/1/2019	indefinite	6/25/2019
404-2008	CLA Agreement, as amended	PARAMO, a.s.	1/1/2008	indefinite	1/1/2008
196-2007	Framework agreement on reassining invoiced charges	PARAMO, a.s.	12/6/2007	indefinite	12/6/2007
139-2007	Credit agreement	PARAMO, a.s.	7/23/2007	indefinite	7/23/2007
231-2007 rev. 0 dod. 0	mySAP.com Licensing and Maintenance Agreement	PARAMO, a.s.	12/1/2007	indefinite	12/3/2007
0097 - 2016	Cash pool B	PETROTRANS, s.r.o.	11/25/2016	indefinite	1/3/2017
	Insurance for statutory bodies	PETROTRANS, s.r.o.			1/29/2020
	Cooperation in the group	PETROTRANS, s.r.o.			10/5/2009
	on the assignment of the contract	PETROTRANS, s.r.o.			5/1/2019
0096 - 2016	Cash pool A	PETROTRANS, s.r.o.	11/25/2016	indefinite	1/3/2017
133-2007	Credit agreement	PETROTRANS, s.r.o.	8/13/2007	indefinite	8/13/2007
417-2008 rev. 0 dod. 0	Corporate Level Agreement	PETROTRANS, s.r.o.	10/1/2014	indefinite	10/1/2014
204-2007	Credit agreement - usage of cashpool	ORLEN Unipetrol Doprava s.r.o.	4/16/2007	indefinite	4/16/2007
143-2007	Credit agreement no. S200/127/07	ORLEN Unipetrol Doprava s.r.o.	8/10/2007	indefinite	8/10/2007
203-2007	Credit agreement no. S200/087/07	ORLEN Unipetrol Doprava s.r.o.	7/16/2007	indefinite	7/16/2007
0133-2015	CLA	ORLEN Unipetrol Doprava s.r.o.	1/1/2016	indefinite	3/14/2016
15-2010	Agreement on usage of goodwill of Unipetrol, as amended	ORLEN Unipetrol Doprava s.r.o.	1/1/2009	indefinite	2/11/2010
0031-2019	Framework agreement on securing of certain information and access to IT systems	ORLEN Unipetrol Doprava s.r.o.	1/1/2019	indefinite	5/24/2019
	Agreement on cooperation in HSEQ	ORLEN Unipetrol Doprava s.r.o.	10/5/2009	indefinite	10/5/2009
	Agreement on cooperation in HSE	ORLEN Unipetrol Doprava s.r.o.	10/23/2009	indefinite	10/23/2009
2010-55	Agreement on cooperation aimed at improvement of commercial results	ORLEN Unipetrol Doprava s.r.o.	11/2/2009	indefinite	11/2/2009
5400/082/00	Agreement on usage of Framework agreement with DELL no. S400/082/00	ORLEN Unipetrol Doprava s.r.o.	3/30/2000	indefinite	3/30/2000
408-2008 rev. 0 dod. 0	Corporate Level Agreement	ORLEN Unipetrol Doprava s.r.o.	1/1/2009	indefinite	1/17/2009
230-2007 rev. 0 dod. 0	mySAP.com Licensing and Maintenance Agreement	ORLEN Unipetrol Doprava s.r.o.	12/1/2007	indefinite	
0645 - 2019 rev. 0 dod. 0	Personal data protection agreement	ORLEN Unipetrol RPA s.r.o.	8/1/2019	indefinite	9/23/2019
0061 - 2018 rev. 0 dod. 0	The Framework Contract on ensuring provision of certain information and access to information systems	ORLEN Unipetrol RPA s.r.o.	1/1/2018	indefinite	12/3/2018
0668 - 2018 rev. 0 dod. 0	Contract on easement	ORLEN Unipetrol RPA s.r.o.	10/8/2012	indefinite	10/8/2012
0006 - 2019 rev. 0 dod. 0	Contract on easement	ORLEN Unipetrol RPA s.r.o.	10/31/2019	indefinite	9/6/2019
0497 - 2017 rev. 0 dod. 0	agreement on the assignment of a service contract	ORLEN Unipetrol RPA s.r.o.	5/30/2017	indefinite	6/19/2017
0043 - 2016 rev. 0 dod. 0	agreement on contract to Unipetrol RPA	ORLEN Unipetrol RPA s.r.o.	5/1/2016	indefinite	6/21/2016
0578 - 2016 rev. 0 dod. 0	Premises lease agreement (provision of premises for firefighters for the purposes of on-call time, compliance with the requirements of Act No. 262/2006 Coll., Labor Code, related to the on-call time of HZSP Unipetrol RPA employees)	ORLEN Unipetrol RPA s.r.o.	8/1/2016	indefinite	8/1/2016
0002 - 2016 rev. 0 dod. 0	Service level agreement	ORLEN Unipetrol RPA s.r.o.	1/1/2016	indefinite	2/23/2016
0022 - 2009 rev. 0 dod. 1	Rental agreement	ORLEN Unipetrol RPA s.r.o.	1/6/2010	indefinite	10/15/2010
0143 - 2015 rev. 0 dod. 0	Unipetrol - FA on use the Benzina payment card	ORLEN Unipetrol RPA s.r.o.	4/1/2015	indefinite	4/1/2015
0558 - 2015 rev. 0 dod. 0	Contract on supply of energy services	ORLEN Unipetrol RPA s.r.o.	8/1/2015	indefinite	10/23/2016
165-2011 rev. 0 dod. 0	Contract on use of goodwill UNIPETROL, a.s.	ORLEN Unipetrol RPA s.r.o.	1/1/2009	indefinite	2/11/2010
165-2011 rev. 0 dod. 1	Amendment No. 1 to the Agreement on Use of Goodwill UNIPETROL, a.s.	ORLEN Unipetrol RPA s.r.o.	3/16/2011	indefinite	4/13/2011
153-2010 rev. 0 dod. 0	Contract on the establishment of easement	ORLEN Unipetrol RPA s.r.o.	12/27/1999	indefinite	12/27/1999
627-2009 rev. 0 dod. 0	SAP licensing	ORLEN Unipetrol RPA s.r.o.	5/1/2009	indefinite	6/30/2009
1032-2008 rev. 0 dod. 0	Corporate Level Agreement	ORLEN Unipetrol RPA s.r.o.	12/18/2008	indefinite	12/19/2008
24-2008 rev. 0 dod. 0	Agreement on setting up and termination of	ORLEN Unipetrol RPA s.r.o.	1/1/2008	indefinite	7/11/2008
279-2008 rev. 0 dod. 0	Agreement on setting up and termination of	ORLEN Unipetrol RPA s.r.o.	5/12/2008	indefinite	8/26/2008
763-2008 rev. 0 dod. 0	Credit agreement - CZK 9.75 billion	ORLEN Unipetrol RPA s.r.o.	6/25/2008	indefinite	6/25/2008
895-2006 rev. 0 dod. 0	Contract on termination of an easement and on establishment of an easement	ORLEN Unipetrol RPA s.r.o.	12/1/2006	indefinite	12/20/2006
402-2006 rev. 0 dod. 0	Contract on termination and establishment of an easement (exchange with Dopravní podnik)	ORLEN Unipetrol RPA s.r.o.	4/1/2006	indefinite	3/30/2006
Č. 01656 / 2004	Contract on termination and establishment of an easement	ORLEN Unipetrol RPA s.r.o.	12/8/2004	indefinite	12/8/2004

Contract/amendment number	Subject of the document	Company	Valid from	Valid til	Contract conclusion date
S 400/020/03	Establishment of an easement and termination of an easement	ORLEN Unipetrol RPA s.r.o.	3/11/2003	indefinite	3/11/2003
5303-2003 rev. 0 dod. 1	Agreement on easement contracts (Unification of land use for individual UNIPETROL, a.s. companies - ČESKÁ RAFINÉRSKÁ, a.s. -	ORLEN Unipetrol RPA s.r.o.	2/1/2007	indefinite	5/15/2007
0119 - 2015 rev. 0 dod. 0	Agreement on Ensuring the Development and Use of the Common Information Environment for Monitoring the Unipetrol Group Environment +	ORLEN Unipetrol RPA s.r.o.	1/1/2008	indefinite	4/21/2008
0293 - 2014 rev. 0 dod. 0	Unipetrol - FA for use of PKB	ORLEN Unipetrol RPA s.r.o.	11/20/2014	indefinite	12/2/2014
0221 - 2014 rev. 0 dod. 0	Cooperation Level Agreement (CLA)	ORLEN Unipetrol RPA s.r.o.	11/25/2008	indefinite	11/25/2008
0004 - 2019 rev. 0 dod. 0	Agreement on setting up and termination of easement	ORLEN Unipetrol RPA s.r.o.	3/1/2019	indefinite	12/6/2019
81-2009	Agreement on licensing (sublicence) on usage of SAP software and support provision	ORLEN Unipetrol RPA s.r.o.	5/15/2009	indefinite	
98-2011	Agreement on provision of loans (contocorent)	ORLEN Unipetrol RPA s.r.o.	10/1/2011	indefinite	
97-2011	Agreement on provision of loans	ORLEN Unipetrol RPA s.r.o.	10/1/2011	indefinite	
199254193	Contract for the provision of a voluntary supplement outside the share capital	ORLEN Unipetrol RPA s.r.o.	10/1/2022	indefinite	10/24/2022
187767466	Agreement on termination of easement and establishment of easement - land easement of permanent right of use	ORLEN Unipetrol RPA s.r.o.	10/10/2022	indefinite	10/10/2022
304434805	Liability insurance - 1st layer	ORLEN Unipetrol RPA s.r.o.	5/1/2024	4/30/2025	9/26/2024
392-2008 rev. 0 dod. 0	Real estate management contract	ORLEN Unipetrol RPA s.r.o.	1/1/2000	indefinite	12/28/1998
23-2009 rev. 0 dod. 0	Contract for the supply of energy services	ORLEN Unipetrol RPA s.r.o.	1/1/2009	indefinite	12/30/2008
22-2009 rev. 0 dod. 0	Lease and service agreement	ORLEN Unipetrol RPA s.r.o.	3/1/2008	indefinite	3/6/2008
269555391	Liability insurance - 1st layer	ORLEN Unipetrol RPA s.r.o.	5/1/2023	4/30/2024	10/30/2023
	Rafinate1 price adjustment for 2024	ORLEN Unipetrol RPA s.r.o.	12/2/2024		12/20/2024
312216610/2025	Sublease and services agreement-premises	ORLEN Unipetrol RPA s.r.o.	1/1/2024	indefinite	10/30/2024
0035 - 2019 rev. 0 dod. 0	Framework agreement on securing of certain information and access to IT systems	ORLEN Unipetrol RPA Hungary Kft.	1/1/2019	indefinite	5/27/2019
294194162	Amendment no.1 of the Loan Agreement	ORLEN Unipetrol RPA Hungary Kft.	2/1/2024	indefinite	2/1/2024
0034 - 2019 rev. 0 dod. 0	Framework agreement on securing of certain information and access to IT systems	ORLEN Unipetrol Deutschland GmbH	1/1/2019	indefinite	4/11/2019
0022-2018	Contract on securing of development und usage of joint IT environmnet for monitoring of Unipetrol Group surroundings, as amended	ORLEN Unipetrol Deutschland GmbH	1/1/2018	indefinite	1/2/2018
269511832	Liability insurance - 1. layer	ORLEN UniCRE a.s.	5/1/2023	4/30/2024	10/16/2023
0004 - 2016 rev. 0 dod. 0	Credit agreement A	ORLEN UniCRE a.s.	2/1/2016	indefinite	1/13/2016
304492208	Liability insurance - 1st layer	ORLEN UniCRE a.s.	5/1/2024	4/30/2024	10/30/2024
269513983	Liability insurance - 1. layer	ORLEN Asfalt Česká republika s.r.o.	5/1/2023	4/30/2024	10/16/2023
0006-2016	Credit agreement A	ORLEN Asfalt Česká republika s.r.o.	2/1/2016	indefinite	4/12/2016
0007-2016	Credit agreement B	ORLEN Asfalt Česká republika s.r.o.	2/1/2016	indefinite	4/12/2016
57-2012	ACCESSION AGREEMENT, as amended	ORLEN FINANCE AB	6/30/2012	indefinite	6/30/2012
0129 - 2015	ACCESSION AGREEMENT regarding the Internal Agreement on Group Accounts System dated 12 April 2010 as amended, supplemented or restated from time to time	ORLEN FINANCE AB	12/31/2015	indefinite	11/20/2015
0058 - 2018 rev. 0 dod. 0	Auditing services provision PKN Orlen to UNIPETROL a.s.	Polski Koncern Naftowy ORLEN S.A.	10/25/2018	indefinite	
0053-2021	Agreement to issue guarantees	Polski Koncern Naftowy ORLEN S.A.	8/31/2014	indefinite	6/29/2021
0003 - 2015 rev. 0 dod. 0	Agreement on cooperation and expences sharing	Polski Koncern Naftowy ORLEN S.A.	6/1/2014	indefinite	1/1/2009
0002 - 2015 rev. 0 dod. 0	Agreement on mutual cooperation	Polski Koncern Naftowy ORLEN S.A.	6/1/2014	indefinite	
112-2011	Agreement on mutual provision of personell	Polski Koncern Naftowy ORLEN S.A.	1/1/2011	indefinite	1/1/2011
61-2013	Internal audit cooperation agreement	Polski Koncern Naftowy ORLEN S.A.	7/1/2013	indefinite	7/1/2013
13-2010	Cooperation agreement	Polski Koncern Naftowy ORLEN S.A.	2/1/2010	indefinite	2/1/2010
199252494	Agreement on non-share capital voluntary surcharge	Polski Koncern Naftowy ORLEN S.A.	10/1/2022	indefinite	10/24/2022
40-2016	Contracts on cooperation and trade secret preservation	Polski Koncern Naftowy ORLEN S.A.	8/31/2014	indefinite	8/31/2014
0060-2018	Framework agreement on securing of certain information and access to IT systems	SPOLANA s.r.o.	1/1/2018	indefinite	11/19/2018
0077 - 2016	Credit agreement B	SPOLANA s.r.o.	7/11/2016	indefinite	7/11/2016
0076 - 2016	Credit agreement A	SPOLANA s.r.o.	7/11/2016	indefinite	7/11/2016
	Credit agreement	SPOLANA s.r.o.	7/8/2024	indefinite	7/8/2024
Annex 3	Increase in credit limit	SPOLANA s.r.o.	7/11/2024		7/11/2024
269514156	Liability insurance - 1. layer	SPOLANA s.r.o.	5/1/2023	4/30/2024	10/16/2023
304491342	Liability insurance - 1st layer	SPOLANA s.r.o.	5/1/2024	4/30/2025	10/28/2024
0091-2020	PoA for lead pool in connection to agreement on provision of cash pool with Česká spořitelna, a.s.	HC VERVA Litvínov, a.s.	10/24/2014	indefinite	
0080-2020	Credit agreement B	HC VERVA Litvínov, a.s.	1/1/2021	indefinite	2/16/2021
0079-2020	Credit agreement A	HC VERVA Litvínov, a.s.	1/1/2021	indefinite	2/16/2021
0037-2023	Framework agreement on securing of certain information and access to IT systems	REMAQ, s.r.o.	1/1/2023	indefinite	10/30/2023
	Credit agreement	REMAQ, s.r.o.	6/20/2024	indefinite	6/20/2024
304481134	Liability insurance - 1st layer	ORLEN Projekt Česká republika s.r.o.	5/1/2024	4/30/2025	10/30/2024
297518907	Credit agreement B	ORLEN Projekt Česká republika s.r.o.	4/1/2024	indefinite	4/1/2024
297518899	Credit agreement A	ORLEN Projekt Česká republika s.r.o.	4/1/2024	indefinite	4/1/2024
	Application for a new company to join the cashpooling	ORLEN Projekt Česká republika s.r.o., Česká spořitelna, a.s.	4/1/2024	indefinite	4/26/2024
295394991	Insurance contract and its administration	ORLEN Service Česká republika s.r.o.	1/1/2024	12/31/2024	3/26/2024