

**ORLEN Capital Group strategy by 2030**  
**Regulatory announcement no 62/2020 dated 30 November 2020**

PKN ORLEN S.A. ("PKN ORLEN", "Company") hereby announces ORLEN Capital Group strategy by 2030 ("Strategy"). ORLEN Capital Group's ambition is to become a leader of sustainable transition in Central and Eastern Europe. Within the Strategy ORLEN Capital Group plans to achieve by 2030 following targets:

- ORLEN Capital Group EBITDA growth by 2030 to the level of ca. PLN 26 bn;
- over 2,5 GW of renewable capacity owned by ORLEN Capital Group;
- increase of specialized petrochemical products in ORLEN Capital Group portfolio by ca. 25%;
- increase of number of service stations owned by ORLEN Capital Group to over 3 500 and number of EV fast charging stations to over 1000;
- reduction target for CO<sub>2</sub> emissions by 20% in refining and petrochemical segments on current assets and CO<sub>2</sub>/ MWh by 33% in energy segment and net zero carbon business by 2050;
- over PLN 30 bn of investments on sustainable development;
- dividend payout of at least PLN 3,5 per share;
- two-digit ROCE of ORLEN Capital Group starting from 2025.

Investments in sustainable development areas projects in the amount of PLN 30 bn, including over PLN 25 bn in reducing CO<sub>2</sub> projects, are part of Company's Strategy by 2030. The aim of these investments is:

- decarbonisation and improvement of energy efficiency;
- development in renewable energy;
- expand biofuel and biomaterial capacities;
- development in recycling;
- build footholds in alternative fuels: electric mobility, hydrogen, CNG/LNG.

Planned, cumulated EBITDA LIFO in years 2020-2030 will amount to ca. PLN 195 bn.

Planned CAPEX in years 2020-2030 will amount to ca. PLN 140 bn.

PKN ORLEN intends to actively manage its investment portfolio, spending the largest part of CAPEX on projects with the greatest impact on Company's strategic development. Split of planned CAPEX by 2030 according to assumed strategic logic is following:

CAPEX strategic logic	Segment of operations	CAPEX in years 2020-2030
Maximising performance	<ul style="list-style-type: none"> <li>• Upstream - build a portfolio of gas production assets and reconfigure existing assets;</li> <li>• Refining - improve the efficiency of and consolidate refining assets, drive further development of biofuels and biocomponents;</li> <li>• Fuel retail - expand the retail chain and offering;</li> <li>• Energy/gas distribution - optimise investment in energy infrastructure.</li> </ul>	ca. PLN 55 bn
Strategic development	<ul style="list-style-type: none"> <li>• Petrochemicals - development of petrochemical assets: basic and advanced products, polymers;</li> <li>• Renewable power - drive rapid development of offshore and onshore wind and solar PV assets;</li> <li>• Gas-fired power - development of state-of-the-art gas-fired power generation assets;</li> <li>• Non-fuel retail - launch new channels and build an integrated range of non-fuel services.</li> </ul>	ca. PLN 75 bn
Investing in the future	<ul style="list-style-type: none"> <li>• New mobility - build footholds in new mobility;</li> <li>• Recycling - drive technology advances and build capacity in recycling and biomaterials;</li> <li>• Hydrogen technologies - establish footholds in hydrogen-based transport and energy production;</li> <li>• Research, development and innovations as well as digital solutions.</li> </ul>	ca. PLN 10 bn

PKN ORLEN estimates that ORLEN Capital Group demand on cash by 2030 resulting from strategic assumptions, will amount to in total ca. PLN 205 bn, of which:

- ca. PLN 140 bn on CAPEX
- ca. PLN 40 bn on dividend payment and cover of tax costs
- ca. PLN 25 bn on other expenditures

ORLEN Capital Group financial capabilities by 2030 are estimated at ca. PLN 275 bn, including:

- ca. PLN 195 bn of cash flow from operations by 2030
- ca. PLN 50 bn of additional borrowing capacity until 2030, with net debt/ EBITDA maintained at the level not higher than 2,0 – 2,5x
- ca. PLN 30 bn thanks to available alternative financing sources such as, among others: non-recourse project finance, UE funding, selected projects co-funded by external partners as well as hybrid bonds.

Main operating and financial targets for particular operating segments of ORLEN Capital Group:

Strategic objectives 2030	EBITDA 2030	CAPEX (average 2021-2030)
<b>Refining</b> <ul style="list-style-type: none"> <li>• refining capacities in key markets ca. 45 m t/y</li> <li>• biofuel production capacity ca. 2 m t</li> <li>• reduction of CO<sub>2</sub> emission in refining by 20%</li> </ul>	ca. PLN 7 bn	PLN 2,4 bn
<b>Petrochemicals</b> <ul style="list-style-type: none"> <li>• share of speciality products in the portfolio ca. 25%</li> <li>• plastic recycling capacity ca. 0,3-0,4 m t</li> </ul>	ca. PLN 7 bn	PLN 4,4 bn
<b>Power Generation</b> <ul style="list-style-type: none"> <li>• RES capacity over 2,5 GW</li> <li>• gas-fired capacity ca. 2 GW</li> </ul>	ca. PLN 7 bn	PLN 4,7 bn
<b>Retail</b> <ul style="list-style-type: none"> <li>• number of service stations in Central Europe &gt;3 500 on 7 markets</li> <li>• number of fast charging points for electric vehicles &gt;1000</li> <li>• gross non-fuel margin growth by min. 50% in comparison to 2019</li> <li>• share of foreign sites in the total number of service stations &gt;45%</li> </ul>	ca. PLN 5 bn	PLN 1,1 bn
<b>Upstream</b> <ul style="list-style-type: none"> <li>• cover of internal gas demand ca. 20%</li> <li>• daily hydrocarbon production &gt;50 th. boe/d</li> </ul>	ca. PLN 1 bn	PLN 0,9 bn

Company's Strategy does not include effects of planned takeover of capital control by ORLEN Capital Group over PGNiG S.A. Group.

Details information about the Strategy together with assumptions regarding macro indicators are included in the presentation attached to this regulatory announcement.