



# Annual Report 2018

UNIPETROL RPA, s.r.o.

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The Annual Report of UNIPETROL RPA, s.r.o., is compiled in accordance with the provisions of Section 21 of Act 563/1991 Coll., on Accounting, as amended.

## 1 COMPANY INFORMATION AND OVERVIEW OF THE RESULTS

Company: Unipetrol RPA, s.r.o.

Registered Office: Litvínov, Záluží 1, Postal Code 436 70, Czech Republic

Company Reg. No. (IČ): 275 97 075

### Share capital

CZK 11,147,964,000 – registered on 5 August 2014

### Company formation

The merger of CHEMOPETROL, a.s., with Registered Office at Litvínov – Záluží 1, Most District, Postal Code 436 70, ID 25003887 and UNIPETROL RAFINÉRIE a.s., with Registered Office at Litvínov – Záluží 1, Postal Code 436 70, ID 25025139 created the successor company Unipetrol RPA, s.r.o. Due to the merger of the abovementioned companies effective

as of 1 January 2007, the assets, including the rights and obligations from the labour relations of the defunct companies CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE a.s., were transferred to Unipetrol RPA, s.r.o.

This information was entered in the Commercial Register on 1 August 2007.

The sole shareholder is the joint-stock company UNIPETROL, a.s., with Registered Office at Prague 4, Milevská 2095/5, Postal Code 140 00, Company Reg. No. (IČ): 616 72 190.

The Company is part of the consolidated group UNIPETROL, a.s.

Since May 2005, Polski Koncern Naftowy ORLEN S.A. has been the majority shareholder of UNIPETROL, a.s.

#### **Principal activities:**

Unipetrol RPA is a leading Czech producer in the field of refinery, petrochemical, and agrochemical raw materials, which is also reflected in the abbreviation RPA: refinery, petrochemistry, agrochemistry. The company supplies the market primarily with motor fuels, fuel oils, bitumen, liquefied petroleum products, oil hydrogenates, other refinery products, olefins and aromatics, agrochemicals, carbon black and sorbents, and polyolefins (high-density polyethylene and polypropylene).

#### **Changes made in the objects of business by 31 December 2018:**

- The objects of business were expanded to include: gas distribution

#### **Other changes entered in the Commercial Register in 2018:**

- **Change of the registered office of UNIPETROL RPA, s.r.o. – odštěpný závod BENZINA (BENZINA branch)**

The registered office of the BENZINA branch changed to: Milevská 2095/5, Krč, 140 00 Praha 4

- **Deletion of UNIPETROL RPA, s.r.o. – odštěpný závod RAFINÉRIE**

The Rafinérie branch was deleted from the Commercial Register with effect from 31 December 2018. UNIPETROL RPA, s.r.o. will now act directly within the legal relations established during the existence of the Rafinérie branch. Activities of the Rafinérie branch were fully integrated in the organisation structure of Unipetrol RPA as the Rafinérie Litvínov unit and the Rafinérie Kralupy unit.

## **Governing body – authorised representatives:**

### **1. EXECUTIVES**

Krzysztof Jerzy Zdziarski	in office since 2 July 2016
Tomáš Herink	in office since 15 March 2017
Tomasz Wiatrak	in office since 9 March 2018
Maciej Andrzej Libiszewski	in office since 20 March 2018
Katarzyna Woś	in office since 20 March 2018
Przemysław Waclawski	in office since 2 October 2018

### **Changes made in the Commercial Register by 31 December 2018:**

Andrzej Modrzejewski	termination of office of Executive Director on 9 March 2018
Robert Małek	termination of office of Executive Director on 9 March 2018
Mirosław Kastelik	termination of office of Executive Director on 2 October 2018
Tomasz Wiatrak	commencement of office of Executive Director on 9 March 2018
Maciej Andrzej Libiszewski	commencement of office of Executive Director on 20 March 2018
Katarzyna Woś	commencement of office of Executive Director on 20 March 2018
Przemysław Waclawski	commencement of office of Executive Director on 2 October 2018

### **2. MANAGEMENT**

In the period to which the report relates, the company's management comprised its executives.

## **2 THE FINANCIAL RESULTS**

### **Statement of profit or loss and other comprehensive income**

The Company's revenues for the year 2018 amounted to CZK 122 900 million and were 8% higher than in the year 2017, mainly due to higher prices of the final products. The geographic structure of the Company's revenues remained unchanged with the majority of sales directed toward EU countries in 2018.

The Company's profit from operations on EBIT level decreased from CZK 11 157 million in 2017 by CZK 2 157 million to CZK 9 000 million for 2018. The financial results were significantly positively affected by reversal of the impairment to fixed assets in the amount of CZK 4.7 billion. However, the adverse macroeconomic environment, in particular the growing price of crude oil and the resulting lower margins negatively impacted the Company's profit.

In the year 2018 the Company's net profit reached the level of CZK 8 327 million.

## **Statement of financial position**

As of December 31, 2018, non-current assets of the Company amounted to CZK 45 365 million. In 2018, the Company acquired tangible and intangible assets worth CZK 7 081 million. Most investments were done in the downstream segment followed by investments in the retail segment.

As of December 31, 2018, total current assets amounted to CZK 37 500 million, an increase of CZK 4 038 million since previous year, mainly due to an increase of the inventories in the amount of CZK 1 564 million due to higher crude oil prices. As compared to 31 December 2017, the receivables from derivatives presented under Other financial assets increased as well as the Trade and other receivables.

## **3 RISK MANAGEMENT**

The Company 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. These risks are mitigated by hedging transactions based on company's hedging strategy.

## **4 ANTICIPATED DEVELOPMENTS**

The main development trends of the Unipetrol Group include the development and increase of the petrochemical production capacities, integration of the refinery assets, and engagement in the development of low emissions energy sources, a consistent development of retail sales and reinforcing of the leading position on the fuel market in the Czech Republic. The company also puts great emphasis on its research and development base, as well as on the implementation of innovations that will support all activity areas on solid financial foundations.

The main tasks for 2019 include the construction of a new boiler house of the steam cracker and the launch of the new PE3 unit in Chempark Záluží.

## **5 EVENTS AFTER THE BALANCE SHEET DATE**

In the period from 1 January 2019 until the time this report was prepared, no occurrences other than usual course of business affected expected development.

## 6 OTHER INFORMATION

### 1. RESEARCH AND DEVELOPMENT

Unipetrol RPA's research and development activities are focused especially on the areas where the company is facing challenges resulting from legislative changes. They include the issues of biofuels and alternative fuels as well as raw materials, i.e. generally the performance of global objectives requiring a reduction of greenhouse gas emissions and sustainable development trends. The relating projects and activities also target energy efficiency, the use of waste heat, technology optimisation and modernisation of energy sources. In this area, Unipetrol targets the improvement of its incineration processes.

As a refinery and petrochemical company, Unipetrol RPA covers the above basic segments with its research institutions: Unipetrol výzkumně-vzdělávací centrum (Unipetrol Research and Education Centre, UniCRE) and the PIB branch (Polymer Institute Brno).

UniCRE focuses on the efficient and environmentally friendly production of engine fuels, including biofuels. Another operational test of the option to process and store used kitchen oils as a raw material for the production of biofuels was held in 2018. The centre prepared an operational test for the processing of the raw material obtained from the pyrolysis of waste plastic, which is a significant activity that contributes to the development of circular economy. Other activity areas include the optimisation of the pyrolysis process, the use of renewable raw materials and advanced inorganic materials.

PIB focuses on polymer research. It also continues to develop the product portfolio of polypropylene and polyethylene. Its significant task is to further develop the laboratory equipment for testing a new suspension technology that will be launched into operation in Záluží in 2019. PIB employees provide wide developmental support to the units operated in Chempark Záluží. This support targets the monitoring of monomer quality, acquisition of the necessary certifications, testing and development of catalysers meeting the requirements of REACH.

Unipetrol is intensively involved in collaboration with institutions of higher education and research institutes and institutions. It is also developing mutual cooperation with the University of Chemistry and Technology in Prague and its University Centre in Chempark Záluží where students are engaged in the pending projects and where they are given an option to choose from a wide array of topics to write their Bachelors' and Masters' theses and dissertations. These activities are also aimed at finding and attracting high-quality candidates who could become future employees. The company, together with UniCRE and the University Centre, organises many excursions and educational activities both for secondary schools and institutions of higher education as well as for its own employees. Increasing the awareness of the research and development activities boosts the company's potential in this area. Other

institutions of higher education which are involved in mutual cooperation include Czech Technical University in Prague, Brno University of Technology, Technical University of Liberec, Jan Evengelista Purkyně University and many others. Unipetrol is also engaged in R&D cooperation with entities abroad.

The main tasks for 2019 include a seamless launch of the new polyethylene unit (PE3) as well as the construction of a new steam cracker boiler house in Chempark Záluží.

## **2. ACTIVITIES CONCERNING THE ENVIRONMENT**

The environmental protection, creation of safe and sound working conditions for employees and their constant improvement, including the prevention of pollution, are among the top priorities of the company. The fundamental principles of the company's behaviour are set out in the integrated management system policy which includes the systems of quality management, environmental protection, occupational health and safety and energy management. To meet the objectives of this policy, the company's management approves annual targets every year. In June 2018, Lloyd's Register Quality Assurance conducted a regular annual audit at Unipetrol RPA as well as a recertification audit verifying the performance of the requirements set by the new standards, ISO 14001: 2015 and ISO 9001: 2015. The organisation did not find any major discrepancies during the audit. As a member of the Association of Chemical Industry of the Czech Republic, Unipetrol RPA regularly defends the right to use the Responsible Care logo.

In 2018, Unipetrol RPA continued implementing investment and non-investment projects aimed at reducing the negative impact of the operation of its production facilities on the environment. The installation of the DENOx equipment was completed at the T700 boiler house and a project of intensifying the desulphurisation technology was commenced at the same time. The construction of a new energy block of the steam cracker was launched. The company continues repairs and renovations of the industrial sewerage system and handling areas in its technology facilities. Other ongoing projects include those based on the approved water management strategy. A project focused on the reduction of the vanadium amount in wastewater was also completed in 2018 and preparatory works were commenced on several other projects.

Several changes in the valid integrated permits were issued for Unipetrol RPA facilities, including the inclusion of the requirements of the revised BREF documentation.

As regards environmental protection, the company has recorded a continuous drop in emissions of polluting substances. Lower emissions are the result of the implementation of investment projects, optimisation of operations of production facilities and end technologies and last, but not least, of the shutdown of inefficient equipment and facilities.

### 3. LABOUR RELATIONS

Also in 2018, the company continued the consolidation of the Unipetrol Group's structure, which is one of the key objectives in the mid-term strategy and a move towards higher efficiency. The company (including its branches) had 2,874 employees as of 31 December 2018. Their average age of employees was 44.7 years and the average monthly wage totalled CZK 54,059. The company continued the process of a generation change and the related successorship process and individual employee development. As part of the social policy of the company, employees could make use of a range of benefits – electronic meal vouchers, above-standard medical care and many other benefits such as contributions to private pension schemes or life insurance. Health care services for employees are provided by physicians from a contracted medical facility on a long-term basis.

### 4. SUBSIDIARIES AS OF 31 DECEMBER 2018

Name	Company Reg. No.	Address	(%)
UNIPETROL DOPRAVA, s.r.o.	64049701	Litvínov-Růžodol č.p. 4, 436 70 Litvínov	99.80
HC VERVA Litvínov, a.s.	64048098	S. K. Neumanna 1598, 436 01 Litvínov	70.95
UNIPETROL DEUTSCHLAND GmbH	TAX 04424705213	Paul-Ehrlich-Str. 1/B, 63225 Langen/Hessen, Deutschland	99.90
UNIPETROL SLOVENSKO s.r.o.	35777087	Jašíkova 2, Ružinov, 821 03 Bratislava, Slovak Republic	86.96
UNIPETROL RPA Hungary Kft.	13-09-181774	2040 Budaörs, Puskás Tivadar utca 12, Hungary	100.00
PETROTRANS, s.r.o.	25123041	Střelnická 2221/50, Libeň, 182 00 Praha 8	99.40
SPOLANA s.r.o.	45147787	ul. Práce 657, 277 11 Neratovice	100.00
Nadace Unipetrol	05661544	Záluží 1, 436 70 Litvínov	100.00

#### Changes to subsidiaries in 2018:

On 1 December 2018, SPOLANA a.s. changed its legal form from a joint stock company to a limited liability company, i.e. it is now SPOLANA s.r.o.

### 5. INFORMATION ON FOREIGN BRANCHES

On 11 December 2018, UNIPETROL RPA, s.r.o. established a branch of a foreign person in Slovakia whose business name is UNIPETROL SLOVENSKO MALOVBCHOD, organizačná zložka zahraničnej osoby.

## 7 FINANCIAL STATEMENTS

An integral part of this report is the audit report which contains the financial statements for 2018 in the following extent:

- Profit and Loss Statement and other comprehensive income for 2018
- Statement of Financial Position for the period 1 January 2018 to 31 December 2018
- Statement of Changes in Equity for the period 1 January 2018 to 31 December 2018
- Cash Flow Statement for the period 1 January 2018 to 31 December 2018
- Explanatory notes to the Financial Statement for the period 1 January 2018 to 31 December 2018

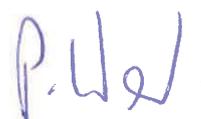
## 8 REPORT ON THE RELATIONS BETWEEN RELATED PARTIES AND BETWEEN THE CONTROLLED PARTY AND OTHER PARTIES CONTROLLED BY THE SAME CONTROLLING PARTY IN 2018

An integral part of this report is the report on relations between the controlling party and the controlled party and between the controlled party and other parties controlled by the same controlling party in 2018 (Report on Relations).

Signature of the Statutory Authority of the Company:



Krzysztof Jerzy Zdziarski  
Executive



Przemysław Waclawski  
Executive

### Annexes:

1. Auditor's Report
2. Financial statements for 2018
3. Report on Relations for 2018

The names of the companies (e.g., UNIPETROL, a.s., UNIPETROL RPA, s.r.o., etc.) are also mentioned in this report in simplified form (e.g., Unipetrol, Unipetrol RPA, etc.).

## **INDEPENDENT AUDITOR'S REPORT** **To the Partner of UNIPETROL RPA, s.r.o.**

Having its registered office at: Záluží 1, 436 70 Litvínov

### Opinion

We have audited the accompanying financial statements of UNIPETROL RPA, s.r.o. (hereinafter also the "Company") prepared on the basis of International Financial Reporting Standards as adopted by the EU, which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of UNIPETROL RPA, s.r.o. as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

### 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 guidelines. 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.

### Emphasis of Matter

We draw attention to Note 14. to the financial statements which describes the release of impairment allowances for non-current assets. Our opinion is not modified in respect of this matter.

### Other Information in the Annual Report

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements is, in all material respects, consistent with the 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 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 Statutory Executives for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU and for such internal control as the Statutory Executives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executives are 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 Statutory Executives either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Statutory Executives.
- Conclude on the appropriateness of the Statutory Executives' 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executives 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.

In Prague on 4 March 2019

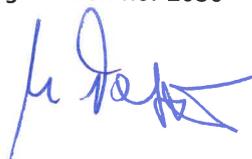
Audit firm:

Deloitte Audit s.r.o.  
registration no. 079



Statutory auditor:

Martin Tesař  
registration no. 2030





# UNIPETROL RPA, s.r.o.

## 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

2018

## INDEX

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

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2018	2017
<b>Statement of profit or loss</b>			
Revenues	3.	122 900	114 281
Cost of sales	4.	(115 785)	(102 704)
<b>Gross profit on sales</b>		<b>7 115</b>	<b>11 577</b>
Distribution expenses	4.	(3 445)	(3 504)
Administrative expenses	4.	(1 029)	(983)
Other operating income	5.1	6 803	4 352
Other operating expenses	5.2	(438)	(285)
Loss due to impairment of financial instruments	6.	(6)	-
<b>Profit from operations</b>		<b>9 000</b>	<b>11 157</b>
Finance income	7.1	1 536	656
Finance costs	7.2	(389)	(1 866)
<b>Net finance income/(costs)</b>		<b>1 147</b>	<b>(1 210)</b>
<b>Profit before tax</b>		<b>10 147</b>	<b>9 947</b>
Tax expense	8.	(1 820)	(1 809)
<b>Net profit</b>		<b>8 327</b>	<b>8 138</b>
<b>Other comprehensive income</b>			
<b>items which will not be reclassified into profit or loss</b>		<b>5</b>	<b>-</b>
<i>Actuarial gains and losses</i>		6	-
<i>Deferred tax</i>		(1)	-
<b>items which will be reclassified into profit or loss under certain conditions</b>		<b>431</b>	<b>1 093</b>
<i>Hedging instruments</i>		532	1 349
<i>Deferred tax</i>		(101)	(256)
		<b>436</b>	<b>1 093</b>
<b>Total net comprehensive income</b>		<b>8 763</b>	<b>9 231</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 53.

## STATEMENT OF FINANCIAL POSITION

	Note	31/12/2018	31/12/2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9.	41 381	32 929
Investment property	10.	270	272
Intangible assets	11.	2 030	1 501
Financial assets available for sale	12.	1 095	1 129
Other non-current assets	13.	589	763
		<b>45 365</b>	<b>36 594</b>
<b>Current assets</b>			
Inventories	15.	15 176	13 612
Trade and other receivables	16.	13 852	12 929
Other financial assets	17.	7 998	6 705
Current tax assets	8.	278	-
Cash and cash equivalents	18.	196	216
		<b>37 500</b>	<b>33 462</b>
<b>Total assets</b>		<b>82 865</b>	<b>70 056</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	19.1	11 148	11 148
Hedging reserve	19.2	1 261	830
Retained earnings	19.3	37 029	28 704
<b>Total equity</b>		<b>49 438</b>	<b>40 682</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	21.	612	611
Deferred tax liabilities	8.	2 533	1 374
Other non-current liabilities	22.	273	234
		<b>3 418</b>	<b>2 219</b>
<b>Current liabilities</b>			
Trade and other liabilities	23.	21 089	18 742
Liabilities from contracts with customers	24.	14	-
Loans, borrowings	20.	1	-
Current tax liabilities	8.	-	1 055
Provisions	21.	2 002	725
Other financial liabilities	25.	6 903	6 633
		<b>30 009</b>	<b>27 155</b>
<b>Total liabilities</b>		<b>33 427</b>	<b>29 374</b>
<b>Total equity and liabilities</b>		<b>82 865</b>	<b>70 056</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 53.

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Hedging reserve	Retained earnings	Total equity
1 January 2018 (approved data)	11 148	830	28 704	40 682
Impact of IFRS 9 adoption	-	-	(7)	(7)
1 January 2018 (converted data)	11 148	830	28 697	40 675
Net profit	-	-	8 327	8 327
Items of other comprehensive income	-	431	5	436
<b>Total net comprehensive income</b>	-	<b>431</b>	<b>8 332</b>	<b>8 763</b>
<b>31 December 2018</b>	<b>11 148</b>	<b>1 261</b>	<b>37 029</b>	<b>49 438</b>
1 January 2017	11 148	(263)	12 455	23 340
Net profit	-	-	8 138	8 138
Items of other comprehensive income	-	1 093	-	1 093
<b>Total net comprehensive income</b>	-	<b>1 093</b>	<b>8 138</b>	<b>9 231</b>
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	-	8 111	8 111
<b>31 December 2017</b>	<b>11 148</b>	<b>830</b>	<b>28 704</b>	<b>40 682</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 53.

## STATEMENT OF CASH FLOWS

	Note	2018	2017
<b>Cash flows from operating activities</b>			
<b>Profit/loss before tax</b>		<b>10 147</b>	<b>9 947</b>
Adjustments for:			
Depreciation and amortisation		3 196	2 806
Foreign exchange loss		-	11
Interest and dividends, net		(206)	(209)
(Profit)/Loss on investing activities		(409)	1 065
Recognition/(reversal) of impairment allowances of property, plant and equipment and intangible assets		(4 751)	17
Change in provisions		2 032	614
Change in receivables and liabilities from insurance		(29)	1 355
Other adjustments (change in financial instruments and deferred income)		(1 708)	(1 444)
Change in working capital	19.4	97	(3 409)
<i>inventories</i>		(1 564)	(1 128)
<i>receivables</i>		(798)	3 840
<i>liabilities</i>		2 459	(6 121)
Income tax (paid)		(2 095)	(907)
<b>Net cash from operating activities</b>		<b>6 274</b>	<b>9 846</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment and intangible assets		(7 537)	(6 880)
Disposal of property, plant and equipment and intangible assets		3	12
Dividends received	12.	133	164
Cash acquired in acquisition of share in ČESKÁ RAFINÉRSKÁ, a.s.		-	6
Settlement of financial derivatives		410	(969)
Proceeds/(outflows) from loans granted		-	1
Proceeds/(outflows) from cash pool assets		133	(176)
Other		84	28
<b>Net cash used in investing activities</b>		<b>(6 774)</b>	<b>(7 814)</b>
<b>Cash flows from financing activities</b>			
Proceeds/(outflows) from loans and borrowings		-	(1 200)
Proceeds/(outflows) from cash pool liabilities		587	(648)
Interest paid		(98)	(47)
Other		(9)	(11)
<b>Net cash provided by/(used in) financing activities</b>		<b>480</b>	<b>(1 906)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20)</b>	<b>126</b>
Effect of exchange rate changes in cash and cash equivalents		-	(10)
Cash and cash equivalents, beginning of the period		216	100
<b>Cash and cash equivalents, end of the period</b>	<b>18.</b>	<b>196</b>	<b>216</b>

The separate financial statements are to be read in conjunction with the notes forming part of the financial statements set out on pages 8 to 53.

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

### 1. DESCRIPTION OF THE COMPANY

#### *Establishment of the company*

UNIPETROL RPA, s.r.o. (also the "Company") is a Czech limited liability company that was incorporated on 21 September 2006.

#### *Identification number*

275 97 075

#### *Registered office of the company*

UNIPETROL RPA, s.r.o.  
Záluží 1  
436 70 Litvínov  
Czech Republic

The Company's share capital amounts to CZK 11 148 million.

On 1 January 2007 UNIPETROL RPA, s.r.o. was merged with CHEMOPETROL, a.s., with its registered office at Litvínov, Litvínov-Zaluzi 1, Most, Identification No.: 250 03 887, and UNIPETROL RAFINÉRIE a.s., with its registered office at Litvínov, Litvínov-Zaluzi 1, Identification No.: 250 25 139, where UNIPETROL RPA, s.r.o. is the legal successor. Due to the merger, the assets and liabilities, including rights and commitments from labour-law relations, of CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE a.s. were transferred to UNIPETROL RPA, s.r.o. On 1 January 2017 UNIPETROL RPA, s.r.o. was merged with ČESKÁ RAFINÉRSKÁ, a.s.

#### *Principal activities*

The main scope of business activities pursued by the Company is processing and sales of products from crude oil, as well as the production, processing and sale of chemicals, the production and final processing of plastics, and the production, processing, distribution and sale of energy, particularly heat, electricity and gas. Furthermore, the Company is due to merge with BENZINA, s.r.o. engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Company is engaged in other activities that are necessary to support the principal activities, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

#### *Ownership structure*

The sole shareholder of the Company is UNIPETROL, a.s., with its registered office at Praha 4, Milevská 2095/5.

#### *Statutory representatives of the Company*

Statutory representatives of the Company as at 31 December 2018 were as follows:

Position	Name
Statutory representative	Krzysztof Jerzy Zdziarski
Statutory representative	Tomáš Herink
Statutory representative	Tomasz Wiatrak
Statutory representative	Przemysław Waclawski
Statutory representative	Maciej Andrzej Libiszewski
Statutory representative	Katarzyna Woś

Changes in statutory representatives in 2018 were as follows:

Position	Name	Change	Date of change
Statutory representative	Robert Dominik Małek	Resigned	9 March 2018
Statutory representative	Andrzej Mikołaj Modrzejewski	Resigned	9 March 2018
Statutory representative	Tomasz Wiatrak	Elected into the office	9 March 2018
Statutory representative	Maciej Andrzej Libiszewski	Elected into the office	20 March 2018
Statutory representative	Katarzyna Woś	Elected into the office	20 March 2018
Statutory representative	Mirosław Kastelik	Resigned	2 October 2018
Statutory representative	Przemysław Waclawski	Elected into the office	2 October 2018

## 1. DESCRIPTION OF THE COMPANY (CONTINUED)

### Group identification and consolidation

The Company is part of the consolidation group of UNIPETROL, a.s. ("the Group"). Pursuant to section 62(2) of Decree No. 500/2002 Coll., the financial statements of the Company and of all entities consolidated by the Company have been included in the consolidated financial statements of UNIPETROL, a.s. with its registered office at Prague 4, Milevská 2095/5, 140 00, ID No. 616 72 190. The consolidated financial statements of UNIPETROL, a.s. prepared in accordance with International Financial Reporting Standards as adopted by the European Union are published pursuant to section 62(3c) of Decree No. 500/2002 Coll. and section 21a of Act No. 563/1991 Coll., on Accounting.

## 2. PRINCIPLES OF PREPARATION OF 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 2018. Financial statements have been prepared based on historical cost, except for: derivatives, financial instruments at fair value through profit and loss, financial assets available for sale, and investment properties stated 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 2018, results of its operations and cash flows for the year ended 31 December 2018.

These separate financial statements have been prepared on a going concern basis. As at the date of approval of the 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.

Applied accounting policies are listed in note 32.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 3. REVENUES

	2018	2017
Sales of finished goods	116 194	105 536
Sales of services	3 438	3 413
<b>Revenues from sales of finished goods and services, net</b>	<b>119 632</b>	<b>108 949</b>
Sales of merchandise	3 090	5 255
Sales of raw materials	178	77
<b>Revenues from sales of merchandise and raw materials, net</b>	<b>3 268</b>	<b>5 332</b>
	<b>122 900</b>	<b>114 281</b>

Revenues from contracts with customers amounted to CZK 122 201 million, while other revenues related to rent and lease services amounted to CZK 699 million.

#### 3.1 Revenues from major products and services

	2018	2017
<b>Downstream</b>	<b>106 484</b>	<b>101 362</b>
Light distillates	19 470	19 819
Medium distillates	47 036	44 250
Heavy fractions	5 019	3 900
Monomers	4 900	4 874
Polymers	15 894	15 761
Aromas	3 573	3 360
Others	8 133	6 792
Services	2 459	2 606
<b>Retail</b>	<b>16 206</b>	<b>12 712</b>
Light distillates	5 128	4 085
Medium distillates	10 278	7 996
Others	26	24
Services	774	607
<b>Corporate Functions</b>	<b>210</b>	<b>207</b>
	<b>122 900</b>	<b>114 281</b>

#### 3.2 Major customers

The Company generated revenues from sales of products and goods to 1 recipient outside of the Group in the total amount of CZK 13 407 million that individually exceeded 10% of total revenues, from which CZK 13 321 million comes from segment Downstream and 86 million from segment Retail (2017: total CZK 13 280 million, CZK 13 148 million segment Downstream and CZK 132 million from segment Retail).

### 3.3 Revenues by geographical division – disclosed by customer's premises countries

	2018	2017
Czech Republic	86 494	80 432
Germany	14 665	10 724
Poland	5 337	6 879
Slovakia	6 709	6 896
Other countries	9 695	9 350
	<b>122 900</b>	<b>114 281</b>

## 4. OPERATING EXPENSES

### 4.1 Cost of sales

	2018	2017
Cost of finished goods and services sold	(112 614)	(97 459)
Cost of merchandise and raw materials sold	(3 171)	(5 245)
	<b>(115 785)</b>	<b>(102 704)</b>

### 4.2 Cost by nature

	2018	2017
Materials and energy	(103 780)	(89 475)
Cost of merchandise and raw materials sold	(3 171)	(5 245)
External services	(6 054)	(5 934)
Depreciation and amortisation	(3 196)	(2 806)
Employee benefits	(2 647)	(2 324)
Taxes and charges	(1 320)	(489)
Other	(1 214)	(971)
	<b>(121 382)</b>	<b>(107 244)</b>
Change in inventories	673	(246)
Cost of products and services for own use	12	14
<b>Operating expenses</b>	<b>(120 697)</b>	<b>(107 476)</b>
Distribution expenses	3 445	3 504
Administrative expenses	1 029	983
Other operating expenses	438	285
<b>Cost of sales</b>	<b>(115 785)</b>	<b>(102 704)</b>

### 4.3 Employee benefits

	2018	2017
Wages and salaries	(1 873)	(1 661)
Change of employee benefits provision	(10)	(1)
Social and health insurance	(627)	(552)
Social expense	(137)	(110)
	<b>(2 647)</b>	<b>(2 324)</b>

Future benefits expenses include change in provisions for jubilee bonuses and retirement benefits.

### 4.4 Number of employees, managers and their remuneration

2018	Employees	Key Management	Statutories	Total
Wages and salaries	(1 761)	(112)	-	(1 873)
Social and health insurance	(525)	(598)	-	(552)
Social expense	(117)	(20)	-	(137)
Change of employee benefits provision	(1)	(10)	-	(1)
	<b>(2 486)</b>	<b>(161)</b>	<b>-</b>	<b>(2 647)</b>
Number of employees average per year				2 799
Number of employees as at balance sheet day				2 874

Statutories no longer have any remuneration from the Company.

2017	Employees	Key Management	Statutories	Total
Wages and salaries	(1 549)	(109)	(3)	(1 661)
Social and health insurance	(525)	(27)	-	(552)
Social expense	(93)	(17)	-	(110)
Change of employee benefits provision	(1)	-	-	(1)
	<b>(2 168)</b>	<b>(153)</b>	<b>(3)</b>	<b>(2 324)</b>
Number of employees average per year				2 733
Number of employees as at balance sheet day				2 828

## 5. OTHER OPERATING INCOME AND EXPENSES

### 5.1 Other operating income

	2018	2017
Profit on sale of non-current non-financial assets	3	37
Reversal of provisions	5	3
Reversal of receivables impairment allowances	-	2
Reversal of impairment allowances of property, plant and equipment and intangible assets	4 859	122
Penalties and compensations	1 636	4 123
Revaluation of investment properties	3	10
Revaluation of provision to CO <sub>2</sub> consumption	-	45
Settlement and valuation of financial instruments (operation risk)	15	-
Ineffective part of hedging	247	-
Settlement and valuation of hedging cost	27	-
Other	8	10
	<b>6 803</b>	<b>4 352</b>

In the 2nd quarter 2018 the Company succeeded to agree with insurers the final settlement amount of the insurance claim relating to the Steam Cracker unit accident, which took place at the Chempark Záluží in Litvínov on 13 August 2015. The total recovery relates to property and mechanical damage as well as the loss of business profits (business interruption) in the amount of USD 515 million. The amount of USD 444 million (CZK 10 648 million) was previously recognized in Other operating income in 2016 and 2017. The remaining amount of CZK 1 585 million (USD 71 million) was recognized as Other operating income of 2018 and as at 31 December 2018 there are no contingent assets from the insurance claim disclosed by the Company.

The Company has early adopted IFRS 9 in relation to hedge accounting. In the financial statements for the 12 month period ended 31 December 2018 the Company presents settlement and valuation of certain transactions with financial derivatives as well as, the ineffective part of the transactions under hedge accounting within other operating income and expenses. In previous periods these transactions were presented in finance income and costs. The result of settlement and valuation of financial instruments in the 12 month period ended 31 December 2017 was insignificant.

### 5.2 Other operating expense

	2018	2017
Loss on sale of non-current non-financial assets	(27)	(49)
Recognition of provisions	(7)	(15)
Recognition of receivables impairment allowances	-	(5)
Recognition of impairment allowances of property, plant and equipment and intangible assets	(108)	(139)
Donations	(8)	(42)
Revaluation of investment properties	(2)	(2)
Penalties, damages and compensations	(4)	(27)
Settlement and valuation of financial instruments (operation risk)	(15)	-
Ineffective part of hedging	(199)	-
Settlement and valuation of hedging cost	(1)	-
Revaluation of CO <sub>2</sub> allowances provision	(61)	(3)
Other	(6)	(3)
	<b>(438)</b>	<b>(285)</b>

## 6. LOSS DUE TO IMPAIRMENT OF FINANCIAL INSTRUMENTS

Loss relates to impairment of trade receivables at the amount of CZK 6 million in 2018 was recognized based on the expected credit loss model.

## 7. FINANCE INCOME AND COSTS

### 7.1 Finance income

	2018	2017
Interest	96	77
Dividends received	133	164
Foreign exchange gain surplus	526	-
Settlement and valuation of financial instruments	779	415
Other	2	-
	<b>1 536</b>	<b>656</b>

## 7.2 Finance costs

	2018	2017
Interest	-	(6)
Valuation of financial assets available for sale	(34)	-
Foreign exchange loss surplus	-	(374)
Settlement and valuation of financial instruments	(338)	(1 464)
Fees for guarantees	(9)	(11)
Other	(8)	(11)
	<b>(389)</b>	<b>(1 866)</b>

## 8. TAX EXPENSE

	2018	2017
<b>Tax expense in the statement of profit or loss</b>		
Current tax	(762)	(1 520)
Deferred tax	(1 058)	(289)
	<b>(1 820)</b>	<b>(1 809)</b>
<b>Tax expense in other comprehensive income</b>		
Tax on effective portion of changes in fair value of cash flow hedges	(101)	(256)
Other	(1)	-
	<b>(102)</b>	<b>(256)</b>
	<b>(1 922)</b>	<b>(2 065)</b>

Domestic income tax is calculated in accordance with Czech tax regulations at the rate of 19% in 2018 (2017: 19%) of the estimated taxable income for the year. The deferred tax has been calculated using tax rate approved for the year 2019 and forward i.e. 19%.

The Company has current tax assets in amount of CZK 278 million as at 31 December 2018 (current tax liability in amount of CZK 1 055 million as at 31 December 2017).

### 8.1 The differences between tax expense recognized in profit or loss and the amount calculated based on tax rate from profit/(loss) before tax

	2018	2017
Profit for the year	8 327	8 138
Total tax expense	(1 820)	(1 809)
Profit excluding tax	10 147	9 947
Tax using domestic income tax rate	(1 928)	(1 890)
Non-deductible expenses	(24)	(70)
Tax exempt income	26	31
Impact of prior periods	73	126
Other differences	33	(6)
<b>Total tax expense</b>	<b>(1 820)</b>	<b>(1 809)</b>
<b>Effective tax rate</b>	<b>(17.94%)</b>	<b>(18.19%)</b>

### 8.2 Deferred tax

Deferred income tax 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 income 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. 19% in 2018 and onward).

The movements in deferred tax assets and liabilities as at 31 December 2018 were as follows:

	31/12/2017	Deferred tax recognized in statement of Profit or loss	Deferred tax recognized in Other comprehensive income	31/12/2018
<b>Deferred tax assets</b>				
Inventory	24	76	-	100
Provisions	223	272	(1)	494
Unused tax losses carried forward	17	(17)	-	-
Other	65	(12)	-	53
	<b>329</b>	<b>319</b>	<b>(1)</b>	<b>647</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(1 509)	(1 377)	-	(2 886)
Hedging instruments	(194)	-	(101)	(295)
	<b>(1 703)</b>	<b>(1 377)</b>	<b>(101)</b>	<b>(3 181)</b>
	<b>(1 374)</b>	<b>(1 058)</b>	<b>(102)</b>	<b>(2 533)</b>

## 8.2 Deferred tax (continued)

The movements in deferred tax assets and liabilities as at 31 December 2017 were as follows:

	31/12/2016	Merger with ČESKÁ RAFINÉRSKÁ, a.s.	Deferred tax recognized in statement of Profit or loss	Deferred tax recognized in Other comprehensive income	31/12/2017
<b>Deferred tax assets</b>					
Inventory	28	19	(23)	-	24
Provisions	160	38	25	-	223
Unused tax losses carried forward	-	173	(156)	-	17
Hedging instruments	62	-	-	(62)	-
Other	61	10	(6)	-	65
	<b>311</b>	<b>240</b>	<b>(160)</b>	<b>(62)</b>	<b>329</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(1 570)	192	(131)	-	(1 509)
Hedging instruments	-	-	-	(194)	(194)
Other	(2)	-	2	-	-
	<b>(1 572)</b>	<b>192</b>	<b>(129)</b>	<b>(194)</b>	<b>(1 703)</b>
	<b>(1 261)</b>	<b>432</b>	<b>(289)</b>	<b>(256)</b>	<b>(1 374)</b>

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

## 8.3 Tax expense (paid)

	31/12/2018	31/12/2017
<b>Tax expense on profit before tax</b>	<b>(1 820)</b>	<b>(1 809)</b>
Change in deferred tax asset and liabilities	1 159	113
Change in current tax receivables and liabilities	(1 333)	612
Deferred tax recognized in other comprehensive income	(102)	(256)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	432
	<b>(2 095)</b>	<b>(907)</b>

## EXPLANATORY NOTES TO THE STATEMENT OF FINANCIAL POSITION

### 9. PROPERTY, PLANT AND EQUIPMENT

#### 9.1 Changes in property, plant and equipment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
<b>01/01/2018</b>						
<b>Net book value</b>						
Gross book value	535	26 226	45 317	1 422	8 708	82 208
Accumulated depreciation and impairment allowances	(9)	(15 568)	(32 605)	(982)	(46)	(49 210)
Government grants	-	(51)	(18)	-	-	(69)
	<b>526</b>	<b>10 607</b>	<b>12 694</b>	<b>440</b>	<b>8 662</b>	<b>32 929</b>
<b>increase/(decrease) net</b>						
Investment expenditures	11	1 099	3 073	351	2 259	6 793
Depreciation	-	(652)	(2 193)	(181)	-	(3 026)
Borrowing costs	-	-	-	-	102	102
Impairment allowances	-	2 636	1 985	51	1	4 673
Reclassifications	-	173	(173)	1	(28)	(27)
Sale	-	-	(1)	(2)	-	(3)
Liquidation	-	(27)	(19)	(34)	-	(80)
Government grants - received, settled	-	4	3	-	-	7
Other increases/(decreases)	-	(4)	(4)	27	(6)	13
<b>31/12/2018</b>						
<b>Net book value</b>						
Gross book value	546	27 851	47 274	1 637	11 033	88 341
Accumulated depreciation and impairment allowances	(9)	(13 968)	(31 894)	(984)	(43)	(46 898)
Government grants	-	(47)	(15)	-	-	(62)
	<b>537</b>	<b>13 836</b>	<b>15 365</b>	<b>653</b>	<b>10 990</b>	<b>41 381</b>
<b>01/01/2017</b>						
<b>Net book value</b>						
Gross book value	452	19 676	30 379	1 159	8 124	59 790
Accumulated depreciation and impairment allowances	(8)	(11 331)	(23 144)	(811)	(42)	(35 336)
Government grants	-	(54)	(21)	-	-	(75)
	<b>444</b>	<b>8 291</b>	<b>7 214</b>	<b>348</b>	<b>8 082</b>	<b>24 379</b>
<b>increase/(decrease) net</b>						
Investment expenditures	82	1 850	4 678	227	(5)	6 832
Depreciation	-	(589)	(1 909)	(161)	-	(2 659)
Borrowing costs	-	-	-	-	43	43
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	3 724	6 537	178	511	10 950
Impairment allowances	-	(2 675)	(2 969)	(43)	(60)	(5 747)
Reclassifications	-	20	(303)	(17)	98	(202)
Sale	-	(7)	(12)	(1)	-	(20)
Liquidation	-	(8)	(535)	(17)	-	(560)
Government grants - received, settled	-	3	3	-	-	6
Other increases/(decreases)	-	(2)	(10)	(74)	(7)	(93)
<b>31/12/2017</b>						
<b>Net book value</b>						
	<b>526</b>	<b>10 607</b>	<b>12 694</b>	<b>440</b>	<b>8 662</b>	<b>32 929</b>

According to IAS 23 the Company capitalized those borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. Borrowing costs capitalized in the year ended 31 December 2018 amounted to CZK 102 million (31 December 2017: CZK 43 million).

#### Material additions

The major additions in 2018 to non-current assets were construction of new unit PE3 in the amount of CZK 1 594 million, acquisition of filling stations and its remodeling in the amount of CZK 852 million, capitalized shut down costs in the amount of CZK 691 million, capitalized maintenance costs in amount of CZK 598 million, capitalized spare parts in the amount of CZK 309 million, catalysts in the amount of CZK 213 million, construction of boiler room in the amount of CZK 277 million and heating plant T700 revamp in the amount of CZK 125 million.

The major additions in 2017 to non-current assets were construction of new unit PE3 in the amount of CZK 3 687 million and heating plant T700 revamp in the amount of CZK 118 million.

## 9.1 Changes in property, plant and equipment (continued)

### Government grants

In 1994 the Company obtained a grant of CZK 260 million from the German Ministry for Environmental Protection and Safety of Reactors in order to execute a pilot environmental project targeted at limiting cross-border pollution, in connection with the reconstruction of the T700 power station and its desulphurization. The carrying amount as at 31 December 2018 was CZK 17 million (31 December 2017: CZK 26 million).

## 9.2 Changes in property, plant and equipment impairment

	Land	Buildings and constructions	Machinery and equipment	Vehicles and other	Construction in progress	Total
01/01/2018	8	4 138	4 821	85	46	9 098
Recognition	-	76	32	-	-	108
Reversal	-	(2 687)	(2 007)	(25)	(1)	(4 720)
Disposal	-	(25)	(10)	(26)	-	(61)
Reclassifications**	-	(1 175)	(2 524)	(31)	(2)	(3 732)
	<b>8</b>	<b>327</b>	<b>312</b>	<b>3</b>	<b>43</b>	<b>693</b>
increase/(decrease) net*	-	(2 636)	(1 985)	(51)	(1)	(4 673)
01/01/2017	8	1 463	1 852	42	43	3 408
Recognition	-	117	9	13	-	139
Reversal	-	(117)	(5)	-	-	(122)
Disposal	-	(7)	(569)	(5)	-	(581)
Reclassifications	-	4	(214)	(17)	44	(183)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	2 678	3 748	52	16	6 494
Other increases/(decreases)	-	-	-	-	(57)	(57)
	<b>8</b>	<b>4 138</b>	<b>4 821</b>	<b>85</b>	<b>46</b>	<b>9 098</b>
increase/(decrease) net*	-	2 675	2 969	43	60	5 747

\* Increase/(decrease) net includes recognition, reversal, disposal and mergers.

\*\* The Company 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 release of impairment to property, plant and equipment is presented in other operating expenses and income.

## 9.3 Other information on property, plant and equipment

	31/12/2018	31/12/2017
The gross book value of all fully depreciated property, plant and equipment still in use	6 558	8 091

The Company reviews economic useful lives of property, plant and equipment and introduces adjustments to depreciation charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2018 would be higher by CZK 137 million.

## 10. INVESTMENT PROPERTY

	2018	2017
At the beginning of the year	272	268
Reclassification from property, plant, equipment	-	2
Fair value measurement	1	8
increase	2	10
decrease	(1)	(2)
Reclassification to property, plant, equipment	(3)	(6)
	<b>270</b>	<b>272</b>

Rental income amounted to CZK 27 million in 2018 (2017: CZK 28 million). Operating costs related to the investment property amounted to CZK 5 million in 2018 (2017: CZK 3 million).

### 10.1 Fair value of investment property measurement

Investment property at 31 December 2018 comprised the land and buildings owned by the Company 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 assessed property was equal to the market price of similar property (such assets belong to Level 2 as defined by IFRS 7).

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 yearly 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 revenue approach belong to Level 3 as defined by IFRS 7). The discount rate of 8.41% was used for the calculation of the investment property fair value.

## 10.1 Fair value of investment property measurement (continued)

	Carrying amount	Fair value	Fair value hierarchy	
			Level 2	Level 3
31/12/2018	270	270	116	154
31/12/2017	272	272	116	156

## 10.2 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			
Change in discount rate	+1 pp	(6)	-1 pp	6

## 11. INTANGIBLE ASSETS

### 11.1 Changes in other intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO <sub>2</sub> emission allowance	Other	Other-internally generated	Total
<b>01/01/2018</b>							
<b>Net book value</b>							
Gross book value	1 324	1 945	442	270	383	23	4 387
Accumulated amortisation and impairment allowances	(1 080)	(1 473)	(5)	-	(315)	(13)	(2 886)
	<b>244</b>	<b>472</b>	<b>437</b>	<b>270</b>	<b>68</b>	<b>10</b>	<b>1 501</b>
<b>increase/(decrease) net</b>							
Investment expenditures	80	1	83	-	20	-	184
Amortization	(78)	(60)	-	-	(26)	(6)	(170)
Impairment allowances	32	92	5	-	12	-	141
Reclassifications	-	-	30	-	-	-	30
Liquidation	-	(1)	-	-	(3)	-	(4)
Other increases/(decreases)	-	-	(1)	348	1	-	348
<b>31/12/2018</b>							
<b>Net book value</b>							
Gross book value	1 404	1 940	554	618	383	23	4 922
Accumulated amortisation and impairment allowances	(1 126)	(1 436)	-	-	(311)	(19)	(2 892)
	<b>278</b>	<b>504</b>	<b>554</b>	<b>618</b>	<b>72</b>	<b>4</b>	<b>2 030</b>
<b>01/01/2017</b>							
<b>Net book value</b>							
Gross book value	614	1 782	541	-	432	21	3 390
Accumulated amortisation and impairment allowances	(523)	(1 253)	-	-	(414)	(8)	(2 198)
	<b>91</b>	<b>529</b>	<b>541</b>	<b>-</b>	<b>18</b>	<b>13</b>	<b>1 192</b>
<b>increase/(decrease) net</b>							
Investment expenditures	193	1	(155)	-	73	2	114
Amortization	(59)	(59)	-	-	(24)	(5)	(147)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	106	30	33	130	8	-	307
Impairment allowances	(83)	(28)	(5)	-	(1)	-	(117)
Reclassifications	(4)	-	27	-	(5)	-	18
Liquidation	-	-	(4)	-	(2)	-	(6)
Other increases/(decreases)	-	(1)	-	140	1	-	140
<b>31/12/2017</b>							
<b>Net book value</b>							
	<b>244</b>	<b>472</b>	<b>437</b>	<b>270</b>	<b>68</b>	<b>10</b>	<b>1 501</b>

### Material additions

The major addition to intangible assets in 2018 was implementation of OneSAP of CZK 42 million (2017: software – technical solution for polyolefin production planning of CZK 26 million).

## 11.2 Changes in impairment allowances of intangible assets

	Software	Licences, patents and trade marks	Assets under development	CO <sub>2</sub> emission allowance	Other	Other-internally generated	Total
01/01/2018	91	205	5	-	35	-	336
Reversal	(32)	(91)	(5)	-	(10)	-	(138)
Disposal	-	(1)	-	-	(2)	-	(3)
Reclassifications**	(58)	(113)	-	-	(23)	-	(194)
	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
increase/(decrease) net*	(32)	(92)	(5)	-	(12)	-	(141)
01/01/2017	8	177	-	-	34	-	219
Disposal	-	-	(2)	-	(2)	-	(4)
Reclassifications	2	-	(2)	-	5)	-	(5)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	81	28	9	-	8	-	126
	<b>91</b>	<b>205</b>	<b>5</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>336</b>
increase/(decrease) net*	83	28	5	-	1	-	117

\*Increase/(decrease) net includes recognition, reversal, disposal and merger.

\*\* The Company 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 release of impairment to intangible assets is presented in other operating expenses and income.

## 11.3 Other information

	31/12/2018	31/12/2017
The gross book value of all fully depreciated intangible assets still in use	785	802
The net book value of intangible assets with indefinite useful life	15	10

The Company reviews economic useful lives of intangible assets and introduces adjustments to amortization charge prospectively according to its accounting policy. Should the depreciation policy from the previous year be applied, the depreciation expense for 2018 would be higher by CZK 7 million.

## 11.4 CO<sub>2</sub> emission allowances

Based on Czech National Allocation Scheme for the years 2013-2020 the Company was to obtain CO<sub>2</sub> allowances free of charge in amount of 1 975 889 tons in 2018 (2017: 1 631 889 tons).

	Value	Quantity (in tonnes)
01/01/2018	270	1 868 186
Estimated grant of CO <sub>2</sub> allowances for 2018	708	1 975 889
Settlement for 2017	(749)	(4 278 192)
Purchase / (Sale), net	389	1 709 206
	<b>618</b>	<b>1 275 089</b>
Estimated annual consumption	1 986	4 072 440

As at 31 December 2018 the market value of one EUA allowance (European Union Emission Allowance) amounted to EUR 24.64 (as at 31 December 2017: 8.14 EUR).

CO<sub>2</sub> emission allowances acquired and sold by the Company are included in the statement of 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.

## 12. SHARES IN RELATED PARTIES

	31/12/2018	31/12/2017
Unquoted shares	1 095	1 129
	<b>1 095</b>	<b>1 129</b>

Shares in related parties as at 31 December 2018:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
UNIPETROL DOPRAVA, s.r.o.	Litvínov	959	99.88	-	959	100
PETROTRANS, s.r.o.	Praha	19	99.37	-	19	-
Nadace UNIPETROL	Litvínov	1	100.00	-	1	-
HC VERVA Litvínov, a.s.	Litvínov	27	70.95	18	9	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	3	86.96	-	3	-
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen	100	99.90	-	100	33
UNIPETROL RPA Hungary Kft	Budapest	4	100.00	-	4	-
SPOLANA s.r.o.	Neratovice	34	100.00	34	-	-
<b>Total</b>		<b>1 147</b>		<b>52</b>	<b>1 095</b>	<b>133</b>

Shares in related parties as at 31 December 2017:

Name of the entity	Registered office	Cost of investment	Ownership percentage	Impairment	Carrying amount	Dividend income for the year
UNIPETROL DOPRAVA, s.r.o.	Litvínov	959	99.88	-	959	145
PETROTRANS, s.r.o.	Praha	19	99.37	-	19	8
Nadace UNIPETROL	Litvínov	1	100.00	-	1	-
HC VERVA Litvínov, a.s.	Litvínov	27	70.95	18	9	-
UNIPETROL SLOVENSKO s.r.o.	Bratislava	3	86.96	-	3	27
UNIPETROL DEUTSCHLAND GmbH	Langen/Hessen	100	99.90	-	100	66
UNIPETROL RPA Hungary Kft	Budapest	4	100.00	-	4	-
SPOLANA a.s.	Neratovice	34	100.00	-	34	-
<b>Total</b>		<b>1 147</b>		<b>18</b>	<b>1 129</b>	<b>246</b>

## 13. OTHER NON-CURRENT ASSET

	31/12/2018	31/12/2017
Cash flow hedging instruments	503	700
<i>foreign currency forwards</i>	503	700
<b>Financial assets</b>	<b>503</b>	<b>700</b>
Prepayments	86	63
<b>Non-financial assets</b>	<b>86</b>	<b>63</b>
	<b>589</b>	<b>763</b>

The non-current prepayments relate to the deposit for the purchase of natural gas in amount of CZK 67 million as at 31 December 2018 (as at 31 December 2017: CZK 59 million).

#### 14. IMPAIRMENT TO NON-CURRENT ASSETS

##### Financial projections and assumptions for years 2019-2022 for purposes of impairment analysis as at 31 December 2018

As at 31 December 2018 in accordance with International Accounting Standard 36 "Impairment of assets" the Company 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 Company CGUs are established at the level of operating activities: refining, petrochemical and retail.

As at 31 December 2018 the tests were carried out for all CGUs based on the most recent available financial projections for the years 2019-2022.

Impairment analysis on Company assets as at 31 December 2018 was based on following financial data:

- non-audited financial statements as at 31 December 2018,
- financial projections for years 2019-2022 included in Mid Term Plan for the years 2019-2022,
- necessary adjustments mainly relating to capital expenditures and effectiveness activities for years 2019-2022, 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 2018.

##### 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 Company 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 Company 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 2019-2022 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 CO<sub>2</sub> allowances) and net working capital were derived from non-audited financial statements as at 31 December 2018.

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.

The discount rate is calculated as the weighted average cost of capital. The sources of macroeconomic indicators necessary to determine the discount rate were the publications of prof. Aswath Damodaran (source: <http://pages.stern.nyu.edu>) and publicly available as at 31 December 2018 listings of government bonds.

##### 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 2018

	Refinery CGU	Petchem CGU	Retail CGU
Cost of capital	10.98%	9.61%	9.33%
Cost of debt after tax	2.27%	2.27%	2.27%
Capital structure	64.54%	72.24%	46.65%
<b>Nominal discount rate</b>	<b>7.89%</b>	<b>7.57%</b>	<b>5.56%</b>
Long term inflation rate	2.10%	2.10%	2.10%

Cost of equity is determined by the profitability of the government bonds that are considered to be risk-free, with the level of market and operating segment risk premium (beta).

Cost of debt includes the average level of credit margins and expected market value of money for the Czech Republic.

The period of analysis was established on the basis of remaining useful life of the essential assets for the particular CGU.

##### The results of impairment analysis as at 31 December 2018

Based on the results of the analysis performed as at 31 December 2018 impairment allowance of CZK 4 685 million net was reversed in the period ended 31 December 2018 in relation to non-current assets of the refinery, petchem and corporate functions CGUs. The amount of CZK 4 547 million was allocated to property, plant and equipment, and the amount of CZK 138 million was allocated to intangible assets and these were recorded in other operating part of statement of profit and loss.

The amount of reversal of impairment charge and corresponding increase in carrying amount of an assets shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years (IAS 36.117).

The Company'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 Company'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 Company.

#### 14. IMPAIRMENT TO NON-CURRENT ASSETS (CONTINUED)

##### Sensitivity analysis of the value in use as at 31 December 2018

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.

The effects of impairment sensitivity in relation to changes in these factors are presented below.

##### Sensitivity analysis of the value in use in relation to impairment analysis

DISCOUNT RATE	in CZK million		EBITDA	
	change	-5%	0%	5%
-0.5 p.p.		4 685	4 685	4 685
0.0 p.p.		4 685	4 685	4 685
+0.5 p.p.		4 685	4 685	4 685

#### 15. INVENTORIES

	31/12/2018	31/12/2017
Raw materials	7 375	6 522
Work in progress	1 895	1 934
Finished goods	4 215	3 382
Merchandise	341	469
Spare parts	1 350	1 305
<b>Inventories, net</b>	<b>15 176</b>	<b>13 612</b>
Impairment allowances of inventories to net realisable value	663	318
<b>Inventories, gross</b>	<b>15 839</b>	<b>13 930</b>

##### 15.1 Change in impairment allowances of inventories to net realizable values

	2018	2017
At the beginning of the year	318	137
Recognition	444	489
Usage	(99)	(370)
Reversal	-	(40)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	102
	<b>663</b>	<b>318</b>

Changes in the net realizable value allowances for inventories (excluding utilization movement) amounted to CZK 444 million (2017: CZK 449 million) and are included in cost of sales presented in note 4.

#### 16. TRADE AND OTHER RECEIVABLES

	31/12/2018	31/12/2017
Trade receivables	13 010	12 164
Receivables from insurance compensation	29	-
Other	2	2
<b>Financial assets</b>	<b>13 041</b>	<b>12 166</b>
Excise tax and fuel charge receivables	3	3
Other taxation, duty, social security receivables	-	68
Advances for construction in progress	298	197
Prepayments and deferred costs	510	495
<b>Non-financial assets</b>	<b>811</b>	<b>763</b>
<b>Receivables, net</b>	<b>13 852</b>	<b>12 929</b>
Receivables impairment allowance	206	213
<b>Receivables, gross</b>	<b>14 058</b>	<b>13 142</b>

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 25 days. Trade receivables overdue bear an interest based on terms agreed in the selling contracts.

The Company's exposure to credit and currency risk related to trade and other receivables is disclosed in note 26 and detailed information about receivables from related parties is presented in note 30.

The Company sets impairment allowances 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. 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 default interest is included in financial costs or income.

## 17. OTHER FINANCIAL ASSETS

	31/12/2018	31/12/2017
Cash flow hedging instruments	1 108	660
<i>foreign currency forwards</i>	358	599
<i>commodity swaps</i>	750	61
Fair value hedging instruments	1	-
<i>commodity swaps</i>	1	-
Derivatives not designated as hedge accounting	-	6
<i>foreign currency forwards</i>	-	-
<i>commodity swaps</i>	-	6
Adjustment of hedged item for changes in fair value	6	-
Cash pool	5 889	6 024
Receivables on settled cash flow hedging instruments	994	15
	<b>7 998</b>	<b>6 705</b>

As at 31 December 2018 the balance on PKN's cash pool amounted to CZK 5 351 million (as at 31 December 2017: CZK 5 669 million). The Company had assets in the cash pool organized by UNIPETROL, a.s. in the amount of CZK 538 million as at 31 December 2018 (CZK 355 million as at 31 December 2017).

The interest rates were based on appropriate inter-bank rates and fair value of loans approximates their carrying amount.

Information regarding cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 26.4.

## 18. CASH AND CASH EQUIVALENTS

	31/12/2018	31/12/2017
Cash on hand and in bank	196	216
	<b>196</b>	<b>216</b>

Cash includes the restricted cash regarding to the provision for land restoration in amount of CZK 3 million as at 31 December 2018 (31 December 2017: CZK 23 million).

## 19. EQUITY

### 19.1 Share capital

The registered capital of the Company as at 31 December 2018 amounted to CZK 11 148 million (31 December 2017: CZK 11 148 million).

### 19.2 Hedging reserve

The amount of the hedging reserve CZK 1 261 million as at 31 December 2017 relates to the fair value of derivatives meeting the requirements of cash flows hedge accounting (31 December 2017: CZK 830 million) and the related deferred tax.

### 19.3 Retained earnings

On 25 May 2018 UNIPETROL, a.s. as the sole member decided on distribution of profit for 2017 in amount of CZK 8 138 million to the retained earnings.

### 19.4 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 equity debt ratio (net financial leverage). As at 31 December 2018 and 31 December 2017 the Company's financial leverage amounted to 13% and 14%, respectively.

Net financial leverage = (net debt / equity) x 100%

Net debt = non-current loans and borrowings + current loans and borrowings + cash pool liabilities - cash and cash equivalents.

#### 19.4.1 Net debt

	31/12/2018	31/12/2017
Cash on hand and in bank	196	216
Bank loans and borrowings	(1)	-
Bank loans and borrowings current	(1)	-
Cash pool liabilities	(6 655)	(6 060)
	<b>(6 460)</b>	<b>(5 844)</b>

## 19.4.2 Net working capital

	Inventories	Receivables	Liabilities	Working capital
31/12/2017	13 612	12 929	18 742	7 799
31/12/2018	15 176	13 852	21 089	7 939
<b>Change from statement of financial position</b>	<b>(1 564)</b>	<b>(923)</b>	<b>2 347</b>	<b>(140)</b>
Adjustments				
Change in payments on account construction in progress	-	101	-	101
Change in receivables due to insurance compensations	-	29	-	29
Change in other long term receivables/liabilities	-	-	38	38
Movements in investment liabilities	-	-	74	74
Impact of IFRS 9	-	(7)	-	(7)
Others	-	2	-	2
<b>Change from statement of cash flows</b>	<b>(1 564)</b>	<b>(798)</b>	<b>2 459</b>	<b>97</b>

## 20. LOANS AND BORROWINGS

	Non-current		Current		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bank loans	-	-	1	-	1	-
	-	-	1	-	1	-

### 20.1 Loans

By currency (translated into CZK)/by interest rate

	31/12/2018	31/12/2017
CZK/PRIBOR	1	-
	1	-

Disclosures resulting from IFRS 7 relating to loans and borrowings are included in note 26 and are presented together with other financial instruments.

## 21. PROVISION

	Non-current		Current		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Environmental provision	507	516	-	3	507	519
Jubilee bonuses and retirement benefits provision	89	86	11	9	100	95
Provision for CO <sub>2</sub> emission	-	-	1 986	684	1 986	684
Other provision	16	9	5	29	21	38
	<b>612</b>	<b>611</b>	<b>2 002</b>	<b>725</b>	<b>2 614</b>	<b>1 336</b>

### Changes in provisions in 2018

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO <sub>2</sub> emission	Other provision	Total
<b>01/01/2018</b>	519	95	684	38	1 336
Recognition	7	9	2 051	-	2 067
Reclassification	4	-	-	(5)	(1)
Discounting	5	-	-	-	5
Utilization	(23)	(4)	(749)*	(12)	(788)
Release	(5)	-	-	-	(5)
	<b>507</b>	<b>100</b>	<b>1 986</b>	<b>21</b>	<b>2 614</b>

\* Information regarding revaluation of CO<sub>2</sub> is presented in note 5.1.

### Changes in provisions in 2017

	Environmental provision	Jubilee bonuses and retirement benefits provision	Provision for CO <sub>2</sub> emission	Other provision	Total
<b>01/01/2017</b>	372	77	412	31	892
Recognition	6	6	687	9	708
Discounting	5	-	-	-	5
Utilization	(29)	(6)	(468)*	(17)	(520)
Release	(3)	-	(45)	-	(48)
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	168	18	98	15	299
	<b>519</b>	<b>95</b>	<b>684</b>	<b>38</b>	<b>1 336</b>

\* Information regarding revaluation of CO<sub>2</sub> is presented in note 5.1.

## 21.1 Environmental provision

As at 31 December 2018 the Group had under environmental provisions:

- 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 2043. The provision amounted to CZK 311 million (31 December 2017: CZK 319 million),
- provision in the amount of CZK 166 million in respect of remediation of historical ecological contamination in the Kralupy location recognized following the decision of the Czech inspection of environment (31 December 2017: CZK 166 million),
- provision for the compensation of damages to Lesy České republiky, s.p. (Forests of the Czech Republic) in the amount of CZK 29 million (31 December 2017: CZK 32 million).

## 21.2 Provisions for jubilee bonuses and retirement benefits

The Company realizes 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 elapse of a defined number of years in service. The retirement benefits are paid as one-time payments at retirement. The amount of retirement benefits as well as jubilee bonuses depends on the number of years of service and an employee's average remuneration. The base for the calculation of provision for an employee is expected benefit which the Company is obliged to pay in accordance with internal regulation.

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 received by employees were created using discount rate 2.00% p.a. in 2018 (2017: 1.50%), assumptions used were based on Collective agreement. Should the prior year's assumptions be used, the provision for the jubilee bonuses and retirement benefits would be lower by CZK 19 million.

### 21.2.1 Change in employee benefits obligations

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
At the beginning of the year	25	20	70	56	95	76
Current service cost	2	2	3	3	5	5
Interest expense	-	-	1	-	1	-
Actuarial gains and losses net	-	-	(5)	-	(5)	-
<i>demographic assumptions</i>	1	2	-	8	1	10
<i>financial assumptions</i>	(1)	(2)	(4)	(7)	(5)	(9)
<i>other issues</i>	-	-	(1)	(1)	(1)	(1)
Past employment costs	-	1	9	-	9	1
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	5	-	13	-	18
Payments under program	(3)	(3)	(2)	(2)	(5)	(5)
	<b>24</b>	<b>25</b>	<b>76</b>	<b>70</b>	<b>100</b>	

The carrying amount of employee benefits liabilities is identical to their present value as at 31 December 2018 and as at 31 December 2017.

### 21.2.2 Geographical division of employee benefits liabilities

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Czech Republic	24	25	76	70	100	95
	<b>24</b>	<b>25</b>	<b>76</b>	<b>70</b>	<b>100</b>	<b>95</b>

### 21.2.3 Sensitivity analysis to changes in actuarial assumptions

The Company carried out the employee benefit payments from current resources. As at 31 December 2018 there were no funded plans and the Company paid no contributions to fund liabilities.

Actuarial assumptions	Assumed variations as at 31/12/2018	Czech Republic	
		Influence on provision for jubilee 2018	Influence on retirement benefits 2018
Demographic assumptions (+)	0.5 pp	(1)	(4)
<i>staff turnover rates, disability and early retirement</i>	0.5 pp	(1)	(4)
Financial assumptions (+)	0.5 pp	-	-
<i>discount rate</i>	0.5 pp	(1)	(4)
<i>level of future remuneration</i>		1	4
		<b>(1)</b>	<b>(4)</b>
Demographic assumptions (-)	-0.5 pp	1	3
<i>staff turnover rates, disability and early retirement</i>	-0.5 pp	1	3
Financial assumptions (-)	-0.5 pp	-	-
<i>discount rate</i>	-0.5 pp	1	4
<i>level of future remuneration</i>		(1)	(4)
		<b>1</b>	<b>3</b>

Actuarial assumptions	Assumed variations as at 31/12/2017	Czech Republic	
		Influence on provision for jubilee 2017	Influence on retirement benefits 2017
Demographic assumptions (+)	0.5 pp	(1)	(4)
<i>staff turnover rates, disability and early retirement</i>	0.5 pp	(1)	(4)
Financial assumptions (+)	0.5 pp	-	-
<i>discount rate</i>	0.5 pp	(1)	(4)
<i>level of future remuneration</i>		1	4
		<b>(1)</b>	<b>(4)</b>
Demographic assumptions (-)	-0.5 pp	1	3
<i>staff turnover rates, disability and early retirement</i>	-0.5 pp	1	3
Financial assumptions (-)	-0.5 pp	-	-
<i>discount rate</i>	-0.5 pp	1	4
<i>level of future remuneration</i>		(1)	(4)
		<b>1</b>	<b>3</b>

### 21.2.4 Employee benefits maturity and payments of liabilities analysis

#### 21.2.4.1 Maturity of employee benefits analysis

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Less than one year	2	2	9	7	11	9
Between one and three years	5	4	7	8	11	12
Between three and five years	4	4	8	7	12	11
Later than five years	13	14	53	49	66	63
					<b>100</b>	<b>95</b>

Weighted average duration of liability (in years)	10	10	10	10
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#### 21.2.4.2 Ageing of employee benefits payments analysis

	Provision for jubilee bonuses		Retirement benefits		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Less than one year	3	2	9	7	12	9
Between one and three years	5	5	8	9	13	14
Between three and five years	5	5	10	8	15	13
Later than five years	35	35	136	120	171	155
	<b>48</b>	<b>47</b>	<b>163</b>	<b>144</b>	<b>211</b>	<b>191</b>

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

	31/12/2018	31/12/2017
<b>In profit and loss</b>		
Current service cost	(5)	(5)
Interest expense	(1)	-
Actuarial gains and losses net	-	-
<i>demographic assumptions</i>	(1)	(2)
<i>financial assumptions</i>	1	2
Past employment costs	(9)	(1)
Payments under program	5	5
	<b>(11)</b>	<b>(1)</b>
<b>In components of other comprehensive income</b>		
Gains and losses arising from changes	5	-
<i>demographic assumptions</i>	-	(8)
<i>financial assumptions</i>	4	7
<i>other issues</i>	1	1
	<b>5</b>	<b>-</b>
	<b>(6)</b>	<b>(1)</b>

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

	31/12/2018	31/12/2017
Cost of sales	(8)	(1)
Distribution expenses	(1)	-
Administrative expenses	(2)	-
	<b>(11)</b>	<b>(1)</b>

On the basis of existing legislation, the Company is obliged to pay contributions to the national pension insurance. These expenses are recognized as social security and healthcare insurance costs. The Company has no other obligations in this respect. Additional information about the post-employment benefits is in note 32.3.18.2.

**21.3 Provision on CO<sub>2</sub> allowances**

A provision for CO<sub>2</sub> allowances is created for estimated CO<sub>2</sub> emissions in the reporting period.

**21.4 Other provisions**

The Company 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 Company is a defendant. A significant portion of the provisions relates to legal disputes as at 31 December 2018: CZK 16 million (31 December 2017: CZK 2 million) and to the liquidation of a urea production unit as at 31 December 2018: CZK 1 million (31 December 2017: CZK 6 million).

**22. OTHER NON-CURRENT LIABILITIES**

	31/12/2018	31/12/2017
Investment liabilities	48	63
Resulting from guarantee received	222	170
Other	3	1
<b>Financial liabilities</b>	<b>273</b>	<b>234</b>
	<b>273</b>	<b>234</b>

The Company received cash advances from business partners presented as Guarantee payments received in connection with operation of fuel stations.

### 23. TRADE AND OTHER LIABILITIES

	31/12/2018	31/12/2017
Trade liabilities	10 532	9 435
Investment liabilities	1 828	1 825
Other	340	388
<b>Financial liabilities</b>	<b>12 700</b>	<b>11 648</b>
Prepayments for deliveries	-	126
Payroll liabilities	270	239
Excise tax and fuel charge	6 472	5 147
Value added tax	1 438	1 395
Other taxation, duties, social security and other benefits	84	67
Accruals	125	120
<i>holiday pay accrual</i>	26	21
<i>wages accrual</i>	99	99
<b>Non-financial liabilities</b>	<b>8 389</b>	<b>7 094</b>
	<b>21 089</b>	<b>18 742</b>

The management considers that the carrying amount of trade and other liabilities approximates their fair value.

### 24. LIABILITIES FROM CONTRACTS WITH CUSTOMERS

	31/12/2018	31/12/2017
Prepayments for deliveries	14	-
	<b>14</b>	<b>-</b>

### 25. OTHER FINANCIAL LIABILITIES

	31/12/2018	31/12/2017
Cash flow hedging instruments	18	321
<i>commodity swaps</i>	18	321
Fair value hedging instruments	7	-
<i>commodity swaps</i>	7	-
Derivatives not designated as hedge accounting	40	77
<i>foreign currency forwards</i>	40	66
<i>commodity swaps</i>	-	11
Adjustment of hedged item for changes in fair value	1	-
Cash pool	6 655	6 060
Liabilities on settled cash flow hedge instruments	182	175
	<b>6 903</b>	<b>6 633</b>

The Company can draw short-term cash pooling loans within the Group, which are paid by the first working day after the end of the reporting period. The interest rates were based on appropriate inter-bank rates and the fair value of loans approximates their carrying amount. Information about cash flow hedge instruments and derivatives not designated as hedge accounting is presented in note 26.

## EXPLANATORY NOTES TO FINANCIAL INSTRUMENTS

### 26. FINANCIAL INSTRUMENTS

#### 26.1 Financial instruments by category and class

##### Financial assets

31/12/2018

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Financial assets measured at amortized cost	Hedging financial instruments	
Trade receivables	16.	-	13 010	-	13 010
Cash pool	17.	-	5 889	-	5 889
Financial derivatives	13., 17.	-	-	1 612	1 612
Adjustment of hedged item for changes in fair value	17.	-	6	-	6
Receivables from settled financial derivatives	17.	-	994	-	994
Cash and cash equivalents	18.	-	196	-	196
Receivables from insurance compensations	16.	-	29	-	29
Other	16.	-	2	-	2
		-	20 126	1 612	21 738

31/12/2017

Financial instruments by class	Note	Financial instruments by category			Total
		Financial assets at fair value through profit or loss	Loans and receivables	Hedging financial instruments	
Trade receivables	16.	-	12 164	-	12 164
Cash pool	17.	-	6 024	-	6 024
Financial derivatives	13., 17.	6	-	1 360	1 366
Receivables from settled financial derivatives	17.	-	15	-	15
Cash and cash equivalents	17.	-	215	-	215
Other	16.	-	3	-	3
		6	18 421	1 360	19 787

##### Financial liabilities

31/12/2018

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging financial instruments	
Other non-current liabilities	22.	-	48	-	48
Current loans	20.	-	1	-	1
Trade liabilities	23.	-	10 532	-	10 532
Investment liabilities	23.	-	1 828	-	1 828
Financial derivatives	25.	40	-	25	65
Adjustment of hedged item for changes in fair value	25.	-	1	-	1
Liabilities from settled financial derivatives	25.	-	182	-	182
Cash pool	26.	-	6 655	-	6 655
Other	22., 23.	-	564	-	564
		40	19 811	25	19 876

31/12/2017

Financial instruments by class	Note	Financial instruments by category			Total
		Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Hedging financial instruments	
Other non-current liabilities	22.	-	63	-	63
Trade liabilities	23.	-	9 435	-	9 435
Investment liabilities	23.	-	1 825	-	1 825
Financial derivatives	25.	77	-	321	398
Liabilities from settled financial derivatives	25.	-	175	-	175
Cash pool	26.	-	6 060	-	6 060
Other	22., 23.	-	559	-	559
		77	18 117	321	18 515

## 26.2 Income, (costs), gains and (loss) in statement of profit or loss and other comprehensive income

	Note	Financial instruments by category				Total
		Financial assets and liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Financial assets available for sale	Financial liabilities measured at amortised cost	
2018						
Interest income	7.1	-	96	-	-	96
Interest costs	7.2	-	-	-	-	-
Foreign exchange gain/(loss)	7.	-	837	-	(311)	526
Settlement and valuation of financial instruments	7.	441	-	-	-	441
Valuation of financial assets available for sale	7.	-	-	(34)	-	(34)
Other	7.	-	1	-	(11)	(10)
		<b>441</b>	<b>934</b>	<b>(34)</b>	<b>(322)</b>	<b>1 019</b>

### other, excluded from the scope of IFRS 7

Provisions discounting	7.					(5)
						<b>(5)</b>

	Note	Financial instruments by category			Total
		Financial assets and liabilities at fair value through profit or loss	Loans and receivables	Financial liabilities measured at amortised cost	
2017					
Interest income	7.1	-	77	-	77
Interest costs	7.2	-	-	(6)	(6)
Foreign exchange gain/(loss)	7.	-	(1 720)	1 346	(374)
Recognition/reversal of receivables impairment allowances recognized in:					
other operating income/(expenses)	5.	-	(3)	-	(3)
Settlement and valuation of financial instruments	7.	(1 049)	-	-	(1 049)
Other	7.	-	-	(17)	(17)
		<b>(1 049)</b>	<b>(1 646)</b>	<b>1 323</b>	<b>(1 372)</b>

### other, excluded from the scope of IFRS 7

Provisions discounting	7.					(5)
						<b>(5)</b>

## 26.3 Fair value measurement

	Note	31/12/2018		31/12/2017	
		Fair value	Carrying amount	Fair value	Carrying amount
<b>Financial assets</b>					
Trade receivables	16.	13 010	13 010	12 164	12 164
Receivables from settled financial derivatives	17.	994	994	15	15
Cash pool	17.	5 889	5 889	6 024	6 024
Financial derivatives	13., 17.	1 612	1 612	1 366	1 366
Adjustment of hedged item for changes in fair value	17.	6	6	-	-
Cash and cash equivalents	18.	196	196	216	216
Receivables due to insurance compensations	16.	29	29	-	-
Other	16.	2	2	2	2
		<b>21 738</b>	<b>21 738</b>	<b>19 786</b>	<b>19 786</b>
<b>Financial liabilities</b>					
Loans	20.	1	1	-	-
Cash pool	25.	6 655	6 655	6 060	6 060
Trade liabilities	23.	10 532	10 532	9 435	9 435
Investment liabilities	22., 23.	1 876	1 876	1 888	1 888
Financial derivatives	25.	65	65	398	398
Adjustment of hedged item for changes in fair value	25.	1	1	-	-
Liabilities from settled financial derivatives	25.	182	182	175	175
Other	22., 23.	564	564	559	559
		<b>19 876</b>	<b>19 876</b>	<b>18 515</b>	<b>18 515</b>

For other classes of financial assets and liabilities presented in note 26 fair value represents their carrying amount.

### 26.3.1 Methods applied in determining fair values of financial instruments (fair value hierarchy)

Fair value of shares quoted on active markets is determined based on market quotations (so called 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 (so called Level 2) and data to valuation, which aren't based on observable market data (Level 3). Financial assets and liabilities carried at fair value by the Company belong to Level 2 as defined by IFRS.

In the year ended 31 December 2018 and the comparative period there were no transfers between Levels 1, 2 and 3 in the Company.

As at 31 December 2018 and 31 December 2017 the Company held unquoted shares in entities amounting to CZK 1 095 million and CZK 1 129 million, for which fair value cannot be reliably measured, due to the fact that there are no active markets for these entities and no comparable transactions in the same type of instruments.

### 26.4 Hedge accounting

The Company hedges its cash flows from operating revenues due to 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). Foreign exchange forwards are used as hedging instruments.

The Company has derivative financial instruments, which serve as a hedging instrument pursuant to the Company'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 the Statement of profit or loss and other comprehensive income.

The fair value of derivative instruments are designated as hedging instruments according to the cash flow hedge accounting 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 hedge instruments	31/12/2018	31/12/2017	Hedging strategies
Currency forwards	861	1 299	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	732	(260)	
	<b>1 593</b>	<b>1 039</b>	

	31/12/2018	31/12/2017
<b>Planned realization date of hedged cash flow</b>		
Currency operating exposure		
2018	-	599
2019	358	511
2020	170	189
2021	146	-
2022	187	-
Commodity risk exposure		
2018	-	(260)
2019	732	-
	<b>1 593</b>	<b>1 039</b>

### 26.5 Risk identification

The Company's activities are exposed to the risks of changes in foreign currency exchange rates, commodity prices and interest rates.

The UNIPETROL group's Corporate Treasury function provides services to UNIPETROL RPA, s.r.o., coordinates access to domestic and international financial markets, monitors and manages the risks outlined below relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other market risks), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using natural hedging. The Company does not use derivative financial instruments to hedge these risk exposures. The potential use of financial derivatives is governed by the UNIPETROL group's policies, which provide written principles on 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 UNIPETROL group's internal auditors on regular basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

## 26.5.1 Commodity risks

### Sensitivity analysis for commodity risk

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

31/12/2018

(in USD)	Influence on hedging reserve			
	Increase of price by	Influence	Decrease of price by	Influence
Crude oil USD/BBL	+29%	(44 651 907)	(29%)	44 651 907
Gasoline USD/MT	+24%	(1 786 237)	(24%)	1 786 237
		<b>(46 438 144)</b>		<b>46 438 144</b>

## 26.5.2 Currency risk management

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

### Currency structure of financial instruments denominated in main foreign currencies:

Financial instruments by class	EUR		USD		Total after translation to CZK	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
<b>Financial assets</b>						
Trade receivables	139	144	29	27	4 240	4 262
Cash pool	144	60	86	205	5 636	5 901
Financial derivatives	34	50	33	3	1 612	1 366
Adjustment of hedged item for changes in fair value	-	-	-	-	6	-
Receivables from settled financial derivatives	-	-	44	1	994	15
Receivables due to insurance compensations	-	-	1	-	29	-
	<b>317</b>	<b>254</b>	<b>193</b>	<b>236</b>	<b>12 517</b>	<b>11 544</b>
<b>Financial liabilities</b>						
Trade liabilities	63	47	254	242	7 327	6 350
Investment liabilities	27	30	3	2	740	819
Financial derivatives	-	-	3	19	65	398
Adjustment of hedged item for changes in fair value	-	-	-	-	1	-
Liabilities from settled financial derivatives	-	-	8	8	182	175
	<b>90</b>	<b>77</b>	<b>268</b>	<b>271</b>	<b>8 315</b>	<b>7 742</b>

### Sensitivity analysis for currency changes risk

The influence of potential changes in carrying amounts of financial instruments as at 31 December 2018 and 2017 arising from hypothetical changes in exchange rates of relevant currencies in relation to functional currency on profit before tax and hedging reserve:

Assumed variation +15%	EUR/CZK		USD/CZK		Total	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Influence on profit before tax	747	682	(359)	(146)	388	536
Influence on hedging reserve	129	195	109	(39)	238	156
<b>Total influence on profit or loss and other comprehensive income</b>	<b>876</b>	<b>877</b>	<b>(250)</b>	<b>(185)</b>	<b>626</b>	<b>692</b>

At variation 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 historical volatility of particular currency rates and analysts' forecasts.

Sensitivity of financial instruments for currency risk was calculated as a 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 case of derivative instruments, the influence of currency rate variations on fair value was examined at constant level of interest rates. The fair value of foreign currency forward contracts is determined based on discounted future cash flows of the transactions, calculated based on the difference between the forward rate and the transaction price.

### 26.5.3 Interest rate risk

#### Interest rate structure of financial instruments:

	PRIBOR		EURIBOR		LIBOR		Carrying amount	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
<b>Financial assets</b>								
Cash pool	157	102	3 703	1 532	1 933	4 370	5 793	6 004
	<b>157</b>	<b>102</b>	<b>3 703</b>	<b>1 532</b>	<b>1 933</b>	<b>4 370</b>	<b>5 793</b>	<b>6 004</b>
<b>Financial liabilities</b>								
Loans	1	-	-	-	-	-	1	-
Cash pool	6 655	6 060	-	-	-	-	6 655	6 060
	<b>6 656</b>	<b>6 060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 656</b>	<b>6 060</b>

#### 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	
	31/12/2018	31/12/2017	2018	2017
EURIBOR	+0.5 pp	+0.5 pp	19	8
LIBOR	+0.5 pp	+0.5 pp	10	22
PRIBOR	+0.5 pp	+0.5 pp	(32)	(30)
			<b>(4)</b>	<b>-</b>

At variation of interest rates by -0.5 pp, sensitivity analysis assumes the same value as in the table above only with the opposite sign.

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 2018 and 31 December 2017. The influence of interest rates changes was presented on annual basis.

### 26.5.4 Liquidity risk

The following tables detail the Company's remaining contractual maturity for its non-derivative 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 tables include both interest and principal cash flows.

#### Maturity analysis of financial liabilities

	Note	31/12/2018				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Loans - undiscounted value	20.	1	-	-	-	1	1
Cash pool - undiscounted value	25.	6 655	-	-	-	6 655	6 655
Trade liabilities	23.	10 532	-	-	-	10 532	10 532
Investment liabilities	22.,23.	1 829	37	10	-	1 876	1 876
Financial derivatives	25.	65	-	-	-	65	65
Adjustment of hedged item for changes in fair value	25.	1	-	-	-	1	1
Liabilities from settled financial derivatives	25.	182	-	-	-	182	182
Other	22.,23.	339	-	-	225	564	564
		<b>19 604</b>	<b>37</b>	<b>10</b>	<b>225</b>	<b>19 876</b>	<b>19 876</b>

	Note	31/12/2017				Total	Carrying amount
		Up to 1 year	From 1 to 3 years	From 3 to 5 years	Above 5 years		
Cash pool - undiscounted value	25.	6 060	-	-	-	6 060	6 060
Trade liabilities	23.	9 435	-	-	-	9 435	9 435
Investment liabilities	22.,23.	1 825	53	10	-	1 888	1 888
Financial derivatives	25.	398	-	-	-	398	398
Liabilities from settled financial derivatives	25.	175	-	-	-	175	175
Other	22.,23.	388	1	-	170	559	559
		<b>18 281</b>	<b>54</b>	<b>10</b>	<b>170</b>	<b>18 515</b>	<b>18 515</b>

Ultimate responsibility for liquidity risk management rests with the Company's statutory representatives, who have 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, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 December 2018 and 31 December 2017 the maximum available credit facilities relating to bank loans and guarantees amounted to CZK 171 million and CZK 150 million respectively, of which as at 31 December 2018 and 31 December 2017 CZK 48 million and CZK 97 million respectively remained unused.

### 26.5.5 Credit risk

The Company'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 Company's management based on prior experience and their assessment of the credit status of its customers.

The Company 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 counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company uses other publicly available financial information and its own trading records to rate its major customers.

The Company'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 Company uses own or external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

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. Where appropriate, credit guarantee insurance cover is purchased or sufficient collateral on debtor's assets obtained.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds 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.

Based on the analysis receivables, the counterparties were divided into following groups:

- Group I – counterparty with good or very good history of cooperation in the current year,
- Group II – other counterparties.

#### The division of not past due receivables

	Note	31/12/2018	31/12/2017
Group I		12 453	11 706
	13., 16.	<b>12 453</b>	<b>11 706</b>

#### The ageing analysis of receivables past due, but not impaired

	Note	31/12/2018	31/12/2017
Up to 1 month		510	420
From 1 to 3 months		70	29
From 3 to 6 months		3	3
From 6 to 12 months		3	3
Above 1 year		2	5
	13., 16.	<b>588</b>	<b>460</b>

#### Changes in the impairment allowances of trade and other receivables

	31/12/2018	31/12/2017
At the beginning of the period (approved reported)	213	165
Impact of IFRS 9 adoption	7	-
At the beginning of the period (converted data)	220	165
Recognition	14	5
Merger with ČESKÁ RAFINÉRSKÁ, a.s.	-	56
Reversal	(8)	(2)
Usage	(20)	(10)
Foreign exchange differences	-	(1)
	<b>206</b>	<b>213</b>

### 26.5.6 Emission allowances risk

The Company monitors the emission allowances granted to the Company under the National Allocation Plan and CO<sub>2</sub> emissions planned. The Company might enter into transactions on emission allowances market in order to cover for shortages or utilize the excess of obtained emission allowances over the required amount.

## OTHER EXPLANATORY NOTES

### 27. LEASE

#### 27.1 The Company as a lessee

##### Operating lease

The total undiscounted value of future lease payments amounted to CZK 599 million (lease payment due in the period less than one year) and CZK 3 459 million (later than one year) as at 31 December 2018.

The lease payments under non-cancellable operating lease previously disclosed amounted to CZK 783 million as at 31 December 2017 and were based on the legal interpretation of the non-cancellability of the lease. As a result of reassessment of interpretation of non-cancellability which takes into account also economic aspects, additional contracts are currently included under lease arrangements and they comprise rental of land for both definite and indefinite period, rental of railway trucks used for transportation or rental of petrol stations, buildings and offices. When these would have been included the lease payments as at 31 December 2017 would have been circa 4 650 million.

The Company leases land, vehicles, filling stations and offices under operating leases. The vehicle leases typically run for a two year period. Lease payments are adjusted annually to reflect market conditions. None of the leases includes contingent rentals. Payments recognized as an expense were as follows:

	2018	2017
Non-cancellable operating lease	77	67
Cancellable operating lease	183	251
	<b>260</b>	<b>318</b>

#### 27.2 The Company as a lessor

Operating leases relate to the investment property owned by the Company with lease terms for indefinite period usually. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Company from its investment property and direct operating expenses arising on the investment property for the year are set out in note 10.

### 28. INVESTMENT EXPEDITURES INCURRED AND FUTURE COMMITMENTS RESULTING FROM SIGNED INVESTMENT CONTRACTS

The total value of investment expenditure with borrowing costs amounted to CZK 7 081 million to 31 December 2018 and CZK 6 998 million to 31 December 2017, including environmental expenditures of CZK 458 million and CZK 189 million.

Future investment liabilities value from contracts signed to 31 December 2018 and 31 December 2017 amounted to CZK 3 033 million and CZK 4 007 million. As at 31 December 2018 the major item related to the construction of new boiler house in amount of CZK 840 million (31 December 2017: CZK 1 149 million), new polyethylene unit (PE3) at the Litvínov plant in amount of CZK 738 million (31 December 2017: CZK 1 567 million), revitalization of POX unit in amount of CZK 285 million (31 December 2017: no liability), construction of Acid Water Stripper in amount of 186 million (31 December 2017: no liability) and revamp of T700 heating plant in amount of CZK 39 million (31 December 2017: CZK 180 million).

### 29. GUARANTEES AND SECURITIES

#### Guarantees

The Company guarantees the obligations of HC Verva Litvínov, a.s. to the Association of Professional Ice Hockey Clubs CZK 3 million as at 31 December 2018 (31 December 2017: CZK 3 million) and obligations of SPOLANA s.r.o. to the external suppliers CZK 308 million as at 31 December 2018 (31 December 2017: CZK 153 million).

UNIPETROL, a.s. issued a guarantee for the company UNIPETROL RPA, s.r.o. in favour of ČEPRO, a.s. to ensure the excise tax in the amount of CZK 150 million and in favour of custom office in the amount of 3 000 million (31 December 2017: CZK 150 million and CZK 2 850 million).

Guarantees to ensure the excise tax at custom office were issued in total amount of CZK 100 million as at 31 December 2018 (31 December 2017: CZK 50 million). The Company issued guarantee to platinum leasing in amount of CZK 19 million as at 31 December 2018 (31 December 2017: no guarantee).

#### Past environmental liabilities

The Company undertakes environmental clean-up efforts based on the environmental audit completed in 1999. The clean-up costs are covered by the Ministry of Finance of the Czech Republic, acting as a successor to the National Property Fund of the Czech Republic, pursuant to Contract No.184/97 dated 25 July 1997.

An overview of funds provided for the environmental purposes is provided below:

	Total amount of funds to be provided	Used funds as at 31/12/2018	Unused funds as at 31/12/2018
UNIPETROL RPA, s.r.o.	1 349	498	851

	Total amount of funds to be provided	Used funds as at 31/12/2017	Unused funds as at 31/12/2017
UNIPETROL RPA, s.r.o.	1 349	485	864

### 30. RELATED PARTY TRANSACTIONS

#### 30.1 Material transactions concluded by the Company with related parties

In 2018 and 2017 there were no transactions concluded by the Company with related parties on other than market terms.

#### 30.2 Transactions with key management personnel

In 2018 and 2017 the Company did not grant to key management personnel and their relatives any advances, loans, guarantees and commitments or other agreements obliging them to render services to the Company and related parties. In 2018 and 2017, there were no significant transactions concluded with members of statutory bodies or with their family members or other related parties.

#### 30.3 Transactions with related parties concluded by key management personnel of the Company

In 2018 and 2017 the members of the key executive personnel, based on the submitted statements, did not conclude any transactions with their related parties.

#### 30.4 Transactions and balances of the Company with related parties

##### Ultimate controlling party

The ultimate controlling party is Polski Koncern Naftowy ORLEN S.A., which held 100%, respectively 62.99% of shares in the parent company UNIPETROL, a.s. in 2018 and 2017.

2018	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	26	3 274	9 519	4 097	12 320
Purchases	114	1 544	1 392	86 814	1 520
Finance income, including dividends	-	-	134	112	-
Finance costs	114	-	133	-	-
				53	-

31/12/2018	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Non-current receivables	-	-	-	248	-
Other current financial assets	537	-	-	6 140	-
Trade and other receivables	4	385	973	272	863
Trade and other liabilities, including borrowings	79	636	161	5 668	43
Other non-current financial liabilities	6 655	-	-	145	-

2017	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Sales	26	2 876	8 837	5 551	8 522
Purchases	114	1 411	1 437	73 892	1 911
Finance income, including dividends	-	-	164	23	40
Finance costs	62	-	164	-	-
				-	3

31/12/2017	UNIPETROL, a.s.	Parties under control or significant influence of UNIPETROL, a.s.	Parties under control or significant influence of the Company	PKN Orlen	Entities under control or significant influence of PKN Orlen
Other financial assets	354	-	-	5 669	-
Trade and other receivables	6	327	740	290	557
Trade and other liabilities, including borrowings	6 126	506	123	4 941	162

### 31. REMUNERATION PAID AND DUE OR POTENTIALLY DUE TO THE KEY EXECUTIVE PERSONNEL AND STATUTORY REPRESENTATIVES

The remuneration of the key executive personnel and statutory representatives includes short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits paid, due and potentially due during the period.

### 31.1 Key management personnel and statutory bodies' members' compensation

	2018	2017
Short term employee benefits	(159)	(188)
Termination benefits	(2)	(1)
	<b>(161)</b>	<b>(189)</b>

Further detailed information about benefits of the key personnel and statutory representatives are presented in note 4.4.

### 31.2 Bonus system for key executive personnel of the Company

In 2018 the key executive personnel was participating in the annual MBO bonus system (management by objectives). The regulations applicable to statutory representatives, directors directly reporting to statutory representatives and other key positions have certain common features. The persons subject to the above mentioned system are remunerated for the accomplishment of specific goals set at the beginning of the bonus period, by the statutory representatives 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 so-said are qualitative or quantitative (measurable) and are evaluated following the end of the year for which they were set, based 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.

## 32. ACCOUNTING PRINCIPLES

### 32.1 Impact of IFRS amendments and interpretations on separate financial statements of the Company

#### 32.1.1 Binding amendments and interpretations to IFRSs

The amendments to standards and IFRS interpretations, in force from 1 January 2018 until the date of publication of these separate financial statements had no impact on the foregoing separate financial statements.

Standards and Interpretations adopted by the EU	Possible impact on financial statements
IFRS 9 - Financial Instruments	Impact*
IFRS 15 - Revenue from Contracts with Customers and amendments to IFRS 15	Impact**
Amendments to IFRS 2 - Classification and measurement of share-based payment transactions	
Amendments to IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	
Amendments to IFRS 15 - Revenue from Contracts with Customers: Clarifications to IFRS 15 Revenue from Contracts with Customers	Amendments to the existing standards has not led to any material changes in the current financial statement
Amendments to IAS 40 - Transfers of investment property	
Amendments to IFRS 1 and IAS 28 due to "Improvements to IFRSs (cycle 2014-2016)": Amendments resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording	
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	

#### \*IFRS 9 - Financial Instruments

##### Selected accounting principles

##### **Measurement of financial assets and liabilities**

From 1 January 2018, the Company classifies financial assets into one of the following categories:

- measured at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss,
- hedging financial instruments.

The Company classifies debt financial assets to the appropriate category depending on the business model of financial assets management and on the characteristics of contractual cash flows for a given financial asset.

The Company as assets measured at amortized cost classifies trade receivables, loans granted, other financial receivables as well as cash and cash equivalents.

At the moment of initial recognition, the Company classifies equity instruments, i.e. shares in other entities, to the category of financial instruments measured at fair value through other comprehensive income.

The Company classifies to assets measured at fair value through profit or loss derivatives that are not designated for hedge accounting and hedged items that are measured in accordance with hedge accounting principles.

The Company classifies financial liabilities into one of the following categories:

- measured at amortized cost,
- measured at fair value through profit or loss,
- hedging financial instruments.

The Company as liabilities measured at amortized cost classifies trade liabilities, loans, borrowings and bonds. Liabilities on derivatives not designated for hedge accounting are classified by the Group as measured at fair value through profit or loss.

The Company classifies to the category of hedging financial instruments, financial assets and liabilities which constitute derivative hedging cash flows and fair value.

### 31.1.1 Binding amendments and interpretations to IFRSs (continued)

#### Measurement of financial assets at amortized cost

The Company applies the effective interest rate method to measure financial assets at amortized cost.

Trade receivables after initial recognition are measured at amortized cost using the effective interest rate method, including impairment allowances, while trade receivables with a maturity of less than 12 months from the date of recognition (i.e. not including the financing component) and not appointed to factoring, are not discounted and are measured at nominal value.

#### Measurement of financial assets at fair value through other comprehensive income

Gains and losses on a financial asset constituting an equity instrument for which was applied the option of fair value through other comprehensive income is recognized in other comprehensive income, except for revenues from received dividends.

#### Measurement of financial assets at fair value through profit or loss

Gains or losses on the measurement of a financial asset that is classified as measured at fair value through profit or loss are recognized in profit or loss during the period in which they were recognized. Gains or losses from the valuation of items measured at fair value through profit or loss also include interest and dividend income.

#### Measurement of hedging financial instruments

Hedging financial instruments are measured in accordance with the principles of hedge accounting.

### **Impairment of financial assets**

IFRS 9 introduces a new approach to estimating the impairment of financial assets measured at amortized cost or at fair value through other comprehensive income (with the exception of investments in capital assets and contract assets). The impairment model is based on the expected loss calculation as opposed to the applied model in years before 2018 resulting from IAS 39, which was based on the concept of incurred loss. The most significant item of financial assets in the Group/Company's financial statements, which is subject to the new principles of calculating expected credit losses, are trade receivables.

The Company uses the following models for determining impairment allowances:

- general model (basic),
- simplified model.

The general model is used by the Company for financial assets measured at amortized cost - other than trade receivables and assets 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. Indications may include changes in the debtor's rating, serious financial problems of the debtor, a significant unfavourable change in its economic, legal or market environment.

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

The Company includes information on the future in the parameters of the expected loss estimation model by calculating the probability parameters of insolvency based on current market quotes.

The simplified model is used by the Company for trade receivables.

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

In particular, for the insolvency event, the Group recognizes when the contractor has not satisfied the obligation after 90 days from the due receivables date.

For the purpose of estimating the expected credit loss, the Company uses a provision matrix estimated on the basis of historical levels of repayment and recoveries from receivables from contractors.

The Company includes information about the future in the parameters used in the expected loss estimation model, through the management adjustment of the basic insolvency probability parameters. To calculate the expected credit loss, the Company determines the probability parameter of receivables defaults estimated on the basis of the analysis of the number of unpaid invoices in the last five years, and the liabilities default rate estimated on the basis of the value of unpaid invoices in the last five years.

The expected credit loss is calculated when the receivable is recognized in the statement of financial position and is updated on each subsequent day ending the reporting period, depending on the number of days for which the receivable is due.

#### (Loss)/reversal of loss due to impairment of financial instruments

The (losses)/reversals of losses due to impairment of financial instruments include, in particular, (losses)/reversals of losses due to impairment of trade receivables and (losses)/reversals of losses due to impairment of granted loans.

### 31.1.1 Binding amendments and interpretations to IFRSs (continued)

#### Hedge accounting

Derivatives designated as hedging instruments from which it is expected that their fair value or resulting from them cash flows will offset changes in fair value or cash flows of hedged item are recognized in accordance with the principles of fair value hedge accounting or cash flows hedges.

The Company assesses the effectiveness of hedging both at the moment of establishing the hedging and in subsequent periods, at least at each end of the reporting period. Verification of satisfaction of the conditions for the effectiveness of linking is made on a prospective basis, based on a qualitative analysis. If necessary, the Group uses a quantitative analysis (linear regression method) to confirm an economic relation between the hedging instrument and the hedged item.

In the case of cash flows hedge accounting, the Company:

- the part of profits or losses related to the hedging instrument, which constitute an effective hedge due to the hedged risk, recognizes in other comprehensive income,
- in addition (in the case of FX hedging - spot risk element), a change in the fair value due to the forward element (including the cross-currency margin) recognizes within the equity in a separate position (hedging cost),
- the inefficient part of profits or losses related to the hedging instrument recognizes in the statement of profit or loss. In the case of hedging cash flows from operating activities, the ineffective part recognizes in other operating income/expenses, and in the case of hedging cash flows of financing activities in finance income/costs.
- reclassifies profits or losses from equity to the statement of profit or loss to the line in which the hedged item is presented,
- excludes profits or losses from equity and adjusts the initial value of the hedged item (if the realization of the hedged item results in the recognition of a non-financial asset - for example, an inventory).

In the case of fair value hedge (operating activity), changes in the fair value of the hedging instrument and the hedged item are recognized in the statement of profit or loss in the item other operating income/expenses.

The table below presents the impact of the implementation of IFRS 9 on the change in the classification and measurement of the Company's financial assets as at 1 January 2018:

Financial instruments by class	Classification		Carrying amount	
	IAS 39	IFRS 9	IAS 39	IFRS 9
Trade and other receivables and cash pool	Loans and receivables	Measured at amortized cost	18 191	18 184
Derivatives not designated as hedge accounting	At fair value through profit or loss	At fair value through profit or loss	6	6
Cash flow hedging instruments	Hedging financial instruments	Hedging financial instruments	1 360	1 360
Cash and cash equivalents	Loans and receivables	Measured at amortized cost	215	215
Receivables on settled derivatives	Loans and receivables	Measured at amortized cost	15	15

The instruments were not acquired for trading in relation to the above, these assets will be measured at fair value through other comprehensive income, without the option of subsequent transferring the result from these instruments to the statement of profit or loss.

In the area of hedge accounting, the Company applies the requirements of IFRS 9 in the construction of hedging relationships. In particular, it concerns matching of the definitions of commodity risk hedging to the exposure characteristics and applied risk management strategies. The Company aims to limit the underlying risk in hedging relationships (resulting from various commodity indices on the side of the hedging instrument and the hedged item).

The Company applied principles of recognition the hedging cost within FX hedging transactions, where the forward component and the cross-currency margin is recorded in a separate item in other comprehensive income.

#### \*\*IFRS 15 Revenues from Contracts with Customers

##### Selected accounting principles

The Company applies the principles of IFRS 15 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: goods or services (or a bundle of goods or services) that can be separated or groups of separate goods or services which are basically the same and for which the transfer to the customer is of the same nature.

### 31.1.1 Binding amendments and interpretations to IFRSs (continued)

#### 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.

Impact of the implementation of IFRS 9 and IFRS 15 on the Company's consolidated financial statements as at 1 January 2018:

	IFRS / IAS applied	31 December 2017 Carrying amount	Change resulting from change in classification	Change resulting from change in measurement	1 January 2018 Carrying amount	1 January 2018 Impact on retained earnings
Trade receivables	IAS 39/IFRS 9	12 164	-	(7)	12 157	(7)
Other current liabilities due to advances on deliveries	IFRS 15	126	(126)	-	-	-
Liabilities from contracts with customers	IFRS 15	-	126	-	126	-

The change in trade and other receivables results from the change in the measurement of impairment allowances estimated in accordance with IFRS 9, considering the requirements of the expected credit losses model.

The impact of the application of IFRS 15 on the items of the financial statements of the Company in 2018 compared to IAS 11, IAS 18 and related interpretations was immaterial.

### 32.1.2 IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective

Standards and Interpretations adopted by the EU	Possible impact on financial statements
IFRS 16 Leases	Impact***
Amendments to IFRS 9 - Prepayment features with negative compensation	No impact expected
IFRIC 23 - Uncertainty over Income tax treatments	

The Company intends to adopt new standards IFRSs listed above that are published by the International Accounting Standards Board, but not effective as at the date of publication of these financial statements, in accordance with their effective date.

#### \*\*\* IFRS 16 Leases

##### Selected accounting principles

In accordance with the requirements of IFRS, from 1 January 2019, the Company applies for the first time IFRS 16 Leases. Consequently, the Company will change the accounting policy on recognition of lease agreements. Accounting policy changes will be made in accordance with the transitional provisions contained in IFRS 16.

The Company will implement IFRS 16 using the modified retrospective approach, therefore, comparative information for the year 2018 will not be converted.

### 32.1.2 IFRSs, amendments and interpretations to IFRSs endorsed by the European Union, not yet effective (continued)

#### Definition of lease

The Company currently applies the definition of a lease determined in accordance with IFRIC 4. As from January 1, 2019, the Company will assess whether the contract is or contains a lease based on the definition of leasing described in IFRS 16.

An agreement is a lease or contains a lease if it transfers the right to control the use of an identified asset for a given period in exchange for remuneration. In order to assess whether the contract provides the right to control over the use of a underlying asset for a given period, the Company assesses whether the client has the following rights for the entire period of use:

- a) the right to obtain substantially all economic benefits from the use of the identified asset and
- b) the right to manage the use of an identified asset

The Company applies new guidelines for identifying a lease only for contracts that it has concluded (or amended) on the day of its first application, i.e. January 1, 2019 or after that date. Thus, for all contracts concluded before January 1, 2019, it will apply the practical exemption provided for in IFRS 16, according to which the entity is not required to reassess whether the contract is a lease or contains a lease on the date of first application. Instead, the Company applies IFRS 16 only to contracts that were previously identified as leases in accordance with IAS 17 and IFRIC 4. According to the initial assessment of the Company, the new definition of leasing would not cause significant changes to the existing classification of contracts as leasing or leasing agreements.

#### Company as a lessee

In accordance with the current IAS 17 Leases, the lessee classifies leasing contracts as a financial or operating lease based on an assessment of whether the entire risk and benefits resulting from ownership of the leased asset were transferred to the lessee. In accordance with IFRS 16, the lessee recognizes in the statement of financial position an asset item under the right of use and lease liability for most leases

For leases that are currently classified as operating leases and contracts not classified in accordance with IAS 17 as a lease, the lessee recognizes assets under the right of use and lease liabilities as follows

- the leasing liability measures in the current value of the remaining lease payments, discounted on the basis of the marginal interest rate for the given agreement on the date of the first application,
- the value of the right of use of the underlying asset components for individual lease agreements (separately for each contract) is equal to the leasing liability, adjusted by previously recognized pre-paid or accrued lease payments.

Using the modified retrospective method of implementing IFRS 16, the lessee uses the following practical solutions for leases previously classified as operating leases in accordance with IAS 17:

- leasing agreements, the period of which ends up to 12 months from the date of the initial application of the Standard;
- for contracts where the leased asset is of low value, for example: a tablet, laptop, telephones, other small items of equipment.

After the initial recognition, the lessee measures the right to use an asset, similarly to other non-financial fixed assets, and the lease liability similar to financial liabilities. As a result, after initial recognition, the lessee recognizes depreciation of an asset component under the right of use (except when the law meets the definition of an investment property) and interest on the leasing liability.

The initial valuation of both assets and liabilities is significantly affected by the determination of the leasing period. According to the definition of the leasing period in accordance with IFRS 16, this period includes the non-cancellable period and periods resulting from the option of renewal or termination option, if there is reasonable certainty that the customer will extend the contract or will not use the option of termination.

For leases that were previously classified as finance leases in accordance with IAS 17, the carrying amount of the right to use the asset and leasing liabilities as at 1 January 2019 will be determined as the carrying amount of the leased asset and lease liabilities directly before that date, valued in accordance with IAS 17.

The incremental borrowing interest rate of the lessee applied to the lease liabilities recognized in the statement of financial position as at 1 January 2019 amounted to 2.44% p.a.

The impact on the financial statements as at the date of initial application is as follows:

The Company has estimated the impact of IFRS 16 and found that on 1 January 2019 will recognize the right of use assets and lease liability at an equal amount of CZK 3 472 million, what will not cause the difference in value to be included in retained earnings position.

#### Company as a lessor

In respect to contracts in which the Company is the lessor, at the time of implementation of IFRS 16 the Company does not make any adjustments. From 1 January 2019 year, the Company recognizes contracts in accordance with IFRS 16.

### 32.1.3 Standards, amendments and interpretations adopted by International Accounting Standards Board (IASB), waiting for approval of the European Union

Standards and Interpretations waiting for approval of the EU	Possible impact on financial statements
IFRS 14 - Regulatory Deferral Accounts	No impact expected
IFRS 17 - Insurance Contracts	No impact expected
Amendment to IFRS 3 - Business combinations	No impact expected
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	No impact expected
Amendments to IAS 1 - Presentation of financial statements and IAS 8 - Accounting policies, changes in accounting estimates and errors : Definition of Material	No impact expected
Amendments to IAS 19 - Employee Benefits: Plan Amendment, Curtailment or Settlement	No impact expected
Amendments to IAS 28 - Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	No impact expected
Amendments to various standards due to "Improvements to IFRSs (cycle 2015-2017)" resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording	No impact expected
Amendments to references to the conceptual framework in IFRS Standards	No impact expected

### 32.2 Functional currency and presentation currency

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

### 32.3 Applied accounting policies

#### 32.3.1 Change in accounting policies, estimates and prior period errors

An entity shall change an accounting policy only if the change:

- is required by an IFRS, or
- results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the financial position, financial performance or cash flows.

In case of change in accounting policy it is assumed that the new policy had always been applied. The amount of the resulting adjustment is made to the equity. For comparability, the entity shall adjust the financial statements (comparative information) for the earliest prior period presented as if the new accounting policy had always been applied, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change.

Items of financial statements based on an estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience.

The correction of a material prior period error is made to the equity. When preparing the financial statements it is assumed that the errors were corrected in the period when they occurred.

#### 32.3.2 Transactions in foreign currency

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.

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 exchange rate as at the end of the reporting period,
- non-monetary items that are measured at 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 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.

### 32.3.3 Business combinations

Business combinations under common control, including the acquisition of an organized part of the enterprise is settled by adding together, the particular items of assets and liabilities, revenues and costs of the combined companies, as at the date of the merger.

Other business combinations are accounted for by applying the acquisition method. Applying the acquisition method requires:

- identifying the acquirer,
- determining the acquisition date,
- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire, and
- recognising and measuring goodwill or a gain from a bargain purchase.

Assets, liabilities and contingent liabilities for the purpose of allocating the acquisition cost are determined at the fair value at the acquisition date with the following exceptions:

- deferred assets and liabilities arising from the assets acquired and liabilities assumed in a business combination are recognized according to general principles of deferred tax,
- assets and liabilities related to the acquiree's employee benefit arrangements are recognized according to general principles of IAS 19 Employee benefits,

non-current assets (or disposal group) that are classified as held for sale at the acquisition date are recognized according to the general principles for non-current assets held for sale.

### 32.3.4 Revenues

The Company applies the principles of IFRS 15 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: goods or services (or a bundle of goods or services) that can be separated or groups of separate goods or services which are basically the same and for which the transfer to the customer is of the same nature.

#### 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.

### 32.3.5 Costs

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

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

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

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

### 32.3.6 Other operating income and expenses

Other operating income in particular includes income from liquidation and sale of non-financial non-current assets, surplus of assets, return of court fees, penalties earned, surplus of grants received to revenues over the value of costs, assets received free of charge, reversal of receivable impairment allowances and some provisions, compensations earned and revaluation gains, gain on sale of investment property.

Other operating expenses include in particular loss on liquidation and sale of non-financial non-current assets, shortages of assets, court fees, contractual penalties and fines, penalties for non-compliance with environmental protection regulations, cash and tangible assets transferred free of charge, impairment allowances (except those that are recognized as financial costs and cost of sales), compensations paid, write-off of construction in progress which have not produced the desired economic effect, cost of recovery of receivables and revaluation losses, loss on sale of investment property.

### 32.3.7 Finance income and costs

Finance income includes, in particular, income from the sale of shares and other securities, dividends received, interest earned on cash in bank accounts, term deposits and loans granted, increase in the value of financial assets and net foreign exchange gains.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Finance costs include, in particular, loss on sale of shares and securities and costs associated with such sale, impairment losses relating to financial assets such as shares, securities and interest, net foreign exchange losses, interest on own bonds and other securities issued, interest on finance lease, commissions on bank loans, borrowings, guarantees.

### 32.3.8 Tax expense

Income tax expenses include current tax and deferred tax.

Current tax is determined in accordance with the relevant tax law based on the taxable profit for a given period and is recognized as liability, in the amount which has not been paid or receivable, 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 and are not discounted and are offset in the statement of financial position, if there is legally enforceable right to set off the recognized amounts.

The transactions settled directly in equity are recognized in equity.

### 32.3.9 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, including grants related to assets (IAS 20). 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 cost of an item of property, plant and equipment includes also estimated 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.

Property, plant and equipment are stated in the statement of financial position prepared at the end of the reporting period at the carrying amount, including grants related to assets. The carrying amount is the amount at which an asset is initially recognised (cost) after deducting any accumulated depreciation and accumulated impairment losses.

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

Residual values, estimated useful lives and depreciation methods are reassessed annually. The adjustments to depreciation expenses 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.

### 32.3.10 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 when, and 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 shall be measured initially at its cost. Transaction costs shall be 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 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. 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.

### 32.3.11 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 Company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the Company intends to do so, or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Company 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 Company 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 recognised if, and only if, the Company 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 Company 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 recognised 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 shall be measured initially at cost, including grants related to assets (IAS 20). An intangible asset that is acquired in a business combination, is recognised initially at fair value.

After initial recognition, an intangible asset shall be presented in the financial statements in its net carrying amount, 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

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.

#### 32.3.11.1 Carbon dioxide emission allowances

By the virtue of The Kyoto Protocol, the countries, which decided to ratify the Protocol, obliged themselves to reduce emissions of greenhouse gases, i.e. carbon dioxide (CO<sub>2</sub>).

In the European Union countries, the plants and companies, which reach productivity exceeding 20 MW and some other industrial plants were obliged to participate in emissions trading system. All mentioned entities are allowed to emit CO<sub>2</sub> or they are partially granted free of charge in a specified quantity under the derogations provided in article 10a and 10c of the EU Directive 2009/29/EC and are obliged to redeem them in a number corresponding to the size of emission realized in a given year.

CO<sub>2</sub> emission rights are initially recognised as intangible assets, which are not amortized (assuming the high residual value), but tested for impairment.

Granted emission allowances should be presented separately as intangible assets in correspondence with deferred income at fair value as at the date of registration (grant in scope of IAS 20). Purchased allowances should be presented as intangible assets at purchase price.

For the estimated CO<sub>2</sub> emission during the reporting period, a provision should be created (taxes and charges).

Grants should be recognised on a systematic basis to ensure proportionality with the related costs which the grants are intended to compensate.

Outgoing of allowances is recognised using FIFO method (First In, First Out) within the individual types of rights (EUA - European Union Allowances, ERU – Emission Reductions Units, CER – Certified Emission Reduction).

### 32.3.11.2 Impairment of property, plant and equipment and intangible assets

At the end of the reporting period the Company assesses whether there are any indicators that an asset or cash generating unit (CGU) may be impaired. If any such indicator exists, the entity 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 cash-generating unit.

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 the independent cash flows are grouped on the lowest level on which cash flows, independent from cash flows from other assets, are generated (cash generating units).

To the cash generating unit following assets are allocated:

- goodwill, if it may be assumed, that the cash generating unit benefited from the synergies associated to 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, the impairment tests are carried out. The tests are carried out also annually for intangible assets with the indefinite useful life and for goodwill.

When 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 recoverable amount is the higher of its fair value less costs to sell and its value in use.

The impairment loss shall be 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 shall be 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 shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard.

### 32.3.12 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 include also 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 and net realisable value, after deducting any impairment losses.

Disposals of finished goods, semi-finished products and work in progress is 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 and net realizable value, considering any impairment allowances. Disposals of merchandise and raw materials is determined based on the weighted average acquisition cost or production cost formula. 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 or obsolete.

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 realisable value, the materials are written down to net realisable value.

Expenses and revenues connected with inventories write-offs or establishment and release of allowances are included in cost of sales.

### 32.3.13 Trade and other receivables

Trade and other receivables are recognized initially at fair value increased by transaction costs and subsequently, at amortized cost using the effective interest method less impairment allowances.

Impairment allowances of receivables are calculated based on the expected credit loss model.

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.

### 32.3.14 Cash and cash equivalents

Cash comprises cash on hand and in a bank accounts. 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.

### 32.3.15 Non-current assets held for sale and discontinued operation

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale.

Non-current assets are classified as held for sale when the following criteria are simultaneously met:

- the sales were declared by the appropriate level of management;
- the assets are available for an immediate sale in their present condition;
- an active program to locate a buyer has been initiated;
- the sale transaction is highly probable and can be settled within 12 months following the sale decision;
- the selling price is reasonable in relation to its current fair value;
- it is unlikely that significant changes to the sales plan of these assets will be introduced.

The classification of asset into this category is made in the reporting period when the classification criteria are met. If the criteria for classification of a non-current asset as held for sale are met after the reporting period, an entity shall not classify a non-current asset as held for sale in those financial statements when issued.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets (excluding financial assets) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, investment property, which continue to be measured in accordance with the Company's accounting policies. While a non-current asset is classified as held for sale it shall not be depreciated (or amortised). A gain is recognised for any subsequent increase in fair value less costs to sell of an asset, but not in excess of the cumulative impairment loss that has been previously recognised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The Company shall re-present the disclosures presented with refer to discontinued operation for prior periods presented in the separate financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented.

If the Company ceases to classify a discontinued operation, the results of operations previously presented in discontinued operations shall be reclassified and included in the results from continuing operations for all periods presented. The amounts for prior periods shall be described as having been re-presented.

### 32.3.16 Equity

Equity is recorded in accounting records by type, in accordance with statutory regulations and the Company's articles of association. Equity includes:

#### 32.3.16.1 Share capital

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

#### 32.3.16.2 Statutory reserve

The Company can establish a reserve fund for possible future losses.

#### 32.3.16.3 Hedging reserve

Hedging reserve relates to valuation and settlement of hedging instruments that meet the criteria of cash flow hedge accounting. The Company 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.

#### 32.3.16.4 Revaluation reserve

Revaluation reserve comprises revaluation of items, which, according to the Company's regulations, relates to the revaluation reserve, including particularly:

- change of the fair value of the available-for-sale financial assets;
- differences between the net book value and the fair value of the investment property at the date of reclassification from the property occupied by the Company to the investment property.

### 32.3.16.5 Retained earnings

Retained earnings include:

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

### 32.3.17 Trade and other 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.

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.

### 32.3.18 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 amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Provisions are not recognised for the future operating losses.

#### 32.3.18.1 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. Environmental provision for reclamation is periodically reviewed on the basis of contaminated assessment.

#### 32.3.18.2 Jubilee bonuses and retirement benefits

Under the Company's remuneration plans, its employees are entitled to jubilee bonuses and retirement benefits. Jubilee bonuses are paid to employees after elapse of a defined number of years in service. The 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 assumption 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.

#### 32.3.18.3 Shield programs

Shield programs provision (restructuring provision) is created when the Company initiated a restructuring plan or announced the main features of the 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.

#### 32.3.18.4 CO<sub>2</sub> emissions costs

The Company creates provision for the estimated CO<sub>2</sub> emission during the reporting period in operating activity costs (taxes and charges).

### 32.3.18.5 Other provisions

Other provisions include mainly provisions for 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 Company recognizes a provision (if the recognition criteria are met).

If it is more likely that no present obligation exists at the end of the reporting period, the Company discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefits is remote.

### 32.3.19 Government grants

Government grants are transfers of resources to the Company by government, government agencies and similar bodies whether local, national or international in return for past or future compliance with certain conditions relating to the activities of the entity.

Government grants are recognized in the statement of financial position as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attached to it.

Grants related to costs are presented as compensation to the given cost at the period they are incurred. Surplus of the received grant over the value of the given cost is presented as other operating income.

If the government grants relates to assets, it is presented net with the related asset and is recognized in statement of profit or loss on a systematic basis over the useful life of the asset through the decreased depreciation charges. The treatment regarding Carbon dioxide emission allowances granted is described in note 32.3.11.1.

### 32.3.20 Separate statement of cash flows

The separate statement of cash flows is prepared using indirect method.

Cash and cash equivalents presented in the separate statement of cash flows include cash and cash equivalents less bank overdrafts, if they form an integral part of the Company's cash management.

Dividends received are presented in cash flows from investing activities.

Dividends paid are presented in cash flows from financing activities.

Interest received from finance leases, loans granted, short-term securities and cash pooling system are presented in cash flows from investing activities. Other interests received are presented in cash flows from operating activities.

Interest paid and provisions on bank loans and borrowings received, cash pool facility, debt securities issued and finance leases are presented in cash flows from financing activities. Other interests paid are presented in cash flows from operating activities.

### 32.3.21 Financial instruments

#### 32.3.21.1 Measurement of financial assets and liabilities

The Company classifies financial assets into one of the following categories:

- measured at amortized cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss,
- hedging financial instruments.

The Company classifies debt financial assets to the appropriate category depending on the business model of financial assets management and on the characteristics of contractual cash flows for a given financial asset.

The Company as assets measured at amortized cost classifies trade receivables, loans granted, other financial receivables as well as cash and cash equivalents.

At the moment of initial recognition, the Company classifies equity instruments, i.e. shares in other entities, to the category of financial instruments measured at fair value through other comprehensive income.

The Company classifies to assets measured at fair value through profit or loss derivatives that are not designated for hedge accounting and hedged items that are measured in accordance with hedge accounting principles.

The Company classifies financial liabilities into one of the following categories:

- measured at amortized cost,
- measured at fair value through profit or loss,
- hedging financial instruments.

The Company as liabilities measured at amortized cost classifies trade liabilities, loans, borrowings and bonds. Liabilities on derivatives not designated for hedge accounting are classified by the Company as measured at fair value through profit or loss.

The Company classifies to the category of hedging financial instruments, financial assets and liabilities which constitute derivative hedging cash flows and fair value.

#### Measurement of financial assets at amortized cost

The Company applies the effective interest rate method to measure financial assets at amortized cost.

Trade receivables after initial recognition are measured at amortized cost using the effective interest rate method, including impairment allowances, while trade receivables with a maturity of less than 12 months from the date of recognition (i.e. not including the financing component) and not appointed to factoring, are not discounted and are measured at nominal value.

#### Measurement of financial assets at fair value through other comprehensive income

Gains and losses on a financial asset constituting an equity instrument for which was applied the option of fair value through other comprehensive income is recognized in other comprehensive income, except for revenues from received dividends.

### 32.3.21.1 Measurement of financial assets and liabilities (continued)

#### Measurement of financial assets at fair value through profit or loss

Gains or losses on the measurement of a financial asset that is classified as measured at fair value through profit or loss are recognized in profit or loss during the period in which they were recognized. Gains or losses from the valuation of items measured at fair value through profit or loss also include interest and dividend income.

#### Measurement of hedging financial instruments

Hedging financial instruments are measured in accordance with the principles of hedge accounting.

### 32.3.21.2 Hedge accounting

Derivatives designated as hedging instruments whose cash flows are expected to offset changes cash flows of a hedged item are accounted for in accordance with cash flow hedge accounting, if all of the following conditions are met:

- at the inception of the hedge there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge,
- the hedge is expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk, consistently with the originally documented risk management strategy for that particular hedging relationship,
- for cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately impact profit or loss,
- the effectiveness of the hedge can be reliably measured,
- the hedge is assessed on an ongoing basis and determined actually to have been highly effective throughout the financial reporting periods for which the hedge was designated.

The Company does not apply hedge accounting in case when embedded derivative instrument is separated from the host contract.

The Company assesses effectiveness at the inception of the hedge and later, at minimum, at each reporting date. The Company assesses hedge as effective, for external reporting purposes only if the actual results of the hedge are within a range of 80% - 125%. The Company uses statistical methods, in particular regression analysis, to assess effectiveness of the hedge. The Company uses simplified analytical methods, when a hedged item and a hedging instrument are of the same nature i.e. maturity dates, amounts, changes affecting fair value risk or cash flow changes.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and could impact profit or loss. A forecast transaction is an uncommitted but anticipated future transaction.

If a cash flow hedge is used, it is accounted for as follows:

- the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive income, and
- the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

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 affect profit or loss. However, if the Company 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 for which fair value hedge accounting is applied, the Company 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 a forecast transaction results in recognition of revenues from sales of finished goods, merchandise, materials and services the Company removes the associated gains and losses that were recognised in the other comprehensive income and adjusts these revenues.

The Company discontinues cash flow hedge accounting if:

- the hedging instrument expires, is sold, terminated or exercised - in this case, the cumulative gain or loss on the hedging instrument recognized in other comprehensive income remain separately recognized in equity until the forecast transaction occurs,
- the hedge no longer meets the criteria for hedge accounting - in this case, the cumulative gain or loss on the hedging instrument recognized in other comprehensive income remains separately recognized in equity until the forecast transaction occurs,
- the forecast transaction is no longer expected to occur, in which case any related cumulative gain or loss on the hedging instrument recognized in other comprehensive income are recognized in profit or loss,
- the designation is revoked – in this case the cumulative gain or loss on the hedging instrument recognised in other comprehensive income remain separately recognized in equity until the forecast transaction occurs or is no longer expected to occur.

The gain or loss on the hedging instrument relating to the effective portion of the hedge that has been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment on a disposal of the foreign operations.

### 32.3.22 Lease

A lease is an agreement whereby a lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Assets used under the operating lease, that is under the agreement that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee, are recognised as assets of the lessor. Determining whether the transfer of risks and rewards exists depends on the assessment of essence of the economic substance of the transaction.

### 32.3.23 Contingent assets and liabilities

Contingent liabilities are defined as possible obligations that arise from past events and which are dependent on the occurrence or non-occurrence of some uncertain future events not wholly within the control of the Company or present obligations that arise from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefits will be required to settle the obligations or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the statement of financial position however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote. Contingent liabilities acquired as the result of a business combination are recognized as provisions in the statement of financial position.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in the statement of financial position as it may lead to recognition of the income, which will never be gained; however the respective information on the contingent receivable is disclosed if the inflow of assets relating to economic benefits is probable the Company discloses respective information on the contingent asset in the additional information to financial statements and if practicable, estimates the influence on financial results, as according to accounting principles for valuation of provisions.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

### 32.3.24 Subsequent events after the reporting date

Subsequent events after the reporting date are those events, favourable and unfavourable that occur between end of the reporting period and date of when the financial statements are authorized for issue. Two types of subsequent events can be identified:

- those, that provide evidence of conditions that existed as the end of the reporting period (events after the reporting period requiring adjustments) and
- those that are indicative of conditions that arose after the reporting period (events after the reporting period not requiring adjustments).

## 33. APPLICATION OF PROFESSIONAL JUDGEMENT AND ASSUMPTIONS

The preparation of separate financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, equity, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In the matters of considerable weight, the Company's management bases its estimates on opinions of independent experts.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in notes: 8. Tax credit/(expense), 9. Property, plant and equipment, 10. Investment property, 11. Intangible assets, 14. Impairment of property, plant and equipment and intangible assets, 15.1 Changes in impairment allowances of inventories to net realizable value, 26. Financial instruments and 34. Contingent assets and liabilities.

The accounting policies described above have been applied consistently to all periods presented in these separate financial statements.

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

### 34.1 Proceedings in which the Company acts as a plaintiff

#### Tax proceeding

UNIPETROL RPA, s.r.o., acting as a legal successor of CHEMOPETROL, a.s., is a party in a tax proceeding related to the validity of investment tax relief for 2005. 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.

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

On 31 August 2015 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 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 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 UNIPETROL RPA, s.r.o. itself. The Company 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 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.

The case is pending, currently being reviewed by Ústí nad Labem Regional court.

### 34.2 Proceedings in which the Company acts as the defendant

#### Claims on compensation of damages filed by I.P. – 95, s.r.o. against UNIPETROL RPA, s.r.o.

On 23 May 2012 UNIPETROL RPA, s.r.o., the subsidiary of UNIPETROL, a.s., received a petition from the District Court Ostrava, by which the claimant – “I.P. - 95, s.r.o.” is claiming compensation of damages totalling CZK 1 789 million. “I.P. - 95, s.r.o.” claims that it incurred damages as a result of an unjustified insolvency filing against “I.P. - 95, s.r.o.” made by UNIPETROL RPA, s.r.o. on 24 November 2009. “I.P. - 95, s.r.o.” assigned part of the receivable of CZK 1 742 million, to NESTARMO TRADING LIMITED, Cyprus; following the assignment, “I.P. - 95, s.r.o.” filed a motion regarding NESTARMO TRADING LIMITED joining the proceedings as a claimant. UNIPETROL RPA, s.r.o. is one of eight respondents against whom the petition was filed.

In related court proceedings, the Upper Court in Olomouc ruled that receivable of UNIPETROL RPA, s.r.o., which was claimed by UNIPETROL RPA, s.r.o. in the bankruptcy against “I.P. - 95, s.r.o.”, was rightful, justified and existing at the time of making the insolvency filing. On the basis of applicable jurisprudence – claiming of a justified receivable within a bankruptcy proceedings can not cause any damage to the debtor. Hence it can be reasonably expects that the damages compensation claim against UNIPETROL RPA, s.r.o. will be rejected by the relevant court.

On 31 July 2015, the Regional Court resolved to annul the resolution of District Court in Ostrava allowing for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff. On 12 January 2016 the District Court in Ostrava dismissed the motion of “I.P. - 95, s.r.o.” to allow for the Cypriot company, NESTARMO TRADING LIMITED, to accede the court proceedings as plaintiff.

Following “I.P. - 95, s.r.o.” appealing the decision of the District Court in Ostrava, on 27 April 2016, the Regional Court in Ostrava resolved to confirm the decision of the District Court in Ostrava. “I.P. – 95, s.r.o.” filed a cassation appeal against the decision of the Regional Court in Ostrava. On 27 July 2017 the Czech Supreme Court rejected “I.P. – 95, s.r.o.” cassation appeal against the decision of the Regional Court in Ostrava.

On 9 February 2018, the District Court in Ostrava dismissed the “I.P. - 95, s.r.o.” claim in full and the Regional court confirmed this decision on 11 December 2018.

#### Claim of KOOPERATIVA pojišťovna, a.s., Vienna Insurance Group

On 21 November 2018 UNIPETROL RPA, s.r.o. received from the District Court Most a petition (request for issue of a payment order) filed by KOOPERATIVA pojišťovna, a.s., Vienna Insurance Group for CZK 134,269,623 plus appurtenances.

The claim is based on the insurer recourse claims and it relates to insurance proceeds paid by KOOPERATIVA pojišťovna, a.s., Vienna Insurance Group to Butadien Kralupy a.s. and SPOLANA, a.s. KOOPERATIVA pojišťovna, a.s., Vienna Insurance Group provided insurance coverage to Butadien Kralupy a.s. and SPOLANA s.r.o. for their business interruption relating to UNIPETROL RPA, s.r.o. failure to supply feedstock due to the 2015 Steam Cracker accident.

UNIPETROL RPA, s.r.o. does not recognize the claim and considers the claim as unjustified and unfounded. UNIPETROL RPA, s.r.o. will take all legal actions to defend itself against this claim.

### 34.2 Proceedings in which the Company acts as the defendant (continued)

#### Claim of Česká pojišťovna, a.s.

On 14 January 2019 UNIPETROL RPA, s.r.o. received from the District Court Most a petition filed by Česká pojišťovna, a.s., for CZK 88,332,929 plus appurtenances and payment order issued by the court for payment of the same amount.

The claim is based on the insurer recourse claim and it relates to insurance proceeds paid by Česká pojišťovna, a.s., to DEZA a.s. Česká pojišťovna, a.s. provided insurance coverage to Deza a.s. for its business interruption relating to UNIPETROL RPA, s.r.o. failure to supply feedstock due to the 2015 Steam Cracker accident.

UNIPETROL RPA, s.r.o. does not recognize the claim and considers the claim as unjustified and unfounded. UNIPETROL RPA, s.r.o. will take all legal actions to defend itself against this claim.

### 35. OTHER DISCLOSURES

#### Support letter issued in favour of SPOLANA, s.r.o.

The Company has confirmed in a letter of support its commitment to provide loan financing to its subsidiary SPOLANA, s.r.o. for at least 12 months from the date of SPOLANA, s.r.o.'s 2018 financial statements.

### 36. GROUP STRUCTURE

The Company is part of the consolidation group UNIPETROL, a.s. The following table shows subsidiaries and joint-ventures forming the consolidated group of UNIPETROL, a.s., and the parent company's interest in the capital of subsidiaries and joint-ventures held either directly by the parent company or indirectly by the consolidated subsidiaries into the Operating segments (as of 31 December 2018).

Name and place of business	Ownership interest of the parent company in share capital	Ownership interest in share capital through subsidiaries	Operating segment	Website
<b>Parent company</b>				
UNIPETROL, a.s. Milevská 2095/5, 140 00 Praha 4, Czech Republic			Corporate Functions	www.unipetrol.cz
<b>Subsidiaries consolidated in full method</b>				
HC VERVA Litvínov, a.s. Litvínov, S.K. Neumanna 1598, Czech Republic	--	70.95%	Corporate Functions	www.hokej-litvinov.cz
Nadace Unipetrol Záluží 1, 436 01 Litvínov, Czech Republic	--	100.00%	Corporate Functions	www.nadaceunipetrol.cz
PARAMO, a.s. Přerovská 560, Svítkov, 530 06 Pardubice, Czech Republic	100.00%	--	Downstream	www.paramo.cz
PETROTRANS, s.r.o. Střelnická 2221, 182 00 Praha 8, Czech Republic	0.63%	99.37%	Downstream	www.petrotrans.cz
SPOLANA s.r.o. ul. Práce 657, 277 11 Neratovice, Czech Republic	--	100.00%	Downstream	www.spolana.cz
UNIPETROL Deutschland GmbH Paul Ehrlich Str. 1/B, 63225 Langen/Hessen, Germany	0.10%	99.90%	Downstream	www.unipetrol.de
UNIPETROL DOPRAVA, s.r.o. Litvínov - Růžodol č.p. 4, 436 70 Litvínov, Czech Republic	0.12%	99.88%	Downstream	www.unipetroldoprava.cz
UNIPETROL RPA, s.r.o. Litvínov - Záluží 1, 436 70 Litvínov, Czech Republic	100.00%	--	Downstream Corporate Functions Retail	www.unipetrolrpa.cz
UNIPETROL RPA Hungary Kft. 2040 Budaörs, Puskás Tivadar utca 12, Hungary	--	100.00%	Downstream	
UNIPETROL SLOVENSKO s.r.o. Jašíkova 2, Ružinov, 821 03 Bratislava, Slovak Republic	13.04%	86.96%	Downstream	www.unipetrol.sk
Unipetrol výzkumně vzdělávací centrum, a.s. Revoluční 84/č.p. 1521, Ústí nad Labem, Czech Republic	100.00%	--	Corporate functions	www.vuanch.cz
<b>Joint operations consolidated based on shares in assets and liabilities</b>				
Butadien Kralupy a.s. O. Wichterleho 810, 278 01 Kralupy nad Vltavou, Czech Republic	51.00%	--	Downstream	www.butadien.cz

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

### 37. EVENTS AFTER THE REPORTING PERIOD

The Company's management is not aware of any events after the end of the period that would have any material impact on the financial statements as at 31 December 2018.

### 38. STATEMENT OF STATUTORY REPRESENTATIVES AND APPROVAL OF THE FINANCIAL STATEMENTS

The statutory representatives of UNIPETROL RPA, s.r.o. hereby declare that to the best of their knowledge the foregoing financial statements and comparative data were prepared in compliance with the accounting principles applicable to the Company in force (disclosed in note 32) and that they reflect true and fair view on financial position and financial result of the Company, including basic risks and exposures.

The separate financial statements were authorized for issue by the Company's statutory representatives on 4 March 2019.

Signature of statutory representative



Krzysztof Jerzy Zdziarski  
Executive



Przemysław Waclawski  
Executive

**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 2018**

**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 January 2018 to 31 December 2018 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“).

#### The structure of relations between the entities

##### **Controlled Person**

UNIPETROL RPA, s.r.o. with registered office at Litvínov – Záluží 1, 436 70 Litvínov, Corporate ID: 27597075, entered in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, Enclosure 24430 (hereinafter „UNIPETROL RPA, s.r.o.“).

##### **Controlling Persons**

UNIPETROL, a.s. with registered office at Milevská 2095/5, 140 00 Praha 4, Corporate ID: 61672190, entered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Enclosure 3020 (hereinafter „UNIPETROL, a.s.“).

Polski Koncern Naftowy Spółka Akcyjna with registered office at Chemików 7, PŁOCK, Poland (hereinafter „Polski Koncern Naftowy Spółka Akcyjna“) is the sole shareholder of UNIPETROL, a.s.

##### **Other Controlled Persons**

The entities controlled by the Controlling Person – Polski Koncern Naftowy Spółka Akcyjna are members of business group „PKN ORLEN S.A.“, whose scheme is shown in Appendix No. 2.

The entities controlled by UNIPETROL, a.s. are members of PKN ORLEN S.A. business group and are also members of „UNIPETROL“ business group, whose scheme is shown in Appendix No. 1.

#### The role of the Controlled Person

The role of UNIPETROL RPA, s.r.o. within the business group is sale of products from crude oil, the production, processing and sale of chemicals, the production and final processing of plastics and the production, processing, distribution and sale of energy, particularly heat, electricity and gas. Furthermore, the Company is due to merge with BENZINA, s.r.o. engaged in the distribution of fuels and operation of gas stations. In addition to these principal activities, the Company is engaged in other activities that are necessary to support the principal activities, advisory services relating to research and development, environmental protection, software and hardware advisory services and other services.

#### The method and means of controlling

UNIPETROL, a.s. is the sole shareholder of UNIPETROL RPA, s.r.o. and has direct influence in UNIPETROL RPA, s.r.o.

Polski Koncern Naftowy Spółka Akcyjna is the sole shareholder of UNIPETROL, a.s. and has indirect influence in UNIPETROL RPA, s.r.o. through 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 actions carried out in accordance with article 82 (2d) of the Act on Business Corporations. The list of mutual agreements with the details is enclosed in Appendix No. 3., the list of transactions and balances of the Company with related parties is presented in the note 28 of the Separate financial statements of UNIPETROL RPA, s.r.o. for the year 2018.

#### The list of mutual agreements between the Controlled Person and the Controlling Person or between the Controlled Persons

The mutual agreements between UNIPETROL RPA, s.r.o. and UNIPETROL, a.s. and Polski Koncern Naftowy Spółka Akcyjna 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 statutory representatives of UNIPETROL RPA, s.r.o. based on available information declare that UNIPETROL RPA, s.r.o. 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 UNIPETROL RPA, s.r.o. except those arising from standard participation in international business group.

The statutory representatives 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.

Litvínov, 4 March 2019

On behalf of statutory representatives of UNIPETROL RPA, s.r.o.



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Krzysztof Jerzy Zdziarski  
Executive



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Przemysław Waclawski  
Executive

Appendix No. 1

CAPITAL GROUP OF UNIPETROL, a.s. - CONTROLLED COMPANIES

1. 1. 2018 – 31. 12. 2018

Companies controlled by UNIPETROL, a.s.	Residence	Shares in directly and indirectly controlled companies		Note
		Share in % of the capital		
<b>Companies with direct share of UNIPETROL, a.s.</b>		<b>1.1.</b>	<b>31.12.</b>	
Companies with indirect share of UNIPETROL, a.s.				
<b>1. UNIPETROL RPA, s.r.o., IČ 275 97 075</b>	Litvínov, Záluží 1, Czech republic	<b>100,00</b>	<b>100,00</b>	
1.1 HC VERVA Litvínov, a.s., IČ 640 48 098	Litvínov, S.K. Neumannova 1598, Czech republic	70,95	70,95	Other shareholders - Litvínov city owns 22,14% and HC Litvínov, o.s. 6,91%
1.2 UNIPETROL DOPRAVA, s.r.o., IČ 640 49 701	Litvínov, Růžodol 4, Czech republic	99,88	99,88	0,12% owned by UNIPETROL, a.s.
1.3 UNIPETROL DEUTSCHLAND GmbH, IČ HRB 34346	Langen, Paul-Ehrlich-Strasse 1B, Germany	99,90	99,90	0,10% owned by UNIPETROL, a.s.
1.4 UNIPETROL SLOVENSKO, s.r.o., IČ 357 77 087	Bratislava - mestská časť Ružinov, Jašíkova 2, Slovakia	86,96	86,96	13,04% owned by UNIPETROL, a.s.
1.5 UNIPETROL RPA Hungary Kft., IČ 13-09-181774	2040 Budaörs, Puskás Tivadar utca 12, Hungary	100,00	100,00	
1.6 SPOLANA s.r.o., IČ 451 47 787	Neratovice, ul. Práce 657, Czech republic	100,00	100,00	Change of legal form from 1.12.2018
1.7 Nadace Unipetrol, IČ 056 61 544	Litvínov, Záluží 1, Czech republic	100,00	100,00	
1.8 PETROTRANS, s.r.o., IČ 251 23 041	Praha 8, Libeň, Střelničná 2221/50, Czech republic	99,37	99,37	0,63% owned by UNIPETROL, a.s.
<b>2. Unipetrol výzkumně vzdělávací centrum, a.s., IČ 622 43 136</b>	Ústí nad Labem, Revoluční 1521/84, Czech republic	<b>100,00</b>	<b>100,00</b>	
<b>3. PARAMO, a.s., IČ 481 73 355</b>	Pardubice, Svítkov, Přerovská 560, Czech republic	<b>100,00</b>	<b>100,00</b>	
3.1 Paramo Oil s.r.o., v likvidaci IČ 246 87 341	Pardubice, Přerovská 560, Czech republic	100,00	-	Company was deleted from the Commercial register on 29.5.2018
<b>4. Butadien Kralupy a.s., IČ 278 93 995</b>	Kralupy nad Vltavou, O. Wichterleho 810, Czech republic	51,00	51,00	49,00% shares owned by SYNTHOS Kralupy a.s.
<b>Other companies with share of UNIPETROL, a.s.</b>				
<b>1. UNIVERSAL BANKA, a.s. in bankruptcy, IČ 482 64 865</b>	Praha 1, Senovážné náměstí 1588/4, Czech republic	16,45	16,45	12,24% shares owned by UNIPETROL RPA, s.r.o.
<b>2. ORLEN HOLDING MALTA LIMITED, IČ C 39945</b>	Level 3, Triq ir-Rampa ta' San Giljan, Balluta Bay, St Julians, STJ1062, Malta	0,50	0,50	99,50% shares owned by PKN ORLEN S.A.

Appendix No. 2  
Capital Group of PKN ORLEN S.A. - Controlled Companies  
1 January 2018 - 31 December 2018

Company controlled by PKN ORLEN S.A.	Residence	Shares in directly and indirectly controlled company		Note
		as at 1.1.2018	as at 31.12.2018	
1. UNIPETROL, a.s.	Prague	62,99%	100,00%	A voluntary tender offer to acquire UNIPETROL, a.s. shares was announced by PKN ORLEN S.A. on 12 December 2017. The transaction was settled on 23 February 2018, PKN ORLEN S.A. purchased 56 280 592 UNIPETROL, a.s. shares which represent ca. 31.04% of the Unipetrol share capital.  On 28.8.2018 Unipetrol General Meeting approved the acquisition by PKN ORLEN S.A. of Unipetrol shares representing approximately 5.97% of the company's share capital on a basis of squeeze out regulations.  As of 1.10.2018 PKN ORLEN S.A. takes full ownership of all Unipetrol shares.
2. AB ORLEN Lietuva	Juodeikiai	100,00%	100,00%	
2.1 UAB Mazeikiu naftos prekybos namai	Vilnius	100,00%	100,00%	
2.1.1 SIA ORLEN Latvija	Riga, Latvia	100,00%	100,00%	
2.1.2 ORLEN Eesti OU	Tallin, Estonia	100,00%	100,00%	
2.2 UAB EMAS	Juodeikiai	100,00%	100,00%	
3. AB Ventus Nafta	Vilnius	100,00%	100,00%	
4. ANWIL S.A.	Wlocławek	100,00%	100,00%	
5. Inowrocławskie Kopalnie Soli "SOLINO" S.A.	Inowrocław	100,00%	100,00%	
6. Kopalnia Soli Lubień sp. z o.o.	Warszawa	100,00%	100,00%	
7. ORLEN Administracja Sp. z o.o.	Płock	100,00%	100,00%	
8. ORLEN Asfalt sp. z o.o.	Płock	100,00%	100,00%	
8.1 ORLEN Asfalt Ceska Republika s.r.o.	Pardubice	100,00%	100,00%	
9. ORLEN Serwis S.A.	Płock	100,00%	100,00%	
10. ORLEN Budonaft Sp. z o.o.	Limanowa	100,00%	100,00%	
11. ORLEN Centrum Serwisowe Sp. z o.o.	Opole	99,33%	99,33%	
12. ORLEN Deutschland GmbH	Elmshorn	100,00%	100,00%	
13. ORLEN EKO Sp. z o.o.	Płock	100,00%	100,00%	
14. Orlen Holding Malta Limited	St. Julians, Malta	99,50%	99,50%	
14.1 Orlen Insurance Ltd.	St. Julians, Malta	99,99%	99,99%	
15. ORLEN KolTrans Sp. z o.o.	Płock	99,88%	99,91%	On 02.02.2018 PKN purchased 17 shares from minority shareholders.
16. ORLEN Centrum Usług Korporacyjnych sp. z o.o.	Płock	100,00%	100,00%	
17. Orlen Laboratorium S.A.	Płock	100,00%	100,00%	
18. ORLEN Ochrona Sp. z o.o.	Płock	100,00%	100,00%	
18.1 ORLEN Apsauga UAB	Juodeikiai	100,00%	100,00%	
19. ORLEN OIL Sp. z o.o.	Kraków	100,00%	100,00%	
19.1 Platinum Oil Wielkopolskie Centrum Dystrybucji Sp. z o.o.	Baranowo	67,49%	90,00%	On 21.12.2017 Platinum Oil WCD EGM approved share capital increase. Based on acquisition of new shares, stake of ORLEN Oil Sp. z o.o. increased to 90%.
20. ORLEN Paliwa Sp. z o.o.	Wielka	100,00%	100,00%	
21. ORLEN Projekt S.A.	Płock	99,77%	100,00%	As at 9.8.2018 PKN ORLEN S.A. became the sole shareholder of ORLEN Projekt S.A. The purchase was conducted through the squeeze out of minority shareholders.
22. ORLEN Upstream Sp. z o.o.	Warszawa	100,00%	100,00%	
22.1. Orlen Upstream Canada Ltd	Calgary	100,00%	100,00%	
22.1.1 1426628 Alberta Ltd.	Calgary	100,00%	100,00%	
22.1.2 OneEx Operations Partnership	Calgary	100,00%	100,00%	
22.1.3 Pieridae Production GP Ltd.	Calgary	50,00%	50,00%	
22.1.3.1 671519 N.B. Ltd.	Saint John	100,00%	100,00%	
22.1.4 KCK Atlantic Holdings Ltd.	Calgary	100,00%	100,00%	
22.1.4.1 Pieridae Production LP	Calgary	80,00%	80,00%	
22.2 FX Energy Inc.	Salt Lake City	100,00%	100,00%	
22.2.1 Frontier Exploration, Inc.	Salt Lake City	100,00%	100,00%	
22.2.2 FX Energy Netherlands Partnership C.V.	Utrecht	100,00%	100,00%	
22.2.2.1 FX Energy Netherlands B.V.	Utrecht	100,00%	100,00%	
22.2.2.1.1 FX Energy Polska Sp. z o.o.	Warszawa	100,00%	100,00%	
23. ORLEN Aviation Sp. z o.o.	Warszawa	100,00%	100,00%	
24. ORLEN Południe S.A.	Trzebinia	100,00%	100,00%	
24.1 Energomedia Sp. z o.o.	Trzebinia	100,00%	100,00%	
24.2 Euronafit Trzebinia Sp. z o.o.	Trzebinia	100,00%	100,00%	
24.3 KONSORCJUM OLEJÓW PRZEPACOWANYCH - ORGANIZACJA OD	Jedlicze	89,00%	89,00%	
24.4 RAN-WATT Sp. z o.o. w likwidacji	Toruń	51,00%	0,00%	On 10.04.2018 RAN-WATT Sp. z o.o. w likwidacji (in liquidation) was deleted from the commercial register.
25. Ship - Service S.A.	Warszawa	60,86%	60,86%	
26. ORLEN Finance AB	Stockholm	100,00%	0,00%	On 17.04.2018 company changed its business name from ORLEN Finance AB to Polish Sky Finance AB; On 18.06.2018 PKN ORLEN S.A. sold 100% shares in Polish Sky Finance AB (formerly ORLEN Finance AB) to S-bolag Börsen AB.
27. ORLEN Capital AB	Stockholm	100,00%	100,00%	
28. Baltic Power Sp. z o.o.	Warszawa	100,00%	100,00%	
29. Basell Orlen Polyolefins Sp. z o.o.	Płock	50,00%	50,00%	
29.1 Basell ORLEN Polyolefins Sprzedaż Sp. z o.o.	Płock	100,00%	100,00%	
30. Płocki Park Przemysłowo-Technologiczny S.A.	Płock	50,00%	50,00%	
30.1 Centrum Edukacji Sp. z o.o.	Płock	69,43%	69,43%	

## Appendix No. 3

Contract / amendment number	Company	Subject of the document	Valid from	Valid until	Date of conclusion of contract
0109 - 2019 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	purchase of naphtha	1.10.2018	31.10.2018	19.10.2018
0085 - 2019 rev. 0 amend. 0	SPOLANA, a.s.	Confidentiality agreement	28.6.2017	27.6.2022	19.7.2017
0022 - 2019 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Purchase of benzene 19 January (for resale)	28.12.2018	31.1.2019	8.1.2019
0019 - 2019 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Purchase of benzene December 2018 (for resale)	20.12.2018	31.12.2018	8.1.2019
0018 - 2019 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Purchase of propylene December 2018 (SWAP)	14.12.2018	31.12.2018	8.1.2019
0017 - 2019 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Sale of propylene December 2018 (SWAP)	14.12.2018	31.12.2018	8.1.2019
0917 - 2018 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	Agreement on confidentiality, protection of data and prohibition of its misuse	16.10.2018	indefinite	16.10.2018
0894 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Camera system in the Petrochemical warehouses	15.12.2018	31.5.2019	13.12.2018
0892 - 2018 rev. 0 amend. 0	ORLEN INSURANCE LTD	Insurance policy no. OIL/ALL/02/2018 - insurance of property, interruption of operations as a result of property damage, insurance of machinery, interruption of operations as a result of damage to machinery	1.12.2018	1.12.2019	1.12.2018
0876 - 2018 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Sale of propylene November 2018	1.11.2018	30.11.2018	5.12.2018
0862 - 2018 rev. 0 amend. 0	ORLEN SERWIS SPÓŁKA AKCYJNA, branch	Contract on lease and provision of services - offices in building no. 2859 + services	26.11.2018	indefinite	28.11.2018
0856 - 2018 rev. 0 amend. 0	UNIPETROL DEUTSCHLAND GMBH	Contract on provision of services (SLA - FIX)	1.1.2014	indefinite	17.4.2018
0841 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Framework contract on provision of certain information and access to information systems	1.1.2018	indefinite	3.12.2018
0828 - 2018 rev. 0 amend. 0	PARAMO, a.s.	Contract on purchase of CO2 permits	1.12.2018	indefinite	22.11.2018
0822 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Contract on provision of support services - MPP	1.12.2018	30.11.2023	
0812 - 2018 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Sale of naphtha September 2018	7.9.2018	30.9.2018	6.12.2018
0811 - 2018 rev. 0 amend. 0	POLSKI KONCERN NAFTOWY ORLEN	Sale of propylene September 18	31.8.2018	30.9.2018	6.12.2018
0810 - 2018 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Agreement on regulation of rights and obligations	1.6.2018	31.8.2018	1.6.2018
0788 - 2018 rev. 0 amend. 0	ORLEN INSURANCE LTD	Declaration of no-claim period	11.10.2018	indefinite	22.10.2018
0781 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	KRALUPY - Contract on supply and consumption of potable water	1.7.2018	indefinite	16.10.2018
0743 - 2018 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	KRALUPY - Contract on supply and consumption of potable water	1.7.2018	indefinite	9.10.2018
0720 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Replacement of entry turnstiles at gates	20.9.2018	31.12.2018	23.10.2018
0718 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Construction of a control centre in Litvínov	20.9.2018	31.12.2019	
0717 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on cooperation in the field of treasury in the Orlen Group	13.9.2018	indefinite	2.11.2018
0704 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Cooperation agreement	7.9.2018	Until meeting of the obligation	26.10.2018
0689 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Sale of propylene August 2018	1.8.2018	31.8.2018	11.9.2018
0687 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Sale of propylene July_2	19.7.2018	31.8.2018	11.9.2018
0668 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on establishment of an easement	8.10.2012	indefinite	8.10.2012
0661 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Sale of propylene July 2018	1.7.2018	31.7.2018	11.9.2018
0653 - 2018 rev. 0 amend. 0	PARAMO, a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2018	30.4.2019	6.11.2018
0652 - 2018 rev. 0 amend. 0	Butadien Kralupy a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2018	30.4.2019	26.9.2018
0651 - 2018 rev. 0 amend. 0	SPOLANA, a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2018	30.4.2019	26.9.2018
0634 - 2018 rev. 0 amend. 0	Spolana a.s.	Purchase contract on deliveries of sulphuric acid in the 2nd half of 2018	1.7.2018	31.12.2018	
0602 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Contract No. 0046-2018 on insurance and its management - Liability insurance - Category 1	1.5.2018	30.4.2019	10.9.2018
0572 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Security provisions for new premises of the Unipetrol building	12.7.2018	31.10.2018	25.9.2018
0559 - 2018 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on lease of premises in building no. 8608, 8609 in ACHVK KRALUPY (transfer of ČESKÁ RAFINÉRSKÁ standard contract)	1.7.2018	indefinite	4.9.2018
0533 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on provision of part of targeted support from the expenditure of the state budget for research, development and innovation for resolution of project FV 30083	1.3.2018	31.12.2020	18.7.2018
0512 - 2018 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	CONTRACT ON PROVISION OF SERVICES to HC VERVA (SLA_Fix)	1.6.2018	indefinite	
0499 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Contract on data processing - Connect	7.6.2018	indefinite	
0498 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on data processing	7.6.2018	indefinite	
0492 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on use of the results of research activity (a project)	1.6.2018	31.12.2018	10.7.2018
0485 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on cooperation in the field of purchasing within the Orlen Group	1.1.2018	indefinite	24.10.2018
0484 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Purchase contract - sale Lab. equip. - Capillary isotachoforesis for SKJ AGRO	30.5.2018	31.7.2018	13.8.2018
0452 - 2018 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	Contract on settlement of obligations - provision of a bank guarantee	1.7.2018	30.6.2019	21.6.2018
0418 - 2018 rev. 0 amend. 0	PETROTRANS, s.r.o.	Lease contract - lease of space in bl.06 in ACHVK Kralupy nad Vltavou	1.4.2018	indefinite	30.5.2018
0410 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Sale of propylene March_2	22.3.2018	31.3.2018	
0391 - 2018 rev. 0 amend. 0	Spolana a.s.	Framework contract on deliveries of hydrochloric acid	1.4.2018	31.12.2018	
0390 - 2018 rev. 0 amend. 0	Spolana a.s.	Framework contract on deliveries of NaOH	1.4.2018	31.12.2018	
0369 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Lease of 150 RTC for light products	1.3.2018	31.10.2018	1.3.2018
0348 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Sale of propylene March 2018	12.3.2018	30.3.2018	24.4.2018
0342 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on purchase of CO2 emission permits	1.4.2018	indefinite	20.4.2018
0316 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Box 4 – Security system Chempark, water works complex Jiřetín	20.3.2018	31.12.2018	4.4.2018
0314 - 2018 rev. 0 amend. 0	ORLEN Ochrana Sp. z o. o.,	Box 3 – Security system sewage treatment plant, perimeter KRLP	20.3.2018	30.6.2019	4.4.2018

Contract / amendment number	Company	Subject of the document	Valid from	Valid until	Date of conclusion of contract
0313 - 2018 rev. 0 amend. 0	ORLEN Ochrona Sp. z o. o.,	Box 2 – Security system Kralupy (SKP, SDS, Paramo, PIB)	20.3.2018	31.12.2019	4.4.2018
0312 - 2018 rev. 0 amend. 0	ORLEN Ochrona Sp. z o. o.,	Box 1 – Security system Petrochemical operations, Chempark, gate 16 building AB	20.3.2018	31.3.2019	4.4.2018
0252 - 2018 rev. 0 amend. 0	PolSKI Koncern Naftowy ORLEN S. A.	Sale of propylene January 2018_2	26.1.2018	31.1.2018	28.2.2018
0213 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Contract No. 0020-2018 on insurance and its management - insurance of non-technological property	1.1.2018	31.12.2018	30.4.2018
0211 - 2018 rev. 0 amend. 0	PARAMO, a.s.	Contract on the company to meet the obligation in reporting greenhouse gas emission reductions in compliance with the Air Protection Act	9.3.2018	9.3.2021	8.3.2018
0209 - 2018 rev. 0 amend. 0	SPOLANA, a.s.	Sale of ethylene 2018	1.1.2018	31.12.2018	18.4.2018
0205 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Contract No. 0010-2018 on insurance and its management - Liability insurance for members of statutory bodies	1.11.2017	31.10.2018	30.4.2018
0187 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Credit agreement - provision of a non-binding line of credit Uni Services	3.9.2007	indefinite	3.9.2007
0172 - 2018 rev. 0 amend. 0	Spolana a.s.	Purchase contract on deliveries of hydrochloric acid in 1.Q.2018	1.1.2018	31.3.2018	13.2.2018
0169 - 2018 rev. 0 amend. 0	PolSKI Koncern Naftowy ORLEN S. A.	Sale of propylene January 2018	8.1.2018	31.1.2018	20.2.2018
0157 - 2018 rev. 0 amend. 0	Spolana a.s.	Purchase contract on deliveries of sulphuric acid in the 1st half of 2018	1.1.2018	30.6.2018	8.2.2018
0117 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	assignment of the contract to UNIPETROL RPA	1.5.2016	Until meeting of the obligation	29.6.2016
0078 - 2018 rev. 0 amend. 0	PETROTRANS, s.r.o.	Purchase contract - sale of passenger cars	12.1.2018	31.3.2018	24.1.2018
0064 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Education and training (secondary school, university, core employees)	1.1.2018	31.12.2018	5.2.2018
0063 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Alternative raw materials for petrochemical operations and refineries	1.1.2018	31.12.2018	5.2.2018
0062 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Sulphur for rubber applications	1.1.2018	31.12.2018	5.2.2018
0060 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Dynamic modelling	1.1.2018	31.12.2018	5.2.2018
0059 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Spolana - mapping production of caprolactam	1.1.2018	31.12.2018	5.2.2018
0058 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Hydrogen management	1.1.2018	31.12.2018	5.2.2018
0057 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	New analytical methods	1.1.2018	31.12.2018	5.2.2018
0056 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací	Water management	1.1.2018	31.12.2018	5.2.2018
0055 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Quality of motor fuels and support for operations	1.1.2018	31.12.2018	5.2.2018
0054 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Support for the training centre	1.1.2018	31.12.2018	5.2.2018
0053 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Production and use of bio fuels	1.1.2018	31.12.2018	5.2.2018
0052 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací	Catalyst testing	1.1.2018	31.12.2018	5.2.2018
0051 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Evaluation of asphalt – refinery	1.1.2018	31.12.2018	5.2.2018
0049 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	VBU, asphalt, heating oil and optimisation of Pox	1.1.2018	31.12.2018	5.2.2018
1167 - 2017 rev. 0 amend. 0	SPOLANA, a.s.	Sale of ammonia 2018	1.1.2018	31.12.2018	19.1.2018
1165 - 2017 rev. 0 amend. 0	Unipetrol Foundation	Gift contract	20.12.2017	Until meeting of the obligation	29.12.2017
1164 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Gift contract	20.12.2017	Until meeting of the obligation	17.1.2018
1125 - 2017 rev. 0 amend. 0	PETROTRANS, s.r.o.	NDA - non-disclosure agreement	19.7.2017	indefinite	19.7.2017
1092 - 2017 rev. 0 amend. 0	PolSKI Koncern Naftowy ORLEN S.A.	Agreement on settlement of costs for external audit	9.11.2017	30.7.2018	14.2.2018
0104 - 2018 rev. 0 amend. 0	PARAMO, a.s.	contract on mediation of goods procurement	1.1.2018	indefinite	1.1.2018
1075 - 2017 rev. 0 amend. 0	Paramo a.s.	Lease of space for business activities	1.4.2017	indefinite	3.5.2018
0992 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on use of the results of research activity (a project)	1.9.2017	31.12.2018	27.10.2017
0974 - 2017 rev. 0 amend. 0	ORLEN Ochrona Sp. z o. o.,	Provision of maintenance for telecommunication and weak current systems	1.8.2017	indefinite	1.10.2017
0925 - 2017 rev. 0 amend. 0	SPOLANA, a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2017	30.4.2018	3.10.2017
0924 - 2017 rev. 0 amend. 0	Butadien Kralupy a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2017	30.4.2018	3.10.2017
0921 - 2017 rev. 0 amend. 0	PARAMO, a.s.	Contract on insurance and its management - Liability insurance - Category 2	1.5.2017	30.4.2018	3.10.2017
0870 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací	analysis of road asphalt	1.10.2013	31.8.2014	
0762 - 2017 rev. 0 amend. 0	ORLEN SERWIS SPÓŁKA AKCYJNA, branch	Supporting activity for work inspection in the mechanical field	1.3.2017	31.12.2017	21.8.2017
0752 - 2017 rev. 0 amend. 0	SPOLANA, a.s.	Lease of 143 railway wagons	1.1.2017	31.12.2017	13.9.2017
0663 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací	Lease of rheometers including compressors	1.5.2007	indefinite	27.4.2007
0621 - 2017 rev. 0 amend. 0	ORLEN INSURANCE LTD	Insurance for the event of terrorism, sabotage or intentional damage no. OIL/TER/02/2017	1.7.2017	1.7.2019	23.8.2017
0520 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	PRELIMINARY CONTRACT ON PARTICIPATION IN RESOLUTION OF A PROJECT	1.6.2017	31.3.2018	10.7.2017
0519 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	PRELIMINARY CONTRACT ON PARTICIPATION IN RESOLUTION OF A PROJECT	1.6.2017	31.3.2018	10.7.2017
0497 - 2017 rev. 0 amend. 0	UNIPETROL, a.s.	contract on assignment of a contract on provision of services	30.5.2017	indefinite	19.6.2017
0491 - 2017 rev. 0 amend. 0	UNIPETROL, a.s.	Contract No. 0071-2017 on insurance and its management - Liability insurance - Category 1	1.5.2017	30.4.2018	23.8.2017
0463 - 2017 rev. 0 amend. 0	ORLEN Ochrona Spółka	Contract on provision of services (SLA)	1.1.2014	indefinite	1.7.2014
0436 - 2017 rev. 0 amend. 0	PolSKI Koncern Naftowy ORLEN S. A.	Contract on provision of services	1.2.2017	indefinite	24.11.2017
0418 - 2017 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	Contract on settlement of obligations - provision of a bank guarantee	1.7.2017	30.6.2018	7.6.2017
0388 - 2017 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on establishment of an easement	10.4.2017	indefinite	18.7.2017
0346 - 2017 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on collection and treatment of waste water	1.1.2017	indefinite	27.4.2017
0345 - 2017 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on collection and treatment of rainwater from storm sewers	1.1.2017	indefinite	27.4.2017

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0307 - 2017 rev. 0 amend. 0	Unipetrol Foundation	CONTRACT ON PROVISION OF SERVICES to the UNIPETROL FOUNDATION (SLA_Fix)	1.1.2017	indefinite	27.3.2017
0263 - 2017 rev. 0 amend. 0	ORLEN Projekt S.A.	Provision of project management services in relation to management of OSBL of EPC suppliers within the framework of project PE3	1.2.2017	Until meeting of the obligation	24.2.2017
0237 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Confidentiality agreement	1.3.2017	indefinite	7.4.2017
0235 - 2017 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on collection and treatment of rainwater from storm sewers	1.1.2017	indefinite	7.3.2017
0173 - 2017 rev. 0 amend. 0	SPOLANA, a.s.	Contract on use of BENZINA Tank Cards	28.7.2017	indefinite	28.7.2017
0159 - 2017 rev. 0 amend. 0	PETROTRANS, s.r.o.	Road transportation of fuels in tanker trucks for wholesale customers	1.11.2016	31.10.2019	1.11.2016
0051 - 2017 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on cooperation for the purpose of provision of energy services	1.1.2017	31.12.2020	10.2.2017
0047 - 2017 rev. 0 amend. 0	Paramo a.s.	Supply of oils and lubricants	1.1.2017	indefinite	31.3.2017
0046 - 2017 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply of electricity to the consumption point in Kralupy	1.1.2017	31.12.2017	7.2.2017
0009 - 2017 rev. 0 amend. 0	SPOLANA, a.s.	AGREEMENT ON PROVISION AND RE-INVOICING OF ELECTRICITY SUPPLIES	1.1.2017	31.12.2020	9.12.2016
0008 - 2017 rev. 0 amend. 0	PARAMO, a.s.	AGREEMENT ON PROVISION AND RE-INVOICING OF ELECTRICITY SUPPLIES	1.1.2017	31.12.2020	22.12.2016
0007 - 2017 rev. 0 amend. 0	PARAMO, a.s.	Agreement on initiation of activities of the Active Energy Trading Group Model	1.1.2017	31.12.2020	22.11.2016
1295 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Cooperation agreement no. PSH/01/2016	4.3.2016	indefinite	4.3.2016
1219 - 2016 rev. 0 amend. 0	Butadien Kralupy a.s.	Contract on provision of services to Butadien Kralupy a.s. - SLA	1.1.2014	indefinite	2.12.2014
1175 - 2016 rev. 0 amend. 0	ORLEN Lietuva	Contract - Calculation of social security and health insurance for employees from Lithuania	1.4.2016	31.3.2018	8.12.2016
1140 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Agreement on assumption of rights and obligations - SAP licences	31.12.2010	indefinite	1.10.2008
1100 - 2016 rev. 0 amend. 0	ORLEN PROJEKT SPÓŁKA AKCYJNA	Contract on supply and consumption of process water	1.10.2016	indefinite	
1087 - 2016 rev. 0 amend. 0	UNIPETROL, a.s.	CONTRACT ON LEASE OF NON-RESIDENTIAL PREMISES AND RELATED SERVICES	1.2.2009	31.12.2018	13.2.2009
1086 - 2016 rev. 0 amend. 0	UNIPETROL, a.s.	AGREEMENT ON ASSUMPTION OF RIGHTS AND OBLIGATIONS - Vila Property	1.2.2009	indefinite	1.2.2009
1083 - 2016 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o.,	Contract on provision of support services	30.9.2014	30.9.2016	24.9.2014
1071 - 2016 rev. 0 amend. 0	Spolana a.s.	Agreement on confidentiality, protection of information and prohibition of its misuse	10.6.2013	indefinite	30.4.2013
1026 - 2016 rev. 0 amend. 0	ORLEN Projekt S.A.	Loi - PE3 Project - OSBL and Early Service	11.8.2016	Until meeting of the obligation	11.8.2016
1006 - 2016 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Agreement on confidentiality, protection of data and prohibition of its misuse	21.3.2016	indefinite	21.3.2016
0773 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Framework contract on provision of IT services	1.1.2012	indefinite	16.5.2012
0721 - 2016 rev. 0 amend. 0	PKN ORLEN SA	Contract on use of Microsoft licences	5.11.2008	indefinite	12.11.2008
0705 - 2016 rev. 0 amend. 0	PARAMO, a.s.	Protection of trade secrets	1.6.2007	indefinite	20.7.2007
0679 - 2016 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on facilitation of construction	10.8.2016	indefinite	5.9.2016
0661 - 2016 rev. 0 amend. 0	UNIPETROL RPA HUNGARY KORLÁTOLT	Contract on provision of services	1.8.2016	indefinite	23.8.2016
0578 - 2016 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on lease of premises (provision of premises for fire fighters for the purposes of an on call service, compliance with the requirements of Act No. 262/2006 Coll., Labour Code, relating to emergency service employees of works fire brigade at Unipetrol RPA)	1.8.2016	indefinite	1.8.2016
0419 - 2016 rev. 0 amend. 0	PARAMO, a.s.	Lease of 129 railway wagons (dark products)	1.1.2016	31.12.2016	28.6.2016
0224 - 2016 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply and consumption of process and fresh water	1.1.2016	indefinite	31.3.2016
0213 - 2016 rev. 0 amend. 0	PETROTRANS, s.r.o.	Contract on supply and consumption of process water	1.1.2016	indefinite	23.2.2016
0206 - 2016 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on supply and consumption of process water	1.1.2016	indefinite	8.3.2016
0133 - 2016 rev. 0 amend. 0	UNIPETROL, a.s.	Comprehensive Services Agreement	1.1.2016	indefinite	15.3.2016
0120 - 2016 rev. 0 amend. 0	PETROTRANS, s.r.o.	Contract on supply of energy services	1.1.2016	indefinite	29.2.2016
0107 - 2016 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply of energy services	1.1.2016	indefinite	27.1.2016
0086 - 2016 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on provision of services	1.1.2016	indefinite	25.2.2016
0084 - 2016 rev. 0 amend. 0	UNIPETROL SLOVENSKO s.r.o.	Contract on provision of services	1.1.2016	indefinite	19.2.2016
0082 - 2016 rev. 0 amend. 0	SPOLANA s.r.o.	Contract on provision of services	1.1.2016	indefinite	19.1.2016
0081 - 2016 rev. 0 amend. 0	PETROTRANS, s.r.o.	Contract on provision of services	1.1.2016	indefinite	28.4.2016
0080 - 2016 rev. 0 amend. 0	Paramo a.s.	Contract on provision of services	1.1.2016	indefinite	8.3.2016
0079 - 2016 rev. 0 amend. 0	Orlen Asphalt Česká	Contract on provision of services	1.1.2016	indefinite	29.3.2016
0049 - 2016 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on supply of energy services	5.11.2015	indefinite	20.1.2016
0023 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Confidentiality agreement	5.1.2016	4.1.2021	12.1.2016
0016 - 2016 rev. 0 amend. 0	UNIPETROL,a.s.	Contract on provision of services	1.1.2016	indefinite	23.2.2016
0010 - 2016 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Framework contract on provision of laboratory services	1.1.2016	31.12.2017	26.1.2016
0898 - 2015 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on use of the results of research activity (a project)	20.12.2015	31.12.2020	18.12.2015
0847 - 2015 rev. 0 amend. 0	PETROTRANS, s.r.o.	Contract on the regime for moving around, entrance on foot or in a vehicle in Chempark Litvinov	11.12.2015	indefinite	25.1.2016
0809 - 2015 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on lease of movable property (laboratory equipment)	1.1.2015	31.12.2015	28.12.2015
0707 - 2015 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on supply and consumption of process water and fresh water	1.10.2015	indefinite	15.12.2015
0681 - 2015 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Contract on supply of energy services	1.10.2015	indefinite	20.10.2015
0558 - 2015 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on supply of energy services	1.8.2015	indefinite	23.10.2016
0401 - 2015 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Lease contract for third-party plots of land	1.7.2015	indefinite	6.10.2015
0366 - 2015 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Mandate contract	27.6.2015	indefinite	27.6.2015

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0353 - 2015 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on lease of railway sidings	27.6.2015	indefinite	
0336 - 2015 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	PROVISION OF TRANSPORT SERVICES ON RAILWAYS - SIDINGS for Unipetrol RPA and Česká Rafinérská	1.7.2015	30.6.2018	8.12.2015
0073 - 2015 rev. 0 amend. 0	PKN Orlen S.A.	Confidentiality agreement	19.12.2014	19.12.2019	19.12.2014
0033 - 2015 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on use of the results achieved during implementation of a research and development project	1.1.2015	31.1.2018	15.12.2014
0807 - 2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	LEASE OF RAILWAY FREIGHT WAGONS	1.1.2015	31.12.2015	1.5.2015
0806 - 2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	PROVISION OF RAILWAY WORKSHOP SERVICES	1.1.2015	31.12.2019	1.5.2015
0805 - 2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	PROVISION OF CLEANING SERVICES FOR RAILWAY WAGONS AND FILLING WITH AMMONIA	1.1.2015	31.12.2017	1.5.2015
0804 - 2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	PROVISION OF RAIL TRANSPORT SERVICES	1.1.2015	31.12.2017	1.5.2015
0756 - 2014 rev. 0 amend. 0	ORLEN INSURANCE LTD	Insurance policy no. OIL/ALL/02/2014 - insurance of property, interruption of operations as a result of property damage, insurance of machinery, interruption of operations as a result of damage to machinery	1.12.2014	30.11.2016	6.1.2015
0696 - 2014 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on supply and consumption of heat energy	9.10.2014	indefinite	9.10.2014
0599 - 2014 rev. 0 amend. 0	PETROTRANS, s.r.o.	Provision of road transport services - dedicated fleet	1.8.2014	31.7.2019	9.9.2014
0589 - 2014 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on planning of road deliveries	1.8.2014	indefinite	12.8.2014
0490 - 2014 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on use of access to the AspenTech programme	1.5.2014	31.12.2014	28.7.2014
312-2014 rev. 0 amend. 0	SPOLANA, a.s.	Agreement on confidentiality, protection of information and prohibition of its misuse	25.2.2014	indefinite	
216-2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply and consumption of heat energy	1.1.2014	indefinite	13.2.2014
94-2014 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on combined electricity supply services	1.1.2014	indefinite	1.1.2014
82-2014 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on combined electricity supply services	1.1.2014	indefinite	5.2.2014
482-2013 rev. 0 amend. 0	ORLEN INSURANCE LTD	Insurance policy no. OIL/ALL/02/2013 - insurance of property, interruption of operations as a result of property damage, insurance of machinery, interruption of operations as a result of damage to machinery	1.12.2013	30.11.2014	8.1.2014
162-2013 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	MANDATE CONTRACT	1.3.2013	indefinite	26.3.2013
469-2012 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	A COOPERATION AGREEMENT IN THE FIELD OF CENTRALISATION OF FINANCIAL RISK MANAGEMENT	26.10.2010	indefinite	26.10.2010
378-2012 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Mandate contract	27.6.2012	indefinite	22.8.2012
376-2012 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on provision of support services for the complex	1.7.2012	indefinite	22.8.2012
368-2012 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on provision of telecommunication services	26.6.2012	indefinite	22.8.2012
319-2012 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Lease contract (placement of two information panels on complex fencing)	1.5.2012	30.4.2013	17.7.2012
313-2012 rev. 0 amend. 0	PETROTRANS, s.r.o.	Contract on lease and provision of services (lease of premises in building no. 2746, 2744 including provision of waste services and entry to the complex)	1.4.2012	indefinite	13.8.2012
287-2012 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on lease and provision of services (lease of premises in building no. 2805, 2806 and the related movables)	1.1.2012	31.12.2012	7.5.2012
221-2012 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on supply and consumption of technical gases	1.1.2012	indefinite	1.1.2012
209-2012 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply and consumption of technical gases	1.1.2012	indefinite	2.2.2012
121-2012 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on provision of services – control centre and reception	1.2.2012	31.1.2014	27.1.2012
576-2011 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Agreement on cooperation and mutual provision of personnel	1.1.2011	indefinite	1.12.2011
478-2011 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on lease and provision of services (lease of office space in building no. 2845 + services)	1.7.2011	indefinite	1.7.2011
469-2011 rev. 0 amend. 0	ORLEN Ochrana Sp. z o.o., division in v ČR	Contract on conditions of physical security of property and persons and on the conditions for performance of other services	1.7.2011	30.6.2013	24.8.2011
165-2011 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on use of goodwill UNIPETROL, a.s.	1.1.2009	indefinite	11.2.2010
138-2011 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on connection of a customer to the local distribution network	1.1.2011	indefinite	1.1.2011
135-2011 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Supply of gases and related services and payment conditions for them	1.1.2011	indefinite	11.4.2011
516-2010 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on establishment of an easement	27.8.2010	indefinite	11.11.2010
509-2010 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	KNOW-HOW AND ADDITIONAL KNOW-HOW PROVISION AGREEMENT	1.9.2010	31.12.2018	2.9.2010
508-2010 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	DATA PROVISION AGREEMENT	1.9.2010	31.12.2018	2.9.2010
154-2010 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on termination and creation of an easement	10.1.2001	indefinite	10.1.2001
153-2010 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on establishment of an easement	27.12.1999	indefinite	27.12.1999
834-2009 rev. 0 amend. 0	PKN Orlen S.A.	Cooperation Agreement	8.10.2009	indefinite	2.11.2009
627-2009 rev. 0 amend. 0	UNIPETROL, a.s.	provision of SAP licences	1.5.2009	indefinite	30.6.2009
580-2009 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on lease and provision of services (lease of the plots of land under building no. 2816, 2828, 2838, access areas, provision of services)	1.10.2010	indefinite	6.5.2009
579-2009 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on lease and provision of services (reduction by two offices in building no. 2859)	1.4.2009	indefinite	6.7.2009
525-2009 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Lease contract (lease of premises in building no. 5711, 5814, 5808 and 5824 - conclusion in a new separate contract)	1.1.2009	indefinite	30.3.2009
424-2009 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on property management no. S400/250/99	1.1.2000	indefinite	1.1.2000
149-2009 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on connection to the local distribution network	1.1.2009	indefinite	15.1.2009
92-2009 rev. 0 amend. 0	Unipetrol výzkumné vzdělávací centrum, a.s.	Contract on provision of services - performance of analytical work	1.1.2009	indefinite	23.1.2009
1032-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Corporate Level Agreement	18.12.2008	indefinite	19.12.2008
1017-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on termination and establishment of an easement	12.5.2008	indefinite	26.8.2008
763-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Credit agreement - CZK 9.75 billion	25.6.2008	indefinite	25.6.2008
708-2008 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on provision of services for the complex (use of the land, security and in-house transport of people)	1.1.2008	indefinite	4.8.2008
707-2008 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Agreement on common use of the works fire brigade (hereinafter referred to only as WFB)	1.1.2008	indefinite	4.8.2008
693-2008 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on lease and provision of services (lease of premises in the complex, lease of land and also provision of services)	1.1.2008	indefinite	21.7.2008
548-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on lease and provision of services (lease of premises in building no. 2838)	1.3.2008	indefinite	6.3.2008
471-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on termination and establishment of an easement	1.1.2008	indefinite	11.7.2008
457-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Framework contract on ensuring development and use of the shared information environment for monitoring of surroundings of the Unipetrol Group - trade	1.1.2008	indefinite	1.4.2008

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455-2008 rev. 0 amend. 0	UNIPETROL, a.s.	Framework contract on ensuring development and use of the shared information environment for monitoring of surroundings of the Unipetrol Group - manufacturing	1.1.2008	indefinite	1.4.2008
348-2008 rev. 0 amend. 0	POLYMER INSTITUTE BRNO, spol. s r.o.	Contract for work - production of stabilisation mixtures for the PP production plant	1.1.2008	indefinite	24.4.2008
5-2008 rev. 0 amend. 0	UNIPETROL DEUTSCHLAND GmbH	Contract on commission-based business	27.12.2007	indefinite	18.10.2007
425-2007 rev. 0 amend. 0	Butadien Kralupy a.s.	Purchase contract on deliveries and consumption of C4 fraction for the new butadiene unit	1.1.2010	31.12.2025	9.7.2007
895-2006 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on termination of an easement and on establishment of an easement	1.12.2006	indefinite	20.12.2006
875-2006 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on protection of a trade secret and personal data	22.11.2006	indefinite	
402-2006 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on termination and establishment of an easement (exchange with Dopravní podnik)	1.4.2006	indefinite	
348-2006 rev. 0 amend. 0	PKN ORLEN S.A.	Information Transfer and Confidentiality Agreement "Polyolefins"	28.2.2006	indefinite	
338-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Cooperation Agreement "Business Value Creation Teams"	16.6.2005	indefinite	
333-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	COM Cooperation Agreement	1.3.2006	indefinite	
No. 01656 / 2004	UNIPETROL, a.s.	Contract on termination and establishment of an easement	8.12.2004	indefinite	
No. 00913 / 2004	UNIPETROL DOPRAVA, s.r.o.	Contract for work - provision of the services of a security consultant	1.1.2004	indefinite	
S 400/020/03	UNIPETROL, a.s.	Establishment of an easement and termination of an easement	11.3.2003	indefinite	
GR_2009_002_00	UNIPETROL, a.s.	HSE Cooperation Agreement_Amended_CRC	1.9.2009	indefinite	29.9.2009
SHP_2015_014_00	UNIPETROL, a.s.	credit agreement - tranche	31.5.2015	31.5.2030	Not specified
SHP_2015_015_00	UNIPETROL, a.s.	credit agreement - revolving credit	22.6.2015	22.6.2030	Not specified
SHP_2015_016_00	UNIPETROL, a.s.	credit agreement - Unipetrol (debtor)	22.6.2015	22.6.2030	Not specified
SLU_2005_051_00	UNIPETROL, a.s.	Contract on an easement - Chvatěruby, Lobeček, Veltrusy	11.4.2000	indefinite	10.4.2000
SLU_2005_052_00	UNIPETROL, a.s.	contract on termination of an easement	10.4.2000	indefinite	10.4.2000
SLU_2005_053_00	UNIPETROL, a.s.	Contract on termination and establishment of an easement - Veltrusy	30.10.2000	indefinite	30.10.2000
SLU_2005_054_00	UNIPETROL, a.s.	Contract on an easement - Veltrusy, Zlončice	30.1.2000	indefinite	30.1.2000
SLU_2005_055_00	UNIPETROL, a.s.	Contract on termination of an easement - Chvatěruby, Veltrusy	21.3.2003	indefinite	Not specified
SLU_2005_056_00	UNIPETROL, a.s.	Contract on an easement - Chvatěruby, Zlončice, Veltrusy	1.1.2003	indefinite	25.3.2003
SLU_2005_058_00	UNIPETROL, a.s.	Contract on an easement - Dolní Jiřetín, Záluží u Litvínova	11.4.2000	indefinite	10.4.2000
SLU_2005_059_00	UNIPETROL, a.s.	Contract on termination and establishment of an easement - Dolní Jiřetín, Záluží u Litvínova	1.1.2003	indefinite	11.3.2003
SLU_2005_060_00	UNIPETROL, a.s.	Contract on termination and establishment of an easement - Dolní Jiřetín, Záluží u Litvínova	1.1.2004	indefinite	18.3.2004
SLU_2006_014_00	UNIPETROL, a.s.	Contract on termination of an easement - Dolní Jiřetín	1.1.2006	indefinite	20.6.2006
SLU_2006_015_00	UNIPETROL, a.s.	Contract on an easement - Veltrusy	1.1.2006	indefinite	28.8.2006
SLU_2006_016_00	UNIPETROL, a.s.	Contract on an easement - Veltrusy, Lobeček	1.1.2006	indefinite	28.8.2006
SLU_2007_012_00	UNIPETROL, a.s.	Contract on an easement - Chvatěruby, Veltrusy, Lobeček, Zlončice	1.1.2007	indefinite	16.10.2007
SLU_2007_017_00	UNIPETROL, a.s.	Contract on establishment and termination of an easement - Záluží u Litvínova, Dolní Jiřetín	1.1.2006	indefinite	5.3.2007
SLU_2007_018_00	UNIPETROL, a.s.	Contract on an easement - Dolní Jiřetín	1.1.2007	indefinite	29.6.2007
SLU_2007_019_00	UNIPETROL, a.s.	Agreement on contracts on an easement	15.5.2007	indefinite	15.5.2007
SLU_2008_004_00	UNIPETROL, a.s.	Contract on termination and establishment of an easement - Chvatěruby, Veltrusy	1.1.2008	indefinite	22.4.2008
SLU_2009_002_00	UNIPETROL, a.s.	Contract on an easement - Záluží u Litvínova	1.1.2009	indefinite	19.8.2009
SLU_2009_005_00	UNIPETROL, a.s.	Contract on an easement - Chvatěruby	31.12.2008	indefinite	15.10.2009
VSN_2009_014_00	UNIPETROL, a.s.	Unipetrol_free use of bores	17.3.2009	indefinite	17.3.2009
137-2007	UNIPETROL, a.s.	Credit agreement - provision of a cash pool in the amount of CZK 1,300,000,000	20.3.2007	indefinite	20.3.2007
0293 - 2014 rev. 0 amend. 0	UNIPETROL, a.s.	Unipetrol - Framework contract on use of PKB	20.11.2014	1.4.2015	2.12.2014
0221 - 2014 rev. 0 amend. 0	UNIPETROL, a.s.	Comprehensive Services Agreement (CLA)	25.11.2008	indefinite	25.11.2008
0119 - 2015 rev. 0 amend. 0	UNIPETROL, a.s.	Contract on ensuring development and use of the shared information environment for monitoring of surroundings of the Unipetrol Group	1.1.2008	indefinite	21.4.2008
0151 - 2015 rev. 0 amend. 0	Výzkumný ústav anorganické chemie, a.s.	Výzkumný ústav anorganické chemie - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	23.9.2015
0150 - 2015 rev. 0 amend. 0	Butadien Kralupy a.s.	Butadien - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	1.4.2015
0149 - 2015 rev. 0 amend. 0	PARAMO, a.s.	Paramo - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	1.4.2015
0148 - 2015 rev. 0 amend. 0	PETROTRANS, s.r.o.	Petrotrans - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	10.12.2015
0147 - 2015 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Unipetrol Doprava - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	1.2.2016
0004 - 2018 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	Contract No. 0004-2018 on insurance and its management - Liability insurance for members of statutory bodies	1.11.2017	31.10.2018	27.4.2018
0098 - 2018 rev. 0 amend. 0	HC VERVA Litvínov, a.s.	Contract on placement of an advertisement	1.5.2018	30.4.2021	Not specified
0143 - 2015 rev. 0 amend. 0	UNIPETROL, a.s.	Unipetrol - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	1.4.2015
0131 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	spot sale of petrol 11-2018	12.11.2018	30.11.2018	12.11.2018
0126 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	spot sale of petrol 11-12 2018	1.11.2018	31.12.2018	6.11.2018
0125 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	spot export of petrol	1.11.2018	31.12.2018	6.11.2018
0120 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	export of petrol 10-2018 - substitute performance	15.10.2018	31.10.2018	30.10.2018
0114 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	extra sale of petrol Nossen 10-2018	1.10.2018	31.10.2018	17.10.2018
0113 - 2018 rev. 0 amend. 0	ORLEN DEUTSCHLAND GmbH	extra sale of petrol Nossen 09-2018	1.9.2018	30.9.2018	17.10.2018
0109 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Agreement on delivery and acceptance of natural gas	1.10.2018	indefinite	26.9.2018
0108 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Not concluded - jet export 09-2018	1.9.2018	30.9.2018	29.8.2018
0101 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Jet export	1.8.2018	31.8.2018	1.8.2018
0099 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 86.5 kt of Azeri Light (I) in 05-2018	1.5.2018	30.5.2018	16.5.2018
0098 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 85 kt of Azeri Light in 04-2018	1.4.2018	30.4.2018	16.5.2018
0097 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 95 kt of CPC BLEND (II) in 03-2018	1.3.2018	31.3.2018	16.5.2018
0096 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 90 kt of CPC BLEND (I) in 03-2018	1.3.2018	31.3.2018	20.4.2018
0095 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 85 kt of Azeri Light in 02-2018	1.2.2018	31.3.2018	20.4.2018
0094 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 85 kt of CPC Blend in 02-2018	1.2.2018	28.2.2018	20.4.2018
0092 - 2018 rev. 0 amend. 0	ORLEN Deutschland GmbH	import of petroleum 06-2018	1.6.2018	30.6.2018	31.5.2018
0091 - 2018 rev. 0 amend. 0	ORLEN Deutschland GmbH	import of petroleum 05-2018	1.5.2018	31.5.2018	4.5.2018
0083 - 2018 rev. 0 amend. 0	Unipetrol výzkumně vzdělávací centrum, a.s.	Cooperation agreement	21.5.2018	indefinite	15.8.2018
0079 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 85 kt of CPC BLEND in 01-2018	1.1.2018	31.1.2018	31.12.2017
0078 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 80 kt of Azeri Light in 01-2018	1.1.2018	31.1.2018	31.12.2017
0077 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 80 kt of Azeri Light in 01-2018	1.1.2018	31.1.2018	31.12.2017
0076 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of 80 kt of Azeri Light in 02-2018	1.2.2018	28.2.2018	1.2.2018
0074 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	framework contract on import of fuel 2018	1.1.2018	31.12.2018	11.4.2018
0064 - 2018 rev. 0 amend. 0	ORLEN Deutschland GmbH	import of petroleum 04-2018	1.4.2018	30.4.2018	4.4.2018

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0062 - 2018 rev. 0 amend. 0	Orlen KolTrans Sp. z o.o.	rental of RTC 's	14.3.2018	15.4.2018	15.2.2018
0061 - 2018 rev. 0 amend. 0	ORLEN Paliwa Sp. z o.o.	ORLEN Paliwa contract FCCB 2018	1.3.2018	31.12.2018	27.6.2018
0051 - 2018 rev. 0 amend. 0	SPOLANA, a.s.	Long-term declaration of quantity and price no. 8/2018 - SPOLANA a.s.	1.2.2018	31.1.2023	31.1.2018
0043 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Purchase of alkylate 02-12/2018 PKN 1400-20000 tonnes	7.2.2018	31.12.2018	15.2.2018
0024 - 2018 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	Framework contract on export of fuel 2018	1.1.2018	31.12.2018	19.4.2018
0008 - 2018 rev. 0 amend. 0	UNIPETROL SLOVENSKO s. r. o.	Framework Commercial Contract 2018	1.1.2018	31.12.2018	8.2.2018
0003 - 2018 rev. 0 amend. 0	UNIPETROL RPA HUNGARY KORLÁTOLT	framework contract 2018	1.1.2018	31.12.2018	13.2.2018
0122 - 2017 rev. 0 amend. 0	Paramo a.s.	purchase of nivols	1.1.2017	indefinite	14.1.2017
0073 - 2017 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S. A.	contract for sale of Jet	1.4.2017	indefinite	20.3.2017
0006 - 2017 rev. 0 amend. 0	PARAMO, a.s.	Contract on purchase and sale of oil hydrogenates No. 3324/2016 / HVD / LVD - PARAMO, a.s.	22.11.2016	indefinite	22.8.2017
0212 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Cooperation agreement - trading with natural gas	27.12.2016	31.12.2017	27.12.2016
0210 - 2016 rev. 0 amend. 0	SPOLANA, a.s.	Contract of supply of natural gas	1.1.2017	indefinite	29.12.2016
0179 - 2016 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Term contract on delivery of REB-Družba Tatneft / 2016-2017	1.7.2016	30.6.2017	30.6.2016
0019 - 2016 rev. 0 amend. 0	PARAMO, a.s.	sale of asphalt from 1.1.2016 / transition to transfer pricing	1.1.2016	indefinite	1.1.2016
0018 - 2016 rev. 0 amend. 0	ORLEN Asfalt Česká republika s.r.o.	sale of asphalt from 1.1.2016 / transition to transfer pricing	1.1.2016	indefinite	1.1.2016
0515 - 2015 rev. 0 amend. 0	PARAMO, a.s.	Contract for the supply of natural gas and invoicing of associated costs	1.1.2016	indefinite	15.12.2015
0204 - 2015 rev. 0 amend. 0	UNIPETROL SLOVENSKO s. r. o.	UNIPETROL SLOVENSKO s. r. o. Framework purchase contract LPG 2014	1.7.2014	indefinite	21.3.2014
0149 - 2015 rev. 0 amend. 0	PARAMO, a.s.	Paramo - Framework contract on use of a Benzina payment card	1.4.2015	indefinite	1.4.2015
0016 - 2015 rev. 0 amend. 0	Paramo a.s.	Frame Contract: Unipetrol + Paramo taking part in motor fuels auctions	15.1.2015	indefinite	14.1.2015
0122 - 2014 rev. 0 amend. 0	SPOLANA, a.s.	Framework purchase contract no. 946/2014 - SPOLANA a.s.	21.3.2014	indefinite	21.3.2014
89-2014 rev. 0 amend. 0	PARAMO, a.s.	PARAMO, a.s. contract on storage and provision of ancillary services	20.2.2014	indefinite	
385-2013 rev. 0 amend. 0	PARAMO, a.s.	Agreement on provision of services between PARAMO, a. s. and UNIPETROL RPA, s.r.o.	1.1.2013	indefinite	
289-2013 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Term contract on delivery of REB-Družba Tatneft / 2013-2016	1.7.2013	30.6.2016	
32-2013 rev. 0 amend. 0	PARAMO, a.s.	PARAMO, a.s. contract on storage and provision of services	1.1.2013	indefinite	
448-2012 rev. 0 amend. 0	PARAMO, a.s.	PARAMO, a.s. OH+HCVD	1.9.2012	indefinite	
319-2012 rev. 0 amend. 0	PARAMO, a.s.	Contract on storage and provision of other services PARAMO - UNIPETROL RPA	1.7.2012	indefinite	
313-2012 rev. 0 amend. 0	SPOLANA, a.s.	SPOLANA a.s. liquid sulphur 2012	1.7.2012	indefinite	
46-2012 rev. 0 amend. 0	ORLEN Asfalt Česká republika s.r.o.	Paramo Asfalt s.r.o. ASF	1.2.2012	indefinite	27.1.2012
236-2010 rev. 0 amend. 0	Petrotrans, a.s.	SHIPPING CONTRACT on deliveries of PHL and on provision of transportation for deliveries of goods to wholesale customers	1.6.2010	indefinite	28.7.2010
294-2007 rev. 0 amend. 0	Rafineria Trzebinia S.A. (Orlen Poludnie)	CONTRACT NO PL/272696025/07NH/22		indefinite	26.6.2007
272-2007 rev. 0 amend. 0	Rafineria Trzebinia S.A. (Orlen Poludnie)	Contract: NO PL/272696025/07NH/19 of 10.04.07		indefinite	10.4.2007
260-2007 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Sale Contract No. 22070308		indefinite	
259-2007 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Sale Contract No. 22070307		indefinite	
258-2007 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	CONTRACT No 3500000330		indefinite	
211-2007 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	CONTRACT No 3500000285		indefinite	
49-2007 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	CONTRACT No 3200001717		indefinite	
182-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Term Contract No3200001485 for deliveries of diesel oil 10ppm S		indefinite	
154-2007 rev. 0 amend. 0	UNIPETROL DOPRAVA, a.s.	Credit agreement - UniDo (creditor)	8.3.2007	indefinite	21.3.2007
153-2007 rev. 0 amend. 0	UNIPETROL DOPRAVA, a.s.	Credit agreement - UniDo (debtor)	8.3.2007	indefinite	21.3.2007
149-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Term Contract No 3200001452 for delivery of unleaded gasoline Pb95 50ppm		indefinite	
109-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Agreement on Procedures - Sweet Crude Supplies		indefinite	
85-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Agreement on Procedures - REBCO supplies		indefinite	
65-2006 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Sweet Crude Contract	25.1.2006	indefinite	
0001 - 2005 rev. 0 amend. 0	Polski Koncern Naftowy ORLEN S.A.	Contract on delivery of petroleum via the Družba pipeline	29.9.2005	indefinite	29.9.2005
SSN_2016_138_00	UNIPETROL DOPRAVA, s.r.o.	Contract on provision of services for fencing, protection and guarding of the SKP Źúice complex	15.8.2016	indefinite	21.10.2016
NTS_2009_041_00	UNIPETROL DOPRAVA, s.r.o.	Contract for Work - provision of maintenance for track no. 106	1.10.2009	indefinite	1.10.2009
SLU_2005_043_00	UNIPETROL DOPRAVA, s.r.o.	Contract on lease of non-residential space in SYNTHOS Kralupy, a.s.	1.1.2001	30.6.2018	8.1.2001
SLU_2005_024_00	UNIPETROL DOPRAVA, s.r.o.	Contract on supply of heat energy and invoicing of prices for delivery	1.1.2005	indefinite	22.2.2005
SSN_2014_162_00	UNIPETROL DOPRAVA, s.r.o.	Contract on provision of cleaning services for railway wagons	1.1.2015	31.12.2019	30.4.2015
SSN_2014_161_00	UNIPETROL DOPRAVA, s.r.o.	Contract on provision of railway workshop services	1.1.2015	31.12.2019	30.4.2015
2008-351	UNIPETROL DOPRAVA, s.r.o.	Framework contract on use of BENZINA payment cards when paying for fuel	15.10.2003	indefinite	15.10.2003
2008-350	UNIPETROL DOPRAVA, s.r.o.	Framework supply contract - deliveries of fuel to petrol stations no. 2/03/040	15.10.2003	indefinite	15.10.2003
0109 - 2018 rev. 0 amend. 0	UNIPETROL DOPRAVA, s.r.o.	Contract on supply of electricity, invoicing for distribution of electricity and supply of heat energy	1.7.2018	Indefinite	
0047 - 2018 rev. 0 amend. 0	UNIPETROL, a.s.	Contract No. 0021-2018 on insurance and its management - insurance of non-technological property	1.1.2018	31.12.2018	
0394 - 2017 rev. 0 amend. 0	Paramo a.s.	Supply of oils and lubricants	1.1.2017	Indefinite	
0164 - 2017 rev. 0 amend. 0	Butadien Kralupy a.s.	Joint use of meters	24.11.2016	Indefinite	
75-2009	UNIPETROL, a.s.	Contract on provision of licences (sublicences) for use of SAP Software and provision of SAP support, as amended	15.5.2009	indefinite	15.5.2009
118-2010	UNIPETROL, a.s.	Preliminary contract on establishment of an easement	9.8.2010	indefinite	9.8.2010
97-2011	UNIPETROL, a.s.	Credit agreement	1.10.2011	indefinite	1.10.2011
98-2011	UNIPETROL, a.s.	Credit agreement (overdraft)	1.10.2011	indefinite	1.10.2011
81-2009	UNIPETROL, a.s.	CONTRACT on provision of licences (sublicences) for use of SAP Software and provision of SAP support, as amended	15.5.2009	indefinite	15.5.2009
76-2008	UNIPETROL, a.s.	Framework contract on ensuring development and use of the shared information environment for monitoring of surroundings of the Unipetrol Group	1.1.2008	indefinite	1.1.2008
103-2013	UNIPETROL, a.s.	Contract on termination and establishment of an easement	27.11.2013	indefinite	
135-2008	UNIPETROL, a.s.	Contract on ensuring of development and use of shared information environment for the monitoring of surroundings of the Unipetrol Group, as amended	1.1.2008	indefinite	1.1.2008
204-2008	UNIPETROL, a.s.	Agreement on contracts on an easement	15.5.2007	indefinite	15.5.2007
200-2008	UNIPETROL, a.s.	Contract on termination of an easement	20.8.2006	indefinite	20.8.2006
89-2007	UNIPETROL, a.s.	Contract on establishment of an easement	10.7.2007	indefinite	10.7.2007
202-2008	UNIPETROL, a.s.	Contract on establishment of an easement	31.8.2006	indefinite	31.8.2006
60-2009	UNIPETROL, a.s.	Contract on establishment of an easement	1.3.2009	indefinite	1.3.2009
97-2009	UNIPETROL, a.s.	Contract on establishment of an easement	30.6.2009	indefinite	30.6.2009
0065 - 2015	UNIPETROL, a.s.	Credit agreement B - Cashpooling	3.6.2015	indefinite	26.6.2015
0064 - 2015	UNIPETROL, a.s.	Credit agreement A - Cashpooling	3.6.2015	indefinite	26.6.2015
0063 - 2015	UNIPETROL, a.s.	Credit agreement	3.6.2015	indefinite	26.6.2015