

**THE PKN ORLEN SUPERVISORY BOARD ASSESSMENT OF THE MANAGEMENT BOARD REPORT ON THE OPERATION OF ORLEN GROUP AND PKN ORLEN S.A. FOR 2018, THE SEPARATE FINANCIAL STATEMENTS OF PKN ORLEN S.A. AND THE CONSOLIDATED FINANCIAL STATEMENTS OF ORLEN GROUP FOR THE YEAR ENDED 31 DECEMBER 2018**

**I. SUBJECT MATTER OF THE ASSESSMENT**

The subject matter of this assessment includes:

1. Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A. for 2018;
2. Separate Financial Statements of PKN ORLEN S.A for the year ended 31 December 2018 prepared in accordance with the International Financial Reporting Standards;
3. Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2018 prepared in accordance with the International Financial Reporting Standards;

**II. ASSESSMENT OF THE MANAGEMENT BOARD REPORTS AND FINANCIAL STATEMENTS**

**Assessment of the Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A for 2018**

The Supervisory Board of PKN ORLEN assessed the Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A. for 2018 and reviewed the results of the audit presented by PKN ORLEN's auditor (Deloitte Audyt Spółka z ograniczoną odpowiedzialnością, Sp. k.), the auditor report and the additional report for the Audit Committee and based on information and materials received from the Auditor, the Management Board and representatives of the Company, concluded that the report:

- has been prepared in accordance with Article 49 of the Act of 29 September 1994 on Accounting ("the Accounting Act", Journal of Laws of 2019, item 351) and § 70 and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognised as equivalent;
- is consistent with the information contained in the separate and consolidated financial statements.

The Supervisory Board of PKN ORLEN on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives concludes that the Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A. for 2018 contains a description of all material events that may have an influence on PKN ORLEN S.A.'s of financial position and performance over the upcoming quarters as well as a description of all material risks.

Further to the foregoing, the Supervisory Board of PKN ORLEN expresses a positive assessment of the Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A. for 2018.

**Assessment of Financial Statements of PKN ORLEN S.A for the year ended 31 December 2018**

The Supervisory Board of PKN ORLEN assessed the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2018 comprised of:

- a) separate profit or loss (included in statement of profit or loss and other comprehensive income) for the period from 1 January 2018 to 31 December 2018, showing a net profit in the amount of PLN 5,434 million (in words: five billion four hundred and thirty four million zloty),
- b) separate statement of financial position as at 31 December 2018 showing both assets and liabilities in the amount of PLN 54,797 million (in words: fifty four billion seven hundred and ninety seven million zloty),
- c) separate statement of changes in equity, showing an increase in equity as at 31 December 2018 by PLN 4,069 million (in words: four billion sixty nine million zloty)
- d) separate statement of cash flows showing a decrease in cash by PLN 2,044 million (in words: two billion forty four million zloty)
- e) explanatory notes to separate financial statements

and reviewed the results of the audit presented by PKN ORLEN's auditor (Deloitte Audyt Spółka z ograniczoną odpowiedzialnością, Sp. k.)

The Supervisory Board of PKN ORLEN on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives concludes that the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2018 was prepared, in all material respects, in accordance with the International Financial Reporting Standards and are consistent with books and records as well as facts.

Further to the foregoing, the Supervisory Board of PKN ORLEN expresses a positive assessment of the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2018.

**Assessment of Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2018**

The Supervisory Board of PKN ORLEN assessed the Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2018 comprised of:

- a) consolidated profit or loss (included in statement of profit or loss and other comprehensive income) for the period from 1 January 2018 to 31 December 2018, showing a net profit in the amount of PLN 5,604 million (in words: five billion six hundred and four million zloty),
- b) consolidated statement of financial position as at 31 December 2018 showing both assets and liabilities in the amount of PLN 64,141 million (in words: sixty four billion one hundred and forty one million zloty),
- c) consolidated statement of changes in equity, showing an increase in equity as at 31 December 2018 by PLN 528 million (in words: five hundred twenty eight million zloty)
- d) consolidated statement of cash flows showing a decrease in cash by PLN 2,055 million (in words: two billion fifty five million zloty)
- e) explanatory notes to consolidated financial statements

and reviewed the results of the audit presented by PKN ORLEN's auditor (Deloitte Audyt Spółka z ograniczoną odpowiedzialnością, Sp. k.).

*This assessment was made pursuant to the resolution passed by the Supervisory Board of PKN ORLEN S.A. on 20 March 2019*

The Supervisory Board of PKN ORLEN on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives concludes that the Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2018 was prepared, in all material respects, in accordance with the International Financial Reporting Standards and are consistent with books and records as well as facts.

Further to the foregoing, the Supervisory Board of PKN ORLEN expresses a positive assessment of the Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2018.

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Izabela Felczak-Potumicka

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Radosław L. Kwaśnicki

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Agnieszka Biernat-Wiatrak

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Wojciech Kryński

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Jadwiga Lesisz

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Małgorzata Niezgoda

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Andrzej Kapala

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Anna Wójcik