

**THE PKN ORLEN SUPERVISORY BOARD'S ASSESSMENT OF THE MANAGEMENT BOARD'S REPORT ON THE OPERATIONS OF ORLEN GROUP AND PKN ORLEN S.A. FOR THE YEAR 2019, THE SEPARATE FINANCIAL STATEMENTS OF PKN ORLEN S.A. AND THE CONSOLIDATED FINANCIAL STATEMENTS OF ORLEN GROUP FOR THE YEAR ENDED 31 DECEMBER 2019**

**I. SUBJECT MATTER OF THE ASSESSMENT**

The subject matter of this assessment includes:

1. Management Board's Report on the operations of ORLEN GROUP and PKN ORLEN S.A. for the year 2019;
2. Separate Financial Statements of PKN ORLEN S.A. for the year ended 31 December 2019 prepared in accordance with the International Financial Reporting Standards;
3. Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2019 prepared in accordance with the International Financial Reporting Standards.

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

**Assessment of the Management Board Report on the operation of ORLEN GROUP and PKN ORLEN S.A for 2019**

The Supervisory Board of PKN ORLEN assessed the Management Board's Report on the operations of ORLEN GROUP and PKN ORLEN S.A. for 2019 and reviewed the results of the audit presented by PKN ORLEN's auditor (Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Sp. k.), the auditor's 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 Accounting Act dated 29 September 1994 ("the Accounting Act", Journal of Laws of 2019, item 351) and § 70 and § 71 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information to be published by issuers of securities and conditions of consideration of information required by the law of non-member country's law as equal;
- is consistent with the information presented in the separate and consolidated financial statements.

The Supervisory Board of PKN ORLEN concludes on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives that the Management Board's Report on the operations of ORLEN GROUP and PKN ORLEN S.A. for 2019 contains a description of all material events that may have an influence on PKN ORLEN S.A.'s 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 operations of ORLEN GROUP and PKN ORLEN S.A. for 2019.

**Assessment of the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2019**

The Supervisory Board of PKN ORLEN assessed the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2019 comprised of:

- a) separate profit or loss statement (included in the statement of profit or loss and other comprehensive income) for the period from 1 January 2019 to 31 December 2019, presenting a net profit in the amount of PLN 4,813 million (in words: four billion eight hundred thirteen million zloty),
- b) separate statement of financial position as at 31 December 2019 presenting both assets and liabilities in the amount of PLN 60,276 million (in words: sixty billion two hundred seventy six million zloty),
- c) separate statement of changes in equity, presenting an increase in equity as at 31 December 2019 by PLN 3,290 million (in words: three billion two hundred ninety million zloty)
- d) separate statement of cash flows presenting an increase in cash by PLN 1,603 million (in words: one billion six hundred and three 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 concludes on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives, that the Financial Statements of PKN ORLEN S.A for the year ended 31 December 2019 were 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 2019.

## Assessment of the Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2019

The Supervisory Board of PKN ORLEN assessed the Consolidated Financial Statements of ORLEN GROUP comprised of:

- a) consolidated profit or loss statement (included in statement of profit or loss and other comprehensive income) for the period from 1 January 2019 to 31 December 2019, presenting a net profit in the amount of PLN 4,298 million (in words: four billion two hundred ninety eight million zloty),
- b) consolidated statement of financial position as at 31 December 2019 presenting both assets and liabilities in the amount of PLN 71,202 million (in words: seventy one billion two hundred and two million zloty),
- c) consolidated statement of changes in equity, presenting an increase in equity as at 31 December 2019 by PLN 2,868 million (in words: two billion eight hundred sixty eight zloty)
- d) consolidated statement of cash flows presenting an increase in cash by PLN 1,962 million (in words: one billion nine hundred sixty two 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.).

The Supervisory Board of PKN ORLEN concludes on the basis of information and materials received from the Auditor, the Management Board and the Company's representatives that the Consolidated Financial Statements of ORLEN GROUP for the year ended 31 December 2019 were 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 2019.

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Wojciech Jasiński

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Andrzej Szumański

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Anna Wójcik

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Barbara Jarzembowska

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Dominik Kaczmarek

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Andrzej Kapala

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Michał Klimaszewski

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Roman Kusz

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Jadwiga Lesisz

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Anna Sakowicz-Kacz