Orlen Capital AB (publ)
Corporate Identity Number 556974-3114

Annual report for the financial year 2018

The Board of Directors presents the following annual report

Contents Page

Unless otherwise stated all amounts are reported in euro. Information in brackets refers to prior years.

Administration Report

Information regarding the operations

The company was registered on 12 June 2014. The objective of the company is to carry out financial operations, mainly through borrowing of funds by issuing bonds or other financial instruments to private or institutional investors, direct lending of such means to companies within the same group, offer bonds and credits, or carry out other thereby related businesses. No financial services regulated in the Banking and Financing Business act (2004:297) are carried out.

The company has issued senior bonds with nominal value of EUR 1,250,000,000 in total, of which:

- the first issuance of bonds was floated on 30 June 2014 with a nominal value of EUR 500,000,000 and issue price of 99,135%. The bonds have a tenor of 7 years from the date of issuance with maturity due on 30 June 2021 and the interest rate of 2,50%. Interest is paid annually in arrears with payment on 30 June,

- the second issuance of bonds was floated on 7 June 2016 with nominal value of EUR 750,000,000 and issue price of 98,727%. The bonds have a tenor of 7 years from the date of issuance with maturity due on 7 June 2023 and the interest rate of 2,50%. Interest is paid annually in arrears with payment on 7 June.

Both bonds are listed on the Irish Stock Exchange (ISE - XS1082660744/XS1429673327) and the basis of the prospectuses were approved by the Central Bank of Ireland. The second issue of bonds is also listed on the Warsaw Stock Exchange.

The company's liabilities from issuing of bonds (including the obligation for payment of the nominal value of bonds and interest on the bonds) are secured with two guarantees provided by Polski Koncern Naftowy ORLEN SA ("PKN ORLEN") to all bondholders. The maximum value of both guarantees is EUR 2,100,000 and they expire upon the expiry of the repayments towards Orlen Capital AB.

The amounts obtained from issuance of bonds have been granted by Orlen Capital AB in a form of two loans to PKN ORLEN. Interest from both loans is paid annually and arrears in June each year.

Comparative figures covering several years

The company's financial development in brief.

	2018	2017	2016
Net sales, kEUR	0	0	0
Profit/loss after financial items, kEUR	-2.722	512	494
Total assets, kEUR	1.306.273	1.259.869	1.257.430
Solvency, %	1,6	0,3	0,2
Return on total equity, %	2,4	2,7	2,0
Return on equity, %	neg	15,7	17,2

Definitions of key performance indicator are presenting in note 1.

Significant events during the financial year

During 2018 the Company has acknowledged that there exists a deferred tax liability due to the possible exchange gain that may arise if the company's financial fixed assets, a long term receivables towards the parent company, is disposed. The capital gain is calculated based on the exchange rate at year end compared to the exchange rate at acquisition date of the receivable. The deferred tax that exists is calculated to 20,6 % of the capital gain and effects the Company's financial statements negative. Due to the same reason the Company has received a conditional shareholder contribution of EUR 50.000.000 from its parent company during 2018.

Ownership structure

Orlen Capital AB is a fully owned subsidiary to Polski Koncern Naftowy ORLEN Spólka Akcyjna (reg no KRS 0000028860), Ul. Chemikow 7, 09-411 Plock, Poland.

Basic risks and uncertainties

The company's overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the company.

The Board has the overall responsibility for establishing and monitoring the company's risk management.

For further information on the company's financial risk management, see note 1.

Proposed appropriation of profits

The following profits are at the disposal of the Annual

Proposed appropriation of profits	50.295.507
Net profit/loss for the year	-28.925.102
	21.370.405

The board proposes that

to be carried forward	21.370.405
	21.370.405

Corporate Governance Report

The Board assures quality of all financial statements prepared by Orlen Capital AB.

Reports to be published - Annual Report constituted according to the Annual Accounts Act and so called legally restricted IFRS - examined in addition to the elected auditors.

In the Board's apprehension and in light of Orlen Capital limited activity and few transactions, the above control system of the financial reporting are regarded as adequate.

Orlen Capital AB (publ) is a fully owned subsidiary of PKN Orlen SA, which represent all shares in the company and there is no limitation regarding the number of shares the shareholders may submit at a general meeting. As the company is a public, unlisted company, there is no authorization for the board to decide that the company should issue new or acquire own shares. Furthermore, there are no specific provisions about appointment and resignation of the board member in the Article of Association. There is neither any specific provision in the Articles of Association regarding amendment of the Articles of Association.

Income Statement	Note	2018	2017
Other operating income	2	8.513.799	4.170
Operating expenses			
Other external expenses	3	-151.276	-147.978
Personnel costs	4, 5	-1.536	-11.984
Other operating expenses		-8.512.299	0
Total operating expenses		-8.665.111	-159.962
Operating profit/loss		-151.312	-155.792
Profit/loss from financial items			
Impairment of financial fixed assets	6	-3.286.355	0
Other interest income and similar profit/loss items	7	34.601.443	34.570.795
Interest expenses and similar profit/loss items	8	-33.885.905	-33.903.043
Total profit/loss from financial items		-2.570.817	667.752
Profit/loss after financial items		-2.722.129	511.960
Deferred tax	9	-26.075.259	0
Tax on profit for the year	10	-127.714	-117.186
Net profit/loss for the year		-28.925.102	394.774

The statement of comprehensive income has not been prepared as there hasn’t occurred any other transactions to be included in the comprehensive income. The comprehensive income is in accordance with the net profit of the year.

Orlen Capital AB (pupl)
556974-3114

Balance Sheet	**Note**	**2018-12-31**	**2017-12-31**
Assets			
Fixed assets			
Financial fixed assets			
Receivables from Group companies	6, 11, 12	1.229.928.880	1.236.127.500
Total fixed assets		1.229.928.880	1.236.127.500
Current assets			
Current receivables			
Accounts receivable - trade		0	1.875
Short term receivables from Group companies		50.000.000	0
Other current receivables		41.921	40.358
Prepaid expenses and accrued income	13	17.729.956	17.536.611
		67.771.877	17.578.844
Current investments			
Other short term receivables		8.533.873	6.105.773
Cash and bank balances		37.952	56.946
Total current assets		76.343.702	23.741.563
Total assets		1.306.272.582	1.259.869.063

Orlen Capital AB (pupl)
556974-3114

Equity and liabilities

Equity

Restricted equity			
Share Capital (500 000 shares)		60.000	60.000
Non-restricted equity			
Retained earnings		50.295.507	2.812.999
Net profit for the year		-28.925.102	394.774
		21.370.405	3.207.773
Total equity		21.430.405	3.267.773
		0	0
Untaxed reserves			
Deferred tax liability	9	26.075.259	0
Total untaxed reserves		26.075.259	0
Non-current liabilities			
Bond loans	11, 12, 14	1.242.431.339	1.240.449.553
Total non-current liabilities		1.242.431.339	1.240.449.553
Current liabilities			
Accounts payable - trade		35.609	51.887
Current tax liabilities		0	17.499
Other current liabilities		147	1.418
Accrued expenses and deferred income	15	16.299.823	16.080.933
Total current liabilities		16.335.579	16.151.737
Total equity and liabilities		1.306.272.582	1.259.869.063

Statement of change in equity

	Share capital	Other non-restricted equity	Received shareholder contribution	Total equity
Equity 2017-12-31	**60.000**	**1.907.773**	**1.300.000**	**3.267.773**
Conditional shareholders contribution	-	-940.000	50.940.000	50.000.000
Adjustment in previous years retained earnings	-	-2.912.266	-	-2.912.266
Net profit/loss for the year	-	-28.925.102	-	-28.925.102
Equity 2018-12-31	**60.000**	**-30.869.595**	**52.240.000**	**21.430.405**

500 000 shares
0,12 EUR quota value

The Company has received 50.000.000 EUR in conditional shareholders contribution from its parent company.

The statement of comprehensive income has not been prepared as there hasn’t occurred any other transactions to be included in the comprehensive income. The comprehensive income is in accordance with the net profit of the year.

Orlen Capital AB (pupl)
556974-3114

Cash flow statement	2018	2017
Operating activities		
Operating profit before financial items	-151.312	-155.792
Adjustment for noncash items;		
Impairment	-3.286.355	0
Interest received	34.601.443	34.570.795
Interest paid	-33.885.905	-33.903.043
Paid income tax	-145.213	-117.186
	419.013	394.774
Increase/decrease in other current receivables	-193.345	-278.223
Increase/decrease in accounts payables	-16.278	22.740
Increase/decrease in long term borrowings	1.980.400	2.021.157
Increase/decrease in other current liabilities	219.317	0
Cash flow from operating activities	1.990.093	2.160.448
Investing operations		
Cash flow from investing operations	0	0
Financing activities		
Cash flow from financing activities	0	0
Cash flow of the year	2.409.106	2.160.448
Cash at the beginning of the year	6.162.719	4.002.271
Cash at the end of the year	8.571.825	6.162.719

Notes

Note 1 Accounting and valuation principles

General information
Orlen Capital AB (publ), with corporate identity number 556974-3114, is a limited liability company registered in Sweden with its registered office in Stockholm. The office address is Sveavägen 9, 111 57 Stockholm, Sweden. The objective of the company's business is to conduct financial activities and to conduct any other activities related thereto, including issuing bonds and deposits and loans to investors.

The parent company of the largest group which Orlen Capital AB (publ) is a subsidiary of is Polski Koncern Naftowy Orlen SA, corporate identity number KRS 0000028860, Ul. Chemikow 7, 09-411 Plock, Poland. The consolidated report of Polski Koncern Naftowy ORLEN Spolka Akcyjna is available at the following address: Polski Koncern Naftowy ORLEN Spolka Akcyjna, ul. Chemikow 7, 09 - 411 Plock, e-mail address ir@orlen.pl.

Accounting and valuation principles
The annual report of Orlen Capital AB (publ) has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that the company as far as possible applies all EU-approved International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRIC) as part of the Annual Accounts Act and Security Act, and considered the relationship between accounting and taxation.
In the report, valuations of items are at cost. The following describes the principal accounting policies adopted.

New and changed standards and interpretations not yet has taken effect
A number of new and amended IFRS that enter into force for reporting periods beginning January 1, 2018 or later has been published by the IASB. The new standard 9 for financial instruments handles classification, valuation and accounting of financial assets and liabilities. The changes that can be applicable in the company is that financial instruments should be recognized as its acquisition value and the net realized value of receivables should be reported as current assets that shall be calculated in accordance with the principles of impairment testing and loss risk reserve. In addition, interest income and interest expenses shall be reported in accordance with the effective interest rate method and the company should disclose the principles to apply for hedging.

The general approach which is applied by the Company for financial assets valued at amortized cost - other than trade receivables (for which a simplified approach is applied) and for assets measured at fair value through other comprehensive income, e.g. acquired bonds, granted loans, refundable capital contributions.

In the general approach, the Company monitors 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, 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 is estimated within 12-month horizon (stage 1) or in the life horizon of the instrument (stage 2 and stage 3).

At each reporting date, the Company analyzes the occurrence of conditions leading to the classification of financial assets to particular stages of determining impairment write-offs, such as changes in debtor's rating, serious financial problems of debtor, occurrence of a significant negative change in its economic, legal or market environment.

For the purpose of estimating the expected credit loss, the Company applies default probability levels, implied from market credit quotes of derivatives, for entities with a given rating and from a given sector. The Company includes information about the future in the parameters of the expected loss estimation model by calculating the default probability parameters based on current market quotes.

As a result of the implementation of IFRS 9 the company has recognized an impairment of the following amounts;

	2018-12-31
Financial fixed assets	*EUR*
Loan granted 2014 (EUR 495 675 000)	2 485 968
Loan granted 2016 (EUR 740 452 500)	3 712 652
	6 198 620

The standard IFRS 16 is to be applied as of January 1, 2019. The standard aims to obtain a more qualitative accounting for leasing that is economically similar to purchases. Leases that are similar to purchases shall be reported in the consolidated balance sheet. The standard will not affect the company's accounting.

Foreign currency
The company's reporting currency and the functional currency is euro. Receivables and liabilities in foreign currencies are converted according to the rate of exchange on the closing date rate. Exchange differences are recognized in the income statement.

Borrowing costs
Borrowing costs are recognized in the income statement in the period in which they occur.

Income taxes
The tax expense represents the sum of current and deferred tax.

Tax on profit for the year
The current tax is calculated on the taxable profit for the period. The taxable profit differs from the reported results in the income statement when it is adjusted for non-taxable income and non-deductible expenses and income and expenses that are taxable or deductible in other periods. The company's current tax is calculated using tax rates that have been determined or

announced at the balance sheet date.

Loan receivables and debts

For accounting of financial instruments, the company applies a method based on cost according to the Annual Accounts Act. Capital discount and direct issuing costs in raising loans are accrued, but not later than the time until the debt becomes due.
Loan debts are reported initially to the received amount after transaction costs have been deducted. If the reported amount differs from the amount to be repaid at the due date the difference is accrued as interest cost or interest income over the term of the loan. Loan debts are no longer reported when the loans have been settled through repayment or when they have been waived.
Loan receivables from group companies and bonds are reported in accordance with the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts and payments during the fixed interest rate period to equal the carrying amount of the receivable. The Company's bond loans are measured at amortized cost, which means that the difference between the discounted value and the loan's respective bond loan's face value is amortized over the respective loan. The amortizations are recognized as interest expense and interest income. Accrued transaction costs related to loans are amortized over the term of the loan and reported net as interest income / expense
At each reporting date, the Company assesses whether there is fair evidence that the loans are impaired. Objective evidence consists of observable events that have occurred and have a negative impact on the ability to recover the cost. If fair evidence exists for this, expected future cash flows are discounted, using the original effective interest rate. If the presented value is lower than the carrying amount, the impairment loss is recognized.

Fixed assets

Fixed assets and long term-liabilities are expected to be regained or repaid after more than twelve months from the balance sheet date. Current assets short term liabilities are expected to be regained or repaid within twelve months from the balance sheet date.

Current assets

Current assets are reported at the lower of acquisition cost and the lower of cost and net realizable value. Acquisition cost is defined as expenditures for the asset plus costs directly attributable to the acquisition. Net realizable value is defined as the sales value less estimated selling expenses.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits and other short-term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value. To be classified as cash and cash equivalents duration may not exceed three months from the date of acquisition. The company’s cash balance at the cash pool account is presented as “other current investments”.

Provisions

Provisions are recognized when the company has an existing obligation (legal or informal),

as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.
The sum represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the expenditures expected to be required to settle the obligation, the carrying value is equal to the present value of these payments

Shareholders contribution
Shareholders contribution given by an owner is accounted for as an increase in the entities accounted value. Shareholders contribution received by an owner is accounted for directly into equity.

Contingent
A contingent liability is a possible obligation arising from past events and whose existence will only be confirmed by one or more uncertain future events not wholly within the control of the company that may occur or does not occur, or a present obligation arising from past events, but not recognized as a liability or provision because it is not probable that an outflow of resources will be required to settle the obligation or the obligation cannot be measured with sufficient reliability. Contingent liabilities are presented in note 14.

Cash flow statement
The cash flow statement shows the company's changes in the company's cash and cash equivalents during the financial year. The cash flow statement has been prepared using the indirect method. The reported cash flow shows only transactions which have resulted in in- and outgoing payments.

Financial risk management and financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Company becomes a party to the instrument's contractual terms. A receivable is recognized when the company has performed and a contractual obligation exists for the counterparty to pay, even if the invoice has not been sent. Liabilities are recognized when the counterparty has performed and there is contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognized when an invoice is received. A financial asset is derecognized when the contractual rights are realized, expire or the company loses controller over them. A financial liability is derecognized from the statement of financial position when the contractual obligation is fulfilled or otherwise extinguished.

Loans and bonds are recognized at amortized cost using the effective interest method and interest income and expenses are recognized using the effective interest method. The effective interest rate is the rate that discounts estimated future payments during a financial instrument's expected duration of the financial asset or liability's net value. The calculation includes all paid or received fees by contractors, such as transaction costs and all premiums and discounts.

At each reporting date the Company assesses based on objective evidence whether there is a need to test the loan for recoverability. Objective evidence consists of observable circumstances that have occurred and have a negative impact on the ability to recover the acquisition cost. If objective evidence exists, expected future cash flows are discounted using the original effective interest rate. If the present value of cash flows related to financial instrument is lower than its carrying amount, the impairment charge is presented in profit/loss for the year.

The Company's business activities are exposed to various types of financial risks, including market, liquidity and credit risks. Market risks primarily consist of interest rate risk. The Company's Board of Directors is ultimately responsible for exposure management and monitoring of the company's financial risks.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows will fluctuate due to changes in exchange rates. Orlen Capital AB is not exposed to any currency risk as both the loan to the parent company and the issued bonds are in the same currency, euro.

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates.

The company's interest rate risk profile of the interest-bearing financial instruments was:

	2018-12-31	**2017-12-31**
Fixed interest rate	*EUR*	*EUR*
Receivables from Group companies	1 246 306 012	1 251 984 598
Bond loans	1 266 212 768	1 266 001 816
	2 512 518 780	**2 517 986 414**

The company has minimized the interest rate risk by matching the loan obligations with the obligations of the bond.

Liquidity and finance risk

Liquidity risk can be the risk that a company will encounter difficulty in meeting obligations arising from its financial liabilities.

The financing risk is the risk that the company cannot raise sufficient funds at a reasonable cost. Maturity Distribution of contractual payment obligations related to the Company's financial liabilities are presented in note 14. Interest payments are determined based on the conditions prevailing at the balance sheet date.

The company's loan agreements contain no terms that could cause actual payment date to be substantially earlier than indicated by note 14.

Credit risk
Credit risk refers to the risk that the counterparty to a transaction causes the company a loss by not fulfilling their contractual obligations. Orlen Capital AB (public) limits their risk by only leave intercompany loans.

The total value of financial assets represents the maximum credit risk exposure:

	2018-12-31	**2017-12-31**
	EUR	*EUR*
Receivables from Group companies	1 246 306 012	1 251 984 598
Other current investments	8 533 873	6 105 773
Cash and bank balances	37 952	56 946
	1 254 877 837	**1 258 147 317**

Operational risk
Operational risk can be the risk of direct or indirect loss arising from a variety of occasions associated with a company's processes, personnel, and infrastructure and from external factors other than credit, market and liquidity risks such as those derived from regulations and generally accepted customs. Operational risks arise from all of a company's activities.

Orlen Capital AB (publ) was formed with the purpose to engage in the activities described in the previous paragraph on the company's operations.

The operational risk of the company is reduced by the board's continuous monitoring of the company's financial statements and a general and continuous business knowledge.

Capital risk management
The company's objectives for managing capital are to safeguard the company's ability to continue its operations to generate reasonable returns for shareholders and benefits for other stakeholders.

The Company monitors its capital structure on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as liabilities to credit institutions less cash. Total capital consists of total equity and net debt.

At the end of the financial year the debt/equity ratio is:

	2018-12-31 *EUR*	**2017-12-31** *EUR*
Debt with related companies	1 266 212 768	1 266 001 816
Decreased by cash equivalents	-8 571 825	-6 162 719
Net debt	1 257 640 943	1 259 839 097
Total equity	21 430 405	3 267 773
Total equity & liabilities	1 279 071 348	1 263 106 870
Debt/equity ratio	98,3%	99,7%

Definitions of key performance indicator

Solvency
Equity and untaxed reserves (with deferred tax allowance) in relative proportion to total assets.
Return on equity,
Profit/loss before deduction of financial income and expenses in relative proportion to total assets.
Return on equity,
Profit/loss after financial income and expenses in relative proportion to equity and untaxed reserves (with deferred tax allowance).

Note 2 Other operating income

	2018	2017
Income from recharged costs	1.500	4.170
Operating income from related companies	8.512.299	0
Total	8.513.799	4.170

Note 3 Auditor fee

	2018	2017
Deloitte AB		
Auditor assignment	14.023	2.316
Audit activities outside the audit assignment	0	0
Tax audit	0	0
Other assignments	0	0
	14.023	2.316

During the comparison year the auditor was KPMG AB.

Auditing means the statutory audit of annual accounts, book-keeping, the board and the managing director´s administration of the company as well as auditing and other review conducted in accordance with the agreement or contract. This includes other duties that are incumbent on the company's auditor as well as advice or other assistance resulting from observations during such examination or performance of such tasks.

Note 4 Remuneration by country

	2018	2017
Remuneration by country amount to		
Sweden		
The board and managing director	0	2.874
Salaries and remunerations to other employees	1.536	2.786
Poland		
The board and managing director	0	6.324
	1.536	11.984

Note 5 Remuneration, social costs and pension

	2018	2017
Average number of employees		
Women	1	1
Men	0	0
Total	1	1
Board members and leading executives		
Women	2	1
Men	1	3
Total	3	4
Remuneration, social costs and pension		
Remuneration to the board and managing director	0	9.198
Salaries and remunerations to other employees	1.168	1.381
Total	1.168	10.579
Social costs according to law and contract	367	1.337
Other personnel costs	0	68
Total	1.536	11.984

Note 6 Write-downs of financial fixed assets and current investments

	2018	2017
Ingoing value	1.236.127.500	1.236.127.500
Impairment of financial fixed assets in previous years	-2.912.265	0
Impairment of financial fixed assets	-3.286.355	0
Outgoing value	1.229.928.880	1.236.127.500

Note 7 Other interest income and similar profit/loss items

	2018	2017
Interest revenue from Group company	34.569.231	34.554.393
Exchange rate differences	32.212	16.400
Other interest income	0	2
Total	34.601.443	34.570.795

Note 8 Interest expenses and similar profit/loss items

	2018	2017
Interest expenses bond loans	31.460.951	31.455.707
Exchange rate differences	41.340	22.541
Accrual of transaction costs	401.704	442.959
Accrual of bond discount	1.981.910	1.981.786
Other interest	0	50
Total	33.885.905	33.903.043

Note 9 Appropriations

	2018	2017
Deferred tax	26.075.259	0
Total	26.075.259	0

The capital gain is calculated based on the exchange rate at year end compared to the exchange rate at acquisition date of the receivable. The deferred tax that exists is calculated to 20,6 % of the capital gain and effects the Company's financial statements negative.

Note 10 Tax on profit for the year

	2018	2017
Current tax	127.714	117.186
Tax on profit for the year	127.714	117.186
Profit before tax	-2.722.129	511.960
Tax according to current tax rate (22 %)	-598.868	112.631
Non-deductible expenses	728.120	6.094
Tax effect of non-taxable incomes	-1.538	-1.539
Reported effective tax 22 %	127.714	117.186

Note 11 Reported value

	Receivables	Liabilities	Fair value	
Loan receivables	1 229 928 880		1 229 928 880	*
Accrued interest revenues	16 377 132		16 377 132	
Other current investements	8 533 873		8 533 873	
Cash and bank balances	37 952		37 952	
Total	**1 254 877 837**		**1 254 877 837**	
Bond loans		1 242 431 339	1 321 660 000	**
Accrued interest costs		16 212 768	16 212 768	
Accounts payable - trade		35 609	35 609	
Total		**1 258 679 716**	**1 337 908 377**	

* Level 2 of the fair value hierarchy.

** The noted price as of December 31st (Level 1 of the fair value hierarchy).

Note 12 Transactions with related parties

	2018-12-31	2017-12-31
Receivables on related parties		
Loan granted	1.229.928.880	1.236.127.500
Transaction costs	3.598.000	3.598.000
Accrual of transaction costs	-2.326.636	-2.193.781
Total	1.231.200.244	1.237.531.719
Non-current liabilities		
Bond loans	1.250.000.000	1.250.000.000
Transaction costs	3.598.000	3.598.000
Accrual of transaction costs	-2.326.636	-2.193.781
Discount loan	-13.872.500	-13.872.500
Accrued discount	6.303.839	4.322.053
Total	1.243.702.703	1.241.853.772
Operating income from related companies	8.512.299	0
Total	8.512.299	0

Orlen Capital AB is a fully owned subsidiary to Polski Koncern Naftowy ORLEN Spólka Akcyjna (reg no KRS 0000028860), Ul. Chemikow 7, 09-411 Plock, Poland.

The bond is guaranteed by the parent company Polski Koncern Naftowy Orlen SA. The bond bears 2,5 % interest. The interest is paid annually in arrears in the month of June.

The implementation of IFRS 9 have affected the company’s financial statements as the financial fixed asset has been subject to impairment.

No other transactions with related parties during the financial or the previous year.

Note 13 Prepaid expenses and accrued income

	2018-12-31	2017-12-31
Accrued interest income from loan to parent company	16.377.132	15.857.098
Other prepaid costs	1.352.824	1.679.513
	17.729.956	17.536.611

Note 14 Non-current liabilities

	2018	2017
Non-current liabilieties due for payment:		
Within one year	1.981.784	1.981.784
Within five years	9.908.920	9.908.920
After five years	1.230.540.635	1.228.558.849
Total	1.242.431.339	1.240.449.553

Note 15 Accrued expenses and deferred income

	2018-12-31	2017-12-31
Accrual audit fee	10.970	8.551
Accrued interest	16.212.768	16.001.816
Accrued vacation pay	48	72
Other posts	76.037	70.494
Total	16.299.823	16.080.933

Note 16 Pledged assets and contingent liabilities

The company does not have any pledged assets or contingent liabilities

Note 17 Significant events after the end of the financial year

The Tax Ruling Board shall during 2019 determine whether there is a discrepancy between Swedish law in relation to accounting for a realization in companies with EUR as functional currency, wherein deductibility for loss of capital debt is not accepted, towards cases whereby SEK is the functional currency wherein full deductibility for loss of realized capital debts are accepted. The decision was presented in March 2019 which was not to the company's advantage, why the company has chosen to report a deferred tax liability in the balance sheet.

Stockholm ______-___-___

Mikaela Laaksonen Managing director	Agnieszka Irena Nogajczyk-Simeonow Chariman
Witold Literacki Chairman	Mariusz Ochocki Ledamot

Our auditors report has been given ______-___-___.

Deloitte AB

Anders Linné
Authorized public accountant