

PLAN OF MERGER THROUGH ACQUISITION
prepared on October 27th 2017 in Wysogotowo

concerning:

1. the company under the name of **PBG Spółka akcyjna** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), a public company within the meaning of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of July 29th 2005 (Dz.U. No. 184, item 1539, as amended), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000184508, Tax Identification Number (NIP): 7772194746, Industry Identification Number (REGON): 631048917, with the share capital of PLN 16,081,011.82, hereinafter referred to as the "**Acquirer**"
2. the company under the name of **PBG AVATIA spółka z ograniczoną odpowiedzialnością** of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000300472, Tax Identification Number (NIP): 7773038072, Industry Identification Number (REGON): 300775832, with the share capital of PLN 50,000.00, hereinafter referred as the "**Acquiree**"

The Acquirer and the Acquiree are hereinafter jointly referred to as the "**Companies**".

Recitals

This plan of merger through acquisition (the "**Merger Plan**") was agreed upon on October 27th 2017 between the Acquirer's Management Board represented by Jerzy Wiśniewski, President of the Management Board, and Kinga Banaszak-Filipiak, Member of the Management Board, and the one-person Management Board of the Acquiree, represented by Mariusz Łożyński, President of the Management Board.

The Management Boards of the Companies concluded that since the Acquiree is wholly owned by the Acquirer, the merger may be carried out by way of a simplified procedure under Art. 516.6 of the Commercial Companies Code of September 15th 2000 (the "**CCC**").

On this basis, the Companies' Management Boards adopted the following Merger Plan:

§ 1

Legal basis of the merger:

1. The Merger Plan was prepared pursuant to Art. 498 and Art. 499.1 of the CCC.
2. The merger specified in the Merger Plan will be carried out through acquisition in accordance with Art. 492.1.1) of the CCC, in line with the simplified merger procedure set out in Art. 516.6 of the CCC, without increasing the Acquirer's share capital in compliance with Art. 515.1 thereof.
3. The merger will be carried out on the basis of:
 - a. Art. 516.6 in conjunction with Art. 516.1 in conjunction with Art. 506.1 of the CCC – Resolution of Extraordinary General Meeting of the Acquiree. The text of the resolution will be recorded in the minutes prepared by a notary public and will contain the Acquiree's General Meeting's consent for the merger and for the contents of the Acquirer's Articles of Association.
 - b. Pursuant to Art. 516.1 of the CCC – Resolution of Extraordinary General Meeting of the Acquirer as a public company. The text of the resolution will be recorded in the minutes prepared by a notary public and will contain the Acquirer's General Meeting's consent for the merger.

§ 2

Merger procedure

1. The merger will be effected through the transfer of all assets of the Acquiree to the Acquirer without increasing the share capital of the Acquirer.
2. The following steps will be taken as part of the merger procedure:
 - a. The Merger Plan will be filed with the Registry Court by the Companies' Management Boards in accordance with Art. 500.1 of the CCC.
 - b. The Merger Plan will be published on the Companies' websites pursuant to Art. 500.2¹ of the CCC.
 - c. The Merger Plan will not be audited by a qualified auditor in accordance with Art. 516.6 in conjunction with Art. 516.5 of the CCC in conjunction with Art. 502.1 thereof.
 - d. The Management Boards of the merging Companies will not be obliged to prepare separate reports justifying the merger in accordance with Art. 516.6 in conjunction with Art. 516.5 of the CCC in conjunction with Art. 501.1 thereof.
 - e. The Management Boards of the merging Companies will twice notify the shareholders of the Acquirer and the shareholder of the Acquiree of the intention to merge, in accordance with the procedure for convening General Meetings of the Acquirer and General Meetings of the Acquiree, as provided for in Art. 504.1 of the CCC.

- f. The Acquiree's General Meeting will pass a resolution on the merger in accordance with Art. 516.6 in conjunction with Art. 516.1 in conjunction with Art. 506.1 of the CCC.
- g. The Acquirer's General Meeting will pass a resolution on the merger in accordance with Art. 506.1 and Art. 506.2 in conjunction with Art. 516.1 of the CCC.
- h. The resolution on the merger together with a request to announce the merger will be filed with the Registry Court by the Companies' Management Boards in accordance with Art. 507.1 and Art. 508 of the CCC.

§ 3

Material aspects of the merger

- 1. As a result of the merger, the Acquirer will take over all assets of the Acquiree.
- 2. The Acquirer's share capital will not be increased as a result of the merger. The Acquirer holds 100% of shares in the Acquiree and no share capital increase at the Acquirer is required.
- 3. On the basis of the second sentence of Art. 516.6 of the CCC:
 - a. no share exchange ratio between the Acquiree and Acquirer shares is defined as the Acquirer holds 100% of shares in the Acquiree;
 - b. no rules of allotment of shares to the shareholders of the Acquiree are defined as the Acquirer is the sole shareholder of the Acquiree;
 - c. no date as of which shares in the Acquiree entitle its shareholders to profit distributions is set as the Acquirer is the sole shareholder of the Acquiree.
- 4. Since the merger will be carried out without increasing the share capital of the Acquirer (Art. 515.1 of the CCC) and will not give rise to any new circumstances that would need to be disclosed in the Articles of Association of the Acquirer, the Acquirer's Articles of Association will not be amended in connection with the merger. In view of the above, Art. 499.1.2) of the CCC does not apply to the merger. Therefore, no draft amendments to the Acquirer's Articles of Association are required to be attached to the Merger Plan.
- 5. As the Acquirer is a public company and, in accordance with the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, it publishes and makes available to shareholders its half-year financial statements, no statement on its financial position is required to be prepared on the basis of Art. 499.4 of the CCC.
- 6. No rights are planned to be granted by the Acquirer to the shareholders of, or persons holding special rights in, the Acquiree.
- 7. No special benefits are granted to members of the governing bodies of the merging Companies or to any other persons participating in the merger.

8. The term of office of the President of the Acquiree's Management Board expires on the day of entering the merger into the Business Register of the National Court Register (the merger date).

§ 4

Consequences of the merger

1. Following the merger, in accordance with Art. 494 of the CCC:
 - a. As of the merger date, the Acquirer will assume all the rights and obligations of the Acquiree;
 - b. As of that date, the Acquirer will take over in particular any permits, licences and exemptions granted to the Acquiree unless applicable statutory laws or the decision to grant a given permit, licence or exemption provides otherwise.
2. The Acquiree will be dissolved, without holding liquidation proceedings, on the date of its deletion from the register in accordance with Art. 493.1 of the CCC.

§ 5

Final provisions

1. Pursuant to Art. 499.2 of the CCC in conjunction with Art. 516.6 thereof, the following are attached to this Merger Plan:
 - a) Draft of the merger resolution of the Acquirer's General Meeting;
 - b) Draft of the merger resolution of the Acquiree's General Meeting;
 - c) Statement on the value of the Acquiree's assets, prepared for the purposes of the merger as at September 30th 2017;
 - d) Statement on the financial position of the Acquiree, prepared for the purposes of the merger as at September 30th 2017.
2. The Appendices hereto form an integral part of the merger plan.
3. This merger plan has been made in two counterparts, one for each Company.

Wysogotowo, October 27th 2017

For the Acquirer:

For the Acquiree:

Appendix 1 to the Merger Plan – draft of the merger resolution of the Extraordinary General Meeting of PBG S.A. of Wysogotowo

Resolution No. [•]
of the Extraordinary General Meeting of
PBG S.A. of Wysogotowo
dated [•]

*on the merger of PBG S.A.
with PBG AVATIA sp. z o.o. of Wysogotowo*

§ 1

Acting pursuant to Art. 492.1.1 and Art. 516 in conjunction with Art. 506 of the Commercial Companies Code of September 15th 2000, the Extraordinary General Meeting of PBG Spółka Akcyjna of Wysogotowo (the "**Acquirer**") approves the merger of the Acquirer with PBG AVATIA spółka z ograniczoną odpowiedzialnością of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań - Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000300472, Tax Identification Number (NIP): 7773038072, Industry Identification Number (REGON): 300775832, with the share capital of PLN 50,000.00 (the "**Acquiree**"), to be carried out in the manner specified in Art. 492.1.1) of the Commercial Companies Code, i.e. through the transfer of all assets of the Acquiree to the Acquirer, and resolves to merge with the Acquiree on the terms set out in the Merger Plan.

§ 2

In view of the merger approval, acting on the basis of Art. 506.4 of the Commercial Companies Code the Extraordinary General Meeting of the Acquirer approves the Merger Plan, agreed and signed by the Management Boards of the Acquirer and the Acquiree on October 27th 2017, according to which:

- 1) The Acquirer and the Acquiree will merge in accordance with the procedure set out in Art. 492.1.1, Art. 515.1 and Art. 516 of the Commercial Companies Code, through the transfer of all assets of PBG AVATIA sp. z o.o. of Wysogotowo to PBG S.A., its sole shareholder;
- 2) The merger will be effected without a share capital increase at the Acquirer;
- 3) The value of the Acquiree's assets was determined, using the net asset value method, as at September 30th 2017;

- 4) No special rights will be granted to members of the merging Companies' governing bodies or to any other persons participating in the merger;
- 5) The Acquirer's Articles of Association will not be amended.

§ 3

The Extraordinary General Meeting of PBG S.A. hereby authorizes the Management Board of the Company to take any steps required in the merger procedure, in particular to notify the merger to the Business Register of the National Court Register.

§ 4

This Resolution has been passed by open ballot and shall come into force as of its date.

Appendix 2 to the Merger Plan – draft of the merger resolution of the Extraordinary General Meeting of PBG AVATIA sp. z o.o. of Wysogotowo

Resolution No. [•]
of the Extraordinary General Meeting of
PBG AVATIA sp. z o.o. of Wysogotowo
dated [•]

*on the merger of PBG AVATIA sp. z o.o.
with PBG S.A. of Wysogotowo*

§ 1

Acting pursuant to Art. 492.1.1) and Art. 516 in conjunction with Art. 506 of the Commercial Companies Code of September 15th 2000 (the “**CCC**”), the Extraordinary General Meeting of PBG AVATIA spółka z ograniczoną odpowiedzialnością of Wysogotowo (“the **Acquiree**”) approves the merger of the Acquiree with PBG spółka akcyjna of Wysogotowo (address: ul. Skórzewska 35, Wysogotowo, 62-081 Przeźmierowo, Poland), entered in the Business Register maintained by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000184508, Tax Identification Number (NIP): 7772194746, Industry Identification Number (REGON): 631048917, with the share capital of PLN 16,081,011.82 (the “**Acquirer**”), to be carried out in the manner specified in Art. 492.1.1) of the CCC, i.e. through the transfer of all assets of the Acquiree to the Acquirer, and resolves to merge with the Acquirer on the terms set out in the Merger Plan.

§ 2

In view of the merger approval, acting on the basis of Art. 506.4 of the Commercial Companies Code the General Meeting of the Acquiree approves the Merger Plan, agreed and signed by the Management Boards of the Acquiree and the Acquirer on October 27th 2017, according to which:

- 1) The Acquiree and the Acquirer will merge in accordance with the procedure set out in Art. 492.1.1, Art. 515.1 and Art. 516 of the Commercial Companies Code, through the transfer of all assets of PBG AVATIA sp. z o.o. of Wysogotowo to PBG S.A., its sole shareholder;
- 2) The merger will be effected without a share capital increase at the Acquirer;

- 3) The value of the Acquiree's assets was determined, using the net asset value method, as at September 30th 2017;
- 4) No special rights will be granted to members of the merging Companies' governing bodies or to any other persons participating in the merger;
- 5) The Acquirer's Articles of Association will not be amended.

§ 3

The Extraordinary General Meeting of PBG AVATIA sp. z o.o. hereby authorizes the Management Board of the Company to take any steps required in the merger procedure, in particular to notify the merger to the Business Register of the National Court Register.

§ 4

This Resolution has been passed by open ballot and shall come into force as of its date.

Appendix 3 to the Merger Plan – statement on the value of AVATIA sp. z o.o.'s assets, prepared for the purposes of the merger as at September 30th 2017

**VALUATION OF ASSETS AND LIABILITIES OF
PBG AVATIA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
OF WYSOGOTOWO**

(the Acquiree)

AS AT SEPTEMBER 30TH 2017

In connection with the planned merger of PBG AVATIA spółka z ograniczoną odpowiedzialnością of Wysogotowo (address: ul. Skórzewska 35, 62-081 Przeźmierowo, Poland) with PBG Spółka Akcyjna (the Acquirer), the value of assets of PBG AVATIA Sp. z o.o. (the Acquiree), determined in accordance with Art. 499.2.4 of the Commercial Companies Code, is **PLN 679,597.86** (six hundred and seventy-nine thousand, five hundred and ninety-seven złoty, 86 grosz) as at September 30th 2017. The Company prepares its financial statements in accordance with the Accounting Act of September 19th 1994 (as amended), based on consistently applied accounting policies compliant with the International Financial Reporting Standards.

The key items disclosed in the financial statements as at September 30th 2017 were as follows:

- balance-sheet total: **PLN 682,086.64**;
- current assets: **PLN 354,331.69**;
- equity: **PLN 679,597.86**;
- liabilities: **PLN 2,488.78**.

The value of assets of PBG AVATIA Sp. z o.o. of Wysogotowo was determined by the Management Board using the net asset method.

The Management Board believes that this method is appropriate considering the nature of the Company's business and best reflects the value of its assets.

The net asset valuation method consists in establishing the value of a company's assets on the basis of its most recent financial statements (balance sheet) and then subtracting the company's liabilities from the assets.

Valuations using an asset-based approach do not take into account intangible assets, such as the company's organisational structure, synergies, financial condition, qualifications of its employees, etc.

The Management Board of PBG AVATIA sp. z o.o.

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Mariusz Łożyński

President of the Management Board

Wysogotowo, October 27th 2017

Appendix 4 to the Merger Plan – statement on the financial position of PBG AVATIA sp. z o.o., prepared for the purposes of the merger as at September 30th 2017.

**STATEMENT ON THE FINANCIAL POSITION OF
PBG AVATIA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
OF WYSOGOTOWO
(the Acquiree)**

The Management Board of PBG AVATIA Spółka z ograniczoną odpowiedzialnością of Wysogotowo (address: ul. Skórzewska 35, 62-081 Przeźmierowo, Poland), entered in Business Register of the National Court Register by the District Court for Poznań-Nowe Miasto and Wilda of Poznań, 8th Commercial Division of the National Court Register, under KRS No. 0000300472 (the Acquiree), represents that the following statement on the financial position of the Acquiree was prepared for the purposes of the merger as at September 30th 2017 pursuant to Art. 499.2.4 of the Commercial Companies Code, in compliance with Art. 499.3 thereof.

Item	IFRS as at Sep 30 2017	IFRS as at Dec 31 2016
Assets		
Non-current assets	327,754.95	22,864.03
Intangible assets	-	22,165.79
Property, plant and equipment	87.27	698.24
Receivables	327,667.68	-
Current assets	354,331.69	768,715.02
Inventories	-	1,016.26
Trade and other receivables	275,859.80	659,351.46
Cash and cash equivalents	78,431.31	98,558.79
Current accruals and deferred income	-	9,661.69
Non-current assets held for sale	40.58	126.82
Total assets	682,086.64	791,579.05

Item	IFRS as at Sep 30 2017	IFRS as at Dec 31 2016
<i>Equity and liabilities</i>		
Equity	679,597.86	765,038.16
Share capital	50,000.00	50,000.00
Other components of equity	715,038.16	377,830.51
Retained earnings (losses):	(85,440.30)	337,207.65
- accumulated profit (loss) from prior years	-	-
- net profit (loss)	(85,440.30)	337,207.65
Liabilities	2,488.78	26,540.89
Non-current liabilities	39.73	1,224.52
Employee benefit obligations and provisions	39.73	1,224.52
Current liabilities	2,449.05	25,316.37
Trade and other payables	1,476.00	5,342.36
Employee benefit obligations and provisions	973.05	13,974.01
Current accruals and deferred income	-	6,000.00
Total equity and liabilities	682,086.64	791,579.05

The Management Board of PBG AVATIA sp. z o.o.

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Mariusz Łożyński

President of the Management Board

Wysogotowo, October 27th 2017