



Report on review of the interim condensed financial statements

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To the Shareholders of PBG S.A.

Introduction

We have been appointed to review the accompanying interim condensed financial statements of PBG S.A., with its registered office in Wysogotowo near Poznań, ul. Skórzewska 35, comprising the condensed statement of financial position as at June 30th 2018, condensed statement of profit or loss, condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the period from January 1st 2018 to June 30th 2018 and selected notes to the financial statements.

The Parent's Management Board is responsible for the preparation and presentation of the interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*, issued in the form of the European Commission's regulations.

Our responsibility was to express a conclusion, based on our review, on the interim condensed financial statements.

Scope of review

We conducted our review in accordance with Polish Financial Auditing Standard 2410 compliant with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* adopted by Resolution No. 2041/37a/2018 of the National Council of Statutory Auditors dated March 5th 2018. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially narrower than the scope of an audit performed in accordance with the Polish Financial Auditing Standards compliant with the International Standards on Auditing adopted by Resolution No. 2041/37a/2018 of the National Council of Statutory Auditors dated March 5th 2018. Consequently, a review does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Audit - Taxation - Outsourcing - Consultancy

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Basis for disclaimer of opinion

In Note 2.3 to the interim condensed financial statements as at June 30th 2018, the Management Board presented the circumstances with a bearing on the going concern assumption for the Company, including: the legal situation concerning the arrangement approved by the District Court for Poznań-Stare Miasto of Poznań, 11th Commercial Insolvency and Restructuring Division and concluded by the Company with its creditors, the Company's current financial standing, strategy for raising financing for the performance of arrangement obligations, and risks and uncertainties which could have an effect on the performance under the arrangement. Given the steps taken and the adopted strategy, the Company's Management Board has assessed that the Company is able to secure sufficient funds to meet the arrangement obligations, as well as funds enabling the Company to continue its operations; accordingly, the Board has resolved to prepare the financial statements on the assumption that the Company would continue as a going concern in the foreseeable future, i.e. for at least 12 consecutive months after the reporting date. The financial statements have been prepared on the assumption that the Company will continue as a going concern and do not contain any effects of applying such other principles of measurement and presentation of assets and liabilities which might be necessary if the interim condensed financial statements were not prepared on the going concern basis.

In our opinion, during the review, we did not obtain sufficient evidence which would make probable the assumptions adopted by the Company's Management Board in the cash flow plan, which serves as basis for the identification of sources of financing the Company's liabilities during the arrangement implementation. Therefore, we were not able to assess the soundness of the going concern assumption made by the Company's Management Board in preparing the financial statements. If the financial statements were prepared on the assumption that the Parent would not continue as a going concern, recognition and measurement of individual items of assets, liabilities and financial performance could be different and we are not able to assess the effect of change in measurement and recognition methods on the presented financial statements.

In Note 15 to the interim condensed financial statements as at June 30th 2018, the Management Board disclosed information on the Company-held Units of the Closed-End Investment Fund Dialog Plus, with a carrying amount of PLN 33.6m. The instrument was acquired to finance the project implemented in Ukraine. Due to their economic substance, the units are measured and presented as loans. We were provided no documents which would confirm the credit risk and the amount of impairment loss related to this asset. Due to the lack of access to the relevant documentation and the uncertain local economic situation, we are not able to express an opinion on the correctness of measurement presented in and presentation of these financial assets in the financial statements as at June 30th 2018.

In the financial statements prepared as at June 30th 2018, the Company disclosed disputed receivables of PLN 39.2m, with no impairment recognised in respect of them. In Notes 17.1 and 22.1 to the interim condensed financial statements prepared as at June 30th 2018, the Management Board presented the facts of the dispute and the reasons for the method adopted to present the disputed amounts in the financial statements. In our opinion, we have not obtained sufficient evidence to ascertain that the amounts presented in the financial statements were measured and recognised correctly. Due to uncertainty as to the effects the final resolution of the dispute could have on the Company, we are not able to assess the impact of the issue at hand on the Company's financial statements.

In Note 11 to the interim condensed financial statements, the Company's Management Board presented the results of impairment tests which served the basis for recognition of an impairment loss on shares in RAFAKO S.A., a subsidiary. Please note that the validity of the assumptions underlying the test depends on certain future events, including primarily the Company winning new contracts.



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Disclaimer of opinion

Due to a significant limitation of scope, as described in the *Reasons for disclaimer of opinion*, we are unable to express a conclusion whether, on the basis of our review, anything has come to our attention that would cause us to believe that the accompanying interim condensed financial statements have not been prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued in the form of regulations of the European Commission.

Jan Letkiewicz

Qualified Auditor Reg. No. 9530

Lead auditor performing the review on behalf of

Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością sp. k.,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, audit firm Reg. No. 4055

Poznań, October 1st 2018.