













UNAUDITED INTERIM CONDENSED
STANDALONE FINANCIAL STATEMENTS FOR
THE THEE- AND SIX-MONTH PERIODS
ENDED 30 JUNE 2019

(all amounts in PLN thousand)



CONTENTS

UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION	3
UNAUDITED INTERIM CONDENSED STANDALONE STATEMENTS OF PROFIT AND LOSS AND OT	
UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY	5
UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS	7
NOTES TO THE UNAUDITED INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS	8



UNAUDITED INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS FOR THE THEE- AND SIX-MONTH PERIODS ENDED 30 JUNE 2019

UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION

Assets	Note	30.06.2019	31.12.2018
Property, plant and equipment	3	8	295
Right-of-use asset	3	1 568	
Interests in subsidiaries	4	2 133 125	2 133 125
Other non-current financial assets		298	75
Non-current assets		2 134 999	2 133 495
			_
Trade and other receivables	5	29 670	40 542
Cash and cash equivalents		71 516	75 185
Other current financial assets	4	32 881	29 465
Current assets		134 067	145 192
Total assets		2 269 066	2 278 687
Equity and liabilities			
Equity			
Share capital	6	21 351	21 351
Share premium		625 240	625 240
Reserves		466 583	321 023
Retained earnings		15 012	167 524
Total equity		1 128 186	1 135 138
Liabilities			
Non-current financial liabilities		1 266	-
Employee benefit liabilities		124	124
Deferred tax liabilities		2 355	-
Non-current liabilities		3 745	124
Current financial liabilities	7	997 461	974 719
Liabilities to related parties under debt securities	9	74 918	92 932
Income tax liabilities		42	42
Trade and other payables	8	63 086	72 068
Employee benefit liabilities		1 628	3 664
Current liabilities		1 137 135	1 143 425
Total liabilities		1 140 880	1 143 549
Total equity and liabilities		2 269 066	2 278 687



UNAUDITED INTERIM CONDENSED STANDALONE STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	01.01.2019	01.01.2018	01.04.2019	01.04.2018
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Other operating income	4 073	5 729	1 972	2 935
General and administrative expenses	(9 288)	(13 064)	(4 994)	(6 007)
Other operating expenses	(12 238)	(98)	(1 797)	(46)
(Loss) from operating activities	(17 453)	(7 433)	(4 819)	(3 118)
Financial income	37 072	74 564	35 730	70 959
Finance costs	(25 334)	(44 517)	(12 918)	(31 948)
Net financing income	11 738	30 047	22 812	39 011
(Loss) / Profit before tax	(5 715)	22 614	17 993	35 893
Income tax expense	(2 355)	4 719	(2 355)	5 363
Net profit / (Net loss)	(8 070)	27 333	15 638	41 256
Total comprehensive income for the period	(8 070)	27 333	15 638	41 256
Basic and diluted earnings / (loss)				
per share (in PLN)	(0.16)	0.46	0.30	0.70



UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Statutory reserves	Reserve for own shares	Cash flow hedges	Incentive program	Change in measurement of net liabilities under defined employee benefits	Retained earnings	Total
As at 1 January 2019	21 351	625 240	95 445	207 149	15 870	2 480	79	167 524	1 135 138
Comprehensive income for the period									
Net loss	-	-	-	-	-	-	-	(8 070)	(8 070)
Comprehensive income for the period	-	-	-	-	-	-	-	(8 070)	(8 070)
Transactions with owners recognized in equity									
Equity settled share based payments	-	-	-	-	-	1 118	-	-	1 118
Transfer of the 2018 net profit to statutory reserves	-	-	144 442	-	-	-	-	(144 442)	-
Transactions with owners recognized in equity	-	-	144 442	-	-	1 118	-	(144 442)	1 118
As at 30 June 2019	21 351	625 240	239 887	207 149	15 870	3 598	79	15 012	1 128 186



	Share capital	Share premium	Statutory reserves	Reserve for own shares	Cash flow hedges	Incentive program	Change in measurement of net liabilities under defined employee benefits	Retained earnings	Total
As at 1 January 2018	21 351	625 240	104 604	237 298	15 870	190	61	438 624	1 443 238
Comprehensive income for the period									
Net profit	-	-	-	-	-	-	-	27 333	27 333
Comprehensive income for the period	-	-	-	-		-	-	27 333	27 333
Transactions with owners recognized in equity									
Equity settled share based payments	-	-	-	-	-	1 412	-	-	1 412
Transfer of a portion of the 2017 net profit to dividend payout	-	-	-	-	-	-	-	(71 165)	(71 165)
Transfer of a portion of the 2017 net profit to statutory reserves	-	-	344 377	-	-	-	-	(344 377)	-
Other reserve capital allocated to purchase of own shares	-	-	(353 536)	353 536	-	-	-	-	-
Treasury share buyback	-	-	-	(81 249)	-	-	-	-	(81 249)
Transactions with owners recognized in equity	-	-	(9 159)	272 287	-	1 412	-	(415 542)	(151 002)
As at 30 June 2018	21 351	625 240	95 445	509 585	15 870	1 602	61	50 415	1 319 569



UNAUDITED INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS

	01.01.2019 30.06.2019	01.01.2018 30.06.2018
Cash flows from operating activities	30.00.2013	30.00.2010
Net profit / (Net loss)	(8 070)	27 333
Adjustments	(2 037)	(24 934)
Depreciation and amortization	138	16
Foreign exchange (gains) / losses	(11 892)	31 001
Dividend and interest for the period	154	(61 048)
Income tax expense	2 355	(4 719)
Changes in:		
Change in trade and other receivables	12 728	8 845
Change in trade and other payables	(4 602)	(1 790)
Change in employee benefit obligations	(2 036)	1 349
Other adjustments	1 118	1 412
Cash flows from operating activities	(10 107)	2 399
Interest received	12	18
Interest paid	-	(1)
Income tax paid	-	(878)
Net cash provided by operating activities	(10 095)	1 538
Cash flows from investing activities		
Dividends received	21 600	41 474
Acquisition of a subsidiary	(5 033)	_
Disposal of a subsidiary	-	(222)
Granting of loan to the subsidiaries	(30 000)	-
Proceeds from repayment of loans advanced	29 658	82 000
Net cash provided by/ used in investing activities	16 225	123 252
Cash flows from financing activities		
Redemption of debt securities	(533 334)	(1 273 652)
Issue of debt securities	515 384	1 212 734
Draw-down of borrowings from subsidiaries	-	37 305
Financing received as part of cash-pooling	8 588	-
Other financial proceeds	1 624	410
Treasury share buyback	-	(81 279)
Interest paid	(663)	(15 443)
Other financial expenditures	(886)	(979)
Finance lease payments	(512)	-
Net cash used in financing activities	(9 799)	(120 904)
Total net cash flows	(3 669)	3 886
Balance sheet change in cash, including:	(3 669)	3 886
Net cash flows	(3 669)	3 886
Cash and cash equivalent at beginning of the period	75 185	4 413
Cash at end of the period	71 516	8 299

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

NOTES TO THE UNAUDITED INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

1.	GENERAL INFORMATION	S
2.	BASIS OF PREPARATION	9
3.	PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS	10
4.	INVESTMENTS IN SUBSIDIARIES	10
5.	TRADE AND OTHER RECEIVABLES	11
6.	EQUITY	11
7.	LOANS AND BORROWINGS	
8.	TRADE AND OTHER PAYABLES	16
9.	LIABILITIES TO RELATED PARTIES UNDER DEBT SECURITIES	17
10.	FINANCIAL INSTRUMENTS	17
	CONTINGENT LIABILITIES AND SECURITY	
12.	MATERIAL RELATED-PARTY TRANSACTIONS	19
13.	ALLOCATION OF NET PROFIT FOR 2018	22
14.	EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD	22

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

1. GENERAL INFORMATION

Pfleiderer Group S.A. ("Company") is the Parent and a holding company domiciled in Poland whose shares are publicly traded

The Company has been registered by the District Court of Białystok, 12th Commercial Division of the National Court Register, under entry no. KRS 0000011422.

The Company's registered office is Wrocław at ul. Strzegomska 42AB.

As at 30 June 2019, Pfleiderer Group S.A. was the Parent of the following companies:

- PCF GmbH with its registered office in Neumarkt, Germany,
- Pfleiderer Polska Sp. z o.o. with its registered office in Wrocław.

Moreover, as at 30 June 2019, Pfleiderer Group S.A. held a 100% stake in Blitz 11-446 GmbH (of which 50% directly and 50% indirectly through PCF GmbH).

2. BASIS OF PREPARATION

a) Compliance statement

These interim condensed standalone financial statements have been prepared in accordance with the requirements of IAS 34 "Interim financial reporting", as endorsed by the European Union, and in accordance with the Minister of Finance Regulation of 19 February 2009 on current and periodic information provided by issuers of securities and conditions of recognition as equivalent information required by the law of a non-member state (consolidated text: Journal of Laws of 2014 Item 133) ("Regulation").

The Company's interim condensed standalone financial statements are published along with the interim condensed consolidated financial statements of the Pfleiderer Group S.A. Group. In order to gain a full understanding of the Company's financial result and financial standing, these financial statements should be read in conjunction with the said interim condensed consolidated financial statements of the Pfleiderer Group S.A. Group.

The presentation currency of the Company's financial statements is the Polish zloty. All values, unless indicated otherwise, have been rounded to thousands.

The Company's interim condensed standalone financial statements for the period from 1 January 2019 to 30 June 2019 were approved for publication by the Company's Management Board on 25 September 2019.

b) Description of adopted accounting principles

These interim condensed standalone financial statements have been prepared in accordance with the accounting principles (policy) described in the audited financial statements of Pfleiderer Group S.A. for the financial year ended 31 December 2018.

The accounting policy adopted by the Company was applied to all periods presented in these interim condensed financial statements.

c) Accounting estimates and assumptions

The preparation of interim financial statements in compliance with EU IFRS requires the Management Board to make estimates and assumptions that affect the adopted accounting policy and the presented values of assets, liabilities, revenues and costs, the actual values of which may differ from the estimated values.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

All estimates and related assumptions are revised on an ongoing basis. A change in accounting estimates is recognized in the period in which the estimate was changed or in the current and future periods if the change in the estimate applies both to the current period and to future periods.

The Company reviews its assets on an ongoing basis and, if necessary, recognizes impairment losses in its statement of profit and loss. Furthermore, the lives of fixed assets are periodically reviewed along with factors affecting the recoverable amount of non-current assets. The amount of provisions resulting from future retirement and disability pension liabilities is determined using the actuarial method based on the adopted assumptions.

In the period from 1 January 2019 to 30 June 2019, there was no significant change in any material estimates or judgments made in respect of the Company's most recent annual standalone financial statements for the financial year ended 31 December 2018.

3. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Property, plant and equipment as at 30 June 2019 consist of, without limitation, IT hardware and office equipment. The right of perpetual usufruct to land is, as at 30 June 2019, recognized as a right-of-use asset.

Starting from January 2019, pursuant to IFRS 16, the Company recognized the right-of-use asset and lease liability in connection with the right of perpetual usufruct to land and lease of offices and vehicles. As at 30 June 2019, the gross value of the right-of-use assets is PLN 1 762 thousand, and accumulated depreciation to PLN 194 thousand.

4. INVESTMENTS IN SUBSIDIARIES

The Company's investments in subsidiaries comprise:

	30.06.2019	31.12.2018
Long term investments:		
Interests in subsidiaries	2 133 125	2 133 125
Short term investments:		
Current loans advanced to subsidiaries	30 170	29 465
Other current financial assets	1 944	-
	2 165 239	2 162 590

On 28 February 2019, the Company received cash in the amount of PLN 29 658 thousand from Pfleiderer MDF Grajewo Sp. z o.o. in respect of repayment of the loan in the amount of PLN 29 465 thousand and repayment of interest accrued after the reporting period in the amount of PLN 194 thousand.

On 24 April 2019, Pfleiderer Group S.A. as the lender and Pfleiderer Polska Sp. z o.o. as the borrower entered into a loan agreement for PLN 30 000 thousand. The loan amount bears interest at the WIBOR rate for 1 month loans plus margin. The loan is slated to finance the Borrower's business activity. In the period from 1 January 2019 to 30 June 2019, Pfleiderer Group S.A. accrued PLN 170 thousand in interest.

Other current financial assets comprise receivables from the subsidiary Pfleiderer Polska Sp. z o.o. resulting from settlements as part of the shared financial liquidity management system (cash pooling) operating in the Group since 11 April 2019. As at 30 June 2019, the amount due on account for participation in the system amounted to PLN 1 944 thousand.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

5. TRADE AND OTHER RECEIVABLES

	30.06.2019	31.12.2018
Trade receivables and advances from other parties	4	30
Trade receivables and advances from related parties	4 582	17 612
Dividend receivables from related parties	22 392	21 600
Current prepayments and accrued income	551	604
Current VAT receivables	108	584
Other receivables	2 033	112
Total	29 670	40 542

6. EQUITY

Share capital

	30.06.2019	31.12.2018
Par value of share capital in PLN	21 351 332	21 351 332
Number of ordinary shares	64 701 007	64 701 007
Par value per share (in PLN)	0.33	0.33

In the reporting period, the Company did not record any changes in its share capital.

Statutory reserves

	30.06.2019	31.12.2018
Statutory reserves in PLN	239 887	95 445
Other reserves	207 149	207 149

On 11 June 2019, the Company's Ordinary General Meeting of Shareholders adopted a resolution on the distribution of net profit earned in the period from 1 January 2018 to 31 December 2018, under which net profit in the amount of PLN 144 442 thousand was allocated in entirety to the Company's statutory reserves.

Shareholder structure

According to the official notifications received from the shareholders, the shareholding structure as at the reporting date was as follows:

Shareholder structure as at 30 June 2019	Number of shares	Share in capital	Number of votes at GMS	% of votes at GMS
Strategic Value Partners LLC	19 183 149	29.65%	19 183 149	29.65%
Atlantik S.A.	12 474 561	19.28%	12 474 561	19.28%
Aviva OPF Aviva BZ WBK	4 308 424	6.66%	4 308 424	6.66%
Treasury shares (*)	12 940 201	20.00%	12 940 201	20.00%
Other shareholders	15 794 672	24.41%	15 794 672	24.41%
Total	64 701 007	100.00%	64 701 007	100.00%

^(*) In accordance with Article 364 sec. 2 of the Commercial Company Code, the Company does not exercise the share rights attaching to treasury shares, except for the right to dispose of them and perform activities aimed at retaining such share rights.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

As at the date of publication of this report, the shareholding structure was as follows:

Shareholder structure as at the publication date	Number of shares	Share in capital	Number of votes at GMS	% of votes at GMS
Strategic Value Partners LLC (indirectly through Volantis Bidco B.V.)	39 286 245	60.72%	39 286 245	60.72%
Atlantik S.A.	12 474 561	19.28%	12 474 561	19.28%
Treasury shares (*) Strategic Value Partners LLC (indirectly through the Company)	12 940 201	20.00%	12 940 201	20.00%
Total	64 701 007	100.00%	64 701 007	100.00%

^(*) In accordance with Article 364 sec. 2 of the Commercial Company Code, the Company does not exercise the share rights attaching to treasury shares, except for the right to dispose of them and perform activities aimed at retaining such share rights.

On 23 August 2019 the Company received from Aviva Otwarty Fundusz Emerytalny Aviva Santander a notification on a sale of 3 763 022 shares in the Company, representing 5.82% of the share capital of the Company. After the sale Aviva Otwarty Fundusz Emerytalny Aviva Santander does not possess the shares in the Company.

On 23 August 2019 the Company received from Strategic Value Partners LLC ("SVP") and Volantis Bidco B.V. ("Volantis") a notification on direct acquisition by Volantis of 15 054 481 shares in the Company representing 23.27% of the share capital of the Company and on indirect acquisition of the above shares by SVP. The above shares were acquired as a result of the settlement of the tender offer with the price amounting to PLN 26.60 for each share. After the settlement of the tender offer SVP indirectly holds, through Volantis, 34 237 630 shares in the Company, representing 52.92% of the share capital of the Company and indirectly 12 940 201 treasury shares held by the Company, representing 20.00% of the share capital of the Company.

Furthermore on 28 August 2019 the Company received from Volantis Bidco B.V. and Atlantik S.A. a notification on execution of an agreement of the shareholders of the Company on acquisition of the shares and joint voting at the general meeting and on the parties of the agreement exceeding the threshold referred to in article 69 pf the public offering act. In connection with the execution of the agreement the parties hold in total 59 652 392 shares in the Company, representing 92.20% of the share capital of the Company.

On 16 September the information was announced regarding the planned acquisition of Company's shares, through a squeeze-out by Volantis Bidco B.V., with its registered office in Amsterdam, which together with Atlantik S.A., with its registered office in Luxembourg, is a party to the agreement within the meaning of Article 87, section 1 point 5 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

The subject of the squeeze-out were 5 048 615 shares of the Company, which constitute 7.80% of the share capital of the Company and represent 5 048 615 votes at the general meeting of the shareholders of the Company representing 7.80% of the total number of votes at the general meeting of the shareholders of the Company.

The squeeze-out price was PLN 26.60 per share. Squeeze-out commenced on 16 September 2019 and was settled on 19 September 2019.

As a result of the acquisition of all shares covered by the squeeze-out, the parties to the agreement hold together, directly and indirectly, 64 701 007 shares in the Company, representing 100,00% of the share capital of the Company and carrying 64 701 007 votes at the general meeting of the Company, i.e., 100,00% of the total votes at the general meeting of the Company.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

Announcement of a shares buyback program

Data of humback	Number of shares	Total price
Date of buyback	bought back	together with costs
12.10.2017 (*)	3 235 050	152 701
07.02.2018 <i>(*)</i>	2 150 883	80 867
27.02.2018 <i>(*)</i>	11 000	413
24.08.2018 <i>(**)</i>	7 543 268	302 406
Total	12 940 201	536 387

(*) Pursuant to a resolution of the Company's Ordinary General Meeting of Shareholders dated 21 June 2017, the shares purchased under the program may be: (i) offered to eligible individuals authorized to purchase the shares under the incentive program adopted by the Company; (ii) redeemed; or (iii) otherwise disposed of by the Company's Management Board with a view to pursuing the needs resulting from the Company's business.

(**) Pursuant to a resolution of the Company's Ordinary General Meeting of Shareholders dated 11 June 2018, the purchased shares may be used for: (i) redemption or (ii) may be used otherwise by the Company's Management Board, taking into account the needs arising out of the Company's business, with the consent of the Supervisory Board.

The total number of treasury shares bought back by the Company at the date of publication of this report is 12 940 201. The total par value of all repurchased shares is PLN 4 270 266,33, representing approximately 20.00% of the Company's share capital. The purchased shares entitle the holder thereof to a total of 12 940 201 votes at the Company's General Meeting of Shareholders, which represents approximately 20.00% of the total number of votes at the Company's General Meeting of Shareholders, provided that the Company does not exercise the voting rights attaching to its treasury shares.

On 11 June 2019, the Ordinary General Meeting of Shareholders adopted a resolution under which the term of the program was extended till 30 June 2020.

7. LOANS AND BORROWINGS

	30.06.2019	31.12.2018
Current liabilities		
Loans from related parties	433 815	456 459
Other financial liabilities	562 612	518 260
Total	996 427	974 719

Senior Facility Agreement in effect from 1 August 2017

As part of its efforts aimed at optimizing the financing structure of the Pfleiderer Group, on 13 April 2017 Pfleiderer Group S.A., PCF GmbH and certain of its German and Polish subsidiaries, Credit Suisse International, Deutsche Bank AG, London Branch, Goldman Sachs Bank USA and others as mandated lead arrangers, Wilmington Trust (London) Limited and Trigon Dom Maklerski S.A. as security agents ("Security Agent") and others entered into a EUR 450 000 thousand senior facilities agreement (hereinafter: "PRIME Agreement"), the initial utilization of which took place on 1 August 2017. Pfleiderer used the proceeds from these loans to repay secured senior bonds issued on 27 June 2014 (PCF GmbH) and to repay debt under the applicable loan agreements initially signed on 4 July 2014 and to finance general corporate purposes of the Group and its working capital needs.

The EUR 450 000 thousand is divided into Term Loan B ("TLB") of EUR 350 000 thousand (PCF GmbH) with a tenor of seven years (fully drawn) and the Revolving Credit Facilities with a tenor of five years amounting to EUR 50 000 thousand (Revolving Facility 1) and PLN 211 480 thousand (Revolving Facility 2) available to Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer Deutschland GmbH, with part of

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

Revolving Facility 1 in the amount of EUR 5 000 thousand and part of Revolving Facility 2 in the amount of PLN 32 628 thousand is available only to Pfleiderer Polska Sp. z o.o. on the basis of ancillary agreements concluded on 30 October 2018 with BNP Paribas Bank Polska S.A.

On 31 July 2018, the PRIME Agreement was annexed and the amount of financing under TLB was increased to EUR 445 000, resulting in an increase in the total funding amount to EUR 545 000 thousand.

As at the reporting date, these Revolving Facilities were drawn in the amount of PLN 53 577 thousand in the form of an overdraft facility for Pfleiderer Polska Sp. z o.o., and bank guarantees were issued under Revolving Facility 2 for the total amount of PLN 6 265 thousand as well as letters of credit in the amount of EUR 395 thousand (PLN 1 680 thousand). Revolving Facility 1 has been partially drawn in cash in the amount of EUR 3 000 thousand and in the form of bank guarantees of EUR 2 046 thousand and PLN 520 thousand (EUR 122 thousand) as well as letters of credit in the amount of EUR 336 thousand. Interest on account of cash withdrawals accrues based on EURIBOR (for drawdowns in EUR) plus margin, WIBOR (for drawdowns in PLN) plus margin, LIBOR (for drawdowns in other currencies) plus margin.

On 11 April 2019, Pfleiderer Group companies (Pfleiderer Polska Sp. z o.o. as the Coordinator, and Participants: Pfleiderer Group S.A., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer Silekol Sp. z o.o., Pfleiderer Grajewo Sp. z o.o. and Jura Polska Sp. z o.o.) entered into a cash pooling agreement with Bank Millennium S.A. and an annex to the ancillary agreement of 27 June 2017. The object of the agreement is to optimize financial liquidity and ensure efficient cash management for entities participating in the cash pooling system.

As a result of the annex to the ancillary agreement of 27 June 2017, part of Revolving Facility 2 was made available to the Coordinator in the form of a current account overdraft facility up to PLN 80 000 thousand and, within the framework of an agreed structure, to all Participants. The repayment of mutual liabilities of the Participants has been guaranteed up to PLN 80 000 thousand.

Under the aforementioned agreement Jura Polska Sp. z o.o. acceded: (a) as the lender, to the ancillary agreement of 27 June 2017 entered into by and between Bank Millennium S.A. as the lender, and Pfleiderer Group S.A. and other Pfleiderer Group companies, as borrowers, and b) as the debtor, to all other creditors under the agreement entered into on 9 May 2017 between Pfleiderer Group S.A. and Wilmington Trust (London) Limited, as the security agent and other creditors and other debtors.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

The repayment terms and schedules of bank loans as at 30 June 2019 were as follows:

							As at 30 .	lune 2019
Lender	Borrower	Currency	Interest rate	Date of repayment	Cr	edit limit in PLN	Amount drawn down in PLN	Amount available in PLN
Credit facilities								
Bank Millennium S.A.	Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Silekol Sp. z o.o.	PLN	WIBOR 3M + margin	01.08.2022	*)	80 000	53 557	26 443
Alior Bank S.A.	Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Silekol Sp. z o.o.	PLN	WIBOR 1M + margin	01.08.2022		78 852	-	78 852
Alior Bank S.A.	Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Silekol Sp. z o.o.	EUR	EURIBOR 1M + margin	01.08.2022	**)	21 260	-	21 260
Guarantees								
Bank Millennium S.A.	Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Silekol Sp. z o.o.	PLN		01.08.2022		20 000	7 938	12 024
Limit on credit cards								
Bank Millennium S.A.	Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Silekol Sp. z o.o.	PLN		01.08.2022 *	**)	2 000	38	1 930
						202 112	61 533	140 509

^{*)} limit of PLN 80 000 available through the cash pooling structure coordinated by Pfleiderer Polska Sp. z o.o.

^{**)} limit of EUR 5 000 thousand available under Revolving Facility 1 for Pfleiderer Group S.A., Pfleiderer Polska Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Wieruszów Sp. z o.o., and PCF GmbH, Pfleiderer Deutschland GmbH

^{***)} credit card limit is a sublimit under the PLN 20 000 limit granted for bank guarantees and blocks it up to the utilization amount

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

Loans from related parties

On 30 January 2018, PCF GmbH as the lender and Pfleiderer Group S.A. as the borrower entered into a loan agreement for EUR 15 000 thousand. The purpose of this agreement was to provide financing for the buyback of treasury shares. The loan was transferred on 2 February 2018. Subsequently, on 6 February 2018, an unused amount of EUR 6 000 thousand was repaid to the lender. As at 30 June 2019, Pfleiderer Group S.A.'s debt under the loan was EUR 9 429 thousand (PLN 40 091 thousand).

On 8 August 2018, PCF GmbH as the lender and Pfleiderer Group S.A. as the borrower entered into a loan agreement for EUR 95 000 thousand. The purpose of the agreement was to obtain funding for continuation of the shares buyback program (stage III). The funding was provided in two stages. The first stage was made available on 2 August 2018 in the amount of EUR 6 411 thousand and was used to cover transaction costs associated with an amendment of the terms of the senior facilities agreement as part of the arrangement providing for the availability of additional external funding. The liabilities were covered directly by the subsidiary PCF GmbH. The remaining portion of the loan in the amount of EUR 88 589 thousand was transferred to the company's bank account on 20 August 2018. As at 30 June 2019, outstanding debt under the loan was EUR 99 446 thousand (PLN 422 844 thousand).

Other financial liabilities

On 5 October 2015, in connection with acquisition of share in Pfleiderer GmbH, Pfleiderer Group S.A. concluded the agreement with Atlantik S.A., based on which Pfleiderer Group S.A. took over an obligation from Atlantik S.A. due to Pfleiderer Service GmbH representing proceeds from sale of Pfleiderer Group S.A. shares held by Pfleiderer Service GmbH after the settlement of Secondary Offering to Atlantik S.A. As at 30 June 2019, Pfleiderer Group S.A.'s debt under the loan was EUR 129 869 thousand (PLN 552 203 thousand).

Other current financial liabilities comprise, inter alia, liabilities to the subsidiary Pfleiderer Polska Sp. z o.o. resulting from settlements as part of the shared financial liquidity management system (cash pooling) operating in the Group since 11 April 2019. As at 30 June 2019, this liability amounted to PLN 10 409 thousand (EUR 2 448 thousand).

8. TRADE AND OTHER PAYABLES

	30.06.2019	31.12.2018
Trade payables to other parties	5 109	5 595
Trade payables to related parties	407	4 120
Liabilities on account of a penalty imposed by OCCP	16 514	16 559
Current VAT liabilities	25	-
Other liabilities	41 031	45 794
Total	63 086	72 068

The remaining liabilities pertain primarily to the German tax on real estate purchases. Direct acquisition of a share in PCF GmbH caused an obligation to pay German tax on purchase of property. The obligation arose from the fact that PCF GmbH directly and indirectly holds shares in Pfleiderer Deutschland GmbH and Pfleiderer Baruth GmbH, while the latter companies own properties in Germany. As at 30 June 2019, this liability amounted to EUR 9 427 thousand, i.e. PLN 40 562 thousand, (as at 31 December 2018, EUR 10 600 thousand, i.e. PLN 45 595 thousand). Based on the decision issued on 9 April 2019, on 9 May 2019 the Company paid EUR 1 173 thousand, i.e. PLN 5 033 thousand, to the German tax office as payment of part of the tax due on the purchase of real estate located in Germany.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

9. LIABILITIES TO RELATED PARTIES UNDER DEBT SECURITIES

	30.06.2019	31.12.2018
Liabilities to related parties under debt securities	74 918	92 932
Total	74 918	92 932

Liabilities on account of debt securities in the amount of PLN 74 918 thousand as at 30 June 2019 (PLN 92 932 thousand as at 31 December 2018) result from outstanding commercial securities in the form of short-term bonds. The notes were purchased by the subsidiaries Pfleiderer Wieruszów Sp. z o.o. and Pfleiderer Silekol Sp. z o.o.

The notes were issued under a debt issue program entered into with a bank. The maximum amount of simultaneous issues under the bond issue program is PLN 500 000 thousand.

10. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities approximates their carrying amounts as at 30 June 2019 and 31 December 2018.

11. CONTINGENT LIABILITIES AND SECURITY

Guarantees granted and security liabilities:

Securities

On 13 April 2017, the Group finalized and signed the PRIME Agreement for senior secured credit facilities in the amount of EUR 450 000 thousand, consisting of:

7-year covenant-lite tranche B term loan of EUR 350 000 thousand + margin (Euribor minimum: 0.75%) and OID of 99.0 and a 5-year revolving facility of EUR 100 000 thousand + margin (Euribor minimum: 0%).

On 31 July 2018, the PRIME Agreement was annexed and the amount of financing under TLB was increased to EUR 445 000, resulting in an increase in the total funding amount made available under the PRIME Agreement to EUR 545 000 thousand.

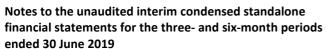
The proceeds from the above facilities were used to redeem all senior secured bonds in the amount of EUR 321 684 thousand issued on 27 June 2014 by PCF GmbH (formerly Pfleiderer GmbH) ("Bonds") to refinance the current senior secured renewable credit facility and to finance the related transaction fees, redemption premium and costs and for general corporate purposes and working capital. The proceeds from this increase in funding in 2018 were used to buy back treasury shares on 25 August 2018 and to finance the related transaction fees, bonuses and costs in the total amount of EUR 78 301 thousand. A portion of this funding in the amount of EUR 16 699 thousand remains at the disposal of the Pfleiderer Group and may be used to buy back additional treasury shares.

Collateral under the senior facility agreement of 13 April 2017 (Polish entities)

In order to secure new liabilities under the senior facility agreement of 13 April 2017 (amended and restated on 31 July 2018), on 1 August 2017, Pfleiderer Group S.A. established a financial pledge and, subject to its registration, a registered pledge on the shares of Pfleiderer Polska Sp. z o.o. and granted a power-of-attorney to enforce the rights attached to the pledged shares to Trigon Dom Maklerski S.A. ("Polish Security Agent").

To secure the liabilities under the senior facility agreement of 13 April 2017 and the annex of 31 July 2018, the following collateral was established in favor of the lenders:

(i) Pfleiderer Group S.A. concluded an agreement on financial and registered pledges on shares of Pfleiderer Wieruszów Sp. z o.o. (formerly Pfleiderer Prospan S.A.), Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Grajewo Sp. z o.o.





(all amounts in PLN thousand)

and Pfleiderer Silekol Sp. z o.o. and granted a power-of-attorney to enforce rights attached to the pledged shares of these companies in favor of Trigon Dom Maklerski S.A. ("Polish Security Agent").

- (ii) Pfleiderer Group S.A., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Polska Sp. z o.o. and Pfleiderer Silekol Sp. z o.o. concluded agreements on financial and registered pledges on bank accounts and granted the powers-of-attorney to the Polish Security Agent to use funds from their bank accounts.
- (iii) Pfleiderer Group S.A., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Grajewo Sp. z o.
- (iv) The following mortgages were established for the Polish Security Agent:
- a) Mortgage on properties and perpetual usufruct rights held by Pfleiderer Wieruszów Sp. z o.o. (formerly Pfleiderer Prospan S.A.) in Wieruszów, Wieruszów/Klatka and Wieruszów/Pieczyska;
- b) Mortgage on perpetual usufruct rights held by Pfleiderer MDF Grajewo Sp. z o.o. in Grajewo; and
- c) Mortgage on properties and perpetual usufruct rights held by Pfleiderer Silekol Sp. z o.o. in Kędzierzyn-Koźle.
- (v) Pfleiderer Group S.A., Pfleiderer Wieruszów Sp. z o.o., Pfleiderer MDF Grajewo Sp. z o.o., Pfleiderer Grajewo Sp. z o.o., Pfleiderer Polska Sp. z o.o. and Pfleiderer Silekol Sp. z o.o. submitted their declarations of submitting to enforcement in favor of the Security Agent.

Collateral under the senior facility agreement of 13 April 2017 (German entities)

To secure the liabilities under the senior facility agreement of 13 April 2017 and the annex of 31 July 2018, the following collateral was established in favor of the lenders, and Wilmington Trust (London) Limited was appointed as a new security agent ("New Security Agent"):

- (i) Pfleiderer Group S.A., PCF GmbH, Pfleiderer Deutschland GmbH as pledgors established pledges on their shares held in PCF GmbH, Pfleiderer Deutschland GmbH, Pfleiderer Neumarkt GmbH, Pfleiderer Leutkirch GmbH, Pfleiderer Gütersloh GmbH, Pfleiderer Arnsberg GmbH and Pfleiderer Baruth GmbH.
- (ii) PCF GmbH, Pfleiderer Deutschland GmbH, Pfleiderer Neumarkt GmbH, Pfleiderer Leutkirch GmbH, Pfleiderer Gütersloh GmbH, Pfleiderer Arnsberg GmbH i Pfleiderer Baruth GmbH as pledgors established pledges on their main bank accounts.
- (iii) PCF GmbH, Pfleiderer Deutschland GmbH, Pfleiderer Neumarkt GmbH, Pfleiderer Leutkirch GmbH, Pfleiderer Gütersloh GmbH, Pfleiderer Arnsberg GmbH and Pfleiderer Baruth GmbH as assignors established security on their receivables under loans from related parties, material trade receivables and insurance receivables.
- (iv) German land charges paid were assigned to the Security Agent.

Contingent liabilities

As at 30 June 2019, the Company did not recognize any material contingent liabilities.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

12. MATERIAL RELATED-PARTY TRANSACTIONS

Pfleiderer Group S.A.'s transactions with related parties in the periods from 1 January 2019 to 30 June 2019 and from 1 January 2018 to 30 June 2018 were as follows:

	01.01.2019 - 30.06.2019							
Related party	Financial income	Other operating income	Dividend income	Purchase of services	Finance costs			
Pfleiderer Polska Sp. z o.o.	369	3 992	22 392	262	69			
Pfleiderer MDF Grajewo Sp. z o.o.	269	767	-	-	-			
Pfleiderer Wieruszów Sp. z o.o.	79	999	-	-	460			
Pfleiderer Silekol Sp. z o.o.	131	964	-	-	90			
Jura Polska Sp. z o.o.	-	5	-	-	-			
Pfleiderer Grajewo Sp. z o.o.	190	526	-	10	-			
PCF GmbH	1 713	157	-	617	20 761			
Pfleiderer Deutschland GmbH	-	1 989	-	81	-			
Pfleiderer Neumarkt GmbH	-	2 126	-	-	-			
Pfleiderer Leutkirch GmbH	-	919	-	-	-			
Pfleiderer Gutersloh GmbH	-	1 573	-	-	-			
Pfleiderer Arnsberg GmbH	-	775	-	-	-			
Pfleiderer Baruth GmbH	-	1 226	-	_	-			
Total	2 751	16 018	22 392	970	21 380			

	01.01.2018 - 30.06.2018								
Related party	Financial income	Other operating income	Dividend income	Purchase of services	Finance costs				
Pfleiderer Polska Sp. z o.o.	-	6 966	66 616	443	-				
Pfleiderer MDF Grajewo Sp. z o.o.	2 649	45	-	-	-				
Pfleiderer Wieruszów Sp. z o.o.	1	729	-	10	1 299				
Pfleiderer Silekol Sp. z o.o.	1	44	-	-	-				
Pfleiderer Grajewo Sp. z o.o.	1	48	-	15	-				
PCF GmbH	5 277	755	-	888	10 803				
Pfleiderer Deutschland GmbH	-	755	-	81	-				
Total	7 929	9 342	66 616	1 437	12 102				



Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019

(all amounts in PLN thousand)

As at 30 June 2019 and 31 December 2018, the balance of the Company's receivables and liabilities with related parties was as follows:

			30.06.2019				31.12.2018	
Related party	Loans advanced	Dividend receivables	Cash pooling F receivables	Finance sublease receivables	Trade receivables	Loans advanced	Dividend receivables	Trade receivables
Pfleiderer Polska Sp. z o.o.	30 170	22 392	1 944	971	1 092		21 600	340
Pfleiderer MDF Grajewo Sp. z o.o.	-	-	-	-	78	29 465	-	409
Pfleiderer Wieruszów Sp. z o.o.	-	-	-	-	521	-	-	1 788
Pfleiderer Silekol Sp. z o.o.	-	-	-	-	150	-	-	657
Jura Polska Sp. z o.o.	-	-	-	-	-	-	-	22
Pfleiderer Grajewo Sp. z o.o.	-	-	-	-	335	-	-	1 314
PCF GmbH	-	-	-	-	1 014	-	-	89
Pfleiderer Deutschland GmbH	-	-	-	-	401	-	-	1 898
Pfleiderer Neumarkt GmbH	-	-	-	-	318	-	-	4 612
Pfleiderer Leutkirch GmbH	-	-	-	-	138	-	-	2 247
Pfleiderer Gutersloh GmbH	-	-	-	-	236	-	-	3 015
Pfleiderer Arnsberg GmbH	-	-	-	-	116	-	-	476
Pfleiderer Baruth GmbH	-	-	-	-	183	-	-	745
Total	30 170	22 392	1 944	971	4 582	29 465	21 600	17 612

			30.06.2019				31.12.2018	
Related party	Loan liabilities	Debt securities liabilities	Cash pooling liabilities	Finance lease liabilities	Trade liabilities	Loan liabilities	Debt securities liabilities	Trade liabilities
Pfleiderer Polska Sp. z o.o.	-	-	10 410	-	-	-	16 988	4 015
Pfleiderer Wieruszów Sp. z o.o.	-	49 945	-	-	-	-	75 945	-
Pfleiderer Silekol Sp. z o.o.	-	24 973	-	-	-	-	-	
Pfleiderer Grajewo Sp. z o.o.	-	-	-	62	6	-	-	6
PCF GmbH	1 015 138	-	-	-	375	1 006 659	-	44
Pfleiderer Deutschland GmbH	-	-	-	-	26	-	-	55
Total	1 015 138	74 918	10 410	62	407	1 006 659	92 933	4 120

All the related party transactions were executed on an arm's length basis.

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019





(all amounts in PLN thousand)

Remuneration of members of the Management and Supervisory Boards

The remunerations of Members of Pfleiderer Group S.A.'s Management Board and Supervisory Board (including bonuses), paid and payable, for the reporting period were as follows:

	01.01.2019 30.06.2019	01.01.2018 30.06.2018
Remunerations of Management Board Members	2 141	4 355
Remunerations of Supervisory Board Members	1 062	1 342
Total	3 203	5 697

As at 30 June 2019 and 31 December 2018, Members of the Pfleiderer Group S.A. Management Board and Supervisory Board did not have any outstanding debt toward the Company under any loans.

Long-term incentive program

On 20 September 2017, the Company's Supervisory Board adopted a resolution regarding the determination of the terms of a long-term incentive program for selected members of the Company's Management Board ("Management Board LTIP").

On 18 October 2017, the Extraordinary General Meeting of Shareholders adopted a resolution regarding the determination of the terms of a long-term incentive program for selected members of the Company's Supervisory Board in the form determined by the Supervisory Board ("Supervisory Board LTIP" and, together with the Management Board LTIP, "LTIP").

A detailed description of the program was provided by the Company in its annual standalone financial statements for 2018.

In the period from 1 January 2019 to 30 June 2019, the Company recognized PLN 1 118 thousand in expenses related to the Program.

Changes in the Management Board

On 20 March 2019, Mr. Dirk Hardow submitted his resignation from the position of Management Board Member, COO, effective as of 31 March 2019.

On 20 March 2019, the Company's Supervisory Board made a decision to appoint Mr. Frank Herrmann to the position of Management Board Member, COO, effective as of 1 May 2019.

On 20 March 2019, the Company's Supervisory Board made a decision to appoint Mr. Stefan Zinn to the position of Management Board Member, Chief Sales Officer, effective as of 1 May 2019.

On 21 May 2019, Mr. Thomas Schäbinger submitted his resignation from the function of President of the Company's Management Board, effective as of 31 May 2019. On the same day the subsidiary PCF GmbH signed a memorandum of understanding on termination of the agreement between the parties.

On 21 May 2019, in connection with the resignation of Mr. Thomas Schäbinger, the Company's Supervisory Board adopted a resolution to delegate Mr. Zbigniew Prokopowicz, the Company's Supervisory Board Chairperson, to temporarily discharge the duties of the President of the Company's Management Board from 1 June 2019 until the Supervisory Board appoints a new President of the Company's Management Board, but no later than till 31 August 2019.

Due to extending procedure of electing a new President of the Management Board, on 10 September 2019, the Company's Supervisory Board decided to extend the period of performance the duties of the President of the Management Board by Mr. Zbigniew Prokopowicz, until the Supervisory Board appoints a new President of the Company's Management Board, but not later than till 11 December 2019.

Changes in the Supervisory Board

On 31 January 2019, Mr. Florian Kawohl resigned from the position of Member of the Pfleiderer Group S.A. Supervisory

Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019



(all amounts in PLN thousand)

Board, effective on the date the General Meeting of Shareholders of Pfleiderer Group S.A. appoints a new Member of the Supervisory Board in his place.

On 7 February 2019, Mr. John Brantl and Mr. Julian von Martius were appointed to the Supervisory Board.

On 21 May 2019, in connection with the resignation of Mr. Thomas Schäbinger, the Company's Supervisory Board adopted a resolution to delegate Mr. Zbigniew Prokopowicz, the Company's Supervisory Board Chairperson, to temporarily discharge the duties of the President of the Company's Management Board from 1 June 2019 until the Supervisory Board appoints a new President of the Company's Management Board, but no later than till 31 August 2019.

Due to extending procedure of electing a new President of the Management Board, on 10 September 2019, the Company's Supervisory Board decided to extend the period of performance the duties of the President of the Management Board by Mr. Zbigniew Prokopowicz, until the Supervisory Board appoints a new President of the Company's Management Board, but not later than till 11 December 2019.

13. ALLOCATION OF NET PROFIT FOR 2018

On 11 June 2019, the Company's Ordinary General Meeting of Shareholders adopted a resolution on the distribution of net profit earned in the period from 1 January 2018 to 31 December 2018, under which net profit in the amount of PLN 144 442 thousand was allocated in entirety to the Company's statutory reserves.

14. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 11 July 2019, the Company received a dividend from its subsidiary Pfleiderer Polska Sp. z o.o. in the amount of PLN 22 392 thousand.

On 23 August 2019 the Company received from Aviva Otwarty Fundusz Emerytalny Aviva Santander a notification on a sale of 3 763 022 shares in the Company, representing 5.82% of the share capital of the Company. After the sale Aviva Otwarty Fundusz Emerytalny Aviva Santander does not possess the shares in the Company.

On 23 August 2019 the Company received from Strategic Value Partners LLC ("SVP") and Volantis Bidco B.V. ("Volantis") a notification on direct acquisition by Volantis of 15 054 481 shares in the Company representing 23.27% of the share capital of the Company and on indirect acquisition of the above shares by SVP. The above shares were acquired as a result of the settlement of the tender offer with the price amounting to PLN 26.60 for each share. After the settlement of the tender offer SVP indirectly holds, through Volantis, 34 237 630 shares in the Company, representing 52.92% of the share capital of the Company and indirectly 12 940 201 treasury shares held by the Company, representing 20.00% of the share capital of the Company.

Furthermore on 28 August 2019 the Company received from Volantis Bidco B.V. and Atlantik S.A. a notification on execution of an agreement of the shareholders of the Company on acquisition of the shares and joint voting at the general meeting and on the parties of the agreement exceeding the threshold referred to in article 69 pf the public offering act. In connection with the execution of the agreement the parties hold in total 59 652 392 shares in the Company, representing 92.20% of the share capital of the Company.

On 10 September 2019 the Company's Supervisory Board adopted a resolution to delegate Mr. Zbigniew Prokopowicz, chairman of the Company's Supervisory Board, to temporarily discharge the duties of the President of the Company's Management Board, until the Supervisory Board appoints a new President of the Company's Management Board, but not later than till 11 December 2019.

On 16 September the information was announced regarding the planned acquisition of Company's shares, through a squeeze-out by Volantis Bidco B.V., with its registered office in Amsterdam, which together with Atlantik S.A., with



Notes to the unaudited interim condensed standalone financial statements for the three- and six-month periods ended 30 June 2019

(all amounts in PLN thousand)

its registered office in Luxembourg, is a party to the agreement within the meaning of Article 87, section 1 point 5 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

The subject of the squeeze-out were 5 048 615 shares of the Company, which constitute 7.80% of the share capital of the Company and represent 5 048 615 votes at the general meeting of the shareholders of the Company representing 7.80% of the total number of votes at the general meeting of the shareholders of the Company.

The squeeze-out price was PLN 26.60 per share. Squeeze-out commenced on 16 September 2019 and was settled on 19 September 2019.

As a result of the acquisition of all shares covered by the squeeze-out, the parties to the agreement hold together, directly and indirectly, 64 701 007 shares in the Company, representing 100,00% of the share capital of the Company and carrying 64 701 007 votes at the general meeting of the Company, i.e., 100,00% of the total votes at the general meeting of the Company.

There were no other significant subsequent events that should be disclosed in these financial statements.

Zbigniew Prokopowicz President of the Management Board Dr. Nico Reiner Member of the Management Board, Chief Financial Officer Stefan Zinn Member of the Management Board, Chief Commercial Officer

Wrocław, 25 September 2019