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Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Statements

To the Shareholders and Supervisory Board of ORBIS S.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of ORBIS S.A. Group (the "Group"), whose parent entity is ORBIS S.A. (the "Parent Entity"), which comprise:

- the condensed consolidated statement of financial position as at 30 June 2019;

and, for the six-month period ended 30 June 2019:

- the condensed consolidated statement of profit or loss;
- the condensed consolidated statement of comprehensive income;
- the condensed consolidated statement of changes in equity;
- the condensed consolidated statement of cash flows;

and

- notes comprising a summary of significant accounting policies and other explanatory information

(the "condensed interim consolidated financial statements").

The Management Board of the Parent Entity is responsible for the preparation and presentation of this condensed interim consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.



Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the resolution of the National Council of Certified Auditors as the National Standard on Review 2410. A review of the interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical

and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing or International Standards on Auditing and consequently 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.

Basis for Qualified Conclusion

As presented in note 1.2 of the condensed interim consolidated financial statements as of the date of transition to International Financial Reporting Standards the Group has recognised perpetual usufruct of land acquired free of charge as a result of privatisation of the Parent Entity at fair value, determined based on independent valuation, in the consolidated statement of financial position. As of 31 December 2018 and 30 June 2018 the net carrying amount of those rights recognised in the statement of financial position as property, plant and equipment amount to PLN 236 023 thousand and PLN 237 275 thousand, respectively, as investment property amount to PLN 1 505 thousand and PLN 1 515 thousand, respectively, and as assets held for sale amount to PLN 8 785 thousand and PLN 10 063 thousand, respectively. In our view, those rights do not constitute items of property, plant and equipment, investment property or assets held for sale and consequently, in accordance with IFRS 1 First-time adoption of International Financial Reporting Standards as of the date of transition to International Financial Reporting Standards, should not be revalued to fair value.

If the perpetual usufruct of land acquired free of charge were not recognised in the statement of financial position as of 31 December 2018 and 30 June 2018, property, plant and equipment would be decreased by PLN 236 023 thousand, PLN 237 275 thousand, respectively, investment properties would be decreased by PLN 1 505 thousand and PLN 1 515 thousand, respectively, assets held for sale would be decreased by PLN 8 785 thousand and PLN 10 063 thousand, respectively, retained earnings would be

decreased by PLN 203 930 thousand and PLN 203 928 thousand, respectively, deferred tax liability would be decreased by PLN 46 799 thousand and PLN 47 282 thousand, respectively, and net profit for the for the year ended 31 December 2018 and for the six-month period ended 30 June 2018 would be increased by PLN 4 416 thousand and PLN 2 357 thousand, respectively.

Additionally, as of 31 December 2018 and 30 June 2018 the Group has recognised perpetual usufruct of land acquired for consideration in the amount of PLN 58 539 thousand and PLN 58 932 thousand, respectively, as property, plant and equipment. In our view, in accordance with IAS 17 Leases, those rights should be classified as operating leases and the amount paid at acquisition recognised as a non-current prepayment and amortised over the remaining term of the perpetual usufruct of land.

If the perpetual usufruct of land acquired for consideration were presented as non-current prepayments in the statement of financial position as of 31 December 2018 and 30 June 2018, property plant and equipment would be decreased and non-current prepayments would be increased by PLN 58 539 thousand and PLN 58 932 thousand, respectively.

Our audit opinion on the consolidated financial statements for the period ended 31 December 2018 dated 20 February 2019 and our review conclusion on the condensed interim consolidated financial statements as at 30 June 2018 dated 25 July 2019 were modified accordingly. Our conclusion on the current period's condensed interim consolidated



financial statements is also modified due to the impact of these matters on the corresponding figures.

Qualified Conclusion

Based on our review, except for the effects on the corresponding figures for 31 December 2018 and 30 June 2018 of matters described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the accompanying

condensed interim consolidated financial statements as at 30 June 2019 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union.

On behalf of audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Registration No. 3546

Signed on the Polish original

Zbigniew Libera

Key Certified Auditor
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Limited Partner, Proxy

Warsaw, 31 July 2019

Signed on the Polish original

Bogusław Kowal

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