

Announcement pursuant to Section 5 Paragraph 2 Accounting Control Act (“RL-KG”)

The consolidated financial statements as at 31.12.2016 as well as the interim consolidated financial statements as at 30.06.2017 of Petro Welt Technologies AG are inaccurate for the following reasons:

In the consolidated financial statements as at 31.12.2016, as well as in the interim consolidated financial statements as at 30.06.2017, Petro Welt Technologies AG has only generally mentioned the expected implications of the initial application of the new Standards IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leasing, but failed to provide entity-specific explanations.

This is not in line with IAS 8.30. According to IAS 8.30 an entity, that has not applied a new IFRS, which has been issued but is not yet effective, shall disclose:

b. known or reasonably estimable information relevant to assessing the possible impact that application of the new IFRS will have on the entity’s financial statement in the period of initial application.

Thus, the consolidated financial statements as at 31.12.2016 as well as the half-year report as at 30.06.2017 should have included at least a qualitative analysis of the impact of the initial application of the new standards as well as information about the expected method which will be used for initial application.

In this context, the European Securities and Markets Authority (“ESMA”) stated in its public statement to “IFRS 15 Revenue from Contracts with Customers”, that financial statements should include at least the following disclosures:

- Method of initial application,
- Presentation of the expected impact based on the individual revenue streams
- Explanation with respect to the expected changes within the valuation and accounting treatment of the revenues

In its public statement to “IFRS 9 Financial Instruments” ESMA stated, that financial statements should include at least the following disclosures:

- Method and date of the initial application, and the information if hedging relationships are continuously accounted in accordance with IAS 39, etc.
- Presentation of the expected implications due to the initial application

- Explanation with respect to the expected changes within the valuation and accounting treatment of financial instruments

Beyond that, ESMA clarified that with the course of time, an entity should provide additional and more detailed information (including quantitative information) regarding the impact of the initial application of the new standards.

Thus, in the financial year of 2016 the consolidated financial statements should have included at least a qualitative analysis of the impact of the initial application of IFRS 15, IFRS 16 and IFRS 9 as well as information about the expected method, which will be used for initial application. In the interim consolidated financial statements as at 30.06.2017 additional disclosures for the new standards should have been included.