

**CONSOLIDATED BALANCE SHEET**  
(Financial report as of the end of period) - in thousand PLN

	30.09.2018	31.12.2017	30.09.2017
Tangible fixed assets	312 429	277 074	255 611
Investment real estate	3 516	3 556	3 556
Intangible assets	14 754	16 616	17 295
Other long-term accounts receivable	1 115	1 008	0
Financial assets	7	7	7
Deferred income tax assets	10 388	10 333	10 494
Long-term active prepayments and accrued income	561	575	31
<b>Total fixed assets</b>	<b>342 770</b>	<b>309 169</b>	<b>286 994</b>
Stocks	202 354	168 445	156 330
Trade accounts receivable	168 634	155 452	167 359
Other short-term accounts receivable	9 071	14 943	28 944
Income tax assets	1 771	1 680	1 032
Active prepayments and accrued income	4 204	2 404	3 936
Financial assets	46 761	41 248	1 270
Cash and cash equivalents	94 433	150 232	182 194
<b>Total current assets</b>	<b>527 228</b>	<b>534 404</b>	<b>541 065</b>
<b>TOTAL ASSETS</b>	<b>869 998</b>	<b>843 573</b>	<b>828 059</b>
Share capital	5 376	5 376	5 376
Capital from the valuation of warrants	6 291	8 401	7 786
Reserve funds	371 287	347 161	346 582
Capital reserves	2 048	2 048	2 048
Retained profit	-10 166	41 902	37 427
Revaluation capital reserve	73 790	73 830	73 869
Foreign exchange differences from calculation	-7 709	-6 218	-6 581
<b>Equity attributable to shareholders of the</b>	<b>440 917</b>	<b>472 500</b>	<b>466 507</b>
Non-controlling interest	1 206	1 296	1 232
<b>Total equity</b>	<b>442 123</b>	<b>473 796</b>	<b>467 739</b>
Credits and debt securities	7 787	11 627	11 966
Provisions	16 147	17 523	17 098
Income from future periods	5 630	5 791	6 806
Deferred tax provision	414	425	392
Financial liabilities	727	591	650
Other liabilities	80	49	61
<b>Total long-term liabilities</b>	<b>30 785</b>	<b>36 006</b>	<b>36 973</b>
Credits and debt securities	240 723	187 114	178 049
Trade liabilities	95 748	84 427	87 801
Financial liabilities	2 184	2 031	2 563
Other short-term liabilities	24 370	27 962	25 228
Income tax liabilities	410	3 330	5 395
Liabilities related to the contract	1 144	N/A*	N/A*
Income from future periods	1 036	942	1 872
Provisions	31 475	27 965	22 439
<b>Total short-term liabilities</b>	<b>397 090</b>	<b>333 771</b>	<b>323 347</b>
<b>TOTAL LIABILITIES</b>	<b>869 998</b>	<b>843 573</b>	<b>828 059</b>

\*N/A – not applicable – items in which the following did not occur in 2017: measurement in accordance with principles arising from the application, from 1 January 2018, of IFRS 9, and the disclosure requirement of IFRS 15.

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

in thousand PLN

	01.07.2018- 30.09.2018	01.01.2018- 30.09.2018	01.07.2017- 30.09.2017	01.01.2017- 30.09.2017
Sales revenue	254 759	762 318	249 976	753 529
Cost of sales	196 391	591 263	186 284	566 126
<b>Gross profit on sales</b>	<b>58 368</b>	<b>171 055</b>	<b>63 692</b>	<b>187 403</b>
Selling cost	8 538	24 759	9 389	24 422
General and administrative expenses	28 889	81 896	23 656	70 014
<b>Core business result</b>	<b>20 941</b>	<b>64 400</b>	<b>30 647</b>	<b>92 967</b>
Other operating income	3 415	6 912	1 105	5 644
Other operating expenses	227	1 135	-46	668
Loss (profit) due to impairment (reversal of losses) of trade receivables and other receivables	285	287	N/A*	N/A*
<b>Operating result</b>	<b>24 414</b>	<b>70 464</b>	<b>31 798</b>	<b>97 943</b>
Interest income	462	2 397	N/A*	N/A*
Other financial income	-1 405	779	130	5 323
Financial expenses	-266	2 997	1 152	4 683
<b>Pre-tax profit</b>	<b>23 737</b>	<b>70 643</b>	<b>30 776</b>	<b>98 583</b>
Income tax	5 166	16 984	7 148	23 143
<i>current</i>	4 773	16 923	7 700	24 359
<i>deferred</i>	393	61	-552	-1 216
<b>Net profit</b>	<b>18 571</b>	<b>53 659</b>	<b>23 628</b>	<b>75 440</b>
<i>attributable to shareholders of the Parent Entity</i>	18 507	53 400	23 518	75 168
<i>attributable to non-controlling interest</i>	64	259	110	272
Weighted-average number of shares		26 881 922		26 881 922
Earnings per share		1,99		2,80
Weighted-average diluted number of shares		27 509 164		27 957 194
Diluted earnings per share		1,94		2,69

\*N/A – not applicable – items in which the following did not occur in 2017: measurement in accordance with principles arising from the application, from 1 January 2018, of IFRS 9, and the disclosure requirement of IFRS 15.

## CONSOLIDATED CASH FLOW STATEMENT

in thousand PLN

	For the period from 01.01 to 30.09	
	2018	2017
<b>Net profit</b>	<b>53 400</b>	<b>75 168</b>
<b>Total adjustments:</b>	<b>-8 265</b>	<b>-11 358</b>
– Profit attributable to the non-controlling shareholders	259	272
– Depreciation	30 473	28 138
– Net foreign exchange (gains) losses	106	-1 594
– Net interest and dividends	1 279	1 057
– Income tax on profit before taxation	16 923	24 359
– (Gains) losses from investing activities	-1 733	-687
– Change in provisions	2 123	-578
– Change in stocks	-33 909	-16 403
– Change in accounts receivable	-17 809	-39 679
– Change in liabilities	9 036	9 045
– Change in active prepayments and accrued income	-1 908	-1 902
– Other adjustments	-3 817	2 480
– Income tax paid	-9 288	-15 866
<b>Net cash from operating activities</b>	<b>45 135</b>	<b>63 810</b>
Income from sales of tangible and intangible fixed assets	4 240	2 764
Acquisition of tangible and intangible fixed assets	-66 875	-56 573
Income from financial assets	25	31
Dividend paid to minority shareholders	-342	-771
Other	-6 078	385
<b>Net cash from investing activities</b>	<b>-69 030</b>	<b>-54 164</b>
Change in credit status	49 663	21 474
Interest paid	-1 280	-1 057
Dividend paid to shareholders	-80 646	-96 775
Other	367	-65
<b>Net cash from financing activities</b>	<b>-31 896</b>	<b>-76 423</b>
<b>Change in cash</b>	<b>-55 791</b>	<b>-66 777</b>
Change in cash resulting from foreign exchange differences	-8	-2
Cash at beginning of period	150 232	248 973
Change in net cash	-55 799	-66 779
<b>Cash at end of period</b>	<b>94 433</b>	<b>182 194</b>
<i>including restricted cash</i>	<i>580</i>	<i>96</i>

**BALANCE SHEET OF SANOK RC SA**  
(Financial report as of the end of period) - in thousand PLN

	30.09.2018	31.12.2017	30.09.2017
Tangible fixed assets	219 473	182 044	159 480
Investment real estate	69	109	109
Intangible assets	6 675	8 353	9 069
Other short-term accounts receivable	1 115	1 008	0
Financial assets	171 253	89 398	134 655
Deferred income tax assets	5 545	3 903	3 588
Long-term active prepayments and accrued income	561	575	31
<b>Total fixed assets</b>	<b>404 691</b>	<b>285 390</b>	<b>306 932</b>
Stocks	106 774	94 376	87 493
Trade accounts receivable	141 041	130 973	148 914
Other short-term accounts receivable	6 998	7 952	15 900
Active prepayments and accrued income	1 363	904	1 175
Financial assets	53 323	111 017	21 556
Cash and cash equivalents	87 227	142 788	175 424
<b>Total current assets</b>	<b>396 726</b>	<b>488 010</b>	<b>450 462</b>
<b>TOTAL ASSETS</b>	<b>801 417</b>	<b>773 400</b>	<b>757 394</b>
Share capital	5 376	5 376	5 376
Reserve funds	342 252	315 700	315 360
Capital from the valuation of warrants	6 291	8 401	7 786
Retained profit	54 318	106 928	91 512
Revaluation capital reserve	69 489	69 532	69 574
<b>Total shareholders' equity</b>	<b>477 726</b>	<b>505 937</b>	<b>489 608</b>
Provisions	12 347	13 232	12 776
Income from future periods	36	132	169
<b>Total long-term liabilities</b>	<b>12 383</b>	<b>13 364</b>	<b>12 945</b>
Credits and debt securities	217 114	167 905	163 565
Trade liabilities	60 862	56 337	61 279
Financial liabilities	227	197	679
Other short-term liabilities	10 421	9 913	7 852
Income tax liabilities	256	3 209	5 194
Liabilities related to the contract	1 144	N/A*	N/A*
Income from future periods	1 008	923	1 856
Provisions	20 276	15 615	14 416
<b>Total short-term liabilities</b>	<b>311 308</b>	<b>254 099</b>	<b>254 841</b>
<b>TOTAL LIABILITIES</b>	<b>801 417</b>	<b>773 400</b>	<b>757 394</b>

\*N/A – not applicable – items in which the following did not occur in 2017: measurement in accordance with principles arising from the application, from 1 January 2018, of IFRS 9, and the disclosure requirement of IFRS 15.

## PROFIT AND LOSS ACCOUNT OF SANOK RC SA

in thousand PLN

	01.07.2018- 30.09.2018	01.01.2018- 30.09.2018	01.07.2017- 30.09.2017	01.01.2017- 30.09.2017
Sales revenue	180 061	549 790	189 062	556 808
Cost of sales	143 764	436 000	141 522	418 833
<b>Gross profit on sales</b>	<b>36 297</b>	<b>113 790</b>	<b>47 540</b>	<b>137 975</b>
Selling cost	2 717	7 553	3 358	8 041
General and administrative expenses	14 861	41 853	10 049	30 549
<b>Core business result</b>	<b>18 719</b>	<b>64 384</b>	<b>34 133</b>	<b>99 385</b>
Other operating income	3 226	4 414	901	3 644
Other operating expenses	273	972	-11	441
Loss due to impairment of trade receivables and other receivables	-7	2 741	N/A*	N/A*
<b>Operating result</b>	<b>21 679</b>	<b>65 085</b>	<b>35 045</b>	<b>102 588</b>
Interest income	1 727	5 979	N/A*	N/A*
Other financial income	-677	4 495	989	13 208
Financial expenses	548	2 952	603	2 451
<b>Pre-tax profit</b>	<b>22 181</b>	<b>72 607</b>	<b>35 431</b>	<b>113 345</b>
Income tax	4 248	14 587	6 961	21 833
<i>current</i>	4 447	15 554	7 075	22 437
<i>deferred</i>	-199	-967	-114	-604
<b>Net profit</b>	<b>17 933</b>	<b>58 020</b>	<b>28 470</b>	<b>91 512</b>
Weighted-average number of shares		26 881 922		26 881 922
Earnings per share		2,16		3,40
Weighted-average diluted number of shares		27 509 164		27 957 194
Diluted earnings per share		2,11		3,27

\*N/A – not applicable – items in which the following did not occur in 2017: measurement in accordance with principles arising from the application, from 1 January 2018, of IFRS 9, and the disclosure requirement of IFRS 15.

## CASH FLOW STATEMENT OF SANOK RC SA

in thousand PLN

	For the period from 01.01 to 30.09	
	2018	2017
<b>Net profit</b>	<b>58 020</b>	<b>91 512</b>
<b>Total adjustments:</b>	<b>-2 621</b>	<b>-23 045</b>
– Depreciation	23 594	21 778
– Net foreign exchange (gains) losses	-2 671	810
– Net interest and dividends	-5 850	-7 438
– Income tax on profit before taxation	15 554	22 437
– (Gains) losses from investing activities	-737	-604
– Change in provisions	3 775	1 348
– Change in stocks	-12 398	-12 490
– Change in accounts receivable	-19 641	-43 536
– Change in liabilities	6 295	6 060
– Change in active prepayments and accrued income	-2 097	565
– Other adjustments	-404	1 801
– Income tax paid	-8 041	-13 776
<b>Net cash from operating activities</b>	<b>55 399</b>	<b>68 467</b>
Income from sales of tangible and intangible fixed assets	1 446	2 349
Income from financial assets (dividends)	2 800	5 553
Income from repayment of loans	1 724	0
Income from payment of interest on loans	3 129	2 237
Other income	85	0
Acquisition of tangible and intangible fixed assets	-60 741	-32 533
Outflows for financial assets	-20 916	-32 651
Other	-6 401	-2 997
<b>Net cash from investing activities</b>	<b>-78 874</b>	<b>-58 042</b>
Proceeds from credits taken	49 150	26 609
Exchange differences		
Interest paid	-583	-634
Dividend paid to shareholders	-80 646	-96 775
<b>Net cash from financing activities</b>	<b>-32 079</b>	<b>-70 800</b>
<b>Change in cash</b>	<b>-55 554</b>	<b>-60 375</b>
Change in cash resulting from foreign exchange differences	-7	5
Cash at beginning of period	142 788	235 794
Change in net cash	-55 561	-60 370
<b>Cash at end of period</b>	<b>87 227</b>	<b>175 424</b>
<i>including restricted cash</i>	<i>464</i>	