

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

	30.06.2018	31.12.2017	30.06.2017
Tangible fixed assets	309 931	277 074	249 213
Investment real estate	3 516	3 556	3 556
Intangible assets	15 477	16 616	17 545
Other long-term accounts receivable	1 136	1 008	0
Financial assets	7	7	7
Deferred income tax assets	10 668	10 333	9 949
Long-term active prepayments and accrued income	562	575	37
Total fixed assets	341 297	309 169	280 307
Stocks	193 567	168 445	145 903
Trade accounts receivable	184 740	155 452	175 597
Other short-term accounts receivable	12 036	14 943	24 097
Income tax assets	1 916	1 680	1 351
Active prepayments and accrued income	5 454	2 404	5 771
Financial assets	51 387	41 248	2 576
Cash and cash equivalents	144 112	150 232	255 804
Total current assets	593 212	534 404	611 099
TOTAL ASSETS	934 509	843 573	891 406
Share capital	5 376	5 376	5 376
Capital from the valuation of warrants	9 733	8 401	7 172
Reserve funds	371 287	347 161	346 747
Capital reserves	2 048	2 048	2 048
Retained profit	-28 750	41 902	13 907
Revaluation capital reserve	73 789	73 830	73 894
Foreign exchange differences from calculation	-6 984	-6 218	-5 426
Equity attributable to shareholders of the	426 499	472 500	443 718
Non-controlling interest	1 149	1 296	1 120
Total equity	427 648	473 796	444 838
Credits and debt securities	11 484	11 627	9 335
Provisions	16 049	17 523	16 649
Income from future periods	5 847	5 791	6 793
Deferred tax provision	381	425	443
Financial liabilities	922	591	696
Other liabilities	0	49	70
Total long-term liabilities	34 683	36 006	33 986
Credits and debt securities	219 069	187 114	162 210
Trade liabilities	102 600	84 427	95 760
Financial liabilities	3 335	2 031	1 894
Other short-term liabilities	112 754	27 962	121 671
Income tax liabilities	1 966	3 330	4 756
Liabilities related to the contract	1 144	N/A*	N/A*
Income from future periods	1 577	942	2 584
Provisions	29 733	27 965	23 707
Total short-term liabilities	472 178	333 771	412 582
TOTAL LIABILITIES	934 509	843 573	891 406

*N/A – not applicable – items in which the following did not occur in the first half of 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

	01.04.2018- 30.06.2018	01.01.2018- 30.06.2018	01.04.2017- 30.06.2017	01.01.2017- 30.06.2017
Sales revenue	262 464	507 559	262 071	503 553
Cost of sales	204 420	394 872	197 214	379 842
Gross profit on sales	58 044	112 687	64 857	123 711
Selling cost	8 210	16 221	7 950	15 033
General and administrative expenses	28 374	53 007	23 325	46 358
Core business result	21 460	43 459	33 582	62 320
Other operating income	1 142	3 497	3 173	4 539
Other operating expenses	359	908	497	714
Loss (profit) due to impairment (reversal of losses) of trade receivables and other receivables	2	2	N/A*	N/A*
Operating result	22 245	46 050	36 258	66 145
Interest income	1 093	1 935	N/A*	N/A*
Other financial income	2 033	2 184	1 014	5 193
Financial expenses	2 248	3 263	1 746	3 531
Pre-tax profit	23 123	46 906	35 526	67 807
Income tax	6 246	11 818	7 834	15 995
<i>current</i>	6 755	12 150	8 815	16 659
<i>deferred</i>	-509	-332	-981	-664
Net profit	16 877	35 088	27 692	51 812
<i>attributable to shareholders of the Parent Entity</i>	16 724	34 893	27 582	51 650
<i>attributable to non-controlling interest</i>	153	195	110	162
Weighted-average number of shares		26 881 922		26 881 922
Earnings per share		1,30		1,92
Weighted-average diluted number of shares		27 957 194		27 957 194
Diluted earnings per share		1,25		1,85

*N/A – not applicable – items in which the following did not occur in the first half of 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 30.06	
	2018	2017
Net profit	34 893	51 650
Total adjustments:	-14 666	-7 794
– Profit attributable to the non-controlling shareholders	195	162
– Depreciation	19 989	18 414
– Net foreign exchange (gains) losses	1 258	-3 632
– Net interest and dividends	875	978
– Income tax on profit before taxation	12 150	16 659
– (Gains) losses from investing activities	-1 684	-169
– Change in provisions	250	292
– Change in stocks	-25 122	-5 976
– Change in accounts receivable	-33 901	-43 661
– Change in liabilities	20 150	18 553
– Change in active prepayments and accrued income	-2 681	-2 499
– Other adjustments	-142	2 631
– Income tax paid	-6 003	-9 546
Net cash from operating activities	20 227	43 856
Income from sales of tangible and intangible fixed assets	3 822	1 310
Acquisition of tangible and intangible fixed assets	-51 694	-40 320
Income from financial assets	8	22
Dividend paid to minority shareholders	-342	-611
Other	-9 524	-675
Net cash from investing activities	-57 730	-40 274
Change in credit status	31 708	2 984
Interest paid	-756	-681
Other	430	929
Net cash from financing activities	31 382	3 232
Change in cash	-6 121	6 814
Change in cash resulting from foreign exchange differences	1	17
Cash at beginning of period	150 232	248 973
Change in net cash	-6 120	6 831
Cash at end of period	144 112	255 804
<i>including restricted cash</i>	97	83

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

	30.06.2018	31.12.2017	30.06.2017
Tangible fixed assets	213 022	182 044	157 302
Investment real estate	69	109	109
Intangible assets	6 946	8 353	9 351
Other short-term accounts receivable	1 136	1 008	0
Financial assets	110 249	89 398	122 425
Deferred income tax assets	5 219	3 903	3 430
Long-term active prepayments and accrued income	563	575	37
Total fixed assets	337 204	285 390	292 654
Stocks	98 555	94 376	81 765
Trade accounts receivable	145 839	130 973	144 152
Other short-term accounts receivable	7 362	7 952	15 005
Active prepayments and accrued income	2 398	904	2 211
Financial assets	123 077	111 017	22 437
Cash and cash equivalents	139 935	142 788	248 118
Total current assets	517 166	488 010	513 689
TOTAL ASSETS	854 370	773 400	806 343
Share capital	5 376	5 376	5 376
Reserve funds	342 252	315 700	315 525
Capital from the valuation of warrants	9 733	8 401	7 171
Retained profit	36 925	106 928	63 042
Revaluation capital reserve	69 490	69 532	69 599
Total shareholders' equity	463 776	505 937	460 713
Provisions	12 188	13 232	12 913
Income from future periods	74	132	207
Total long-term liabilities	12 262	13 364	13 120
Credits and debt securities	198 423	167 905	140 773
Trade liabilities	63 253	56 337	64 097
Financial liabilities	1 276	197	23
Other short-term liabilities	93 123	9 913	105 176
Income tax liabilities	1 616	3 209	4 620
Liabilities related to the contract	1 144	N/A*	N/A*
Income from future periods	1 008	923	1 894
Provisions	18 489	15 615	15 927
Total short-term liabilities	378 332	254 099	332 510
TOTAL LIABILITIES	854 370	773 400	806 343

*N/A – not applicable – items in which the following did not occur in the first half of 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

	01.04.2018- 30.06.2018	01.01.2018- 30.06.2018	01.04.2017- 30.06.2017	01.01.2017- 30.06.2017
Sales revenue	184 531	369 729	186 983	367 746
Cost of sales	144 967	292 236	141 981	277 311
Gross profit on sales	39 564	77 493	45 002	90 435
Selling cost	2 573	4 836	2 600	4 683
General and administrative expenses	14 861	26 992	10 412	20 500
Core business result	22 130	45 665	31 990	65 252
Other operating income	8	1 188	1 627	2 743
Other operating expenses	272	699	269	452
Loss due to impairment of trade receivables and other receivables	2 441	2 748	N/A*	N/A*
Operating result	19 425	43 406	33 348	67 543
Interest income	2 346	4 252	N/A*	N/A*
Other financial income	4 795	5 172	4 092	12 219
Financial expenses	1 496	2 404	887	1 848
Pre-tax profit	25 070	50 426	36 552	77 914
Income tax	5 151	10 339	6 797	14 872
<i>current</i>	6 031	11 107	7 812	15 362
<i>deferred</i>	-880	-768	-1 015	-490
Net profit	19 919	40 087	29 755	63 042
Weighted-average number of shares		26 881 922		26 881 922
Earnings per share		1,48		2,35
Weighted-average diluted number of shares		27 957 194		27 957 194
Diluted earnings per share		1,43		2,25

*N/A – not applicable – items in which the following did not occur in the first half of 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 30.06	
	2018	2017
Net profit	40 087	63 042
Total adjustments:	-2 649	-15 897
– Depreciation	15 418	14 220
– Net foreign exchange (gains) losses	-4 624	558
– Net interest and dividends	-2 711	-4 548
– Income tax on profit before taxation	11 107	15 362
– (Gains) losses from investing activities	-691	-121
– Change in provisions	1 830	2 995
– Change in stocks	-4 178	-6 762
– Change in accounts receivable	-21 822	-39 971
– Change in liabilities	8 824	9 097
– Change in active prepayments and accrued income	-2 771	-244
– Other adjustments	2 205	1 490
– Income tax paid	-5 236	-7 973
Net cash from operating activities	37 438	47 145
Income from sales of tangible and intangible fixed assets	1 031	929
Income from financial assets (dividends)	750	3 391
Income from repayment of loans	436	0
Income from payment of interest on loans	2 101	1 386
Acquisition of tangible and intangible fixed assets	-45 978	-22 099
Outflows for financial assets	-19 611	-21 812
Other	-9 086	-14
Net cash from investing activities	-70 357	-38 219
Proceeds from credits taken	30 462	3 788
Interest paid	-396	-404
Net cash from financing activities	30 066	3 384
Change in cash	-2 853	12 310
Change in cash resulting from foreign exchange differences	0	14
Cash at beginning of period	142 788	235 794
Change in net cash	-2 853	12 324
Cash at end of period	139 935	248 118