

Excerpt from the consolidated financial statements of the **Pekabex Group** for the year ended December 31, 2018
prepared in accordance with the International Financial Reporting Standards.
Figures are quoted in thousands of PLN, unless indicated otherwise.



THE PEKABEX GROUP

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR 2018**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2018	31.12.2017
Non-current assets		
Goodwill	12 286	12 286
Intangible assets	2 784	1 180
Property, plant and equipment	236 731	224 346
Investment properties	4 319	3 980
Investments in related parties	155	174
Investments in associates	-	-
Receivables and loans	2 699	1 731
Derivative assets	-	-
Other long-term financial assets	-	0
Long-term prepayments	616	483
Deferred tax assets	-	-
Total non-current assets	259 590	244 181
Current assets		
Inventories	63 622	44 525
Construction contracts receivables	21 051	20 651
Trade and other receivables	201 340	151 941
Current tax assets	663	221
Loans	-	-
Derivative assets	392	-
Other short-term financial assets	-	0
Short-term prepayments	1 189	2 482
Cash and cash equivalents	95 234	15 719
Non-current assets classified as held for sale	-	-
Current assets	383 491	235 539
Total assets	643 081	479 720

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2018	31.12.2017
Equity		
Shareholders' equity attributable to the Shareholders of the Parent Company:		
Share capital	24 369	24 213
Own shares (-)	-	-
Share premium	25 245	25 245
Other reserves	135 848	117 845
Retained earnings:	99 897	70 268
- profit (loss) from previous year	48 689	44 431
- profit (loss) attributable to the Shareholders of the Parent Company	51 209	25 836
Shareholders' equity attributable to the Shareholders of the Parent Company	285 359	237 570
Equity attributable to non-controlling interests	-	-
Total equity	285 359	237 570
Liabilities		
Long-term liabilities		
Loans, borrowings and other external sources of financing	55 780	43 871
Financial leasing	9 607	6 450
Derivate liabilities	-	-
Other liabilities	13 118	9 326
Deferred tax liabilities	3 353	12 010
Liabilities and provisions for employee benefits	650	597
Other long-term provisions	647	5 499
Long-term accruals	-	-
Long-term liabilities	83 155	77 753
Short-term liabilities		
Contracts for construction services liabilities	39 093	15 597
Liabilities for deliveries and services and other Liabilities	168 547	115 972
Current tax liabilities	14 665	3 385
Loans, borrowings and other external sources of financing	20 246	7 746
Financial leasing	4 705	4 183
Derivate liabilities	633	-
Liabilities and provisions for employee benefits	15 189	11 269
Other short-term provisions	11 430	6 165
Short-term accruals	59	80
Liabilities related to non-current assets classified as held for sale	-	-
Short-term liabilities	274 567	164 397
Total liabilities	357 722	242 150
Total equity and liabilities	643 081	479 720

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
Continuing operations		
Net sales	886 344	623 334
Net sales of finished goods and services	884 140	620 909
Net sales of goods and materials	2 204	2 425
Costs of sales	722 145	507 641
Costs of finished goods and services sold	720 016	505 453
Costs of goods and materials sold	2 128	2 187
Gross profit (loss) on sales	164 199	115 694
Selling expenses	58 791	54 892
Administrative expenses	32 537	26 495
Other operating revenues	2 690	5 225
Other operating expenses	8 088	4 559
Operating profit (loss)	67 473	34 972
Financial income	879	683
Financial costs	4 279	3 345
Share in profits (losses) of subsidiaries measured by equity method (+/-)	-	-
Gross profit (loss)	64 072	32 310
Income tax	12 864	6 473
Net profit (loss) from continuing operations	51 209	25 836
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit (loss)	51 209	25 836
Net profit (loss) attributable:		
- to the Shareholders of the Parent Company	51 209	25 836
- to non-controlling interests	-	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
Net profit (loss) from continuing operations	51 209	25 836
Other comprehensive income		
Instruments hedging cash flows: - profit (loss) included in the period in other comprehensive income	(442)	-
Exchange differences on translation of foreign operations	40	(57)
Other comprehensive income/(loss) for the year, net of tax	(402)	(57)
Total comprehensive income	50 807	25 780
Total comprehensive income attributable:		
- to the Shareholders of the Parent Company	50 807	25 780
- to non-controlling interests	-	-

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STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the Shareholders of the Parent Company						Non-controlling interest	Total equity
	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total		
Balance as at 01.01.2018	24 213	-	25 245	117 845	70 267	237 570	-	237 570
Changes in accounting policy	-	-	-	-	(1 885)	(1 885)	-	(1 885)
Adjustments for fundamental errors	-	-	-	-	-	-	-	-
Balance after adjustments	24 213	-	25 245	117 845	68 382	235 685	-	235 685
Changes in equity for the period from 01.01. to 31.12.2018								
Issue of shares	156	-	-	-	-	156	-	156
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	2 610	-	2 610	-	2 610
Change in structure of capital group (transactions with non-controlling entities)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(3 899)	(3 899)	-	(3 899)
Allocation of net profit to equity	-	-	-	15 802	(15 802)	-	-	-
Transaction with shareholders in total	156	-	-	18 412	(19 701)	(1 133)	-	(1 133)
Net profit (loss) for the year 2018	-	-	-	-	51 209	51 209	-	51 209
Other comprehensive income after tax for the year 2018	-	-	-	(409)	8	(402)	-	(402)
Total comprehensive income	-	-	-	(409)	51 216	50 807	-	50 807
Transfer to retained earnings (sales of revalued items of property, plant and equipment)	-	-	-	-	-	-	-	-
Balance as at 31.12.2018	24 369	-	25 245	135 848	99 897	285 359	-	285 359

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STATEMENT OF CHANGES IN EQUITY (CONT.)

	Equity attributable to the Shareholders of the Parent Company						Non-controlling interest	Total equity
	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total		
Balance as at 01.01.2017	24 213	-	25 245	84 573	78 190	212 222	-	212 222
Changes in accounting policy	-	-	-	-	-	-	-	-
Adjustments for fundamental errors	-	-	-	-	-	-	-	-
Balance after adjustments	24 213	-	25 245	84 573	78 190	212 222	-	212 222
Changes in equity for the period from 01.01. to 31.12.2017								
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	2 232	-	2 232	-	2 232
Change in structure of capital group (transactions with non-controlling entities)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(2 663)	(2 663)	-	(2 663)
Allocation of net profit to equity	-	-	-	31 043	(31 043)	-	-	-
Transaction with shareholders in total	-	-	-	33 275	(33 706)	(431)	-	(431)
Net profit (loss) for the year 2017	-	-	-	-	25 836	25 836	-	25 836
Other comprehensive income after tax for the year 2017	-	-	-	(4)	(53)	(57)	-	(57)
Total comprehensive income	-	-	-	(4)	25 783	25 780	-	25 780
Transfer to retained earnings (sales of revalued items of property, plant and equipment)	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	24 213	-	25 245	117 845	70 267	237 570	-	237 570

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CONSOLIDATED CASH FLOW STATEMENT

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
Cash-flow from operating activities		
Net profit (loss) before tax	64 072	32 310
Adjustments for:		
Depreciation and impairment allowances of property, land and equipment	13 818	12 543
Amortization and impairment allowances of intangible assets	613	344
Profit (loss) on financial assets (liabilities) measured at fair value through profit or loss	241	-
Instruments hedging cash flows of the transferred capital	(442)	-
Profit (loss) on disposal of non-financial non-current assets	238	(4)
Profit (loss) on disposal of financial assets (other than derivate instruments)	-	-
Foreign exchange gains (losses)	9	(41)
Interest costs	2 484	2 747
Interest and dividend income	-	-
Share-based arrangement payment (incentive programs)	2 610	2 232
Share in profits (losses) of associates	-	-
Gain on a bargain purchase of related party	-	-
Other adjustments	21	52
Adjustments in total	19 591	17 873
Changes in inventories	(19 088)	(14 475)
Changes in receivables	(40 378)	(28 161)
Changes in liabilities	61 225	9 017
Changes in provisions and accruals	828	100
Changes in retentions for construction contracts	23 095	439
Changes in working capital	25 682	(33 080)
Settlement of derivate instruments	-	-
Interest paid from operating activities	(89)	(23)
Income tax paid	(10 410)	(8 765)
Net cash generated from/used in operating activities	98 845	8 313

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CONSOLIDATED CASH FLOW STATEMENT (CONT.)

	01.01.2018- 31.12.2018	01.01.2017- 31.12.2017
Cash flow from investing activities		
Purchase of intangible assets	(2 295)	(399)
Sale of intangible assets	-	-
Purchase of property, plant and equipment	(30 018)	(6 919)
Sale of property, plant and equipment	51	208
Purchase of investment properties	(378)	-
Sale of investment properties	-	-
Purchase of related entities shares	-	-
Sale of related entities shares	-	-
Loans repaid	-	-
Loans granted	-	-
Purchase of other financial assets	-	(29)
Sale of other financial assets	-	-
Government subsidies granted	-	-
Interest received	-	54
Dividends received	-	-
Net cash generated from/used in investing activities	(32 640)	(7 085)
Cash flow from financing activities		
Net proceeds from issue of shares	156	-
Acquisition of own shares	-	-
Transactions with non-controlling entities without losing control	-	-
Proceeds from issue of debt securities	20 000	-
Repurchase of debt securities	-	-
Proceeds from loans and borrowings received	12 500	10 835
Repayments of loans and borrowings	(8 007)	(9 160)
Repayments of liabilities under finance lease agreements	(4 952)	(4 118)
Interest paid	(2 487)	(2 828)
Dividend paid	(3 899)	(2 663)
Net cash generated from/used in financing activities	13 311	(7 934)
Net change in cash and cash equivalents	79 515	(6 705)
Cash and cash equivalents at the beginning of the period	15 719	22 424
Foreign exchange differences	-	-
Cash and cash equivalents at the end of the period	95 234	15 718

**POZNAŃSKA KORPORACJA BUDOWLANA
PEKABEX SPÓŁKA AKCYJNA**

**FINANCIAL STATEMENTS
FOR THE YEAR 2018**

STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2018	31.12.2017
<i>Non-current assets</i>		
Goodwill	-	-
Intangible assets	16	57
Property, plant and equipment	9 413	12 208
Investment properties	65 013	60 921
Investments in related parties	31 912	25 714
Investments in associates	-	-
Receivables and loans	29 490	16 597
Derivative assets	-	-
Other long-term financial assets	27 255	26 551
Long-term prepayments	71	-
Deferred tax assets	-	-
Total non-current assets	163 169	142 048
<i>Current assets</i>		
Inventories	-	-
Retentions for construction contracts	-	-
Trade and other receivables	13 389	12 043
Current tax assets	467	-
Loans	8	-
Derivative assets	-	-
Other short-term financial assets	-	-
Short-term prepayments	51	336
Cash and cash equivalents	8 856	540
Non-current assets classified as held for sale	-	-
Current assets	22 771	12 920
Total assets	185 940	154 968

STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2018	31.12.2017
<i>Equity</i>		
Shareholders' equity attributable to the Shareholders of the Parent Company:		
Share capital	24 369	24 213
Own shares (-)	-	-
Share premium	25 245	25 245
Other reserves	55 211	49 279
Retained earnings:	45 713	41 274
- profit (loss) from previous year	34 052	34 052
- profit (loss) attributable to the Shareholders of the Parent Company	11 660	7 221
Shareholders' equity attributable to the Shareholders of the Parent Company	150 538	140 011
Equity attributable to non-controlling interests	-	-
Total equity	150 538	140 011
<i>Liabilities</i>		
<i>Long-term liabilities</i>		
Loans, borrowings and other external sources of financing	20 021	-
Financial leasing	911	228
Derivate liabilities	-	-
Other liabilities	-	-
Deferred tax liabilities	10 047	9 493
Liabilities and provisions for employee benefits	-	-
Other long-term provisions	-	-
Long-term accruals	-	-
Long-term liabilities	30 980	9 721
<i>Short-term liabilities</i>		
Trade and other payables	3 697	4 608
Deferred tax liabilities	-	45
Loans and borrowings	-	-
Financial leasing	540	432
Derivate liabilities	-	-
Liabilities and provisions for employee benefits	62	36
Other short-term provisions	86	56
Short-term accruals	38	59
Liabilities related to non-current assets classified as held for sale	-	-
Short-term liabilities	4 422	5 236
Total liabilities	35 402	14 957
Total equity and liabilities	185 940	154 968

PROFIT AND LOSS ACCOUNT

	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
Continuing operations		
Net sales	14 635	14 037
Net sales of finished goods	-	-
Net sales of services	14 635	14 037
Net sales of goods and materials	-	-
Costs of sales	4 305	5 036
Costs of finished goods sold	-	-
Costs of services sold	4 305	5 036
Costs of goods and materials sold	-	-
Gross profit (loss) on sales	10 329	9 001
Selling expenses	-	-
Administrative expenses	2 979	2 722
Other operating revenues	922	1 343
Other operating expenses	123	527
Profit (loss) on sale of related entities (+/-)	-	-
Operating profit (loss)	8 148	7 095
Financial income	5 943	1 877
Financial costs	508	51
Shares in profits (losses) of subsidiaries valued using equity method (+/-)	-	-
Gross profit (loss)	13 584	8 920
Income tax	1 923	1 698
Net profit (loss) from continuing operations	11 660	7 221
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit (loss)	11 660	7 221
Net profit (loss) attributable:		
- to the shareholders of the Parent Company	11 660	7 221
- to non-controlling entities	-	-

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
Net profit (loss) from continuing operations	11 660	7 221
Other comprehensive income		
Exchange differences on translation of foreign operations		
Other comprehensive income/(loss) for the year, net of tax		
Total comprehensive income	11 660	7 221
Total comprehensive income attributable:		
- to the Shareholders of the Parent Company	11 660	7 221
- to non-controlling interests	-	-

STATEMENT OF CHANGES IN EQUITY

	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2018	24 213	-	25 245	49 279	41 274	140 011
Changes in accounting policy	-	-	-	-	-	-
Adjustments for fundamental errors	-	-	-	-	-	-
Balance after adjustments	24 213	-	25 245	49 279	41 274	140 011
Issue of shares	156	-	-	-	-	156
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	2 610	-	2 610
Dividends	-	-	-	-	(3 899)	(3 899)
Allocation of net profit to equity	-	-	-	3 322	(3 322)	-
Transaction with shareholders in total	156	-	-	5 932	(7 221)	(1 133)
Net profit (loss) for the year 2018	-	-	-	-	11 660	11 660
Other comprehensive income after tax for the year 2018	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	11 660	11 660
Transfer to retained earnings (sale of revalued items of property, plant and equipment)	-	-	-	-	-	-
Balance as at 31.12.2018	24 369	-	25 245	55 211	45 713	150 538

STATEMENT OF CHANGES IN EQUITY (CONT.)

	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2017	24 213	-	25 245	39 688	43 615	132 761
Changes in accounting policy	-	-	-	-	-	-
Adjustments for fundamental errors	-	-	-	-	460	460
Balance after adjustments	24 213	-	25 245	39 688	44 075	133 221
Issue of shares	-	-	-	-	-	-
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	2 232	-	2 232
Change in structure of capital group (transactions with con-controlling entities)	-	-	-	-	-	-
Dividends	-	-	-	-	(2 663)	(2 663)
Allocation of net profit to equity	-	-	-	7 359	(7 359)	-
Transaction with shareholders in total	-	-	-	9 591	(10 022)	(431)
Net profit (loss) for the period for the year 2017	-	-	-	-	7 221	7 221
Other comprehensive income after tax for the year 2017	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	7 221	7 221
Balance as at 31.12.2017	24 213	-	25 245	49 279	41 274	140 011

CASH FLOW STATEMENT

	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
Cash-flow from operating activities		
Net profit (loss) before tax	13 584	8 920
Adjustments for:		
Depreciation and impairment allowances of property, land and equipment	3 059	2 925
Amortization and impairment allowances of intangible assets	41	81
Change in fair value of investment properties	-	-
Change in fair value of financial assets (liabilities) which are classified through the income statement	-	-
Cash flow hedges transferred from equity	-	-
Impairment losses of financial assets	-	-
Profit (loss) on disposal of non-financial non-current assets	(5)	3
Profit (loss) on disposal of financial assets (other than derivate instruments)	-	-
Foreign exchange gains (losses)	-	-
Interest costs	41	32
Interests and dividends in profits	(4 375)	(1 845)
Share-based arrangement payment (incentive programs)	-	-
Share in profits (losses) of associates	-	-
Other adjustments	-	-
Adjustments in total	(1 238)	1 195
Changes in inventories	-	-
Changes in receivables	(1 326)	(2 699)
Change in liabilities	(924)	984
Changes in provisions and accruals	224	(277)
Changes in working capital	(2 027)	(1 992)
Interest paid from operating activities	(4)	(1)
Income tax paid	(1 882)	(2 439)
Net cash generated from/used in operating activities	8 433	5 684

CASH FLOW STATEMENT (CONT.)

	01.01.2018 - 31.12.2018	01.01.2017 - 31.12.2017
<i>Cash flow from investing activities</i>		
Purchase of intangible assets	-	-
Sale of intangible assets	-	-
Purchase of property, plant and equipment	(2 596)	(794)
Sale of property, plant and equipment	5	-
Purchase of investment properties	(338)	(5 928)
Sale of investment properties	-	-
Purchase of related entities shares	-	-
Sale of related entities shares	-	-
Loans repaid	6 870	-
Loans granted	(18 600)	(5 500)
Purchase of other financial assets	(3 607)	(1 024)
Sale of other financial assets	500	4 000
Interest received	-	258
Dividends received	2 000	-
Net cash generated from/used in investing activities	(15 766)	(8 988)
<i>Cash flow from financing activities</i>		
Net proceeds from issue of shares	156	-
Acquisition of own shares	-	-
Transactions with non-controlling entities without losing control	20 000	-
Proceeds from issue of debt securities	-	-
Repurchase of debt securities	-	-
Proceeds from loans and borrowings received	-	-
Repayments of loans and borrowings	-	-
Repayments of liabilities under finance lease agreements	(571)	(451)
Interest paid	(38)	(31)
Dividend paid	(3 899)	(2 663)
Net cash generated from/used in financing activities	15 648	(3 146)
Net change in cash and cash equivalents	8 316	(6 451)
Cash and cash equivalents at the beginning of the period	540	6 991
Foreign exchange differences	-	-
Cash and cash equivalents at the end of the period	8 856	540