

Extract from the consolidated financial statements of the **Pekabex Group** for the year ended December 31, 2017
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 2017**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2017	31.12.2016
Non-current assets		
Goodwill	12 286	12 286
Intangible assets	1 180	1 143
Property, plant and equipment	224 346	225 914
Investment properties	3 980	4 017
Investments in related parties	174	150
Investments in associates	-	-
Receivables and loans	1 731	2 136
Derivative assets	-	-
Other long-term financial assets	-	-
Long-term prepayments	483	494
Deferred tax assets	-	-
Total non-current assets	244 181	246 140
Current assets		
Inventories	44 525	30 050
Retentions for construction contracts	20 651	18 322
Trade and other receivables	151 941	123 379
Current tax assets	221	424
Loans	-	-
Derivative assets	-	-
Other short-term financial assets	-	-
Short-term prepayments	2 482	1 474
Cash and cash equivalents	15 719	22 423
Non-current assets classified as held for sale	-	-
Current assets	235 539	196 072
Total assets	479 720	442 213

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2017	31.12.2016
Equity		
Shareholders' equity attributable to the Shareholders of the Parent Company:		
Share capital	24 213	24 213
Own shares (-)	-	-
Share premium	25 245	25 245
Other reserves	117 845	84 573
Retained earnings:	70 268	78 190
- profit (loss) from previous year	44 431	43 882
- profit (loss) attributable to the Shareholders of the Parent Company	25 836	34 309
Shareholders' equity attributable to the Shareholders of the Parent Company	237 570	212 222
Equity attributable to non-controlling interests	-	-
Total equity	237 570	212 222
Liabilities		
Long-term liabilities		
Loans, borrowings and other external sources of financing	43 871	42 723
Financial leasing	6 450	6 776
Derivate liabilities	-	-
Other liabilities	9 326	9 561
Deferred tax liabilities	12 010	14 245
Liabilities and provisions for employee benefits	597	408
Other long-term provisions	5 499	5 623
Long-term accruals	-	-
Long-term liabilities	77 753	79 335
Short-term liabilities		
Trade and other payables	131 569	121 107
Current tax liabilities	3 385	3 644
Loans, borrowings and other external sources of financing	7 746	7 240
Financial leasing	4 183	3 749
Derivate liabilities	-	-
Liabilities and provisions for employee benefits	11 269	10 572
Other short-term provisions	6 165	4 259
Short-term accruals	80	84
Liabilities related to non-current assets classified as held for sale	-	-
Short-term liabilities	164 397	150 656
Total liabilities	242 150	229 991
Total equity and liabilities	479 720	442 213

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CONSOLIDATED PROFIT AND LOSS ACCOUNT

	01.01.2017- 31.12.2017	01.01.2017- 31.12.2016
Continuing operations		
Net sales	623 334	505 442
Net sales of finished goods and services	620 909	502 776
Net sales of goods and materials	2 425	2 666
Costs of sales	507 641	423 613
Costs of finished goods and services sold	505 453	421 367
Costs of goods and materials sold	2 187	2 247
Gross profit (loss) on sales	115 694	81 829
Selling expenses	54 892	34 422
Administrative expenses	26 495	22 676
Other operating revenues	5 225	10 399
Other operating expenses	4 559	7 790
Gain on a bargain purchase of related party	-	13 511
Operating profit (loss)	34 972	40 850
Financial income	683	2 853
Financial costs	3 345	3 857
Share in profits (losses) of subsidiaries measured by equity method (+/-)	-	-
Gross profit (loss)	32 310	39 847
Income tax	6 473	5 538
Net profit (loss) from continuing operations	25 836	34 309
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Net profit (loss)	25 836	34 309
Net profit (loss) attributable:		
- to the Shareholders of the Parent Company	25 836	34 309
- to non-controlling interests	-	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2017- 31.12.2017	01.01.2017- 31.12.2016
Net profit (loss) from continuing operations	25 836	34 309
Other comprehensive income		
Exchange differences on translation of foreign operations	(57)	26
Other comprehensive income/(loss) for the year, net of tax	(57)	26
Total comprehensive income	25 780	34 334
Total comprehensive income attributable:		
- to the Shareholders of the Parent Company	25 780	34 334
- 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 01.01.2017	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
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 con-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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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 01.01.2016	24 213	-	25 245	67 874	60 672	178 005	-	178 005
Changes in accounting policy								-
Adjustments for fundamental errors					1 154	1 154		1 154
Balance after adjustments	24 213	-	25 245	67 874	61 826	179 158	-	179 158
Changes in equity for the period from 01.01. to 30.06.2016								
Issue of shares	-	-	-	-	-	-	-	-
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	845	-	845	-	845
Change in structure of capital group (transactions with con-controlling entities)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(2 179)	(2 179)	-	(2 179)
Allocation of net profit to equity	-	-	-	15 819	(15 756)	63	-	63
Transaction with shareholders in total	-	-	-	16 664	(17 935)	(1 271)	-	(1 271)
Net profit (loss) for the year 2016	-	-	-	-	34 309	34 309	-	34 309
Other comprehensive income after tax for the year 2016	-	-	-	35	(9)	26	-	26
Total comprehensive income	-	-	-	35	34 300	34 335	-	34 335
Transfer to retained earnings (sales of revalued items of property, plant and equipment)	-	-	-	-	-	-	-	-
Balance as at 31.12.2016	24 213	-	25 245	84 573	78 190	212 222	-	212 222

CONSOLIDATED CASH FLOW STATEMENT

	01.01.2017- 31.12.2017	01.01.2017- 31.12.2016
Cash-flow from operating activities		
Net profit (loss) before tax	32 310	39 847
Adjustments for:		
Depreciation and impairment allowances of property, land and equipment	12 543	10 664
Amortization and impairment allowances of intangible assets	344	315
Change in fair value of investment properties	-	-
Profit (loss) on disposal of non-financial non-current assets	(4)	(2 663)
Profit (loss) on disposal of financial assets (other than derivate instruments)	-	-
Foreign exchange gains (losses)	(41)	(84)
Interest costs	2 747	3 257
Interest and dividend income	-	20
Share-based arrangement payment (incentive programs)	2 232	845
Share in profits (losses) of associates	-	-
Gain on a bargain purchase of related party	-	(13 511)
Other adjustments	52	7
Adjustments in total	17 873	(1 149)
Changes in inventories	(14 475)	(7 961)
Changes in receivables	(28 161)	(56 102)
Changes in liabilities	9 017	52 386
Changes in provisions and accruals	100	(306)
Changes in retentions for construction contracts	439	(4 492)
Changes in working capital	(33 080)	(16 476)
Settlement of derivate instruments	-	-
Interest paid from operating activities	(23)	(47)
Income tax paid	(8 765)	(3 798)
Net cash generated from/used in operating activities	8 313	18 330

CONSOLIDATED CASH FLOW STATEMENT (CONT.)

	01.01.2017- 31.12.2017	01.01.2017- 31.12.2016
Cash flow from investing activities		
Purchase of intangible assets	(399)	(351)
Sale of intangible assets	-	-
Purchase of property, plant and equipment	(6 919)	(11 778)
Sale of property, plant and equipment	208	735
Purchase of investment properties	-	-
Sale of investment properties	-	2 984
Purchase of related entities shares	-	(49 483)
Sale of related entities shares	-	-
Loans repaid	-	167
Loans granted	-	-
Purchase of other financial assets	(29)	(90)
Sale of other financial assets	-	-
Government subsidies granted	-	115
Interest received	54	77
Dividends received	-	-
Net cash generated from/used in investing activities	(7 085)	(57 623)
Cash flow from financing activities		
Net proceeds from issue of shares	-	-
Acquisition of own shares	-	-
Transactions with non-controlling entities without losing control	-	-
Proceeds from issue of debt securities	-	-
Repurchase of debt securities	-	-
Proceeds from loans and borrowings received	10 835	30 341
Repayments of loans and borrowings	(9 160)	(3 418)
Repayments of liabilities under finance lease agreements	(4 118)	(3 561)
Interest paid	(2 828)	(3 474)
Dividend paid	(2 663)	(2 179)
Net cash generated from/used in financing activities	(7 934)	17 709
Net change in cash and cash equivalents	(6 705)	(21 584)
Cash and cash equivalents at the beginning of the period	22 424	44 007
Foreign exchange differences	-	-
Cash and cash equivalents at the end of the period	15 718	22 423

**POZNAŃSKA KORPORACJA BUDOWLANA
PEKABEX SPÓŁKA AKCYJNA**

**FINANCIAL STATEMENTS
FOR THE YEAR 2017**

STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2017	31.12.2016	31.12.2015
<i>Non-current assets</i>			
Goodwill	-	-	-
Intangible assets	57	119	-
Property, plant and equipment	12 208	13 617	12 570
Investment properties	60 921	55 736	56 567
Investments in related parties	25 714	22 458	21 523
Investments in associates	-	-	-
Receivables and loans	16 597	2 944	5 814
Derivative assets	-	-	-
Other long-term financial assets	26 551	21 409	200
Long-term prepayments	-	-	-
Deferred tax assets	-	-	-
Total non-current assets	142 048	116 283	96 674
<i>Current assets</i>			
Inventories	-	-	456
Retentions for construction contracts	-	-	-
Trade and other receivables	12 043	12 755	8 190
Current tax assets	-	-	-
Loans	-	4 473	5 244
Derivative assets	-	-	-
Other short-term financial assets	-	7 825	7 428
Short-term prepayments	336	48	136
Cash and cash equivalents	540	6 991	23 608
Non-current assets classified as held for sale	-	-	-
Current assets	12 920	32 092	45 063
Total assets	154 968	148 375	141 737

STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2017	31.12.2016	31.12.2015
<i>Equity</i>			
Shareholders' equity attributable to the Shareholders of the Parent Company:			
Share capital	24 213	24 213	24 213
Own shares (-)	-	-	-
Share premium	25 245	25 245	25 245
Other reserves	49 279	39 688	32 293
Retained earnings:	41 274	44 075	42 259
- profit (loss) from previous year	34 052	33 592	33 592
- profit (loss) attributable to the Shareholders of the Parent Company	7 221	10 482	8 666
Shareholders' equity attributable to the Shareholders of the Parent Company	140 011	133 221	124 010
Equity attributable to non-controlling interests	-	-	-
Total equity	140 011	133 221	124 010
<i>Liabilities</i>			
<i>Long-term liabilities</i>			
Loans, borrowings and other external sources of financing	-	-	-
Financial leasing	228	644	395
Derivate liabilities	-	-	-
Other liabilities	-	-	-
Deferred tax liabilities	9 493	9 194	8 681
Liabilities and provisions for employee benefits	-	-	-
Other long-term provisions	-	-	-
Long-term accruals	-	-	-
Long-term liabilities	9 721	9 838	9 076
<i>Short-term liabilities</i>			
Trade and other payables	4 608	3 560	5 996
Deferred tax liabilities	45	1 084	803
Loans and borrowings	-	-	943
Financial leasing	432	467	642
Derivate liabilities	-	-	-
Liabilities and provisions for employee benefits	36	100	36
Other short-term provisions	56	41	124
Short-term accruals	59	63	108
Liabilities related to non-current assets classified as held for sale	-	-	-
Short-term liabilities	5 236	5 316	8 652
Total liabilities	14 957	15 154	17 728
Total equity and liabilities	154 968	148 375	141 737

PROFIT AND LOSS ACCOUNT

	01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016	01.01.2015 - 31.12.2015
Continuing operations			
Net sales	14 037	14 461	13 915
Net sales of finished goods	-	-	-
Net sales of services	14 037	14 004	13 500
Net sales of goods and materials	-	457	414
Costs of sales	5 036	5 909	5 921
Costs of finished goods sold	-	-	-
Costs of services sold	5 036	5 452	5 515
Costs of goods and materials sold	-	456	406
Gross profit (loss) on sales	9 001	8 552	7 994
Selling expenses	-	-	-
Administrative expenses	2 722	2 093	2 468
Other operating revenues	1 343	2 886	691
Other operating expenses	527	174	258
Profit (loss) on sale of related entities (+/-)	-	-	-
Operating profit (loss)	7 095	9 171	5 959
Financial income	1 877	3 819	4 091
Financial costs	51	38	163
Shares in profits (losses) of subsidiaries valued using equity method (+/-)	-	-	-
Gross profit (loss)	8 920	12 952	9 887
Income tax	1 698	2 470	1 221
Net profit (loss) from continuing operations	7 221	10 482	8 666
Discontinued operations			
Net profit (loss) from discontinued operations	-	-	-
Net profit (loss)	7 221	10 482	8 666
Net profit (loss) attributable:			
- to the shareholders of the Parent Company	7 221	10 482	8 666
- to non-controlling entities	-	-	-

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016	01.01.2015 - 31.12.2015
Net profit (loss) from continuing operations	7 221	10 482	8 666
Other comprehensive income			
Exchange differences on translation of foreign operations			
Other comprehensive income/(loss) for the year, net of tax			
Total comprehensive income	7 221	10 482	8 666
Total comprehensive income attributable:			
- to the Shareholders of the Parent Company	7 221	10 482	8 666
- to non-controlling interests	-	-	-

STATEMENT OF CHANGES IN EQUITY

	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2017	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
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 year 2017	-	-	-	-	7 221	7 221
Other comprehensive income after tax for the year 2017	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	7 221	7 221
Transfer to retained earnings (sale of revalued items of property, plant and equipment)	-	-	-	-	-	-
Balance as at 31.12.2017	24 213	-	25 245	49 279	41 274	140 011

STATEMENT OF CHANGES IN EQUITY (CONT.)

	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2016	24 213	-	25 245	32 293	42 259	124 010
Changes in accounting policy	-	-	-	-	-	-
Adjustments for fundamental errors	-	-	-	-	-	-
Balance after adjustments	24 213	-	25 245	32 293	42 259	124 010
Issue of shares	-	-	-	-	-	-
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	845	-	845
Change in structure of capital group (transactions with con-controlling entities)	-	-	-	-	-	-
Dividends	-	-	-	-	(2 179)	(2 179)
Allocation of net profit to equity	-	-	-	6 550	(6 487)	63
Transaction with shareholders in total	-	-	-	7 395	(8 666)	(1 271)
Net profit (loss) for the period for the year 2016	-	-	-	-	-	-
Other comprehensive income after tax for the year 2016	-	-	-	-	10 482	10 482
Total comprehensive income	-	-	-	-	10 482	10 482
Balance as at 31.12.2016	21 213	-	25 245	39 688	44 075	133 221

STATEMENT OF CHANGES IN EQUITY (CONT.)

	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2015	21 213	-	-	31 975	7 111	60 299
Changes in accounting policy	-	-	-	(1 342)	30 141	28 799
Adjustments for fundamental errors	-	-	-	-	-	-
Balance after adjustments	21 213	-	-	30 633	37 252	89 098
Issue of shares	3 000	-	25 245	-	-	28 245
Issue of shares due to realization of options (share-based payment)	-	-	-	-	-	-
Valuation of options (share-based payment)	-	-	-	-	-	-
Change in structure of capital group (transactions with con-controlling entities)	-	-	-	-	-	-
Dividends	-	-	-	-	(2 000)	(2 000)
Allocation of net profit to equity	-	-	-	1 659	(1 659)	-
Transaction with shareholders in total	3 000	-	25 245	1 659	(3 659)	26 245
Net profit (loss) for the year 2015	-	-	-	-	8 666	8 666
Other comprehensive income after tax for the year 2015	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	8 666	8 666
Balance as at 31.12.2015	24 213	-	25 245	32 293	42 259	124 010

CASH FLOW STATEMENT

	01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016	01.01.2015 - 31.12.2015
Cash-flow from operating activities	ss		
Net profit (loss) before tax	8 920	12 952	9 887
Adjustments for:			
Depreciation and impairment allowances of property, land and equipment	2 925	2 654	2 415
Amortization and impairment allowances of intangible assets	81	36	-
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	3	(2 708)	59
Profit (loss) on disposal of financial assets (other than derivative instruments)	-	-	-
Foreign exchange gains (losses)	-	-	-
Interest costs	32	38	157
Interests and dividends in profits	(1 845)	(1 759)	(3 828)
Share-based arrangement payment (incentive programs)	-	-	-
Share in profits (losses) of associates	-	-	-
Other adjustments	-	-	(36)
Adjustments in total	1 195	(1 739)	(1 233)
Changes in inventories	-	456	15
Changes in receivables	(2 699)	(4 565)	(2 791)
Change in liabilities	984	3 391	2 642
Changes in provisions and accruals	(277)	(40)	84
Changes in working capital	(1 992)	(757)	(50)
Interest paid from operating activities	(1)	(1)	(12)
Income tax paid	(2 439)	(1 675)	(827)
Net cash generated from/used in operating activities	5 684	8 781	7 765

CASH FLOW STATEMENT (CONT.)

	01.01.2017 - 31.12.2017	01.01.2016 - 31.12.2016	01.01.2015 - 31.12.2015
Cash flow from investing activities			
Purchase of intangible assets	-	(155)	-
Sale of intangible assets	-	-	-
Purchase of property, plant and equipment	(794)	(2 266)	(3 030)
Sale of property, plant and equipment	-	-	112
Purchase of investment properties	(5 928)	(106)	(1 511)
Sale of investment properties	-	2 984	-
Purchase of related entities shares	-	-	(135)
Sale of related entities shares	-	-	-
Loans repaid	-	167	-
Loans granted	(5 500)	-	(3 297)
Purchase of other financial assets	(1 024)	(23 090)	(11 200)
Sale of other financial assets	4 000	850	2 744
Interest received	258	77	2 187
Dividends received	-	-	1 048
Net cash generated from/used in investing activities	(8 988)	(21 539)	(13 083)
Cash flow from financing activities			
Net proceeds from issue of shares	-	-	28 245
Acquisition of own shares	-	-	-
Transactions with non-controlling entities without losing control	-	-	-
Proceeds from issue of debt securities	-	-	-
Repurchase of debt securities	-	-	-
Proceeds from loans and borrowings received	-	-	-
Repayments of loans and borrowings	-	(943)	(3 771)
Repayments of liabilities under finance lease agreements	(451)	(700)	(336)
Interest paid	(31)	(37)	(145)
Dividend paid	(2 663)	(2 179)	(1 937)
Net cash generated from/used in financing activities	(3 146)	(3 859)	22 056
Net change in cash and cash equivalents	(6 451)	(16 617)	16 738
Cash and cash equivalents at the beginning of the period	6 991	23 608	6 870
Foreign exchange differences	-	-	-
Cash and cash equivalents at the end of the period	540	6 991	23 608