

The Pekabex Group

The consolidated financial statements for the fourth quarter ended 31 December 2015 prepared in accordance with International Financial Reporting Standards

All amounts are presented in PLN thousand

THE PEKABEX GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER OF 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2015	30.09.2015	31.12.2014
Non-current assets			
Goodwill	12 286	12 286	12 286
Intangible assets	696	677	151
Property, plant and equipment	154 938	149 853	92 795
Investment properties	4 295	4 304	4 331
Investments in related parties	160	362	65
Investments in associates	-	-	-
Receivables and loans	1 518	1 130	1 108
Derivative assets	-	-	-
Other long-term financial assets	-	-	-
Long-term prepayments	533	522	132
Deferred tax assets	-	-	-
Total non-current assets	174 426	169 134	110 869
Current assets			
Inventories	17 660	17 201	20 099
Retentions for construction contracts	5 582	11 812	10 311
Trade and other receivables	72 893	77 852	74 277
Current tax assets	2 195	1 793	33
Loans	265	262	255
Derivative assets	-	-	-
Other short-term financial assets	-	687	1 893
Short-term prepayments	1 415	2 160	1 259
Cash and cash equivalents	44 207	41 248	36 445
Non-current assets classified as held for sale	-	-	-
Current assets	144 217	153 015	144 572
Total assets	318 642	322 149	255 441

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2015	30.09.2015	31.12.2014
Equity			
Shareholders' equity attributable to the Shareholders of the Parent Company:			
Share capital	24 213	24 213	21 213
Own shares (-)	-	-	-
Share premium	-	-	-
Other reserves	93 106	92 699	56 267
Retained earnings:	60 010	56 765	50 656
- profit (loss) from previous year	37 479	37 477	34 807
- profit (loss) attributable to the Shareholders of the Parent Company	22 531	19 289	15 850
Shareholders' equity attributable to the Shareholders of the Parent Company	177 330	173 677	128 137
Equity attributable to non-controlling interests	-	683	-
Total equity	177 330	174 360	128 137
Liabilities			
Long-term liabilities			
Loans, borrowings and other external sources of financing	19 420	19 030	943
Financial leasing	4 880	5 060	1 439
Derivate liabilities	-	-	-
Other liabilities	7 999	7 372	6 227
Deferred tax liabilities	14 725	13 222	7 015
Liabilities and provisions for employee benefits	1 065	1 088	215
Other long-term provisions	6 343	6 346	-
Long-term accruals	798	811	-
Long-term liabilities	55 230	52 930	15 839
Short-term liabilities			
Trade and other payables	70 173	73 430	92 693
Current tax liabilities	1 098	3 088	1 659
Loans, borrowings and other external sources of financing	3 883	5 505	5 591
Financial leasing	2 924	2 381	1 244
Derivate liabilities	-	-	-
Liabilities and provisions for employee benefits	6 525	7 737	6 586
Other short-term provisions	1 353	2 611	3 564
Short-term accruals	126	108	129
Liabilities related to non-current assets classified as held for sale	-	-	-
Short-term liabilities	86 083	94 859	111 465
Total liabilities	141 393	147 789	127 304
Total equity and liabilities	318 642	322 149	255 441

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	od 01.10 do 31.12.2015	od 01.01 do 31.12.2015	od 01.10 do 31.12.2014	od 01.01 do 31.12.2014
Continuing operations				
Net sales	86 074	350 396	110 005	328 233
Net sales of finished good	11 019	72 579	17 636	55 918
Net sales of services	74 750	275 513	88 217	263 205
Net sales of goods and materials	304	2 304	4 152	9 110
Costs of sales	69 438	288 308	98 834	276 041
Costs of finished goods sold	12 557	64 371	15 470	50 812
Costs of services sold	56 611	222 257	79 184	216 168
Costs of goods and materials sold	270	1 680	4 179	9 061
Gross profit (loss) on sales	16 636	62 087	11 171	52 192
Selling expenses	5 778	20 930	5 345	17 828
Administrative expenses	5 951	18 484	2 671	14 274
Other operating revenues	391	2 545	839	2 504
Other operating expenses	1 326	2 162	526	2 843
Gain on a bargain purchase of related party	-	5 906	-	-
Operating profit (loss)	3 972	28 963	3 467	19 751
Financial income	290	662	373	693
Financial costs	393	1 398	100	775
Share in profits (losses) of subsidiaries measured by equity method (+/-)	-	-	-	-
Gross profit (loss)	3 869	28 227	3 740	19 669
Income tax	684	5 696	202	3 819
Net profit (loss) from continuing operations	3 185	22 531	3 539	15 850
Discontinued operations				
Net profit (loss) from discontinued operations	-	-	-	-
Net profit (loss)	3 185	22 531	3 539	15 850
Net profit (loss) attributable:				
- to the Shareholders of the Parent Company	3 242	22 531	3 539	15 850
- to non-controlling entities	(57)	-	-	-

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 01.01.2015	21 213	-	-	56 267	50 656	128 136	-	128 136
Adjustments for fundamental errors				-	-	-		-
Balance after adjustments	21 213	-	-	56 267	50 656	128 136	-	128 136
Changes in equity for the period from 01.01. to 31.12.2015								
Issue of shares	3 000			25 245		28 245		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)				424		424	-	424
Reclass				222	(222)			
Dividends					(2 000)	(2 000)		(2 000)
Allocation of net profit to equity				10 928	(10 928)	-		-
Transaction with shareholders in total	3 000	-	-	36 819	(13 151)	26 669	-	26 669
Net profit (loss) for the period from 01.01 to 31.12.2015					22 531	22 531		22 531
Other comprehensive income after tax for the period 01.01 to 31.12.2015				20	(26)	(7)		(7)
Total comprehensive income	-	-	-	20	22 504	22 524	-	22 524
Transfer to retained earnings (sales of revalued items of property, plant and equipment)						-		-
Balance as at 31.12.2015	24 213	-	-	93 106	60 010	177 330	-	177 330

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 earning	Total		
Balance as at 01.01.2014	21 065	-	-	25 701	49 991	96 757		96 757
Adjustments for fundamental errors						-		-
Balance after correction	21 065	-	-	25 701	49 991	96 757	-	96 757
Changes in equity for the period from 01.01. to 31.12.2014								
Issue of shares	17 000	-	-	-	-	17 000	-	17 000
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)	(16 852)	-	-	16 852	-	-	-	-
Reclass	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(1 500)	(1 500)	-	(1 500)
Allocation of net profit to equity	-	-	-	13 689	(13 689)	-	-	-
Transaction with shareholders in total	148	-	-	30 541	(15 189)	15 500	-	15 500
Net profit (loss) for the period from 01.01 to 31.12.2014	-	-	-	-	15 850	15 850	-	15 850
Other comprehensive income after tax for the period 01.01 to 31.12.2014	-	-	-	26	4	30	-	30
Total comprehensive income	-	-	-	26	15 854	15 880	-	15 880
Transfer to retained earnings (sale of revalued items of property, plant and equipment)	-	-	-	-	-	-	-	-
Balance as at 31.12.2014	21 213	-	-	56 267	50 656	128 136	-	128 136

CONSOLIDATED CASH FLOW STATEMENT

	od 01.10 do 31.12.2015	od 01.01 do 31.12.2015	od 01.10 do 31.12.2014	od 01.01 do 31.12.2014
Cash-flow from operating activities				
Net profit (loss) before tax	3 869	28 228	3 740	19 669
Adjustments for:			-	
Depreciation and impairment allowances of property, land and equipment	1 935	6 640	1 079	3 888
Amortization and impairment allowances of intangible assets	38	156	46	199
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	(230)	(221)	27	(37)
Profit (loss) on disposal of financial assets (other than derivate instruments)	-	-	-	-
Foreign exchange gains (losses)	(16)	(20)	9	3
Interest costs	107	1 230	7	611
Interest and dividend income	303	(14)	159	(60)
Share-based arrangement payment (incentive programs)	-	-	-	-
Share in profits (losses) of associates	-	-	-	-
Gain on a bargain purchase of related party	-	(5 906)	-	-
Other adjustments	(0)	(14)	124	124
Adjustments in total	2 136	1 850	1 451	4 729
Changes in inventories	(459)	4 782	4 661	4 500
Changes in receivables	4 571	(214)	18 273	9 675
Changes in liabilities	(714)	(19 725)	7 733	(12 240)
Changes in provisions and accruals	(1 732)	(2 705)	(621)	(1 225)
Changes in retentions for construction contracts	2 296	4 258	(10 089)	(3 982)
Changes in working capital	3 962	(13 603)	19 957	(3 271)
Settling of derivate instruments	-	-	-	-
Interest paid from operating activities	(3)	(96)	(20)	(111)
Income tax paid	(1 572)	(6 557)	(628)	(6 456)
Net cash generated from/used in operating activities	8 393	9 821	24 500	14 560

CONSOLIDATED CASH FLOW STATEMENT (CONT.)

	od 01.10 do 31.12.2015	od 01.01 do 31.12.2015	od 01.10 do 31.12.2014	od 01.01 do 31.12.2014
Cash flow from investing activities				
Purchase of intangible assets	(507)	(693)	-	(52)
Sale of intangible assets	-	-	-	-
Purchase of property, plant and equipment	(4 235)	(18 579)	(662)	(1 643)
Sale of property, plant and equipment	409	698	(44)	135
Purchase of investment properties	-	-	-	(231)
Sale of investment properties	-	-	-	-
Purchase of related entities shares	-	(25 029)	505	(16 495)
Sale of related entities shares	-	-	-	-
Loans repaid	-	-	-	-
Loans granted	-	-	-	-
Purchase of other financial assets	-	-	-	-
Sale of other financial assets	553	586	-	600
Government subsidies granted	-	-	-	-
Interest received	687	1 347	-	500
Dividends received	-	-	-	-
Net cash generated from/used in investing activities	(3 093)	(41 671)	(201)	(17 185)
Cash flow from financing activities				
Net proceeds from issue of shares	-	28 245	0	17 000
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	4 990	37 120	-	4 000
Repayments of loans and borrowings	(5 543)	(19 071)	(1 421)	(8 973)
Repayments of liabilities under finance lease agreements	(700)	(2 332)	(518)	(1 629)
Interest paid	(1 089)	(2 413)	(159)	(496)
Dividend paid	-	(1 937)	(1 500)	(1 500)
Net cash generated from/used in financing activities	(2 342)	39 612	(3 599)	8 401
Net change in cash and cash equivalents	2 958	7 762	20 701	5 776
Cash and cash equivalents at the beginning of the period	41 249	36 445	15 744	30 669
Foreign exchange differences	-	-	(8)	(8)
Cash and cash equivalents at the end of the period	44 207	44 207	36 445	36 445

**POZNAŃSKA KORPORACJA BUDOWLANA
PEKABEX SPÓŁKA AKCYJNA**

**FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER OF 2015**

STATEMENT OF FINANCIAL POSITION

ASSETS	31.12.2015	30.09.2015	31.12.2014
Non-current assets			
Goodwill	-	-	-
Intangible assets	-	-	-
Property, plant and equipment	12 570	10 357	10 781
Investment properties	56 567	56 456	55 705
Investments in related parties	21 523	20 430	20 295
Investments in associates	-	-	-
Receivables and loans	5 814	5 766	4 530
Derivative assets	-	-	-
Other long-term financial assets	-	-	-
Long-term prepayments	-	-	2
Deferred tax assets	-	-	-
Total non-current assets	96 474	93 009	91 315
Current assets			
Inventories	456	466	471
Retentions for construction contracts	-	-	-
Trade and other receivables	8 215	11 312	6 747
Current tax assets	-	-	-
Loans	5 244	237	231
Derivative assets	-	-	-
Other short-term financial assets	7 428	9 103	1 287
Short-term prepayments	136	621	377
Cash and cash equivalents	23 808	23 528	6 870
Non-current assets classified as held for sale	-	-	-
Current assets	45 288	45 267	15 983
Total assets	141 762	138 277	107 298

STATEMENT OF FINANCIAL POSITION (CONT.)

EQUITY AND LIABILITIES	31.12.2015	30.09.2015	31.12.2014
Equity			
Shareholders' equity attributable to the Shareholders of the Parent Company:			-
Share capital	24 213	24 213	21 213
Own shares (-)	-	-	-
Share premium	-	-	-
Other reserves	57 538	57 538	30 411
Retained earnings:	42 254	40 855	37 474
- profit (loss) from previous year	33 592	33 592	33 846
- profit (loss) attributable to the Shareholders of the Parent Company	8 662	7 262	3 627
Shareholders' equity attributable to the Shareholders of the Parent Company	124 005	122 606	89 098
Equity attributable to non-controlling interests		-	-
Total equity	124 005	122 606	89 098
Liabilities			
Long-term liabilities			
Loans, borrowings and other external sources of financing	-	-	943
Financial leasing	395	532	434
Derivate liabilities	-	-	-
Other liabilities	-	-	-
Deferred tax liabilities	8 711	8 824	8 938
Liabilities and provisions for employee benefits	0	0	1
Other long-term provisions	-	-	-
Long-term accruals	-	-	-
Long-term liabilities	9 106	9 356	10 315
Short-term liabilities			
Trade and other payables	6 058	3 386	3 291
Deferred tax liabilities	740	536	151
Loans and borrowings	943	1 886	3 771
Financial leasing	642	354	243
Derivate liabilities	-	-	-
Liabilities and provisions for employee benefits	36	46	49
Other short-term provisions	124	-	271
Short-term accruals	108	108	108
Liabilities related to non-current assets classified as held for sale	-	-	-
Short-term liabilities	8 651	6 315	7 884
Total liabilities	17 757	15 671	18 199
Total equity and liabilities	141 762	138 277	107 298

PROFIT AND LOSS ACCOUNT

	01.10.2015 - 31.12.2015	01.01.2015 - 31.12.2015	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014
Continuing operations				
Net sales	3 308	13 915	3 487	13 114
Net sales of finished good	-	-	-	-
Net sales of services	3 298	13 500	3 455	12 651
Net sales of goods and materials	10	414	32	463
Costs of sales	1 383	5 920	1 585	6 165
Costs of finished goods sold	-	-	-	-
Costs of services sold	1 373	5 514	1 554	5 713
Costs of goods and materials sold	10	406	31	452
Gross profit (loss) on sales	1 925	7 995	1 901	6 949
Selling expenses	-	-	-	-
Administrative expenses	482	2 468	301	2 077
Other operating revenues	176	661	18	95
Other operating expenses	188	228	111	187
Profit (loss) on sale of related entities (+/-)	-	-	-	-
Operating profit (loss)	1 431	5 960	1 507	4 779
Financial income	326	4 091	71	353
Financial costs	44	163	82	555
Shares in profits (losses) of subsidiaries valued using equity method (+/-)	-	-	-	-
Gross profit (loss)	1 713	9 888	1 496	4 577
Income tax	314	1 227	274	949
Net profit (loss) from continuing operations	1 400	8 662	1 222	3 627
Discontinued operations				
Net profit (loss) from discontinued operations				
Net profit (loss)	1 400	8 662	1 222	3 627
Net profit (loss) attributable:				
- to the shareholders of the Parent Company	1 400	8 662	1 222	3 627
- to non-controlling entities				

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the Shareholders of the Parent Company					
	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
Adjustments for fundamental errors				(1 564)	30 363	28 799
Balance after adjustments	21 213	-	-	30 411	37 474	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)						-
Reclass				222	(222)	
Dividends					(2 000)	(2 000)
Allocation of net profit to equity				1 659	(1 659)	-
Transaction with shareholders in total	3 000	-	-	27 126	(3 881)	26 245
Net profit (loss) for the period from 01.01 to 31.12.2015					8 662	8 662
Other comprehensive income after tax for the period 01.01 to 31.12.2015						-
Total comprehensive income	-	-	-	-	8 662	8 662
Transfer to retained earnings (sale of revalued items of property, plant and equipment)						-
Balance as at 31.12.2015	24 213	-	-	57 538	42 254	124 005

STATEMENT OF CHANGES IN EQUITY (CONT.)

	Equity attributable to the Shareholders of the Parent Company					
	Share capital	Own shares (-)	Share premium	Other reserves	Retained earnings	Total
Balance as at 01.01.2014	21 065	-	-	10 647	9 428	41 140
Adjustments for fundamental errors	-	-	-	(1 564)	30 395	28 831
Balance after adjustments	21 065	-	-	9 083	39 823	69 971
Issue of shares	17 000	-	-	-	-	17 000
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)	(16 852)	-	-	16 852	-	-
Dividends	-	-	-	-	(1 500)	(1 500)
Allocation of net profit to equity	-	-	-	4 477	(4 477)	-
Transaction with shareholders in total	148	-	-	21 329	(5 977)	15 500
Net profit (loss) for the period from 01.01 to 31.12.2014	-	-	-	-	3 627	3 627
Other comprehensive income after tax for the period 01.01 to 31.12.2014	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	3 627	3 627
Transfer to retained earnings (sale of revalued items of property, plant and equipment)	-	-	-	-	-	-
Balance as at 31.12.2014	21 213	-	-	30 411	37 474	89 098

CASH FLOW STATEMENT

	01.10.2015 - 31.12.2015	01.01.2015 - 31.12.2015	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014
Cash-flow from operating activities				
Net profit (loss) before tax	1 713	9 888	1 496	4 577
Adjustments for:				-
Depreciation and impairment allowances of property, land and equipment	630	2 415	583	2 369
Amortization and impairment allowances of intangible assets	-	-	-	14
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	50	57	49	(2)
Profit (loss) on disposal of financial assets (other than derivate instruments)	-	-	-	-
Foreign exchange gains (losses)	-	-	-	-
Interest costs	37	157	79	326
Interests and dividends in profits	(167)	(425)	(36)	(237)
Share-based arrangement payment (incentive programs)	-	-	-	-
Share in profits (losses) of associates	-	-	-	-
Other adjustments	(0)	(36)	113	113
Adjustments in total	550	2 168	789	2 584
Changes in inventories	10	15	(42)	216
Changes in receivables	3 097	(2 515)	5 083	3 926
Change in liabilities	2 672	2 704	(241)	(402)
Changes in provisions and accruals	599	84	248	(300)
Changes in retentions for construction contracts	-	-	-	-
Changes in working capital	6 378	287	5 048	3 441
Settling of derivate instruments	-	-	-	-
Interest paid from operating activities	(5)	(12)	(10)	(19)
Income tax paid	(222)	(865)	(200)	(838)
Net cash generated from/used in operating activities	8 414	11 466	7 122	9 745

CASH FLOW STATEMENT (CONT.)

	01.10.2015 - 31.12.2015	01.01.2015 - 31.12.2015	01.10.2014 - 31.12.2014	01.01.2014 - 31.12.2014
Cash flow from investing activities				
Purchase of intangible assets	-	-	-	-
Sale of intangible assets	-	-	-	-
Purchase of property, plant and equipment	(2 461)	(3 028)	(246)	(263)
Sale of property, plant and equipment	-	112	(68)	7
Purchase of investment properties	(283)	(1 511)	-	(231)
Sale of investment properties	-	-	-	-
Purchase of related entities shares	(1 093)	(1 228)	(234)	(17 234)
Sale of related entities shares	-	-	-	-
Loans repaid	-	-	-	2 000
Loans granted	(5 000)	(7 000)	-	-
Purchase of other financial assets	-	(11 000)	-	-
Sale of other financial assets	1 100	3 836	-	600
Government subsidies granted	-	-	-	-
Interest received	687	2 187	-	500
Dividends received	-	1 048	-	-
Net cash generated from/used in investing activities	(7 050)	(16 584)	(547)	(14 620)
Cash flow from financing activities				
Net proceeds from issue of shares	-	28 245	0	17 000
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)	(1 421)	(4 963)
Repayments of liabilities under finance lease agreements	(109)	(336)	(77)	(315)
Interest paid	(32)	(145)	(69)	(307)
Dividend paid	-	(1 937)	(1 500)	(1 500)
Net cash generated from/used in financing activities	(1 084)	22 056	(3 067)	9 914
Net change in cash and cash equivalents	280	16 938	3 508	5 039
Cash and cash equivalents at the beginning of the period	23 528	6 870	3 361	1 830
Foreign exchange differences	-	-	-	-
Cash and cash equivalents at the end of the period	23 808	23 808	6 870	6 870