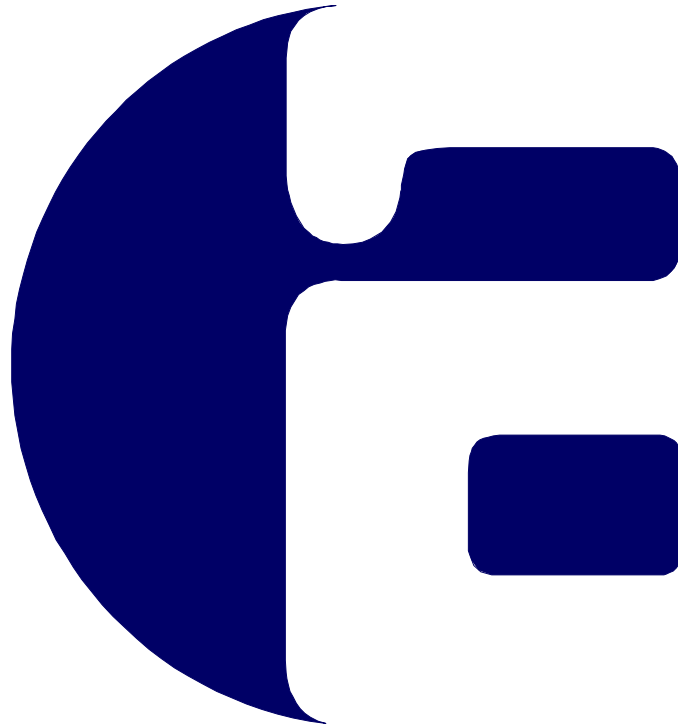


ARCUS Spółka Akcyjna

[www.arcus.pl](http://www.arcus.pl)



Consolidated interim report  
of ARCUS S.A.  
for the period from 1 January  
to 31 March 2017

Prepared in accordance with the International Financial  
Reporting Standards

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## 1.2 Data referring to the interim separate financial statement of a dominant entity – ARCUS S.A.

SELECTED FINANCIAL DATA	PLN THOUSAND		EUR THOUSAND	
	01.01 -	01.01 -	01.01 -	01.01 -
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
I Sales revenues	21 349	18 695	4 978	4 292
II Profit (loss) on operating activities	-458	-1 542	-107	-354
III Profit (loss) before tax	224	-1 861	52	-427
IV Net profit (loss)	182	-1 507	42	-346
V EBITDA	-38	-1 117	-9	-256
VI Comprehensive income	182	-1 507	42	-346
VII Net Cash Flows from operating activities	2 376	-1 549	554	-356
VIII Net Cash Flows from investing activities	-488	-642	-114	-147
IX Net Cash Flows from financing activities	-1 245	-1 890	-290	-434
X Change in cash	642	-4080	150	-937
XI Net profit (loss) and diluted net profit (loss) per share	0,02	-0,21	0,01	-0,05

	PLN THOUSAND		EUR THOUSAND	
	as of 31.03.2017	as of 31.03.2016	as of 31.03.2017	as of 31.03.2016
	XII Total assets	103 236	98 568	24 465
XIII Long-term liabilities	6 439	7 820	1 526	1 832
XIV Short-term liabilities	33 106	25 406	7 845	5 952
XV Equity	63 690	65 342	15 093	15 308
XVI Share capital	732	732	173	172
XVII Weighted average number of shares	7 320 000	7 320 000	7 320 000	7 320 000
XVIII Book value and diluted book value per share	8,70	8,93	2,06	2,09

## 1.3 Method applied in calculation of financial data

The following rules have been applied in calculation of financial data in EUR:

- individual items of assets and liabilities – according to exchange rate as at:

- 31.03.2017 – 4,2198 PLN/EUR;
- 31.03.2016 – 4,2684 PLN/EUR.

- individual items of the statement of comprehensive income and the cash flow statement – according to exchange rate calculated as arithmetic mean of the exchange rates announced by the National Bank of Poland prevailing on the last day of each month

- for the period from 1.01.2017 to 31.03.2017 – 4,2891 PLN/EUR;
- for the period from 1.01.2016 to 31.03.2016 – 4,3559 PLN/EUR.



## 2 Condensed consolidated financial statement of ARCUS S.A. Group

### 2.1 Consolidated profit and loss account and statement of comprehensive income of ARCUS S.A. Group

<b>Profit and loss account</b>				
	<u>Note</u>		<u>01.01-31.03.2017</u>	<u>01.01-31.03.2016</u>
Sales revenues	3		25 779	23 535
Costs of products, goods and materials sold	4		-18 303	-16 942
<b>Gross profit (loss) from sales</b>			<b>7 476</b>	<b>6 593</b>
Other operating income	5		199	101
Costs of sales	4		-6 084	-6 023
General administrative expenses	4		-2 866	-2 344
Other operating expenses	6		-219	-17
<b>Operating income (loss)</b>			<b>-1 494</b>	<b>-1 690</b>
Financial income	7		695	69
Financial costs	8		-83	-445
<b>Profit (loss) before tax</b>			<b>-882</b>	<b>-2 066</b>
Income tax:	9		250	446
Current income tax				
Deferred income tax			250	446
<b>Net profit (loss)</b>			<b>-632</b>	<b>-1 620</b>
<b>EBITDA</b>			<b>-730</b>	<b>-1 040</b>
<b>Net profit (loss) attributable to</b>				
shareholders of a dominant entity			-284	-1 582
Non-controlling shares			-348	-38
Ordinary and diluted	10		-0,04	-0,22
<b>Statement of comprehensive income</b>				
	<u>Note</u>		<u>01.01-31.03.2017</u>	<u>01.01-31.03.2016</u>
Net profit (loss)			-632	-1 620
Total of other comprehensive income			0	0
<b>Comprehensive income for the period</b>			<b>-632</b>	<b>-1 620</b>
Comprehensive income for the period attributable to:				
shareholders of a dominant entity			-284	-1 582
Non-controlling shares			-348	-38
Comprehensive income attributable to the shareholders of a dominant entity (in PLN per share)				
<b>Ordinary and diluted (in PLN per share)</b>			<b>-0,04</b>	<b>-0,22</b>



## 2.2 Consolidated statement of financial position of ARCUS S.A. Group (consolidated balance sheet)

### Balance sheet

	Note	as of 31.03.2017	as of 31.12.2016	as of 31.03.2016
<b>FIXED ASSETS</b>				
Tangible assets	11	4 088	4 348	4 376
Intangible assets	12	7 332	7 348	6 240
Goodwill on consolidation	13	13 808	13 808	8 930
Long-term receivables	15	7 560	7 681	7 223
Deferred income tax assets	9	7 995	7 743	8 755
<u>Total</u>		<u>40 783</u>	<u>40 928</u>	<u>35 524</u>
<b>CURRENT ASSETS</b>				
Inventories	16	16 352	9 964	18 011
Trade receivables and other receivables	17,26	32 825	49 667	29 055
Loans granted		482	476	558
Cash	18	1 622	1 079	228
<u>Total</u>		<u>51 281</u>	<u>61 186</u>	<u>47 852</u>
<b>TOTAL ASSETS</b>		<b>92 064</b>	<b>102 114</b>	<b>83 376</b>
<b>Liabilities</b>				
			PLN thousand	PLN thousand
	Note	as of 31.03.2017	as of 31.12.2016	as of 31.03.2016
<b>Equity attributable to the shareholders of a dominant entity</b>				
Share capital	19	732	732	732
Share premium	20	37 631	37 631	37 631
Other supplementary capital		143	143	143
Own (treasury) shares	19		0	
Retained profit	22	3 850	4 134	7 814
<u>Total</u>		<u>42 356</u>	<u>42 640</u>	<u>46 320</u>
Non-controlling shares		4 129	4 477	125
<u>Total equity</u>		<u>46 485</u>	<u>47 117</u>	<u>46 445</u>
<b>Long-term liabilities</b>				
Deferred income tax reserve	9	4 502	4 528	4 002
Provisions for liabilities	23	436	434	434
Long-term loans and bank borrowings	24	0	0	0
Other long-term liabilities	24	2 643	3 242	3 280
<u>Total</u>		<u>7 581</u>	<u>8 204</u>	<u>7 716</u>
<b>Short-term liabilities</b>				
Short-term loans and bank borrowings	24	2 380	4 291	7 978
Trade liabilities and other liabilities	25,26	34 935	41 812	20 623
Provisions for liabilities	23	682	691	614
<u>Total</u>		<u>37 997</u>	<u>46 794</u>	<u>29 215</u>
<b>TOTAL LIABILITIES</b>		<b>92 063</b>	<b>102 114</b>	<b>83 376</b>



## 2.3 Consolidated statement of ARCUS S.A. Group cash flows

### Statement of cash flows

	01.01- 31.03.2017	01.01- 31.03.2016
<b>Cash flows from operating activities</b>		
Profit before tax	-882	-2 066
Adjustments	3 918	-11
Depreciation and amortization	765	650
Interests received	239	87
Dividends received	0	0
Result on investing activities	124	-5
Change in inventories	-6 498	-5 481
Change in receivables	16 963	20 611
Change in liabilities and reserves	-7 746	-15 877
Change in other assets		
Income tax paid/reimbursed	71	
Other	0	4
<b>Net cash from operating activities</b>	<b><u>3 036</u></b>	<b><u>-2 077</u></b>
<b>Cash flows from investing activities</b>		
Inflows	49	162
Disposal of intangible and tangible fixed assets	49	51
Repayment of loans	0	111
Disposal of financial assets		
Dividends received		
Interests		
Outflows	-396	-856
Purchases of intangible and fixed tangible assets	-396	-796
Purchases of financial assets		
Loans granted	0	-60
Other		
<b>Net cash from investing activities</b>	<b><u>-347</u></b>	<b><u>-694</u></b>
<b>Cash flow from financing activities</b>		
Inflows	<u>30</u>	<u>582</u>
Proceeds from loans and borrowings	27	572
Interests	3	10
Outflows	-2 176	-1 963
Purchase of participating interests	0	0
Dividends and other payouts to owners	0	0
Repayment of loans and borrowings	-1 931	-1 733
Financial lease payments	-189	-129
Interests paid	-56	-101
Acquisition of own (treasury) shares		
<b>Net cash from financing activities</b>	<b><u>-2 146</u></b>	<b><u>-1 381</u></b>
<b>Change in cash</b>	<b>543</b>	<b>-4 152</b>
Cash at the beginning of the period	1 079	4 380
<b>Cash at the end of the period</b>	<b>1 622</b>	<b>228</b>



## 2.4 Consolidated statement of changes in ARCUS S.A. Group's equity

For the period of 1 January 2017 - 31 March 2017

	PLN THOUSAND						
	<i>Equity attributable to the shareholders of a dominant entity</i>						
	Share capital, supplementary capital and share premium	Retained profit	Revaluati-on reserve	Own shares	Total	Non-controlling shareholders' equity	Equity - TOTAL
<b>As at 1 January 2017</b>	<b>38 506</b>	<b>4 134</b>	-	-	<b>42 640</b>	<b>4 477</b>	<b>47 117</b>
Net profit	-	284	-	-	284	348	632
<b>Total income for the period</b>	-	284	-	-	284	348	632
<b>As at 31 March 2017</b>	<b>38 506</b>	<b>3 850</b>	-	-	<b>42 356</b>	<b>4 129</b>	<b>46 485</b>

For the period of 1 January 2016 - 31 December 2016

	PLN THOUSAND						
	<i>Equity attributable to the shareholders of a dominant entity</i>						
	Share capital, supplementary capital and share premium	Retained profit	Revaluati-on reserve	Own shares	Total	Non-controlling shareholders' equity	Equity - TOTAL
<b>As at 1 January 2016</b>	<b>38 506</b>	<b>9 396</b>	<b>0</b>	<b>0</b>	<b>47 902</b>	<b>163</b>	<b>48 065</b>
Net profit/loss	0	-5 220	0	-	-5 220	-292	-5 512
<b>Comprehensive income - total</b>	<b>0</b>	<b>-5 220</b>	<b>0</b>	<b>0</b>	<b>-5 220</b>	<b>-292</b>	<b>-5 512</b>
Dividend in subsidiary undertakings	0	-290	-	-	-290	-266	-556
Contribution in kind - Geotik	-	-	-	-	-	5 050	5 050
Change in equity – share capital increase in a subsidiary undertakings	-	248	-	-	248	-178	70
<b>As at 31 December 2016</b>	<b>38 506</b>	<b>4 134</b>	<b>0</b>	<b>0</b>	<b>42 640</b>	<b>4 477</b>	<b>47 117</b>

For the period of 1 January 2016 - 31 March 2016

	PLN thousand						
	<i>Equity attributable to the shareholders of a dominant entity</i>						
	Share capital, supplementary capital and share premium	Retained profit	Revaluati-on reserve	Own shares	Total	Non-controlling shareholders' equity	Equity - TOTAL
<b>As at 1 January 2016</b>	<b>38 506</b>	<b>9 396</b>	-	-	<b>47 902</b>	<b>163</b>	<b>48 065</b>
Net profit	-	-1 582	-	-	-1 582	-38	-1 620
Financial assets available for sale adjusted by deferred income tax	-	-	-	-	-	-	-
<b>Total of comprehensive income</b>	<b>-</b>	<b>-1 582</b>	<b>0</b>	<b>0</b>	<b>-1 582</b>	<b>-38</b>	<b>-1 620</b>
<b>As at 31 March 2016</b>	<b>38 506</b>	<b>7 814</b>	-	-	<b>46 320</b>	<b>125</b>	<b>46 445</b>



### 3 Condensed separate financial statement of ARCUS S.A.

Separate financial statement of ARCUS S.A. prepared in accordance with the International Financial Reporting Standards.

#### 3.1. Separate statement of ARCUS S.A. comprehensive income

##### Profit and loss account

	Note	01.01-31.03.2017	01.01-31.03.2016
Sales revenues	4	21 349	18 695
Costs of products, goods and materials sold	5	-15 137	-14 238
<b>Gross profit (loss) from sales</b>		<b>6 212</b>	<b>4 457</b>
Other operating income	6	133	86
Costs of sales	5	-4 810	-4 563
General administrative expenses	5	-1 808	-1 513
Other operating expenses	7	-185	-9
<b>Operating income (loss)</b>		<b>-458</b>	<b>-1 542</b>
Financial income	8	707	68
Financial costs	9	-24	-387
Result on financing activities		683	-319
<b>Profit (loss) before tax</b>		<b>225</b>	<b>-1 861</b>
Income tax:	10	-43	354
Current income tax			
Deferred income tax		-43	354
<b>Net profit (loss)</b>		<b>182</b>	<b>-1 507</b>
EBITDA		-1 117	-1 117
<b>Profit (loss) per share</b>		<b>-0,21</b>	<b>-0,21</b>
Ordinary and diluted	11	-0,21	-0,21
<b>Statement of comprehensive income</b>			
	Note	01.01-31.03.2017	01.01-31.03.2016
Net profit (loss) for the period		182	-1 507
Items that could be classified to the result at a future point in time:			
Financial assets available for sale	15		
Deferred Tax regarding other comprehensive income			
Total of other comprehensive income items		0	0
Comprehensive income for the period		182	-1 507
<b>Comprehensive income (loss) per share</b>		<b>0,02</b>	<b>-0,21</b>
Ordinary and diluted		0,02	-0,21





### 3.2. Interim separate statement of ARCUS S.A. financial position (balance sheet)

Assets	Note	As of 31.03.2017	As of 31.12.2016	As of 31.03.2016
<b>FIXED ASSETS</b>				
Tangible assets	12	2 856	3 205	3 539
Intangible assets	13	4 306	4 199	3 195
Participating interests in subordinated entities	14	19 495	19 495	19 585
Loans granted	19	4 907	5 167	5 733
Financial assets held to maturity	16	15 458	15 094	12 000
Long-term receivables	17	7 515	7 515	6 850
Deferred income tax assets	10	4 968	5 010	4 529
<b>Total</b>		<b><u>59 505</u></b>	<b><u>59 685</u></b>	<b><u>55 431</u></b>
<b>CURRENT ASSETS</b>				
Inventories	18	15 467	9 350	17 575
Loans granted	19	435	431	505
Trade receivables and other receivables	20,28	26 656	41 172	24 960
Cash	21	1 173	531	97
<b>Total</b>		<b><u>43 731</u></b>	<b><u>51 484</u></b>	<b><u>43 137</u></b>
<b>TOTAL ASSETS</b>		<b>103 236</b>	<b>111 169</b>	<b>98 568</b>
Liabilities	Note	As of 31.03.2017	As of 31.12.2016	As of 31.03.2016
<b>Equity</b>				
Share capital	22	732	732	732
Share premium	23	38 024	38 024	38 024
Retained earnings	24	24 934	24 751	26 586
<b>Total</b>		<b><u>63 690</u></b>	<b><u>63 507</u></b>	<b><u>65 342</u></b>
<b>Long-term liabilities</b>				
Deferred income tax reserve	10	3 714	3 714	3 607
Provisions for liabilities	25	432	429	429
Other financial liabilities – bank borrowings	26	0	0	0
Other long-term liabilities	26	2 296	2 806	3 784
<b>Total</b>		<b><u>6 442</u></b>	<b><u>6 949</u></b>	<b><u>7 820</u></b>
<b>Short-term liabilities</b>				
Trade liabilities and other liabilities	27,28	31 280	37 770	17 799
Other financial liabilities – bank borrowings	26	1 591	2 707	7 372
Provisions for liabilities	25	233	235	235
<b>Total</b>		<b><u>33 104</u></b>	<b><u>40 712</u></b>	<b><u>25 406</u></b>
<b>TOTAL LIABILITIES</b>		<b>103 236</b>	<b>111 168</b>	<b>98 568</b>



### 3.3. Interim statement of changes in ARCUS S.A. equity

For the period of 1 January 2017 - 31 March 2017

	Share capital	Share premium	Retained profit	Revaluati-on reserve	Own Shares purchased for the purpose of redemption	Total
<b>As at 1 January 2017</b>	732	38 024	24 751	-	-	63 508
Net profit	-	-	182	-	-	182
<b>Total income for the period</b>	-	-	182	-	-	182
<b>As at 31 March 2017</b>	732	38 024	24 934	-	-	63 690

For the period of 1 January 2016 - 31 December 2016

	Share capital	Share premium	Retained profit	Revaluati-on reserve	Own Shares purchased for the purpose of redemption	Total
<b>As at 1 January 2016</b>	732	38 024	28 092	-	-	66 848
Profit/loss for the period	-	-	- 3 341	-	-	- 3 341
Total of comprehensive income	-	-	3 341	-	-	3 341
<b>As at 31 December 2016</b>	732	38 024	24 751	-	-	63 507

For the period of 1 January 2016 - 31 March 2016

	Share capital	Share premium	Retained profit	Revaluati-on reserve	Own Shares purchased for the purpose of redemption	Total
<b>As at 1 January 2016</b>	732	38 024	28 093	-	-	66 849
Net profit	-	-	1 507	-	-	1 507
Total of comprehensive income	-	-	1 507	-	-	1 507
<b>As at 31 March 2016</b>	732	38 024	26 586	-	-	65 342



### 3.4. Interim separate statement of ARCUS S.A. cash flows

Statement of cash flows

	<u>01.01-31.03.2017</u>	<u>01.01-31.03.2016</u>
<b>Cash flows from operating activities</b>		
Profit before tax	225	-1 861
Adjustments	2 151	311
Depreciation and amortisation	421	425
Interests	-16	49
Result on investing activities	124	-12
Change in inventories	-6 116	-5 557
Change in receivables	14 820	15 989
Change in liabilities and reserves	-7 082	-10 583
<u>Total</u>	<u>2 376</u>	<u>-1 550</u>
<b>Cash flows from investing activities</b>		
Inflows	49	160
Disposal of intangible and tangible fixed assets	49	49
Repayment of loans		111
Outflows	-537	-800
Purchases of intangible and fixed tangible assets	-162	-710
Loans granted	-375	-90
<u>Total</u>	<u>-488</u>	<u>-640</u>
<b>Cash flow from financing activities</b>		
Inflows	2	9
Interests received	2	9
Outflows	-1 248	-1 899
Repayment of borrowings and loans	-1 117	-1 733
Finance lease payments	-106	-80
Interests paid	-25	-86
<u>Total</u>	<u>-1 246</u>	<u>-1 890</u>
<b>Change in cash</b>	<b>642</b>	<b>-4 080</b>
Cash at the beginning of the period	531	4 177
<b>Cash at the end of the period</b>	<b>1 173</b>	<b>97</b>