ARCUS Spółka Akcyjna

www.arcus.pl

Separate financial statement

of Arcus S.A.

for the period from 1 January to 31 December 2018

Warsaw, 26 April 2019

1 Data concerning the annual financial statement of ARCUS S.A.

1.1 Selected financial data

Data concerning the separate financial statement of a Dominant Entity - ARCUS S.A.

	SELECTED FINANCIAL DATA	PLN THOUSAND		EUR THOUSAND	
		01.01 - 31.12.2018	01.01 - 31.12.2017	01.01 - 31.12.2018	01.01 - 31.12.2017
I	Sales revenues	114 708	113 938	26 886	26 843
II	Profit (loss) on operating activities	3 483	4 205	816	991
III	Profit (loss) before tax	2 230	5 520	523	1 300
IV	Net profit (loss)	1 701	4 074	399	960
V	EBITDA	5 341	6 023	1 252	1 419
VI	Comprehensive income	1 701	4 074	399	960
VII	Net Cash Flows from operating activities	-700	5 891	-164	1 388
VIII	Net Cash Flows from investing activities	-2 706	-2 294	-634	-540
IX	Net Cash Flows from financing activities	3 092	-2 905	725	-684
X	Change in cash	-313	692	-73	163
XI	Net profit (loss) and diluted net profit (loss) per share	0,23	0,56	0,05	0,13

		PLN THOUSAND		EUR THOUSAND	
		as at 31.12.2018	31.12.2017	as at 31.12.2018	31.12.2017
XII	Total assets	103 254	122 391	24 013	29 344
XIII	Long-term liabilities	19 797	20 697	4 604	4 962
XIV	Short-term liabilities	32 573	34 113	7 575	8 179
XV	Equity	50 884	67 581	11 833	16 203
XVI	Share capital	732	732	170	176
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	6,95	9,23	1,62	2,21

1.2 Rules adopted for conversion of financial data

The financial data in EUR have been converted according to the following rules:

- particular items of assets and liabilities - according to the exchange rate as at 31.12.2018 - PLN/EUR 4,300, as at 31.12.2017 - PLN/EUR 4,1709, as at 31.12.2016 - PLN/EUR 4,424.

- particular items of the statement of comprehensive income and the statement of cash flows at the exchange rate based on the arithmetic mean of exchange rates set by the National Bank of Poland on the last day of each month of the year:

- for the period from 1 January 2018 do 31 December 2018: PLN/EUR 4,2664
- for the period from 1 January 2018 do 31 December 2017: PLN/EUR 4,2447
- for the period from 1 January 2018 do 31 December 2016: PLN/EUR 4,3757

1.3 Statement of financial position

Assets

	Note	As at 31.12.2018	As at 31.12.2017
FIXED ASSETS			
Tangible assets	14	2 123	2 248
Intangible assets	15	4 126	4 323
Participating interests in subordinated entities	16	22 141	29 895
Loans granted	21	3 322	3 585
Financial assets held to maturity	18	0	8 201
Long-term receivables	19	11 026	6 276
Deferred income tax assets	11	4 761	3 824
Total		47 499	58 352
CURRENT ASSETS			
Inventory	20	11 751	8 558
Loans granted	21	470	452
Trade receivables and other receivables	22	42 624	53 806
Cash	23	910	1 223
Total		55 755	64 039
TOTAL ASSETS		**103 254**	**122 391**

Liabilities

	Note	As at 31.12.2018	As at 31.12.2017
Equity			
Share capital	24	732	732
Share premium	24	38 024	38 024
Revaluation reserve	25	-18 399	0
Retained earnings	26	30 526	28 825
Total		50 883	67 581
Long-term liabilities			
Deferred income tax reserve	11	5 440	3 976
Provisions for liabilities	27	399	337
Other financial liabilities – credits	28		
Other long-term liabilities	28	13 958	16 384
Total		19 797	20 697
Short-term liabilities			
Trade liabilities and other liabilities	29,30	28 063	33 362
Other financial liabilities – credits	32,40	4 115	377
Provisions for liabilities	27	396	374
Total		32 574	34 113
TOTAL LIABILITIES		**103 254**	**122 391**

1.4 Profit and loss account

Profit and loss account

	Note	01.01 - 31.12.2018	01.01 - 31.12.2017
Sales revenues	5	114 708	113 938
Costs of products, goods and materials sold	6	-83 029	-83 780
Gross profit (loss) from sales		31 679	30 158
Other operating income	7	589	962
Costs of sales	6	-20 995	-18 284
General administrative expenses	6	-7 660	-8 446
Other operating expenses	8	-130	-184
Operating income (loss)		3 483	4 206
Financial income	9	356	1 462
Financial costs	10	-1 609	-147
Result on financing activities		-1 253	1 315
Profit (loss) before tax		2 230	5 521
Income tax:	11	-529	-1 446
Current income tax			
Deferred income tax		-529	-1 446
Net profit (loss)		1 701	4 075
EBITDA		5 341	6 023
Profit (loss) per share	12	0,23	0,56
Ordinary and diluted	12	0,23	0,56

1.5 Statement of comprehensive income

Statement of comprehensive income

	Note	01.01 - 31.12.2018	01.01 - 31.12.2017
Net profit (loss) for the period		1 701	4 075
The total of the components of other comprehensive income		0	0
Comprehensive income for the period		1 701	4 075
Comprehensive income (loss) per share		0,23	0,56
Ordinary and diluted		0,23	0,56

1.6 Cash flow statement

Cash flow statement

	01.01 - 31.12.2018	01.01-31.12.2017
Cash flows from operating activities		
Profit before tax	2 230	5 520
Adjustments	-2 930	372
Depreciation and amortisation	1 858	1 818
Interests	128	-507
Result on investing activities	-283	12
Change in inventories	-3 192	792
Change in receivables	5 771	-11 392
Change in liabilities and reserves	-7 212	9 649
Total	-700	5 892
Cash flows from investing activities		
Inflows	1 358	1 230
Disposal of intangible and tangible fixed assets	497	296
Repayment of loans	861	934
Outflows	-4 063	-3 523
Expenses for the purchase of intangible and fixed tangible assets	-1 750	-1 293
Loans granted	-1 963	-2 230
Shares acquisition	-350	0
Total	-2 705	-2 293
Cash flow from financing activities		
Inflows	3 738	4
Credits	3 738	0
Interests received	0	4
Outflows	-646	-2 911
Repayment of credits and loans	0	-2 331
Financial lease payments	-308	-433
Interests paid	-338	-147
Total	3 092	-2 907
Change in cash	**-313**	**692**
Cash at the beginning of the period	1 223	531
Cash at the end of the period	**910**	**1 223**

1.7 Statement of changes in equity

For the period from 1 January to do 31 December 2018	Called up share capital	Share premium	Retained earnings	Revaluation reserve	Total
As at 1 January 2018	732	38 024	28 825		67 582
Net profit			1 701		1 701
Acquisition of a subsidiary				-18 399	-18 399
Comprehensive income for the period			1 701	-18 399	-16 699
As at 31 December 2018	**732**	**38 024**	**30 526**	**-18 399**	**50 883**

_For the period from1 January 2017 to 31 December 2017	Called up share capital	Share premium	Retained earnings	Revaluation reserve	Total
As at 1 January 2017	732	38 024	24 751		63 508
Net profit			4 074		4 074
Comprehensive income for the period			4 074		4 074
As at 31 December 2017	**732**	**38 024**	**28 825**		**67 582**

2 ADDITIONAL INFORMATION REGARDING THE APPLIED ACCOUNTING PRINCIPLES (POLICY) AND OTHER EXPLANATORY INFORMATION

2.1 Key information

ARCUS S.A. has been already operating for 30 years and according to the Company's Articles of Association its duration is unlimited. The entity as a Joint Stock Company was incorporated on 6 November 2006 as a result of transformation of a limited liability company operating under the business name of ARCUS Sp. z o.o. ARCUS S.A. was registered by the relevant court on 2 January 2007. The Company's registered office and place of business is at the following address: 5/7 Kolejowa Street, Warsaw. The Company is registered by the District Court for the City of Warsaw, 12th Commercial Division of the National Court Register under the following number: 0000271167. The shares of ARCUS S.A. are admitted to trading on the Warsaw Stock Exchange as from 19 June 2008. In August 2008 new B-series shares were issued in the amount of 2 296 681. In 2009 C-series bonus shares were issued. 98 476 C-series shares were subscribed for. In 2014, 75 157 own shares were redeemed while the remaining shares were designated as D-series.

ARCUS S.A. operates under the provisions of the Commercial Companies Codes and is subject to the provisions of the Act of 29 July 2005 on Trading in Financial instruments and the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies.

According to our best knowledge, the shareholding structure of ARCUS S.A. as at balance sheet day was as presented below:

Shareholding	Number of shares = Number of votes	Nominal value of shares held (PLN)	Share in the share capital = share in the total number of votes
MMR Invest S.A.	4 800 000	480 000	65,6%
Other shareholders	2 520 000	252 000,00	34,4%
TOTAL	7 320 000	732 000,00	100,0%

Marek Czeredys , Michał Czeredys i Rafał Czeredys are controlling persons in MMR Invest S.A.

The Company is the parent company of ARCUS S.A. Group and prepares consolidated financial statements.

The data in the financial statements are presented in thousands of PLN unless they are presented in more detail in certain situations. Polish zloty (PLN) shall be the functional and reporting currency of the Company.

Core business of ARCUS S.A. covers the following areas:

- Sale, lease and maintenance of printing and copying devices of Japanese company – Kyocera Document Solutions,
- document and correspondence management systems,
- ICT solutions integration (information and communication technologies)
- telematics solutions (integrated fleet management and monitoring systems) and telemetry solutions (smart grid and smart metering).

In the reporting period, the Company did not discontinue any type of business.

Management Board

As at 1 January 2018, the composition of the Management Board was as follows:

- Michał Czeredys – President of the Management Board
- Rafał Czeredys – Member of the Management Board

As at 31 December 2018 and as at the day of the financial statement hereof publication, the composition of the Management Board was as follows:

- Michał Czeredys – President of the Management Board
- Rafał Czeredys – Member of the Management Board

Supervisory Board

According to ARCUS S.A. Articles of Association, the Company's Supervisory Board shall be composed of 5 to 10 members. As at 1 January 2018, the composition of the Supervisory Board was as follows:

- Marek Czeredys – Chairman of the Supervisory Board
- Tomasz Konewka – Vice-Chairman of the Supervisory Board
- Krzysztof Franciszek Przybył – Member of the Supervisory Board
- Bogusław Wasilewko – Member of the Supervisory Board
- Leszek Lechowski – Member of the Supervisory Board
- Michał Łotoszyński – Member of the Supervisory Board

As at 31 December 2018 and as at the day of the financial statement hereof publication, the composition of the Supervisory Board was as follows:

- Marek Czeredys – Chairman of the Supervisory Board
- Tomasz Konewka – Vice-Chairman of the Supervisory Board
- Leszek Lechowski – Member of the Supervisory Board
- Michał Łotoszyński – Member of the Supervisory Board
- Krzysztof Rajczewski – Member of the Supervisory Board
- Jolanta Grus – Member of the Supervisory Board

On 27 June 2018, the Ordinary General Meeting of Shareholders appointed members of the Supervisory Board in the aforementioned composition for the next joint three-year term of office.

2.2 Statement and information of the Management Board

On the reliability of the separate financial statement

Pursuant to the Regulation of the Minister of Finance of 29 March 2018 on current and interim information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state, as amended, the Management Board of ARCUS S.A. hereby declares that to the best of its knowledge, the annual separate financial statement hereof and comparative data have been prepared in accordance with the applicable accounting principles and reflect in a true, fair and transparent manner the property and financial situation of ARCUS S.A. and its financial result, and that the annual report of the Management Board on the activities of ARCUS S.A. presents a true description of the development, achievements and situation of ARCUS S.A., including the description of basic threats and risks.

On the entity authorised to audit the financial statements

The Management Board of ARCUS S.A. hereby declares that DORADCA Auditors Sp. z o.o. is authorized to audit the financial statement and has been selected in accordance with the law. DORADCA Auditors Sp. z o.o. and its certified auditors performing the audit met the conditions for issuing an impartial and independent audit report, in accordance with the applicable regulations and professional standards and ethics. In accordance with the existing policy regarding the selection of an audit firm, the statutory auditor was selected under the Resolution of the Supervisory Board of 10 October 2017 to audit and review the separate and consolidated financial statements of ARCUS S.A. for the year 2018, in compliance with the applicable regulations related to the rotation of the audit firm, key statutory auditor and the mandatory grace periods.

....	…………………………..
Michał Czeredys	Rafał Czeredys
President of the Management Board	Member of the Management Board

3 ACCOUNTING PRINCIPLES

3.1 Basis for financial information preparation

Presented financial statement has been prepared for the year ended 31 December 2018. The comparative data covers the year ended on 31 December 2017. The Company's financial year is the calendar year. In the reporting period, there were no changes in the applied accounting principles. The financial statement has been prepared based on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of financial statement preparation, there are no circumstances indicating a threat to the continuation of business operations.

ARCUS S.A. is a Parent Company of ARCUS S.A. Group and prepares consolidated financial statements. The Company's Group is composed of the following subsidiary undertakings: T-matic Systems S.A., Geotik Sp. z o.o., Arcus Systemy Informatyczne Sp. z o.o., Docusoft Sp. z o.o., Durau Sp. z o.o., LMT Sp. z o.o. and Zeccer Sp. z o.o. (an affiliated undertaking).

3.2 Statement of compliance

Presented financial statement covering the period from 1 January 2018 to 31 December 2018 and comparative data for the period from 1 January 2017 to 31 December 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union and include the information required by the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities.

3.3 New accounting principles and interpretations of the International Financial Reporting Standards Interpretations Committee

The accounting principles and methods of calculation adopted for the preparation of this financial statement are consistent with the principles described in the approved financial statement of ARCUS S.A. prepared in accordance with IFRS for the year ended 31 December 2017 and the new standards effective as of 1 January 2018, which have no significant impact on the hitherto applied accounting policy:

- IFRS 9 "Financial Instruments" published on 24 July 2014, approved on 22 November 2016 and effective for annual periods beginning on 1 January 2018
- IFRS 15 "Revenue from Contracts with Customers" published on 28 May 2014, approved on 22 September 2016 and effective for annual periods beginning on or after 1 January 2018;

Below are the standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, which have been published but have not entered into force:

- Amendments to IFRS 16 on leasing accounting - approved by the EU on 31 October 2017, effective for annual periods beginning on or after 1 January 2019;
- IFRS 14 "Regulatory Deferral Accounts" was published on 30 January 2014; until the date of publication of this financial statement not approved by the EU; effective for annual periods beginning on or after 1 January 2016. However, the European Commission has decided not to begin the process of endorsing this interim standard until a final version of IFRS 14 has been issued.

- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - sale or transfers of assets between the investor and the associate or joint venture (the effective date has been deferred until the completion of research on the equity method);

- Amendments to IAS 12 "Recognition of deferred income assets for unrealized losses" - effective for annual periods beginning on or after 1 January 2019; until the date of publication of this financial statement not approved by the EU;

The Company has not decided for the early application of any standard, interpretation or amendment that has been issued but has not yet come into force. In the opinion of the Management Board of the Company, the above-mentioned standards and interpretations will not have a significant impact on the accounting policy applied so far by the Company.

3.4 Accounting judgments and estimates

The preparation of the financial statement requires the Company's Management Board to make estimates, as some of the information contained in the financial statements cannot be measured precisely. The Management Board reviews these estimates based on changes in the factors taken into account for the purposes of their calculation, new information or past experience. Therefore, the estimates made as at 31 December 2018 may be revised in the future.

Professional judgment made as at 31 December 2018 refers to the provisions for claims and litigations as well as for contingent liabilities. Professional judgment is also used in the assessment of the risk related to the repayment of overdue receivables - the Company assesses the write-downs on overdue receivables at each balance sheet date, taking into account the potential risk of a significant delay in their repayment.

Contracts for the supply of goods and maintenance of equipment

Some contracts for the supply of goods and maintenance of equipment are recognized jointly. Total margin based on estimates is allocated to the part referring to the sale of equipment and to the part relating to the sale of services, which is settled over the duration of the contract. The value of the margin to be settled in future periods is presented in the balance sheet assets as accruals under the item "Trade receivables and other receivables".

Depreciation rates

Depreciation rates are determined based on the estimated economic useful life of tangible fixed assets and intangible assets. The Company annually reviews the economic useful life periods based on current estimates.

Impairments losses on tangible assets

The Company reviews the assets for potential impairment at least once a year. At the same time, if there are indications of impairment during the financial year, a test and revaluation write-offs are made at the time of their occurrence. The estimates of impairment in subsidiary undertakings are based on three-year financial forecasts adopted by the Management Board. Information about the performed tests is presented in Note 3.5.3.

Impairment losses on inventories

Inventories are measured at purchase price or manufacturing cost, not higher than net realizable value. Depending on the assessment of the suitability of inventories and market conditions in terms of their sales, the value of these assets for the Company may change.

Write-offs for overdue receivables

The Company makes write-offs for overdue receivables or receivables whose collectability is threatened, including claims for damages due to unjustified performance of the guarantee. Depending on the assessment of the collectability of the above receivables, the value of these assets may change.

Provisions for liabilities

The Company recognizes provisions for certain or highly probable liabilities which amount can be reliably estimated. In connection with the claim of Energa Operator S.A. described in paragraph 31, the Management Board of ARCUS S.A. – based on collected documentation and opinion of an external legal firm – believes that mentioned claim is unfounded, and the potential cash outflow in connection with this claim is unlikely. Bearing in mind the above, the Company has not recognized any provisions relating to described dispute as at the balance sheet date.

Deferred income tax assets

The Company recognizes the deferred income tax assets. The estimates regarding calculation of deferred tax relates mainly to the recognition of deferred tax assets arising from accumulated tax losses, established provisions and lease receivables and liabilities. Estimates of the feasibility of tax losses are based on five-year forecasts approved by the Management Board.

3.5 Outline of key accounting principles

3.5.1 Intangible assets

Intangible assets include company assets that do not have physical form, are identifiable, can be reliably measured and in the future will result in the inflow of economic benefits to the Company. Intangible assets are recognized in the books of account at purchase prices and are amortized on a straight-line basis over their economic useful lives.

The Company depreciates its intangible assets in the following periods:

- acquired software – 5 years,
- licenses and similar assets – 5 years.

Expenditures on intangible assets which do not result in their improvement or extension of their useful life are charged to expenses as they are incurred. As at the balance sheet date, intangible assets are measured at cost less any revaluation write-offs and any impairment losses. ARCUS S.A. does not hold any intangible assets with indefinite useful life. Depreciation methods and useful lives of intangible assets are subject to verification at each balance sheet date. ARCUS S.A. does not hold any intangible assets classified as “held for sale”. In the reporting period the Company has not recognized any impairment losses on intangible assets.

3.5.2 Fixed tangible assets

Tangible fixed assets include fixed assets and fixed assets under construction which the Company intends to use in its operations and for administrative purposes for a period longer than one year and which in the future will cause the inflow of economic benefits to the entity. The initial value of tangible fixed assets is determined according to purchase price or production cost. Fixed tangible assets are depreciated according to straight-line method over their economic useful life. In the statement of financial position, fixed tangible assets are presented less depreciation or amortization charges and impairment losses.

Group 1	Buildings	10 years
Group 4	Machines and equipment	6 to 10 years
	Excluding: computer hardware	3 years
Group 6	Technical devices	5 years
Group 7	Means of transport.	5 years
Group 8	Tools, devices, movables and equipment	5 to 7 years

Costs incurred for the renovation, which do not result in the improvement or extension of the useful life of fixed asset are recognized as expense as they are incurred. At the balance sheet date, fixed assets and fixed assets under construction are measured at cost less any potential impairment losses. In case of exchange of fixed assets the price of an acquisition is measured at fair value, if the exchange transaction has commercial substance. ARCUS S.A. does not hold any intangible assets with indefinite useful life. Depreciation methods and useful lives of fixed tangible assets are subject to verification at each balance sheet date. ARCUS S.A. does not hold any fixed tangible assets classified as “held for sale”. In the reporting period the Company has not recognized any impairment losses on fixed tangible assets. In the reporting period no restrictions were recognized as to the legal title to fixed tangible assets.

3.5.3 Financial assets

Financial instruments are classified in the following categories:

- held-to-maturity financial assets
- financial assets at fair value through profit and loss
- loans granted and receivables
- available-for sale-financial assets.

Held-to-maturity financial assets are the assets other than derivatives with fixed or determinable payments and fixed maturities, which the Company intends and has the ability to hold to their maturity. Held-to-maturity financial assets are measured at amortized cost using the effective interest rate method.

Financial assets measured at fair value through profit or loss are the assets acquired for resale and with the aim of generating economic benefits on short-term price changes and fluctuations of other market factors or short duration of the acquired instrument, as well as other financial assets, regardless of the intentions assumed while concluding the contract, if they represent a component of a portfolio of similar financial assets for which there is a high probability of economic benefits in a short-term. The fair value is considered the price that would be received by the entity for the sale of an asset or would be paid by the entity for the transferred liabilities in a routine transaction made between market participants at the measurement date. Financial assets at fair value through profit or loss are measured at fair value taking into account their market value as at the balance sheet date, excluding transaction costs. Changes in the value of these financial instruments are recognized in the profit and loss account as financial income or expenses.

ARCUS S.A. has no financial assets at fair value through profit or loss. Granted loans as well as receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Granted loans and receivables are classified as current assets if their maturity does not exceed 12 months from the balance sheet date. Granted loans and receivables with maturities exceeding 12 months from the balance sheet date are classified as fixed assets. ARCUS S.A. has granted loans to the following subsidiary undertakings: Arcus Systemy Informatyczne Sp. z o.o., T-matic Systems S.A., Docusoft Sp. z o.o. and Durau Sp. z o.o. and LMT Sp. z o.o. Loans and receivables are measured at amortized cost using the effective interest rate.

Available-for-sale financial assets are non-derivative financial assets not classified in any of the three categories of assets mentioned above. Available-for-sale financial assets are recognized at fair value, excluding recognition of the purchase cost, but with consideration of market value at the balance sheet date. Where the financial assets are not listed on the Warsaw Stock Exchange and it is not possible to determine their value in a different way, available-for-sale financial assets are measured at cost adjusted for impairment loss. Decrease in value of available-for-sale financial assets resulting from impairment loss is recognized as a financial cost, while the increase is recognized in the revaluation reserve.

Subsidiaries

In the financial statement, investments in subsidiaries not classified as held-for-sale, in accordance with IFRS 5, are recognized at cost in accordance with IAS 27 “Separate Financial Statement”, less impairment loss in accordance with IAS 36 “Impairment of assets” where impairment loss is estimated by comparing the carrying value with the higher of the two amounts: fair value and value in use.

As at 31 December 2018, the verification and tests of the recoverable amount of financial assets related to participating interests in subsidiaries were carried out: Arcus Systemy Informatyczne Sp. z o.o., Docusoft Sp. z o. o., Geotik Sp. z o.o. and Durau Sp. z o.o.

Methodology for determination of recoverable amount

	Description of applied measurement methodology
Arcus Systemy Informatyczne Sp. z o.o.	Discounted cash-flow method (DCF) based on FCFF (Free Cash Flow to Firm)
Docusoft Sp. z o. o.	Discounted cash-flow method (DCF) based on FCFF (Free Cash Flow to Firm)
Durau Sp. z o.o.	Discounted cash-flow method (DCF) based on FCFF (Free Cash Flow to Firm)
GeotikSp.zo.o.	Discounted cash-flow method (DCF) based on FCFF (Free Cash Flow to Firm)Firm

In assessing the value of financial asset items corresponding to the value in companies, the going concern principle and the principle of market growth were used. According to these assumptions, verifications of business models of particular entities were performed with particular emphasis on their ability to generate revenues on core business, margins, financial results and cash flows. The valuation of the participating interests in particular entities was based on the following assumptions:

1. The valuation methodology is analogous to the methodology used in the preceding valuation, i.e. as at 31 December 2017, which was used in the financial statements for 2017.
2. The updates, compared to the previous valuation, include:
    a. update of operational and financial projections for the next 3 years, i.e. for the period 2019-2021,
    b. update of parameters used for calculation of the weighted average cost of capital (WACC) and responsible for the increase of uncertainty in the implementation of key contracts (risk premiums) and increase of cost of capital based on the current terms for 10-year Treasury bonds.

3. Analysis of financial statements of companies for the years 2017-2018 and analytical compilation of data on individual balance sheet items.
4. Analysis of the implementation of the annual financial plans of companies for the year 2018.
5. Annual financial projections of companies for the year 2019.
6. The strategies of companies for the years 2019-2021.
7. Macroeconomic assumptions and projections for individual market segments.
8. For companies operating in multiple segments, a separate valuation based on economic performance and assets and liabilities assigned to the respective segments is made.
9. For individual valuations of participating interests, the sensitivity analysis is performed in respect of the significant factors affecting the business activity, including:
   - weighted average cost of capital
   - growth rates for the needs of residual value calculation.
10. In terms of volatility of exchange rates of EUR/PLN, USD/PLN and CPI inflation, an assessment was made as to the impact on the estimated value of companies. In the event a significant impact was identified, the potential value adjustments were determined.

11. Verification of the value of participating interests in companies is carried out with consideration of weighted average cost of capital plus additional premiums covering market risk premiums and specific risk premiums.

According to the tests carried out as at 31 December 2018, there were no indications for revaluation of the participating interests in Arcus Systemy Informatyczne Sp. z o.o., Docusoft Sp. z o. o., Geotik Sp. z o.o., Durau Sp. z o.o. The estimates have shown that future cash flows will be at least equal to the value of participating interests as at the balance sheet date. The test was performed for both participating interests in individual companies and for the separated segments of their business. Additionally, an analysis of the sensitivity of valuation of particular companies and the value of participating interest and shares is performed. However, it must be borne in mind that, depending on the assessment of the prospects of particular companies and respective segments, the value of these assets for Arcus S.A., may change.

Sensitivity analysis

The sensitivity analysis did not reveal any significant risk of decreasing the valuation of individual companies or selected segments. Projections for valuation purposes were based on contracts for which there is a very high probability of execution. Due to the risk of non-performance/organization of the tenders, as well as the risk of potential problems with co-financing IT contracts with the EU funds and uncertainty as to the development of the energy market agency services, the market risk premium and specific risk premium were increased for valuation purposes.

ASI valuation

	Plan. Execution	Forecast		
Forecast period	0	1	2	3
Forecast year		2019	2020	2021
CF		-374	1 949	2 143
interest expenses + tax adjustment		159	229	246
repayment of debt		-2 213	-350	-500
new debts		350	500	500
dividend		0	0	0

FCFE	-2 078	2 328	2 389
FCFF	-2 237	2 099	2 143

FCFF	-2 237	2 099	2 143
DCF	-1 982	1 646	1 485

(PLN million)	
The current value of free cash flows FCFF	1 149
Residual value	23 213
Current residual value	16 088
Gross value of the company	17 237
Net debt	1 592
Income value	15 644
Value of Arcus share	8 292

Financial projections 3y: 2019-2021

(PLN)	2019	2020	2021
Revenues - total	26 478	30 877	33 516
Costs - total	25 467	29 186	31 674
EBIT[(1)]	1 011	1 691	1 842
Net profit	731	1 236	1 342

[(1)] *EBIT- Earnings Before Interest & Taxes*

WACC change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
Valuation (PLN thousand)	12 003	13 643	14 592	15 644	16 819	18 138	21 330
change %	-23,3%	-12,8%	-6,7%		7,5%	15,9%	36,3%
change (PLN thousand)	-3 641	-2 001	-1 053		1 175	2 494	5 686

g change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
g value	4,0%	3,0%	2,5%	2,0%	1,5%	1,0%	0,0%
Valuation (PLN thousand)	27 945	20 094	17 599	15 644	14 072	12 780	10 781
change %	78,6%	28,4%	12,5%		-10,1%	-18,3%	-31,1%
change (PLN thousand)	12 301	4 449	1 954	0,0	-1 572	-2 865	-4 864

Docusoft valuation

	Plan. Execution	Forecast		
Forecast period	0	1	2	3
Forecast year		2019	2020	2021
CF		607	824	1 093
interest expenses + tax adjustment		37	38	43
repayment of debt		0	-50	-100
new debts		50	100	200
dividend		0	0	0
FCFE		694	912	1 235
FCFF		657	874	1 193

FCFF	657	874	1 193
DCF	582	685	827

(PLN million)	
The current value of free cash flows FCFF	2 093
Residual value	12 919
Current residual value	8 954
Gross value of the company	11 047
Net debt	1 332
Income value	9 715
Value of Arcus share	8 448

Financial projections 3y: 2019-2021

(PLN)	2019	2020	2021
Revenues - total	1 520	1 800	2 080
Costs - total	963	1 149	1 305
EBIT(1)	557	651	775
Net profit	501	595	718

(1) EBIT- Earnings Before Interest & Taxes

WACC change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
Valuation (PLN thousand)	7 667	8 591	9 124	9 715	10 375	11 114	12 902
change %	-21,1%	-11,6%	-6,1%		6,8%	14,4%	32,8%
change (PLN thousand)	-2 048	-1 125	-591		659	1 399	3 186

g change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
g value	4,0%	3,0%	2,5%		1,5%	1,0%	0,0%
Valuation (PLN thousand)	16 562	12 192	10 803	9 715	8 840	8 121	7 008
change %	70,5%	25,5%	11,2%		-9,0%	-16,4%	-27,9%
change (PLN thousand)	6 846	2 476	1 088	0,0	-875	-1 594	-2 707

Geotik valuation

	0	1	2	3
Forecast year		2019	2020	2021
CF		-3	1 370	1 980
interest expenses + tax adjustment		26	-10	6
repayment of debt		0	0	-300
new debts		0	300	800
dividend		0	0	0
FCFE		23	1 660	2 486
FCFF		-3	1 670	2 480

FCFF	-3	1 670	2 480
DCF	-3	1 297	1 696

(PLN million)	
The current value of free cash flows FCFF	2 989
Residual value	18 305
Current residual value	12 517
Gross value of the company	15 506
Net debt	0
Income value	15 506
Value of Arcus share	10 493

Financial projections 3y: 2019-2021

(PLN)	2019	2020	2021
Revenues - total	4 685,2	7 251,2	9 477,3
Costs - total	4 315,1	5 645,6	7 159,0
EBIT(1)	370,1	1 605,7	2 318,4
Net profit	345,2	1 507,7	2 179,1

(1) *EBIT- Earnings Before Interest & Taxes*

WACC change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
Valuation (PLN thousand)	13 208	14 276	14 869	15 506	16 193	16 936	18 618
change %	-14,8%	-7,9%	-4,1%		4,4%	9,2%	20,1%
change (PLN thousand)	-2 298	-1 230	-637		687	1 430	3 112

g change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
g value	2,0%	1,0%	0,5%		-0,5%	-1,0%	-2,0%
Valuation (PLN thousand)	20 749	17 674	16 503	15 506	14 646	13 896	12 653
change %	33,8%	14,0%	6,4%		-5,5%	-10,4%	-18,4%
change (PLN thousand)	5 243	2 168	997	0	-860	-1 610	-2 853

Durau valuation

	Plan. Execution	Forecast		
Forecast period	0	1	2	3
Forecast year		2019	2020	2021
CF		200	230	240
interest expenses + tax adjustment				
repayment of debts				
new debts				
dividend				
FCFE		200	230	240
FCFF		200	230	240

FCFF	200	230	240
DCF	177	180	166

(PLN million)	
The current value of free cash flows FCFF	524
Residual value	2 600
Current residual value	1 802
Gross value of the company	2 326
Net debt	1 311
Income value	1 015
Value of Arcus share	882

Financial projections 3y: 2019-2021

(PLN)	2019	2020	2021
Revenues - total	1 515	1 560	1 600
Costs - total	1 201	1 275	1 305
EBIT[(1)]	314	285	295
Net profit	288	240	244

[(1)] *EBIT- Earnings Before Interest & Taxes*

WACC change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
Valuation (PLN thousand)	2 677	3 090	3 329	583	3 892	4 225	5 030
change %	359,4%	430,2%	471,3%		567,8%	625,0%	763,1%
change (PLN thousand)	2 095	2 507	2 747		3 309	3 642	4 447

g change	2pp	1pp	0,5pp	0pp	-0,5pp	-1pp	-2pp
g value	4,0%	3,0%	2,5%	2,0%	1,5%	1,0%	0,0%
Valuation (PLN thousand)	5 836	4 422	3 961	3 595	3 298	3 053	2 669
change %	62,3%	23,0%	10,2%		-8,3%	-15,1%	-25,8%
change (PLN thousand)	2 241	827	366	0	-297	-543	-926

Weighted Average Cost of Capital

Risk-free rate (yield on 10-year Treasury bonds)	2,7%	2,7%	2,7%	2,7%
Risk premium on the market	6,0%	6,0%	6,0%	6,0%
Specific risk premium	4,0%	4,0%	4,0%	4,0%
Tax rate	19,0%	19,0%	19,0%	19,0%
Beta	1,32	1,25	1,21	1,18
Credit margin	4,5%	4,5%	4,5%	4,5%
Cost of debt in Arcus Group	7,2%	7,2%	7,2%	7,2%
Cost of debt for external funds	10,2%	10,2%	10,2%	10,2%
Share of debt in Arcus Group	100,0%	100,0%	100,0%	100,0%
Share of debt for external funds	0,0%	0,0%	0,0%	0,0%

Average cost of debt	7,20%	7,20%	7,20%	7,20%
After-tax cost of debt	5,83%	5,83%	5,83%	5,83%
Cost of equity	14,62%	14,21%	13,95%	13,76%
Ud	28,3%	23,7%	20,4%	18,0%
Ue	71,7%	76,3%	79,6%	82,0%
WACC	12,13%	12,22%	12,29%	12,34%
Number of days in the reporting period	365,00	365,00	365,00	365,00
Discount rate	1,12	1,26	1,41	1,59
Beta coefficient calculation				
Unlevered beta	1,00	1,00	1,00	1,00
Debt/Equity	0,39	0,31	0,26	0,22
Levered beta	1,32	1,25	1,21	1,18
	2018	2019	2020	2021
WACC	12,1%	12,2%	12,3%	12,3%

3.5.4 Inventory

Inventories are the assets held for sale in the ordinary course of business, and being in the process of production intended for sale in the form of materials or raw materials used in the production process or in the rendering of services. Inventories include materials and goods. Materials and goods are initially measured at a purchase price. As at the balance sheet date, materials and goods are measured subject to prudence principle, i.e. - these categories are valued at a purchase price or at a realizable price, depending on which one is lower. Inventories of goods and materials are subject to impairments. Inventory disposal is carried out according to the FIFO method and is recognized in cost of sales. Impairment losses on inventory resulting from prudent valuation and impairments on items remaining in stock, as well as their reversals are recognized in cost of sales.

3.5.5 Trade and other receivables

Receivables are recognized initially at fair value. In the case of normal payment periods that are accepted in the market and in practice for similar transactions, fair value is deemed to be their face value arising on recognition of revenue. At the balance sheet date, trade receivables are measured according to the prudence principle. Impairment loss on receivables is recognized based on the degree of probability of their repayment. Items are analyzed individually in order to determine the necessity to recognize an impairment loss. Impairment losses on receivables are classified as other operating expenses. Receivables denominated in foreign currencies are recognized and measured at the balance sheet date in accordance with the principles described in paragraph: "Foreign currency transactions". The costs and revenues to be settled over time are also recognized in trade receivables and other receivables.

3.5.6 Impairment losses on assets

At each balance sheet date, the Company reviews the carrying value of assets to determine whether there are indications of possible impairment loss. In the event that any such indication exists, the recoverable value of the asset is estimated in order to determine the potential impairment loss. Where the asset does not generate cash flows that are largely independent of cash flows generated by other assets, the analysis is performed for a group of assets generating cash flows to which the given asset is classified.

The recoverable amount is the higher of the two values, namely: the fair value less costs of sales or value in use, which corresponds to the value of estimated future cash flows discounted using a discount rate that reflects current market time value of money and the specific risks, if such exists for a given asset. If the recoverable amount is lower than the net book value of the asset or group of assets, the book value is reduced to recoverable amount. The loss resulting from this fact is recognized as an expense in the period in which the impairment loss occurred. In the case of impairment loss reversal, the net value of the asset is increased to the new estimated recoverable value, but not higher than the net value of the asset that would be determined if the impairment loss would have not been recognized in previous periods. Reversal of impairment loss is recognized as an adjustment to the costs of the period in which the indications of impairment ceased.

3.5.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in bank accounts, including bank deposits. Cash equivalents include short-term investments of high liquidity that are readily convertible to certain amounts and subject to insignificant risk of changes in value, including accrued interest on bank deposits. Cash and cash equivalents are measured at nominal value. Cash and cash equivalents denominated in foreign currencies are recognized and measured at the balance sheet date in accordance with the principles described in paragraph: "Foreign currency transactions". For the purposes of the cash flow statement, cash and cash equivalents are defined in the same manner as for the purposes of recognition in the balance sheet. Cash is measured at nominal value, while bank deposits - at the amount due.

3.5.8 Equity

3.5.8.1 Share capital

The share capital of the Company consists of 7.320.000 D-series shares with a nominal value amounting to PLN 0.10. Share capital is recognized at nominal value.

3.5.8.2 Share premium

In the second half of 2007, ARCUS S.A. issued B-series shares. The issue price per share was PLN 17. As a result of the issue, 2 296 681 shares were subscribed for. The share premium amounted to PLN 38 024 thousand.

3.5.8.3 Revaluation reserve

In connection with the planned merger of ARCUS S.A. with its subsidiary T-Matic Systems S.A., all assets and liabilities related to T-matic Systems presented so far in the assets and liabilities in the statement of financial position of ARCUS S.A. were recognized (until the settlement of the transaction) as an adjustment of equity in the item: revaluation reserve.

3.5.8.4 Retained earnings

Retained earnings include earnings retained in the Company on the basis of the shareholders' decision as well as the result of the period.

3.5.9 Loans and credit facilities

Loans and credit facilities are recognized together with interests due. Exceptions are overdrafts for which no repayment schedule is set. For this type of loan, the costs associated with its disbursement and other fees shall be charged to financial expenses in the period they are incurred. In other cases, financial expenses, including commissions paid at the time of repayment or redemption and direct borrowing costs, are recognized in the profit and loss account using the amortized cost and increase the book value of the instrument with consideration of the repayments made in the current period.

3.5.10 Trade and other liabilities

Liabilities are obligations arising from past events, which are characterized by reliably determined value and which will result in the use of already held or future assets of the Company. Liabilities are recognized initially at fair value. When using normal payment dates, which are used on the market in similar transactions, their fair value is deemed to be their face value arising on recognition of liability. At the balance sheet date, the liability is measured at amortized cost, or if the difference is not significant - at nominal value, with consideration of the principles described above. Other liabilities are classified as liabilities payable for goods or services that have been received or made but not paid for, invoiced or formally agreed with the supplier. Liabilities denominated in foreign currencies are recognized in the books and measured at the balance sheet date in accordance with the rules described in “Foreign currency transactions” section.

3.5.11 Reserves and provisions

Reserves and provisions are created when the Company has an existing legal or constructive obligation resulting from past events and it is probable that fulfillment of this obligation will result in the outflow of resources embodying economic benefits and a reliable estimate of the amount of the obligation can be made but the final amount or the maturity of this obligation are uncertain. Where the impact of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to the present value, using a discount rate reflecting current market assessments of the value of money and risks associated with the obligation. Increases in reserves based on the discount rate method, are recognized as borrowing costs over time. If the Company expects that the costs covered by the provision will be recovered in any way, such reimbursement is recognized as a separate asset but only when it is certain that the cost will be recovered. Provisions for warranty costs are recognized upon the sale of products in accordance with the Management's best estimate of future costs to be incurred by the Company during the warranty period without the possibility of transferring them to the manufacturer. The amount of the provisions is estimated at each balance sheet date based on historical data on the costs of warranty repairs. Provisions for specific risks are created when there is a probable outflow of economic benefits from the entity, and the estimate can be reliably carried out.

3.5.12 Employee benefits

As far as employee benefits are concerned, the Company is not a party to any wage agreements or collective agreements. The company also does not have pension schemes managed directly by the company or by external funds. The costs of employee benefits include remuneration paid in accordance with the terms and conditions of employment contracts concluded with individual employees. According to the applicable rules on remuneration, employees are entitled to retirement and disability severance pay. The Company does not establish assets that might be used for future settlement of liabilities associated with retirement benefits.

The Company recognizes a provision for future liabilities on severance pay in order to allocate costs to the periods to which they relate. The value of future retirement liabilities of the Company is calculated by a qualified actuary using the method of accumulated future benefits, with consideration of the projected increase in the remuneration constituting the basis for calculation of future benefits, the assumed discount rate, the probability of reaching by an employee of a retirement age (the probability of achieving the rights to one-time retirement benefit), the likelihood of disability of an employee before reaching the retirement age (the probability of achieving the rights to one-time disability severance pay), under the condition of continuance of employment contract with the current employer.

The amount of the provision is reviewed once a year - at the end of a given financial year. Actuarial profits and losses are not recognized in equity because of their insignificance. In the event of termination of employment, employees of the Company are entitled to the benefits provided for by the applicable Polish labor laws, among other the equivalent for unused leave. The provision for the equivalent for unused leave is reviewed on the last day of the financial year and on the last day of the first half of the year.

3.5.13 Foreign currency transactions

Business operations denominated in foreign currencies are recognized in the accounting books at the date of their execution respectively at the exchange rate:

- buy or sale exchange rates used by the bank whose services are used by the Company - in the case of buy or sale of currencies and payment of amounts due operations,
- the average rate for a given currency determined by the National Bank of Polish on the day preceding the date of the transaction.

Assets and liabilities denominated in foreign currencies are measured at the balance sheet date according to the average exchange rate published as at the balance sheet date by the National Bank of Poland for a given currency. Foreign exchange differences arising on the settlement of transactions denominated in foreign currencies, as well as resulting from the balance sheet valuation of assets and liabilities denominated in foreign currencies and associated with the core business (operations) of the Company, are recognized respectively in financial costs or revenues.

3.5.14 Lease

Company as a lessee
Lease is classified as finance lease if the agreements transfer substantially all the risks and benefits resulting from the use of the leased asset to the lessee. Other leases are considered to be operating leases. Assets held under finance leases are recognized as assets of the Company and are measured at their acquisition at the present value of lease payments. The liability to the lessor is recognized in the balance sheet in other liabilities. Lease payments are divided into interest and principal portions. The interest portion of the lease installment is recognized as the financial cost.

Company as a lessor
Assets transferred under financial lease are derecognized from fixed assets of the Company. The receivables from the lessee arising on this account are presented in the balance sheet under trade receivables and long-term receivables. The lease payments received are divided into interest and principal portions. The interest portion of a lease installment is the income recognized in the group of income from sales of goods and materials.

3.5.15 Statement of comprehensive income

The statement of comprehensive income covers the profit and loss account and other comprehensive income.

3.5.16 Profit and loss account

Costs in the profit and loss account are disclosed by function. Profit or loss is the total amount resulting from the deduction of costs from revenues, excluding the components of other comprehensive income.

3.5.17 Revenues

Sales revenues are recognized at the value of payments received or due for goods delivered or services provided within the normal course of business. Revenues shall be reduced by granted rebates; taxes in favor of third parties are not recognized as income. The sale of goods is recognized upon the delivery of goods and the transfer to the recipient of the significant risk associated with the delivery. Revenues from services are determined after the service is provided, and include the costs associated with the provision of the service. Dividend income is recognized at the time when the shareholders' right to receive payment is determined. Other operating income and expenses. Other operating income includes among others: profit from the sale of tangible fixed assets, received compensations related to losses on the insured property, or subsidies received as part of the EU programs (staff trainings and IT system implementation). Other operating costs include among others: loss on sale of tangible fixed assets, donations made, revaluation of non-financial assets or other costs associated with losses on company's assets.

3.5.18 Financial revenues and borrowing costs

Financial revenues include: dividend income, interests on deposits and loans, foreign exchange gains, etc. Financial costs include: costs of the use of external financing that is credit interests, interests payable on finance lease agreements, foreign exchange losses, and impairment losses on financial assets.

Borrowing costs are recognized as an expense in the profit and loss account in the period in which they are incurred.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, affect its initial value as part of the purchase price or production cost. These costs are subject to capitalization if it is probable that they will result in the future economic benefits for the entity, and the amount of these costs may be reliably determined.

3.5.19 Income tax

Income tax includes current and deferred tax. The current tax charge is calculated on the basis of the taxable income (taxable base) of the financial year. Tax profit (loss) differs from net accounting profit (loss) due to exclusion of taxable income and non-deductible expenses, items of expenses and revenue that will never be taxable. Tax charges are calculated based on tax rates applicable in a given fiscal year.

Deferred tax is calculated using the balance sheet method as a liability to be paid or reimbursed in the future based on differences between the carrying amounts of assets and liabilities and the corresponding tax amounts used to calculate the tax base. The deferred tax provision is recognized on all taxable temporary differences while deferred tax assets are recognized to the extent that it is probable that future taxable profits could be decreased by recognized temporary differences.

The item of deferred tax asset or deferred tax provision is not created if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of another asset or liability in a transaction that has no impact on either the tax result or the accounting result. The value of deferred tax assets is reviewed at each balance sheet date and, if the expected future tax returns are not sufficient for the realization of an asset or a part thereof, an impairment loss is recognized. Deferred tax is calculated using tax rates that will apply when an asset item is realized or a liability becomes due. Deferred tax is recognized in profit or loss, except when it relates to items recognized directly in equity. In the latter case the deferred tax is also recognized directly in equity.

4 OPERATING SEGMENTS

An operating segment is a component of an entity:

- that engages in an economic activity thanks to which it may earn revenue and incur expenses (including revenue and expenses associated with transactions with other components of the same entity)
- whose performance is regularly reviewed by the entity's main operating decision-making body who uses that result to determine the allocation of resources to the segment and to evaluate segment performance, and
- for which separate financial information is available.

Business operations of ARCUS S.A. were divided into business segments for presentation purposes:

- IT segment covering sales and leasing of copying devices and equipment for mail and document lifecycle management (office solutions),
- Telemetry segment covering the sales, installation and commissioning of equipment for the measurement of utilities such as electricity, gas and water (transferred to a subsidiary at the end of a comparable period),
- service segment covering including after-sales services, repair, and integration services for ICT (information and communication technology).

Financial revenues and costs as well as taxes are not disclosed by segments, as these are monitored at the Company level and are not reported to decision makers at the segment level. Unassigned assets include shares in subsidiaries, assets held for sale, deferred tax assets and cash. Unassigned liabilities include equity, credit facilities and a provision for income tax. Within the segments presented, the Company identified one customer, generating more than 10% of segment's revenue. The Company's revenues for the twelve months of 2018 from this customer amounted to PLN 14,310 thousand and were classified within the IT segment.

Period from 01.01. to 31.12.2018	IT Segment	Telematics Segment	Other services Segment	TOTAL
Revenues	95 018		19 690	114 708
Sales to external clients	95 018		19 690	114 708
Total segment's revenues	95 018		19 690	114 708
Segment's result	**11 112**		**-977**	10 135
Unassigned costs	-	-	-	-6 652
Profit on operating activities	-	-	-	3 483
Net financial revenues	-	-	-	-1 253
Profit before tax	-	-	-	2 230
Income tax	-	-	-	-529
Net profit for the financial year	**-**	**-**	**-**	**1 701**
Assets and liabilities				
Segment's assets	**63 600**		**11 843**	75 443
Unassigned assets	-	-	-	27 811
Total assets	-		-	103 254
Segment's liabilities	**36 094**		**6 721**	42 815
Unassigned liabilities	-	-	-	60 439
Total liabilities	-	-	-	103 254

Period from 01.01 to 31.12.2017	IT Segment	Telematics Segment	Other services Segment	Total
Revenues	94 926	62	18 950	113 938
Sales to external clients	94 926	62	18 950	113 938
Total segment's revenues	94 926	62	18 950	113 938
Segment's result	13 022	-47	-1 917	11 058
Unassigned costs	-	-	-	-6 853
Profit on operating activities	-	-	-	4 205
Net financial revenues	-	-	-	1 315
Profit before tax	-	-	-	5 520
Income tax	-	-	-	-1 446
Net profit for the financial year	-	-	-	4 074
Assets and liabilities				
Segment's assets	72 856	48	14 544	87 448
Unassigned assets	-	-	-	34 943
Total assets	-	-	-	122 391
Segment's liabilities	42 038	27	8 392	50 458
Unassigned liabilities	-	-	-	71 934
Total liabilities	-	-	-	122 391

Other information on segments - Geographical information

Sales revenues (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Domestic sales	112 340	112 085
Foreign sales	2 368	853
Total	114 708	112 938

As at 31.12.2018 and 31.12.2017 the Company's assets were located in Poland.

5 REVENUES STRUCTURE

Sales revenues (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Revenues from sales of services	26 860	24 923
Revenues from sales of goods	87 848	89 015
Total sales revenues	114 708	113 938

The company's activity is not subject to seasonality or cyclicality. Revenues are generated from fixed contracts and incidental contracts. The high share of incidental contracts in the sales, as well as typical for these contracts – variable timing during the year with an upward trend in the second half of the year, leads to different levels of sales achieved in the comparable periods of different years. At the same time, this factor does not have a significant impact on the comparability of the company's full-year results.

6 COSTS BY NATURE

Costs by nature (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Consumption of materials and energy	15 218	13 445
Third-party services	13 660	12 371
Taxes and fees	1 197	1 388
Remunerations and Employee benefits	16 277	17 218
Amortisation and depreciation	1 858	1 819
Other sundry expenses	1 717	1 513
Value of goods sold	61 758	62 757
Total	111 684	110 511
Sales costs	20 995	18 284
General and administrative costs	7 660	8 446
Cost of sales	83 029	83 780

Higher than in the comparable period, costs of materials consumption and third party services are related to the increase of revenues from sales of services.

7 OTHER OPERATING REVENUES

Other operating revenues (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Profit from the sales of fixed assets	283	
Received damages		500
Payment of receivables for which an impairment loss was created in the previous years		
Subsidies received		149
Valuation related to the exchange of assets		
Other	306	313
Total	589	962

In the comparable period the Company ceased to recognize the subsidy for software received in previous years up to the amount of established depreciation write-down, in other operating revenues. In the reporting period the Company has recognized non-compete compensation. The compensation granted referred to a competition prohibition.

8 OTHER OPERATING COSTS

Other operating costs (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Loss on the sale of fixed assets		12
Other	130	172
Total	130	184

9 FINANCIAL REVENUES

Financial revenues (PLN thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Interests on bank deposits	1	5
Interests on loans granted	210	153
Other interests received		497
Other - including foreign exchange rates differences	145	807
Total	356	1 462

In the reporting, the interests on early redeemed bonds issued by a subsidiary T-Matic as well as foreign exchange differences, which in the reporting period are negative (see financial costs), were recognized in the financial revenues.

10 FINANCIAL COSTS

Financial costs (PLN Thousand)	01.01 - 31.12.2018	01.01 - 31.12.2017
Interests	172	147
Other, including foreign exchange rates differences	1 437	
Total	1 609	147

In the reporting period, foreign exchange differences, unlike in the comparative period, had a negative impact on the net result.

11 INCOME TAX

Income tax	01.01 - 31.12.2018	01.01 - 31.12.2017
Income tax rate	19%	19%
Current income tax	0	0
Deferred income tax	-529	-1 446

Related to temporary differences and reversal of temporary differences	555	-493
Associated with the activation of tax losses	-1 084	-953
Tax charge disclosed in the profit and loss account	-529	-1 446

Current income tax	01.01 - 31.12.2018	01.01 - 31.12.2017
Gross profit before tax	2 230	5 521
Permanent differences in income tax	558	684
Temporary differences in income tax	-8 497	-1 189
Tax gross result	-5 709	5 016
Use of previous years' loss	0	-5 016
Tax base	-5 709	0
Current tax	0	0

Tax loss to be used

Year in which the loss was incurred	Value of loss to be used	asset
2014	1 451	276
2016	4 761	905
2018	5 710	1 085
Total	11 922	2 265

Deferred tax	Balance sheet 31.12.2018	31.12.2017	Profit and loss account 2018
Difference in the carrying and tax value of financial assets	3 252	2 370	-882
Valuation of a service contract	1 228	1 035	-193
Other	960	571	-389
Provision for deferred tax	**5 440**	**3 976**	**-1 464**
Impairment losses on inventories	159	233	-74
Unpaid remunerations and contributions	158	404	-246
Exchange rate differences from the valuation of settlements	49	-90	139
Impairment loss on receivables	121	734	-613
Provision for retirement benefits	83	68	15
Difference in the carrying and tax value of fixed and intangible assets	1 581	783	798
Tax loss	2 265	1 181	1 084
Other	345	512	-167
Deferred tax assets	**4 761**	**3 825**	**936**
Deferred income tax expense			**-529**

12 PROFIT PER SHARE

Profit per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted profit per share is calculated by dividing net profit for the period attributable to ordinary shareholders (after deducting interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of ordinary shares outstanding during the period (adjusted for the effect of dilutive options and dilutive redeemable preference shares convertible into ordinary shares). As at the end of the reporting periods, no dilutive options occurred in the Company.

Profit per share	as at 31.12.2018	as at 31.12.2017
Number of shares	7 320 000	7 320 000
Net profit (loss) (PLN thousand)	1 701	4 074
Net profit (loss) and diluted profit (loss) per share - PLN	0,23	0,56

13 DIVIDENDS PAID AND DECLARED FOR PAYMENT

In the reporting period, the Company did not pay or receive dividends.

14 FIXED ASSETS

Fixed assets	31.12.2018	31.12.2017
Buildings and structures	351	224
Machines and devices	221	211
Means of transport	768	627
Other	433	871
Fixed assets - total	**1 773**	**1 933**
Prepayments for fixed assets	350	315
Fixed tangible assets	**2 123**	**2 248**

Changes in fixed assets in the period from 01.01 to 31.12.2018	Buildings and structures	Machines and devices	Means of transport	Other
Net As at 01.01.2018	224	211	627	871
Gross value				
As at 01.01.2018	780	2 119	2 300	2 514
Increase - purchase		265	537	129
Decrease - sale and liquidation		70	394	260
As at 31.12.2018	1 030	2 313	2 441	2 383
Redemption				
As at 01.01.2018	556	1 908	1 671	1 698

Increase – amortization and depreciation	123	254	300	456
Decrease - sale and liquidation		69	298	204
As at 31.12.2018	679	2 092	1 673	1 950
Net as at 31.12.2018	351	221	768	433

Changes in fixed assets in the period from 01.01 to 31.12.2017

	Buildings and structures	Machines and devices	Means of transport	Other
Net As at 01.01.2017	365	618	1 119	879
Gross value				
As at 01.01.2017	780	2 314	2 433	2 244
Increase - purchase		126		470
Decrease - sale and liquidation		321	133	145
As at 31.12.2017	780	2 119	2 300	2 569
Redemption				
As at 01.01.2017	415	1 696	1 314	1 365
Increase – amortization and depreciation	141	276	455	462
Decrease - sale and liquidation		64	96	129
As at 31.12.2017	556	1 908	1 673	1 698
Net as at 31.12.2017	224	211	627	871

15 INTANGIBLE ASSETS

INTANGIBLE ASSETS	31.12.2018	31.12.2017
Software	2 856	2 975
Licenses	184	245
Other	33	50
Total	**3 073**	**3 270**
Expenditures for intangible assets	1 053	1 053
Total	**4 126**	**4 323**

Changes in intangible assets in the period from 01.01.2018 to 31.12.2018	Software	Licenses	Other
Net as at 01.01.2018	2 975	245	50
Gross value			
As at 01.01.2018	4 083	2 092	143
Increase - purchase	529		
As at 31.12.2018	4 612	2 092	143
Redemption			
As at 01.01.2018	1 108	1 847	93
Increase – amortization and depreciation	648	61	17
As at 31.12.2018	1 756	1 908	110
Net as at 31.12.2018	2 856	184	33

Changes in intangible assets in the period from 01.01.2017 to 31.12.2017	Software	Licenses	Other
Net as at 01.01.2017	314	481	65
Gross value			
As at 01.01.2017	1 216	2 092	143
Increase - purchase	2 867	8	2 875
Decrease - liquidation	0	8	0
As at 31.12.2017	4 083	2 092	143
Redemption			
As at 01.01.2017	875	1 611	78
Increase – amortization and depreciation	233	236	15
Decrease - liquidation	0	0	0
As at 31.12.2017	1 108	1 847	93
Net as at 31.12.2017	2 975	245	50

Arcus S.A. does not have assets with indefinite useful lives.

Expenditures on intangible assets mainly relate to the planned implementation of the lease-sales accounting module and the CRM module.

16 SHARES AND PARTICIPATING INTERESTS IN SUBSIDIARIES

Shares in affiliated undertakings	%			
	Share in capital	Share in votes	31.12.2018	31.12.2017
Shares in T-matic Systems	74,7%	67,6%	0	9 005
Shares in Geotik	66,7%	66,7%	10 400	10 400
Shares in ASI	53,0%	53,0%	7 986	7 986
Shares in Durau	84,1%	84,1%	371	371
Shares in LMT	39,0%	39,0%	1 024	0
Shares in Docusoft	87,0%	90,1%	2 010	2 010
Shares in Arcus Kazachstan	100,0%	100,0%	0	123
Shares in Zeccer			350	0
Total			**22 141**	**29 895**

As at 31 December 2018, ARCUS S.A. held shares and participating interests in subsidiaries representing the value of PLN 22 141 thousand (value as at the end of the comparable period – PLN 29 895 thousand). In connection with the commenced process aimed at merging ARCUS S.A. with its subsidiary T-Matic Systems Sp. z o.o. (see current report containing the merger plan 3/2019 and 5/2019), all assets and liabilities related to T-Matic Systems, including the value of shares, were recognized in the revaluation reserve.

In the reporting period ARCUS S.A. acquired from Durau Sp. z o.o. shares in LMT Sp. z o.o. with the value amounting to PLN 1,024 thousand thus obtaining 39% share in the share capital of the acquired Company. The transaction was based on a datio in solutum agreement resulting in partial repayment by Durau Sp. z o.o. of its liabilities towards ARCUS S.A. under the loan contracted.

In the reporting period, the liquidation of Arcus Kazakhstan was completed and 15% of shares in Zeccer Sp. z o.o. were acquired for PLN 350 thousand.

In the opinion of the Management Board, as at 31 December 2018, there was no evidence of impairment loss on shares in subsidiaries: Arcus Systemy Informatyczne Sp. z o.o., Docusoft Sp. z o. o., Geotik Sp. z o.o., T-matic Systems S.A. and Durau Sp. z o.o. In all cases, annual valuation of entities and fair value measurements were performed, which did not disclose a need for revaluation, and disclosed that future cash flows would be at least equal to the value of shares at the balance sheet date. Details regarding the impairment tests performed are presented in note 3.5.3. As at the balance sheet date, shares in subsidiaries are not subject to pledges or other restrictions on their disposal.

17 HELD-FOR-SALE FINANCIAL ASSETS

No items both at the end of the reporting period and the comparable period.

18 HELD-TO-MATURITY FINANCIAL ASSETS

In the comparable period, four-year, zero-coupon bonds issued by T-matic Systems on 30 June 2016 were recognized in held-to-maturity financial assets (fixed assets). In connection with the commenced process aimed at merging ARCUS S.A. with its subsidiary T-Matic Systems Sp. z o.o. (see paragraph 16), the value of bonds was recognized in the revaluation reserve.

19 LONG-TERM RECEIVABLES

Long-term receivables

	31.12.2018	31.12.2017
Trade receivables *	10 968	6 198
Other receivables	58	78
Total	**11 026**	**6 276**

*) Long-term trade receivables are receivables from lease of equipment to Clients

20 INVENTORIES

Inventories

	31.12.2018	31.12.2017
Gross goods	12 072	8 874
Impairment loss	-324	-324
Goods	11 748	8 460
Advances for deliveries	3	98
Total inventory	**11 751**	**8 558**

Inventory aging	up to 180 days	181 - 360 days	over 360 days	**Inventory - total**
as at 31.12.2018	8 783	2 389	900	12 072
as at 31.12.2017	5 243	1 972	1 667	8 882

Inventories

	31.12.2018	31.12.2017
Inventory covered by the assignment agreement as a security of an overdraft	15 000	12 000

21 LOANS GRANTED TO GROUP'S COMPANIES

Loans granted to associates under consolidation

	31.12.2018	31.12.2017
Long-term loans granted	2 932	2 854
Interests on loans granted	389	731
Total	**3 322**	**3 585**
including, granted to:		
T- matic Systems	0	516
Docusoft	1 204	1 092
Durau/LMT	1 288	1 863
ASI	830	114

In connection with the commenced process aimed at merging ARCUS S.A. with its subsidiary T-Matic Systems Sp. z o.o. (see current report No 3/2019 and 5/2019 containing the merger plan), all assets and liabilities related to T-matic Systems, including the loan granted to T-matic in the amount of PLN 516 thousand, were recognized in the revaluation reserve. Loans granted to entities which are not Company's associates and thus are not subject to consolidation, are recognized in current assets in the item „Loans granted".

22 TRADE AND OTHER RECEIVABLES

Trade and other receivables; income tax receivables

	31.12.2018	31.12.2017
Trade receivables from associates under consolidation	461	1 800
Trade receivables from other entities*	32 785	47 922
Other receivables	10 014	8 248
Impairment loss	-636	-4 164
Total	**42 624**	**53 806**

* including PLN 6 149 thousand – short-term lease receivables (PLN 6 573 thousand as at 31 December 2017)

Aging of trade receivables	up to 60 days	60 - 180 days	over 180 days	**Total**
as at 31.12.2018				
trade receivables within due date				26 957
overdue receivables	5 103	262	924	6 289
Trade receivables - total (gross)				**33 246**
as at 31.12.2017				
trade receivables within due date				41 484
overdue receivables	2 848	691	4 699	8 238
Trade receivables - total (gross)				**49 722**

Impairment of short-term receivables

	31.12.2018	31.12.2017
Opening balance	4 164	5 496
Use	3 629	1 332

Closing balance	**635**	**4 164**

The impairment is related to the write-down of receivables mainly due to probable unrecoverability of these receivables. Terms of transactions and transactions with associates are presented in Note 34. Description of the risks associated with trade receivables and other receivables as well as the Company's policy in terms of the management of these risks is presented in Note 2.4.

23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents (PLN thousand)	31.12.2018	31.12.2017
Cash at hand		
Cash in banks	910	1 223
Short-term deposits		
Total	**910**	**1 223**

24 EQUITY

Share capital	Nominal value	Number of shares
as at 31.12.2016	0,10	7 320 000
as at 31.12.2017	0,10	7 320 000
as at 31.12.2018	0,10	7 320 000

series	number of shares	value of shares	method of contribution
D	7 320 000	732 000,00	cash

On 14 June 2012, the Annual General Meeting of Shareholders adopted the Resolution No 26 regarding the purchase of own shares for the purpose of their redemption in the amount of up to 10% of the share capital and at a price not exceeding 6 PLN per share. Share buyback started in September 2012 – as at 31.12.2013 the Company held 75,157 own shares purchased at an average price of 3.63 PLN. Mentioned shares accounted for 1.02% of the total capital and 1.02% of the total number of votes at the AGM. On 20 June 2013, under the Resolution No 12, the Ordinary General Meeting of Shareholders, decided to redeem the shares held by Arcus S.A. and to decrease the share capital. In accordance with Art. 456 of the Commercial Companies Code, the Company started convocation proceedings, which were completed in the 4th quarter of 2013 - no objections were raised by the creditors. On 20 June 2014, the Annual General Meeting of Shareholders, by the Resolution No 20, decided on the conversion of all existing shares of A, B and C series into D series shares, and on the basis of the Resolution No 21 on redemption of 75 157 shares, which was confirmed by the District Court in September 2014. Shareholding structure of ARCUS S.A. (according to the Company’s knowledge) as at 31 December 2018:

Shareholding structure of ARCUS S.A. (according to the Company’s knowledge) as at 31 December 2018		PLN	%
	Number of shares	Value of share in the share capital	Share in the share capital
MMR Invest S.A.*	4 800 000,00	480 000,00	65,6
Other	2 520 000	252 000,00	34,4
Total	**7 320 000**	**732 000,00**	**100,0**

* entity controlled by Mr. Marek Czeredys, Michał Czeredys and Rafał Czeredys

25 REVALUATION RESERVE

As at the end of the reporting period, this item includes the amount of PLN 18,399 thousand representing the surplus of assets held by ARCUS S.A. and related to the subsidiary T-Matic System over the corresponding liabilities in connection with the finalised process of acquisition of T-Matic System by ARCUS S.A. (see current reports No 3/2019 and 5/2019 regarding the merger).

26 RETAINED EARNINGS

Retained earnings

	31.12.2018	31.12.2017
Statutory provision	249	249
Earnings retained by owners' decision over the obligatory amount	30 277	28 576
Total	**30 526**	**28 825**

27 PROVISION FOR LIABILITIES

Provision for liabilities

	31.12.2018	31.12.2017
Provision for warranty repairs and other expenses	61	96
Provision for retirement benefits and unused leaves	734	615
Total	**795**	**711**
including:		
Long-term	399	337
Provision for retirement benefits and unused leaves	399	337
Short-term	396	374
Provision for warranty repairs	61	61
Provision for retirement benefits and unused leaves	300	278
Provision for other expenses	35	35

Change in provisions for liabilities

	31.12.2018	31.12.2017
Opening balance	**711**	**664**
Recognition of a provision	**120**	**140**
Provision for warranty repairs	0	0
Provision for retirement benefits and leaves	120	140
Use of provisions	**36**	
Provision for retirement benefits and leaves	36	

Release of provisions		**93**
Provision for retirement benefits and leaves		93
Closing balance	**795**	**711**

The Company pays out the retirement severance pay to retiring employees in the amount specified in the Labour Code. Accordingly, the Company, on the basis of a valuation carried out by a professional actuarial company, recognizes a provision for the current value of the retirement severance pay. The main assumptions adopted by the actuary to calculate the amount of the liability are as follows:

	31.12.2018	31.12.2017
discount rate (%)	3,00%	3,250%
Expected remuneration growth rate (%)	3,00%	3,50%

28 LONG-TERM LIABILITIES

Long-term liabilities as at 31.12.2018 amount to PLN 19 797 thousand and include, apart from provisions for liabilities and deferred tax, also lease liabilities in the amount of PLN 501 thousand and trade liabilities in the amount of PLN 13 457 thousand. At the end of the comparable period, in long-term liabilities amounting to PLN 20 697 thousand, apart from provisions for liabilities and deferred tax, the Company had also recognized long-term lease liabilities in the amount of PLN 527 thousand and trade liabilities in the amount of PLN 15 857 thousand.

29 SHORT-TERM LIABILITIES

Short-term trade liabilities and other liabilities

	31.12.2018	31.12.2017
Trade liabilities to associates subject to consolidation	9	7
Trade liabilities to other entities *	22 871	19 275
Tax and social security liabilities	3 424	9 425
Advance payments received	0	0
Payroll liabilities	836	2 121
Other	923	2 534
Total	**28 063**	**33 362**

*) including the amount of short-term lease liabilities – PLN 632 thousand (31.12.2017 – PLN 2 166 thousand).

Aging of trade liabilities	up to 60 days	60 - 180 days	over 180 days	Total
as at 31.12.2018				
trade liabilities within due date				22 371
overdue liabilities	509			509
Trade liabilities - total				**22 880**
as at 31.12.2017				
trade liabilities within due date				18 474

overdue liabilities	808	808
Trade liabilities - total		**19 282**

Terms of transaction and transactions with associates are presented in Note 34.

30 LIABILITIES AND RECEIVABLES IN FOREIGN CURRENCIES (LONG-TERM AND SHORT-TERM)

Liabilities and receivables in foreign currencies (long-term and short-term)	Liabilities		Receivables	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
EUR	35 135	33 131	4 314	1 081
USD			9	9
PLN	6 886	16 615	49 327	58 992
Total	42 021	49 746	53 650	60 082

31 CONTINGENT LIABILITIES AS AT 31 DECEMBER 2018

Contingent liabilities (PLN thousand)	31.12.2018	31.12.2017
To other entities	53 032	51 893
Bill of exchange liabilities, including issued for:	**20 032**	**21 893**
Bank as a credit collateral	7 500	7 500
Insurance companies in respect of performance bond	11 765	13 434
Insurance companies in respect of guarantee for security payment	50	380
Letter of credit		
Bank guarantees	717	579
Assignment of receivables	**18 000**	**18 000**
Transfer of ownership of warehoused goods	**15 000**	**12 000**

* including performance bond of Ergo Hestia in the amount of PLN 9.6 million related to the dispute with EOP (at the balance sheet date and at the end of comparable period)

On 16 December 2013 (current report No 36/2013) the consortium of Arcus S.A. and T-matic System S.A. received a notification from the District Court for the City of Warsaw, 16th Commercial Division, on institution of conciliation proceedings and on summoning Arcus S.A. and T-matic System S.A. Consortium by Energa-Operator S.A. to a conciliation hearing as regards the payment to be executed by Consortium at the amount of PLN 21 513 481.31 and referring to the claims arising from contractual penalties concerning the contracts for the delivery and launching of the meter infrastructure covered by the following agreements: ZP/62/AZU/2011 of 9 September 2011, ZP/63/AZU/2011 of 26 August 2011, ZP/64/AZU/2011 of 26 August 2011 and ZP/66/AZU/2011 of 25 October 2011 being the implementing documents for the Framework Agreement, on which the Company informed in a current report No 22/2011 of 28 June 2011. The session of a Court was initially planned to be held on 30 December 2013, but was postponed until 5 March 2014, and in March 2014 – at the request of the Parties, until 20 May 2014. The request of Arcus S.A. addressed to the court for a further postponement of the hearing, supported by Energa-Operator S.A., was not accepted by the Court and the case was dismissed at the hearing on 20 May 2014. In December, Consortium received from Energa-Operator S.A. a final call for payment, while at the same time the Consortium submitted to Energa-Operator S.A. a claim for payment for additional works going beyond the scope set forth in the agreements (current report No 26/2014 of 18 December 2014).

In December 2014, the Consortium received debit notes from ENERGA-OPERATOR S.A. in the total amount of 21 183 221 PLN, which in the opinion of the Consortium were unjustified (current report No 25/2014 of 3 December 2014). In May 2015 Arcus S.A. received a claim for payment of the amount of 23 125 480,70 PLN (current report No 3/2015 of 15 May 2015). On 10 June 2015, the Consortium replied to the claim. In response to another preparatory letter of Energa-Operator S.A., on 18 December 2015 Arcus and T-matic lodged a pleading with additional arguments regarding the invalidity of contracts, which – as a consequence - changed the order of the taking of evidence in the case. On 13 January 2016, the first hearing was held, during which the court upheld the position of the Consortium and decided that the issue of the invalidity of contracts will be analyzed first. Subsequently, the hearing was postponed until 18 March 2016. On 15 October 2015 Arcus S.A. together with its subsidiary company – T-matic Systems S.A. send to ENERGA-OPERATOR S.A. a letter of formal notice requesting Energa-Operator to join the negotiations as to the annulment of execution contracts for the delivery and setting up the meter infrastructure, including among others, the Implementation Agreement. The Issuer still remains convinced of the possibility of amicable settlement of the dispute by the Parties in order to avoid an escalation of a dispute relating to a total of over 450,000 metering devices installed by the consortium.

On 12 November 2015, the Management Board of Arcus S.A. was informed by a professional legal representative in litigation on filing on 10 November 2015 together with T-matic Systems S.A. with its registered office in Warsaw with the Regional Court in Gdańsk (IX Commercial Department) the lawsuit against Energa-Operator S.A. with its registered office in Gdańsk to annul – on the basis of Art. 189 of the Civil Code, the Implementation Agreement of 1 February 2013 on the conclusion of which the Company informed in a current report no 4/2013 of 4 February 2013. The value of the subject-matter of dispute amounts to PLN 77 million. The supply and installation of 310 thousand PRIME-technology smart meters within the next stage of the performance of a project concerning consumers' smart metering was the subject-matter of the Implementation Agreement. Under mentioned Implementation Agreement, the Issuer and T-matic undertook to deliver the devices and software as well as to launch the metering infrastructure for a specific installation area. In line with the position presented by the Issuer and T-matic in the lawsuit, the Implementation Agreement contains fundamental structure defects, which indicate that the Execution Agreement is subject to a sanction of absolute nullity, due in particular to the following two groups of circumstances:

a. there shall be no binding obligation (in all its essential aspects and elements required under the applicable law) between the Parties due to the fact that the subject of the Issuer's and T-matic company's services is not precisely defined therein, which results in de facto and de iure - failure to conclude the Agreement as such; and

b. Implementation Agreement infringes grossly a balance of contractual relationship, and therefore is inconsistent with the nature / substance of the obligation and is contrary to the principles of social coexistence, and thus is subject to sanctions of nullity.

It should be noted that the Implementation Agreement in its basic form is a supply contract, regulated by Article. 605 et seq. of the Civil Code, which also follows from the wording of Section 25.2 of the Implementation Agreement. The regulatory scope referred to above indicates that the supply contract constitutes a mutual contract with characteristics similar to the sale contract. It is therefore, in principle, an equivalent legal relationship, in which the supply of one Party (production and delivery of a product) corresponds to the supply of the counterparty (reception of goods and payment). In view of the above and having regard to the type of correspondence submitted by the defendant to the complainants, it should be noted that the correct, complete and adequate description of the subject-matter of the Agreement (i.e. a description of the subject-matter of the delivery, and thus the responsibilities of the consortium of the Issuer and T-matic) should identify and determine the subject of service of the Issuer and T-matic.

Additionally this requirement refers to the so called essentialia negotii of the supply contracts named in the Civil Code, which is essential to define their existence in the legal system.

Therefore, it must be assumed that lack of sufficiently precise definition of subject of Issuer's and T-matic company's service results in the lack of conclusion of Implementation Agreement as such. In the Implementation Agreement, a specific mechanism was provided for the purposes of verification of performance of the service by the Issuer and T-matic, and thus binding verification procedures were not determined which made it impossible for the Company to assess whether the service of the Company and T-matic corresponded to the Implementation Agreement or not. The subject-matter of the Implementation Agreement was determined inadequately and ambiguously, and at the stage of execution was subject to one-sided modifications by Energa-Operator. The Implementation Agreement is also subject to a fundamental defect in connection with the shaping of the position of the Parties under the concluded contractual relationship, especially in the context of recognizing the delivery agreement as a protoplast of the Implementation Agreement, which translates in particular in the scope of:

a. penalties reserved exclusively to one party, i.e. Energa-Operator;

b. allowing the possibility of cumulative contractual penalties imposed on the Issuer and T-matic (no possibility of charging any contractual penalties to the Contractor);

c. the possibility of cumulative contractual penalties imposed both from the point of view of the withdrawal from the Implementation Agreement, as well as failure to execute the Agreement within the specified time limit (and therefore the protection of two opposing interests of Energa-Operator, i.e. protection against failure to perform and improper performance of the above mentioned Implementation Agreement);

d. reservation of contractual penalties for failure to comply with the quality parameters of the Issuer's and T-matic company's service for reasons independent of the Issuer and T-matic;

e. possibility of unilateral withholding of products by Energa-Operator, without the consent of the Issuer and T-matic in case of withdrawal from the contract.

On 16 November 2015, Arcus S.A. received from Energa-Operator S.A. request for payment of the total amount of PLN 157 023 542 consisting of:

a. the amount of PLN 1 002 942 (one million two thousand nine hundred forty two) for the decrease of remuneration payable to the Issuer and T-matic for the products delivered in the course of performance of the Implementation Agreement for the delivery and launching of the meter infrastructure of 1 February 2013 ('Implementation Agreement') withheld by Energa-Operator;

b. the amount of PLN 156 060 200 (one hundred fifty six million sixty thousand two hundred) accrued by Energa-Operator on the basis of Implementation Agreement.

According to the analysis and evaluations of the Issuer, the Request is part a of the negotiation tactics of Energa-Operator, and the legal basis of the claim is clearly unfounded because of invalidity of the Implementation Agreement raised by the Issuer (current report no 21/2015 of 16 October 2015). This groundlessness also arises from the lack of factual or substantive grounds for the calculation of contractual penalties. Arcus S.A. legal position did not change, and on 10 November 2015 an action against Energa-Operator was brought to the court as to the annulment of Implementation Agreement (current report no 24/2015). At the hearing on 13 January 2016, the Court agreed to the position of the Consortium and decided to investigate the nullity of contracts in the first place. As a result, at the meetings on 18 March 2016, 6 May 2016, 1 July 2016, 23 September 2016 and 8 February 2017, the Court heard the witnesses of the Parties. In terms of the request of 16 November 2015 for the payment of the amount of PLN 157 023 542 addressed to the company by Energa Operator S.A., the current legal position of the Issuer has not changed.

On 10 November 2015, a lawsuit was filed with a Court, against Energa Operator S.A., for the annulment of the Implementation Agreement, as reported by the Company in the current report No 24/2015.

In connection with the intentions of the Management Board to complete the dispute by way of amicable settlement, a petition was filed with a court for the issuance of summons to a conciliation hearing. The hearing on this matter was scheduled for 20 May 2016, during which another date of the hearing was determined. At the hearing on 5 August 2016, the parties filed a request for re-postponement of the hearing in order to agree on the detailed terms of the settlement. The court, having considered the arguments of both parties, agreed to the request and scheduled the next hearing for 20 December 2016.

On 19 October 2016, the Management Board of Arcus S.A. addressed to Energa Operator S.A. a request for payment of the total amount of PLN 174,111,458.96 as compensation for damage sustained by the Issuer and for immediate cessation of unauthorized actions and omissions of Energa Operator concerning Implementation Agreements and the dispute between the Parties, which would increase the damage of the Company and T-Matic Systems S.A. or would result in violation of personal rights of Issuer or T-matic Systems S.A. In this respect, a petition was filed with a court for the issuance of summon to a conciliation hearing, however, until today the date of the hearing has not been set.

On 1 March 2017, the Management Board of Arcus S.A. a letter from an insurer – Ergo Hestia S.A. (current report no 2/2017) dated 28 February 2017 concerning the request of Energa Operator S.A. for payment under the performance bond issued by Ergo-Hestia with regard to the Implementation Agreement concluded on 1 February 2013 between the Issuer, T-matic Systems S.A. and Energa, the subject of which was the delivery and setting up of the meter infrastructure as the Issuer informed in current report no 4/2013 (“the Agreement”) – within the scope covering the claims of Energa against the Issuer and T-matic resulting from alleged improper performance of the Agreement (current report no 25/2015).

On 25 April 2017, Arcus S.A. received from an insurer - Ergo Hestia S.A. a letter dated 5 April 2017 (current report no 4/2017) containing a demand for payment (plus statutory interest) of an amount PLN 9,597,702.30, representing the value of a performance bond executed by Ergo-Hestia on 3 March 2017 for the benefit of Energa Operator S.A. in connection with the Implementation Agreement concluded on 1 February 2013 between the Issuer, T-matic Systems S.A. and Energa. The Issuer invariably questions both the claims of Energa and the execution of a performance bond by Ergo-Hestia, considering them wholly unfounded.

On 27 April 2017, the Management Board of Arcus S.A. received a decision dated 13 April 2017 of the Court of Appeals in Gdańsk, 9th Commercial Division granting, in accordance with the Issuer’s and T-matic Systems S.A., the security (injunctive relief) for a claim of the Issuer and T-matic against Energa-Operator S.A. (current report 24/2016 of 19 October 2017) to order Energa a repayment for the benefit of an insurer – Ergo Hestia S.A.:

1. an amount of PLN 4,798,851.15 that is granting an unduly conferred (at the expense of the Issuer) benefit arising from the execution by Ergo-Hestia, at the request of Energa, of a performance bond associated with the Implementation Agreement concluded on 1 February 2013 between the Issuer, T-matic Systems S.A. and Energa, the subject of which was the delivery and setting up of the meter infrastructure as the Issuer informed in current report no 4/2013 (hereinafter “the Agreement”) – within the scope covering the claims of Energa against the Issuer and T-matic resulting from alleged improper performance of the Agreement (current report no 25/2015);

2. an amount of PLN 4,798,851.15 that is granting an unduly conferred (at the expense of the T-matic) benefit arising from the execution by Ergo-Hestia, at the request of Energa, of a performance bond associated with the Agreement.

In accordance with the Decision, the Court ruled to secure the above claim by regulating the rights and obligations of the parties to the safeguard procedure for a period of its duration, in such a way that:

a. ordered Energa to reimburse to Ergo-Hestia an amount of PLN 9,597,702.30 within 30 days of the date of the Decision, provided that Ergo-Hestia grants to Energa a guarantee of payment of an amount PLN 9,597,702.30 exercisable in case of final disposal, to the detriment of Eligible Parties, of court proceedings initiated (following the safeguard procedure as a result of which a Decision was issued) by Eligible Parties against Energa as regards the claims secured with the Decision ("Proceedings");

b. ordered Eligible Parties to (i) request Ergo-Hestia to issue for the benefit of Energa a guarantee of payment of an amount PLN 9,597,702.30 exercisable in case of final disposal of the Proceedings to the detriment of Eligible Parties, and effective until 31 December 2017, and to (ii) request Ergo-Hestia to extend the period of guarantee for subsequent annual periods after 31 December 2017 until the final settlement of Proceedings, where such extensions shall be performed until 30 December each year at the latest. In addition, the Decision sets a two-week deadline for Eligible Parties to fill a lawsuit concerning claims secured with the Decision, under pain of nullity of the security granted. The Decision is effective and enforceable on the date of its issuance, but the other party is entitled to appeal to it.

The guarantee was issued in connection with a lawsuit planned by Arcus S.A. to be filed against Energa-Operator for the payment of the amount of PLN 174, 111,458.98 as compensation for damage sustained by the Issuer and for immediate cessation of unauthorized actions and omissions of Energa Operator concerning Implementation Agreements and the dispute between the Parties, which would increase the damage of the Company and T-Matic Systems S.A. or would result in violation of personal rights of Issuer or T-matic Systems S.A. (current report no 24/2016).

In connection with the Court's decision of 13 April 2017, on 9 May 2017 ARCUS S.A. received information that the legal representative of the Issuer and T-Matic Systems S.A. filled a lawsuit with the Court of Appeals in Gdańsk, 9th Commercial Division against Energa-Operator S.A.

On 12 May 2017 a performance bond was issued under which Ergo-Hestia undertook to pay irrevocably and unconditionally, in accordance with the terms of the Guarantee, to Energa-Operator S.A. the amount of PLN 9,597,702.30 in the event of final termination to the detriment of the Issuer and T-matic Systems S.A. of the court proceedings initiated by the Issuer and T-matic against Energa with reference to the claims secured by the Decision (current report no 7/2017).

On 25 September 2017 ARCUS S.A. was notified on filling by the Issuer's legal representative for litigation purposes of a lawsuit with the Court of Appeals in Gdańsk, 9th Commercial Division against Energa-Operator S.A. with its registered office in Gdańsk on the basis of which the Issuer and T-matic Systems S.A. ("T-matic") as Claimants, pursue claims in the amount of PLN 174,111,458.96 along with the statutory interest thereon to be paid by Energa as compensation for the damage to the Claimants deriving from the tort/ an act of unfair competition committed by Energa in connection with the ongoing multi-faceted dispute concerning the validity, performance and mutual claims arising from and related to the conclusion and execution by Claimants for the benefit of Energa of performance contracts for delivery of software and the launch of meter infrastructure and contracts for the implementation of an intermediary infrastructure in the PLC technology concluded in the period from 25 September 2011 to 1 February 2013 following the award of a public procurement contract by Energa (current report 16/2017).

The Claimants puts forward the pleas alleging that Energa is liable for damages (both tortious and contractual) to Claimants with regard to the negative consequences of the actions and omissions related to the creation, escalation and failure to terminate the Dispute.

In the opinion of the Claimants, unreasonable and unlawful request of Energa (as the ordering party) for the payment of significant amounts as claims in relation to the performance of the Implementation Agreements, including charging contractual penalties and inducing by Energa to the expansion of the Dispute, as well as failure of Energa to pay of amounts due in connection with works performed, resulted in the damage to the Claimants which was related to the occurrence of circumstances which negatively affecting the business activity performed by the Claimants as well as their functioning in the economic transactions, translating into concrete property damage.

On 11 December 2017 ARCUS S.A. was notified on receiving a counterclaim filled with the Court of Appeals in Gdańsk, 9th Commercial Division by Energa-Operator S.A. with its registered office in Gdańsk against the Issuer and T-matic Systems S.A. as defendants on the basis of which Energa pursues claims in the amount of PLN 157,063,142 along with statutory late payment interest (as from 2 November 2015 until the payment day) to be paid by Defendants as compensation for the alleged damage suffered by Energa in connection with conclusion and implementation by Defendants for the benefit of Energa of several performance contracts for the delivery of software and the launch of meter infrastructure concluded in the period from 25 September 2011 to 1 February 2013 (current report no 22/2017).

In response to the lawsuit filed on 7 February 2018, the legal representative of Arcus S.A. filed for the dismissal of the claim in its entirety, pointing to its groundlessness. In relation to the counterclaim, the plea of invalidity of the Implementation Agreement No. 71 was raised on the basis of the circumstances set out in the claim of 10 November 2015, i.e. due to the fact that (I) the object of the service is not precisely specified (ii) the agreement grossly violates the balance of the Parties and remains contrary to the nature / essence of the obligation and the principles of social coexistence. In opinion of ARCUS S.A., Energa did not prove the validity of the claim in terms of the actual basis and the amount of claims.

On 11 April 2019 a suit was with the Court of Appeals in Gdańsk, IX Commercial Division against Energa-Operator S.A. with its registered office in Gdańsk, under which ARCUS S.A. and T-matic Systems S.A. claim from Energa for the benefit of T-matic the payment of the amount of PLN 4,710,466.04 (with statutory interest due) on account of additional works performed by T-matic for Energa in connection with three implementation agreements (No. 62 of 9.09.2011, No. 63 of 26.08.2011 and No. 64 of 26.08.2011) for the supply of software and start-up of metering infrastructure. The claim covered by the lawsuit results from the fact that the performance of the aforementioned additional works did not fall within the material scope of the Agreements and did not include the remuneration paid to the Claimants (current report no 4/2019).

The Management Board of ARCUS S.A. holds the view that the claim of Energa Operator S.A. is unjustified, and the potential outflow of cash associated with this claim is unlikely. Taking above into consideration, no provisions in respect of afore described dispute were created as at balance sheet day.

The Management Board of Arcus S.A. emphasizes that due to the important public interest and precedential nature of the project, its intention is to settle the dispute in an amicable way.

In the reporting period, a court settlement was signed with the State Treasury – the Centre of Health Information Systems. The provisions of the settlement ended the ongoing dispute without any impact on the financial statements and financial situation of ARCUS S.A.

32 CREDIT AND LEASE AGREEMENTS

Lease liabilities

	31.12.2018	31.12.2017
Payable within 1 year	632	2 166
Payable within the period of 1 to 5 years	501	527
Payable within the period over 5 years	-	-
Total	**1 133**	**2 693**

Under lease agreements concluded with leasing companies, the Company has at its disposal printing, copying and telemetry equipment, which the Company provides to its customers for further lease. Mentioned agreements meet the criteria of finance lease.

As at the balance sheet date, lease liabilities amounted to PLN 1,133 thousand. These agreements are concluded for a period of 24 to 60 months.

As at 31 December 2018, the Company had an overdraft in the amount of PLN 6 million with maturity date falling on 30 September 2019. As at the balance sheet date the amount of PLN 4.1 million was used.

As at the balance sheet date and until the date of publication of this report, there were no grounds for termination by the bank of the terms and conditions of the binding agreement.

As at the balance sheet date, the Company was a party to an agreement signed in the comparable period with Kyocera Document Solutions Europe B.V. on financing deliveries in the amount (as at the end of the reporting period) of EUR 3.8 million, with a security in the form of a financial guarantee granted by the majority shareholder.

33 SUBSIDIES

In the reporting period the Company did not receive new subsidies. In the comparable period the Company ceased to recognize the subsidy for software received in previous years up to the amount of established depreciation write-down, in other operating revenues.

34 TRANSACTIONS WITH ASSOCIATES

Transactions with associates

Associate	Sale	Acquisition	Receivables	Liabilities
2018				
T-Matic Systems *	109	1	676	
Docusoft	12	78	57	
Durau/LMT	13	37	5	8
ASI	778	1 397	251	
Geotik	260	13	163	
Zeccer	11	25	3	12
ADD Polska	62			
Kancelaria Radcy Prawnego A.Z.Czeredys (Legal Advisor's Office)	2		4	
Michał Czeredys			203	
Receivables – bonds - T-Matic Systems*			8 201	
Loan granted to T-Matic Systems *			516	
Loan granted to Docusoft			1 204	
Loan granted to Durau/LMT			1 288	
Loan granted to ASI			830	
2017				
T-Matic Systems	181	6	546	1
Docusoft	50	147	56	1
Durau	14	31	5	3
ASI	1 534	892	1 031	
Geotik	344	26	173	2
Michał Czeredys			203	
Receivables – bonds - T-Matic Systems			8 793	
Loan granted to T-Matic Systems			516	
Loan granted to Docusoft			1 092	
Loan granted to Durau			1 863	
Loan granted to ASI			114	

35 REMUNERATION OF SENIOR EXECUTIVES

Remuneration of senior executives

	01.01 - 31.12.2018	01.01 - 31.12.2017
Management Board	792	1 450
Supervisory Board	289	288
Directors	3 543	3 205
Total	**4 624**	**4 943**

36 EMPLOYMENT

In 2018, the level of employment in the Company increased by only 1 person.

	As at 31.12.2018	As at 31.12.2017
Employment	149	148

37 OFF-BALANCE SHEET ITEM

Details of contingent liabilities are disclosed in point 31.

38 EVENTS AFTER BALANCE SHEET DAY

On 5 March 2019 an agreement for delivery, implementation and maintenance of the Office Printing System for Alior Bank S.A. with its registered office in Warsaw was concluded. The term of the agreement is 48 months and its estimated value is PLN 8 million gross.

On 9 April 2019 a resolution on the merger of ARCUS S.A. with its subsidiary T-matic Systems S.A. by transferring all the assets of the subsidiary to ARCUS S.A. was adopted. (current report no 3/2019). The merger plan was published on 15 April 2018 (current report no 5/2019).

On 11 April 2019 a suit was with the Court of Appeals in Gdańsk, IX Commercial Division against Energa-Operator S.A. with its registered office in Gdańsk, under which ARCUS S.A. and T-matic Systems S.A. claim from Energa for the benefit of T-matic the payment of the amount of PLN 4,710,466.04 on account of additional works performed by T-matic for Energa in connection with three implementation (see paragraph 31).

39 RISK MANAGEMENT

Business risk assigned to Arcus Group is an inherent feature of the activity pursued. The Group identifies and regularly updates the risk in its core groups, along with estimating the probability of their occurrence and their value and impact on the group's economic situation. Due to the importance that the group attaches to risk management, the Management Board of Arcus S.A. is responsible for the development and implementation of risk management policy at the management level. Detailed assignment to specific classes of risk is associated with the division of responsibilities between the board members. In addition, their activities are supported by an ISO attorney and specialized audit, advisory and law firms. The Company uses hedging mechanisms to limit the potential negative effects of events that may occur as a result of risk materialisation. Recognizing the importance of risk management, the company has established an audit committee and appointed a board member responsible for corporate and legal matters. In performing its business operations, the Company is exposed to the following risks:

39.1 Foreign exchange risk

Foreign exchange risk is inherent in the nature of the business - ARCUS S.A. is an importer of goods and services (from EUR and USD zones), which are resold on the domestic market in PLN. Receivables and liabilities in foreign currencies as at the end of the reporting and comparable periods are presented in Note 30. In 2018, the Company did not purchase or issue any option instruments.

39.2 Interest rate risk

As at 31.12.2018 ARCUS S.A. was a party to a working capital credit agreement in the amount of PLN 6 million, based on a variable WIBOR interest rate plus an additional bank's margin (see note 32), and a party to lease agreements - also WIBOR- based. The Company does not use interest rate hedging instruments since the impact of such risk on the Company's performance is minimal. Free cash is invested in short-term bank deposits.

39.3 Credit risk

Credit risk refers mainly to asset classes such as receivables, loans granted, cash and bank deposits, short-term financial assets. Customers wishing to establish cooperation and take advantage of trade credit in transactions with the Company are subject to a verification procedure aimed at assessing their financial standing. Subsequently, trade receivables are subject to constant monitoring by the Sales Department and the Financial Department.

A large customer base and its diversification reduce the credit risk by ensuring independence from a small group of significant customers.

39.4 Risk related to financial assets held

Such risk is related to the market valuation of financial assets held by the Company that are subject to periodic changes due to fluctuations in stock quotes.

At the end of the reporting period, the company did not have any assets traded on active markets.

39.5 Risk related to liquidity

The Company's liquidity management covers the following areas: current, continuous monitoring of trade liabilities and receivables, forecasting the Company's cash flows and cash needs, active cash management. Liquidity risk is understood as the risk of losing the ability to settle liabilities within specified deadlines. The risk arises from the potential restriction of an access to financial markets or changes in the attitude of banks to grant credits, which may result in inability to obtain new financing or refinancing the debt.

The Company monitors the risk of lack of cash by adapting the financing structure to the projected future cash flows and diversifying sources of financing through the use of different products such as loans, financing by suppliers or finance lease agreements.

The reduction of the available overdraft facility after the balance sheet date is associated with a change in the Company's financing model based on an increased financial commitment by the business partner - Kyocera Document Solutions Europe B.V. Taking above into consideration, in the opinion of the Management Board, the risk of loss of liquidity should be assessed as moderate.

The risks associated with estimates are described in Section 3.4 - Estimates and Judgments.

40 CAPITAL MANAGEMENT

The main objective of the Company's capital management is to maintain a good credit rating and secure capital ratios that would support the Company's operating activity and increase the value for its shareholders. The Company manages the capital structure and introduces the relevant changes as a result of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may change the dividend payment to shareholders, return the capital to shareholders or issue new shares.

In the year ended 31 December 2018 and 2017, no changes were introduced to the objectives, principles and processes in force in this area. The Company monitors the balance of capital. Net debt includes interest-bearing loans and borrowings, trade and other liabilities, less cash and cash equivalents.

CAPITAL MANAGEMENT	31.12.2018	31.12.2017
Interest-bearing credit facilities and loans	4 115	377
Trade and other liabilities	42 021	49 746
Less cash and cash equivalents	910	1 223
Net debt	45 226	48 900
Equity	50 883	67 581
Net equity and debt	96 109	116 481

41 CLASSES OF FINANCIAL INSTRUMENTS

The table below compares the balance sheet values and fair values of all of the Company's financial instruments, broken down by classes and categories of assets and liabilities.

CLASSES OF FINANCIAL INSTRUMENTS	31.12.2018		31.12.2017	
	Carrying value	Fair value	Carrying value	Fair value
FINANCIAL ASSETS				
Loans granted	3 792	3 792	4 037	4 037
Held-to-maturity financial assets			8 201	8 201
Trade receivables and other receivables	53 650	53 650	60 082	60 082
Cash and cash equivalents	910	910	1 223	1 223
FINANCIAL LIABILITIES				
Credit liabilities	4 115	4 115	377	377
Trade liabilities and other liabilities	42 021	42 021	49 746	49 746

Impairment tests have confirmed the value of the financial assets disclosed in this financial statement. For the purpose of impairment tests of shares held, their fair value was determined using the income method.

Financial Statement of ARCUS S.A. for the year 2018 was approved for publication and signed by the Management Board of ARCUS S.A. on 26 April 2019.

Warsaw, 26 April 2019

[Electronic signature on the original version of the document]	[Electronic signature on the original version of the document]	[Electronic signature on the original version of the document]
Michał Czeredys	**Rafał Czeredys**	**Katarzyna Beata Balcerowicz**
President of the Management Board	Member of the Management Board	Financial Director Chief Accountant