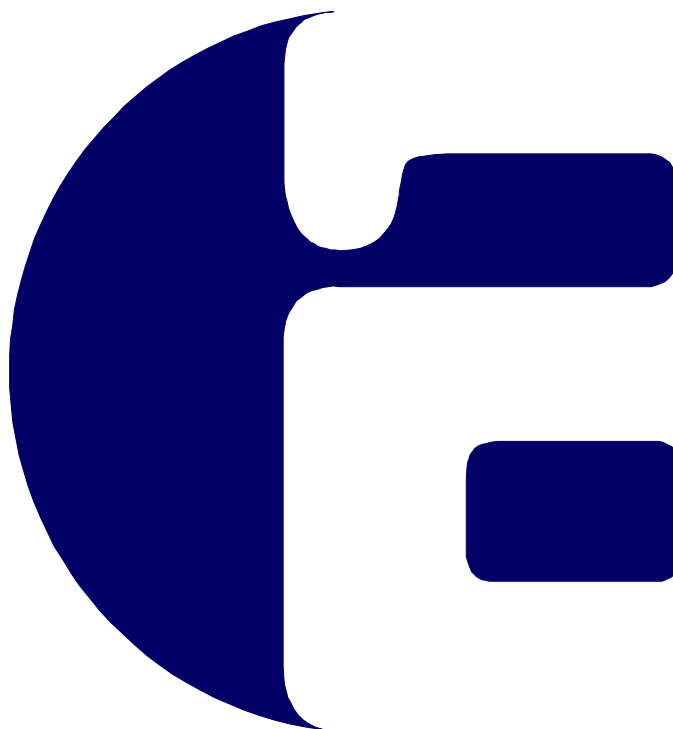


ARCUS Spółka Akcyjna

www.arcus.pl



Consolidated financial statement
of Arcus S.A. Capital Group
for the first half of 2016

Warsaw, 31 August 2016

1 Data regarding the half-yearly financial statement of ARCUS S.A. Capital Group

1.1 Selected financial data

| | PLN thousand | | EUR thousand | |
|--|--|--|--|--|
| | for the period 01.01.2016 - 30.06.2016 | for the period 01.01.2015 - 30.06.2015 | for the period 01.01.2016 - 30.06.2016 | for the period 01.01.2015 - 30.06.2015 |
| I Sales revenues | 50 424 | 84 703 | 115 100 | 20 489 |
| II Profit (loss) on operating activities | -1 508 | -2 470 | -344 | -598 |
| III Profit (loss) before tax | -2 267 | -2 853 | -517 | -690 |
| IV Net profit (loss) on consolidation | -1 953 | -2 643 | -446 | -639 |
| V Profit (loss) attributable to shareholders of a dominant entity | -1 696 | -1 697 | -387 | -411 |
| VI EBITDA | -193 | -1 122 | -44 | -271 |
| VII Comprehensive income | -1 953 | -2 377 | -446 | -581 |
| VIII Comprehensive income attributable to shareholders of a dominant entity | -1 696 | -1 431 | -387 | -352 |
| IX Net Cash Flows from operating activities | -1 644 | -14 804 | -375 | -3 581 |
| X Net Cash Flows from investing activities | -26 | 9 | -6 | 2 |
| XI Net Cash Flows from financing activities | -2 373 | 5 868 | -542 | 1 419 |
| XII Change in cash | -4 042 | -8 927 | -923 | -2 159 |
| XIII Net profit (loss) and diluted net profit (loss) per share attributable to shareholders of a dominant entity | -0,23 | 0,23 | -0,05 | -0,06 |
| | PLN thousand | | EUR thousand | |
| | as at 30.06.2016 | as at 30.06.2015 | as at 30.06.2016 | as at 30.06.2015 |
| XIV Total assets | 87 434 | 102 684 | 19 757 | 24 096 |
| XV Long-term liabilities | 8 863 | 7 650 | 2 003 | 1 795 |
| XVI Short-term liabilities | 33 015 | 46 969 | 7 460 | 11 022 |
| XVII Equity | 45 556 | 48 065 | 10 294 | 11 279 |
| XVIII Equity attributable to shareholders of a dominant entity | 45 916 | 47 902 | 10 375 | 11 241 |
| XIX Share capital | 732 | 732 | 165 | 172 |
| XX Weighted average number of shares | 7 320 000 | 7 320 000 | 7 320 000 | 7 320 000 |
| XXI Book value and diluted book value per share attributable to shareholders of a dominant entity | 6,27 | 6,54 | 1,42 | 1,54 |

2 Data regarding the half-yearly financial statement of ARCUS S.A.

2.1 Selected financial data

| | PLN thousand | | EUR thousand | |
|--|--|--|--|--|
| | for the period 01.01.2016 - 30.06.2016 | for the period 01.01.2015 - 30.06.2015 | for the period 01.01.2016 - 30.06.2016 | for the period 01.01.2015 - 30.06.2015 |
| I Sales revenues | 40 239 | 71 760 | 9 186 | 17 358 |
| II Profit (loss) on operating activities | -646 | 438 | -147 | 106 |
| III Profit (loss) before tax | -1 296 | 185 | -296 | 45 |
| IV Net profit (loss) | -1 050 | 150 | -240 | 36 |
| V EBITDA | 235 | 1 363 | 54 | 330 |

| | | | | | |
|------|---|--------|---------|-------|--------|
| VI | Comprehensive income | -1 050 | 416 | -240 | 95 |
| VII | Net Cash Flows from operating activities | -607 | -10 633 | -139 | -2 572 |
| VIII | Net Cash Flows from investing activities | -484 | -3168 | -110 | -766 |
| IX | Net Cash Flows from financing activities | -2 900 | -5 810 | -662 | 1 405 |
| X | Change in cash | -3 991 | -7 991 | -911 | -1 933 |
| XI | Net profit (loss) and diluted net profit (loss) per share | -0,14 | 0,02 | -0,03 | 0,00 |

| | PLN thousand | | EUR thousand | | |
|-------|---|---------------------|---------------------|---------------------|-----------|
| | as at 30.06.2016 | as at 30.06.2015 | as at 30.06.2016 | as at 30.06.2015 | |
| XII | Total assets | 101 841 | 112 124 | 23 012 | 26 311 |
| XIII | Long-term liabilities | 8 214 | 7 549 | 1 856 | 1 771 |
| XIV | Short-term liabilities | 27 828 | 37 727 | 6 288 | 8 853 |
| XV | Equity | 65 799 | 66 849 | 14 868 | 15 687 |
| XVI | Share capital | 732 | 732 | 165 | 172 |
| XVII | Weighted average number of shares | 7 320 000 | 7 320 000 | 7 320 000 | 7 320 000 |
| XVIII | Book value and diluted book value per share | 8,99 | 9,13 | 2,03 | 2,14 |

2.2 Method applied in calculation of financial data

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

- individual items of assets and liabilities – according to exchange rate as at 30.06.2016 - 4,4255 PLN/EUR
30.06.2015 - 4,1944 PLN/EUR
- individual items of the statement of comprehensive income and the cash flow statement – according to exchange rate calculated as arithmetic mean of the exchange rates announced by the National Bank of Poland prevailing on the last day of each month:
 - for the period of 1 January 2016 – 30 June 2016: 4,3805 PLN/EUR
 - for the period of 1 January 2015 – 30 June 2015: 4,1341 PLN/EUR

2.3 Balance sheet

| Assets | | | | |
|---|------------|------------------|------------------|------------------|
| | Note | as at 30.06.2016 | as at 31.12.2015 | as at 30.06.2015 |
| FIXED ASSETS | | | | |
| Tangible assets | 5.11 | 4 074 | 4 225 | 4 903 |
| Intangible assets | 5.12 | 6 466 | 6 293 | 5 262 |
| Consolidation goodwill | | 8 930 | 8 930 | 8 930 |
| Long-term receivables | 5.13 | 7 949 | 7 760 | 9 196 |
| Deferred income tax assets | | 8 629 | 8 208 | 8 738 |
| Total | | 36 048 | 35 416 | 37 029 |
| CURRENT ASSETS | | | | |
| Inventories | 5.14 | 14 015 | 12 514 | 15 528 |
| Trade receivables and other receivables | 5.15, 5.21 | 36 563 | 49 752 | 40 107 |
| Loans granted | | 470 | 622 | 1 086 |
| Cash | 5.16 | 338 | 4 380 | 2 236 |
| Total | | 51 386 | 67 268 | 58 957 |
| TOTAL ASSETS | | 87 434 | 102 684 | 95 986 |
| Liabilities | | | | |
| | Note | as at 30.06.2016 | as at 31.12.2015 | as at 30.06.2015 |
| Equity attributable to shareholders of a dominant entity | | | | |
| Share capital | 5.10 | 732 | 732 | 732 |
| Share premium | | 37 631 | 37 631 | 37 631 |
| Revaluation reserve | | 0 | 0 | 0 |
| Other reserves | | 143 | 143 | 143 |
| Retained earnings | | 7 410 | 9 396 | 5 943 |
| Total | | 45 916 | 47 902 | 44 449 |
| Non-controlling shares | | -360 | 163 | -415 |
| Total Equity | | 45 556 | 48 065 | 44 034 |
| Long-term liabilities | | | | |
| Deferred income tax reserve | | 3 997 | 3 902 | 3 566 |
| Provisions for liabilities | 5.20 | 434 | 434 | 434 |
| Long-term loans and bank credits | | 0 | 0 | 6 532 |
| Other long-term liabilities | | 4 432 | 3 314 | 4 196 |
| Total | | 8 863 | 7 650 | 14 728 |
| Short-term liabilities | | | | |
| Trade liabilities and other liabilities | 5.19, 5.21 | 24 825 | 37 229 | 29 570 |
| Short-term loans and bank credits | 5.17 | 7 334 | 9 151 | 6 391 |
| Income tax liabilities | | | | |
| Provisions for liabilities | 5.20 | 856 | 589 | 1 263 |
| Total | | 33 015 | 46 969 | 37 224 |
| TOTAL LIABILITIES | | 87 434 | 102 684 | 95 986 |

2.4 Profit and loss account

Profit and loss account

| | Note | 01.01 - 30.06.2016 | 01.01 - 30.06.2015 |
|---|------|--------------------|--------------------|
| Sales revenues | 5.1 | 50 424 | 84 703 |
| Costs of products, goods and materials sold | 5.5 | -36 993 | -69 498 |
| <u>Gross profit (loss) from sales</u> | | <u>13 431</u> | <u>15 205</u> |
| Other operating income | 5.6 | 1 066 | 556 |
| Costs of sales | 5.5 | -10 842 | -13 115 |
| General administrative expenses | 5.5 | -5 088 | -4 951 |
| Other operating expenses | 5.6 | -75 | -165 |
| <u>Operating income (loss)</u> | | <u>-1 508</u> | <u>-2 470</u> |
| Financial income | 5.7 | 68 | 314 |
| Financial costs | 5.7 | -827 | -697 |
| <u>Profit (loss) before tax</u> | | <u>-2 267</u> | <u>-2 853</u> |
| Income tax: | 5.8 | 314 | 210 |
| Current income tax | | 0 | 0 |
| Deferred income tax | | 314 | 210 |
| <u>Net profit (loss)</u> | | <u>-1 953</u> | <u>-2 643</u> |
| <u>EBITDA</u> | | <u>-193</u> | <u>-1 122</u> |
| Net profit (loss) attributable to | | | |
| shareholders of a dominant entity | | -1 696 | -1 697 |
| Non-controlling shares | | -257 | -946 |
| Profit (loss) per share attributable to shareholders of a dominant entity | | | |
| Ordinary and diluted | 5.9 | -0,23 | -0,23 |

2.5 Statement of comprehensive income

Statement of comprehensive income

| | Note | 01.01 - 30.06.2016 | 01.01 - 30.06.2015 |
|---|------|--------------------|--------------------|
| Net profit (loss) for the period | | -1 953 | -2 643 |
| Items that could be classified to the result at a future point in time: | | | |
| Financial assets available for sale | | | 329 |
| Deferred Tax regarding other comprehensive income | | | -63 |
| Total of other comprehensive income items | | | 266 |
| Items that would not be classified to the result at a future point in time: | | | |
| Comprehensive income for the period attributable to: | | -1 953 | -2 377 |

| | | |
|---|---------|---------|
| Shareholders of a dominant entity | -1 696 | -1 431 |
| Non-controlling shares | -257,00 | -946,00 |
| Comprehensive income for the period attributable to Shareholders of a dominant entity | | |
| Ordinary and diluted per share | -0,23 | -0,20 |

2.6 Statement of cash flows

Statement of cash flows

| | 01.01 - 30.06.2016 | 01.01 - 30.06.2015 |
|---|--------------------|--------------------|
| Cash flows from operating activities | | |
| Profit before tax | -2 266 | -2 853 |
| Adjustments | 622 | -11 951 |
| Depreciation and amortisation | 1 316 | 1 348 |
| Interests | 174 | 109 |
| Result on investing activities | -459 | 345 |
| Change in inventories | -1 500 | -755 |
| Change in receivables | 13 002 | -6 836 |
| Change in liabilities and reserves | -11 911 | -6 990 |
| Paid/returned income tax | | -74 |
| Other | | 902 |
| Total | -1 644 | -14 804 |
| Cash flows from investing activities | | |
| Inflows | 1 105 | 2 162 |
| Disposal of intangible and tangible fixed assets | 910 | 126 |
| Repayment of loans | 195 | 400 |
| Disposal of financial assets | | 1 636 |
| Outflows | -1 131 | -2 153 |
| Purchases of intangible and fixed tangible assets | -1 071 | -803 |
| Loans granted | -60 | -1 350 |
| Other | | |
| Total | -26 | 9 |
| Cash flow from financing activities | | |
| Inflows | 24 | 6 293 |
| Credits and loans | | 6 250 |
| Interests received | 24 | 43 |
| Outflows | -2 396 | -425 |
| Payment of dividend | -100 | |
| Repayment of credits and loans | -1 799 | |
| Financial lease payments | -304 | -251 |
| Interests paid | -193 | -174 |
| Total | -2 372 | 5 868 |
| Change in cash | -4 042 | -8 927 |
| Cash at the beginning of the period | 4 380 | 11 163 |
| Cash at the end of the period | 338 | 2 236 |

2.7 Statement of Changes in Equity

Statement of changes in equity

For the period of 1 January 2016 - 30 June 2016

| | Equity attributable to shareholders of a dominant entity | | | | | Non-controlling shares | Total Equity |
|--------------------------------------|--|-------------------|---------------------|------------|---------------|------------------------|---------------|
| | Share capital, reserve capital, share premium | Retained earnings | Revaluation reserve | Own shares | Total | | |
| As at 1 January 2016 | 38 506 | 9 396 | | 0 | 47 902 | 163 | 48 065 |
| Profit/loss for the period | 0 | 1 696 | 0 | | 1 696 | 257 | 1 953 |
| Total of comprehensive income | 0 | 1 696 | 0 | | 1 696 | 257 | 1 953 |
| Dividend in subsidiaries | 0 | 290 | | | 290 | 266 | 556 |
| As at 30 June 2016 | 38 506 | 7 410 | 0 | 0 | 45 916 | 360 | 45 556 |

Statement of changes in equity

For the period of 1 January 2015 - 31 December 2015

| | Equity attributable to shareholders of a dominant entity | | | | | Non-controlling shares | Total Equity |
|---|--|-------------------|---------------------|------------|---------------|------------------------|---------------|
| | Share capital, reserve capital, share premium | Retained earnings | Revaluation reserve | Own shares | Total | | |
| As at 1 January 2015 | 38 506 | 9 757 | -266 | 0 | 47 997 | -1 022 | 46 975 |
| Profit/loss for the period | 0 | 1 756 | 0 | | 1 756 | -367 | 1 389 |
| Financial assets available for sale adjusted by deferred income tax | 0 | | 266 | | 266 | 0 | 266 |
| Total of comprehensive income | 0 | 1 756 | 266 | 0 | 2 022 | -367 | 1 655 |
| Dividend in subsidiaries | 0 | -299 | | | -299 | -266 | -565 |
| Change in equity - share capital increase in a subsidiary | | -1 818 | | | -1 818 | 1 818 | |
| As at 31 December 2015 | 38 506 | 9 396 | 0 | 0 | 47 902 | 163 | 48 065 |

Statement of changes in equity

For the period of 1 January 2015 - 30 June 2016

| | Equity attributable to shareholders of a dominant entity | | | | | Non-controlling shares | Total Equity |
|---|--|-------------------|---------------------|------------|---------------|------------------------|---------------|
| | Share capital, reserve capital, share premium | Retained earnings | Revaluation reserve | Own shares | Total | | |
| As at 1 January 2015 | 38 506 | 10 624 | 266 | 0 | 48 864 | 254 | 48 610 |
| Correction | | 867 | | | 867 | 768 | 1 635 |
| After correction – as at 01.01.2015 | 38 506 | 9 757 | 266 | 0 | 47 997 | 1 022 | 46 975 |
| Profit/loss for the period | 0 | 1 697 | 0 | | 1 697 | 946 | 2 643 |
| Financial assets available for sale adjusted by deferred income tax | 0 | | 266 | | 266 | 0 | 266 |
| Total of comprehensive income | 0 | 1 697 | 266 | 0 | 1 431 | 946 | 2 377 |
| Dividend in subsidiaries | 0 | -299 | | | -299 | -266 | 565 |
| Change in equity - share capital increase in a subsidiary | | -1 818 | | | -1 818 | 1 818 | |
| As at 31 December 2015 | 38 506 | 5 943 | 0 | 0 | 44 449 | 416 | 44 033 |