DEKPOL S.A.

CONSOLIDATED FINANCIAL STATEMENT

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

FOR THE PERIOD
01 January 2015 – 31 December 2015

Pinczyn, 21st of March 2016

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for period 01.01.2015 – 31.12.2015 in thousands of PLN

SELECTED FINANCIAL DATA

Selected financial data - consolidated financial statements	thousand PLN		thousand EUR	
	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014	01.01.2015 - 31.12.2015	01.01.2014 - 31.12.2014
I. Net revenue from sales of products, goods, and materials	310 440	251 082	74 183	59 934
II. Profit (loss) on operating activity	18 993	24 762	4 539	5 911
III. Profit (loss) before tax	15 405	21 547	3 681	5 143
IV. Net profit (loss)	12 406	17 248	2 965	4 117
V. Earnings (loss) per ordinary share (in PLN / EUR)	1,53	2,69	0	1
VI. Net cash flows from operating activity	(57 361)	5 045	(13 707)	1 204
VII. Net cash flows from investment activity	(23 111)	(12 848)	(5 523)	(3 067)
VIII. Net cash flows from financial activity	86 980	(2 361)	20 785	(564)
IX. Total net cash flows	6 507	(10 164)	1 555	(2 426)
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
X. X. Total assets	327 897	218 329	76 944	51 223
XI. Liabilities and provisions for liabilities	211 884	142 985	49 721	33 547
XII. Long-term liabilities	114 450	48 064	26 857	11 277
XIII. Short-term liabilities	97 434	94 921	22 864	22 270
XIV. Equity	116 013	75 344	27 223	17 677
XV. Share capital	8 363	6 410	1 962	1 504
XVI. Number of shares at the end of the period	8 117 493	6 410 000	8 117 493	6 410 000
XVII. Book value per share (in PLN / EUR)	14	12	3	3

The above financial data for 2015 and the corresponding financial year 2014 have been converted into EUR according to the following principles:
- individual assets and liabilities - at the average exchange rate for the day:
    - 31st of December 2015 – 4,2615 PLN/EUR,
    - 31st of December 2014 – 4,2623 PLN/EUR,
- Individual items on the income statement and statement of cash flows - by the arithmetic average of average exchange rates set by the Polish National Bank on the last day of each month during the accounting period:
    - From 1st January till 31st of December 2015 – 4,1848 PLN/EUR,
    - From 1st January till 31st of December 2014 – 4,1893 PLN/EUR.

for period 01.01.2015 – 31.12.2015 in thousands of PLN

INTRODUCTION TO FINANCIAL STATEMENT

1. General Information

Name and location of the reporting entity (parent entity):

DEKPOL S.A.

Ul. Gajowa 31, 83-251 Pinczyn

Registration Court, register number:

District Court Gdańsk-North in Gdańsk, VII Commercial Division of the National Court Register, under ID number 0000505979.

The main shareholder of the Company (76.64% of share capital) is Mr. Mariusz Tuchlin, who came into the possession of shares of the DEKPOL Company on 18 December 2006, as a result of the transformation of legal form (led by him since 1993) of the business (previously under the name Productive-Service Plant "DEKPOL" - Mariusz Tuchlin) in a limited liability company.

Dekpol S.A headquartered in Pinczyn has been created by the conversion of a limited liability company into a joint stock company in accordance with the resolution of the Extraordinary General Meeting of Shareholders Dekpol Sp. o.o. from 1st of April 2014, minuted within Notarial Deed by a notary Janina Ciechanowska at the Notary Office in Starogard Gdanski, Repertory A Number 3829/2014.

Transformed Company was entered into the National Court Register kept by the District Court Gdańsk-North in Gdańsk, VII Commercial Division of the National Court Register, under ID number 505979. The company was registered on 11 April 2014.

The Company has a tax identification number (TIN) 592-21-37-980 and REGON number 220341682.

From January 8, 2015 the Company's shares are listed on the Stock Exchange in Warsaw.

Duration of the Company:

The Company's duration is not determined.

The principal activities:

The principal activities of the Company by NCR are as follows:

Name of activity	Polish NACE (PKD)
Production of pig iron, ferroalloys, iron and steel and metallurgical products	PKD - 24.10.Z
Manufacture of other fabricated metal products	PKD - 25.99.Z
Manufacture of machinery for mining, quarrying and construction	PKD - 28.92.Z
Manufacture of railway locomotives and rolling stock	PKD- 30.20.Z
Execution of construction projects related to buildings	PKD-41.1
Construction of residential and non-residential buildings	PKD-41.2
Construction of roads and railways	PKD-42.1
Construction of pipelines, telecommunication and power lines	PKD-42.2
Construction of other civil engineering and water objects	PKD-42.9
Demolition and site preparation	PKD-43.1
Installation of electrical, plumbing and other construction installation	PKD-43.2
Building completion	PKD-43.3
Other specialized construction works	PKD-43.9
Renting and leasing of construction machinery and equipment	PKD-77.32.Z
Retail trade, except of motor vehicles	PKD-47
Wholesale trade, except of motor vehicles	PKD-46
Warehousing and storage of other goods	PKD - 52.10.B
Hotels and similar accommodation	PKD - 55.10.Z
Restaurants and other permanent catering facilities	PKD-56.10.A
Buying and selling of real estates	PKD-68.10.Z
Rental and management of own or leased real estates	PKD-68.20.Z
Real estate agency activities	PKD-68.31.Z
Management of real estate on behalf of third parties	PKD-68.32.Z
Renting and leasing of other motor vehicles, excluding motorcycles	PKD-77.12.Z

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Name of activity	Polish NACE (PKD)
Retail sale of fuels for motor vehicles at service stations	PKD - 47.30.Z
Mining of gravel and sand; mining of clays and kaolin	PKD – 08.12.Z
Support activities for other mining and quarrying companies	PKD – 09.90.Z
Recovery of sorted materials	PKD – 38.32.Z
Mining of ornamental and building stone, limestone, gypsum, chalk and slate	PKD – 08.11.Z
Production of concrete construction	PKD – 23.61.Z
Production of ready-mixed concrete	PKD – 23.63.Z
Manufacture of mortars	PKD – 23.64.Z
Drilling and boring engineering	PKD – 43.13.Z
Remediation activities and other service activities related to waste management	PKD – 39.00.Z
Other activities auxiliary to financial intermediation, except insurance and pension funding	PKD – 66.19.Z
Production of metal structures and parts	PKD – 25.11.Z

Reporting periods presented:

The financial statements are presented for the period from 1st of January 2015 till 31st of December 2015. Comparative financial data are presented for the period from 1st of January 2014 till 31st of December 2014.

2. Composition of the Management Board and the Supervisory Board of the Issuer

The Issuer’s Management Board is composed of one or more Members appointed and removed from office by the Supervisory Board. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the Management Board. The term of office of the Members of the Management Board is 5 (five) years and is not joint.
As of the day of this report, the Issuer’s Management Board is composed of:
1. Mariusz Grzegorz Tuchlin (President of the Management Board)
2. Krzysztof Andrzej Łukowski (Vice President of the Management Board)
3. Rafał Glaza (Member of the Management Board)
4. Adam Olżyński (Member of the Management Board)
5. Andrzej Maciej Kuchtyk (Member of the Management Board)
6. Rafał Szczepan Dietrich (Member of the Management Board)

The Members of the Management Board were appointed under a resolution of the Shareholders Meeting of Dekpol Sp. z o.o. regarding the appointment of the Members of the Management Board of a transformed company (i.e. the Issuer) of 1 April 2014. The term of office of each of the Members of the Management Board ends on 1 April 2019. Each of the Members of the Management Board previously served as a Member of the Management Board of Dekpol Sp. z o.o.
The composition of the Board has not changed in the financial year and until the date of producing of this report.

The Articles of Association of Dekpol S.A. provide that the Supervisory Board is composed of between three and five Members, and in the event of the Issuer becoming a public company, between five and seven Members. The appointment and removal from office of the Members of the Supervisory Board takes place by means of a resolution of the General Meeting. The General Meeting also appoints the Chairman of the Supervisory Board and may entrust the function of a Deputy Chairman to another Member of the Supervisory Board. The term of office of the Members of the Supervisory Board is five years and is not joint.
As of the day of this report, the Issuer’s Supervisory Board is composed of:

1. Roman Suszek - Chairman of Supervisory Board
2. Piotr Stobiecki – Member of the Supervisory Board
3. Jacek Grzywacz – Deputy Chairman of Supervisory Board
4. Krzysztof Czerkas – Member of the Supervisory Board
5. Jacek Kędzierski - Member of the Supervisory Board

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Jacek Kędzierski and Krzysztof Czerkas meet the requirements for being independent of the Issuer and his affiliates, as specified in the Articles of Association. The term of office of Jacek Kędzierski and Krzysztof Czerkas will end on 30 June 2019. The term of office of Roman Suszek, Piotr Stobiecki, and Jacek Grzywacz will end on 1 April 2019.
The composition of the Supervisory Board has not changed in the financial year and until the date of producing of this report.

3. Composition of the Group:

The Dekpol S.A. Capital Group is composed of Dekpol S.A. as the parent entity and four subsidiaries

Subsidiaries at balance sheet date			
Name	Consolidation method	Name	Consolidation method
Subsidiaries			
Dekpol 1 Sp. z o.o.	direct subsidiaries	Dekpol Royalties Sp. z o.o.,	dependent indirectly
Dekpol 1 Sp. z o.o S.K.A.	direct subsidiaries	Almond Sp. z o.o.	dependent indirectly

Dekpol S.A. holds 100% of the shares in Dekpol 1 Sp. z o.o. and 100% of the shares in Dekpol 1 Sp. z o.o. S.K.A. Dekpol 1 Sp. z o.o. S.K.A. holds 100% of the shares in Dekpol Royalties Sp. z o.o. and Almond Sp. z o.o. There are no non-controlling shareholders.

4. Legal basis for preparation of financial statement

The financial statements are prepared in compliance with the principles defined in § 25-28 of IAS 1:

Going concern,

Accrual,

Continuity of presentation.

The Company prepares the income statement using the multiple-step variant.

The Company prepares the cash flow statement using the indirect method.

The financial statements are prepared in thousand PLN.

5. Date of approval of the financial statements for publication

The financial statements has been approved for publication on 21 March 2016.

6. Functional currency and reporting standards

The Polish zloty (PLN) is the functional currency of the Company. The Company prepares financial statements in the functional currency.

7. Continued operation

The financial statements have been prepared assuming that the Company will continue its business in the foreseeable future and that it does not intend nor does it have to discontinue operations or significantly reduce its scope. According to the Management Board's knowledge, there are no circumstances indicating a threat to continuing operations.

8. Events after balance sheet date

There were no significant events after the balance sheet date, that are not included in this financial statements.

9. Rules for the valuation of assets and liabilities and financial result, adopted in the preparation of financial statements

Whenever the Company is indicated below, applies to the entire Capital Group DEKPOL S.A.

Property, plant and equipment

- Principles of evaluation of property, plant and equipment are mainly included in IAS 16 "Property, plant and equipment".
- Property, plant and equipment are subject to initial recognition at the acquisition price or production cost.
- The acquisition price or production costs are subject to an increase by costs of disassembly and removal of an item of property, plant and equipment and renovation of the place of using it, if the Company is obliged to do so.
- The acquisition price or production costs are not subject to adjustment by foreign exchange differences related to liabilities financing the acquisition of an asset accrued up to the date of putting an asset into use, unless it results from the policy adopted in the scope of hedge accounting.
- The acquisition price or production costs are subject to an increase by costs of interest on liabilities financing the acquisition of an asset accrued up to the date on which an asset is ready for use.
- After the initial recognition, the Company evaluates property, plant and equipment at the acquisition price or production cost less depreciation write-offs, pursuant to the model specified in § 30 of IAS 16.
- With regard to each item of property, plant and equipment, the Company determines a period of economic useful life. If it is justified in relation to significant component parts of property, plant and equipment to apply various periods of economic useful life and depreciation rates/methods, the Company applies various depreciation rates/methods in relation to each significant component part of property, plant and equipment.
- Property, plant and equipment are subject to depreciation in a period of economic useful life from the day on which an asset is ready for use until the date on which it is excluded from recognition or it is intended for sale.
- The Company accepts that the final (residual) value of used property, plant and equipment is usually insignificant and will not be determined, unless the residual value is significant in relation to a given item of property, plant and equipment. The residual value constituting at least 20.0% of the initial value of an item of property, plant and equipment is deemed significant.
- The Entity applies a straight-line deprecation method of property, plant and equipment, unless other methods (degressive method, method based on production units) better reflect the consumption of economic benefits. The Company may apply other methods and rates in order to establish tax income.
- A depreciation period, depreciation method and residual value (if determined) are subject to periodic verification at least at the end of each financial year. If a significant change is found as compared to previous estimates, the entity changes amortization rates and/or method starting from the first day of the reporting period.

- Property, plant and equipment of the initial value not exceeding PLN 3,500.00 are written off in the month in which they are put into use. Property, plant and equipment of the initial value below PLN 1,000.00 are recognized exclusively in off-balance sheet records and are charged as a single entry to costs of "purchase of tools and equipment" recorded on account 411-09.
- Costs of improvement of property, plant and equipment increase their initial value, provided that improvement consists in extending a period of economic useful life or improving parameters of property, plant and equipment measured by means of costs of operation, productivity, quality of manufactured products or scope of functionality.
- Costs of current renovations and inspections of property, plant and equipment are recognized as costs of the period in which they are incurred, unless they result in extending a period of economic useful life as compared to the initially assumed period.
- If property, plant and equipment are excluded from use, the Company does not discontinue depreciation, unless an item of property, plant and equipment is held for sale within 12 months. In such a case, property, plant and equipment are evaluated at the initial value less revaluation write-offs or at the fair value less selling costs, whichever is lower, and are not subject to depreciation - according to IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Lease

- The Company recognizes and evaluates leased assets pursuant to IAS 17 "Leases".
- The Company classifies assets as being the subject matter of financing or operating lease agreements on the basis of the criteria specified in § 7-19 of IAS 17.
- Assets which are the subject matter of a financing lease have to be disclosed as user's assets; assets which are the subject matter of an operating lease have to be disclosed as lessor's assets.
- In the case of a financing lease, the Company recognizes the discounted value of a liability (without an interest part) broken down into long-term and short-term liabilities. An interest part of lease instalments is recognized as costs of the period. If the Company does not plan to use the option of purchase of the subject matter of a financing lease, it determines a period of economic useful life not longer than the term of a lease agreement.
- If the Company performs a leaseback transaction, any possible profit from the sale of an asset to a lessor is not recognized as revenue and is accounted for over time, unless a leaseback is an operating lease and the transaction has been concluded at the fair value.
- Non-current assets in progress are non-current assets that are constructed, assembled or improved. They are measured at the total costs directly related to their acquisition or construction less impairment losses.

Intangible assets

- A definition of IA has been specified in §12 of IAS 38 "Intangible Assets" and criteria for their recognition in §21 of IAS 38.
- The Company initially recognizes IA acquired in separate transactions at acquisition prices, while IA produced by the Company at a production cost.
- If software licenses or similar assets are acquired, costs of implementation of software incurred until the date of bringing it to the assumed fitness for purpose specified by the Company's Management Board should be recognized under the IA initial value. The implementation costs do not include costs of employee trainings which encumber profit or loss on the date they are incurred.
- Only IA meeting the criteria specified for development works in §57 of IAS 38 may be classified as IA produced by the Company. Goodwill, trademarks etc. are not classified as IA, if produced by the Company.
- After the initial recognition, the Company evaluates IA at the purchase price or cost of production less amortization write-offs, pursuant to the model specified in § 74 of IAS 38. With regard to each IA, the Company determines a period of economic useful life. A period of

economic useful life may be unlimited. A period of economic useful life resulting from legal titles may not be longer than a period of validity of such titles.

- IA is subject to amortization in a period of economic useful life from the day on which an asset is ready for use until the date on which it is excluded from recognition or it is intended for sale.
- The Entity applies a straight-line amortization method of IA, unless other methods (degressive method, method based on production units) better reflect the consumption of economic benefits. The Company may apply other methods and rates in order to establish tax income.
- An amortization period and method are subject to periodic verification, at least at the end of each financial year. If a significant change is found as compared to previous estimates, the entity changes amortization rates and/or method starting from the first day of the reporting period.
- IA with an indefinite period of economic useful life and goodwill are not subject to amortization, but they are tested for impairment loss at the end of each financial year and when there are premises that impairment loss of IA has occurred. Moreover, the correctness of the assumption that IA has an indefinite period of useful life is verified on an annual basis and, if needed, IA is reclassified to amortized IA. Goodwill is not subject to reclassification.
- IA of the initial value not exceeding PLN 1,000.00 are charged as a single entry to costs of "purchase of tools and equipment" recorded on account 411-09 and recognized under off-balance sheet records. IA of the initial value from PLN 1,000.00 to PLN 3,500.00 are recognized in IA itemized records and amortized as a single entry in the month following the month in which IA are ready for use as expected by the management.

Investments in property

- Principles of recognition and evaluation of investments in property are regulated in IAS 40 "Investment property".
- The Company classifies real properties held to generate rent income or an increase in their value as investment properties. If the real property is also used for own needs of the Company, while the separately used part may not constitute a separate ownership unit, the real property is treated as a fixed asset, if the use for own needs prevails, or as investment in the real property, if the investment character prevails.
- The Company evaluates real properties at fair values. Fair values of all real properties are determined as of 30 November of each financial year. Effects of reevaluation to fair values are subject to recognition in profit or loss of the financial year. Real properties acquired in the second half of the financial year are not subject to reevaluation.

Shares In subsidiaries

The Dekpol S.A. Capital Group is composed of Dekpol S.A. as the parent entity and four subsidiaries:
- direct subsidiaries of Dekpol S.A.:
  a) Dekpol 1 Sp. z o.o.
  b) Dekpol 1 Sp. z o.o. S.K.A.
- indirect subsidiaries of Dekpol S.A. (via Dekpol 1 Sp. z o.o. S.K.A.):
  a) Dekpol Royalties Sp. z o.o.,
  b) Almond Sp. z o.o.

Dekpol S.A. holds 100% of the shares in Dekpol 1 Sp. z o.o. and 100% of the shares in Dekpol 1 Sp. z o.o. S.K.A. Dekpol 1 Sp. z o.o. S.K.A. holds 100% of the shares in Dekpol Royalties Sp. z o.o. and Almond Sp. z o.o. There are no non-controlling shareholders.

All above-mentioned companies are subject to consolidation under the full method.

Dekpol S.A. carries out its operations in three areas:
• property development - construction, finishing works and sale of apartments and premises for commerce/services;

• acting as a general contractor in terms of industrial, warehousing, commercial and service facilities, including external infrastructure such as roads, yards, parking lots, including their infrastructure;
• manufacture and installation of steel structures and manufacture of equipment (buckets) for construction machines.

Dekpol 1 Sp. z o.o. SKA - the company responsible in the DEKPOL Group for managing the subsidiaries appointed to implement specialist tasks.

Dekpol 1 Sp. z o.o. - the general partner of DEKPOL 1 Sp. z o.o. SKA.

Almond Sp. z o.o. - the company owning real properties in Gdańsk at ul. Toruńska, responsible for completing the construction of the Almond Hotel.

Dekpol Royalties Sp. z o.o. - the company managing intangible assets in the DEKPOL Group.

Financial assets

- In order to evaluate financial assets, the Company applies the principles specified in IAS 27 "Separate Financial Statements" and IAS 39 "Financial Instruments: Recognition and Measurement".
- In separate financial statements the Company evaluates investments in subsidiaries and affiliates at acquisition prices pursuant to § 37 of IAS 27.
- The Company classifies financial assets other than investments in subsidiaries and affiliates pursuant to the definitions specified in § 9 of IAS 39, with the initial recognition under the following categories:
    - Assets evaluated at fair value through profit and loss are classified here:
        - Held for trading - evaluated at fair value, but effects of evaluation are recognized under profit or loss of the period. The Company classifies the following items in this sub-category:
            - Derivative instruments which are not hedge instruments covered by hedge accounting, including embedded derivative instruments subject to separation and recognition,
            - Instruments held for sale within 3 months of the acquisition date, if it is possible to reliably determine fair value for them.
    - Assigned to this category at the initial recognition.
        - The Company classifies financial assets in this sub-category, if such recognition results in decreasing the inconsistency in the scope of evaluation or recognition (e.g. a financing liability is evaluated at fair value through profit or loss) or
        - a group of financial assets, financial liabilities or both such categories is appropriately managed and its results are assessed based on fair value in accordance with documented risk management rules or investment strategy, while information on the group are provided on this basis within the entity to key members of the management (Company's Management Board). As a matter of principle, stocks and shares in affiliates are classified in this group in the Company.
    - Assets held to maturity - assets with fixed or determinable payments which the entity intends to hold to maturity with determination. They are subject to evaluation

at the depreciated acquisition price (cost) with the application of the effective interest rate, but depreciation is recognized under profit or loss of the period.

- Loans and receivables – assets with fixed or determinable payments that are not quoted on an active market and have not been classified in other groups in the initial recognition. They are subject to evaluation at the depreciated acquisition price (cost) with the application of the effective interest rate, but depreciation is recognized under profit or loss of the period.
  - The Company evaluates trade receivables and other receivables at the acquisition price (does not discount), if their maturity date does not exceed 180 days from the date of their recognition.
- Assets available for sales - evaluated at fair values, but effects of changes in the balance sheet value are recognized under revaluation reserve. Assets available for sale include:
  - Assets assigned to this category at the initial recognition,
  - Assets not classified in other categories.
- Financial assets evaluated at the acquisition price - assets which have not been classified in the category of assets held to maturity or receivables and loans and for which it is not possible to reliably determine a fair value.

- The Company identifies and separates embedded derivative instruments, if they meet the criteria specified in § 11 of IAS 39. The Company does not separate currency derivatives embedded in contracts concluded in a currency other than the Company's functional currency, if the contract currency is the functional currency of the other party to the contract.
- Principles of recognition and exclusion of financial assets are regulated in § 14-42 of IAS 39.
- Principles of recognition of revaluation write-offs of financial assets are included in § 58-70 of IAS 39.
- The Company accepts the following principles of creating revaluation write-offs of receivables (which may be ignored in exceptional cases after obtaining the approval of the Company's Supervisory Board):
  - Receivables past due for more than 180 days of 50% of the principal and interest,
  - Receivables past due for more than 360 days of 100% of the principal and interest,
  - Receivables from recipients in respect of which legal or settlement activities have been commenced are treated as doubtful from the moment of commencing the above-mentioned activities, covering them by a write-off of 100% of the principal and interest.
  - Accrued interest on overdue receivables are covered by a revaluation write-off in the full amount.
  - Revaluation write-offs are reduced by the value of received, existing collaterals related to doubtful receivables.

Derivative financial instruments

None.

Inventory

- Principles of recognition and evaluation of inventories are included in IAS 2 "Inventories".

- Inventories are evaluated at the acquisition prices or production costs not higher than the net realizable value.
- The Company classifies all direct costs and variable indirect costs of production of an item of inventory and that part of fixed indirect costs which has been incurred as part of using standard production capacities as costs of work in progress or costs of finished goods.
- The Company establishes a production plan for each month for a production department (in terms of volume - weight of produced finished products) on an annual basis. If implementation of the plan does not exceed 90%, the part of fixed indirect costs of production - proportionate to the part which has not been implemented - is not included in costs of production of inventories. Moreover, cost of production of inventories does not include fixed indirect costs of production for downtime of a plant or departments, if downtime exceeds one business day.
- Costs of unused production capacities are recognized under costs of basic operating activity in the month in which they are incurred.
- Cost of production of inventories does not include exchange rate differences or interest related to liabilities financing inventories.
- Costs of purchase are recognized as an increase in the value of materials, if it is possible to assign them in a direct manner.
- Consumption of inventories is evaluated according to the first-in, first-out method (FIFO). Inventory of finished products of the steel structure and equipment production department is evaluated at fixed prices corresponding to the planned costs of production. Differences between the actual cost of production and the cost at fixed prices are recognized under deviations and assigned to profit or loss of the period, in proportion to the value of finished goods recognized under profit or loss of the period at fixed prices.
- At the end of the reporting period, the Company compares evaluation of inventories at the acquisition price or production costs with the net realizable value. For items for which the net realizable value is lower than the balance sheet value, the Company makes the write-off to the net realizable value.
- The Company classifies contracts in which a period between the commencement of implementation of the contract and the final completion of the subject matter of the contract is at least 6 months as construction contracts which would be subject to settlement in accordance with IAS 11 "Construction contracts". It does not include contracts as part of which the Company performs a greater part of products delivered and accounted for on an ongoing manner, i.e. in periods shorter than 6 months.
- The Company determines the progress of works of construction contracts on the basis of the share of costs incurred in respect of the contract in the planned costs of the contract. The measurement of the progress of works does not include costs which have not been covered by the plan. The incurred costs include costs of materials, if they refer to materials embedded according to the plan. Not embedded materials are assigned to inventory of materials.

Equity

- The Company classifies the following items under equity capitals:
    - The equivalence of the issued capital instruments (shares, share options etc.). The Company distinguishes capital instruments from liabilities pursuant to regulations of § 15-20 of IAS 32 - "Financial instruments - Presentation". Depending on legal regulations, they are subject to recognition as a share, supplementary or reserve capital.
        - In the case of issue of compound instruments consisting of a capital instrument and a financial liability (e.g. bonds into shares), the Company separates and evaluates a capital instrument, presenting its value as equity capitals.
    - Retained profit - depending on a decision of shareholders, presented as supplementary or reserve capitals. They are evaluated at nominal value.

- Effects of evaluation of assets and liabilities directly recognized as equity capitals - presented as reserve capitals. They are evaluated at nominal value.
- Undistributed profit from previous years. It is evaluated at nominal value.

- Equity capitals are not subject to reevaluation, except for the occurrence of hyperinflation pursuant to IAS 29 "Financial Reporting in Hyperinflationary Economies".

Provisions for liabilities

- The Company recognizes provisions for liabilities pursuant to IAS 19 "Employee Benefits" in the scope of provisions for employee benefits and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" in the scope of other provisions.
  - The Company establishes provisions for the following employee benefits:
  - Retirement severance pays - using actuarial methods. The average profitability of 10-year treasury bonds from the last 12 months before the balance sheet date is considered by the Company to be a discount rate. The Company accepts the estimated growth of remuneration above the inflation of 1% per year. The Company assesses the provision once per 3 years, unless significant changes in the scope of volume and structure of employment and a discount rate have occurred;
    - The Company does not use an "actuarial corridor".
  - Unused employee holiday - evaluated as the product of the average remuneration in the Company which constitutes the basis for the payment of equivalent for unused holiday (taking into account charges to be borne by the employer) as of the balance sheet day and the number of days of unused holiday;
  - Other short-term employee benefits related to a reporting period - bonuses, remuneration etc. - treated as liabilities, if their value is specified and unconditional. Otherwise, they are recognised as provisions.
- The Company establishes the following provisions for other titles:
  - For effects of legal disputes - to the full value of the subject matter of a dispute and the estimated costs related to a dispute, if a legal assessment indicates that there is medium or high probability of losing a dispute;
  - For guarantee repairs and complaint costs - established, if historical data indicates that costs of guarantee repairs and complaints are significant, i.e. they are greater than 1% of the value of revenue achieved in a reporting period or the Management Board foresees that future costs in respect of the above will significantly increase as a result of a change in conditions or the subject matter of a guarantee;
  - For future losses from economic operations in progress - established, if the contract, to which the Company is a party, gives rise to charges, e.g. a contract - which will bring losses - has been signed, or contract conditions have not been fulfilled, which will result in the obligation to pay compensation;

  - For restructuring costs - if the conditions specified in section 77 of IAS 37 are fulfilled - in the amount specified in sections 80-83 of IAS 37.

Prepayments

- The Company accounts for the costs incurred, which refer to future reporting periods, over time. In particular, the following costs are subject to settlement in proportion to the lapse of time:
  - Insurance costs;
  - Subscription costs;
  - Costs of the provided utilities, lease costs etc. paid in advance.

Deferred income

Grants and State assistance

- Principles of accounting for the received grants and State assistance are included in IAS 21 "Government Grants and Disclosure of Government Assistance".
- Grants related to costs or revenue incurred or obtained in the past are recognized as revenue in the period in which they have become due. Grants are presented as a separate item of revenue from basic operating activity, but if they refer to costs or revenue of other operating activity, they are presented as other operating revenue.
- Grants related to assets are recognized as revenue of future periods and accounted for in proportion to the value of the subsidized asset written off as costs. The part of a grant which has been accounted for is presented as revenue at the same level of a profit and loss account at which costs related to the subsidized asset are recognized.

Income tax

- Principles of evaluation and recognition of income tax are regulated in IAS 12 "Income Tax".
- Taxable income (tax loss) of the Company is the income (loss) for a given period established in compliance with principles set forth by Polish tax authorities which form the basis on which the income tax is payable (reimbursable).
- Current tax is the amount of income tax payable (reimbursable) from the taxable income (tax loss) for a given period.
- Positive and negative temporary differences, assets and provisions for deferred income tax, tax and balance sheet value of assets and liabilities are defined in § 5 of IAS 12.
- Deferred tax assets constitute amounts to be deducted in future periods from income tax due to:
    - Negative temporary differences,
    - Carrying over of unused tax losses and
    - Carrying over of unused tax credits.
- Tax burden (tax revenue) consists of current tax burden (current tax revenue) and deferred tax burden (deferred tax revenue).
- The Company establishes provision for deferred tax income (recognizes a deferred tax asset) in all cases in which realization or settlement of the balance sheet value of an asset or liability will result in increasing (decreasing) the amount of future tax payments as compared to the amount which would be proper, if such realization or settlement did not trigger tax effects.
- Current evaluation of tax receivables and liabilities should be made at the amounts due according to rates legally or actually applicable as of the balance sheet date.
- On the basis of the prepared financial result forecasts, it is necessary to evaluate in the following years whether there are premises (planned taxable income) to create a deferred tax asset or adjust its value.
- The Company does not discount deferred tax assets and provisions. Assets and provisions for temporary differences, the effects of which have been directly taken to equity, will be taken to equity and not to profit or loss of the period.
- Tax receivables and liabilities are subject to separate disclosure in the financial statements, similarly to deferred tax assets and provisions.
- Current income tax liabilities and receivables should not be offset. Offsetting is permissible only if the Company: • has a legally enforceable right to set off the recognized amounts, • intends either to settle tax on a net basis, or to realize the asset and settle the liability simultaneously.
- Deferred income assets and provisions should not be offset. Offsetting is permissible only if the Company:
    - has a legally enforceable right to set off the recognized amounts,

- Assets and liabilities refer to income tax imposed on one taxpayer or many taxpayers on several conditions.

- Disputes with tax authorities result in recognizing conditional liabilities. If the likelihood of unfavorable resolution is high, the Company recognizes provisions pursuant to IAS 37 "Provisions".

Transactions denominated in foreign currencies

- Principles of valuation and recognition of foreign currency transactions are regulated in IAS 21 "The Effects of Changes in Foreign Exchange Rates".
- The Polish zloty (PLN) is the functional currency of the Company. The Company prepares financial statements in the functional currency.
- The Company evaluates foreign currency transactions using the spot exchange rate as of the date of the transaction. It is assumed that the spot exchange rate as of the date of the transaction is the average rate of exchange of the National Bank of Poland as of the date prior to the date of the transaction.
- The Company evaluates assets and liabilities expressed in foreign currencies as of the balance sheet date:
  - Monetary items (currencies, receivables and liabilities expressed in foreign currencies) - using the rate of immediate maturity, i.e. at the average exchange rate of the National Bank of Poland as of the balance sheet date,
  - Non-monetary items measured in terms of historical cost - using the exchange rate of the date of the transaction, i.e. they are not subject to reassessment as of the balance sheet date,
  - Non-monetary items measured at fair value - using exchange rates applicable at the date when the fair value was determined, i.e. the average exchange rate of the National Bank of Poland for that day.
- If effects of evaluation of a non-monetary item at fair value are recognized under equity capitals, foreign exchange differences from evaluation are recognized in the same manner. Otherwise, foreign exchange differences are recognized in profit or loss of the period.

Revenue

- Principles of recognition of revenue other than that obtained from sales of financial instruments have been specified in IAS 18 "Revenue".
- Revenue and costs obtained from sales of financial instruments are disclosed on the date of exclusion of the sold financial instrument from the balance sheet pursuant to IAS 39.
- Revenue is evaluated at fair value of payment. If a payment date is deferred, revenue should be recognized on the date on which it arises at a discount amount. The discount value constitutes interest revenue (financial revenue) recognized in accordance with the effective interest rate in the period of the deferred payment date. Revenue is not discounted, if a payment date does not exceed 180 days.
- Revenue should be recognized on the date of transfer of significant risks and profits related to an asset and when the Company ceases to be permanently engaged in the management of an asset as an owner. Moreover, revenue is deemed achieved, if the amount of revenue may be reliably assessed and there is a likelihood that an economic entity will obtain economic profits from a transaction and if costs incurred may be assessed in a reliable manner.
- When establishing the moment of achieving revenue, the International Commercial Terms - "Incoterms", prepared by the International Chamber of Commerce in Paris, hereinafter referred to as the ICC, are applied.
- If sales is made to agents such as distributors, dealers and other, for the purpose of resales, such type of revenue is recognized when the risk and profits from the ownership are

transferred to a buyer. However, if a buyer acts as a seller's representatives, sales is treated as commission sales.

- Revenue from sales of premises produced as part of property development activity is recognized on the date of signing a final notarial deed for the sales of premises.
- When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction should be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:
    - The amount of revenue can be reliably measured,
    - It is probable that the economic benefits associated with the transaction will flow to the economic entity,
    - The stage of completion of the transaction as at the balance sheet date can be measured reliably and
    - The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- Dividends are recognized when the shareholders' right arises to receive them.

Costs

- Costs are recognized in profit or loss as incurred, i.e. on the date on which the corresponding assets are excluded or liabilities are recognized.
- Costs of employee benefits are recognized in the period in which employees performed the respective work.
- Costs of external financing are recognized as costs of the period in which they have been incurred, except for costs which may be attributed directly to acquisition, construction or production of the adapted asset. They should be activated as the part of the acquisition price or production cost of that asset, in accordance with the alternative approach of IAS 22 "External Financing Costs".

Settlement rules of development works

Accounting for costs of property development activity

- Costs of production of facilities as part of the conducted property development activity include costs meeting the criteria of technical production cost, including:
    - Direct production costs,
    - Indirect costs related to production of facilities, in particular:
        - Logistics department costs (fuel, maintenance of vehicles, logistics management, drivers' remuneration when vehicles are used in various projects) - accounted for under property development projects and general contracting according to the criterion of direct production costs.
        - Costs of the purchasing department of general contracting and property development activity - accounted for under property development projects and general contracting according to the criterion of direct production costs.
- The Company distinguishes accounts for each property development project (Order). The criterion of separation of the Order is the estimated time of completion of construction of all facilities (buildings and structures) covered by a given order and the similarity of facilities covered by the Order. Expenditure on the production of facilities, the planned completion of use of which differs by more than 6 months (i.e. the earliest completed facility as part of the order will be completed earlier than 6 months before the last completed facility as part of the order) should not be recognized as part of one order. Facilities for which the estimated cost of production of usable area (PU) of a facility differs by more than 20% should not be recognized

as part of one order. Once the order has been completed, costs are accounted for per square meter of PU according to the following algorithm:

- TKW 1m2 PU = [(PKZR) – (POPS)*(CPOPS)]/(PUO)
  Where:
  TKW - technical cost of production
  PKZR – incurred costs of the order in total
  POPS – area of auxiliary facilities subject to sales (garages, cellars)
  CPOPS – expected sales price of square meter of auxiliary facilities
  PUO – usable area of facilities in total

- The above algorithm assumes that auxiliary areas are subject to evaluation according to the expected revenue from sales, similarly to auxiliary production. Costs of common facilities are accounted for in a proportionate manner per square meter of PU.
- If a given facility as part of a given order has been completed and is subject to sales or putting into use before completion of other facilities (if other facilities are planned to be completed not later than within 6 months of the date of completion of the first facility as part of the order), costs are accounted for per square meter of PU of the completed facility according to the following algorithm:
  - FTKW 1m2 PU = [(PKZR) + (FKZR) – (POPS)*(CPOPS)]/(PUO)
    Where:
    TKW - estimated technical cost of production
    FKZR - estimated future costs necessary to complete the order
- Once the order has been completed (not later than within 6 months), costs are finally determined and FTKW is adjusted to TKW.
- If the initial assumption - that all facilities as part of the order will be completed within 6 months and the cost of production of 1m2 of PU of the performed facilities will not differ by more than 20% - is not confirmed, the company distributes orders according to the applicable criteria and all costs previously incurred as part of the order are subject to reassignment by new orders.
- If the company incurs significant expenditure on common parts related to many orders, this expenditure is subject to division into orders in proportion to PU, but settlements are performed exclusively in relation to open orders or planned to be opened within 12 month of the date on which this expenditure was incurred.

10. Financial risk management

In the activity of DEKPOL Capital Group SA important are the following types of financial risks:

- interest rate risk – while operating on the market, the Company is exposed to interest rate risk. The Company has financial liabilities, whose financial cost is calculated based on the underlying variable interest rate WIBOR and a fixed margin. Increasing the base rate by 0.5 percentage point, would increase financial expenses by 570 thousand PLN, assuming that the balance of liabilities with a fixed interest rate remains unchanged throughout the year.
- foreign exchange risk and the risk of changes in raw material prices - due to a small scale of operations in foreign currencies exchange rate risk is not significant for the Company.
- credit risk - the possible economic crisis may cause financial instability of the Company's customers and hence periodic impediments to the recovery and the formation of payment gridlock. The Company minimizes credit risk through diversification of the portfolio of customers and consistent using of procedures for monitoring and collection of overdue receivables.
- Liquidity risk - the Company manages liquidity risk by financial planning, operational activities in order to be completely matched and by the surplus of available financing sources over the current needs of the Company.
- The Company has no hedging instruments designated financial risks and does not apply hedge accounting. The company aims to minimize these risks by using ongoing monitoring of

specific risk areas through the implemented control procedures and regular analysis of risk exposure.

11. Critical assessments and judgments

Estimates performed by Management Board of DEKPOL SA, which are affecting the amounts presented in the financial statements mainly relate to:

- the expected economic usefulness of tangible and intangible assets,
- impairment loss of assets, including i.e. assets held for sale,
- progress of works set for settlement purpose of long-term contracts, including any planned margin on the contract,
- estimating the fair value of acquired shares in exchange for in-kind contributions,
- discount, the estimated increase of salaries and actuarial assumptions used in the calculation of accruals for retirement and pension benefits,
- future tax results taken into account when calculating deferred income tax.

The methodology used to determine estimates is based on management's best knowledge of the Company and is in line with the requirements of IFRS. The methodology for determining the estimated values is applied consistently in relation to the previous reporting period. Changes in impairment losses are presented in the further part of the information - in the notes to individual items of assets.

12. Changes in accounting policies and identified errors in previous years and their impact on the financial result and equity capital

In the reporting period there were no errors related to previously published financial statements in preceding years, which would have a significant impact on the financial result and / or equity capital. Effects resulting from drawing-up of the financial statements for the first time in accordance with IFRS have been described in additional explanatory note number 35.

13. The platform of used International Financial Reporting Standards

13.1. Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related to them interpretations announced in the form of decrees of European Commission hereinafter referred to as IFRS.

13.2. Amendments to standards or interpretations applicable applied for the first time

The following changes to the existing standards issued by the International Accounting Standards Board (IASB) shall enter into force for the first time:

- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" - changes in the procedures for annual amendments to IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily for removing inconsistencies and clarifying wording (effective for annual periods beginning on July 1, 2014 or after that date).
- IFRIC 21, "Public fees" came into force on June 17, 2014; It is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 specifies criteria for the recognition of obligations, one of which is the requirement that current obligation held by the company is the result of a past event (defined as obligating event). The interpretation clarifies what constitutes the obligating event, which causes the obligation to pay the public fees and when this liability should be recognized.

The aforementioned amendments to standards had no significant impact on the financial statements of the Company for 2015.

13.3. Prior application of standards and interpretations

The Company has not applied any standards and interpretations before coming into force.

13.4. The standards, which have not yet been adopted for use by the EU

IFRS as adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following interpretations, which as at the balance sheet date has not yet been adopted for use:

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1st of January 2018),
- IFRS 14 "Deferred balance of regulated activity" (effective for annual periods beginning on or after 1st of January 2016),
- IFRS 15 "Revenue from Contracts with Customers" and subsequent amendments (effective for annual periods beginning on or after 1st of January 2018),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sales or transfers of assets between the investor and the associate or joint venture and the subsequent changes (date of entry into force of amendments has been postponed until the completion of research on the equity method),
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" - Unit investment: application of the exemption from consolidation (effective for annual periods beginning on or after 1st of January 2016),
- Amendments to IAS 7 "Statement of Cash Flows" - Initiative in relation to disclosures (effective for annual periods beginning on or after 1st of January 2017),
- Amendments to IAS 12 "Income Taxes" - Recognition of deferred income tax on unrealized losses (effective for annual periods beginning on or after 1st of January 2017).

The Company is in the process of analyzing the impact of these standards on the financial statements.

13.5. Standards and interpretations issued and approved by the EU but which have not yet entered into force

While approving this very financial statements, the Company has not applied the following standards, amendments to standards and interpretations, which have been published and approved for use in the EU, but which have not yet entered into force:

- Amendments to IFRS 11 "Joint Arrangements" - Accounting for acquisition of shares in joint operations - approved by the EU on 24th of November 2015 (effective for annual periods beginning on 1st of January 2016 or after this date),
- Amendments to IAS 1 "Presentation of Financial Statements" - Initiative in relation to the disclosures - approved by the EU on 18th of December 2015 (effective for annual periods beginning on or after 1st of January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible assets" - Explanations about acceptable methods of depreciation - approved by the EU on 2nd of December 2015 (effective for annual periods beginning on 1st of January 2016 or after that date),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: vegetable crops - approved by the EU on 23rd of November 2015 (effective for annual periods beginning on 1st of January 2016 or after this date),
- Amendments to IAS 19 "Employee Benefits" - Defined benefit plans: Employee contributions - approved by the EU on 17th of December 2014 (effective for annual periods beginning on 1st of February 2015 or after this date),
- Amendments to IAS 27 "Separate Financial Statements" - equity method in the separate financial statements - approved by the EU on 18th of December 2015 (effective for annual periods beginning on 1st of January 2016 or after that date).
- Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" - changes in the procedures for annual amendments to IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily for removing inconsistencies and clarifying wording - endorsed by the EU on 17th of December 2014 (effective for annual periods beginning on 1st of February 2015 or after this date),
- Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" - changes in the procedures for annual amendments to IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily for removing inconsistencies and clarifying wording - approved EU on 15th of December 2015 (effective for annual periods beginning on or after 1st of January 2016).

Date of preparation: *21st of March 2016*

Signatures of all Members of the Management Board:
Mariusz Tuchlin, President of the Management Board
Krzysztof Łukowski - Vice President of the Management Board
Rafał Glaza - Member of the Management Board
Adam Olżyński - Member of the Management Board
Andrzej Kuchtyk - Member of the Management Board
Rafał Dietrich - Member of the Management Board

Signature of person responsible for bookkeeping:

Anna Miksza - Chief Accountant Officer

for period 01.01.2015 – 31.12.2015 in thousands of PLN

STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial condition				
Item	**Note**	**Balance sheet at 2015-12-31**	**Balance sheet at 2014-12-31**	**Balance sheet at 2014-01-01**
FIXED ASSETS		**84 609**	**28 060**	**17 783**
(PPE)Property, plant and equipment	1.	80 144	26 055	13 118
Investment property	2.	8	-	1 240
Goodwill	3.	-	-	-
Other intangible assets	3.	222	261	368
Stocks and shares	4.	-	-	-
- of which: investments accounted for using the equity method		-	-	-
Long-term receivables	5.	2 887	435	2 191
Other long-term financial assets	6.	530	520	-
Deferred income tax assets	7.	818	790	865
Other fixed assets	8.	-	-	-
CURRENT ASSETS		**243 288**	**190 270**	**156 632**
Inventory	9.	115 975	107 298	93 644
Trade receivables	10.	81 493	44 531	40 968
Current income tax receivables	10.	-	-	-
Other receivables	10.	33 461	31 742	5 749
Other financial assets	11.	-	-	-
Cash and cash equivalents	12.	11 857	5 349	15 513
Prepayments and accruals	13	503	1 349	758
ASSETS CLASSIFIED AS HELD FOR SALE		**-**	**-**	**-**
Property, plant and equipment held for sale	21.	-	-	-
Other assets classified as held for sale	21.	-	-	-
Total assets:		**327 897**	**218 329**	**174 415**

Date of preparation: 21st of March 2016

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Signature of persons responsible for bookkeeping:

Anna Miksza - Chief Accountant Officer

for period 01.01.2015 – 31.12.2015 in thousands of PLN

STATEMENT OF FINANCIAL POSITION (sequel)

Consolidated statement of financial condition				
Item		Balance sheet at 2015-12-31	Balance sheet at 2014-12-31	Balance sheet at 2014-01-01
EQUITY		**116 013**	**75 344**	**58 096**
Share capital	14.	8 363	6 410	6 410
Called-up share capital and own shares	14.		-	-
Supplementary capital from the issue of shares	14.	26 309	-	-
Supplementary capital from retained profit and merger transactions under common control	14.	69 105	51 103	33 315
Capital from the valuation of the incentive stock options	14.	-	-	-
Capital from revaluation of provisions for employee benefits	14.	-	-	-
Reserves	14.	-	-	-
Capital for hedge accounting	14.	-	-	-
Value recognized directly in equity, related to financial assets classified as available for sale	14.	-	-	-
Undistributed profit from previous years	14.	(171)	583	18 371
Net profit (loss) for the financial year		12 406	17 248	-
Equity attributable to shareholders of the parent		**116 013**	**75 344**	**58 096**
Non-controlling interests		**-**	**-**	**-**
LONG-TERM LIABILITIES		**114 450**	**48 064**	**31 853**
Deferred income tax provision	7.	1 153	2 435	567
Provision for retirement pensions and similar benefits	15.	47	48	30
Other provisions	15.	-	-	-
Loans and borrowings	16.	9 498	22 591	28 584
Other financial liabilities	17.	98 467	20 053	37
Other long-term liabilities	18.	5 286	2 937	2 634
SHORT-TERM LIABILITIES		**97 434**	**94 921**	**84 466**
Loans and borrowings	16.	11 801	17 138	16 351
Other financial liabilities	17.	385	241	13 123
Trade liabilities	19.	57 964	59 833	33 534
Current income tax liabilities	19.	1 281	1 481	3 494
Provisions for retirement pensions and similar benefits	15.	3	1	1
Other short-term provisions	15.	509	506	368
Other liabilities	19.	18 162	12 407	11 569
Deferred revenue	20.	7 330	3 314	6 027
LIABILITIES DIRECTLY RELATED TO FIXED ASSETS CLASSIFIED AS HELD FOR SALE	**21**	**-**	**-**	**-**
Total equity and liabilities:		**327 897**	**218 329**	**174 415**

Date of preparation: 21st of March 2016

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for period 01.01.2015 – 31.12.2015 in thousands of PLN

Statement of Comprehensive Income

SPREADSHEET VARIANT

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME			
Item	**Note**	**For the period 01.01.2015 - 31.12.2015**	**For the period 01.01.2014 - 31.12.2014**
Continuing operations			
Revenue from sales	22.	310 440	251 082
Costs of goods sold	24.	275 264	219 252
GROSS PROFIT (LOSS) FROM SALES		**35 176**	**31 830**
Selling costs	24.	8 849	3 775
General administrative expenses	24.	6 920	4 482
PROFIT (LOSS) FROM SALES		**19 406**	**23 573**
Other operating income	25.	2 673	2 636
Other operating expenses	26.	3 087	1 447
OPERATING PROFIT (LOSS)		**18 992**	**24 762**
Financial revenue	27.	175	131
Financial expenses	28.	3 762	3 346
PROFIT (LOSS) BEFORE TAX		**15 405**	**21 547**
Income tax	7.	2 999	4 299
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS		**12 406**	**17 248**
Net profit (loss) from discontinued operations	21.	-	-
NET PROFIT (LOSS)		**12 406**	**17 248**
Other comprehensive income		-	-
Components of other comprehensive income that are not subsequently reclassified to profit or loss		**-**	**-**
Components of other comprehensive income which will be subsequently reclassified to profit or loss under certain conditions		**-**	**-**
Total other comprehensive income		**-**	**-**
Total comprehensive income		**12 406**	**17 248**
including comprehensive income attributable to non-controlling shareholders		**-**	**-**

Date of preparation: 21st of March 2016

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for period 01.01.2015 – 31.12.2015 in thousands of PLN

CASH FLOW STATEMENT

(indirect method)

Consolidated cash flow statement			
Item		**01.01.2015 - 31.12.2015**	**01.01.2014 - 31.12.2014**
CASH FLOW FROM OPERATING ACTIVITY			
Profit (loss) before tax		15 405	21 547
Total adjustments		(72 767)	(16 502)
Depreciation		3 314	4 176
Foreign exchange profit (loss)		-	-
Interest and profit sharing (dividends)		5 085	3 153
Profit (loss) on investment activity		(65)	(112)
Changes in working capital		(76 921)	(23 792)
Change in provisions		(1 278)	2 024
Change in inventory		(45 893)	(13 654)
Change in receivables		(41 133)	(26 960)
Change in short-term liabilities, except for financial liabilities		10 890	18 027
Change in prepayments and accruals		493	(3 229)
Income tax on profit before tax		(2 999)	(4 299)
Income tax paid		(1 181)	4 372
Other adjustments		-	-
Net cash flows from operating activity		**(57 362)**	**5 045**
CASH FLOWS FROM INVESTMENT ACTIVITY			
Expenses related to acquisition of intangible assets		(114)	(36)
Inflows from sales of intangible assets		-	1 616
Expenses related to acquisition of property, plant and equipment		(23 091)	(14 083)
Inflows from sales of (PPE) property, plant and equipment		102	-
Expenses related to acquisition of investment real estate		(8)	-
Inflows from sales of investment real estate		-	170
Expenses related to acquisition of financial assets available for sale		-	(515)
Net cash flows from investment activity		**(23 111)**	**(12 848)**
CASH FLOW FROM FINANCIAL ACTIVITY			
Net inflows from issue of shares		28 262	-
Acquisition of own shares		-	-
Inflows from issue of debt securities		78 500	20 000
Redemption of debt securities		-	(12 500)
Inflows from loans and borrowings taken out		-	3 000
Repayment of loans and borrowings		(18 429)	(8 207)
Repayment of liabilities under finance lease		(472)	(811)
Dividends paid		-	-
Grants to fixed assets		4 341	-
Interest paid		(5 222)	(3 843)
Net cash flows from financial activity		**86 980**	**(2 361)**
TOTAL NET CASH FLOWS		**6 507**	**(10 164)**
BALANCE CHANGE OF CASH FUNDS, OF WHICH		6 507	(10 164)
change in cash due to foreign exchange differences		-	-
CASH AT THE BEGINNING OF THE PERIOD		5 349	15 513
CASH AT THE END OF THE PERIOD (F +/- D), OF WHICH		**11 857**	**5 349**
• restricted cash		-	-

Date of preparation: 21st of March 2016

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Signature of person responsible for bookkeeping:
Anna Miksza - Chief Accountant Officer

for period 01.01.2015 – 31.12.2015 in thousands of PLN

STATEMENT OF CHANGES IN EQUITY

SEPARATE STATEMENT OF CHANGES IN EQUITY for the period: 01.01.2015 - 31.12.2015	Equity attributable to owners of the parent company					Total equity
	Share capital	Supplementary capital from the issue of shares	Supplementary capital from retained profit	Undistributed profit retained from previous years	Net profit (loss) for the financial year	
Balance as of 01.01.2015	**6 410**	**-**	**51 103**	**17 831**		**75 344**
Issue of shares	1 953	26 309				28 262
Transfer of profit or loss to capital			18 002	(18 002)		-
Total transactions with owners	**1 953**	**26 309**	**18 002**	**(18 002)**	**-**	**28 262**
Net profit (loss) in the period					12 407	12 407
Total comprehensive income	**-**	**-**	**-**	**-**	**12 407**	**12 407**
Balance as of 31.12.2015	**8 363**	**26 309**	**69 105**	**(171)**	**12 407**	**116 013**

Date of preparation: 21st of March 2016

Signatures of all Members of the Management Board:

Mariusz Tuchlin, President of the Management Board

Krzysztof Łukowski - Vice President of the Management Board

Rafał Glaza - Member of the Management Board

Adam Olżyński - Member of the Management Board

Andrzej Kuchtyk - Member of the Management Board

Rafał Dietrich - Member of the Management Board

Signature of person responsible for bookkeeping:

Anna Miksza - Chief Accountant Officer

for period 01.01.2015 – 31.12.2015 in thousands of PLN

SEPARATE STATEMENT OF CHANGES IN EQUITY in the period: 01.01.2014 - 31.12.2014	Equity attributable to owners of the parent					Total equity
	Share capital	Supplementary capital from the issue of shares	Supplementary capital from retained profit	Undistributed profit retained from previous years	Net profit (loss) for the financial year	
Balance as of 01.01.2014	**6 410**	**-**	**33 315**	**18 371**		**58 096**
Transfer of profit or loss to capital			17 788	(17 788)		-
Total transactions with owners	-	-	17 788	(17 788)	-	**-**
Net profit (loss) in the period					17 248	17 248
Total comprehensive income	-	-	-	-	17 248	**17 248**
Balance as of 31.12.2014	**6 410**	**-**	**51 103**	**583**	**17 248**	**75 344**

Date of preparation: 21st of March 2016

Signatures of all Members of the Management Board:

Mariusz Tuchlin, President of the Management Board

Krzysztof Łukowski - Vice President of the Management Board

Rafał Glaza - Member of the Management Board

Adam Olżyński - Member of the Management Board

Andrzej Kuchtyk - Member of the Management Board

Rafał Dietrich - Member of the Management Board

Signature of person responsible for bookkeeping:

Anna Miksza - Chief Accountant Officer

for period 01.01.2015 – 31.12.2015 in thousands of PLN

ADDITIONAL NOTES

1. (PPE) Property, plant and equipment

1.1 (PPE)Property, plant and equipment	31.12.2015	31.12.2014
Land	6 840	221
Right of perpetual usufruct of the land	-	-
Buildings and structures	5 736	5 157
Technical devices and machines	13 520	5 715
Vehicles	2 651	2 873
Other fixed assets	577	659
Fixed assets under construction	49 343	9 882
Advances in respect of tangible fixed assets	1 477	1 548
Property, plant and equipment TOTAL:	**80 144**	**26 055**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

1.2. (PPE)Property, plant and equipment in the reporting period	Land	Buildings and structures	Technical devices and machines	Vehicles	Other fixed assets	Fixed assets under construction, advances
Gross carrying amount at beginning of period	**221**	**5 338**	**7 807**	**4 451**	**1 104**	**11 430**
The adoption of fixed assets under construction		752	2 081		72	-
Direct acquisitions	6 670		7 301	916	92	57 061
Reclassifications						(17 672)
Decreases due to sales			(1)	(98)		
Decreases due to liquidation			(59)	(3)	(7)	
Gross carrying amount at end of period	**6 891**	**6 090**	**17 129**	**5 266**	**1 261**	**50 820**
Accumulated amortization at beginning of period	**-**	**(181)**	**(2 076)**	**(1 579)**	**(445)**	**-**
Increase in depreciation for the period	(50)	(173)	(1 569)	(1 125)	(246)	
Increases due to business combinations						
Reclassifications						
Decreases due to sales			1	86		
Decreases due to liquidation			35	3	7	
Accumulated amortization at end of period	**(50)**	**(354)**	**(3 609)**	**(2 615)**	**(684)**	**-**
Impairment allowances at the beginning of the period	**-**	**-**	**-**	**-**	**-**	**-**
Additions during the period	-	-	-	-	-	-
Impairment allowances at the end of the period	**-**	**-**	**-**	**-**	**-**	**-**
Net value at end of period	**6 840**	**5 736**	**13 520**	**2 651**	**577**	**50 820**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

1.3. Property, plant and equipment in previous reporting period	Land	Right of perpetual usufruct of the land	Buildings and structures	Technical devices and machines	Vehicles	Other fixed assets	Fixed assets under construction, advances
Gross carrying amount at beginning of period	**221**	**-**	**5 422**	**7 213**	**4 723**	**1 191**	**864**
The adoption of fixed assets under construction	-	-	5	-	-	-	-
Direct acquisitions			-	4 269	1 804	462	11 833
Reclassifications							(1 267)
Decreases due to sales				(15)	(25)	(14)	
Decreases due to liquidation				(127)	(27)	(42)	
Decrease due to termination of lease agreements				(1 704)	(1 389)	-	
Reduce and increase arising from revaluation			(89)	(1 829)	(635)	(493)	
Gross carrying amount at end of period	**221**	**-**	**5 338**	**7 807**	**4 451**	**1 104**	**11 430**
Accumulated amortization at beginning of period	**-**	**-**	**(665)**	**(4 728)**	**(2 918)**	**(899)**	**-**
Increase in depreciation for the period	-	-	(153)	(1 423)	(1 196)	(190)	-
Reclassifications							
Decreases due to sales	-	-	-	15	24	11	-
Decreases due to liquidation				100	27	26	
Accumulated amortization at end of period				1 614	1 389		
Decrease due to termination of lease agreements			638	2 331	1 095	607	
Reduce and increase arising from revaluation	**-**	**-**	**(181)**	**(2 092)**	**(1 579)**	**(445)**	**-**
Gross carrying amount at end of period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment allowances at the beginning of the period		-	-	-	-	-	-
Additions during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net value at end of period	**221**	**-**	**5 157**	**5 715**	**2 873**	**659**	**11 430**

2. Investment properties

2.1 Investment properties	31.12.2015	31.12.2014
Land	8	-
Right of perpetual usufruct of the land	-	-
Buildings and structures	-	-
Investment properties TOTAL:	**8**	**-**

2.2 Investment properties in reporting period	Land
Gross carrying amount at beginning of period	**-**
Direct acquisitions	8
Gross carrying amount at end of period	**8**
Accumulated amortization at beginning of period	**-**
Accumulated amortization at end of period	**-**
Impairment allowances at the beginning of the period	**-**
Impairment allowances at the end of the period	**-**
Net value at end of period	**8**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

3. Goodwill and other intangible assets

3.1 Intangible assets	31.12.2015	31.12.2014
Goodwill	-	(0)
Patents and licenses	88	164
Development costs	134	179
Other intangible assets	-	(82)
Goodwill and other intangible assets TOTAL:	**222**	**261**

3.2 Intangible assets in the reporting period	Goodwill	Patents and licenses	Development costs	Other intangible assets
Gross carrying amount at beginning of period	**1 141**	**350**	**224**	**-**
Acquisition	-	114	-	-
Reclassifications	-	-	-	-
Decreases due to sales	-	-	-	-
Decreases due to liquidation	-	(3)	-	-
Gross carrying amount at end of period	**1 141**	**461**	**224**	**-**
Accumulated amortization at beginning of period	**(1 141)**	**(268)**	**(45)**	**-**
Increase in depreciation for the period	-	(108)	(45)	-
Reclassifications	-	-	-	-
Decreases due to sales	-	-	-	-
Decreases due to liquidation	-	3	-	-
Accumulated amortization at end of period	**(1 141)**	**(373)**	**(90)**	**-**
Impairment allowances at the beginning of the period	**-**	**-**	**-**	**-**
Impairment allowances at the end of the period	**-**	**-**	**-**	**-**
Net value at end of period	**-**	**88**	**134**	**-**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

3.3 Intangible assets in previous reporting period	**Goodwill**	**Patents and licenses**	**Development costs**	**Other intangible assets**
Gross carrying amount at beginning of period	**1 141**	**313**	**224**	**-**
Acquisition	-	39	-	-
Reclassifications	-	-	-	-
Decreases due to sales	-	-	-	-
Decreases due to liquidation	-	(3)	-	-
Gross carrying amount at end of period	**1 141**	**350**	**224**	**-**
Accumulated amortization at beginning of period	**(910)**	**(168)**	**-**	**-**
Increase in depreciation for the period	(126)	(100)	(45)	-
Reclassifications	-	-	-	-
Decreases due to sales	-	-	-	-
Decreases due to liquidation	-	-	-	-
Reduce and increase arising from revaluation	(105)	-	-	-
Accumulated amortization at end of period	**(1 141)**	**(268)**	**(45)**	**-**
Impairment allowances at the beginning of the period	**-**	**-**	**-**	**-**
Impairment allowances at the end of the period	**-**	**-**	**-**	**-**
Net value at end of period	**(0)**	**82**	**179**	**-**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

4. Stocks and shares.

None.

5. Long-term receivables

5.1 Long-term receivables	31.12.2015			31.12.2014		
Item	Value	Impairment losses	Carrying amount	Value	Impairment losses	Carrying amount
Receivables due within two years from the balance sheet date	2 315	-	2 315	13	-	13
Receivables due from 2 to 5 years from the balance sheet date	304	-	304	21	-	21
Receivables due over 5 years from the balance sheet date	269	-	269	401	-	401
Long-term receivables TOTAL:			**2 887**			**435**

6. Other financial assets

6.1 Other long-term financial assets	31.12.2015			31.12.2014		
Item	Value	Impairment losses	Carrying amount	Value	Impairment losses	Carrying amount
Loans granted	-	-	-	-	-	-
Assets held to maturity	530	-	530	520	-	520
Assets available for sale	-	-	-	-	-	-
Assets at fair value through P&L	-	-	-	-	-	-
Other long-term financial assets TOTAL:	**530**	**-**	**530**	**520**	**-**	**520**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

7. Income tax current and deferred

7.1.Income tax	For the period ended 31.12.2015	For the period ended 31.12.2014
Current income tax	4 287	2 356
Deferred income tax	(1 288)	1 943
Income tax TOTAL:	**2 999**	**4 299**

7.1.1 Income tax – explanation of the differences between the tax calculated at the rate applicable for tax disclosed	For the period ended 31.12.2015	For the period ended 31.12.2014
PROFIT BEFORE TAX	**15 405**	**21 547**
Income tax at the rate applicable at the period (19%)	2 927	4 094
Income tax relating to previous years included in the current reporting period	(161)	-
Tax on permanent differences between profit and tax base balance (specification)	**371**	**120**
Related revenues (+)	-	-
Limited joint-stock company’s income for the period of deferral of taxation	(233)	-
Related costs (-)		-
Reversal of allowance for bad debts	140	-
PFRON	20	8
Representation	20	17
Other	190	95
Tax on temporary differences not included in the calculation of deferred income tax	**96**	**85**
Unrecognized assets	96	85
Not included reserves	-	-
Income tax recognized in the financial statements	**2 999**	**4 299**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

7.1.2 Deferred Income Tax (DIT)	As of 2015-12-31	As of 2014-12-31	As of 2015-12-31
Deferred income tax assets	**Value**	**Value**	**Value**
Impairment losses on receivables	153	242	(89)
Delayed payments	256	146	110
Reserves	100	102	(2)
Accrued expenses	-	181	(181)
Other	87	119	(32)
Impairment losses on inventories	105	-	105
Interests	117	-	117
Deferred income tax assets TOTAL:	**818**	**790**	**28**
Deferred income tax provision:	**Value**	**Value**	**Value**
Compensations accrued to contractors	306	353	47
Calculation of cost by using effective interest rates	213	86	(127)
Valuation of long-term contracts	155	1 658	1 503
The difference between the carrying amount and tax value of fix asset	475	324	(151)
Other	4	14	10
The value of shares	-	-	-
Deferred income tax provision TOTAL:	**1 153**	**2 435**	**1 282**

8. Other fixed assets

None.

for period 01.01.2015 – 31.12.2015 in thousands of PLN

9. Inventories

9.1 - Inventories	31.12.2015			31.12.2014		
	Value	Revaluation write-offs	Balance sheet value	Value	Revaluation write-offs	Balance sheet value
Materials	8 068	(266)	7 802	8 943	-	8 943
Semi-finished products and work in progress	2 249	(237)	2 012	37 930	-	37 930
Premises under construction	100 144		100 144	54 211		54 211
Finished products	624	(51)	574	342	-	342
Goods	902	-	902	773	-	773
Finished premises	4 542		4 542	5 100		5 100
Inventories in TOTAL:	**116 529**	**(554)**	**115 975**	**107 298**	**-**	**107 298**

10. Trade receivables and other receivables

10.1 - Receivables	31.12.2015			31.12.2014		
	Value	Revaluation write-offs	Carrying amount	Value	Revaluation write-offs	Carrying amount
Trade receivables	82 481	(988)	81 493	46 332	(1 801)	44 531
Current tax income	-	-	-	-	-	-
Receivables on account of other taxes, customs duties and social insurance	11 974	-	11 974	1 999	-	1 999
Receivables due to valuation of construction agreements	6 511		6 511	20 982		20 982
Deposits held by the receivers	7 993		7 993	3 789		3 789
Advances for purchase of materials and services	2 984		2 984	2 014		2 014
Other receivables	3 998	-	3 998	2 959	-	2 959
Receivables in TOTAL:	**115 942**	**(988)**	**114 954**	**78 074**	**(1 801)**	**76 273**

10.2 - Write-downs of Impairment on receivables	As of 31.12.2015	As of 31.12.2014
Write-downs at the beginning of period	1 801	2 069
Creation	266	495
Reversal	860	762
Deployment	220	-

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Write-downs at the end of period TOTAL:	**988**	**1 801**

10.3 - Receivables at 31.12.2015 (net) - the structure of past due items after deducting impairment loss	**Current**	**Till 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 months to 1 year**	**Over the year**	**Total**
Trade receivables	44 681	22 392	11 324	778	1 590	728	81 493
Current tax income							-
Receivables on account of other taxes, customs duties and social insurance	11 974						11 974
Other receivables	3 998						3 998
Total:	**60 653**	**22 392**	**11 324**	**778**	**1 590**	**728**	**97 466**

10.4 - Receivables at 31.12.2014 (net) - the structure of past due items after deducting impairment loss	**Current**	**Till 1 month**	**From 1 to 3 months**	**From 3 to 6 months**	**From 6 months to 1 year**	**Over the year**	**Total**
Trade receivables	28 332	9 315	1 295	489	1 233	3 867	44 531
Current income tax receivables							-
Receivables on account of other taxes, customs duties and social insurance	1 999						1 999
Other receivables	2 959						2 959
Total:	**33 289**	**9 315**	**1 295**	**489**	**1 233**	**3 867**	**49 489**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

10.5 Receivables by payment terms	31.12.2015		31.12.2014	
	up to 12 months from the balance sheet date	over 12 months from the balance sheet date	up to 12 months from the balance sheet date	over 12 months from the balance sheet date
Trade receivables	81 493		44 531	
Current income tax receivables				
Receivables on account of other taxes, customs duties and social insurance	11 974		1 999	
Other receivables	3 998		2 959	
Total:	**97 466**	**-**	**49 489**	**-**

10.7 Trade receivables and other receivables structure by currency (foreign currency)	31.12.2015		31.12.2014	
	in currency	in PLN after conversion	in currency	in PLN after conversion
EURO	414	1 762	163	695
PLN	79 731	79 731	43 836	43 836
Total:	**X**	**81 493**	**X**	**44 531**

11. Other short-term financial assets

None.

12. Cash/Funds

12.1 - Funds	As of 31.12.2015	As of 31.12.2014
Cash in hand	98	71
Cash at bank	11 758	5 279
Other funds and cash equivalents		-
Funds in Total:	**11 857**	**5 349**
-including cash of limited disposability	-	-

for period 01.01.2015 – 31.12.2015 in thousands of PLN

The financial statements of the Group doesn't include the funds on trust accounts as they are not controlled.

13. Prepaid expenses/deferred charges

13.1 - Prepaid expenses/deferred charges	As of 31.12.2015	As of 31.12.2014
(Specification of the most important titles of deferred charges		
deferred insurance costs	463	974
deferred subscription costs	5	19
deferred subscription costs	2	1
deferred toll expenses	4	2
deferred cost of lease payments	-	93
deferred costs of IPO		260
deferred costs of supplied utilities, etc.	30	
Prepaid expenses/deferred charges in Total:	**503**	**1 349**

14. Equity

14.1 - Equity	The number of shares issued as of 31.12.2015	The number of shares issued as of 31.12.2014	The number of shares authorized for issue as of 31.12.2015	The number of shares authorized for issue as of 31.12.2014
Series A	6 410 000	6 410 000	-	1 952 549
Series B	1 952 549	-	-	-
Total:	**8 362 549**	**6 410 000**	**0**	**1 952 549**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

14.2 - Major shareholders	Number of shares	Number of votes	Nominal value of shares	Proportion of ownership interest
Mariusz Tuchlin	6 409 000	6 409 000	6 409 000	76,64%
Nationale-Nederlanden Otwarty Fundusz Emerytalny	737 500	737 500	737 500	8,82%
Total:	**7 146 500**	**7 146 500**	**-**	**85,46%**

14.3 - Share capital	As of 31.12.2015	As of 31.12.2014
Share capital	8 363	6 410
Total:	**8 363**	**6 410**

14.4 SHARE CAPITAL (STRUCTURE) as at 31.12.2015.

Item	in thousand PLN		
Series/issue	A	B	Total
Type of shares	Bearer shares	Bearer shares	-
Type of preference shares	None	None	-
Type of rights limitation to shares	None	None	-
Number of shares	6 410	1 953	8 363
Value of series / issue at nominal value	6 410	1 953	8 363
Manner of payment	In cash	In cash	-
Change registration in the statute	11.04.2014	07.01.2015	-

for period 01.01.2015 – 31.12.2015 in thousands of PLN

14.6.1 -Share premium account from share issue	As of 31.12.2015	As of 31.12.2014
Balance at beginning of year	-	
Increases	29 288	-
Issue of shares	29 288	-
Decreases	2 979	-
Issue costs	2 979	-
Balance at end of financial year	**26 309**	**-**

14.6.2 -Share premium account from retained earnings	As of 31.12.2015	As of 31.12.2014
Balance at beginning of year	51 103	33 315
Increases	18 002	17 788
Profit distribution for the previous year	18 002	17 788
Balance at end of year	**69 105**	**51 103**

14.6.3 -Retained earnings from previous years	As of 31.12.2015	As of 31.12.2014
Balance at beginning of year	16 633	17 788
The impact of changes in accounting principles	1 199	1 671
Correction of fundamental errors		(1 088)
Restated opening balance	17 832	18 371
Profit distribution - transfer to other capital items	(18 002)	(17 788)
Balance at end of financial year	**(171)**	**583**

14.13 - Proposed distribution of profit	Value
Net profit at the end of financial year	**12 406**
increasing on share premium account	66 097
Retained earnings from previous years at the end of the financial year	**- 171**
decreasing on share premium account	(171)

for period 01.01.2015 – 31.12.2015 in thousands of PLN

15. Provisions

15.1 - Long-term provisions	As of 31.12.2015	As of 31.12.2014
Long-term:		
Provisions for retirement and other employee benefits	47	48
Provisions for litigations	-	-
Provisions for business risk	-	-
Provisions for restructuring	-	-
Other provisions	-	-
Long-term provisions in total:	**47**	**48**
Short-term:		
Provisions for retirement and other employee benefits	3	1
Provisions for litigations	-	-
Provisions for business risk	-	-
Provisions for restructuring	-	-
Other provisions	509	506
Short-term provisions in total:	**512**	**507**

15.2 - Long-term provisions – changes	Retirement and other employee benefits	Litigations	Business risk	Restructuring	Unused annual leaves
Value of reserves at the beginning of the reporting period	**48**	**-**	**-**	**-**	**-**
Creation	-	-	-	-	-
Utilization	-	-	-	-	-
Deployment	(1)	-	-	-	-
Value of reserves at the end of the reporting period	**47**	**-**	**-**	**-**	**-**
Value of reserves at the beginning of the previous reporting period	**30**	**-**	**-**	**-**	**-**
Creation	18	-	-	-	-
Utilization	-	-	-	-	-
Deployment	-	-	-	-	-
Value of reserves at the end of the previous reporting period	**48**	**-**	**-**	**-**	**-**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

15.3 - Short-term provisions – changes	Retirement and other employee benefits	Litigations	Business risk	Unused annual leaves	Other
Value of reserves at the beginning of the reporting period	**1**	**-**	**-**	**489**	**18**
Creation	2	-	-	345	34
Utilization	-	-	-	222	18
Deployment	-	-	-	136	-
Value of reserves at the end of the reporting period	**3**	**-**	**-**	**475**	**34**
Value of reserves at the beginning of the previous reporting period	**1**	**-**	**-**	**348**	**16**
Creation	-	-	-	141	18
Utilization	-	-	-	-	16
Deployment	-	-	-	-	-
Value of reserves at the end of the previous reporting period	**1**	**-**	**-**	**489**	**18**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

16. Loans and borrowings

16.1 - Loans and borrowings at the end of reporting period	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term:					
Loan Z/38/Dz/2013	3 000	1 000	PLN	WIBOR 1M+ margin	30.04.2018
Loan Z/73/Dz/2014	3 000	1 968	PLN	WIBOR 3M+ margin	30.08.2019
Loan 8363/15/400/04	12 000	-	PLN	WIBOR 3M + margin	06.04.2017
Loan KRI\1534355	22 000	-	PLN	WIBOR 3M + margin	20.09.2017
Loan KRI\1535766	18 000	-	PLN	WIBOR 3M + margin	20.01.2018
Loan KRI\1535781	8 000	-	PLN	WIBOR 3M + margin	20.09.2018
Borrowing	6 530	6 530	PLN	Fixed rate	31.12.2018
Long-term loans and borrowings in total:	**72 530**	**9 498**	**-**	**-**	**-**
Short-term:					
Loan I PCK/5/2011	3 000	-	PLN	WIBOR 1M+ margin	31.01.2016
Loan I PCK/7/2011	15 000	10 312	PLN	WIBOR 1M+ margin	31.01.2015
Loan Z/38/Dz/2013	3 000	750	PLN	WIBOR 1M+ margin	30.04.2018
Loan Z/73/Dz/2014	3 000	738	PLN	WIBOR 3M+ margin	30.08.2019
Short-term loans and borrowings in total:	**21 000**	**11 801**	**-**	**-**	**-**

Breach of loan agreements:

None.

The balance of credits to be used at the balance sheet date is equal to PLN 39 688 thousand.

Loans – details:

	Assurance
Loan I PCK/5/2011	contractual mortgage to the amount of 4 000 000.00 PLN on property located in Pinczyn KW GD1A/00008779/4 and GD1A/00061343/8, guarantee to the amount of 4 500 000.00 PLN granted by Mariusz Tuchlin
Loan I PCK/7/2011	contractual mortgage to the amount of 2 700 000.00 PLN on property belonging to Mariusz Tuchlin located in Pinczyn KW GD1A/00015721/5, mortgage on the property belonging to Mariusz Tuchlin located in Rokocin KW GD1A/00013763/7, contractual mortgage for a total amount of 5 500 000.00 PLN on property belonging to DEKPOL located in Rokitki KW GD1T/00049849/3 and GD1T/00050468/8, assignment of contracts in the amount of not less than 30 000 000.00 PLN, guarantee to the loan of amount 15 000 000,00 PLN granted by Mariusz Tuchlin

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Loan Z/38/Dz/2013	mortgage to the amount of 4 500 000.00, located in Gdansk Morena belonging to DEKPOL KW GD1G/00227145/8
Loan Z/73/Dz/2014	mortgage to the amount of 1,500 000.00 PLN on the property located on Potęgowska street belonging to DEKPOL KW GD1G/00048339/6, mortgage to the amount of 3 000 000.00 PLN on the property located on Potęgowska street belonging to DEKPOL KW GD1G/00048339/6
Loan KRI\1534355	mortgage to the amount of 33 000 000.00, located in Gdansk Morena belonging to DEKPOL no. GD1G/00227145/8
Loan KRI\1535766	mortgage to the amount of 60 000 000.00, located in Gdansk Morena belonging to DEKPOL no. GD1G/00227145/9
Loan KRI\1535781	mortgage to the amount of 72 000 000.00, located in Gdansk Morena belonging to DEKPOL no. GD1G/00227145/10
Loan 8363/15/400/04	assignment of contracts for at least two contractors
Borrowing	None

16.2 - Loans and borrowings at the end of previous reporting period	**Loan value**	**Balance**	**Currency**	**Interest rate**	**Date of repayment**
Long-term:					
Loan Z/168/2007	6 600	917	PLN	WIBOR 1M+ margin	31.07.2016
Loan Z/619/2007	4 800	412	PLN	WIBOR 1M+ margin	31.07.2016
Loan Z/50/Dz/2011	10 000	10 000	PLN	WIBOR 3M+ margin	30.08.2018
Loan Z/38/Dz/2013	3 000	1 750	PLN	WIBOR 1M+ margin	30.04.2018
Loan Z/73/Dz/2014	3 000	2 982	PLN	WIBOR 3M+ margin	30.08.2019
Borrowing	6 530	6 530	PLN	Fixed rate	31.12.2018
Long-term loans and borrowings in total:	**33 930**	**22 591**	**-**	**-**	**-**
Short-term:					
Loan I PCK/5/2011	3 000	-	PLN	WIBOR 1M+ margin	31.01.2015
Others	-	5	PLN	-	-
Loan I PCK/7/2011	15 000	12 630	PLN	WIBOR 1M+ margin	31.01.2015
Loan Z/168/2007	6 600	733	PLN	WIBOR 1M+ margin	31.07.2016
Loan Z/619/2007	4 800	533	PLN	WIBOR 1M+ margin	31.07.2016
Loan Z/38/Dz/2013	3 000	750	PLN	WIBOR 1M+ margin	30.04.2018
Loan Z/51/Dz/2011	10 000	2 487	PLN	WIBOR 3M+ margin	31.07.2016
Short-term loans and borrowings in total:	**42 400**	**17 138**	**-**	**-**	**-**

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17. Other financial liabilities

17.1 - Other financial liabilities			As of 31.12.2015	As of 31.12.2014
Long-term:			**98 467**	**20 053**
Liabilities under financial lease agreements			369	318
Liabilities arising from debt securities			98 098	19 735
Short-term:			**385**	**241**
Liabilities under financial lease agreements			385	241

17.2 - Contractual maturities of financial liabilities on 31.12.2015	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2018	01.01-31.12.2019	Total
Liabilities under financial lease agreements	385	261	108		754
Liabilities arising from debt securities		19 983	35 386	42 729	98 098
Total:	**385**	**20 244**	**35 494**	**42 729**	**98 852**

17.3 - Contractual maturities of financial liabilities on 31.12.2014	01.01-31.12.2015	01.01-31.12.2016	01.01-31.12.2017	01.01-31.12.2018	Total
Liabilities under financial lease agreements	241	193	125		559
Liabilities arising from debt securities			19 735		19 735
					-
					-
Total:	**241**	**193**	**19 860**	**-**	**20 294**

Bonds – details:

On 29 May 2015 the Company adopted a resolution under which it decided to accept the bond issue programme of series C ("Issue Programme") which provides for the issue by the Company of the bonds other than convertible bonds or bonds with priority right in five series ("Tranches") with the total nominal value of all the Tranches not exceeding PLN 50 million ("Bonds"). The purchase of particular Bond Tranches will be offered exclusively to the funds Pioneer FIO and Pioneer Bond – Dynamic Allocation FIO on the terms and conditions specified in the agreement concluded between the Company and the aforementioned funds dated on 29th of May 2015 (whereas the final wording of the purchase offer and the terms of issue of Bonds of a given Tranche will be determined by

separate resolutions of the Management Board). In the agreement the parties determined the principles on which Dekpol will offer to the funds coverage of bonds issued by Dekpol, and the Funds will cover these bonds, whereas it should be noted that:
1) Bonds will be issued in 5 series as bearer securities, secured with a total nominal value of all bonds issued in the amount of PLN 50,000,000 bearing an interest rate equal to 3M WIBOR plus the margin secured with the redemption date of each Bond Tranche on the day not later than 48 months from the date of allocation of the first Tranche Bonds.
2) Bonds are issued to obtain funds for the investment project
3) Dekpol is authorized and obliged to propose the purchase of each Tranche Bonds only to Funds, according to the progress of the various stages of the Investment, on the principles clearly defined in the Agreement, i.e. in particular at the date of the offer to purchase the Bonds of a given Tranche and the date of receipt by the Funds declaration of acceptance of such a proposal:
a) It cannot occur basis of early redemption of the Bonds specified in the standard conditions of the issue annexed to the Agreement,
b) mortgages for each Tranche of Bonds must be equal to each other and have the highest priority,
c) in the land register covering property shall not be entered: (i) any other mortgage, except for mortgages as collateral bonds (ii) any mention of mortgages other than mortgage bonds as collateral,
d) conclusion of an escrow account agreement allowing the funds to exercise control over the cash flows of the Company as part of the investment project
Bonds confer the right to cash payments only. The Bondholder is entitled to request early redemption from the Issuer. The Issuer is entitled to early redemption of all or part of the Bonds. There may also be a situation where the Issuer is required to redeem the Bonds early. Bonds will be issued as collateralized securities and will be backed at least by (separately for each tranche):
(i) establishment to the benefit of the administrator of collaterals for contractual mortgages on the right of perpetual usufruct of the real property located in Gdańsk at 3 Jaglana Street (“Real Property”) whose perpetual user is the Company. whereas the mortgages established for particular bond tranches will have equal priority among themselves and the highest priority;
(ii) submission by the Company to each bondholder of a declaration of submission to enforcement pursuant to Art. 777 § 1(5) of the Code of Civil Procedure with regard to the obligations arising under a given bond tranche;
(iii) conclusion of an escrow account agreement allowing the funds to exercise control over the cash flows of the Company as part of the investment project to be executed using the funds obtained from bonds whereas the escrow account agreement concluded in connection with the issue of I-tranche bonds will apply to the bonds of all subsequent tranches.
(iv) granting by Dekpol to the mortgage administrator of an irrevocable power of attorney under which Dekpol will authorise the holder of the power of attorney to submit on behalf of Dekpol a statement of intent whereby Dekpol pursuant to Art. 40(1) of the Building Law expresses its consents to transfer to another entity the building permit decision regarding the existing Investment Project and to grant a further power of attorney to the entity which will act as a mortgage administrator in lieu of the current administrator. whereas each holder of a power of attorney will have the right to the grant further powers of attorney;
(v) establishment of a contractual mortgage up to the highest amount equal to the collateral to the benefit of the collateral administrator acting as a mortgage administrator.

On 1 October 2015 the Company adopted a resolution on the issue to 350 thousand of secured series D bearer bonds of a nominal value 100 PLN each ("Bonds"). On 19 October 2015 the Company was informed that, as a result of the final settlement of the acquisition of Bonds (which have been issued on 16 October 2015) by the National Depository for Securities SA, there was an allocation of 350 thousand of secured series D bearer bonds of nominal value 100 PLN each and of total nominal value 35 million PLN ("Bonds"). The issue price of the Bonds was equal to 100 PLN. The bonds were issued in order to (i) repay by the Issuer the loans granted to the Issuer by the Bank Spoldzielczy in Skórcz and SGB-Bank S.A., whereas for the repayment the Issuer earmarked the funds raised from the issue of 11 million PLN (the amount corresponding to the nominal loan balance at the date of repayment plus interest amount), (ii) obtain of financing for current operations of the Company, including construction of Almond hotel at Toruńska street in Gdansk. The bonds are negotiable and bearing interest based on the 3M WIBOR rate plus the margin determined on arm length's terms. Interest on Bonds will be paid quarterly. Redemption of bonds is due on

16 October 2018. In order to secure the debt arising from the Bonds, subsidiary of the Issuer Almond Sp. o.o. established a contractual mortgage to the amount of 52.5 million PLN for the right of perpetual usufruct on real property located in Gdańsk at Toruńska street, where the investment in the form of construction of the Almond hotel is planned. Registration of the mortgage was made on 19 November 2015 by the District Court Gdańsk-North in Gdańsk - III Land Registry Department. The administrator of the mortgage is the company - BSWW Trust Sp. o.o. .

On 11 November 2015 the Company adopted a resolution under which it decided to accept the bond issue programme of series E ("Issue Programme") which provides for the issue by the Company of the bonds other than convertible bonds or bonds with priority right in four series ("Tranches") with the total nominal value of all the Tranches not exceeding PLN 40 million ("Bonds"). The purchase of particular Bond Tranches will be offered exclusively to the funds Pioneer FIO and Pioneer Bond – Dynamic Allocation FIO on the terms and conditions specified in the agreement concluded between the Company and the aforementioned Funds dated on 10th of November 2015 (whereas the final wording of the purchase offer and the terms of issue of Bonds of a given Tranche will be determined by separate resolutions of the Management Board). Bonds of series E will be issued in four series ("Tranches") as secured bearer bonds in book-entry form of a nominal value of PLN 1.000 each and the total nominal value of PLN 40 million ("Bonds"). Bonds will be bearing an interest rate equal to 3M WIBOR plus the margin determined with Funds, secured, with the redemption date of each Bond Tranche on the day not later than 48 months from the date of allocation of the first Tranche Bonds. The issue price of the bond will be equal to the nominal value. Bonds are issued to obtain funds for the investment project (construction of a multi-family residential building including service premises) on the lot at Jaglana Street in Gdańsk. The agreement sets out the principles on which the Issuer will propose to the Funds the acquisition of Bonds issued by the Company and the Funds will acquire them. The Issuer is authorized and obliged to propose the purchase of each Tranche Bonds only to Funds, according to the progress of the various stages of the Investment, on the principles clearly defined in the Agreement, i.e. in particular at the date of the offer to purchase the Bonds of a given Tranche and the date of receipt by the Funds declaration of acceptance of such a proposal:

a) Early redemption cannot occur for any Tranche of Bonds or Programming Bonds Series C,

b) mortgages for each Tranche of Bonds will have the highest priority and priority will be equal to each other and to mortgages for the Programming Bonds Series C,

c) in the land register covering property shall not be entered: (i) any other mortgage, except for mortgages mentioned above in point b (ii) any mention of mortgages other than mortgage described above,

d) conclusion of an escrow account agreement allowing the funds to exercise control over the cash flows of the Company as part of the investment project,

e) Funds will be presented documents, which demonstrates the right of the Issuer to make full use of project documentation related to Investment, as well as in enabling of signing agreement referred to in paragraph (v) below. Bonds confer the right to cash payments only. The Bondholder is entitled to request early redemption from the Issuer. The Issuer is entitled to early redemption of all or part of the Bonds. There may also be a situation where the Issuer is required to redeem the Bonds early. Bonds will be issued as collateralised securities and will be backed at least by (separately for each tranche):

(i) establishment of contractual mortgages on the right of perpetual usufruct of the real property located in Gdańsk at Jaglana Street, whereas the mortgages established for particular bond tranches will have equal priority among themselves and among mortgages established for collateral of Programming Bonds series C and the highest priority;

(ii)submission by the Company to each bondholder of a declaration of submission to enforcement pursuant to Art. 777 § 1(5) of the Code of Civil Procedure with regard to the obligations arising under a given bond tranche;

(iii) conclusion of an escrow account agreement allowing the funds to exercise control over the cash flows of the Company as part of the investment project, including the right to obtain from the bank any information regarding the escrow account, in particular, information on the current balance of the account;
(iv) granting by Dekpol to the mortgage administrator of an irrevocable power of attorney under which Dekpol will authorise the holder of the power of attorney to submit. on behalf of Dekpol. a statement of intent whereby Dekpol pursuant to Art. 40(1) of the Building Law expresses its consents to transfer to another entity the building permit decision regarding the existing Investment Project and to grant a further power of attorney to the entity which will act as a mortgage administrator in lieu of the current administrator;
(v) concluded agreement between Dekpol and administrator of the mortgage, under which the administrator of mortgage obtains legal title (i.e. copyrights or license) to make full use of project documentation related to Investment, particularly in terms of carrying out the construction process, selling, maintenance and upkeep of Investment , including the modification of tracks that make up the design documentation and the right to performing subsidiaries copyrights, as well as the ability to freely dispose of the legal title to other entities.

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18. Other long-term liabilities

18.1 - Other long-term liabilities	As of 31.12.2015	As of 31.12.2014
Guarantee deposits	5 286	2 937
Other long-term liabilities TOTAL:	**5 286**	**2 937**

18.2 - Contractual maturities of other long-term liabilities on 31.12.2015	Value	Revaluation write-offs	Balance sheet value		Total
Payables due within two years from the balance sheet date	701		701		701
Payables due from 2 to 5 years from the balance sheet date	4 273		4 273		4 273
Payables due over 5 years from the balance sheet date	311		311		311
Total:	**5 286**	**-**	**5 286**	**-**	**5 286**

18.3 - Contractual maturities of other long-term liabilities on 31.12.2014	Value	Revaluation write-offs	Balance sheet value		Total
Payables due within two years from the balance sheet date	560	-	560		560
Payable due from 2 to 5 years from the balance sheet date	2 196		2 196		2 196
Payables due over 5 years from the balance sheet date	182		182		182
Total:	**2 937**	**-**	**2 937**	**-**	**2 937**

19. Short-term trade and other payables

19.1 - Short-term trade and other payables	As of 31.12.2015	As of 31.12.2014
Trade payables	57 964	59 833
Current income tax payables	1 281	1 481
Remuneration liabilities	869	678
Payables due to other taxes, duties and social security	1 642	837
Prepayments and other payables	15 650	10 893
Short-term trade and other payables TOTAL:	**77 406**	**73 721**

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19.2- Payables at 31.12.2015 – age structure	Current	Till 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Total
Trade payables	42 724	9 678	4 859	75	627	57 964
Current income tax payables	1 281					1 281
Remuneration liabilities	869					869
Payables due to other taxes, duties and social security	1 642					1 642
Prepayments and other payables	15 650					15 650
Total:	**62 167**	**9 678**	**4 859**	**75**	**627**	**77 406**

19.3- Payables at 31.12.2014 – age structure	Current	Till 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Total
Trade payables	36 889	17 382	4 934	628		59 833
Current income tax payables	1 481					1 481
Remuneration liabilities	678					678
Payables on account of other taxes, customs duties and social insurance	837					837
Prepayments and other payables	10 893					10 893
Total:	**50 777**	**17 382**	**4 934**	**628**	**-**	**73 721**

19.4 Payables by payment terms	31.12.2015		31.12.2014	
	up to 12 months from the balance sheet date	over 12 months from the balance sheet date	up to 12 months from the balance sheet date	over 12 months from the balance sheet date
Trade payables	57 964		59 833	
Payables for current income tax	1 281		1 481	
Remuneration liabilities	869		678	
Payables on account of other taxes, customs duties and social insurance	1 642		837	

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Prepayments and other payables	15 650		10 893	
Total:	**77 406**	**-**	**73 721**	**-**

19.5 Payables - structure by currency	31.12.2015		31.12.2014	
	in currency	in PLN after conversion	in currency	in PLN after conversion
PLN	56 361	56 361	59 128	59 128
EUR	376	1 602	163	695
USD				
NOK			22	10
Total:	**X**	**57 964**	**X**	**59 833**

20. Deferred income balance

20.1 - Deferred income balance	As of 31.12.2015	As of 31.12.2014
Grants	7 330	3 314
Deferred income balance TOTAL:	**7 330**	**3 314**

21. Current assets held for sale and discontinued operations

None.

22. Sales revenues

22.1 - Sales revenues (Continued operations)	For period 01.01.2015 - 31.12.2015	For period 01.01.2014 - 31.12.2014
Revenues from sales of products	300 008	237 578
Revenues from sales of services	2 035	1 250
Revenues from sales of goods	3 197	9 002
Revenues from sales of materials	5 200	3 252
Sales revenues in TOTAL:	**310 440**	**251 082**

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Recognition of long-term contracts.
The Group uses to settle long-term contracts according to the method of work progress. Measurement of progress is based on a comparison of the costs incurred up to the balance sheet date to the updated budget of planned costs. Any losses are recognized at once as a whole.

22.2 Long-term contracts as of 31.12.2015				
Incurred costs	Budget of costs	Revenues invoiced	Estimated revenues	Value of contracts
72 739	**99 837**	**83 974**	**6 511**	**125 664**

23. Operating segments

Information regarding segments of Dekpol Capital Group S.A.

Operating segments - 01.01.2015 – 31.12.2015						
Item	Segments			Other	Exclusions	In total
	General contracting	Property development activity	Production of steel structures and equipment			
Financial results of operating segments 01.01.2015 - 31.12.2015						
Revenue from sales by segment	**305 984**	**30 309**	**15 131**	**10 432**	**51 416**	**310 440**
External sales	305 984	30 309	15 131	10 432	51 416	310 440
Sales between segments					-	-
Expense by segment (-)	**(267 260)**	**(26 665)**	**(11 658)**	**(6 974)**	**(37 292)**	**(275 265)**
Interest income				175	-	175
Interest expense (-)				(3 762)	-	(3 762)
Other income				2 673	-	2 673
Other costs (-)				(23 075)	(4 219)	(18 856)
Result on discontinued/sold operations					-	-
Result on the sales of the reporting segment - from continued and discontinued operations	**38 724**	**3 644**	**3 473**	**(20 531)**	**9 906**	**15 405**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Operating segments - 01.01.2014 – 31.12.2014						
Item	Segments			Other	Exclusions	In total
	General contracting	Property development activity	Production of steel structures and equipment			
Financial results of operating segments 01.01.2014 - 31.12.2014						
Revenue from sales by segment	**205 559**	**19 226**	**12 793**	**13 504**	**-**	**251 082**
External sales	205 559	19 226	12 793	13 504		251 082
Sales between segments					-	-
Expense by segment (-)	**(178 595)**	**(17 828)**	**(11 775)**	**(11 054)**	**-**	**(219 252)**
Interest income				131		131
Interest expense (-)				(3 346)		(3 346)
Other income				2 636		2 636
Other costs (-)				(9 704)		(9 704)
Result on discontinued/sold operations						-
Result on the sales of the reporting segment - from continued and discontinued operations	**26 964**	**1 398**	**1 018**	**(7 833)**	**-**	**21 547**

24. Operating costs

24.1 - Costs by type	**For the period 01.01.2015 - 31.12.2015**	**For the period 01.01.2014 - 31.12.2014**
Depreciation	3 314	4 176
Consumption of materials and energy	87 828	61 983
Outsourced services	203 829	140 176
Taxes and fees	792	570
Remuneration	12 909	9 580
Employee benefits	2 663	2 062
Other costs by type	2 997	2 032
Value of goods and materials sold	6 974	10 054
TOTAL COSTS BY TYPE	**321 304**	**230 632**
Adjustments		
Movements in the balance of products	(28 820)	811

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Own work capitalised	(1 451)	(3 934)
Selling costs	(8 849)	(3 775)
General administrative expenses	(6 920)	(4 482)
TOTAL OPERATING COSTS	**275 264**	**219 252**

24.2 - Cost of sales	For the period 01.01.2015 - 31.12.2015	For the period 01.01.2014 - 31.12.2014
Cost of products sold	268 290	209 198
Cost of services sold	-	-
The value of goods sold	3 050	10 011
The value of materials sold	3 924	43
Cost of sales in TOTAL:	**275 264**	**219 252**

25. Other operating revenue

25.1 - Other operating revenue	For the period 01.01.2015 - 31.12.2015	For the period 01.01.2014- 31.12.2014
Profit on disposal of non-financial fixed assets	66	52
Release of provisions	-	-
Reversal of write-offs, of which:	853	101
- trade receivables	853	101
Grants	350	212
Compensation	987	1 998
Other revenues	418	273
OTHER OPERATING REVENUE IN TOTAL	**2 673**	**2 636**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

26. Other operating costs

26.1 - Other operating costs	For the period 01.01.2015 - 31.12.2015	For the period 01.01.2014 - 31.12.2014
Loss on disposal of non-financial fixed assets	-	-
Establishment of provisions	-	18
Creating revaluation write-offs, of which:	1 556	495
- trade receivables	1 002	495
- inventories	554	-
Defects, repairs, compensation	136	121
Other costs	1 395	813
OTHER OPERATING EXPENSES IN TOTAL	**3 087**	**1 447**

27. Financial revenue

27.1 - Financial revenue	For the period 01.01.2015 - 31.12.2015	For the period 01.01.2014 - 31.12.2014
Interest	166	131
Surplus of positive exchange differences over the negative ones	10	-
FINANCIAL REVENUE IN TOTAL	**175**	**131**

28. Financial expenses

28.1 - Financial expenses	For the period 01.01.2015 - 31.12.2015	For the period 01.01.2014 - 30.09.2014
Interest	3 762	3 346
FINANCIAL COSTS IN TOTAL	**3 762**	**3 346**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

29. Financial instruments

29.1 -Financial instruments by categories	As of 31.12.2015	As of 31.12.2014
Financial assets	**130 227**	**82 577**
Assets evaluated at fair value through profit or loss	-	-
Stocks and shares in subsidiaries evaluated at acquisition prices	-	-
Loans and receivables evaluated at depreciated cost	529	520
Receivables evaluated at nominal value	117 841	76 708
Assets held to maturity	-	-
Assets available for sale	-	-
Cash	11 857	5 349
Financial liabilities	**201 562**	**135 200**
Liabilities evaluated at fair value through profit or loss	-	-
Liabilities evaluated at depreciated cost	120 151	60 023
Liabilities evaluated at nominal value	81 411	75 177
Financial guarantee contracts	-	-
Other financial liabilities	-	-

29.2 - Financial instruments - interest rate risk	31.12.2015			31.12.2014		
Specification	Maturity up to 1 year	Maturity from 1 to 5 years	Maturity over 5 years	Maturity up to 1 year	Maturity from 1 to 5 years	Maturity over 5 years
Fixed interest rate (weighted average)	**-**	**-**	**-**	**-**	**-**	**-**
Loans granted	13 147	-	-	-	-	-
Assets held to maturity	-	-	-	-	-	-
Loans and borrowings	-	6 530	-	-	6 530	-
Other interest-bearing liabilities	-	-	-	-	-	-
Variable interest rate (weighted average)	**WIBOR + fixed margin**					
Loans granted	-	-	-	-	-	-

Assets held to maturity	-	-	-	-	-	-
Loans and borrowings	11 801	2 968	-	17 138	16 061	-
Other interest-bearing liabilities	385	98 467	-	241	20 053	-

30. Explanation of discrepancies between balance sheet changes and the values reported in the cash flow statement

30.1 - Explanation of discrepancies between balance sheet changes and the values reported in the cash flow statement	For the period ended 31.12.2015
Balance sheet change in provisions	**12 133**
Specification of differences	
Deferred tax liability	(13 411)
Change in provisions on Cash Flow Statement	**(1 278)**
Balance sheet change in inventories	**(14 164)**
cost of its own contribution in hotel Almond	(37 216)
Construction Costs hotel Almond	5 487
Inventories change on Cash Flow Statement	**(45 893)**
Balance sheet change in receivables	**(29 184)**
Specification of differences	
Change in receivables in subsidiaries	(11 949)
Receivables change on Cash Flow Statement	**(41 133)**
Balance sheet change in short-term liabilities, excluding financial liabilities	**10 677**
Specification of differences	-
initial value of leasing contracts	1 801
value of settled liabilities due to the purchase of fixed assets	3 690
Change in liabilities in subsidiaries	(5 278)
Change in short-term liabilities, excluding financial liabilities on Cash Flow Statement	**10 890**
Balance sheet change in prepayments/accruals	**4 834**
Specification of differences	-
Grants	(4 341)
Change in prepayments/accruals on Cash Flow Statement	**493**

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31. Transactions with affiliates

31.1 - Transactions and balances with affiliates for period 01.01-31.12.2015	**consolidated**				**Non-consolidated**			
	Parent to / from subsidiaries	**Dependent to / from parent**	**Interdependent**	**other related**	**Dependent to / from parent**	**Associates**	**Interdependent**	**Other related**
Net Sales (without VAT)	107 718	4 222	-	-	-	-	-	-
Net purchases (without VAT)	4 222	107 718	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	457
Loans granted	13 147	-	-	-		-	-	6 530
Loans received	-	13 087	-	-	-		-	-
Short-term receivables	1	4 481	-	-	-	-	-	-
Long-term receivables	-	-	-	-	-	-	-	-
Short-term payables	4 481	1	-	-	-	-	-	-
Long-term payables	-	-	-	-	-	-	-	-

31.1 - Transactions and balances with affiliates for period 01.01-31.12.2014	consolidated				Non-consolidated			
	Parent to / from subsidiaries	Dependent to / from parent	Interdependent	other related	Dependent to / from parent	Associates	Interdependent	Other related
Net Sales (without VAT)	-	-	-	-	-	-	-	-
Net purchases (without VAT)	-	-	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	435
Loans granted	-	-	-	-	-	-	-	-
Loans received	-	-	-	-	-	-	-	6 530
Short-term receivables	-	-	-	-	-	-	-	-
Long-term receivables	-	-	-	-	-	-	-	-
Short-term payables	-	-	-	-	-	-	-	-
Long-term payables	-	-	-	-	-	-	-	-

Transactions with key personnel:

31.2 - Remuneration of key management personnel of the Company without the Supervisory Board received in the Company	31.12.2015	31.12.2014
	Remuneration	Remuneration
Members of the Management Board	-	960
Mariusz Tuchlin	238	184
Krzysztof Łukowski	233	192
Adam Olżyński	182	141
Rafał Glaza	197	157
Andrzej Kuchtyk	213	176
Rafał Dietrich	159	109

for period 01.01.2015 – 31.12.2015 in thousands of PLN

31.3 - Remuneration of Supervisory Board members received in the Company	For the year ended 31.12.2015	For the year ended 31.12.2014
Members of Supervisory Board	66	**15**
Roma Suszek	16	5
Piotr Stobiecki	11	1
Jacek Grzywacz	13	4
Krzysztof Czerkas	13	2
Jacek Kędzierski	13	2

32. Contingent liabilities and assets and company's assets burden

32.1A - Guarantees and sureties granted	As of 31.12.2015	As of 31.12.2014
For affiliates	**-**	**-**
guaranties and sureties for repayment of loans	-	-
guaranties for proper performance of contracts	-	
For other units	**17 751**	**23 439**
guaranties and sureties for repayment of loans	-	-
guaranties for proper performance of contracts	17 751	23 439
other guarantees and sureties	-	-
Guarantees and sureties granted in total:	**17 751**	**23 439**

32.1B Contingent liabilities arising from guarantees and sureties - detailed specification	Guarantee / surety for	As a	Currency	Value as at 31.12.2015	Value as at 31.12.2014
BANK GUARANTEES			PLN	429	181
INSURANCE WARRANTIES			PLN	17 322	23 258
Total:				**17 751**	**23 439**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

33. Earnings per share

33. 1 Basic earnings per share	For the period ended 31.12.2015	For the period ended 31.12.2014
Profit for financial year attributable to equity holders of the parent	12 406	17 248
Other (description)		
Profit used to calculate basic earnings per share in total	12 406	17 248
Profit used to calculate basic earnings per share from continuing operations	12 406	17 248

33. 2 Diluted earnings per share	For the period ended 31.12.2015	For the period ended 31.12.2014
Profit for financial year attributable to equity holders of the parent	12 406	17 248
Effect of dilutive earnings:	-	-
Profit used to calculate diluted earnings per share	12 406	17 248
Weighted average number of shares used to calculate diluted earnings per share agrees to the average used to calculate the normal index as follows:		
Weighted average number of ordinary shares used to calculate basic earnings per share	8 326	6410
The dilutive effect of potential number of ordinary shares:	-	-
Weighted average number of ordinary shares (for the purposes of calculating diluted earnings per share)	8 326	6 410

34. Other information

36.1 - Remuneration of entities authorized to audit of financial statements	For the period ended 31.12.2015	For the period ended 31.12.2014
For review and audit of financial statements	46	18
For other services	-	7
Total remuneration:	**46**	**25**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

36.2 - The average number of FTEs	For the period ended 31.12.2015	For the period ended 31.12.2014
Blue-collar workers	81	94
White-collar workers	125	65
Total average number of FTEs:	**206**	**159**

35. Differences between data disclosed in these financial statements and the previously published financial statements. Explanation of effects related to transition to IFRS.

These financial statements for the interim period ending on 30 September 2015 are the first consolidated financial statements of the Dekpol S.A. Capital Group which have been prepared according to the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) and the related interpretations published in the form of regulations of the European Commission applicable as of the balance sheet date of these financial statements.
The Capital Group applied additional requirements imposed by IFRS 1 "First-time Adoption of International Financial Reporting Standards". Previously, the Dekpol S.A. Capital Group did not prepare consolidated financial statements due to the lack of the obligation to do so. Comparative data was prepared based on the previous financial statements of Dekpol S.A. The previous financial statements of the Company were prepared in accordance with the accounting principles specified in the Polish Accounting Act (Polish Accounting Standards - PAS) which differ from IFRS.
The Company has agreed that for significant items of property, plant and equipment it will accept the fair value assessed as of the date of transition to IFRS as the assumed acquisition price.
Basic differences between IFRS and the current accounting principles and the effects of transition to new accounting standards are described below. As the Dekpol S.A. Capital Group was established in 2015, the following reconciliations are adequate to comparative data included in the consolidated and separate financial statements.

Reconciliation of data of the statement of financial condition as of the date of transition to IFRS (OB 01.01.2014) with the last data published as of 31.12.2013 in the Dekpol S.A. financial statements for the 2014 financial year:

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Statement of financial condition	**01.01.2014**			
Item	**Last data published**	**IFRS Adjustment**	**Adjustment Number**	**According to IFSR**
FIXED ASSETS	**15 319**	**2 464**		**17 783**
Property, plant and equipment	10 423	2 695	1	13 118
Investment property	1 240	-		1 240
Goodwill	231	(231)	2	-
Other intangible assets	368	-		368
Stocks and shares	-	-		-
- of which: investments accounted for using the equity method	-	-		-
Long-term receivables	2 191	-		2 191
Other long-term financial assets	-	-		-
Deferred income tax assets	865	-		865
Other fixed assets	-	-		-
CURRENT ASSETS	**156 635**	**(3)**		**156 632**
Inventory	94 646	(1 002)	3	93 644
Trade receivable	40 968	-		40 968
Current income tax receivables	-	-		-
Other receivables	2 625	3 124	3,5	5 749
Other financial assets	-	-		-
Cash and cash equivalents	15 516	(3)	4	15 513
Prepayments and accruals	2 880	(2 122)	5	758
ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**-**		**-**
Property, plant and equipment held for sale	-	-		-
Other assets classified as held for sale	-	-		-
Total assets:	**171 954**	**2 461**		**174 415**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Statement of financial condition	01.01.2014			
Item	**Last data published**	**IFRS Adjustment**	**Adjustment Number**	**According to IFSR**
EQUITY	**56 144**	**1 952**		**58 096**
Share capital	6 410	-		6 410
Called-up share capital and own shares	-			-
Supplementary capital from the issue of shares	-	-		-
Supplementary capital from retained profit and merger transactions under common control	33 315	-		33 315
Undistributed profit from previous years	16 419	1 952	1,2,6	18 371
Net profit (loss) for the financial year	-	-		-
Equity attributable to shareholders of the parent	**56 144**	**1 952**		**58 096**
Non-controlling interests	**-**	**-**		**-**
LONG-TERM LIABILITIES	**31 341**	**512**		**31 853**
Deferred income tax provision	55	512	6	567
Provision for retirement pensions and similar benefits	30	-		30
Other provisions	-	-		-
Loans and borrowings	28 584	-		28 584
Other financial liabilities	37	-		37
Other long-term liabilities	2 634	-		2 634
SHORT-TERM LIABILITIES	**84 469**	**(3)**		**84 466**
Loans and borrowings	16 351	-		16 351
Other financial liabilities	13 123	-		13 123
Trade liabilities	33 534	-		33 534
Current income tax liabilities	3 494	-		3 494
Provisions for retirement pensions and similar benefits	1	-		1
Other short-term provisions	368	-		368
Other liabilities	11 572	(3)	4	11 569
Deferred revenue	6 027	-		6 027
LIABILITIES DIRECTLY RELATED TO FIXED ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**-**		**-**
Total equity and liabilities:	**171 954**	**2 461**		**174 415**

Adjustments introduced as of the date of transition to IFRS (01.01.2014):

1. Recognizing significant items of property, plant and equipment at fair value in accordance with IFRS 1.

for period 01.01.2015 – 31.12.2015 in thousands of PLN

2. Writing off not depreciated goodwill previously determined in accordance with PAS.
3. Changing the presentation of advances for the acquisition of inventories.
4. Excluding special funds from the balance of assets and liabilities.
5. Changing the presentation of assets resulting from evaluation of construction contracts (currently recognised as other receivables).
6. Deferred income tax provision determined from the revaluation value of property, tax and equipment in accordance with adjustment no. (1).

Reconciliation of data of the statement of financial condition as of 31.12.2014 with the last data published as of 31.12.2014 in the Dekpol S.A. financial statements for the 2014 financial year:

Statement of financial condition	**31.12.2014**				
Item	**Last data published**	**IFRS adjustments OB**	**IFRS adjustments 2014**	**Adjustment Number**	**Total**
FIXED ASSETS	**26 556**	**2 464**	**(960)**		**28 060**
Property, plant and equipment	24 446	2 695	(1 086)	1,4	26 055
Investment property	-	-	-		-
Goodwill	105	(231)	126	2	-
Other intangible assets	261	-	-		261
Stocks and shares	-	-	-		-
- of which: investments accounted for using the equity method	-	-	-		-
Long-term receivables	435	-	-		435
Other long-term financial assets	520	-	-		520
Deferred income tax assets	790	-	-		790
Other fixed assets	-	-	-		-
CURRENT ASSETS	**190 296**	**-**	**(26)**		**190 270**
Inventory	109 312	-	(2 014)	5	107 298
Trade receivable	44 531	-	-		44 531
Current income tax receivables	-	-	-		-
Other receivables	8 746	-	22 996	5,7	31 742
Other financial assets	-	-	-		-
Cash and cash equivalents	5 375	-	(26)	6	5 349
Prepayments and accruals	22 331	-	(20 982)	7	1 349
ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**-**	**-**		**-**
Property, plant and equipment held for sale	-	-	-		-
Other assets classified as held for sale	-	-	-		-
Total assets:	**216 851**	**2 464**	**(986)**		**218 329**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Statement of financial condition	**31.12.2014**				
Item	**Last data published**	**IFRS Adjustment**	**IFRS adjustments 2014**	**Adjustment Number**	**According to IFSR**
EQUITY	**74 145**	**1 952**	**(754)**		**75 343**
Share capital	6 410	-	-		6 410
Called-up share capital and own shares					-
Supplementary capital from the issue of shares	-	-	-		-
Supplementary capital from retained profit and merger transactions under common control	51 103	-	-		51 103
Undistributed profit from previous years	(1 370)	1 952	-	1,2,3	582
Net profit (loss) for the financial year	18 002	-	(754)	4,8	17 248
Equity attributable to shareholders of the parent	**74 145**	**1 952**	**(754)**		**75 343**
Non-controlling interests	**-**	**-**	**-**		**-**
LONG-TERM LIABILITIES	**47 758**	**512**	**(206)**		**48 064**
Deferred income tax provision	2 129	512	(206)	3,8	2 435
Provision for retirement pensions and similar benefits	48	-	-		48
Other provisions	-	-	-		-
Loans and borrowings	22 591	-	-		22 591
Other financial liabilities	20 053	-	-		20 053
Other long-term liabilities	2 937		-		2 937
SHORT-TERM LIABILITIES	**94 948**	**-**	**(26)**		**94 922**
Loans and borrowings	17 138				17 138
Other financial liabilities	241				241
Trade liabilities	59 833				59 833
Current income tax liabilities	1 481				1 481
Provisions for retirement pensions and similar benefits	1				1
Other short-term provisions	506				506
Other liabilities	12 433		(26)	6	12 407
Deferred revenue	3 314				3 314
LIABILITIES DIRECTLY RELATED TO FIXED ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**-**	**-**		**-**
Total equity and liabilities:	**216 851**	**2 464**	**(986)**		**218 329**

for period 01.01.2015 – 31.12.2015 in thousands of PLN

Adjustments introduced due to transition to IFRS to the statement of financial condition as of 31.12.2014

1) Recognizing significant items of property, plant and equipment at fair value in accordance with IFRS 1 as of the date of transition to IFRS (01.01.2014).
2) Writing off not depreciated goodwill previously determined in accordance with PAS as of the date of transition to IFRS (01.01.2014).
3) Deferred income tax provision determined from the revaluation value of property, tax and equipment in accordance with adjustment no. (1) as of the date of transition to IFRS (01.01.2014).
4) Increasing amortization and depreciation of property, plant and equipment by PLN 1,086 thousand in connection with reevaluation to fair value in accordance with adjustment no. (1).
5) Changing the presentation of advances for the acquisition of inventories.
6) Excluding special funds from the balance of assets and liabilities.
7) Changing the presentation of assets resulting from evaluation of construction contracts (currently recognized as other receivables).
8) Releasing the deferred income tax provision in connection with increasing costs of depreciation of property, plant and equipment in accordance with adjustment no. (4).

Reconciling equity and comprehensive income disclosed in accordance with the previously applied generally accepted accounting principles with equity disclosed in accordance with IFRS as of the date of transition to IFRS and with equity and comprehensive income disclosed in the last annual financial statements prepared in accordance with the previously applied generally accepted accounting principles:

Reconciliation of changes in equity and comprehensive income in connection with transition to IFRS	**Equity attributable to owners of the parent**				**Total equity**
	Share capital	**Supplementary capital from retained profit**	**Undistributed profit retained from previous years**	**Net profit (loss) for the financial year**	
Equity disclosed as of 31.12.2014 in accordance with the previously applied accounting principles	**6 410**	**51 103**	**(1 370)**	**18 002**	**74 145**
Recognising property, plant and equipment at fair value as of the date of transition to IFRS (01.01.2014)			2 695		**2 695**
Recognising deferred income tax provisions established in connection with recognising property, plant and equipment at fair value as of the date of transition to IFRS (01.01.2014)			(512)		**(512)**
Writing off goodwill created in the previous years as of 01.01.2014			(231)		(231)
Total equity as of 31.12.2014 after taking into account changes in the opening balance as of the date of transition to IFRS	**6 410**	**51 103**	**582**	**18 002**	**76 097**
Increasing costs of depreciation of property, plant and equipment in 2014 in connection with recognising them at fair value as of the date of transition to IFRS				(1 086)	(1 086)
Releasing deferred income tax provisions due to the increased depreciation of fixed assets				206	206
Removing amortisation of goodwill written off in connection with transition to IFRS				126	126
Total equity as of 31.12.2014 after taking into account changes in the opening balance as of the date of transition to IFRS and comprehensive income for the period	**6 410**	**51 103**	**582**	**17 248**	**75 343**

Date of preparation: 21st of March 2016

Signatures of all Members of the Management Board:

Signatures of all Members of the Management Board of the Company:

Mariusz Tuchlin, President of the Management Board

Krzysztof Łukowski - Vice President of the Management Board

Rafał Glaza - Member of the Management Board

Adam Olżyński - Member of the Management Board

Andrzej Kuchtyk - Member of the Management Board

Rafał Dietrich - Member of the Management Board

Signature of person responsible for bookkeeping:

Anna Miksza - Chief Accountant Officer