



GRUPA POLSKA MEAT

**UL. HUTNICZA 45
81-061 GDYNIA**

NIP 9581655634

**Consolidated annual financial statements for the year
ended 31 December 20**



POLSKA MEAT Group

Consolidated annual financial statement for the year ended 31 December 2016

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1. INTRODUCTION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.1. PARENT ENTITY'S DETAILS

POLSKA MEAT Spółka akcyjna ("the parent entity", "the Company", "the Issuer") with its registered office at Hutnicza 45 in Gdynia.

The Issuer's core business according to the Polish Classification of Activity (PKD):

- WHOLESALE OF MEAT AND MEAT PRODUCTS (PKD 46,32,Z)
- PROCESSING AND PRESERVING OF MEAT, EXCLUDING POULTRY MEAT (PKD 10,11,Z)
- PROCESSING AND PRESERVING OF POULTRY MEAT (PKD 10,12,Z)
- AGENTS INVOLVED IN THE SALE OF AGRICULTURAL RAW MATERIALS, LIVE ANIMALS, TEXTILE RAW MATERIALS AND SEMI-FINISHED GOODS (PKD 46,11,Z)
- WHOLESALE OF GRAIN, UNMANUFACTURED TOBACCO, SEEDS AND ANIMAL FEEDS (PKD 46,21,Z)
- WHOLESALE OF OTHER FOOD, INCLUDING FISH, CRUSTACEANS AND MOLLUSCS (PKD 46,38,Z)
- WAREHOUSING AND STORAGE OF OTHER GOODS (PKD 52,10,B)
- PACKAGING ACTIVITIES (PKD 82,92,Z)

The Company was entered into the Register of Entrepreneurs kept by the District Court Gdańsk-Północ, VIII Industry and Commerce Department of the National Court Register on September 7 2011 under the name of POLSKA MEAT SPÓŁKA AKCYJNA, Entry No. KRS 0000395400.

The Company was granted tax identification number NIP 9581655634.



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1.2. ENTITIES WHOSE DATA IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Company's name	Registered office	Business	Percentage of share in equity
Subsidiaries			
Poland Services Cold Store Sp. z o.o.	Ul. Hutnicza 45, 81-061 Gdynia	Warehousing and storage of other goods (PKD 52, 10, B) Processing and preserving of meat, excluding poultry meat (PKD 10, 11, Z) Processing and preserving of poultry meat (PKD 10, 12, Z) Processing and preserving of fish, crustaceans and molluscs (PKD 10, 20, Z) Other processing and preserving fruit and vegetables (PKD 10, 39, Z) Wholesale of fruit and vegetables (PKD 46, 31, Z) Wholesale of meat and meat products (PKD 46, 32, Z) Wholesale of other food, including fish, crustaceans and molluscs (PKD 46, 38, Z) Rental and leasing of cars and light motor vehicles (PKD 77, 11, Z) Packaging activities (PKD 82, 92, Z)	100.00%

Other capital relations among consolidated entities do not occur.

1.3. ENTITIES OTHER THAN SUBSIDIARIES INCLUDING NAMES AND REGISTERED OFFICES IN WHICH SUBSIDIARIES HOLD SHARE IN EQUITY

No such entities.



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1.4. SUBSIDIARIES EXCLUDED FROM THE CONSOLIDATED FINANCIAL STATEMENT

Company's name	Registered office	Legal basis and justification for exclusion from consolidation	Percentage of share in equity
Subsidiaries			
Meat Plus SL	Sant Hipolite de Vcltrega 1, Barcelona, Spain	Article 58 of the Accounting Act which stipulates that a subsidiary may be not included in consolidation if its financial data is not material for the performance of the obligation defined in Article 4 item 1 of the Act	50,00%

1.5. LIFESPAN OF SUBSIDIARIES

Subsidiaries shall exist for an indefinite period of time.

1.6. STATEMENT PERIOD

The consolidated financial statement of the Corporate Group Polska Meat covers the year ended 31 December 2016 and also includes data of the parent entity for the year ended 31 December 2015 (in view of consolidation of the Poland Services Cold Store Sp. z o.o. subsidiary in 2016). Reporting periods of subsidiaries are the same as the period of the consolidated financial statement.

1.7. REFERENCE WHETHER FINANCIAL STATEMENTS OF ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT CONTAIN AGGREGATED DATA

The financial statements of the entities included in the consolidated financial statements do not contain aggregated data. The Company and subsidiaries do not comprise internal organizational units which draw up individual financial statements.

1.8. CONTINUITY OF OPERATIONS

Financial statements that constitute the basis for drawing up the consolidated financial statement were made on the basis that the subsidiaries shall continue economic activity in the foreseeable future. At the date of the financial statements there are no preconditions for the existence of threats to the subsidiaries' operation continuity in the nearest future.

1.9. FINANCIAL STATEMENTS FOR THE PERIOD IN WHICH CONSOLIDATION OCCURRED

Not applicable.



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1.10. ADOPTED ACCOUNTING METHODS AND PRINCIPLES

The financial statement was prepared in accordance with the Accounting Act of 29 September 1994 applicable to entities continuing their operations.

The financial statements are denominated in the Polish zloty.

In the financial statement the Group presents economic events according to their economical content.

The Company's financial result comprises any and all revenues allocated to the Company and costs related to the revenues in accordance with the accrual principle, matching principle and prudence principle.

Assets and liabilities were valued in accordance with the Accounting Act principles, but:

- 1) Fixed assets and intangible assets are valued at acquisition price, and in case of internally generated fixed assets at a manufacturing cost of such assets less amortization and accumulated write-offs, excluding land and buildings belonging to Poland Services Cold Store Sp. z o.o. which are recorded a fair value.

Acquisition price and manufacturing costs of fixed assets in progress, fixed assets and intangible assets also comprise liability servicing costs arising from their construction, assembly and adjustment.

In accordance with the Accounting Act initial value and ongoing amortization write-offs may, pursuant to separate regulations, be subject to revaluation. Net book value of fixed assets determined by revaluation shall not be higher than the actual value, the write off of which is economically justified within the anticipated period of their continued use.

Research and development expenses for internal purposes born before new solutions are applied are considered as intangible assets, but if they fail to meet the intangible assets criteria they debit the loss and profit account.

Research and development in progress expenses are included in intangible assets.

Costs arising from and during investments are added to costs of fixed assets in progress, when investments are completed they are related directly to the loss and profit account.

Right of perpetual usufruct of land is presented at the acquisition price and is not subject to amortization.

Fixed assets under construction are valued at the total amount of costs directly related to their acquisition or construction less impairment write-offs.

Write-offs on fixed and intangible assets are made in accordance with the amortization schedule presenting rates and annual amounts of write-offs. Rates planned are established with consideration to physical and economical wear and tear of fixed assets and the period of economic usefulness of rights.



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For tax purposes amortization rates were applied pursuant to the Corporate Income Tax Act dated February 15 1992 which determines amortization rates as tax-deductible expenses.

Planned amortization is included in the running costs, and unplanned amortization is presented as other operational costs. All intangible assets are depreciated with a straight-line depreciation method based on the following principles:

- licences – 2 years,
- research and development – 1 year,
- other intangibles – 5 years.

Assets of economic lifetime longer than 1 year and value not exceeding PLN 3,500 are written off as a single entry at the delivery date.

Assets of a higher initial value than PLN 3,500 are included in fixed assets or intangibles and are entered into the balance sheet register as such.

Depreciation write-offs are presented beginning with the next month following the delivery month.

All fixed assets are depreciated with a straight-line depreciation method.

Amortization rates applied for new fixed assets are as follows:

• buildings and structures	1,5% - 20%
• technical machinery and equipment	7% - 30%
• means of transport	7% - 20%
• other fixed assets	10% - 25%

Fixed assets used or of exceeding normal wear and tear have amortization rates and ratios as determined by the Corporate Income Tax Act.

The economic usefulness term of each asset is verified as of each balance sheet date.

In case of a change in production technology, scrapping, decommission or other reasons for impairment of fixed assets or intangibles revaluation write-off is presented under other operating expenses. Revaluation write-offs concerning fixed assets which were revaluated pursuant to separate regulations reduce revaluation capital differences taken to revaluation reserve. A possible surplus of write-offs over revaluation capital differences shall be presented under other operating costs.



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In the event of the cessation of the reasons that caused the write-offs, the equivalent of all or part of the revaluation write-offs increases value of an asset and shall be appropriately charged to other operating costs.

- 2) Tangible working assets are valued in the following manner:
 - merchandise – merchandise depletion value is based on the batch specific identification method. Merchandise income value is based on acquisition price.
- 3) Receivables are valued based on amounts of due payment with a conservative valuation principle applying.

Trade receivables are presented in net value less revaluation write-offs charged to other operational costs.

Cancelled receivables, overdue receivables or non-recoverable receivables decrease the revaluation write-offs for them made before. In the event of the cessation of the reasons that caused the revaluation write-offs, the equivalent of all or part of the revaluation write-offs increases value of an asset and shall be appropriately charged to other operating revenues or financial revenues.
- 4) Cash is presented in face value.
- 5) Income tax presented in the loss and profit account includes current and deferred income tax. Current income tax is an income tax payable in respect of the taxable profit for the reporting period based on taxation rates applicable at the balance sheet date. Deferred tax is based on temporary differences between the value of assets and liabilities estimated for accounting purposes and their value for taxation purposes.
- 6) Provision for deferred income tax shall be in the amount of income tax payable in future in connection to positive temporary differences occurring. Deferred tax assets are presented up to the amount of predictable income which will enable realization of the asset. They are charged to the financial result.

Provision and deferred tax assets are valued at taxation rates applicable at a balance sheet date. The difference between their values at the beginning and end of the reporting period affects the financial result with the stipulation that when they relate to operations settled with equity they are charged to equity. This happens in case of results of investment valuation which are to be charged to reserve revaluation capital and results of financial instruments valuation which must be charged in correspondence with revaluation capital.
- 7) Cost prepayments occur if the costs born relate to future reporting periods.
- 8) Accruals are presented in the amount of predictable liabilities in the reporting period. They include value of performance for the Company which has not been invoiced. This item is presented in equity and liabilities.



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- 9) Equity is recorded in the accounting books at nominal value broken down by its type and in accordance with principles as defined by law or the Company's Articles of Association.
Share capital is recorded in the amount defined by the Company's Articles of Association and entered in the court register.
Reserve capital is formed from profit distribution.
- 10) Liabilities are valued at a balance sheet date in the amount due to be paid. If their due date exceeds 12 months from the balance sheet date, the balance of such liabilities except trade liabilities is presented as long-term. Other outstanding liabilities of the balance are short-term.
- 11) Cancelled or overdue liabilities increase other operating revenues or financial revenues.
- 12) Foreign-currency denominated transactions are recorded in the Polish zloty based on average ex rate as of the day prior to the date of transaction stated by National Bank of Poland. Foreign-currency denominated financial assets and equity and liabilities are converted based on average ex rate separately for each currency as of the balance sheet day stated by National Bank of Poland. Exchange rate difference arising from settlement of foreign-currency denominated transactions and balance sheet valuation of foreign-currency denominated financial assets and equity and liabilities is recorded in a loss and profit account.

1.11. CHANGES IN ACCOUNTING PRINCIPLES (POLICIES) IN THE FINANCIAL YEAR

In the reporting period neither the Company nor other entities included in the consolidated financial statement changed their adopted accounting principles.

1.12. EXCLUSION CRITERIA FOR SUBSIDIARIES FROM CONSOLIDATED FINANCIAL STATEMENT

Pursuant to Article 58 of the Accounting Act which stipulates that a subsidiary may be not included in consolidation if its financial data is not material for the performance of the obligation defined in Article 4 item 1 of the Act, Polska Meat is does not consolidate the Meat Plus company. At the end of 2016 total assets of Meat Plus SL represented 4.99% of the Issuer's total assets, sales revenues of Meat Plus SL for the year ended 31 December 2016 represented 6.19% of the Issuer's sales revenues.

Sébastien Guyon

President of the Board

Ewa Bach

Chief Accountant



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2. CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2016

	ASSETS	Stan na 31.12.2015	Stan na 31.12.2016
A	AKTYWA TRWAŁE	3,591,499.51	30,695,746.13
I	Intangible fixed assets	0.00	0.00
1	Costs of finished development works	0.00	0.00
2	Goodwill	0.00	0.00
3	Other intangible fixed assets	0.00	0.00
4	Advances payments for intangible fixed assets	0.00	0.00
II	Goodwill related to subordinates	0.00	0.00
1	Goodwill – subsidiaries	0.00	0.00
2	Goodwill – jointly controlled entities	0.00	0.00
III	Tangible fixed assets	3,136,225.39	30,600,934.53
1	Fixed assets	3,136,225.39	30,600,934.53
a	lands (including perpetual usufruct)	0.00	2,799,255.10
b	real estate	287,673.91	25,087,357.19
c	machines and equipment	2,750,865.40	2,500,492.96
d	transportation means	86,473.49	153,010.11
e	other fixed assets	11,212.59	60,819.17
2	Fixed assets under construction	0.00	0.00
3	Advances payments for fixed assets	0.00	0.00
IV	Long-term receivables	0.00	0.00
1	From related parties	0.00	0.00
2	From other parties with capital involvement	0.00	0.00
3	From other parties	0.00	0.00
V	Inwestycje długoterminowe	6,282.60	6,282.60
1	Real estate	0.00	0.00
2	Intangible fixed assets	0.00	0.00
3	Long-term financial assets	6,282.60	6,282.60
a	in subsidiaries or jointly controlled entities, not included in full or proportional consolidation	6,282.60	6,282.60
- shares		6,282.60	6,282.60
- other securities		0.00	0.00
- loans		0.00	0.00
- other long-term investments		0.00	0.00
b	in subsidiaries or jointly controlled entities, accounted for at equity	0.00	0.00
- shares		0.00	0.00
- other securities		0.00	0.00
- loans		0.00	0.00
- other long-term investments		0.00	0.00
c	in other parties with capital involvement	0.00	0.00
- shares		0.00	0.00
- other securities		0.00	0.00
- loans		0.00	0.00
- other long-term investments		0.00	0.00
d	in other parties	0.00	0.00
- shares		0.00	0.00
- other securities		0.00	0.00
- loans		0.00	0.00
- other long-term investments		0.00	0.00
4	Other long-term investments	0.00	0.00
VI	Long-term interperiod settlements	448,991.52	88,529.00
1	Deferred taxation	448,991.52	88,529.00
2	Other long-term interperiod settlements	0.00	0.00



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	ASSETS	Stan na 31.12.2015	Stan na 31.12.2016
B	CURRENT ASSETS	44,697,046.32	41,537,835.73
I	Inventory	1,473,718.75	4,493,862.46
1	Materials	73,804.91	196,122.43
2	Work in progress	0.00	0.00
3	Finished goods	0.00	0.00
4	Merchandise	1,399,913.84	4,297,740.03
5	Prepayments for deliveries	0.00	0.00
II	Short-term receivables	39,969,578.21	34,859,352.53
1	Receivables from related parties	7,969,068.15	11,091,923.35
a	trade receivables, including:	7,969,068.15	11,091,923.35
	- due date up to 12 months	7,969,068.15	11,091,923.35
	- due date over 12 months	0.00	0.00
b	other	0.00	0.00
2	Receivables from other parties with capital involvement	0.00	0.00
a	trade receivables, including:	0.00	0.00
	- due date up to 12 months	0.00	0.00
	- due date over 12 months	0.00	0.00
b	other	0.00	0.00
3	Receivables from other parties	32,000,510.06	23,767,429.18
a	trade receivables, including:	25,147,780.94	22,808,893.81
	- due date up to 12 months	25,147,780.94	22,808,893.81
	- due date over 12 months	0.00	0.00
b	taxation, customs duty, social security and other administrative fees	769,624.00	732,140.94
c	other	6,083,105.12	226,394.43
d	receivables in court	0.00	0.00
III	Short-term investments	2,676,634.09	1,822,135.84
1	Short-term financial investments	2,676,634.09	1,822,135.84
a	in subsidiaries and jointly controlled entities	0.00	0.00
	- shares	0.00	0.00
	- other securities	0.00	0.00
	- loans	0.00	0.00
	- other long-term investments	0.00	0.00
b	in affiliates	0.00	0.00
	- shares	0.00	0.00
	- other securities	0.00	0.00
	- loans	0.00	0.00
	- other long-term investments	0.00	0.00
c	in other parties	0.00	0.00
	- shares	0.00	0.00
	- other securities	0.00	0.00
	- loans	0.00	0.00
	- other short-term investments	0.00	0.00
d	cash, bank and other cash assets	2,676,634.09	1,822,135.84
	- cash and bank	2,676,634.09	1,822,135.84
	- other cash	0.00	0.00
	- other cash assets	0.00	0.00
2	Other short-term investments	0.00	0.00
IV	Short-term interperiod settlements	577,115.27	362,484.90
C	Contributions to share capital (non-paid)	0.00	0.00
D	Own shares	0.00	0.00
	TOTAL ASSETS	48,288,545.83	72,233,581.86



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	EQUITY AND LIABILITIES	Stan na 31.12.2015	Stan na 31.12.2016
A	EQUITY	9,754,003.32	12,176,146.47
I	Share capital	500,000.00	500,000.00
II	Reserve capital, including:	7,938,916.50	9,254,003.32
	- share premium	2,900,000.00	2,900,000.00
III	Revaluation reserve, including:	0.00	0.00
	- fair value revaluation	0.00	0.00
IV	Other reserve capital, including:	0.00	0.00
	- according to Act of Association	0.00	0.00
	- for own shares	0.00	0.00
V	Translation reserve	0.00	0.00
VI	Retained earnings	0.00	0.00
VII	Profit (loss)	1,315,086.82	2,422,143.15
VIII	Profit write-offs (negative)	0.00	0.00
B	NON-CONTROLLING INTEREST	0.00	0.00
C	NEGATIVE GOODWILL IN SUBORDINATES	0.00	4,779,494.90
I	Negative goodwill – subsidiaries	0.00	4,779,494.90
II	Negative goodwill – jointly controlled entities	0.00	0.00
B	LIABILITIES AND RESERVES	38,534,542.51	55,277,940.49
I	Reserves	0.00	3,155,742.00
1	Deferred taxation	0.00	3,155,742.00
2	Retirement payment reserve, and similar	0.00	0.00
	- long-term	0.00	0.00
	- short-term	0.00	0.00
3	Other reserves	0.00	0.00
	- long-term	0.00	0.00
	- short-term	0.00	0.00
II	Long-time liabilities	0.00	12,436,243.26
1	To related parties	0.00	0.00
2	To other parties with capital involvement	0.00	0.00
3	To other parties	0.00	12,436,243.26
a	loans and credits	0.00	12,436,243.26
b	bonds and other interest-bearing securities	0.00	0.00
c	other financial liabilities	0.00	0.00
d	bill of exchange liabilities	0.00	0.00
e	other	0.00	0.00
III	Long-term liabilities	38,523,702.38	39,685,955.23
1	To related parties	2,165,192.56	3,301,002.21
a	trade payables, including:	2,165,192.56	3,301,002.21
	- due date up to 12 months	2,165,192.56	3,301,002.21
	- due date over 12 months	0.00	0.00
b	other	0.00	0.00
2	To other parties with capital involvement	0.00	0.00
a	trade payables, including:	0.00	0.00
	- due date up to 12 months	0.00	0.00
	- due date over 12 months	0.00	0.00
b	other	0.00	0.00
3	To other parties	36,358,509.82	36,384,953.02
a	loans and credits	4,016,729.53	9,295,006.00
b	bonds and other interest-bearing securities	0.00	0.00
c	other financial liabilities	0.00	0.00
d	trade payables, including:	31,533,249.06	26,943,623.84
	- due date up to 12 months	31,533,249.06	26,943,623.84
	- due date over 12 months	0.00	0.00
e	advances payments received	0.00	0.00
f	bill of exchange liabilities	0.00	0.00
g	taxation, customs duty, social security and other administrative fees	808,531.23	142,341.49
h	wages and salaries	0.00	0.00
i	other	0.00	3,981.69
4	Special funds	0.00	0.00
IV	Interperiod settlements	10,840.13	0.00
1	Negative goodwill	0.00	0.00
2	Other interperiod settlements	10,840.13	0.00
	- long-term	10,840.13	0.00
	- short-term	0.00	0.00
	TOTAL EQUITY AND LIABILITIES	48,288,545.83	72,233,581.86

Sébastien Guyon
President of the Board

May 23, 2017

Ewa Bach
Chief Accountant



POLSKA MEAT Group

Consolidated annual financial statement for the year ended 31 December 2016

**3. CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2016
(SINGLE-STEP VERSION)**

	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
A Net sales	212,109,611.56	145,778,837.71
- to related parties	34,642,316.00	18,166,962.33
I Products sales		6,368,009.73
II Change in stock		
III Cost of products for entity needs		
IV Merchandise sales	212,109,611.56	139,410,827.98
B Operational costs	210,225,733.62	141,457,272.42
I Depreciation and amortisation	538,162.32	1,241,450.17
II Materials and energy	3,434,261.04	3,764,618.22
III External services	4,574,645.65	6,049,778.54
IV Taxes and fees, including:		
- excise tax		
V Wages and salaries	873,564.92	2,320,373.88
VI Social security and other employees' benefits, including:	178,288.90	451,822.32
- retirement payments	116,314.86	189,224.00
VII Other costs	84,354.83	298,165.04
VIII Costs of goods sold	200,538,422.56	127,100,839.11
C Profit (loss) on sales	1,883,877.94	4,321,565.29
D Other operational income	1,492.74	4,817,284.42
I Profit on sale of non-financial fixed assets		
II Grants		
III Non-financial fixed assets revaluation		
IV Other	1,492.74	4,817,284.42
E Other operational costs	106,674.76	4,743,790.21
I Loss on sale of non-financial fixed assets		
II Non-financial fixed assets revaluation		25,000.00
III Other	106,674.76	4,718,790.21
F Profit (loss) on operational activity	1,778,695.92	4,395,059.50
G Financial income	362,787.28	56,795.41
I Dividends and share in income	0.00	0.00
a from related parties, including:		
- with capital involvement		
b from other parties, including:		
- with capital involvement		
II Interests, including:		
- from related parties		
III Profit on sale of financial fixed assets		
- in related parties		
IV Financial fixed assets revaluation		
V Other	362,787.28	56,795.41
H Financial costs	116,715.16	1,410,270.60
I Interests, including		
- to related parties		108,284.10
II Loss on sale of financial fixed assets		
- in related parties		
III Financial fixed assets revaluation		
IV Other	8,431.06	895,660.71
I Profit (loss) on sale of total or part of shares in subordinates	0.00	0.00
J Profit (loss) on economic activity (F+G-H+I)	2,024,768.04	3,041,584.31
K Goodwill write-off	0.00	0.00
I Goodwill write-off - subsidiaries	0.00	0.00
II Goodwill write-off - jointly controlled entities	0.00	0.00
L Negative goodwill write-off	0.00	97,412.50
I Negative goodwill write-off - subsidiaries	0.00	97,412.50
II Negative goodwill write-off - jointly controlled entities	0.00	0.00
M Share in profit/(loss) in entities accounted for at equity	0.00	0.00
N Gross profit (loss)	2,024,768.04	3,138,996.81
O Corporate income taxation - current	851,016.01	356,391.14
P Corporate income taxation - deferred	-141,334.79	360,462.52
R Minority interest	0.00	0.00
S Net profit (loss)	1,315,086.82	2,422,143.15

Sébastien Guyon

President of the Board

May 23, 2017

Ewa Bach

Chief Accountant



POLSKA MEAT Group

Consolidated annual financial statement for the year ended 31 December 2016

4. CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016 (INDIRECT METHOD)

	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
A. Cash flow from operational activities		
I. Net profit/loss	1,315,086.82	2,422,143.15
II. Adjustments to operational cash flow	7,233,717.53	7,714,998.18
1. Minority interests		
2. Share in profit/(loss) in entities accounted for at equity		
3. Depreciation and amortisation	538,162.32	1,241,450.17
4. Goodwill write-off		97,412.50
5. Negative goodwill write-off		
6. Exchange rate differences		
7. Interests and dividends		
8. Gains/losses on investing activities		
9. Change in reserves	-17,479.46	3,155,742.00
10. Change in inventory	5,444,618.63	-3,020,143.71
11. Change in receivables	-4,724,232.62	5,110,225.68
12. Change in payables (less loans and credits)	6,698,953.13	-4,116,023.62
13. Change in interperiod settlements	-706,304.47	564,252.76
14. Other		4,682,082.40
III. Net Cash Flow from operational activities	8,548,804.35	10,137,141.33
B. Cash flows from investing activities		
I. Cash receipts	0.00	0.00
1. Sales of non-current assets	0.00	0.00
2. Sales of investments and intangible assets	0.00	0.00
3. Sales of financial assets, including:	0.00	0.00
a) in related parties	0.00	0.00
b) in other parties	0.00	0.00
- sales of financial assets	0.00	0.00
- dividends and share in income	0.00	0.00
- long-term loan repayment	0.00	0.00
- interests	0.00	0.00
- other financial assets receipts	0.00	0.00
4. Other investing activities receipts	0.00	0.00
II. Cash payments	6,187,405.63	28,706,159.31
1. Payments for non-current assets	204,925.63	566,904.21
2. Payments for investments and intangible assets	0.00	28,139,255.10
3. Payments for financial assets, including:	0.00	0.00
a) in related parties	0.00	0.00
b) in other parties	0.00	0.00
- payments for financial assets	0.00	0.00
- long-term loans granted	0.00	0.00
4. Dividends and other share in income paid to minority shareholders	0.00	0.00
5. Other investing activity payments	5,982,480.00	0.00
III. Przepływy pieniężne netto z działalności inwestycyjnej	-6,187,405.63	-28,706,159.31
C. Przepływy środków pieniężnych z działalności finansowej		
I. Wpływy	-253,525.26	17,714,519.73
1. Wpływy netto z wydania udziałów (emisji akcji) i innych instrumentów kapitałowych oraz dopłat do kapitału	0.00	0.00
2. Kredyty i pożyczki	-253,525.26	17,714,519.73
3. Emisja dłużnych papierów wartościowych	0.00	0.00
4. Inne wpływy finansowe	0.00	0.00
II. Wydatki	0.00	0.00
1. Nabycie udziałów (akcji) własnych	0.00	0.00
2. Dywidendy i inne wpłaty na rzecz właścicieli	0.00	0.00
3. Inne, niż wpłaty na rzecz właścicieli, wydatki z tytułu podziału zysku	0.00	0.00
4. Spłaty kredytów i pożyczek	0.00	0.00
5. Wykup dłużnych papierów wartościowych	0.00	0.00
6. Z tytułu innych zobowiązań finansowych	0.00	0.00
7. Platności zobowiązań z tytułu umów leasingu finansowego	0.00	0.00
8. Odsetki	0.00	0.00
9. Inne wydatki finansowe	0.00	0.00
III. Przepływy pieniężne netto z działalności finansowej	-253,525.26	17,714,519.73
D. Przepływy pieniężne netto razem	2,107,873.46	-854,498.25
E. Bilansowa zmiana stanu środków pieniężnych, w tym:	2,107,873.46	-854,498.25
- zmiana stanu środków pieniężnych z tytułu różnic kursowych		
F. Środki pieniężne na początek okresu	568,760.63	2,676,634.09
G. Środki pieniężne na koniec okresu, w tym:	2,676,634.09	1,822,135.84
- o ograniczonej możliwości dysponowania	0.00	0.00

Sébastien Guyon

President of the Board

May 23, 2017

Ewa Bach

Chief Accountant



POLSKA MEAT Group

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5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
I. Opening balance of equity	8,438,916.50	9,754,003.32
- change in accounting principles	0.00	0.00
- adjustments for corrections	0.00	0.00
I.a. Opening balance of equity, after adjustments	8,438,916.50	9,754,003.32
1. Opening balance of share capital	500,000.00	500,000.00
1.1. Changes in share capital	0.00	0.00
a) increases:	0.00	0.00
- share issue	0.00	0.00
b) decreases:	0.00	0.00
- shares write-off	0.00	0.00
1.2. Closing balance of share capital	500,000.00	500,000.00
2. Opening balance of reserve capital	5,543,517.77	7,938,916.50
2.1. Changes in reserve capital	2,395,398.73	1,315,086.82
a) increases:	2,395,398.73	1,315,086.82
- share premium	0.00	0.00
- net profit distribution (legal required)	2,395,398.73	1,315,086.82
- net profit distribution (above legal requirements)	0.00	0.00
b) decreases:	0.00	0.00
- loss coverage	0.00	0.00
2.2. Closing balance of reserve capital	7,938,916.50	9,254,003.32
3. Opening balance of revaluation reserve	0.00	0.00
3.1. Changes in revaluation reserve	0.00	0.00
a) increases:	0.00	0.00
b) decreases:	0.00	0.00
- sale of fixed assets	0.00	0.00
3.2. Closing balance of revaluation reserve	0.00	0.00
4. Opening balance of other reserve capital	0.00	0.00
4.1. Changes in other reserve capital	0.00	0.00
a) increases:	0.00	0.00
b) decreases:	0.00	0.00
4.2. Closing balance of other reserve capital	0.00	0.00
5. Translation reserve	0.00	0.00
6. Opening balance of retained earnings	0.00	1,315,086.82
6.1. Opening balance of retained profit	0.00	1,315,086.82
- change in accounting principles	0.00	0.00
- adjustments for corrections	0.00	0.00
6.2. Opening balance of retained profit, after adjustments	0.00	1,315,086.82
a) increases:	0.00	0.00
- net profit distribution	0.00	0.00
b) decreases:	0.00	0.00
6.3. Closing balance of retained profit	0.00	1,315,086.82
6.4. Opening balance of retained loss	0.00	0.00
- change in accounting principles	0.00	0.00
- adjustments for corrections	0.00	0.00
6.5. Opening balance of retained loss, after adjustments	0.00	0.00
a) increases:	0.00	0.00
- transfer of previous year loss for future cover	0.00	0.00
b) decreases:	0.00	0.00
6.6. Closing balance of retained loss	0.00	0.00
6.7. Closing balance of retained earnings	0.00	0.00
9. Net result	1,315,086.82	2,422,143.15
a) net profit	1,315,086.82	2,422,143.15
b) net loss	0.00	0.00
c) net profit write-offs	0.00	0.00
II. Closing balance of equity	9,754,003.32	12,176,146.47
III. Closing balance of equity after proposed net profit distribution	9,754,003.32	12,176,146.47

Sébastien Guyon

President of the Board

May 23, 2017

Ewa Bach

Chief Accountant



POLSKA MEAT Group

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6. ADDITIONAL NOTES AND EXPLANATORY NOTES

6.1. OWNERSHIP OF SHARE CAPITAL OF THE PARENT ENTITY

Ownership of share capital of Polska Meat S.A. as of 31 December 2016:

Shareholder	Number of shares	Percentage share in the Issuer's share capital	Number of votes	Percentage share in the Issuer's total number of votes
Iberdigest SL	3.199.940	63,9988%	3.199.940	63,9988%
Sławomir Bogusław Samonek	480.000	9,6000%	480.000	9,6000%
Krzysztof Miroslaw Samonek	320.000	6,4000%	320.000	6,4000%
Ideal Finance SA	250.030	5,0006%	250.030	5,0006%
Others	750.030	15,0006%	750.030	15,0006%
Total	5.000.000	100,0000%	5.000.000	100,0000%

All share par value: PLN 0,10. No preference shares. No shares held by the parent entity or subsidiaries.

Ownership of share capital of Polska Meat S.A. as of 31 December 2015:

Shareholder	Number of shares	Percentage share in the Issuer's share capital	Number of votes	Percentage share in the Issuer's total number of votes
Iberdigest SL	3.199.940	63,9988%	3.199.940	63,9988%
Sławomir Bogusław Samonek	480.000	9,6000%	480.000	9,6000%
Krzysztof Miroslaw Samonek	320.000	6,4000%	320.000	6,4000%
Ideal Finance SA	250.030	5,0006%	250.030	5,0006%
Others	750.030	15,0006%	750.030	15,0006%
Total	5.000.000	100,0000%	5.000.000	100,0000%

All share par value: PLN 0,10. No preference shares. No shares held by the parent entity or subsidiaries.

On September 27, 2016, the Issuer made its debut at the NewConnect market. The closing price as of the debut day was PLN 8,99.



POLSKA MEAT Group

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6.2. GOODWILL

Negative goodwill arising from consolidation was measured as a surplus of net asset value of the acquired company (Cold Store) over the acquisition price of 100% shares in Cold Store.

Negative goodwill is charged to the profit and loss account for a corresponding period to the depreciation period of the coldstore premises, and that is 50 years.

6.3. DATA COMPARABILITY BETWEEN THE CONSOLIDATED FINANCIAL STATEMENT OF THE CURRENT YEAR AND THE YEAR BEFORE

In the year prior to the year covered in the consolidated financial statement neither the Parent Company nor subsidiaries included in the consolidated financial statement changed their accounting principles.

The data for the year prior to the financial year is the data of the parent company due to the fact that consolidation of Poland Services Cold Store Sp. z o.o. started from 2016.

6.4. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

None occurred in the reporting period.

6.5. SIGNIFICANT EVENTS OCCURRING IN PREVIOUS YEARS, INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT, INFORMATION ON ERRORS CONCERNING PREVIOUS YEARS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR

No such items occurred.



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Consolidated annual financial statement for the year ended 31 December 2016

6.6. DETAILED STATEMENT OF CHANGES IN VALUE OF FIXED ASSETS BY TYPE

Intangible fixed assets for the period 01.01.2016 - 31.12.2016	Costs of finished development works	Goodwill	Concessions, patents, licenses	Software	Other intangible fixed assets	Advances payments for intangible fixed assets	TOTAL
Gross book value opening balance					3,530.67		3,530.67
Increases, including:	0,00	0,00	0,00	0,00	1,990.00	0,00	1,990.00
– purchase					1,990.00		1,990.00
– internal reclassification							0,00
Decreases, including:	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation							0,00
– revaluation							0,00
– sales							0,00
– internal reclassification							0,00
– other							0,00
Gross book value closing balance	0,00	0,00	0,00	0,00	5,520.67	0,00	5,520.67
Deprecation openinig balance					3,530.67		3,530.67
Current amortisation (increases)							0,00
Increase - consolidation					1,990.00		1,990.00
Decreases, including:	0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation							0,00
– sales							0,00
– internal reclassification							0,00
– other							0,00
Deprecation closing balance	0,00	0,00	0,00	0,00	5,520.67	0,00	5,520.67
Net book value opening balance	0,00		0,00	0,00		0,00	0,00
Impairment write-off opening balance							0,00
Net book value opening balance, after write-offs	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net book value closing balance	0,00		0,00	0,00		0,00	0,00
impairment write-off closing balance							0,00
Net book value closing balance, after write- offs	0,00	0,00	0,00	0,00	0,00	0,00	0,00



POLSKA MEAT Group

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Tangible fixed assets for the period 01.01.2016 - 31.12.2016	Lands (including perpetual usufruct)	Real estate	Machines and equipment	Transportation means	Other fixed assets	Fixed assets under construction	Advances payments for fixed assets	TOTAL
Gross book value opening balance		335,166.69	3,525,237.01	112,837.14	22,270.20	0,00		3,995,511.04
Increases, including:								
– purchase	2,799,255.10	25,340,000.00	817,114.20	485,900.95	565,190.00	0,00	0,00	30,007,460.25
– other increases - consolidation	2,799,255.10	25,340,000.00	356,551.22	103,361.97	106,991.02			28,706,159.31
– internal reclassification			460,562.98	382,538.98	458,198.98			0,00
– other acquisition								0,00
Decreases, including:		0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation								0,00
– revaluation								0,00
– sales			0,00					0,00
– internal reclassification					0,00	0,00		0,00
– other								0,00
Gross book value closing balance	2,799,255.10	25,675,166.69	4,342,351.21	598,738.09	587,460.20	0,00	0,00	34,002,971.29
Deprecation opening balance		0,00	47,492.78	774,371.61	26,363.65	11,057.61		859,285.65
Current amortisation (increases)			540,316.72	606,923.66	36,825.35	57,384.44		1,241,450.17
Other increases - consolidation				460,562.98	382,538.98	458,198.98		1,301,300.94
Decreases, including:		0,00	0,00	0,00	0,00	0,00	0,00	0,00
– liquidation								0,00
– sales				0,00				0,00
– internal reclassification								0,00
– other								0,00
Deprecation closing balance	0,00	587,809.50	1,841,858.25	445,727.98	526,641.03	0,00	0,00	3,402,036.76
Net book value opening balance		0,00	287,673.91	2,750,865.40	86,473.49	11,212.59	0,00	0,00
Impairment write-off opening balance								0,00
Net book value opening balance, after write-offs	0,00	287,673.91	2,750,865.40	86,473.49	11,212.59	0,00	0,00	3,136,225.39
Net book value closing balance		2,799,255.10	25,087,357.19	2,500,492.96	153,010.11	60,819.17	0,00	0,00
Impairment write-off closing balance								0,00
Net book value closing balance, after write-offs	2,799,255.10	25,087,357.19	2,500,492.96	153,010.11	60,819.17	0,00	0,00	30,600,934.53
Wear and tear since initial value (%)		0,00	2.29	42.42	74.44	89.65		10.01



POLSKA MEAT Group

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Long-term investments for the period 01.01.2016 - 31.12.2016	Real estate	Intangible fixed assets	Long-term financial assets	Other long- term investments	TOTAL
Opening balance, purchase value					6,282.60
Impairment write-off opening balance					0,00
Opening balance, balance sheet value	0,00	0,00	6,282.60	0,00	6,282.60
Increases, including:	0,00	0,00	0,00	0,00	0,00
– purchase					0,00
– revaluation					0,00
– internal reclassification					0,00
Decreases, including:	0,00	0,00	0,00	0,00	0,00
– sales					0,00
– revaluation					0,00
– internal reclassification					0,00
Closing balance, purchase value	0,00	0,00	6,282.60	0,00	6,282.60
Impairment write-off closing balance	0,00	0,00	0,00	0,00	0,00
Closing balance, balance sheet value	0,00	0,00	6,282.60	0,00	6,282.60

6.7. WRITE-OFFS ON FIXED ASSETS

	Opening balance	Increases	Usage	Release	Closing balance
Intangible fixed assets					0,00
Tangible fixed assets					0,00
Long-term receivables					0,00
Long-term investments					0,00
Razem	0,00	0,00	0,00	0,00	0,00

6.8. RESEARCH AND DEVELOPMENT EXPENSES

In the reporting period the Company did not incur R&D expenses.

6.9. BOOK VALUE OF LAND UNDER RIGHT TO PERPETUAL USUFRUCT OF SUBSIDIARIES

The Company owns no such land.



POLSKA MEAT Group

Consolidated annual financial statement for the year ended 31 December 2016

6.10. BOOK VALUE OF NON-DEPRECIATED FIXED ASSETS, USED UNDER HIRE, RENT AND LEASE AGREEMENTS

	Tenancy	Rent	Leasing	Other	TOTAL
Opening balance		0,00	311,612.00		311,612.00
- increases					0,00
- decreases					0,00
Closing balance		0,00	0,00	311,612.00	311,612.00

1. Value of assets under operating lease	311,612.00
2. Future non-cancellable operating lease payments, including:	311,612.00
- up to 1 year	
- 1 year to 5 years	311,612.00
- over 5 years	
3. Subleasing payments accounted as profits	

6.11. NUMBER AND VALUE OF SECURITIES OR RIGHTS INCLUDING SHARE CERTIFICATES, CONVERTIBLE DEBT SECURITIES, OPTIONS AND WARRANTS, INDICATING RIGHTS ARISING FROM THEM

No.	Name of entity and its legal status	Legal site	Percentage in share capital	Percentage in management	Net book value of shares	Profit/loss for the last financial period
1	Meat Plus S.A.	Hiszpania, Girona, Av D Alguema 8c	50.00%	50%	6,282.60	38.126 EUR

6.12. DETAILS OF PROVISIONS BROKEN DOWN BY ITS TYPE

	Opening balance	Increases	Usage	Release	Closing balance
1. Deferred taxation	17,479	3,155,742	17,479		3,155,742
2. Retirement payment reserve, and similar	0,00	0,00	0,00	0,00	0,00
- long-term	0,00				0,00
- short-term	0,00				0,00
3. Other reserves	0,00	0,00	0,00	0,00	0,00
- long-term	0,00	0,00	0,00	0,00	0,00
- short-term	0,00		0,00	0,00	0,00
TOTAL	17,479	3,155,742	17,479		3,155,742



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6.13. WRITE-OFFS OF RECEIVABLES

	Opening balance	Increases	Usage	Release	Closing balance
Long-term receivables					0,00
Short-term receivables		25,000.00			25,000.00
TOTAL	0,00	25,000.00	0,00	0,00	25,000.00

6.14. LONG-TERM LIABILITIES DIVISION BY BALANCE SHEET ITEM

	1. Related parties	2. Other parties with capital involvement	3. Other parties					TOTAL
			Total	a) loans and credits	b) bonds and other interest-bearing securities	c) other financial liabilities	d) bill of exchange liabilities	
Due date								
<i>up to 1 year</i>								
opening balance			0,00	0,00				0,00
closing balance			1,531,482.62	1,531,482.62				1,531,482.62
<i>1 year up to 3 years</i>								
opening balance			0,00	0,00				0,00
closing balance			6,480,204.41	6,480,204.41				6,480,204.41
<i>3 years up to 5 years</i>								
opening balance			0,00	0,00				0,00
closing balance			4,777,920.00	4,777,920.00				4,777,920.00
<i>over 5 years</i>								
opening balance			0,00	0,00				0,00
closing balance			1,178,118.85	1,178,118.85				1,178,118.85
TOTAL								
opening balance	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
closing balance	0,00	0,00	13,967,725.88	13,967,725.88	0,00	0,00	0,00	13,967,725.88

6.15. TOTAL LIABILITIES SECURED BY SUBSIDIARIES' ASSETS

Security	Type of security	Value of security
– contractual mortgage	credit agreement	5,4 mln EUR
– assignment of claims from the insurance policy	credit agreement	21 mln PLN
– registered pledge on 40 shares being 100% of Poland Services Cold Store Sp. z o.o. share capital	credit agreement	
TOTAL		

6.16. TOTAL AMOUNT OF CONTINGENT LIABILITIES INCLUDING SURETIES AND GUARANTEES GRANTED BY SUBSIDIARIES, ALSO AVAL, NOT PRESENTED IN THE BALANCE SHEET

	31.12.2015	31.12.2016
1. Guarantees		
- to related parties		
2. Other bail (bill of exchange including) (Raiffeisen bail, EUR)		75,000.00
- to related parties		
3. Deposits		
4. Other		
5. Court proceedings not accepted by the Company		
6. Concluded but not yet executed agreements		
7. Other conditional liabilities (mLeasing conditional agreement, EUR)		308,838.42
TOTAL	0,00	383,838.42



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6.17. STATEMENT OF PREPAYMENTS AND ACCRUALS

	31.12.2015	31.12.2016
Long-term interperiod settlements	448,991.52	88,529.00
1. Deferred taxation	448,991.52	88,529.00
2. Other long-term settlements, including:		
– anti-virus software		
Short-term interperiod settlements (asset side)	745,557.51	362,484.90
– packages	240,463.85	78,741.27
– costs falling in two years - 2016/2017	168,442.24	95,399.80
– Exact revoicing	204,792.90	0,00
– car costs	741.00	0,00
– boxes		141,779.65
– software	726.30	
– internet domain	164.97	175.29
– insurance	130,226.25	46,388.89
Interperiod settlements (liabilities side)	10,840.13	0,00
1. Negative goodwill	0,00	0,00
2. Other interperiod settlements, including	10,840.13	0,00
a) long-term	0,00	0,00
b) short-term	10,840.13	0,00
– 2015/2016 costs settled over time	10,840.13	

6.18. STATEMENT OF ASSETS AND LIABILITIES PRESENTED IN MORE THAN ONE BALANCE SHEET ITEM

No such items occurred.

6.19. ASSETS OTHER THAN FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Fixed assets of Poland Services Cold Store Sp. z o.o. were valued by the certified property valuer as of the acquisition day and are presented in the balance sheet at fair value.

6.20. JOINT VENTURES EXCLUDED FROM CONSOLIDATION

The Company holds 50 per cent of shares in the Meat Plus S.L. Company with its registered office in Barcelona, Sant Hipolite de Vcltrega 1. Core business activity of Meat Plus is wholesale of meat and meat products. The Meat Plus Company commenced its operations on September 17, 2014.

The Issuer's share value in the Meat Plus Company's equity stands at PLN 6,282.60.

The Issuer did not contract any obligations related to joint ventures, nor purchase any tangible assets. There were no joint contracted obligations, contingent and investment liabilities. There were no revenues or costs related to joint ventures.



POLSKA MEAT Group

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The financial data of the Meat Plus Company is not material to the Issuer's financial statements and is excluded from consolidation.

6.21. NET SALES REVENUES BY PRODUCT AND TERRITORY

	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
1. Work in progress sales		
2. Materials sales		
3. Merchandise sales	212,109,611.56	139,410,827.98
4. Products sales		6,368,009.73
5. Other sales income		
TOTAL	212,109,611.56	145,778,837.71
including:		
Domestic sales	31,758,125.00	4,868,825.16
Export sales, including:	108,345,855.29	140,910,012.50
Spain	30,336,839.48	39,454,803.50
Benin	22,752,629.61	29,591,102.63
Liberia	6,500,751.32	8,454,600.75
Netherlands	15,168,419.74	19,727,401.75
other	65,726,203.30	43,682,103.87

6.22. AMOUNT AND REASONS FOR WRITE-OFFS ON FIXED ASSETS

In the reporting period no such items occurred

6.23. INVENTORY IMPAIRMENT LOSSES

	Opening balance	Increases	Usage	Release	Closing balance
Inventory	36,333.63	22,916.11			59,249.74

6.24. OPERATIONS DISCONTINUED

In the reporting period no such operations occurred. The Company's Management does not forecast such operations in the following year.



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6.25. ACCOUNTING FOR ITEMS DIFFERENTIATING INCOME TAX BASE FROM GROSS FINANCIAL RESULT

	1.01.2016- 31.12.2016
Net profit/loss	3,041,584.31
Non-tax deductible costs	(1,670,700.02)
– negative exchange differences (balance sheet valuation)	737,359.92
– operating costs	3,616.00
– unpaid liabilities from 2015 (reserve reverse)	(2,041,238.47)
– financial costs	18,674.61
– amortisation	354,144.68
– negative exchange rate differences from 2015 reverse	(790,336.33)
– cars costs (without evidence)	6,920.55
– inventory write-off	22,916.11
– stock counting actualisation	6,744.14
– representation	8,413.77
– interests	2,085.00
Koszty podatkowe nie zaliczone do kosztów rachunkowych	0,00
Przychody księgowe nie zaliczane do podatkowych	(504,797.19)
– wycena bilansowa - dodatnie różnice kursowe odwrócenie 2015	(504,797.19)
Przychody podatkowe nie zaliczane do księgowych	0,00
Odliczenie od dochodu	
Podstawa opodatkowania	1,875,681.48
Podatek dochodowy bieżący 19%	356,391.14
Zmiana stanu aktywów z tytułu odroczonego podatku dochodowego 19%	360,462.52
Zmiana stanu rezerwy na podatek odroczony 19 %	0,00
Pozostałe zmiany podatku dochodowego (+/-)	
Podatek wykazany w rachunku zysków i strat	716,853.66

6.26. MANUFACTURING COSTS OF PRODUCTS FOR OWN PURPOSES

None occurred in the reporting period

6.27. COSTS OF TANGIBLE FIXED ASSETS UNDER CONSTRUCTION INCLUDING INTEREST AND EXCHANGE RATE DIFFERENCE WHICH INCREASED COSTS OF ASSETS UNDER CONSTRUCTION IN THE FINANCIAL YEAR

None occurred in the reporting period.

6.28. INTEREST AND EXCHANGE RATE DIFFERENCE WHICH INCREASED ACQUISITION PRICE OR



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MANUFACTURING COSTS IN THE FINANCIAL YEAR

None occurred in the reporting period.

6.29. CAPITAL EXPENDITURES INCURRED FOR NONFINANCIAL FIXED ASSETS OVER THE PAST YEAR AND TO BE INCURRED IN THE FOLLOWING YEAR

	1.01.2016- 31.12.2016	Plan
Non-financial fixed assets expenditures	25,696,551.22	20,000.00
Lands (including perpetual usufruct)	2,799,255.10	
Real estate	25,340,000.00	
Machines and equipment	356,551.22	
Transportation means	103,361.97	
Other fixed assets	106,991.02	

Neither the Issuer nor subsidiaries prepare detailed investment plan.

6.30. NATURE AND AMOUNT OF EACH EXTRAORDINARY ITEM OF REVENUES OR COSTS OF INCIDENTAL CHARACTER

None occurred in the reporting period.

6.31. EVALUATION EXCHANGE RATES FOR ITEMS OF FINANCIAL STATEMENTS PRESENTED IN FOREIGN CURRENCIES

EUR – PLN 4.4240

USD – PLN 4.1793

6.32. ACCOUNTING FOR A MERGER

In the reporting no merger occurred.

6.33. UNCERTAINTIES AS TO OPERATION CONTINUITY

The company's management is of the opinion that there no uncertainties as to the Issuer's or subsidiaries' operation continuity.

6.34. CASH STRUCTURE IN CASH FLOW

Cash flow includes cash presented in point B.III.1.c of balance sheet (assets), only cash in hand and at bank of the entities included in the consolidated financial statement.

6.35. NATURE AND ECONOMIC PURPOSE OF AGREEMENTS CONCLUDED BY THE SUBSIDIARIES NOT PRESENTED IN THE BALANCE SHEET

None occurred in the reporting period.

6.36. TRANSACTIONS MADE WITH RELATED PARTIES BY THE PARENT COMPANY OR OTHER ENTITIES



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INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT ON OTHER THAN ARM'S LENGTH BASIS

The Parent Company or subsidiaries did not make transactions with related parties on other than arms' length basis.

6.37. AVERAGE EMPLOYMENT BY PROFESSIONAL GROUP IN THE FINANCIAL YEAR

	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
Total, including	35.00	27.00
– white collar workers	7.00	6.00
– blue collar workers	28.00	21.00

6.38. REMUNERATION PAYABLE TO MEMBERS OF THE COMPANY'S GOVERNING BODIES

The Company's body	01.01.2015 – 31.12.2015	01.01.2016 – 31.12.2016
Management Board	0.00	0.00
Supervisory Board	0.00	0.00

Liabilities from pensions and benefits of similar nature for former members of the Company's governing bodies and liabilities incurred in connection with such pensions did not occur.

6.39. CASH ADVANCES, CREDITS, LOANS AND OTHER BENEFITS OF SIMILAR NATURE GRANTED TO MEMBERS OF THE COMPANY'S GOVERNING BODIES, LIABILITIES INCURRED ON THEIR BEHALF AS GUARANTEES AND SURETIES OF ALL KIND

None occurred in the reporting period.

6.40. REMUNERATION OF THE AUDITOR AND AUTHORISED ADVISOR

Tytuł wynagrodzenia	1.01.2015- 31.12.2015	1.01.2016- 31.12.2016
AUDITOR		
Compulsory audit	15.000,00	23.000,00
Other certifying services	0,00	0,00
Tax advisory services	0,00	0,00
Other services	0,00	12.000,00
TOTAL	15.000,00	35.000,00
AUTHORISED ADVISOR		37.400,00



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6.41. NAME, ADDRESS OF THE MANAGEMENT OR ENTITY'S REGISTERED OFFICE AND LEGAL ESTABLISHMENT OF EACH OF THE ENTITIES OF WHICH THE SUBSIDIARIES ARE PERSONALLY LIABLE MEMBERS

Not applicable.

6.42. OTHER INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Not applicable

6.43. FURTHER INFORMATION THAT MAY AFFECT CONSIDERABLY THE COMPANY'S ECONOMIC AND FINANCIAL POSITION AND ITS FINANCIAL RESULT

By the Issuer management's decision, the reporting position of the coldstore premises (property of Poland Services Cold Store Sp. z o.o.) in the consolidated financial statement changed. In quarterly reports of 2016 the building real estate was presented in the item of "long-term investments - real property", however in the consolidated annual statement it is presented in the item of "tangible fixed assets - buildings, premises (...)" . In the Issuer Management's opinion, this change is justified and reflects fairly the function of the said building real estate.

Sébastien Guyon

President of the Board

Ewa Bach

Chief Accountant