



# UNIFIEDFACTORY

**UNIFIED FACTORY S.A. - JOINT STOCK COMPANY  
WITH ITS REGISTERED SEAT IN WARSAW**

**CONSOLIDATED QUARTERLY REPORT  
FOR 1 QUARTER OF 2017**

Warsaw, 15th May 2017

**I. SELECTED FINANCIAL DATA OF UNIFIED FACTORY S.A.**

|                                      | <b>PLN</b>        | <b>PLN</b>        |
|--------------------------------------|-------------------|-------------------|
| (in thousands of PLN)                | <b>01.01.2017</b> | <b>01.01.2016</b> |
|                                      | <b>31.03.2017</b> | <b>31.03.2016</b> |
| Net income from sales                | 7 600             | 4 434             |
| Profit from operating activities     | 1 971             | 1 077             |
| Profit before tax                    | 1 585             | 919               |
| Net profit of the parent company     | 1 248             | 723               |
| Cash flow from operating activities  | 4 573             | -1 876            |
| Cash flow from investment activities | -5 787            | -2 948            |
| Cash flow from financial activities  | 8 722             | 216               |
| Fixed assets                         | 28 326            | 14 420            |
| Current assets                       | 23 954            | 12 132            |
| Total assets                         | 52 280            | 26 552            |
| Long-term liabilities                | 10 668            | 584               |
| Short-term liabilities               | 6 265             | 8 214             |
| Equity capital                       | 30 523            | 15 396            |
| Share capital                        | 7 364             | 6 164             |

## II. ISSUER'S COMMENTARY TO PUBLISHED FINANCIAL RESULTS

| (in thousands of PLN)                   | 01.01.2017 | 01.01.2016 | <i>Change<br/>in %</i> |
|---|------------|------------|------------------------|
|   | 31.03.2017 | 31.03.2016 |                        |
| <b>Income from sales</b>                | 7 600      | 4 434      | 71,4%                  |
| <b>Profit from sales</b>                | 1 922      | 1 036      | 85,5%                  |
| <b>Profit from operating activities</b> | 1 971      | 1 077      | 83,0%                  |
| <b>Net profit of the parent company</b> | 1 248      | 723        | 72,6%                  |
| <b>EBITDA</b>                           | 2 659      | 1 392      | 91,0%                  |
| <b>Equity capital</b>                   | 30 523     | 15 396     | 98,3%                  |

### COMPARISON OF MAIN PARAMETERS Q1 2017 and Q1 2016

- **Increase of sales revenue by 71,4%**
- **Growth in profit on sales by 85,5%**
- **Growth in operating profit by 83% (operating profitability: 26%)**
- **Increase in EBITDA by 91%**
- **Profit increase by 72,6% (net return: 16,4%)**

During the first quarter 2017, Unified Factory S.A. company reached the revenues on sales in the amount of PLN 7 600 thousand vs PLN 4 434 thousand in comparable period of the year 2016 which denotes growth in sales by 71,4%. The main cause of revenue increase was a bigger number of performed implementations than in a previous year. In the period under report, it was in total 53 towards 32 projects implemented in the first quarter 2016. It resulted both in the growth in profit on sales and growth in operating profit, dynamics whereof in a reporting period increased by over 80% whilst improving the operating profitability rate to the level of 26%. Unified Factory S.A company's dynamic development in the reporting period resulted also in a significant increase of EBITDA index which from a level of PLN 1 392 thousand in 2016 amounted to PLN 2 659 thousand in 2017, which translates into a rise by 91 %. Net profit reached a level PLN 1 248 thousand vs PLN 723 thousand in 2016 which represents an increase by 72,6% with net profitability being 16,4%.

Commenting on the results of the first quarter 2017, worth noting are positive operating flows which in the reporting period achieved a level of PLN 4 573 thousand.

## **THE SAAS MODEL DEVELOPMENT AND THE INVESTMENT IN EXPANSION OF THE CUSTOMER SERVICE AUTOMATION PLATFORM**

In November 2016, the Company provided information on launching a new sales channel for the selected functionalities of the Customer Service Automation platform within the SaaS (Software as a Service) model, in particular, multichannel communication /telephone, chat, e-mail/ including a complete, uniform contact history, advanced reporting and registering of talks, e-mails and chats. From January 2017, the Company started the campaign promoting a possibility of the use of a solution in the SaaS model, dedicated to the micro- and small enterprises. Consequently, as of 31<sup>st</sup> March a number of users registered in the SaaS model was as many as 1585 entries.

During the first quarter 2017, intensive works were carried out on expanding of the SaaS model with new functionalities which among others resulted in the integration of the system with a social network, Facebook, and preparation to launch a global version of the said solution (currently, the system in the SaaS model is offered in a Polish language version). It is estimated by the Management Board to take place in course of Q III this year. The SaaS model will be expanded to other functionalities such Customer Service Automation in the field of chats and emails and the full utilization of artificial intelligence components based on the algorithms of associative memory. As a result, the self-service type components will be introduced through the employment of chatbot to communicate with an user. Concurrently, the functionality of a mobile version of the system in the SaaS model will be enhanced by activating the communication to the Android and iOS platforms as well as the start-up of - Application Programming Interface (API) enabling the automatic communication with other applications.

At the same time, owing - among others - to the funds gained from the public issue of E series shares, the works were conducted to expand the Customer Service Automation platform with new functionalities included but not limited to the integration with global channels of communication in social media and communicators, the development of tools dedicated to the user self-service based on the solutions employing the artificial intelligence under

the Menerva Project – Intelligent Search Engine, Frequently Asked Questions and Chatbot, and the improvement of artificial intelligence tools performance within the speed of auto-teach and preparing the replies.

During the first 3 months of 2017, the Unified Factory S.A. Management Board invested in the advancement of technology and expansion of other functionalities of the Customer Service Automation platform system PLN 5,8 mln.

### **SERIES E SHARES ISSUE - AVERAGE REDUCTION RATE FOR SUBSCRIPTIONS ON A LEVEL OF 92%**

In the period under report, the Company performed the first public issuance of 1.333.333 E series shares by way of a public offer pursuant to Article 7 clause 3 sub-clause 6 of the Act of 29 July 2005 on public offering and conditions governing the introduction of financial instruments to organized trading and on public companies, i. e. on the basis of the Information Memorandum - to the amount of EUR 2.500.000. The Company's Management Board resolved to set the issue price at a discount against the mid-market exchange rate of the Company's shares in the last 3 months and established in the amount of PLN 7,80 per share. The issuance of E series shares was performed in a period from 25 January to 8 February 2017 and the allotment of shares took place on 10 February 2017. As a result of the Issue, all the stock, i. e. 1.333.333 E series ordinary bearer shares were purchased as divided into the Open Tranche and the Institutional Investors Tranche. Reduction of subscriptions in the Open Tranche was 91,85% and in the Institutional Investors Tranche 91,75%, accordingly. Total value of the performed Issuance of the E series shares amounted do PLN 10 399 997,40 for the following issue objectives:

- expansion of the Customer Service Automation platform by integrating it with global social media communication channels (Facebook Messenger, Twitter, LinkedIn) and online communicators (e.g. Skype, WhatsApp, WeChat) – 2 million PLN,
- development of the Customer Service Automation platform within the SaaS model – 2 million PLN,
- development of dedicated self-service tools on the basis of artificial intelligence based solutions (association memory) within the project Menerva - Intelligent Search Engine and Frequently Asked Questions and Chatbot – 2 million PLN,

- expansion of Speech to Text class tools necessary to start the development of a voice interface for customer service connected with a solution of an association memory engine – 1 million PLN,
- improvement of the efficiency of artificial intelligence tools (association memory algorithms) in the areas of self-learning and preparing answers, which will allow for the efficiency of the system to be multiplied – 1 million PLN,
- marketing expenses for the advertising of Customer Service Automation and the Menerva project – 2 million PLN.

### **EXCEEDING THE ANNUAL FORECAST 2016**

On January 23rd 2017, the Board of Unified Factory S.A. announced anticipated results for the 4th quarter of 2016 on a consolidated level. According to the predictions, income from sales was to reach 26 000 thousand PLN, EBITDA – 8 000 thousand PLN accordingly, EBIT (operational earnings) - 6 700 thousand PLN accordingly, and net profit 4 600 thousand PLN accordingly.

| <b>(in thousands of PLN)</b>            | <b>RESULT<br/>2016</b> | <b>PROGNOSIS<br/>2016</b> | <b>Change<br/>in %</b> |
|---|------------------------|---------------------------|------------------------|
| <b>Income from sales</b>                | 26 404                 | 26 000                    | 1,6%                   |
| <b>EBITDA</b>                           | 8 172                  | 8 000                     | 2,2%                   |
| <b>Profit from operating activities</b> | 6 872                  | 6 700                     | 2,6%                   |
| <b>Net profit of the parent company</b> | 4 713                  | 4 600                     | 2,5%                   |

### **FULFILLMENT OF AN ANOUNCEMENT OF HIGH SALES ON THE ROMANIAN MARKET**

On the verge of Q3 and Q4 of 2016, Unified Factory S.A. started intense sales of its system on the Romanian market. On October 3rd 2016, a deal with a company intermediating in the sales of software on the Romanian market was published. On 2 February 2017, the Unified Factory S.A. Management Board informed that in 2016 the sales of software on the Romanian market achieved a level of PLN 2,7 mln which represents exceeding of the Issuer's

equity by 15,5%. Management Board announced also that Annex to the contract was signed giving a basis for the formation of a dedicated team for selling the solutions in the field of automation of sales and customer service and opening the Unified Factory S.A branch in Romania.

## **ACQUISITION OF THE EUROPEAN UNION SUBSIDY OF PLN 2 840 960**

In the reporting period, the Unified Factory S.A. Management Board informed that its own project called: „INDEPENDENT (ADAPTIVE) REFERENCE BASE“ [pol. „AUTORSKA (ADAPTACYJNA) BAZA REFERENCYJNA“ (ABR)] – a system supporting and automating the processes of the knowledge and communication management in the organizations” was selected to a list of projects dedicated for financing in competition procedure organized under the Regional Operational Program of the Mazowieckie Voivodeship 2014-2020. The Project will be executed within The Priority Axis Action I „The Research and Development Activity of the Enterprises“ for the Action 1.2 „Research and Development Projects”. Total value of the project will be PLN 4 555 880,00 and the value of the EU cofinancing is estimated to be PLN 2 840 960,00.

## **DEVELOPMENT OF BUSINESS ACTIVITIES ON THE US MARKET**

On 28 December 2016, Unified Factory LLC was founded with its registered offices in the city of Wilmington, Delaware State, which was certified by Secretary of State of the State of Delaware on 11 April 2017. On 7 March 2017, the agreement was concluded with Paul Butler, Country Manager, responsible for the development of sales of the Customer Service Automation platform on the United States and Canadian markets. Paul Butler prepared and conducted many multi-budget sales campaigns. He is well experienced in selling IT systems dedicated to the communication and tele-communication which were implemented in the on-premises model, cloud computing and the SaaS model. It is estimated by the Unified Factory S.A. Management Board that the first implementations on the US market will be performed in Q III this year.



### III. REVIEW OF OTHER EVENTS AFFECTING THE ISSUER'S BUSINESS ACTIVITY IN THE FIRST QUARTER 2017 AND AFTER UNTIL THIS REPORT HAS BEEN PUBLISHED

1/ On 21 February 2017, the Company was notified by two shareholders regarding the change in its shareholding in connection with registering by the District Court for the capital city of Warsaw, XII Business Department, National Court Register (KRS) of 1.333.333 E series bearer shares with par value PLN 0,90 each and the amendment of the Company's Articles of Association by entering a new amount of the share capital which is now PLN 7 364 351,70 and is divided into 8 182 613 shares with a par value PLN 0,90 each. Upon registering of the increase in capital, Maciej Okniński held 2 827 500 shares in total which equaled 34,55% in the share capital and gave 3 011 250 votes at the General Shareholders Meeting constituting 34,68% of the total votes at the General Shareholders Meeting. Whereas, Tymon Betlej held 788 500 shares which represented 9,63% in the share capital and gave 849 750 votes at the General Shareholders Meeting constituting 9,78% of the total votes at the General Shareholders Meeting.

2/ On 22 February 2017, the Company received the notification from Quercus TFI S.A., acting on behalf of the managed funds: Quercus Parasolowy SFIO, Quercus Absolutnego Zwrotu FIZ, Quercus Absolute Return FIZ, Quercus Multistrategy FIZ and Acer Aggressive FIZ of joint exceedance of the threshold of 5% votes in the Company. On the date the notification was submitted, the Funds held 588 875 Company's shares which represented 7,20% in the Company's share capital. The owned shares gave 588 875 votes at the General Shareholders Meeting which constituted 6,78% of the total votes at the General Shareholders Meeting.

3/ On 9 March 2017, the Company received four notifications on the change in shareholding in connection with an agreement entered on 6 March 2017 by and between the shareholders of series C ordinary bearer shares in the Unified Factory S.A. Company, confirming the fulfillment of conditions set forth in the Conditional Sales Agreement related to the C series shares in the Unified Factory S.A. Company, dated 23 June 2015, wherein the terms and conditions on which the shareholders of C series shares, namely: Rafał Dąbrowa, Marek Wisła and Piotr Głodzik acquired the right to buy additional blocks of C series shares from other shareholders. The said Agreement was of Motivation Program type, dedicated to key technologies supporting further development of the Customer Service Automation platform.



On the date of preparing this statement, Motivation Program covered 364.000 C series shares in total, representing 4,45% of the share capital and 4,19% votes at the General Shareholders Meeting. Within the said Program, Maciej Okniński sold 225 050 C series shares with a par value PLN 0,90, thus reducing his interest in the Company to 2 602 450 shares which is now 31,80% shares in the Company's share capital and gives 2 786 200 votes at the General Shareholders Meeting constituting 32,09% of a total number of votes at the General Shareholders Meeting.

Within the above Program, Tymon Betlej sold 63 100 C series shares with a par value PLN 0,90, thus reducing his interest in the Company to 725 400 shares which is now 8,87% shares in the Company's share capital and gives 786 650 votes at the General Shareholders Meeting constituting 9,06% in the total votes at the General Shareholders Meeting.

Under the said Program, Cezary Nowosad sold 40 800 C series shares with a par value PLN 0,90, thus reducing his interest in the Company to 519 200 shares which is now 6,35% shares in the Company's share capital and gives 519 200 votes at the General Shareholders Meeting constituting 5,98% in the total votes at the General Shareholders Meeting.

Under the referred to Program, Rafał Dąbrowa bought 280 000 C series shares with a par value PLN 0,90 and increased his interest in the Company up to 840 000 shares which is now 10,27% shares in the Company's share capital and gives 840 000 votes at the General Shareholders Meeting constituting 9,67% in the total votes at the General Shareholders Meeting.

4/ On 4 May 2017, the Company informed of Bogdan Wiesiołek's employment and joining the sales team. He will be responsible for the foreign sales in the territory of Europe and Asia, with special regard to the financial and insurance market. Formerly, Bogdan Wiesiołek exercised the function of the Board member in the insurance- financial group at Euler Hermes belonging to Allianz AG where he was in charge of all the sales channels.

5/ On 11 May 2017, the Company notified of entering into the sales agency agreement in Africa with SWIFTA Systems and Services International Ltd. Company. The object of the agreement will be acting as agent in selling the Customer Service Automation platform solutions owned by Unified Factory S.A. as well as the service and consultancy support in the exploitation (maintenance) of modules which enable the sales and customer service automation and full integration of the communication with customer under the integrated omnichannel, including the contact center software. In the offered functional solutions

the artificial intelligence components are involved in a form of the associative memory algorithms. The Customer Service Automation platform implementations will be realized on the African continent via a strong partner - SWIFTA Systems and Services International Ltd company operating on this market for over 20 years. The above company specializes on the African market (in such countries as Ghana or Nigeria) in introducing innovative technological solutions, implementations and integrations also in the cloud computing. On the African continent, SWIFTA is an authorized reseller of the Google Apps solutions and a partner of such global concerns as Oracle, VERICASH, Talend, MapR or VISA. The agreement between Unified Factory and SWIFTA was executed for unspecified time. It is expected by the Unified Factory Management Board that the value of orders to be placed under the referenced agreement may exceed the 10% level of the Issuer's equity within 12 months of the signing date thereof.

#### **IV. THE MANAGEMENT BOARD'S ATTITUDE RELATING TO THE POSSIBILITIES TO ACCOMPLISH THE ANNUAL FORECAST**

The Company's Management Board has not announced the outcomes for the year 2017.

#### **V. DESCRIPTION OF THE CAPITAL GROUP WITH AN INDICATION OF THE COMPANIES SUBJECT TO CONSOLIDATION**

The Issuer's Capital Group is composed of three organizations: Unified Factory S.A. (Joint Stock Company) as a parent company and the subsidiaries: Databroker S.A. (Joint stock company) and Unified Factory LLC. The Issuer's interest in the share capital of the aforementioned subsidiaries is 100%.

Under the brand Databroker S.A., the company is running operational activities on the Business Process Outsourcing market. The company has its own call center resources (potentially 200 telemarketing positions in Warsaw and Lublin), IT systems based on the innovative Customer Service Automation technology, and experienced, highly qualified team specializing in executing projects in the areas of sales support, data processing with the use of online applications, mobile devices, and effective support of marketing campaigns. The company has a diversified portfolio of several dozen customers, with most of whom the

company has long-term cooperation agreements, which is typical in this business due to the level of technical complexity in terms of operational implementation and development of individual projects, and realized business processes. Among the customers, there are Polish and international companies – from countries like Switzerland and the USA – that represent many different areas of business.

Unified Factory LLC was established at the end of 2016 as an entity dedicated to manage the sales of the Customer Service Automation platform on the United States market. The selling activities will be conducted in four models: direct sales, sales via IT integrators (both the Polish and foreign ones) and business consultants specialized in the optimization of the sales processes and customer service, sale in the White-Label model consisting in joining the system to the blocks sold by other producers as an additional functionality. It will be performed by selling the software licenses under a partner's own brand and selling the software under the SaaS model.

## **VI. INFORMATION ON THE SHAREHOLDER STRUCTURE WITH AN INDICATION OF SHAREHOLDERS HOLDING OVER 5%.**

On the day of preparation of this periodic report, the share capital of Unified Factory S.A. amounts to 7.364.351,7 PLN and is divided into:

- 500.000 series A registered preference shares privileged in terms of votes,
- 100.000 ordinary bearer series B shares,
- 5.000.000 ordinary bearer series C shares,
- 1.249.280 ordinary bearer series D shares.
- 1.333.333 ordinary bearer series E shares.

As of 1 January 2017, the Company's shareholder structure was as presented below:

| No.   | Shareholder's name and surname | Number of shares (units) | Number of votes | Participation in share capital (in %) | Participation in votes in the General Shareholders Meeting (in%) |
|-------|--------------------------------|--------------------------|-----------------|---------------------------------------|--|
| 1     | Maciej Okniński                | 2 827 500                | 3 011 250       | 41.28%                                | 40.97%   |
| 2     | Tymon Betlej                   | 788 500                  | 849 750         | 11.51%                                | 11.56%   |
| 3     | Cezary Nowosad                 | 560 000                  | 560 000         | 8.18%                                 | 7.62%  |
| 4     | Rafał Dąbrowa                  | 560 000                  | 560 000         | 8.18%                                 | 7.62%  |
| 5     | Other shareholders             | 2 113 280                | 2 368 280       | 30,85%                                | 32.23%   |
| Total |                                | 6 849 280                | 7 349 280       | 100,00                                | 100,00   |

The Company's shareholder structure changed in connection with the events discussed in section III concerning the registration of rise in the Company's share capital, exceeding 5% by the funds managed by Quercus TFI and the realization of the Motivation Program for the selected managerial staff responsible for technological development of the Customer Service Automation platform.

| No. | Shareholder's name and surname | Number of shares (units) | Number of votes | Participation in share capital (in %) | Participation in votes in the General Shareholders Meeting (in%) |
|-----|--------------------------------|--------------------------|-----------------|---------------------------------------|--|
| 1   | Maciej Okniński                | 2 602 450                | 2 786 200       | 31,80%                                | 32,09%   |
| 2   | Rafał Dąbrowa                  | 840 000                  | 840 000         | 10,27%                                | 9,67%  |

|                    |                |           |           |        |        |
|--------------------|----------------|-----------|-----------|--------|--------|
| <b>3</b>           | Tymon Betlej   | 725 400   | 786 650   | 8,87%  | 9,06%  |
| <b>4</b>           | Qurecus TFI    | 588 875   | 588 875   | 7,20%  | 6,78%  |
| <b>5</b>           | Cezary Nowosad | 519 200   | 519 200   | 6,35%  | 5,98%  |
| Other shareholders |                | 2 906 688 | 3 161 688 | 35,52% | 36,41% |
| Total              |                | 8 182 613 | 8 682 613 | 100%   | 100%   |

## **VII. INFORMATION REGARDING PEOPLE EMPLOYED IN THE CAPITAL GROUP – AS PER MARCH 31ST 2017**

The number of people employed in Unified Factory S.A. – 21,94 osób (calculated as FTE)

The number of people employed in Databroker S.A. – 14,70 osób (calculated as FTE)

Total number of people employed in the capital group – 36,64 osoby (calculated as FTE)

With regard to commission contracts:

At Unified Factory S.A., there were 1 person working on mandate contracts and 6 on contract for work.

At Databroker S.A., there were 160 people employed.

## **VIII. INFORMATION ABOUT THE ACCOUNTING PRINCIPLES APPLIED**

### **INFORMATION ABOUT THE ACCOUNTING PRINCIPLES APPLIED**

Both in Unified Factory S.A. and in its subsidiary Databroker S.A., unified rules are applied, coming from the Accounting Act of September 29th 1994. This report was prepared with the application of the same rules for the current and comparative periods. All given elements of assets and liabilities are valued using their real purchasing prices, with the use of the precautionary principle.

#### **a. Intangible assets, fixed assets**

Intangible assets and fixed assets and assets under construction are valued according to their purchase price or production costs, reduced by their depreciation to date.

For certain assets, for which there is a risk that they will not bring any economic benefits in the predictable future, a write-off for impairment loss is made.

The following rules of amortization are applied, as adopted in the amortization plan containing percentage rates and amounts of yearly write-offs for certain fixed assets and intangible assets:

- according to the accounting policy applied, taking into consideration the materiality principle, the Company makes one-time amortization write-offs for fixed assets and for intangible assets, the purchase price of which does not exceed 3.500,00 PLN,
- fixed assets and intangible assets with the value equal to or higher than 3.500,00 PLN, in accordance with art. 32 of the Accounting Act, are subject to amortization through systematic, planned distribution of its initial value for a determined amortization period. The amortization rate, according to the decision of the Company, is determined on the basis on the predicted period of economic use of the fixed asset or intangible asset expressed in years,
- preparing the amortization schedule, the company takes into account productivity, pace of the technical and economic progress, legal restrictions or other time restrictions for the use of non-current assets,
- the applied amortization rates guarantee the restoration of assets.

Fixed assets and intangible assets presented in the balance sheet are useful in the company and they constitute economically exploited properties.

- leasehold improvements (buildings) – 10%
- computers (work stations), computer hardware, notebooks – 20% to 30%
- servers – 30%
- specialist computer devices – 30%
- copiers and printers – 20%
- telecommunication systems and PBX – 10%
- furniture – 20%
- specialist office devices (e.g. shredders) – 14%
- intangible assets – between 10% and 50%.



Amortization starts when the fixed asset is released for use, and ends for assets removed from the balance sheet.

#### **b. Inventory**

Stocks and issued stocks included in the quantity and value inventory are valued as follows:

- materials and goods – according to the purchase price,
- value of expenses for the execution of services, which has not been completed as per the balance day (unfinished projects) – according to the purchase price or production costs, not higher than their net sales price as per the balance day.

#### **c. Receivables and payables**

Receivables and payables (including credits and loans) in PLN are presented according to the value subject to payment. Receivables and payables in foreign currencies are presented according to average exchange rate determined by the President of the National Bank of Poland at the moment they arise for every given foreign currency. Exchange gains or losses arising on the day of payment, resulting from the difference between exchange rates on that day and on the day when the receivables or liabilities incurred, are counted accordingly as income or costs from financial operations.

The value of receivables is adjusted, taking into account the probability of their payment by making proper allowances. Such allowances for receivables are counted accordingly as other operating charges. After verifying outstanding balances for the balance day, the Company determines the value of the allowance in total, for receivables outstanding for more than 1 year.

#### **d. Leasing**

Assets and liabilities resulting from operational leasing agreements concluded by the Company concerning the Act of the Corporate Income Tax and financial leasing concerning the Accounting Act are reflected in the ledgers of the Company in accordance with the rules for financial leasing. Resulting from that, the subject of leasing is presented in the balance sheet as a fixed asset or intangible asset of the Company, while the value of the leasing agreement is reflected in liabilities.



Valuation of leasing liabilities for the balance day is made taking into account the payment schedule of loan instalments, serving as attachment to the agreement.

**e. Loans and credits**

For loans and credits being the Company's liabilities for the balance day, even though their payment terms are in the next reporting period, according to the principle of accruals the Company calculates due interest and includes it in financial costs if the current financial year, reflecting it as corrected value of the liability related to existing loans and credits.

**f. Cash**

Local cash in hand and on bank accounts are valued at their nominal value. Calculation of economic operations expressed in foreign currencies is made according to average exchange rate of a given currency as announced by the National Bank of Poland on the last working day preceding the day of payment of the receivables/liabilities – if the character of the operations indicates that it would not be justified to take a different rate into account to calculate them (art. 30 par. 2 point 2 of the Act). For a given balance day, the valuation is done at the average rate of the National Bank of Poland announced on that day. Differences in exchange rates determined at the end of the calendar year influence the financial result, being reflected accordingly as income or costs from financial operations.

**g. Capital**

Share capital is shown in the amount defined in the company statute and included in the court register. Capital contributions declared, but not made are shown as payments due on account of the capital. Costs of issuance of shares incurred by the establishment of the joint stock company or increase of share capital reduce reserve capital of the company to the amount of excess of the fair value of issuance over nominal value of shares, and the rest is reflected in financial costs.

Reserve capital is created from write-downs from net yearly profit of the company.

#### **h. Prepaid expenses and provisions for liabilities**

In case of expenses related to future reporting periods, the Company creates prepaid expenses. Deferred costs include mostly: subscriptions, non-life insurance, services, rent. Provisions for liabilities are created when the amount or payment deadline are uncertain, their occurrence is certain or highly probable and when they are the result of future events and it is possible to estimate them in a credible manner.

The Company creates provisions for expenses in the amount of probable liabilities concerning the current reporting period, resulting from services provided for the Company by contractors and from future obligations related to current activity, the value of which can be estimated although the date of their incurrence is not yet known.

#### **i. Deferred income**

In case of the Company, deferred income includes in particular: fees collected in advance or booked receivables from contractors that will be made by the Company in the next financial year. Write-off of appropriate amounts for future income from sales will take place after the services are completed.

In case the Company receives an advance for future deliveries or performance of services, such advance will be shown after its reduction by the amount of VAT due under advances on deliveries.

#### **j. Deferred income tax assets and liability reserve**

In relation to temporary differences between the value of assets and liabilities reflected in the ledgers and their tax value and tax loss possible to be deducted in the future, the company creates reserve and values deferred income tax assets.

Deferred income tax assets are estimated in the amount presumed for the future to be deducted from the income tax in relation to temporary negative differences, which in the future will cause a reduction of the basis for calculation of income tax and tax loss possible to be deducted, determined with the precautionary principle taken into account.

Deferred tax liability reserve is created in the amount of income tax that will have to be paid in the future in relation to the existence of temporary positive differences, that is differences that in the future will cause an increase of the basis for calculation of income tax.

The amounts of the reserve and deferred income tax assets are determined in relation to income tax rates applicable in the year of incurrence of the tax obligations.

## **k. Financial result**

The financial result consists of: sales results, results from other operating activities, result from financial activities, result from extraordinary operations and obligatory encumbrance of the result. The Company applies the comparative variant of the profit and loss statement.

**Income from sales of products**, that is finished goods and services, is the amount receivable from the recipient, reduced by due tax on goods and services. The moment of sale is when goods are handed over to the recipient or when the recipient accepts a service.

**The costs of sold goods and services** are the costs of producing those goods and services that are proportional to income from sales.

**The income from sales of goods and materials** is the amount receivable from the recipient, reduced by due tax on goods and services. The moment of sale is when goods are handed over to the recipient or when the recipient accepts a service.

**The value of sold goods and materials** is the value of sold goods and materials at the purchase price, proportional to income from their sales.

**Other income and operating costs** are income and costs not directly related to basic activity that influence the financial result.

**Financial income** is receivable income from financial operations, while financial costs are incurred **costs of financial operations**. Interest, fees and exchange rate differences concerning fixed assets under construction influence the purchase value of those assets. Exchange rate differences and interest on liabilities and investment loans after a fixed asset is released for use influence the result of financial operations.

## **Changes in accounting principles**

The company has not changes the accounting principles or the manner of presenting the financial report in comparison with previous periods.

## IX. CONSOLIDATED FINANCIAL STATEMENT OF UNIFIED FACTORY GROUP FOR 1 QUARTER OF 2017

### Consolidated balance sheet

#### Assets

| No.        | Item  | 31.03.2017           | 31.03.2016           |
|------------|---|----------------------|----------------------|
| <b>A</b>   | <b>FIXED ASSETS</b>   | <b>28 326 367,57</b> | <b>14 420 328,77</b> |
| <b>I</b>   | <b>Intangible assets</b>                                    | <b>18 907 934,05</b> | <b>9 347 567,27</b>  |
| 1          | R&D expenses  | 7 641 607,72         | 0,00                 |
| 2          | Goodwill  | 0,00                 | 0,00                 |
| 3          | Other intangible assets                                     | 5 478 080,35         | 6 506 318,94         |
| 4          | Advances for intangible assets                              | 5 788 245,98         | 2 841 248,33         |
| <b>II</b>  | <b>Goodwill of subsidiaries</b>                             | <b>4 000 185,23</b>  | <b>4 220 378,91</b>  |
| 1          | Goodwill - subsidiaries                                     | 4 000 185,23         | 4 220 378,91         |
| 2          | Goodwill – jointly controlled entities                      | 0,00                 | 0,00                 |
| 3          | Goodwill - associates                                       | 0,00                 | 0,00                 |
| <b>III</b> | <b>Tangible fixed assets</b>                                | <b>3 954 032,29</b>  | <b>702 105,59</b>    |
| <b>1</b>   | <b>Fixed assets</b>   | <b>3 954 032,29</b>  | <b>702 105,59</b>    |
| a          | land (including right to perpetual usufruct)                | 0,00                 | 0,00                 |
| b          | buildings, premises, civil and water engineering structures | 190 498,62           | 223 403,70           |
| c          | technical equipment and machines                            | 3 631 235,60         | 309 020,18           |
| d          | vehicles  | 123 525,20           | 163 932,75           |
| e          | other tangible fixed assets                                 | 8 772,87             | 5 748,96             |
| <b>2</b>   | <b>Fixed assets under construction</b>                      | <b>0,00</b>          | <b>0,00</b>          |
| <b>3</b>   | <b>Advances for fixed assets under construction</b>         | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b>  | <b>Long-term receivables</b>                                | <b>0,00</b>          | <b>0,00</b>          |
| 1          | From related parties  | 0,00                 | 0,00                 |
| 2          | From other entities   | 0,00                 | 0,00                 |
| <b>V</b>   | <b>Long-term investments</b>                                | <b>0,00</b>          | <b>0,00</b>          |
| <b>1</b>   | <b>Real property</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>2</b>   | <b>Intangible assets</b>                                    | <b>0,00</b>          | <b>0,00</b>          |
| <b>3</b>   | <b>Long-term financial assets</b>                           | <b>0,00</b>          | <b>0,00</b>          |
| a          | in related parties  | 0,00                 | 0,00                 |
|            | - shares  | 0,00                 | 0,00                 |
|            | - other securities  | 0,00                 | 0,00                 |
|            | - loans granted   | 0,00                 | 0,00                 |
|            | - other long-term financial assets                          | 0,00                 | 0,00                 |
| b          | in other entities   | 0,00                 | 0,00                 |
|            | - shares  | 0,00                 | 0,00                 |
|            | - other securities  | 0,00                 | 0,00                 |
|            | - loans granted   | 0,00                 | 0,00                 |
|            | - other long-term financial assets                          | 0,00                 | 0,00                 |
| <b>4</b>   | <b>Other long-term investments</b>                          | <b>0,00</b>          | <b>0,00</b>          |
| <b>VI</b>  | <b>Long-term prepayments</b>                                | <b>1 464 216,00</b>  | <b>150 277,00</b>    |
| <b>1</b>   | <b>Deferred tax assets</b>                                  | <b>1 464 216,00</b>  | <b>150 277,00</b>    |
| <b>2</b>   | <b>Other prepayments</b>                                    | <b>0,00</b>          | <b>0,00</b>          |
| <b>B</b>   | <b>CURRENT ASSETS</b>                                       | <b>23 954 091,28</b> | <b>12 132 073,75</b> |
| <b>I</b>   | <b>Inventory</b>  | <b>712 302,91</b>    | <b>206 444,43</b>    |
| 1          | Materials   | 553,11               | 0,00                 |

|                     |  |                      |                      |
|---------------------|--|----------------------|----------------------|
| 2                   | Semi-finished products and work in progress                                | 0,00                 | 98 844,05            |
| 3                   | Finished products  | 0,00                 | 0,00                 |
| 4                   | Goods  | 185 000,00           | 104 652,00           |
| 5                   | Advances for deliveries  | 526 749,80           | 2 948,38             |
| <b>II</b>           | <b>Short-term receivables</b>  | <b>13 169 574,28</b> | <b>8 753 207,91</b>  |
| <b>1</b>            | <b>Receivables from related parties</b>                                    | <b>0,00</b>          | <b>0,00</b>          |
| a                   | trade receivables, maturing :  | 0,00                 | 0,00                 |
|                     | - up to 12 months  | 0,00                 | 0,00                 |
|                     | - above 12 months  | 0,00                 | 0,00                 |
| b                   | other  | 0,00                 | 0,00                 |
| <b>2</b>            | <b>Receivables from other entities</b>                                     | <b>13 169 574,28</b> | <b>8 753 207,91</b>  |
| a                   | trade receivables, maturing :  | 8 792 251,88         | 7 003 537,51         |
|                     | - up to 12 months  | 8 792 251,88         | 7 003 537,51         |
|                     | - above 12 months  | 0,00                 | 0,00                 |
| b                   | receivables from tax, subsidy, customs, social security and other benefits | 4 298 983,01         | 1 652 640,41         |
| c                   | other  | 78 339,39            | 97 029,99            |
| d                   | claimed at court   | 0,00                 | 0,00                 |
| <b>III</b>          | <b>Short-term investments</b>  | <b>9 003 371,21</b>  | <b>978 650,48</b>    |
| <b>1</b>            | <b>Short-term financial assets</b>   | <b>9 003 371,21</b>  | <b>978 650,48</b>    |
| a                   | in related parties   | 0,00                 | 0,00                 |
|                     | - shares   | 0,00                 | 0,00                 |
|                     | - other securities   | 0,00                 | 0,00                 |
|                     | - loans granted  | 0,00                 | 0,00                 |
|                     | - other short-term financial assets  | 0,00                 | 0,00                 |
| b                   | in other entities  | 0,00                 | 190 000,00           |
|                     | - shares   | 0,00                 | 0,00                 |
|                     | - other securities   | 0,00                 | 0,00                 |
|                     | - loans granted  | 0,00                 | 190 000,00           |
|                     | - other short-term financial assets  | 0,00                 | 0,00                 |
| c                   | cash and other pecuniary assets  | 9 003 371,21         | 788 650,48           |
|                     | - cash in hand and at bank   | 9 003 371,21         | 788 650,48           |
|                     | - other cash   | 0,00                 | 0,00                 |
|                     | - other pecuniary assets   | 0,00                 | 0,00                 |
| <b>2</b>            | <b>Other short-term investments</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b>           | <b>Short-term prepayments</b>  | <b>1 068 842,88</b>  | <b>2 193 770,93</b>  |
| <b>TOTAL ASSETS</b> |  | <b>52 280 458,85</b> | <b>26 552 402,52</b> |

### Consolidated balance sheet

#### Liabilities

| No.         | Item  | 31.03.2017           | 31.03.2016           |
|-------------|---|----------------------|----------------------|
| <b>A</b>    | <b>EQUITY</b>   | <b>30 522 546,57</b> | <b>15 395 893,97</b> |
| <b>I</b>    | <b>Share capital</b>  | <b>7 364 351,70</b>  | <b>6 164 352,00</b>  |
| <b>II</b>   | <b>Called up share capital (negative value)</b>                           | <b>0,00</b>          | <b>0,00</b>          |
| <b>III</b>  | <b>Own shares (negative value)</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b>   | <b>Supplementary capital</b>  | <b>17 199 711,44</b> | <b>6 123 128,22</b>  |
| <b>V</b>    | <b>Revaluation reserve</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>VI</b>   | <b>Other reserve capitals</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>VII</b>  | <b>Previous years profit (loss)</b>                                       | <b>4 710 882,92</b>  | <b>2 385 586,42</b>  |
| <b>VIII</b> | <b>Net profit (loss)</b>  | <b>1 247 600,51</b>  | <b>722 827,33</b>    |
| <b>IX</b>   | <b>Write-off on net profit during the financial year (negative value)</b> | <b>0,00</b>          | <b>0,00</b>          |

|            |   |                      |                      |
|------------|---|----------------------|----------------------|
| <b>B</b>   | <b>MINORITY CAPITAL</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>C</b>   | <b>NEGATIVE GOODWILL IN SUBSIDIARIES AND AFFILIATED COMPANIES</b> | <b>0,00</b>          | <b>0,00</b>          |
| <b>I</b>   | Negative goodwill - subsidiaries                                  | 0,00                 | 0,00                 |
| <b>II</b>  | Negative goodwill – jointly controlled entities                   | 0,00                 | 0,00                 |
| <b>III</b> | Negative goodwill - associates                                    | 0,00                 | 0,00                 |
| <b>D</b>   | <b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>                 | <b>21 757 912,28</b> | <b>11 156 508,55</b> |
| <b>I</b>   | <b>Provisions for liabilities</b>                                 | <b>2 960 442,00</b>  | <b>201 386,00</b>    |
| <b>1</b>   | <b>Provision for deferred income tax</b>                          | <b>2 869 442,00</b>  | <b>177 386,00</b>    |
| <b>2</b>   | <b>Provision for retirement and similar benefits</b>              | <b>0,00</b>          | <b>0,00</b>          |
|            | - long-term   | 0,00                 | 0,00                 |
|            | - short-term  | 0,00                 | 0,00                 |
| <b>3</b>   | <b>Other provisions</b>   | <b>91 000,00</b>     | <b>24 000,00</b>     |
|            | - long-term   | 0,00                 | 0,00                 |
|            | - short-term  | 91 000,00            | 24 000,00            |
| <b>II</b>  | <b>Long-term liabilities</b>                                      | <b>10 668 384,95</b> | <b>584 442,82</b>    |
| <b>1</b>   | <b>To related parties</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>2</b>   | <b>To other entities</b>  | <b>10 668 384,95</b> | <b>584 442,82</b>    |
| a          | credits and loans   | 331 303,61           | 478 972,26           |
| b          | arising from issuance of debt securities                          | 10 000 000,00        | 0,00                 |
| c          | other financial liabilities                                       | 337 081,34           | 105 470,56           |
| d          | other   | 0,00                 | 0,00                 |
| <b>III</b> | <b>Short-term liabilities</b>                                     | <b>6 265 059,26</b>  | <b>8 214 034,56</b>  |
| <b>1</b>   | <b>To related parties</b>   | <b>0,00</b>          | <b>0,01</b>          |
| a          | trade liabilities, maturing:                                      | 0,00                 | 0,01                 |
|            | - up to 12 months   | 0,00                 | 0,01                 |
|            | - above 12 months   | 0,00                 | 0,00                 |
| b          | other   | 0,00                 | 0,00                 |
| <b>2</b>   | <b>To other entities</b>  | <b>6 265 059,26</b>  | <b>8 214 034,55</b>  |
| a          | credits and loans   | 1 414 605,36         | 875 068,78           |
| b          | arising from issuance of debt securities                          | 0,00                 | 3 000 000,00         |
| c          | other financial liabilities                                       | 206 338,90           | 55 868,90            |
| d          | trade liabilities, maturing:                                      | 1 971 266,08         | 3 216 729,55         |
|            | - up to 12 months   | 1 971 266,08         | 3 216 729,55         |
|            | - above 12 months   | 0,00                 | 0,00                 |
| e          | received advances for deliveries                                  | 199 177,36           | 196 940,00           |
| f          | bill-of-exchange liabilities                                      | 0,00                 | 0,00                 |
| g          | tax, customs, insurance and other liabilities                     | 2 083 709,85         | 689 765,92           |
| h          | payroll liabilities   | 234 431,56           | 177 773,35           |
| i          | other   | 155 530,15           | 1 888,05             |
| <b>3</b>   | <b>Special funds</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b>  | <b>Accruals</b>   | <b>1 864 026,07</b>  | <b>2 156 645,17</b>  |
| <b>1</b>   | Negative goodwill   | 0,00                 | 0,00                 |
| <b>2</b>   | <b>Other accruals</b>   | <b>1 864 026,07</b>  | <b>2 156 645,17</b>  |
|            | - long-term   | 1 864 026,07         | 2 153 645,17         |
|            | - short-term  | 0,00                 | 3 000,00             |
|            | <b>TOTAL LIABILITIES</b>  | <b>52 280 458,85</b> | <b>26 552 402,52</b> |



**Consolidated profit and loss statement – Comparative variant**

| No.      | Item   | 01.01.-<br>31.03.2017r. | 01.01.-<br>31.03.2016r. |
|----------|--|-------------------------|-------------------------|
| <b>A</b> | <b>Net revenues from sales and equivalent, including revenues:</b>                       | <b>7 599 687,28</b>     | <b>4 434 227,01</b>     |
| -        | <i>from related parties</i>  | 0,00                    |                         |
| I        | Net revenues from sales of products  | 4 281 178,94            | 4 019 304,83            |
| II       | Change in the balance of products (increase - positive value, decrease - negative value) | -940,21                 | 83 844,05               |
| III      | Manufacturing cost of products for internal purposes                                     | 0,00                    | 0,00                    |
| IV       | Net revenues from sales of goods and materials   | 3 319 448,55            | 331 078,13              |
| <b>B</b> | <b>Operating expenses</b>  | <b>5 677 829,68</b>     | <b>3 398 666,12</b>     |
| I        | Amortization and depreciation  | 688 311,30              | 315 079,70              |
| II       | Consumption of materials and energy  | 56 372,02               | 74 290,12               |
| III      | External services  | 213 468,86              | 1 621 537,21            |
| IV       | Taxes and charges, including:  | 10 910,90               | 5 667,37                |
| -        | - excise duty  | 0,00                    | 0,00                    |
| V        | Payroll  | 1 272 121,61            | 900 070,75              |
| VI       | Social security and other benefits   | 211 433,25              | 141 279,48              |
| VII      | Other costs by type  | 17 605,89               | 20 810,28               |
| VIII     | Value of goods and materials sold  | 3 207 605,85            | 319 931,21              |
| <b>C</b> | <b>Profit (loss) on sales (A-B)</b>  | <b>1 921 857,60</b>     | <b>1 035 560,89</b>     |
| <b>D</b> | <b>Other operating revenues</b>  | <b>83 509,05</b>        | <b>87 713,87</b>        |
| I        | Gain on disposal of non-financial fixed assets   | 934,48                  | 6 504,07                |
| II       | Subsidies  | 71 597,49               | 74 826,63               |
| III      | Other operating revenues   | 10 977,08               | 6 383,17                |
| <b>E</b> | <b>Other operating expenses</b>  | <b>34 675,28</b>        | <b>46 231,78</b>        |
| I        | Loss on disposal of non-financial fixed assets   | 0,00                    | 0,00                    |
| II       | Revaluation of non-financial assets  | 0,00                    | 0,00                    |
| III      | Other operating expenses   | 34 675,28               | 46 231,78               |
| <b>F</b> | <b>Profit (loss) on operating activities (C+D-E)</b>                                     | <b>1 970 691,37</b>     | <b>1 077 042,98</b>     |
| <b>G</b> | <b>Financial revenues</b>  | <b>2 692,60</b>         | <b>4,90</b>             |
| I        | Dividend and profit sharing, including:  | 0,00                    | 0,00                    |
| -        | <i>from related parties</i>  | 0,00                    | 0,00                    |
| II       | Interest, including:   | 2 692,60                | 4,90                    |
| -        | <i>from related parties</i>  | 0,00                    | 0,00                    |
| III      | Gain on disposal of investments  | 0,00                    | 0,00                    |
| IV       | Revaluation of investments   | 0,00                    | 0,00                    |
| V        | Other  | 0,00                    | 0,00                    |
| <b>H</b> | <b>Financial expenses</b>  | <b>333 210,05</b>       | <b>103 350,13</b>       |
| I        | Interest, including:   | 261 830,72              | 92 129,18               |
| -        | <i>for related parties</i>   | 0,00                    | 0,00                    |
| II       | Loss on disposal of investments  | 0,00                    | 0,00                    |
| III      | Revaluation of investments   | 0,00                    | 0,00                    |
| IV       | Other  | 71 379,33               | 11 220,95               |
| <b>I</b> | <b>Profit (loss) on sales of all or partial shares of subsidiaries</b>                   | <b>0,00</b>             | <b>0,00</b>             |
| <b>J</b> | <b>Profit (loss) on business activities (F+G-H)</b>                                      | <b>1 640 173,92</b>     | <b>973 697,75</b>       |
| <b>K</b> | <b>Result on extraordinary events (J.I.-J.II.)</b>                                       | <b>0,00</b>             | <b>0,00</b>             |
| I        | Extraordinary gains  | 0,00                    | 0,00                    |
| II       | Extraordinary losses   | 0,00                    | 0,00                    |
| <b>L</b> | <b>Impairment losses</b>   | <b>55 048,42</b>        | <b>55 048,42</b>        |
| I        | Impairment losses - subsidiaries   | 55 048,42               | 55 048,42               |
| II       | Impairment losses – jointly controlled entities  | 0,00                    | 0,00                    |



|          |   |                     |                   |
|----------|---|---------------------|-------------------|
| III      | Impairment losses - associates  | 0,00                | 0,00              |
| <b>M</b> | <b>Write-off on negative goodwill</b>   | <b>0,00</b>         | <b>0,00</b>       |
| I        | Write-off on negative goodwill - subsidiaries                                 | 0,00                | 0,00              |
| II       | Write-off on negative goodwill - jointly controlled entities                  | 0,00                | 0,00              |
| III      | Write-off on negative goodwill - associates                                   | 0,00                | 0,00              |
| <b>N</b> | <b>Gross profit (loss) (I+/-J)</b>  | <b>1 585 125,50</b> | <b>918 649,33</b> |
| <b>O</b> | <b>Income tax</b>   | 337 525,00          | 195 822,00        |
|          | <b>due</b>  | 104 224,00          | 195 822,00        |
|          | <b>deferred</b>   | 233 301,00          | 0,00              |
| <b>P</b> | <b>Other statutory reductions in profit (increases in loss)</b>               | 0,00                | 0,00              |
| <b>Q</b> | <b>Profits (losses) of subsidiaries accounted for using the equity method</b> | 0,00                | 0,00              |
| <b>R</b> | <b>Profit (loss) of minorities</b>  | 0,00                | 0,00              |
| <b>S</b> | <b>Net profit (loss) (K-L-M)</b>  | <b>1 247 600,51</b> | <b>722 827,33</b> |

**Cash flow  
Consolidated**

| No.        | Item   | 2017-01-01<br>2017-03-31 | 2016-01-01<br>2016-03-31 |
|------------|--|--------------------------|--------------------------|
| <b>A</b>   | <b>Cash flows from operating activities</b>  |                          |                          |
| <b>I</b>   | <b>Net profit (loss)</b>   | <b>1 247 600,51</b>      | <b>722 827,33</b>        |
| <b>II</b>  | <b>Total adjustments</b>   | <b>3 325 809,28</b>      | <b>-2 594 408,27</b>     |
| 1          | Amortization and depreciation  | 688 311,30               | 315 079,70               |
| 2          | Exchange gains (losses)  | 35 152,83                | 0,00                     |
| 3          | Interest and profit sharing (dividend)   | 260 089,55               | 90 451,18                |
| 4          | Profit (loss) on investment activities   | -934,48                  | -6 504,07                |
| 5          | Change in provisions   | 1 050 077,00             | 0,00                     |
| 6          | Change in inventory  | -508 554,57              | -191 279,61              |
| 7          | Change in receivables  | 1 704 543,46             | -2 543 114,45            |
| 8          | Change in short-term liabilities excluding credits and loans                                     | 452 846,96               | -402 117,06              |
| 9          | Change in prepayments and accruals   | -378 456,46              | 88 027,62                |
| 10         | Other adjustments  | 22 733,69                | 55 048,42                |
| <b>III</b> | <b>Net cash flows from operating activities (I +/- II)</b>                                       | <b>4 573 409,79</b>      | <b>-1 871 580,94</b>     |
| <b>B</b>   | <b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>   |                          |                          |
| <b>I</b>   | <b>Inflows</b>   | <b>934,48</b>            | <b>6 504,07</b>          |
| 1          | Disposal of intangible and tangible fixed assets   | 934,48                   | 6 504,07                 |
| 2          | Disposal of investments in real property and in intangible assets                                | 0,00                     | 0,00                     |
| 3          | From financial assets, including:  | 0,00                     | 0,00                     |
| 4          | Other inflows from investment activities   | 0,00                     | 0,00                     |
| <b>II</b>  | <b>Outflows</b>  | <b>5 788 245,98</b>      | <b>2 954 103,42</b>      |
| 1          | Purchase of intangible assets and tangible fixed assets  | 0,00                     | 2 954 103,42             |
| 2          | Investments in real property and intangible assets   | 5 788 245,98             | 0,00                     |
| 3          | For financial assets   | 0,00                     | 0,00                     |
| 4          | Other outflows from investment activities  | 0,00                     | 0,00                     |
| <b>III</b> | <b>Net cash flows from investment activities (I-II)</b>  | <b>-5 787 311,50</b>     | <b>-2 947 599,35</b>     |
| <b>C</b>   | <b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>  |                          |                          |
| <b>I</b>   | <b>Inflows</b>   | <b>9 894 066,53</b>      | <b>451 298,96</b>        |
| 1          | Net inflows from issuance of shares and other capital instruments and from capital contributions | 0,00                     | 0,00                     |
| 2          | Credits and loans  | 3 070,03                 | 451 298,96               |
| 3          | Issuance of debt securities  | 9 890 996,50             | 0,00                     |
| 4          | Other inflows from financial activities  | 0,00                     | 0,00                     |

|            |   |                     |                      |
|------------|---|---------------------|----------------------|
| <b>II</b>  | <b>Outflows</b>   | <b>1 172 080,72</b> | <b>234 558,16</b>    |
| 1          | Purchase of own shares  | 0,00                | 0,00                 |
| 2          | Dividend and other payments to shareholders   | 0,00                | 0,00                 |
| 3          | Profit distribution liabilities other than profit distribution payments to shareholders   | 0,00                | 0,00                 |
| 4          | Repayment of credits and loans  | 864 779,86          | 130 404,40           |
| 5          | Redemption of debt securities   | 0,00                | 0,00                 |
| 6          | Payment of other financial liabilities  | 0,00                | 0,00                 |
| 7          | Payment of liabilities arising from financial leases                                      | 47 211,31           | 13 702,58            |
| 8          | Interest  | 260 089,55          | 90 451,18            |
| 9          | Other outflows from financial activities  |                     | 0,00                 |
| <b>III</b> | <b>Net cash flows from financial activities (I-II)</b>                                    | <b>8 721 985,81</b> | <b>216 740,80</b>    |
| <b>D</b>   | <b>TOTAL NET CASH FLOWS (A.III. +/- B.III +/- C.III)</b>                                  | <b>7 508 084,10</b> | <b>-4 602 439,49</b> |
| <b>E</b>   | <b>BALANCE SHEET CHANGE IN CASH, including change in cash due to exchange differences</b> | <b>7 508 084,10</b> | <b>-4 602 439,49</b> |
| <b>F</b>   | <b>CASH OPENING BALANCE</b>   | <b>1 495 287,11</b> | <b>5 391 089,97</b>  |
| <b>G</b>   | <b>CLOSING BALANCE OF CASH (F+/-D), INCLUDING:</b>  | <b>9 003 371,21</b> | <b>788 0,48</b>      |
|            | - of limited disposability  |                     |                      |

**Statements of changes in shareholder's equity**  
**Consolidated**

| No.         | Item   | 2017-01-01<br>2017-03-31 | 2016-01-01<br>2016-03-31 |
|-------------|--|--------------------------|--------------------------|
| <b>I</b>    | <b>Opening balance of equity</b>                               | <b>19 383 949,55</b>     | <b>14 673 066,64</b>     |
|             | - changes in accounting principles                             | 0,00                     | 0,00                     |
| <b>I a</b>  | <b>Opening balance of equity after adjustments</b>             | <b>0,00</b>              | <b>0,00</b>              |
| <b>1</b>    | <b>Opening balance of share capital</b>                        | <b>6 164 352,00</b>      | <b>6 164 352,00</b>      |
| 1.1.        | Changes in share capital                                       | 1 199 999,70             | 0,00                     |
|             | a) increase (due to)   | 1 199 999,70             | 0,00                     |
|             | - increase - issuance of shares                                | 1 199 999,70             | 0,00                     |
|             | - increase – subsidiary value                                  | 0,00                     | 0,00                     |
|             | b) decrease (due to)   | 0,00                     | 0,00                     |
| <b>1.2.</b> | <b>Closing balance of share capital</b>                        | <b>7 364 351,70</b>      | <b>6 164 352,00</b>      |
| <b>2</b>    | <b>Opening balance of called up share capital</b>              | <b>0,00</b>              | <b>0,00</b>              |
| 2.1.        | Changes in called up share capital                             | 0,00                     | 0,00                     |
| <b>2.2.</b> | <b>Closing balance of called up share capital</b>              | <b>0,00</b>              | <b>0,00</b>              |
| <b>3</b>    | <b>Opening balance of own shares</b>                           | <b>0,00</b>              | <b>0,00</b>              |
| <b>3.1.</b> | <b>Closing balance of own shares</b>                           | <b>0,00</b>              | <b>0,00</b>              |
| <b>4</b>    | <b>Opening balance of supplementary capital</b>                | <b>8 508 714,64</b>      | <b>6 123 128,22</b>      |
| 4.1.        | Changes in supplementary capital                               | 11 076 583,22            | 0,00                     |
|             | increase (due to)  | 11 076 583,22            | 0,00                     |
|             | - issue of shares above face value – costs of issue            | 8 690 996,80             | 0,00                     |
|             | - from profit distribution (statutory)                         | 2 385 586,42             | 0,00                     |
|             | - from profit distribution (above the statutory minimum value) | 0,00                     | 0,00                     |
|             | b) decrease (due to)   | 0,00                     | 0,00                     |
|             | - transfer to share capital of the Company                     | 0,00                     | 0,00                     |
| <b>4.2.</b> | <b>Closing balance of supplementary capital</b>                | <b>19 585 297,86</b>     | <b>6 123 128,22</b>      |
| <b>5</b>    | <b>Opening balance of revaluation reserve</b>                  | <b>0,00</b>              | <b>0,00</b>              |
| 5.1.        | Changes in revaluation reserve                                 | 0,00                     | 0,00                     |
| <b>5.2.</b> | <b>Closing balance of revaluation reserve</b>                  | <b>0,00</b>              | <b>0,00</b>              |
| <b>6</b>    | <b>Opening balance of other reserve capitals</b>               | <b>0,00</b>              | <b>0,00</b>              |

|             |  |                      |                      |
|-------------|--|----------------------|----------------------|
| 6.1.        | Changes in other reserve capitals  | 0,00                 | 0,00                 |
| <b>6.2.</b> | <b>Closing balance of other reserve capitals</b>                         | <b>0,00</b>          | <b>0,00</b>          |
| <b>7</b>    | <b>Opening balance of previous years' (quarters') profit (loss)</b>      | <b>4 710 882,92</b>  | <b>2 385 586,42</b>  |
| 7.1.        | Opening balance of previous years' (quarters') profit                    | 4 710 882,92         | 2 385 586,42         |
|             | - adjustments of fundamental errors                                      | 0,00                 | 0,00                 |
| 7.2.        | Opening balance of previous years' (quarters') profit, after adjustments | 4 710 882,92         | 2 385 586,42         |
|             | a) increase (due to)   | 0,00                 | 0,00                 |
|             | - distribution of previous year's profit                                 | 0,00                 | 0,00                 |
|             | b) decrease (due to)   | 2 385 586,42         | 0,00                 |
|             | - paid dividends and shares  | 0,00                 | 0,00                 |
|             | - increase of reserve capital  | 2 385 586,42         | 0,00                 |
| 7.3.        | Closing balance of previous years' (quarters') profit                    | 2 325 296,50         | 2 385 586,42         |
| 7.4.        | Opening balance of previous periods' loss (-)                            | 0,00                 | 0,00                 |
| 7.5.        | Opening balance of previous periods' loss, after adjustments             | 0,00                 | 0,00                 |
| 7.6.        | Closing balance of previous years' loss                                  | 0,00                 | 0,00                 |
| <b>7.7.</b> | <b>Closing balance of previous years' (quarters') profit (loss)</b>      | <b>2 325 296,50</b>  | <b>2 385 586,42</b>  |
| <b>8</b>    | <b>Net result</b>  | <b>1 247 600,51</b>  | <b>722 827,33</b>    |
|             | net profit   | 1 247 600,51         | 722 827,33           |
|             | net loss   | 0,00                 | 0,00                 |
|             | write-offs on profit   | 0,00                 | 0,00                 |
| <b>II</b>   | <b>Closing balance of equity</b>   | <b>30 522 546,57</b> | <b>15 395 893,97</b> |
| <b>III</b>  | <b>Equity including proposed profit distribution (loss coverage)</b>     | <b>30 522 546,57</b> | <b>15 395 893,97</b> |

## X. INDIVIDUAL STATEMENT OF UNIFIED FACTORY SA FOR 1 QUARTER OF 2017

### Balance sheet

#### Assets

| No.        | Item  | 31.03.2017           | 31.03.2016           |
|------------|---|----------------------|----------------------|
| <b>A</b>   | <b>FIXED ASSETS</b>   | <b>29 165 456,34</b> | <b>14 700 648,86</b> |
| <b>I</b>   | <b>Intangible assets</b>                                    | <b>19 342 934,05</b> | <b>9 423 567,27</b>  |
| 1          | R&D expenses  | 7 875 607,72         | 0,00                 |
| 2          | Goodwill  | 0,00                 | 0,00                 |
| 3          | Other intangible assets                                     | 5 538 080,35         | 6 582 318,94         |
| 4          | Advances for intangible assets                              | 5 929 245,98         | 2 841 248,33         |
| <b>II</b>  | <b>Tangible fixed assets</b>                                | <b>3 954 032,29</b>  | <b>702 105,59</b>    |
| <b>1</b>   | <b>Fixed assets</b>   | <b>3 954 032,29</b>  | <b>702 105,59</b>    |
| a          | land (including right to perpetual usufruct)                | 0,00                 | 0,00                 |
| b          | buildings, premises, civil and water engineering structures | 190 498,62           | 223 403,70           |
| c          | technical equipment and machines                            | 3 631 235,60         | 309 020,18           |
| d          | vehicles  | 123 525,20           | 163 932,75           |
| e          | other tangible fixed assets                                 | 8 772,87             | 5 748,96             |
| <b>2</b>   | <b>Fixed assets under construction</b>                      | <b>0,00</b>          | <b>0,00</b>          |
| <b>3</b>   | <b>Advances for fixed assets under construction</b>         | <b>0,00</b>          | <b>0,00</b>          |
| <b>III</b> | <b>Long-term receivables</b>                                | <b>0,00</b>          | <b>0,00</b>          |
| 1          | From related parties  | 0,00                 | 0,00                 |
| 2          | From other entities   | 0,00                 | 0,00                 |
| <b>IV</b>  | <b>Long-term investments</b>                                | <b>4 542 260,00</b>  | <b>4 500 000,00</b>  |
| <b>1</b>   | <b>Real property</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>2</b>   | <b>Intangible assets</b>                                    | <b>0,00</b>          | <b>0,00</b>          |

|            |  |                      |                      |
|------------|--|----------------------|----------------------|
| <b>3</b>   | <b>Long-term financial assets</b>  | <b>4 542 260,00</b>  | <b>4 500 000,00</b>  |
| a          | in related parties   | 4 542 260,00         | 4 500 000,00         |
|            | - shares   | 4 542 260,00         | 4 500 000,00         |
|            | - other securities   | 0,00                 | 0,00                 |
|            | - loans granted  | 0,00                 | 0,00                 |
|            | - other long-term financial assets   | 0,00                 | 0,00                 |
| b          | in other entities  | 0,00                 | 0,00                 |
|            | - shares   | 0,00                 | 0,00                 |
|            | - other securities   | 0,00                 | 0,00                 |
|            | - loans granted  | 0,00                 | 0,00                 |
|            | - other long-term financial assets   | 0,00                 | 0,00                 |
| <b>4</b>   | <b>Other long-term investments</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>V</b>   | <b>Long-term prepayments</b>   | <b>1 326 230,00</b>  | <b>74 976,00</b>     |
| <b>1</b>   | <b>Deferred tax assets</b>   | <b>1 326 230,00</b>  | <b>74 976,00</b>     |
| <b>2</b>   | <b>Other prepayments</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>B</b>   | <b>CURRENT ASSETS</b>  | <b>21 832 253,10</b> | <b>12 015 464,89</b> |
| <b>I</b>   | <b>Inventory</b>   | <b>709 244,33</b>    | <b>202 617,41</b>    |
| 1          | Materials  | 553,11               | 0,00                 |
| 2          | Semi-finished products and work in progress                                | 0,00                 | 97 965,41            |
| 3          | Finished products  | 0,00                 | 0,00                 |
| 4          | Goods  | 185 000,00           | 104 652,00           |
| 5          | Advances for deliveries  | 523 691,22           | 0,00                 |
| <b>II</b>  | <b>Short-term receivables</b>  | <b>11 742 395,46</b> | <b>8 699 226,07</b>  |
| <b>1</b>   | <b>Receivables from related parties</b>                                    | <b>1 044 118,18</b>  | <b>10 316,73</b>     |
| a          | trade receivables, maturing :  | 1 044 118,18         | 10 316,73            |
|            | - up to 12 months  | 1 044 118,18         | 10 316,73            |
|            | - above 12 months  | 0,00                 | 0,00                 |
| b          | other  | 0,00                 | 0,00                 |
| <b>2</b>   | <b>Receivables from other entities</b>                                     | <b>10 698 277,28</b> | <b>8 688 909,34</b>  |
| a          | trade receivables, maturing :  | 6 320 954,88         | 6 939 238,94         |
|            | - up to 12 months  | 6 320 954,88         | 6 939 238,94         |
|            | - above 12 months  | 0,00                 | 0,00                 |
| b          | receivables from tax, subsidy, customs, social security and other benefits | 4 298 983,01         | 1 652 640,41         |
| c          | other  | 78 339,39            | 97 029,99            |
| d          | claimed at court   | 0,00                 | 0,00                 |
| <b>III</b> | <b>Short-term investments</b>  | <b>8 324 608,79</b>  | <b>923 437,57</b>    |
| <b>1</b>   | <b>Short-term financial assets</b>   | <b>8 324 608,79</b>  | <b>923 437,57</b>    |
| a          | in related parties   | 0,00                 | 0,00                 |
|            | - shares   | 0,00                 | 0,00                 |
|            | - other securities   | 0,00                 | 0,00                 |
|            | - loans granted  | 0,00                 | 0,00                 |
|            | - other short-term financial assets  | 0,00                 | 0,00                 |
| b          | in other entities  | 0,00                 | 190 000,00           |
|            | - shares   | 0,00                 | 0,00                 |
|            | - other securities   | 0,00                 | 0,00                 |
|            | - loans granted  | 0,00                 | 190 000,00           |
|            | - other short-term financial assets  | 0,00                 | 0,00                 |
| c          | cash and other pecuniary assets  | 8 324 608,79         | 733 437,57           |
|            | - cash in hand and at bank   | 8 324 608,79         | 733 437,57           |
|            | - other cash   | 0,00                 | 0,00                 |
|            | - other pecuniary assets   | 0,00                 | 0,00                 |
| <b>2</b>   | <b>Other short-term investments</b>  | <b>0,00</b>          | <b>0,00</b>          |

|                     |                               |                      |                      |
|---------------------|-------------------------------|----------------------|----------------------|
| <b>IV</b>           | <b>Short-term prepayments</b> | <b>1 056 004,52</b>  | <b>2 190 183,84</b>  |
| <b>TOTAL ASSETS</b> |                               | <b>50 997 709,44</b> | <b>26 716 113,75</b> |

**Balance sheet**
**Liabilities**

| No.         | Item  | 31.03.2017           | 31.03.2016           |
|-------------|---|----------------------|----------------------|
| <b>A</b>    | <b>EQUITY</b>   | <b>30 767 045,51</b> | <b>15 790 144,62</b> |
| <b>I</b>    | <b>Share capital</b>  | <b>7 364 351,70</b>  | <b>6 164 352,00</b>  |
| <b>II</b>   | <b>Called up share capital (negative value)</b>                           | <b>0,00</b>          | <b>0,00</b>          |
| <b>III</b>  | <b>Own shares (negative value)</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b>   | <b>Supplementary capital</b>  | <b>17 379 760,32</b> | <b>6 123 128,22</b>  |
| <b>V</b>    | <b>Revaluation reserve</b>  | <b>0,00</b>          | <b>0,00</b>          |
| <b>VI</b>   | <b>Other reserve capitals</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>VII</b>  | <b>Previous years' profit (loss)</b>                                      | <b>4 859 741,38</b>  | <b>2 565 635,30</b>  |
| <b>VIII</b> | <b>Net profit (loss)</b>  | <b>1 163 192,11</b>  | <b>937 029,10</b>    |
| <b>IX</b>   | <b>Write-off on net profit during the financial year (negative value)</b> | <b>0,00</b>          | <b>0,00</b>          |
| <b>B</b>    | <b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>                         | <b>20 230 663,93</b> | <b>10 925 969,13</b> |
| <b>I</b>    | <b>Provisions for liabilities</b>   | <b>2 951 442,00</b>  | <b>194 886,00</b>    |
| <b>1</b>    | <b>Provision for deferred income tax</b>                                  | <b>2 869 442,00</b>  | <b>177 386,00</b>    |
| <b>2</b>    | <b>Provision for retirement and similar benefits</b>                      | <b>0,00</b>          | <b>0,00</b>          |
|             | - long-term   | 0,00                 | 0,00                 |
|             | - short-term  | 0,00                 | 0,00                 |
| <b>3</b>    | <b>Other provisions</b>   | <b>82 000,00</b>     | <b>17 500,00</b>     |
|             | - long-term   | 0,00                 | 0,00                 |
|             | - short-term  | 82 000,00            | 17 500,00            |
| <b>II</b>   | <b>Long-term liabilities</b>  | <b>10 668 384,95</b> | <b>584 442,82</b>    |
| <b>1</b>    | <b>To related parties</b>   | <b>0,00</b>          | <b>0,00</b>          |
| <b>2</b>    | <b>To other entities</b>  | <b>10 668 384,95</b> | <b>584 442,82</b>    |
| a           | credits and loans   | 331 303,61           | 478 972,26           |
| b           | arising from issuance of debt securities                                  | 10 000 000,00        | 0,00                 |
| c           | other financial liabilities   | 337 081,34           | 105 470,56           |
| d           | other   | 0,00                 | 0,00                 |
| <b>III</b>  | <b>Short-term liabilities</b>   | <b>4 746 810,91</b>  | <b>7 992 995,14</b>  |
| <b>1</b>    | <b>To related parties</b>   | <b>421 963,95</b>    | <b>512 153,62</b>    |
| a           | trade liabilities, maturing:  | 379 703,95           | 512 153,62           |
|             | - up to 12 months   | 379 703,95           | 512 153,62           |
|             | - above 12 months   | 0,00                 | 0,00                 |
| b           | other   | 42 260,00            | 0,00                 |
| <b>2</b>    | <b>To other entities</b>  | <b>4 324 846,96</b>  | <b>7 480 841,52</b>  |
| a           | credits and loans   | 1 409 094,81         | 871 936,90           |
| b           | arising from issuance of debt securities                                  | 0,00                 | 3 000 000,00         |
| c           | other financial liabilities   | 206 338,90           | 55 868,90            |
| d           | trade liabilities, maturing:  | 1 752 464,13         | 3 172 319,28         |
|             | - up to 12 months   | 1 752 464,13         | 3 172 319,28         |
|             | - above 12 months   | 0,00                 | 0,00                 |
| e           | received advances for deliveries  | 198 478,59           | 196 940,00           |
| f           | bill-of-exchange liabilities  | 0,00                 | 0,00                 |
| g           | tax, customs, insurance and other liabilities                             | 585 652,12           | 158 357,86           |
| h           | payroll liabilities   | 17 288,26            | 23 881,08            |
| i           | other   | 155 530,15           | 1 537,50             |



|           |                          |                      |                      |
|-----------|--------------------------|----------------------|----------------------|
| <b>3</b>  | <b>Special funds</b>     | <b>0,00</b>          | <b>0,00</b>          |
| <b>IV</b> | <b>Accruals</b>          | <b>1 864 026,07</b>  | <b>2 153 645,17</b>  |
| 1         | Negative goodwill        | 0,00                 | 0,00                 |
| 2         | Other accruals           | 1 864 026,07         | 2 153 645,17         |
|           | - long-term              | 1 864 026,07         | 2 153 645,17         |
|           | - short-term             | 0,00                 | 0,00                 |
|           | <b>TOTAL LIABILITIES</b> | <b>50 997 709,44</b> | <b>26 716 113,75</b> |

### Profit and loss statement – Comparative variant

| No.      | Item   | 1.01.-<br>31.03.2017r. | 1.01.-<br>31.03.2016r. |
|----------|--|------------------------|------------------------|
| <b>A</b> | <b>Net revenues from sales and equivalent, including revenues:</b>                       | <b>6 393 442,76</b>    | <b>4 652 989,82</b>    |
| -        | <i>from related parties</i>  | 1 291 613,28           | 361 865,76             |
| I        | Net revenues from sales of products  | 4 164 598,78           | 4 238 946,28           |
| II       | Change in the balance of products (increase - positive value, decrease - negative value) | (940,21)               | 82 965,41              |
| III      | Manufacturing cost of products for internal purposes                                     | 0,00                   | 0,00                   |
| IV       | Net revenues from sales of goods and materials   | 2 229 784,19           | 331 078,13             |
| <b>B</b> | <b>Operating expenses</b>  | <b>4 675 347,38</b>    | <b>3 458 808,53</b>    |
| I        | Amortization and depreciation  | 698 311,30             | 319 079,70             |
| II       | Consumption of materials and energy  | 36 229,34              | 72 126,48              |
| III      | External services  | 1 368 555,03           | 2 440 824,79           |
| IV       | Taxes and charges, including:  | 10 640,90              | 5 142,37               |
|          | - excise duty  | 0,00                   | 0,00                   |
| V        | Payroll  | 298 007,72             | 238 203,10             |
| VI       | Social security and other benefits   | 67 610,18              | 43 628,45              |
| VII      | Other costs by type  | 16 055,07              | 19 872,43              |
| VIII     | Value of goods and materials sold  | 2 179 937,84           | 319 931,21             |
| <b>C</b> | <b>Profit (loss) on sales (A-B)</b>  | <b>1 718 095,38</b>    | <b>1 194 181,29</b>    |
| <b>D</b> | <b>Other operating revenues</b>  | <b>79 187,05</b>       | <b>86 568,82</b>       |
| I        | Gain on disposal of non-financial fixed assets   | 934,48                 | 6 504,07               |
| II       | Subsidies  | 71 597,49              | 74 826,63              |
| III      | Other operating revenues   | 6 655,08               | 5 238,12               |
| <b>E</b> | <b>Other operating expenses</b>  | <b>34 674,43</b>       | <b>46 231,78</b>       |
| I        | Loss on disposal of non-financial fixed assets   | 0,00                   | 0,00                   |
| II       | Revaluation of non-financial assets  | 0,00                   | 0,00                   |
| III      | Other operating expenses   | 34 674,43              | 46 231,78              |
| <b>F</b> | <b>Profit (loss) on operating activities (C+D-E)</b>                                     | <b>1 762 608,00</b>    | <b>1 234 518,33</b>    |
| <b>G</b> | <b>Financial revenues</b>  | <b>2 692,60</b>        | <b>4,90</b>            |
| I        | Dividend and profit sharing, including:  | 0,00                   | 0,00                   |
| -        | <i>from related parties</i>  | 0,00                   | 0,00                   |
| II       | Interest, including:   | 2 692,60               | 4,90                   |
| -        | <i>from related parties</i>  | 0,00                   | 0,00                   |
| III      | Gain on disposal of investments  | 0,00                   | 0,00                   |
| IV       | Revaluation of investments   | 0,00                   | 0,00                   |
| V        | Other  | 0,00                   | 0,00                   |
| <b>H</b> | <b>Financial expenses</b>  | <b>325 097,49</b>      | <b>101 672,13</b>      |
| I        | Interest, including:   | 260 089,55             | 90 451,18              |
| -        | <i>for related parties</i>   | 0,00                   | 0,00                   |
| II       | Loss on disposal of investments  | 0,00                   | 0,00                   |
| III      | Revaluation of investments   | 0,00                   | 0,00                   |

|          |   |                     |                     |
|----------|---|---------------------|---------------------|
| IV       | Other   | 65 007,94           | 11 220,95           |
| <b>I</b> | <b>Profit (loss) on business activities (F+G-H)</b>             | <b>1 440 203,11</b> | <b>1 132 851,10</b> |
| <b>J</b> | <b>Result on extraordinary events (J.I. - J.II.)</b>            | <b>0,00</b>         | <b>0,00</b>         |
| I        | Extraordinary gains   | 0,00                | 0,00                |
| II       | Extraordinary losses  | 0,00                | 0,00                |
| <b>K</b> | <b>Gross profit (loss) (I+/-J)</b>                              | <b>1 440 203,11</b> | <b>1 132 851,10</b> |
| <b>L</b> | <b>Income tax</b>   | <b>277 011,00</b>   | <b>195 822,00</b>   |
|          | <b>due</b>  | <b>0,00</b>         | <b>195 822,00</b>   |
|          | <b>deferred</b>   | <b>277 011,00</b>   | <b>0,00</b>         |
| <b>M</b> | <b>Other statutory reductions in profit (increases in loss)</b> | <b>0,00</b>         | <b>0,00</b>         |
| <b>N</b> | <b>Net profit (loss) (K-L-M)</b>                                | <b>1 163 192,11</b> | <b>937 029,10</b>   |

### Cash flow

| No.        | Item   | 2017-01-01<br>2017-03-31 | 2016-01-01<br>2016-03-31 |
|------------|--|--------------------------|--------------------------|
| <b>A</b>   | <b>Cash flows from operating activities</b>  |                          |                          |
| <b>I</b>   | <b>Net profit (loss)</b>   | <b>1 163 192,11</b>      | <b>937 029,10</b>        |
| <b>II</b>  | <b>Total adjustments</b>   | <b>2 882 720,76</b>      | <b>-2 851 001,47</b>     |
| 1          | Amortization and depreciation  | 698 311,30               | 319 079,70               |
| 2          | Exchange gains (losses)  | 35152,83                 | 0,00                     |
| 3          | Interest and profit sharing (dividend)   | 260 089,55               | 90 451,18                |
| 4          | Profit (loss) on investment activities   | -934,48                  | -6 504,07                |
| 5          | Change in provisions   | 1 050 077,00             | 0,00                     |
| 6          | Change in inventory  | -507 090,80              | -187 617,41              |
| 7          | Change in receivables  | 2 161 980,48             | -2 383 330,93            |
| 8          | Change in short-term liabilities excluding credits and loans                                     | -475 462,88              | -778 123,16              |
| 9          | Change in prepayments and accruals   | -336 942,62              | 95 043,22                |
| 10         | Other adjustments  | -2 459,62                | 0,00                     |
| <b>III</b> | <b>Net cash flows from operating activities (I +/- II)</b>                                       | <b>4 045 912,87</b>      | <b>-1 913 972,37</b>     |
| <b>B</b>   | <b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>   |                          |                          |
| <b>I</b>   | <b>Inflows</b>   | <b>934,48</b>            | <b>6 504,07</b>          |
| 1          | Disposal of intangible and tangible fixed assets   | 934,48                   | 6 504,07                 |
| 2          | Disposal of investments in real property and in intangible assets                                | 0,00                     | 0,00                     |
| 3          | From financial assets, including:  | 0,00                     | 0,00                     |
| 4          | Other inflows from investment activities   | 0,00                     | 0,00                     |
| <b>II</b>  | <b>Outflows</b>  | <b>5 929 245,98</b>      | <b>2 954 103,42</b>      |
| 1          | Purchase of intangible assets and tangible fixed assets  |                          | 2 954 103,42             |
| 2          | Investments in real property and intangible assets   | 5 929 245,98             | 0,00                     |
| 3          | For financial assets   | 0,00                     | 0,00                     |
| 4          | Other outflows from investment activities  | 0,00                     | 0,00                     |
| <b>III</b> | <b>Net cash flows from investment activities (I-II)</b>  | <b>-5 928 311,50</b>     | <b>-2 947 599,35</b>     |
| <b>C</b>   | <b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>  |                          |                          |
| <b>I</b>   | <b>Inflows</b>   | <b>9 894 066,53</b>      | <b>451 233,02</b>        |
| 1          | Net inflows from issuance of shares and other capital instruments and from capital contributions | 0,00                     | 0,00                     |
| 2          | Credits and loans  | 3 070,03                 | 451 233,02               |
| 3          | Issuance of debt securities  | 9 890 996,50             | 0,00                     |
| 4          | Other inflows from financial activities  |                          | 0,00                     |
| <b>II</b>  | <b>Outflows</b>  | <b>905 351,71</b>        | <b>234 558,16</b>        |
| 1          | Purchase of own shares   | 0,00                     | 0,00                     |
| 2          | Dividend and other payments to shareholders  | 0,00                     | 0,00                     |



|            |   |                     |                      |
|------------|---|---------------------|----------------------|
| 3          | Profit distribution liabilities other than profit distribution payments to shareholders   | 0,00                | 0,00                 |
| 4          | Repayment of credits and loans  | 568 195,74          | 130 404,40           |
| 5          | Redemption of debt securities   | 0,00                | 0,00                 |
| 6          | Payment of other financial liabilities  | 0,00                | 0,00                 |
| 7          | Payment of liabilities arising from financial leases                                      | 47 211,31           | 13 702,58            |
| 8          | Interest  | 260 089,55          | 90 451,18            |
| 9          | Other outflows from financial activities  | 29 855,11           | 0,00                 |
| <b>III</b> | <b>Net cash flows from financial activities (I-II)</b>                                    | <b>8 988 714,82</b> | <b>216 674,86</b>    |
| <b>D</b>   | <b>TOTAL NET CASH FLOWS (A.III. +/- B.III +/- C.III)</b>                                  | <b>7 106 316,19</b> | <b>-4 644 896,86</b> |
| <b>E</b>   | <b>BALANCE SHEET CHANGE IN CASH, including change in cash due to exchange differences</b> | <b>7 106 316,19</b> | <b>-4 644 896,86</b> |
| <b>F</b>   | <b>CASH OPENING BALANCE</b>   | <b>1 218 292,60</b> | <b>5 378 334,43</b>  |
| <b>G</b>   | <b>CLOSING BALANCE OF CASH (F+/-D), INCLUDING:</b>  | <b>8 324 608,79</b> | <b>733 437,57</b>    |
|            | - of limited disposability  |                     |                      |

#### Statements of changes in shareholder's equity

| No.         | Item  | 2017-01-01<br>2017-03-31 | 2016-01-01<br>2016-03-31 |
|-------------|---|--------------------------|--------------------------|
| <b>I</b>    | <b>Opening balance of equity</b>                                    | <b>19 712 856,90</b>     | <b>14 853 115,52</b>     |
|             | - changes in accounting principles                                  | 0                        | 0                        |
| <b>I a</b>  | <b>Opening balance of equity after adjustments</b>                  | <b>0,00</b>              | <b>0,00</b>              |
| <b>1</b>    | <b>Opening balance of share capital</b>                             | <b>6 164 352,00</b>      | <b>6 164 352,00</b>      |
| 1.1.        | Changes in share capital  | 1 199 999,70             | 0,00                     |
|             | a) increase (due to)  | 1 199 999,70             | 0,00                     |
|             | - increase - issuance of shares                                     | 1 199 999,70             | 0,00                     |
|             | - increase – subsidiary value                                       | 0,00                     | 0,00                     |
|             | b) decrease (due to)  | 0,00                     | 0,00                     |
| <b>1.2.</b> | <b>Closing balance of share capital</b>                             | <b>7 364 351,70</b>      | <b>6 164 352,00</b>      |
| <b>2</b>    | <b>Opening balance of called up share capital</b>                   | <b>0,00</b>              | <b>0,00</b>              |
| 2.1.        | Changes in called up share capital                                  | 0,00                     | 0,00                     |
| <b>2.2.</b> | <b>Closing balance of called up share capital</b>                   | <b>0,00</b>              | <b>0,00</b>              |
| <b>3</b>    | <b>Opening balance of own shares</b>                                | <b>0,00</b>              | <b>0,00</b>              |
| <b>3.1.</b> | <b>Closing balance of own shares</b>                                | <b>0,00</b>              | <b>0,00</b>              |
| <b>4</b>    | <b>Opening balance of supplementary capital</b>                     | <b>8 688 763,52</b>      | <b>6 123 128,22</b>      |
| 4.1.        | Changes in supplementary capital                                    | 8 690 996,80             | 0,00                     |
|             | increase (due to)   | 8 690 996,80             | 0,00                     |
|             | - issue of shares above face value – costs of issue                 | 8 690 996,80             | 0,00                     |
|             | - from profit distribution (statutory)                              | 0,00                     | 0,00                     |
|             | - from profit distribution (above the statutory minimum value)      | 0,00                     | 0,00                     |
|             | b) decrease (due to)  | 0,00                     | 0,00                     |
|             | - transfer to share capital of the Company                          | 0,00                     | 0,00                     |
| <b>4.2.</b> | <b>Closing balance of supplementary capital</b>                     | <b>17 379 760,32</b>     | <b>6 123 128,22</b>      |
| <b>5</b>    | <b>Opening balance of revaluation reserve</b>                       | <b>0,00</b>              | <b>0,00</b>              |
| 5.1.        | Changes in revaluation reserve                                      | 0,00                     | 0,00                     |
| <b>5.2.</b> | <b>Closing balance of revaluation reserve</b>                       | <b>0,00</b>              | <b>0,00</b>              |
| <b>6</b>    | <b>Opening balance of other reserve capitals</b>                    | <b>0,00</b>              | <b>0,00</b>              |
| 6.1.        | Changes in other reserve capitals                                   | 0,00                     | 0,00                     |
| <b>6.2.</b> | <b>Closing balance of other reserve capitals</b>                    | <b>0,00</b>              | <b>0,00</b>              |
| <b>7</b>    | <b>Opening balance of previous years' (quarters') profit (loss)</b> | <b>4 859 741,38</b>      | <b>2 565 635,30</b>      |
| 7.1.        | Opening balance of previous years' (quarters') profit               | 4 859 741,38             | 2 565 635,30             |

|             |  |                      |                      |
|-------------|--|----------------------|----------------------|
|             | - adjustments of fundamental errors                                      | 0,00                 | 0,00                 |
| 7.2.        | Opening balance of previous years' (quarters') profit, after adjustments | 4 859 741,38         | 2 565 635,30         |
|             | a) increase (due to)   | 0,00                 | 0,00                 |
|             | - distribution of previous year's profit                                 | 0,00                 | 0,00                 |
|             | b) decrease (due to)   | 0,00                 | 0,00                 |
|             | - paid dividends and shares  | 0,00                 | 0,00                 |
|             | - increase of reserve capital  | 0,00                 | 0,00                 |
| 7.3.        | Closing balance of previous years' (quarters') profit                    | 4 859 741,38         | 2 565 635,30         |
| 7.4.        | Opening balance of previous periods' loss (-)                            | 0,00                 | 0,00                 |
| 7.5.        | Opening balance of previous periods' loss, after adjustments             | 0,00                 | 0,00                 |
| 7.6.        | Closing balance of previous years' loss                                  | 0,00                 | 0,00                 |
| <b>7.7.</b> | <b>Closing balance of previous years' (quarters') profit (loss)</b>      | <b>4 859 741,38</b>  | <b>2 565 635,30</b>  |
| <b>8</b>    | <b>Net result</b>  | <b>1 163 192,11</b>  | <b>937 029,10</b>    |
|             | net profit   | 1 163 192,11         | 937 029,10           |
|             | net loss   | 0,00                 | 0,00                 |
|             | write-offs on profit   | 0,00                 | 0,00                 |
| <b>II</b>   | <b>Closing balance of equity</b>   | <b>30 767 045,51</b> | <b>15 790 144,62</b> |
| <b>III</b>  | <b>Equity including proposed profit distribution (loss coverage)</b>     | <b>30 767 045,51</b> | <b>15 790 144,62</b> |

## XI. APPROVAL OF THE CONSOLIDATED EXTENDED FINANCIAL STATEMENT FOR QI 2017.

Unified Factory S.A. Management Board approves hereby the periodical financial statement for Quarter I 2017 and publishes it on 15 May 2017.



Maciej Okniński  
Prezes Zarządu