

No.	Name	Definition	2018	2017	Change 2018 -2017
1	2	3	4	5	6 = 4-5
1	Gross profit margin (%)	gross profit (loss) / net revenue	9,6%	8,6%	1,0%
2	Operating profit margin (%)	operating profit (loss) / net revenue	0,6%	-6,0%	6,6%
3	Net profit margin (%)	net profit (loss) / net revenue	0,7%	-10,4%	11,1%
4	Return on assets (%)	net profit (loss) / total assets	0,5%	-7,1%	7,6%
5	Return on equity (%)	net profit (loss) / equity	1,1%	-16,3%	17,4%
6	Current ratio	current assets / current liabilities	1,38	1,40	-0,01
7	Quick ratio	(current assets - inventories) / current liabilities	1,32	1,34	-0,02
8	Average collection period for trade receivables (in days)	short-term trade receivables x 360 / net revenue	101	112	-11
9	Average collection period for gross amount due from customers for contract work (in days)	amounts due from customers for construction contract work x 360 / net revenue	115	80	35
10	Inventory turnover (in days)	inventories x 360 / cost of sales	18	17	1
11	Average payment period for trade payables (in days)	short-term trade payables x 360 / cost of sales	109	119	-10
12	Average payment period for amounts due to customers for construction contract work (in days)	amounts due to customers for construction contract work x 360 / cost of sales	82	25	57
13	Debt ratio (%)	(non-current liabilities + current liabilities)/equity	132,7%	129,9%	2,8%
14	Bank debt ratio (%)	short-term and long-term borrowings / equity	25,6%	25,1%	0,5%
15	Share of equity in financing of assets (%)	equity / total assets	43,0%	43,5%	-0,5%
16	Equity financing of non-current assets (%)	equity / non-current assets	150,5%	148,0%	2,5%
17	Debt to assets (%)	(non-current liabilities + current liabilities)/total assets	57,0%	56,5%	0,5%

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– structure, change, % change

No.	Item	Dec 31 2018		Dec 31 2017		change	change %
		PLN '000	STRUCTURE	PLN '000	STRUCTURE		
1	2	3	4	5	6	7= 3-5	8 = 3/5
I	Non-current assets	262 075	28,6%	265 677	29,4%	(3 602)	98,6%
1	Property, plant and equipment	132 814	14,5%	140 364	15,5%	(7 550)	94,6%
2	Intangible assets	9 368	1,0%	10 513	1,2%	(1 145)	89,1%
3	Trade and other receivables	5 224	0,6%	5 389	0,6%	(165)	96,9%
4	Non-current financial assets	72 762	7,9%	69 278	7,7%	3 484	105,0%
4.1	Shares	36 520	4,0%	35 333	3,9%	1 187	103,4%
4.2	Other non-current assets	36 242	3,9%	33 945	3,8%	2 297	106,8%
5	Long-term prepayments and accrued income	5 603	0,6%	1 689	0,2%	3 914	331,7%
6	Deferred tax assets	36 304	4,0%	38 444	4,3%	(2 140)	94,4%
II	Current assets	655 497	71,4%	638 117	70,6%	17 380	102,7%
1	Inventories	29 391	3,2%	26 320	2,9%	3 071	111,7%
2	Amounts due from customers for construction contract work	205 149	22,4%	137 583	15,2%	67 566	149,1%
3	Income tax asset		0,0%		0,0%		
4	Trade and other receivables	392 644	42,8%	289 002	32,0%	103 642	135,9%
4.1	Trade receivables	179 936	19,6%	192 117	21,3%	(12 181)	93,7%
4.2	Receivables under prepayments and advance payments	99 373	10,8%	18 416	2,0%	80 957	539,6%
4.3	Retentions (security deposits)	88 455	9,6%	62 217	6,9%	26 238	142,2%
4.4	Other receivables	24 880	2,7%	16 252	1,8%	8 628	153,1%
5	Current financial assets	13 012	1,4%	164 543	18,2%	(151 531)	7,9%
5.1	Derivative instruments		0,0%	479	0,1%	(479)	0,0%
5.2	Short-term loans advanced		0,00%	396	0,04%	(396)	0,0%
5.3	Other current financial assets	7 608	0,83%	4 747	0,53%	2 861	160,3%
5.4	Cash and cash equivalents	5 404	0,6%	158 921	17,6%	(153 517)	3,4%
6	Short-term prepayments and accrued income	15 301	1,7%	20 669	2,3%	(5 368)	74,0%
III.	Non-current assets held for sale	163	0,0%	108	0,0%	55	150,9%
A	Total assets	917 735	100,0%	903 902	100,0%	13 833	101,5%
I	Equity	394 426	43,0%	393 250	43,5%	1 176	100,3%
1	Share capital	254 864	27,8%	254 864	28,2%		100,0%
2	Share premium	165 119	18,0%	173 708	19,2%	(8 589)	95,1%
3	Statutory reserve funds	11 600	1,3%	69 061	7,6%	(57 461)	16,8%
4	Exchange differences on translating foreign operations		0,0%	(337)	0,0%	337	0,0%
5	Retained earnings/accumulated losses, including:	(37 157)	-4,0%	(104 046)	-11,5%	66 889	35,7%
5.1	Current profit (loss)	4 302	0,5%	(64 105)	-7,1%	68 407	-6,7%
II	Non-current liabilities	48 880	5,3%	53 383	5,9%	(4 503)	91,6%
1	Interest-bearing borrowings		0,0%		0,0%		
2	Finance lease liabilities	1 223	0,1%	1 046	0,1%	177	116,9%
3	Employee benefit obligations and provisions	23 495	2,6%	21 096	2,3%	2 399	111,4%
4	Trade and other payables	9 647	1,1%	14 674	1,6%	(5 027)	65,7%
5	Other long-term provisions	14 515	1,6%	16 567	1,8%	(2 052)	87,6%
III.	Current liabilities	474 429	51,7%	457 269	50,6%	17 160	103,8%
1	Trade and other payables	206 429	22,5%	257 776	28,5%	(51 347)	80,1%
1.1	Trade payables	176 700	19,3%	185 498	20,5%	(8 798)	95,3%
1.2	Other liabilities	29 729	3,2%	72 278	8,0%	(42 549)	41,1%
2	Current portion of interest-bearing borrowings	100 831	11,0%	98 568	10,9%	2 263	102,3%
3	Other financial liabilities and finance lease liabilities	1 148	0,1%	1 696	0,2%	(548)	67,7%
4	Employee benefit obligations and provisions	19 091	2,1%	21 465	2,4%	(2 374)	88,9%
5	Amounts due to customers for construction contract work	132 656	14,5%	39 479	4,4%	93 177	336,0%
6	Other short-term provisions	13 088	1,4%	37 930	4,2%	(24 842)	34,5%
7	Short-term accruals and deferred income	139	0,0%	75	0,0%	64	185,3%
8	Grants	1 047	0,1%	280	0,0%	767	373,9%
B	Total equity and liabilities	917 735	100,0%	903 902	100,0%	13 833	101,5%

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No.	Item	2018	2017	Change %
		PLN '000	PLN '000	
1	2	3	4	5=3/4
I	Net revenue	643 313	616 631	104,3%
	1. Net revenue from sale of products and services	640 517	614 071	104,3%
	1.1. Invoiced revenue	611 041	592 354	103,2%
	2. Net revenue from sale of materials	2 796	2 560	109,2%
II	Cost of sales	581 416	563 318	103,2%
	1. Cost of products and services sold	579 551	561 891	103,1%
	2. Cost of materials sold	1 865	1 427	130,7%
III.	Gross profit (loss)	61 897	53 313	116,1%
IV	Distribution costs	24 053	32 243	74,6%
V	Administrative expenses	38 959	42 893	90,8%
VI	Other income	16 587	8 144	203,7%
VII	Other expenses	5 618	16 505	34,0%
VIII	Research and development costs	6 151	6 926	88,8%
IX	Operating profit (loss) (EBIT)	3 703	(37 110)	
X	Depreciation and amortisation	10 904	10 674	102,2%
XI	Operating profit (loss) + depreciation and amortisation (EBITDA)	14 607	(26 436)	
XII	Finance income	8 404	1 156	727,0%
XIII	Finance costs	5 176	10 855	47,7%
XIV	Net gain (loss) on disposal of a subsidiary			-
XV	Profit (loss) before extraordinary items	6 931	(46 809)	
XVI	Pre-tax profit (loss)	6 931	(46 809)	
XVII	Tax	2 629	17 296	15,2%
XVIII	Net profit (loss)	4 302	(64 105)	

No.	Item	2018	2017	Change
		PLN '000	PLN '000	PLN '000
1	2	3	4	5=3-4
1	Gross profit/(loss)	61 897	53 313	8 584
2	Administrative expenses and distribution costs	63 012	75 136	(12 124)
3	Research and development costs	6 151	6 926	(775)
4	Net other income (expenses)	10 969	(8 361)	19 330
5	Net finance income (costs)	3 228	(9 699)	12 927
6	Pre-tax profit (loss)	6 931	(46 809)	53 740

No.	Parties	Subject matter	Term	Value
1	2	3	4	5
1.	RAFAKO S.A. – TUIR WARTA S.A.	All-risk property insurance of RAFAKO S.A.'s current and non-current assets No. 908210585289/PD/908210585290/BI/908210585291/EEI/908210585292/MB	Oct 1 2018 – Sep 30 2019	Details below
2.	RAFAKO S.A. – TUIR Allianz Polska S.A.	Directors and officers liability insurance for management and supervisory personnel No. 000-18-444-05940918	Oct 1 2018 – Sep 30 2019	PLN 100,000 thousand
3.	RAFAKO S.A. – PZU S.A., InterRisk TU S.A. Vienna Insurance Group	Business and property liability insurance No. 1035431585	Dec 1 2018 – Nov 30 2019	PLN 70,000 thousand
4.	RAFAKO S.A. – PZU S.A., InterRisk TU S.A. Vienna Insurance Group	Designer, architect and construction engineer professional liability insurance No. 1035431567	Dec 1 2018 – Nov 30 2019	PLN 22,000 thousand
5.	RAFAKO S.A. – TUIR WARTA S.A.	General construction/erection all-risk insurance No. G/CARK/153678	Dec 1 2018 – Nov 30 2019	Details below
6.	RAFAKO S.A. – PZU S.A., InterRisk TU S.A. Vienna Insurance Group	Domestic and international transit insurance master agreement No. 1035825952	Dec 1 2018 – Nov 30 2019	Details below
7.	RAFAKO S.A. – PZU S.A., TUIR Allianz Polska, Ergo Hestia S.A.	Business and property liability insurance agreement No. 4KA84610003 (Jaworzno Power Plant)	Apr 17 2014 – Mar 16 2024	PLN 100,000 thousand
8.	RAFAKO S.A. – PZU S.A., TUIR Allianz Polska, Ergo Hestia S.A.	Professional liability insurance agreement No. 4KA84610004 (Jaworzno Power Plant)	Apr 17 2014 – Mar 16 2024	PLN 70,000 thousand
9.	RAFAKO S.A. - Generali T.U. S.A.	Construction/erection all-risk insurance policy No. PO/00765806/2017, Professional liability insurance policy No. PO/00765740/2017	May 31 2017 – Feb 5 2020	up to EUR 149,650 thousand

Details of the insurance agreement listed under item 1:

All-risk property insurance of RAFAKO S.A.'s current and non-current assets

RAFAKO S.A. has an all-risk insurance policy for its current and non-current assets, including insurance against damage resulting from business interruptions.
The property insurance is an all-risk insurance, which means that RAFAKO S.A.'s assets are insured against any losses, except for those expressly excluded in the policy (e.g. damage arising in connection with acts of war or gross negligence).

The insurance cover is as follows (sum insured at gross carrying amount):

- Acts of God property insurance, including insurance of electrical machinery against electrical damage:
property, plant and equipment - universal property insurance (buildings, structures, equipment) against damage - PLN 200,517 thousand;
current assets - PLN 183,000 thousand;
electrical machinery - PLN 5,000 thousand;
- Insurance against loss of profits due to damage covered by all-risk property insurance:
loss of profits - PLN 230,000 thousand;
- All-risk electronic equipment insurance:
stationary electronic equipment - PLN 20,137 thousand;
mobile electronic equipment - PLN 7,281 thousand;
- All-risk insurance of plant and equipment:

plant and equipment - PLN 40,349 thousand.

All the insurance policies are renewable.

Details of the insurance agreement listed under item 5:

General construction and assembly all-risk insurance

The insurance provides cover for construction and assembly works, property in the vicinity of construction sites, as well as construction site equipment and facilities (excluding construction machinery).
The insurance pertains to contracts launched during the term of the insurance agreement for which RAFAKO S.A. assumed the responsibility to provide contract insurance. The insurance agreement covers all contracts, except for those expressly excluded (e.g. due to the value or term of a single contract).

Details of the insurance agreement listed under item 6:

General property insurance in domestic and international transport

The insurance provides cover for all shipments transported during the insurance term which - under the relevant contract- may be insured at the option of RAFAKO or which are transported at the risk of RAFAKO and the contract does not specify the party responsible for insurance. Under the agreement, the insurer's liability for damage during transport is limited to the value of a single shipment, as specified in the agreement.

Structure of RAFAKO S.A.'s share portfolio
as at December 31st 2018

No.	Company	Registered office	Number of shares RAFAKO S.A.	Ownership interest	Par value of shares (PLN)	Cost of shares (PLN)	Carrying amount of shares (PLN)	Share capital (PLN)	Total number of shares	Par value per share (PLN)
1	DOM Sp. z o.o.	Racibórz	2 327	100,00%	23 270 000,00	23 271 036,00	23 271 036,00	23 270 000,00	2 327	10 000,00
2	FAMUR FAMA S.A.	Kluczbork	1 828	0,00%	1 828,00	18 280,00	18 280,00	77 366 240,00	77 366 240	1,00
3	Tauron Polska Energia S.A.	Katowice	73 219	0,00%	366 095,00	491 485,00	223 317,95	8 762 746 970,00	1 752 549 394	5,00
4	RAFAKO-ENGINEERING Sp. z o.o.	Racibórz	3 630	51,048%	1 815 000,00	5 323 013,00	5 323 013,00	3 555 500,00	7 111	500,00
5	RAFAKO ENGINEERING SOLUTION Sp. z o.o.	Belgrade	1	77,00%	EUR 38,500	154 683,62	154 683,62	EUR 50,000	2	EUR 38,500 EUR 12,500
6	RAFAKO Hungary Sp. z o.o.	Budapest	1	100,00%	HUF 40,000	589 057,80	589 057,80	HUF 40,000		HUF 40,000
7	Sanbei-RAFAKO Sp. z o.o.	Zhangjakou	1 956	26,23%	USD 1,956,000	4 643 738,60	0,00	USD 7,456,000	7 456	USD 1,000
8	E001RK Sp. z o.o.	Racibórz	100	100,00%	5 000,00	5 000,00	5 000,00	5 000,00	100	50,00
9	E003B7 Sp. z o.o.	Racibórz	100	100,00%	5 000,00	6 325,10	6 325,10	5 000,00	100	50,00
10	SOUTH POLAND CLEANTECH CLUSTER Sp. z o.o.	Kraków	1	3,33%	300,00	300,00	300,00	9 000,00	30	300,00
11	ENERGOTECHNIKA Engineering Sp. z o.o.	Gliwice	2 300	100,00%	1 150 000,00	5 742 351,00	5 742 351,00	1 150 000,00	2 300	500,00
12	KIC InnoEnergy S.E.		1			1 208 630,91	1 208 630,91			
13	RAFAKO Manufacturing Sp. z o.o.	Racibórz	300	100,00%	100,00	40 590,00	40 590,00	30 000,00	300	100,00
TOTAL							36 582 585,38			

List of bank and other borrowings as at December 31st 2018

No.	Lender	Facility/loan amount as per agreement	Currency	Type	Agreement date	Repayment date	Interest rate	Amount outstanding as at Dec 31 2018 (PLN)
1	PKO BP	70 000 000,00	PLN	revolving overdraft facility*	Feb 7 2012	Jun 30 2019	1M WIBOR + margin	60 080 970,45
2	PKO BP	80 000 000,00	PLN	revolving working capital facility*	Feb 7 2012	Jun 30 2019	1M WIBOR + margin (PLN) or 1M EURIBOR + margin (EUR)	40 749 846,15
Total borrowings								100 830 816,60

*On June 29th 2018, an annex to the credit facility agreement was executed between RAFAKO S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. of Warsaw. Under the annex, the multi-purpose credit facility limit was set at PLN 200m, including an overdraft facility of up to PLN 70m and a working capital facility of up to PLN 80m. The annex extended the facility's term and maturity date until June 30th 2019.