



Interim condensed separate financial statements for the six months ended June 30th 2017, prepared in accordance with IAS 34 *Interim Financial Reporting*, as endorsed by the European Union

Contents

Interim condensed separate statement of profit or loss and other comprehensive income	3
Interim condensed separate statement of financial position	5
Interim condensed separate statement of changes in equity.....	7
Interim condensed separate statement of cash flows.....	8
1. Basis of preparation of the interim condensed separate financial statements	10
1.1. Statement of compliance and general basis of preparation	10
1.2. Changes in presentation of financial statements and correction of errors	11
2. Selected notes and supplementary information.....	13
2.1. Notes	13
Note 1 Revenue	13
Note 2 Operating expenses	13
Note 3 Other income	15
Note 4 Other expenses.....	16
Note 5 Finance income	17
Note 6 Finance costs	18
Note 7 Income tax	19
Note 7.1 Income tax disclosed in the statement of profit or loss.....	19
Note 7.2 Effective tax rate	19
Note 7.3 Income tax disclosed in other comprehensive income	20
Note 7.4 Deferred tax assets and liabilities.....	21
Note 8 Property, plant and equipment	22
Note 9 Intangible assets	24
Note 10 Shares	24
Note 11 Trade and other receivables	25
Note 12 Borrowings.....	25
Note 13 Other financial liabilities	26
Note 14 Trade and other payables.....	27
Note 15 Subsidies	27
Note 16 Financial instruments.....	28
Note 17 Investment commitments	31
Note 18 Related-party transactions	32
Note 19 Contingent liabilities and assets, sureties and guarantees	33

Interim condensed separate statement of profit or loss and other comprehensive income

		for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	Note	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Profit or loss					
Revenue	1	856,000	793,309	377,151	357,076
Cost of sales	2	(641,264)	(660,594)	(288,587)	(320,186)
Gross profit		214,736	132,715	88,564	36,890
Selling and distribution expenses	2	(48,334)	(44,607)	(21,524)	(20,777)
Administrative expenses	2	(68,893)	(79,089)	(32,026)	(43,696)
Other income	3	5,700	5,138	3,514	2,487
Other expenses	4	(6,475)	(11,145)	(3,400)	(5,123)
Operating profit/(loss)		96,734	3,012	35,128	(30,219)
Finance income	5	242,265	278,220	237,062	275,532
Finance costs	6	(19,561)	(20,015)	(10,219)	(11,992)
Net finance income		222,704	258,205	226,843	263,540
Profit before tax		319,438	261,217	261,971	233,321
Income tax	7	8,430	(3,023)	20,523	2,615
Net profit		327,868	258,194	282,494	235,936
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit obligation		(1,742)	(5,468)	(1,742)	(5,468)
Tax on items that will not be reclassified to profit or loss	7	331	1,038	331	1,038
		(1,411)	(4,430)	(1,411)	(4,430)

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of profit or loss and other comprehensive income (continued)

	Note	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
		<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Items that are or may be reclassified to profit or loss					
Cash flow hedging - effective portion of change in fair-value measurement		20,725	(8,200)	(852)	(7,855)
Tax on items that are or may be reclassified to profit or loss	7	(3,938)		162	
		16,787	(8,200)	(690)	(7,855)
Total other comprehensive income		15,376	(12,630)	(2,101)	(12,285)
Total profit or loss and other comprehensive income		343,244	245,564	280,393	223,651
Earnings per share:					
Basic (PLN)		3.31	2.60	2.85	2.38
Diluted (PLN)		3.31	2.60	2.85	2.38

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of financial position

	Note	as at Jun 30 2017	as at Dec 31 2016* restated
		<i>unaudited</i>	<i>audited</i>
Assets			
Non-current assets			
Property, plant and equipment	8	1,522,634	1,435,521
Perpetual usufruct of land		371	373
Intangible assets	9	49,953	50,864
Investment property		17,116	17,700
Shares	10	3,907,837	3,883,721
Other financial assets		283,551	244,220
Total non-current assets		5,781,462	5,632,399
Current assets			
Inventories		178,595	171,256
Property rights		26,780	31,423
Derivatives		2,736	834
Other financial assets		68,275	53,944
Trade and other receivables	11	320,766	226,678
Cash and cash equivalents		394,724	326,031
Non-current assets held for sale		95	691
Total current assets		991,971	810,857
Total assets		6,773,433	6,443,256

* Financial data restated in accordance with the information presented in Note 1.2.b to the financial statements.

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of financial position (continued)

	Note	as at Jun 30 2017	as at Dec 31 2016* restated
		<i>unaudited</i>	<i>audited</i>
Equity and liabilities			
Equity			
Share capital		495,977	495,977
Share premium		2,418,270	2,418,270
Hedging reserve		9,682	(7,105)
Retained earnings, including:		1,830,366	1,582,273
<i>net profit for period</i>		327,868	197,053
Total equity		4,754,295	4,489,415
Liabilities			
Borrowings	12	1,261,622	1,166,290
Other financial liabilities	13	25,308	28,538
Employee benefit obligations		45,588	46,136
Provisions		26,186	25,992
Government grants received	15	26,176	19,222
Deferred tax liabilities		9,864	24,713
Total non-current liabilities		1,394,744	1,310,891
Borrowings	12	279,947	307,375
Derivatives		-	1,108
Other financial liabilities	13	28,837	65,131
Employee benefit obligations		2,852	2,994
Provisions		2,482	2,355
Current tax liabilities		4,036	-
Trade and other payables	14	298,259	262,140
Government grants received	15	7,981	1,847
Total current liabilities		624,394	642,950
Total liabilities		2,019,138	1,953,841
Total equity and liabilities		6,773,433	6,443,256

* Financial data restated in accordance with the information presented in Note 1.2.b to the financial statements.

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of changes in equity for the period ended June 30th 2017

	Share capital	Share premium	Hedging reserve	Retained earnings	Total equity
Balance as at January 1st 2017	495,977	2,418,270	(7,105)	1,609,995	4,517,137
Correction of errors				(27,722)	(27,722)
Balance as at January 1st 2017, adjusted*)	495,977	2,418,270	(7,105)	1,582,273	4,489,415
<i>Profit or loss and other comprehensive income</i>					
Net profit	-	-	-	327,868	327,868
Other comprehensive income	-	-	16,787	(1,411)	15,376
Total profit or loss and other comprehensive income	-	-	16,787	326,457	343,244
<i>Transactions with owners, recognised directly in equity</i>					
Dividends	-	-	-	(78,364)	(78,364)
Total transactions with owners	-	-	-	(78,364)	(78,364)
Balance as at June 30th 2017 (unaudited)	495,977	2,418,270	9,682	1,830,366	4,754,295

*) - Financial data restated in accordance with the information presented in Note 1.2.c to the financial statements.

for the period ended June 30th 2016

	Share capital	Share premium	Hedging reserve	Retained earnings	Total equity
Balance as at January 1st 2016	495,977	2,418,270	65	1,468,459	4,382,771
<i>Profit or loss and other comprehensive income</i>					
Net profit	-	-	-	258,194	258,194
Other comprehensive income	-	-	(8,200)	(4,430)	(12,630)
Total profit or loss and other comprehensive income	-	-	(8,200)	253,764	245,564
<i>Transactions with owners, recognised directly in equity</i>					
Dividends	-	-	-	(83,324)	(83,324)
Total transactions with owners	-	-	-	(83,324)	(83,324)
Balance as at June 30th 2016 (unaudited)	495,977	2,418,270	(8,135)	1,638,899	4,545,011

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of cash flows

	for the period Jan 1 – Jun 30 2017	for the period Jan 1 – Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>
Cash flows from operating activities		
Profit before tax	319,438	261,217
<i>Adjustments for:</i>	<i>(177,541)</i>	<i>(210,767)</i>
Depreciation and amortisation	47,802	46,208
(Reversal of)/impairment losses on assets	(1,242)	27
Loss from investing activities	1,063	939
Loss on disposal of financial assets	-	11
Interest, foreign exchange gains or losses	9,362	10,316
Dividends	(231,516)	(272,704)
Net change in fair value of financial assets at fair value through profit or loss	(3,010)	4,436
<i>Cash from operating activities before changes in working capital</i>	<i>141,897</i>	<i>50,450</i>
Change in trade and other receivables	(24,980)	(38,955)
Change in inventories and property rights	(2,695)	15,759
Change in trade and other payables	(25,745)	(45,908)
Change in provisions, prepayments and grants	1,273	(9,160)
Other adjustments	(6,572)	-
<i>Cash generated from operating activities</i>	<i>83,178</i>	<i>(27,814)</i>
Income taxes paid	(6,005)	-
Net cash from operating activities	77,173	(27,814)

The supplementary information is an integral part of these interim condensed separate financial statements.

Interim condensed separate statement of cash flows (continued)

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>
Cash flows from investing activities		
Proceeds from sale of intangible assets, property, plant and equipment and investment property	253	203
Acquisition of intangible assets, property, plant and equipment and investment property	(138,731)	(196,962)
Dividend received	162,762	257,728
Acquisition of financial assets	(23,786)	(34,060)
Proceeds from sale of financial assets	-	9
Interest received	4,199	3,544
Loans repaid	23,924	15,096
Loans advanced	(77,918)	(75,090)
Other disbursements	(1,316)	(1,116)
Net cash used in investing activities	(50,613)	(30,648)
Cash flows from financing activities		
Proceeds from borrowings	115,673	-
Payment of borrowings	(27,405)	-
Interest paid	(13,185)	(13,023)
Payment of finance lease liabilities	(335)	(331)
Other proceeds/(disbursements)	(32,615)	15,986
Net cash from financing activities	42,133	2,632
Net increase/(decrease) in cash and cash equivalents	68,693	(55,830)
Cash and cash equivalents at beginning of period	326,031	111,942
Cash and cash equivalents at end of period	394,724	56,112

The supplementary information is an integral part of these interim condensed separate financial statements.

Supplementary information to the interim condensed separate financial statements.

1. Basis of preparation of the interim condensed separate financial statements

1.1. Statement of compliance and general basis of preparation

Grupa Azoty S.A. (“the Company”) is a publicly-traded joint stock company with its registered office in Tarnów, Poland.

These interim condensed separate financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and the Minister of Finance’s Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (consolidated text: Dz.U. of 2014, item 133, as amended). These interim condensed separate statements of the Company cover the six months ended June 30th 2017 and contain comparative data for the six months ended June 30th 2016 and as at December 31st 2016.

The Company is entered in the Business Register of the National Court Register maintained by the District Court in Kraków, 12th Commercial Division of the National Court Register, under entry No. KRS 0000075450. The Company’s REGON number for public statistics purposes is 850002268.

The Company has been established for an indefinite term.

Grupa Azoty’s business includes in particular:

- Manufacture of basic chemicals,
- Manufacture of fertilizers and nitrogen compounds,
- Manufacture of plastics and synthetic rubber in primary forms,
- Manufacture of plastics.

These interim condensed separate financial statements of the Company for the six months ended June 30th 2017 have been authorised for issue by the Management Board.

The Company has also prepared interim condensed consolidated financial statements for the six months ended June 30th 2017, which were authorised for issue by the Management Board on August 22nd 2017.

Interim condensed financial statements do not include all the information and disclosures required in full-year financial statements and should be read in conjunction with the financial statements of the Company for the year ended December 31st 2016, which were authorised for issue on April 26th 2017.

The Company’s interim financial results may not be indicative of its potential full-year financial results.

All amounts in these interim condensed separate financial statements are presented in thousands of złoty.

These interim condensed separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of authorisation of these financial statements for issue, no circumstances were identified which would indicate any threat to the Company continuing as a going concern.

1.2. Changes in presentation of financial statements and correction of errors

a) Changes in International Financial Reporting Standards

The accounting policies applied to prepare these interim condensed separate financial statements are consistent with the policies applied to draw up the Company's full-year separate financial statements for the year beginning on January 1st 2016. After January 1st 2016, no new or amended standards or interpretations were published that would be effective for annual periods beginning on or after January 1st 2016. The standards and interpretations which have been issued but are not yet effective as they have not yet been endorsed by the European Union or have been endorsed by the European Union but have not been early adopted by the Company were presented by the Company in its financial statements for 2016. Only the following two standards were issued in the first half of 2017: IFRS 17 *Insurance Contracts* and IFRIC 23 *Uncertainty over Income Tax Treatments*.

The Company has not elected to early adopt any of the standards, interpretations or amendments that have been published but are not yet effective in accordance with the European Union regulations.

At the date of authorisation of these interim condensed separate financial statements for issue, the Company's Management Board had not completed its assessment of the impact of the new standards and interpretations on the accounting principles (policy) applied by the Company with respect to the Company's operations or financial results.

b) Correction of prior period errors and changes in presentation of financial statements

In the reporting period the prior period errors were corrected and the presentation of financial statements was changed to improve the disclosure of information on the effect of certain transactions on the Company's assets and financial position. The comparative data was restated accordingly.

The table below presents the impact of the changes on the separate statement of financial position:

	Previously reported	Restated	Impact of change 1	Impact of change 2	Impact of change 3
	As at Dec 31 2016	As at Dec 31 2016			
Assets					
Non-current assets					
Shares	-	3,883,721	3,883,721	-	-
Investments in subordinated entities	3,871,587	-	(3,871,587)	-	-
Available-for-sale financial assets	12,134	-	(12,134)	-	-
Total non-current assets	5,632,399	5,632,399	-	-	-
Total assets	6,443,256	6,443,256	-	-	-
Equity and liabilities					
Equity					
Retained earnings, including:	1,609,995	1,582,273	-	6,277	(33,999)
<i>net profit for period</i>	224,775	197,053	-	6,277	(33,999)
Total equity	4,517,137	4,489,415	-	6,277	(33,999)
Liabilities					
Other financial liabilities	1,539	28,538	-	-	26,999
Deferred tax liabilities	23,241	24,713	-	1,472	-
Total non-current liabilities	1,282,420	1,310,891	-	1,472	26,999
Other financial liabilities	58,131	65,131	-	-	7,000
Trade and other payables	269,889	262,140	-	(7,749)	-
Total current liabilities	643,699	642,950	-	(7,749)	7,000
Total liabilities	1,926,119	1,953,841	-	(6,277)	33,999
Total equity and liabilities	6,443,256	6,443,256	-	-	-

- 1 - Change in the presentation of investments in subordinates and available-for-sale investments
- 2 - Adjustment of overstated provision for bonuses
- 3 - Adjustment related to the recognition of an expense and a liability to reflect the signing of a deed of incorporation of the Polish National Foundation, under which the Company is required to co-fund the Foundation's operations for ten years from 2017

2. Selected notes and supplementary information

2.1. Notes

Note 1 Revenue1

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Revenue from sale of products and services	847,896	787,706	372,199	354,037
Revenue from sale of merchandise and materials	6,791	4,450	4,200	2,313
Revenue from sale of property rights	1,313	1,153	752	726
	856,000	793,309	377,151	357,076

Note 2 Operating expenses

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Depreciation and amortisation	47,218	45,132	23,368	22,743
Raw materials and consumables used	466,598	459,133	212,984	224,559
Services	112,821	145,880	56,099	75,111
Taxes and charges	22,083	19,835	10,602	9,980
Remuneration	70,393	80,879	33,386	41,486
Social security and other employee benefits	20,401	19,892	9,812	10,110
Other costs	10,831	10,956	2,874	7,260
Costs by nature of expense	750,345	781,707	349,125	391,249
Change in inventories of finished goods (+/-)	11,646	(983)	(2,266)	(8,034)
Work performed by the entity and capitalised (-)	(9,889)	(784)	(8,791)	(528)
Selling and distribution expenses (-)	(48,334)	(44,607)	(21,524)	(20,777)
Administrative expenses (-)	(68,893)	(79,089)	(32,026)	(43,696)
Cost of merchandise and materials sold	6,389	4,350	4,069	1,972
Cost of sales	641,264	660,594	288,587	320,186
including excise duty	2,598	1,787	1,204	899

The increase in social security and other benefits is mainly the effect of a voluntary increase in contributions to the Company Social Benefits Fund. Higher change in inventories of finished goods came as a result of larger production volumes, which were added to inventories. Work performed by the entity and capitalised in 2017 related primarily to the consumption of energy and semi-finished products for the purpose of implementing investment projects, in particular construction of Granulation Plant II.

Lower cost of sales (excluding selling and distribution costs and administrative expenses) was due primarily to a change in the structure of sales and discontinuation of caprolactam processing by a subsidiary.

The decrease in administrative expenses in the first half of 2017, as compared with the first half of 2016, was reported mainly under 'Wages and salaries', which followed from a reduction in the annual bonus provision.

Note 3 Other income

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Reversed impairment losses on:				
Property, plant and equipment	1,223		1,223	
Other receivables	10	-	7	-
Other	-	2	-	-
	1,233	2	1,230	-
Other income:				
Income from lease of investment property	3,658	3,848	1,844	1,946
Received compensation	318	849	118	397
Government grants received	272	75	200	37
Other (aggregated items), including:	219	364	122	107
provision of welfare services	8	10	8	10
court fees refunded	6	5	-	4
other	205	349	114	93
	4,467	5,136	2,284	2,487
	5,700	5,138	3,514	2,487

Note 4 Other expenses

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Loss on disposal of assets:				
Loss on disposal of property, plant and equipment	691	887	195	480
	691	887	195	480
Recognised impairment losses on:				
Property, plant and equipment	353	37	209	36
Other receivables	3	-	-	326
Other	-	(312)	-	(312)
	356	(275)	209	50
Other expenses:				
Investment property maintenance costs	2,341	3,096	1,214	1,621
Fines and compensations	4	155	2	3
Plant outages	255	220	125	107
Disaster recovery costs	1,699	5,825	835	2,237
Recognised provisions	917	711	754	422
Other (aggregated items), including:	212	526	66	203
cost of provision of welfare services	86	133	45	92
court fees paid	14	2	-	-
donations	105	354	15	106
other	7	37	6	5
	5,428	10,533	2,996	4,593
	6,475	11,145	3,400	5,123

In the first half of 2017, disaster recovery expenses were lower year on year as the number of failures also decreased year on year.

Note 5 Finance income

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Interest income:				
Interest on bank deposits	4	80	2	48
Interest on cash pooling	1,337	3	651	3
Interest on loans	4,199	3,544	2,184	1,873
Interest on trade receivables	163	116	95	48
	5,703	3,743	2,932	1,972
Profit from sale of financial investments:				
Profit from sale of financial investments	69	-	-	-
	69	-	-	-
Gains on measurement of financial assets and liabilities:				
Gains on measurement of financial assets at fair value through profit or loss	3,560	-	-	-
	3,560	-	-	-
Other finance income:				
Foreign exchange gains	-	-	1,926	-
Dividends received	231,516	272,704	231,516	272,704
Other finance income	1,417	1,773	688	856
	232,933	274,477	234,130	273,560
	242,265	278,220	237,062	275,532

Included in 'Gains on measurement of financial assets at fair value through profit or loss' is a net gain on measurement of open currency derivatives (currency forwards with maturities of up to one year) as at the beginning and end of the reporting period, as discussed in detail in Note 11 "Derivative instruments and hedge accounting".

Note 6 Finance costs

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Interest expense:				
Interest on bank borrowings and overdraft facilities	11,094	10,915	4,478	4,800
Interest on cash pooling	1,640	287	890	259
Interest on borrowings	536	521	270	258
Interest on finance lease liabilities	19	11	9	6
Interest on factoring	107	176	52	76
Interest on receivables discounting	384	390	112	234
Interest on trade payables	10	1	5	-
Interest on public charges	15	1	15	-
Other interest expense	884	800	884	799
	14,689	13,102	6,715	6,432
Loss on sale of financial investments:				
Loss on sale of financial investments	-	11	-	-
	-	11	-	-
Loss on measurement of financial assets and liabilities:				
Loss on measurement of financial assets at fair value through profit or loss	-	2,704	2,100	3,665
	-	2,704	2,100	3,665
Other finance costs:				
Other finance costs:				
Foreign exchange losses	2,495	2,293	-	940
Other finance costs	2,377	1,905	1,404	955
	4,872	4,198	1,404	1,895
	19,561	20,015	10,219	11,992

In the corresponding period of 2016, the item 'Loss on measurement of financial assets and liabilities' included primarily a net loss on measurement of open currency forwards.

Note 7 Income tax

Note 7.1 Income tax disclosed in the statement of profit or loss

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Current income tax:				
Current income tax expense	10,041	-	9,211	-
	10,041	-	9,211	-
Deferred income tax:				
Deferred income tax associated with origination and reversal of temporary differences	(18,471)	3,023	(29,734)	(2,615)
	(18,471)	3,023	(29,734)	(2,615)
Income tax disclosed in the statement of profit or loss	(8,430)	3,023	(20,523)	(2,615)

Note 7.2 Effective tax rate

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Profit before tax	319,438	261,217	261,971	233,321
Tax calculated at the applicable tax rate	60,693	49,631	49,774	44,331
Tax exempt dividends received	(43,988)	(51,814)	(43,988)	(51,814)
Other tax exempt income (+/-)	162	204	(148)	233
Non tax deductible expenses (+/-)	7,375	4,365	6,144	3,638
Recognition of state aid deductible in future periods (+/-)	(32,655)	-	(32,655)	-
Other (+/-)	(17)	989	(2)	997
Income tax disclosed in the statement of profit or loss	(8,430)	3,023	(20,523)	(2,615)
Effective tax rate	(2.6%)	1.2%	(7.8%)	(1.1%)

Note 7.3 Income tax disclosed in other comprehensive income

	for the period Jan 1 – Jun 30 2017	for the period Jan 1– Jun 30 2016	for the period Apr 1– Jun 30 2017	for the period Apr 1– Jun 30 2016
	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>	<i>unaudited</i>
Income tax on items that will not be reclassified to profit or loss (+/-)	(331)	(1,038)	(331)	(1,038)
Remeasurement of net defined benefit obligation/asset	(331)	(1,038)	(331)	(1,038)
Income tax on items that are or will be reclassified to profit or loss (+/-)	3,938	-	(162)	-
Measurement of hedging instruments through hedge accounting	3,938	-	(162)	-
Income tax disclosed in other comprehensive income	3,607	(1,038)	(493)	(1,038)

Note 7.4 Deferred tax assets and liabilities

	Assets (-)		Liabilities (+)	
	Jun 30 2017	Dec 31 2016 (restated)	Jun 30 2017	Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>	<i>unaudited</i>	<i>audited</i>
Property, plant and equipment	(9,632)	(9,593)	77,497	84,285
Perpetual usufruct of land	-	-	-	-
Investment property	-	-	2,431	2,541
Intangible assets	(1,357)	(1,357)	7,209	7,212
Financial assets	-	(2,815)	105	105
Inventories and property rights	(1,080)	(1,143)	4,515	4,954
Trade and other receivables	(27)	(140)	41	20
Trade and other payables	(4,816)	(6,941)	393	418
Other assets	-	-	-	-
Employee benefits	(13,252)	(12,325)	-	-
Provisions	(5,340)	(5,353)	409	222
Bank borrowings	(51)	(62)	-	-
Other financial liabilities	-	-	-	-
Measurement of hedging instruments through hedge accounting	-	(1,682)	2,271	-
State aid deductible in future periods	(32,655)	-	-	-
Tax losses	(15,332)	(31,065)	-	-
Other	(1,933)	(2,570)	468	2
Deferred tax assets (-)/liabilities (+)	(85,475)	(75,046)	95,339	99,759
Offset	85,475	75,046	(85,475)	(75,046)
Deferred tax assets (-)/liabilities (+) recognised in the statement of financial position	-	-	9,864	24,713

In connection with the project involving construction of Polyamide Plant II, the Parent obtained a licence to operate in the Krakowski Park Technologiczny Special Economic Zone. As at June 30th 2017, the Company recognised for the first time an asset in respect of benefits it can derive from operations in the Special Economic Zone, the asset being equal to the forecast tax savings on the operations in 2017-2020, i.e. PLN 32,655 thousand. As at June 30th 2017, the Company's eligible capital expenditure totalled PLN 261,142 thousand, which in the future may allow the Company to realise tax savings on operations in the zone of approx. PLN 130 million (net of the discount effect).

The decrease in the deferred tax liability on temporary differences relating to non-current assets results from the reduction, as of the start of 2017, of tax depreciation rates applicable to property, plant and equipment. The decrease in deferred tax asset on unused tax losses is a consequence of a settlement of the losses in the first half of 2017.

Note 8 Property, plant and equipment

Carrying amount

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Land	572	572
Buildings and structures	269,987	258,386
Plant and equipment	687,957	623,613
Vehicles	3,944	4,391
Other property, plant and equipment	15,317	16,207
	977,777	903,169
Property, plant and equipment under construction	544,857	532,352
	1,522,634	1,435,521

Net property, plant and equipment, by type

	Land	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Net carrying amount as at December 31st 2016 (restated)	572	258,386	623,613	4,391	16,207	532,352	1,435,521
Increase, including:	-	20,920	98,062	-	786	129,835	249,603
Increase due to acquisition, manufacturing, commissioning	-	19,697	97,092	-	786	129,835	247,410
Increase due to reversal of impairment loss	-	1,223	(80)	-	-	-	1,143
Other increases	-	-	1,050	-	-	-	1,050
Decrease, including :(-)	-	(9,319)	(33,718)	(447)	(1,676)	(117,330)	(162,490)
Depreciation	-	(9,311)	(33,372)	(447)	(1,676)	-	(44,806)
Decrease due to liquidation	-	-	(1)	-	-	-	(1)
Decrease due to commissioning	-	-	-	-	-	(117,330)	(117,330)
Decrease due to recognition of impairment loss	-	(8)	(345)	-	-	-	(353)
Net carrying amount as at June 30th 2017 (unaudited)	572	269,987	687,957	3,944	15,317	544,857	1,522,634

Decrease due to reversal of impairment loss is related to the commissioning of a plant building (to be used as a fertilizer storehouse) for which an impairment loss was previously recognised.

Note 9 Intangible assets

Carrying amount

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Patents and licences	32,049	32,463
Software	5,917	6,187
Development costs	6,524	6,511
Other intangible assets	2,046	2,147
	46,536	47,308
Intangible assets under development	3,417	3,556
	49,953	50,864

Development costs include preparation of the design for graphene manufacturing of PLN 3,450 thousand, research on PPA synthesis of PLN 2,398 thousand, and other research work. Other intangible assets are related to the costs of REACH registration.

Note 10 Shares

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Shares	3,907,837	3,883,721
	3,907,837	3,883,721
including		
Non-current	3,907,837	3,883,721
	3,907,837	3,883,721

Movements in subsidiaries

	for the period from Jan 1 to Jun 30 2017	for the period from Jan 1 to Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Balance at beginning of period	3,883,721	3,844,670
Increase, including:	24,116	43,471
Increase due to acquisition	24,116	43,471
Decrease, including :(-)	-	(4,420)
Decrease due to sale, winding up	-	(20)
Decrease due to recognition of impairment loss	-	(4,400)
Balance at end of period	3,907,837	3,883,721

Increase due to acquisition is related to the buyout of shares of Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki „Siarkopol” S.A. for a total amount of PLN 1,295 thousand and purchase of shares in PDH ”Polska” S.A. for PLN 22,821 thousand.

Note 11 Trade and other receivables

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Trade receivables - related parties	55,032	76,058
Trade receivables - other entities	125,680	66,173
Receivables from state budget, except for income tax	40,775	52,559
Prepayments for deliveries of property, plant and equipment - related parties	110	450
Prepayments for deliveries of property, plant and equipment - other entities	13,169	17,671
Prepayments for deliveries of materials, goods and services - other entities	1,159	3,414
Prepaid expenses - related parties	-	279
Prepaid expenses - other entities	11,695	6,217
Other receivables - related parties	70,733	2,350
Other receivables - other entities	2,413	1,507
	320,766	226,678
including		
Current	320,766	226,678
	320,766	226,678

The increase in „Other receivables - related parties” is related to dividends receivable. The increase in „Trade receivables - other entities” results from seasonality of sales (mainly of fertilizers).

Note 12 Borrowings

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Bank borrowings	1,260,581	1,165,271
Non-bank borrowings	280,988	308,394
	1,541,569	1,473,665
including		
Long-term borrowings	1,261,622	1,166,290
Short-term borrowings	279,947	307,375
	1,541,569	1,473,665

In the first half of 2017, the Company drew down the last, fifth loan under EIB Credit Facility of EUR 27,134 thousand. The total amount of loans to be repaid under the facility (EUR 127,134 thousand) is divided into 14 equal half-yearly instalments, payable in 2018-2025. The decrease drop in non-current liabilities under borrowings is related to a change in the balance of liabilities under the cash pool arrangement, where the Company acts as the agent.

Maturities and currencies

As at Jun 30 2017 (unaudited)

Currency	Reference rate	Amount as at the reporting date		Up to one year	1-2 years	2-5 years	Over 5 years
		in foreign currency	in PLN				
PLN	variable	1,000,096	1,000,096	279,947	769	714,818	4,562
EUR	variable	1,104	4,648	-	-	4,648	-
EUR	fixed	127,134	536,825	-	75,531	231,077	230,217
		1,541,569		279,947	76,300	950,543	234,779

As at Dec 31 2016 (audited)

Currency	Reference rate	Amount as at the reporting date		Up to one year	1-2 years	2-5 years	Over 5 years
		in foreign currency	in PLN				
PLN	variable	1,026,948	1,026,948	307,375	-	714,260	5,313
EUR	variable	1,104	4,862	-	-	4,862	-
EUR	fixed	100,000	441,855	-	30,365	190,384	221,106
		1,473,665		307,375	30,365	909,506	226,419

Note 13 Other financial liabilities

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	unaudited	audited
Finance lease liabilities	1,806	2,140
Liabilities under receivables discounting	24,912	57,530
Other financial liabilities	27,427	33,999
	54,145	93,669
including		
Non-current liabilities	25,308	28,538
Current liabilities	28,837	65,131
	54,145	93,669

„Other current financial liabilities” includes liabilities under receivables discounting (factoring) from a related entity (Grupy Azoty ATT Polymers GmbH, with mBank) and it resulted from decrease in the balance of receivables sold as at June 30th 2017, compared with the balance as at December 31st 2016 (including due to a surplus of foreign currencies in the Company’s account).

Note 14 Trade and other payables

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Trade payables - related parties	27,848	30,506
Trade payables - other entities	88,452	106,849
Liabilities to state budget, except for income tax	15,872	22,658
Salaries payable	6,980	7,717
Liabilities under purchases of property, plant and equipment, intangible assets, investment properties - related parties	10,412	15,624
Liabilities under purchases of property, plant and equipment, intangible assets, investment properties - other entities	22,038	28,819
Prepayments for deliveries - related parties	-	11
Prepayments for deliveries - other entities	1,840	702
Other liabilities - other entities	85,236	5,166
Accrued expenses - related parties	4	809
Accrued expenses - other entities	39,522	43,256
Deferred income	55	23
	298,259	262,140
including		
Current	298,259	262,140
	298,259	262,140

„Other liabilities - other entities” includes mainly dividend payable to shareholders. The decrease in trade payables results from scheduled plant shutdowns (repairs and maintenance work) planned for July and August.

Note 15 Subsidies

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Government grants	26,977	19,374
Other subsidies	7,180	1,695
	34,157	21,069
including		
Long-term subsidies	26,176	19,222
Short-term subsidies	7,981	1,847
	34,157	21,069

In February and April 2017, CO₂ emissions allowances were allocated free of charge, which affected the balance of subsidies.

Note 16 Financial instruments

Categories of financial instruments

Financial assets

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
At fair value through profit or loss	2,736	834
Loans and receivables	605,685	444,252
Cash and cash equivalents	394,724	326,031
Financial assets available for sale	107	107
	1,003,252	771,224
Recognised in the statement of financial position as:		
Available-for-sale financial assets	107	107
Trade and other receivables*	253,859	146,088
Cash and cash equivalents	394,724	326,031
Derivatives	2,736	834
Other financial assets	351,826	298,164
	1,003,252	771,224

Financial liabilities

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
At fair value through profit or loss	-	1,108
At amortised cost	1,758,207	1,761,930
	1,758,207	1,763,038
Recognised in the statement of financial position as:		
Long-term borrowings	1,261,622	1,166,290
Short-term borrowings	279,947	307,375
Derivatives	-	1,108
Trade and other payables**	162,493	194,596
Other financial liabilities	54,145	93,669
	1,758,207	1,763,038

**"Trade and other receivables" in the statement of financial position represents this asset item less non-financial receivables not classified as financial instruments (including: receivables under advance payments; taxes, subsidies, customs duties and social security receivable; prepaid expenses).

***"Trade and other payables" in the statement of financial position represents this item of liabilities less non-financial liabilities not classified as financial instruments (including: liabilities under advance payments received; taxes, subsidies, customs duties and social security payable; liabilities to shareholders; accrued expenses and deferred revenue).

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk principally in connection with its trade receivables, advanced loans, short-term bank deposits, bank accounts and cash pooling. The following table presents Grupa Azoty's maximum exposure to credit risk:

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Assets at fair value through profit or loss	2,736	834
Loans and receivables	605,685	444,252
Cash and cash equivalents	394,724	326,031
	1,003,145	771,117

Not impaired past due trade receivables

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Past due up to 60 days	8,463	3,841
Past due 60–180 days	372	41
Past due 180–360 days	5	-
	8,840	3,882

The Company's trade receivables from unrelated entities are insured in the first place under a global trade credit insurance policy, which limits the credit risk to the amount of deductible (5% to 10% of the value of insured receivables). The policy provides ongoing monitoring of customers' financial condition and enables debt recovery when required. Upon a customer's actual or legal insolvency, the Group receives compensation equal to 90-95% of the amount of the insured receivables.

Some of the Company's trade receivables from unrelated entities which are not covered by the insurance are secured with letters of credit, guarantees or other forms of security acceptable to the Company.

Trade credit limit is granted first of all on the basis of the insurance company's decision, but also taking into account positive trading history with the customer and the customer's creditworthiness (assessed based on business intelligence reports), financial statements and payment history.

If there is no positive history of trading between the Company and a customer, or where transactions are occasional and the credit limit cannot be insured, the customer is required to make a prepayment or provide security prior to delivery.

Credit risk exposure is defined as the total of unpaid receivables, monitored on an ongoing basis by the Company's internal financial staff (individually for each trading partner) and, if a receivable is insured, also by insurance companies' credit analysts.

Fair value of financial instruments

Detailed information on the fair value of financial instruments whose fair values can be estimated is presented below:

- Cash and cash equivalents, short-term bank deposits and short-term bank borrowings. Carrying amounts of these instruments approximate their fair values because of their short maturities.
- Trade and other receivables, trade payables. Carrying amounts of these instruments approximate their fair values due to their short-term nature.
- Long-term variable-rate borrowings. Carrying amounts of these instruments approximate their fair values due to the variable nature of their interest rates.
- Long-term fixed-rate borrowings. Carrying amount of these instruments is PLN 536,825 thousand, and their fair value is approximately PLN 541,644 thousand (Level 2 in the fair value hierarchy).
- FX derivatives and emission allowance derivatives. Carrying amounts of these instruments are equal to their fair values.
- Financial assets available for sale. Carrying amounts of these instruments are equal to their fair values.

The table below presents financial instruments carried at fair value, by levels in the fair value hierarchy as at June 30th 2017:

Hierarchy level (unaudited)	Level 2	Level 3
Financial assets at fair value, including:		
shares classified as held for sale		107
currency futures and forward contracts	2,452	
contracts for purchase of CO ₂ emission allowances	284	
interest rate contracts		
other		
	2,736	107

The table below presents financial instruments, carried at fair value, by levels in the fair value hierarchy as at December 31st 2016:

Hierarchy level (audited)	Level 2	Level 3
Financial assets at fair value, including:		
shares classified as held for sale	-	107
contracts for purchase of CO ₂ emission allowances	834	-
	834	107
Financial liabilities at fair value, including:		
currency futures and forward contracts	1,108	

The fair value hierarchy presented in the tables above is as follows:

Level 1 - price quoted in an active market for the same asset or liability,

Level 2 - values based on inputs other than quoted level 1 prices that are either directly or indirectly observable or determined on the basis of market data,

Level 3 - values based on input data that are not based on observable market data.

The fair value of currency forwards and forward emissions allowances presented in Level 2 is determined on the basis of a valuation carried out by brokers or banks with which the relevant contracts have been concluded. The valuations are verified by discounting the expected cash flows from the contracts at market interest rates effective as at the reporting date.

Derivative instruments and hedge accounting

Foreign currency derivatives

As at June 30th 2017, the notional amount of the Company's open currency derivatives (forwards) totalled EUR 23m (which included instruments maturing in H2 2017: July - EUR 3.0m, August - EUR 3.0m, September - EUR 3.0m, October - EUR 2.5m, November - EUR 2.5m and December - EUR 2.5m, and instruments maturing in H 1 2018: February - EUR 1.5m, March - EUR 2.0m, April - EUR 1.0m, May - EUR 1.0m and June - EUR 1.0m). As at December 31st 2016, the notional amount of Grupa Azoty's open currency derivatives (forwards) was EUR 33m.

The contracts are concluded exclusively with creditworthy banks under framework agreements. All concluded contracts are reflected in actual cash flows in foreign currencies. FX forwards and derivative contracts are executed to match the Company's currency exposure and their purpose is to limit the effect of exchange rate fluctuations on the Company's financial performance.

Hedge accounting

The Company applies cash flow hedge accounting. The hedged items are highly probable future proceeds from sale transactions in the euro, which will be recognised in profit or loss in the period from December 2018 to June 2025. The hedging covers currency risk. The hedge is a euro-denominated credit facility of EUR 127,134 thousand as at June 30th 2017, repayable from December 2018 to June 2025 in 14 equal half-yearly instalments of EUR 9,081 thousand each. As at June 30th 2017, the fair value of the facility was PLN 541,644 thousand. As at June 30th 2017, the hedging reserve included PLN 11,953 thousand on account of the effective hedge. In the first half of 2017, the Company did not reclassify any hedge accounting amounts from other comprehensive income to the statement of profit or loss.

Note 17 Investment commitments

In the period ended June 30th 2017, the Company signed contracts for new investment projects and for continuation of on-going investment projects. The projects involve mainly the provision of chemical, construction, mechanical, electrical industry services, design services, and project supervision.

The largest capital commitments are as follows:

- Construction of Polyamide Plant II - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 32,538 thousand (December 31st 2016: PLN 66,980 thousand);
- Extension of Phenol Storage and Distribution Facilities - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 8,494 thousand (December 31st 2016: PLN 0);
- Utilisation of Purge Gases from the Ammonia Synthesis Unit - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 7,021 thousand (December 31st 2016: PLN 0);
- Construction of a Flue Gas Desulfurization Unit - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 3,419 thousand (December 31st 2016: PLN 7,582 thousand);
- Heat Recovery from the Beckmann Rearrangement Process - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 3,707 thousand (December 31st 2016: PLN 2,243 thousand);
- Construction of Granulation Plant II - as at June 30th 2017, the amount of the Company's capital commitments under executed contracts was PLN 1,970 thousand (December 31st 2016: PLN 8,969 thousand).

The total amount of the Company's capital commitments under executed contracts was PLN 72,646 thousand (December 31st 2016: PLN 104,951 thousand).

Note 18 Related-party transactions

Trade transactions with related parties

Trade transactions

	Revenue	Receivables	Purchases	Liabilities
In the six months ended June 30th 2017 and as at this day (unaudited)				
Related parties of Grupa Azoty	162,184	122,854	110,457	27,195
Related parties of Grupa Azoty KĘDZIERZYN	-	-	87	-
Related parties of Grupa Azoty POLICE	49	13	25	4
Related parties of Grupa Azoty PUŁAWY	13,618	2,689	3,057	754
Related parties of Grupa Azoty PKCh Sp. z o.o.	1,621	319	35,081	10,311
	177,472	125,875	148,707	38,264

	Revenue	Purchases
Period ended Jun 30 2016 (unaudited)		
Related parties of Grupa Azoty	176,178	208,505
Related parties of Grupa Azoty KĘDZIERZYN	-	99
Related parties of Grupa Azoty POLICE	26	88
Related parties of Grupa Azoty PUŁAWY	16,137	6,678
Related parties of Grupa Azoty PKCh Sp. z o.o.	1,638	38,535
	193,979	253,905

	Receivables	Liabilities
Balance as at Dec 31 2016 (audited, restated)		
Related parties of Grupa Azoty	77,694	35,882
Related parties of Grupa Azoty KĘDZIERZYN	-	-
Related parties of Grupa Azoty POLICE	33	61
Related parties of Grupa Azoty PUŁAWY	1,028	732
Related parties of Grupa Azoty PKCh Sp. z o.o.	382	10,275
	79,137	46,950

Other transactions

	Other income	Other expenses	Finance income	Finance costs
Period ended Jun 30 2017 (unaudited)				
Related parties of Grupa Azoty	490	19	237,856	2,853
Related parties of Grupa Azoty POLICE	-	-	-	426
Related parties of Grupa Azoty PUŁAWY	-	-	103	96
Related parties of Grupa Azoty PKCh Sp. z o.o.	690	1,065	-	250
	1,180	1,084	237,959	3,625

	Other income	Other expenses	Finance income	Finance costs
Period ended Jun 30 2016 (unaudited)				
Related parties of Grupa Azoty	1,091	340	277,913	2,260
Related parties of Grupa Azoty POLICE	-	-	-	-
Related parties of Grupa Azoty PUŁAWY	-	-	-	-
Related parties of Grupa Azoty PKCh Sp. z o.o.	705	1,986	-	-
	1,796	2,326	277,913	2,260

Loans granted to related parties

In the first half of 2017, the Company advanced loans to Grupa Azoty KĘDZIERZYN for a total amount of PLN 77,918 thousand (2016: PLN 80,722 thousand advanced to Grupa Azoty KĘDZIERZYN).

In the first half of 2017, the Company also obtained timely repayment of previously granted loans of PLN 23,924 thousand, including PLN 12,000 thousand from Grupa Azoty Police and PLN 11,924 thousand from Grupa Azoty Kędzierzyn (2016: PLN 30,193 thousand, including PLN 24,000 from Grupa Azoty Police and PLN 6,193 thousand from Grupa Azoty Kędzierzyn).

Note 19 Contingent liabilities and assets, sureties and guarantees

Contingent liabilities, sureties and guarantees

	as at Jun 30 2017	as at Dec 31 2016 (restated)
	<i>unaudited</i>	<i>audited</i>
Sureties	7,608	-

In the first half of 2017, the Company granted a surety for the benefit of Grupa Azoty ATT Polymers GmbH, a related party, of up to EUR 1,800 thousand, to Brandenburg Investment Bank (Investitionsbank des Landes Brandenburg, ILB) to secure a grant for co-financing of an investment project „Construction of a Logistics Centre”; the surety will expire on October 23rd 2023.

Borrowings from related parties

As at June 30th 2017 and December 31st 2016, the Company carried a loan of PLN 50,000 thousand from Grupa Azoty Kopalnie i Zakłady Chemiczne Siarki Siarkopol S.A.

Cash pooling

As at June 30th 2017, the Company presented cash provided to other Group companies participating in the cash pooling service as cash equivalents (PLN 151,379 thousand), whereas cash received by the Company from other Group companies is presented as short-term borrowings (PLN 230,988 thousand as at June 30th 2017).

Transactions with owners

As at June 30th 2017 and December 31st 2016, the Company had a credit facility of PLN 10,020 thousand contracted with the EBRD.

Interim condensed separate financial statements for the six months ended June 30th 2017 comprise 35 pages.

Signatures of Members of the Management Board

.....
Wojciech Wardacki, PhD
President of the Management Board

.....
Witold Szczypiński
*Vice President of the Management Board
Director General*

.....
Tomasz Hinc
*Vice President of the Management
Board*

.....
Grzegorz Kądziaławski
Vice President of the Management Board

.....
Paweł Łapiński
*Vice President of the Management
Board*

.....
Józef Rojek
Vice President of the Management Board

.....
Artur Kopec
Member of the Management Board

Person responsible for maintaining accounting records

.....
Ewa Gładysz
*Head of Corporate Finance
Department*

Tarnów, August 22nd 2017