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Preliminary financial results of Relpol S.A. for 2018

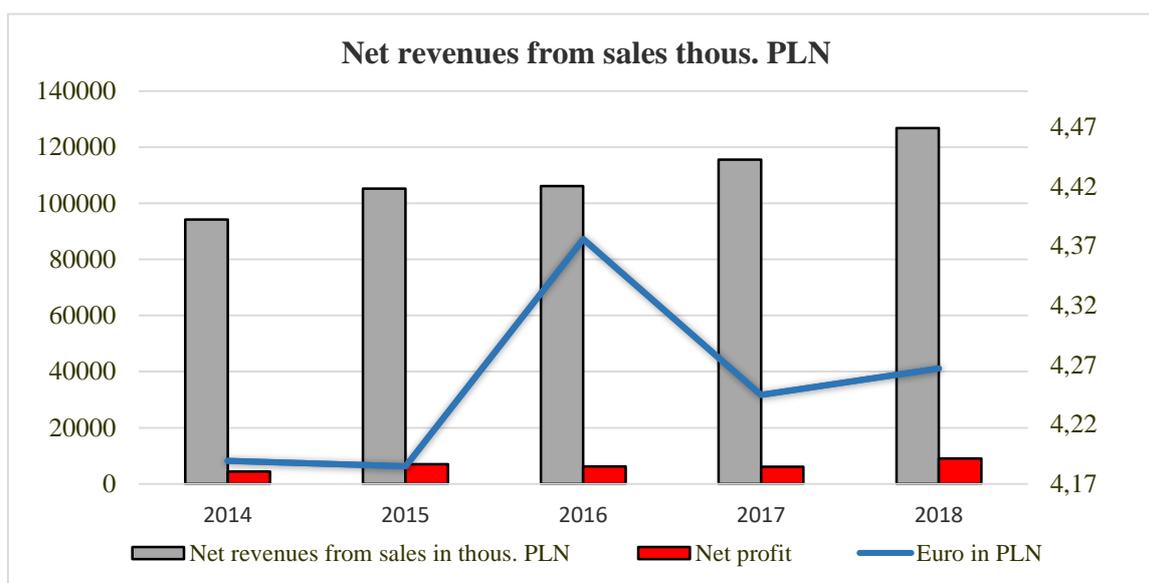
The Management Board of Relpol S.A. in Żary publishes preliminary financial results of Relpol S.A. for 2018. Such decision was taken due to the completion of the cost settlement process and obtaining preliminary individual data for 2018, interest among the shareholders in the results and due to withdrawing from publishing a consolidated statement for the fourth quarter of 2018.

These are preliminary results regarding the parent company Relpol S.A. not a capital group. The calculations have been made according to the best knowledge of the Management Board as at the date of their preparation and based on the circumstances known to the Management Board. These preliminary results may change in relation to the annual financial statement reviewed by an auditor which will be published in April 2019.

At the moment, the company does not possess preliminary consolidated data for 2018, because it does not have all financial data from its subsidiaries. However, Relpol S.A. has the greatest impact on the results of the capital group. For the three quarters of 2018, the share of the parent company's sales in the total consolidated sales reached 93%. When it comes to the net results, the impact was even greater. Relpol's S.A. in this period net profit reached to PLN 7.0 million and slightly exceeded the consolidated net profit of the capital group (PLN 6.8 million). It was influenced by the results of subsidiaries and exclusions and consolidation adjustments.

Selected financial data for 2018 concerning Relpol S.A.

	in thousand PLN		
Selected financial data from the profit and loss account	from 01.01.2018 to 31.12.2018	from 01.01.2017 to 31.12.2017	Dynamics
Net revenues from sales of products, goods and materials, including:	126,821	115,533	109.8%
country	39,814	35,976	110.7%
export	87,007	79,557	109.4%
Costs of products, goods and materials sold	97,201	90,627	107.3%
Gross profit on sales in PLN '000	29,620	24,906	118.9%
Gross margin on sales (%)	23.4%	21.6%	1.8 p.p.
EBIDTA in PLN '000	16,866	13,901	121.3%
EBIDTA margin (%)	13.3%	12.0%	1.3 p.p.
EBIT in PLN '000	11,091	8,334	133.1%
EBIT margin (%)	8.7%	7.2%	1.5 p.p.
Net profit	9,008	6,052	148.8%
Operating profit margin (%)	7.1%	5.2%	1.9 p.p.



Comments to the profit and loss account for 2018

Another good year in the company's activity has ended. The revenues generated in 2018 were 10% higher than revenues from 2017 and this was another year with revenues higher than in the previous year. It resulted from both the adopted development strategy and the favourable market. The increase in revenues was proportionally distributed both in the country and in exports. In the fourth quarter of 2018 alone, in terms of sales revenues, it was 16% higher than the fourth quarter of 2017. The high level of revenues allowed the company to earn PLN 9.0 million net profit, i.e. 49% more than in 2017. The margins on sales and net margin.

in thousand PLN			
Selected financial data from the balance sheet	from 01.01.2018 to 31.12.2018	from 01.01.2017 to 31.12.2017	Dynamics
ASSETS	100,525	92,381	108.8%
Fixed assets, of which:	39,158	38,788	101.0%
Tangible fixed assets	31,791	30,296	104.9%
Intangible assets	6,919	8,020	86.3%
Current assets, of which:	61,367	53,593	114.5%
Stock	30,535	27,508	111.0%
Total amounts due on account of deliveries and services	29,482	23,362	126.2%
Other amounts due	815	1,835	44.4%
Cash and cash equivalents	166	484	34.3%
Prepaid expenses	369	404	91.3%
LIABILITIES	100,525	92,381	108.8%
Equity	77,494	72,418	107.0%
Long-term liabilities, including:	3,877	4,006	96.8%
Interest-bearing bank loans and non-bank loans	0	282	0.0%
Reserves for deferred income tax	619	371	166.8%
Reserves for other liabilities and other charges	1,715	1,736	98.8%
Short-term liabilities, including:	1,543	1,588	97.2%
Trade and similar liabilities	19,154	15,957	120.0%
Leasing liabilities due	9,738	7,394	131.7%
Other liabilities	614	347	176.9%

Short-term part of interest-bearing long-term bank loans and non-bank loans	3,888	4,296	90.5%
Reserves for other liabilities and other charges	2,992	2,516	118.9%

Comments to the balance sheet:

The balance sheet total increased by 8.8%. In assets, the largest change occurred in receivables and inventories. With the increase in sales and the extension of some payment terms, by 26.2%, receivables increased. supplies and services. Storage supplies increased by 11%. Inventories concern the condition of materials, raw materials, work in progress and finished products. In the company's liabilities by 20% (PLN 2.3 million), short-term liabilities increased, of which PLN 2.3 million was due to liabilities. supplies and PLN 0.5 million due current parts of loans and borrowings. Slightly, by PLN 0.13 million (by 3.2%), long-term liabilities decreased.

Legal basis: Art. 17 sec. 1 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

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 Krzysztof Pałgan
 Vice President of the Management Board

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 Sławomir Bialik
 President of the Management Board