



Capital Group APLISENS
Condensed Consolidated Financial Statements
For the period ended December 31, 2017

Warsaw, March 20, 2018

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SELECTED FINANCIAL DATA

In kPLN

Specification	01.01.2017 - 31.12.2017		01.01.2016 - 31.12.2016	
PROFIT AND LOSS ACCOUNT	PLN	EUR	PLN	EUR
Net revenues from sales of products, goods and materials	99 845	23 522	96 679	22 095
Cost of sales	64 928	15 296	63 962	14 618
Operating profit (loss)	17 085	4 025	15 943	3 644
Gross profit (loss)	16 776	3 952	17 085	3 905
Net profit (loss)	20 012	4 715	14 697	3 359
Number of shares	12 825 834	12 825 834	13 160 656	13 160 656
Net profit (loss) per share (pln/euro)	1,56	0,37	1,12	0,26

BALANCE SHEET				
Fixed assets	92 600	22 201	86 119	19 466
Current assets	68 111	16 330	70 282	15 887
Equity capital	150 664	36 123	145 297	32 843
Long-term liabilities	659	158	751	170
Short-term liabilities	9 388	2 251	10 353	2 340
Book value per share (pln/euro)	12,53	3,00	11,88	2,69

CASH FLOW STATEMENT				
Net cash flow from operating activities	16 177	3 811	21 746	4 970
Net cash flow from investing activities	-12 464	-2 936	-12 584	-2 876
Net cash flow from financing activities	-14 952	-3 522	-4 370	-999

Exchange EUR/PLN	2017	2016
- for balance sheet data	4,1709	4,4240
- for profit and loss data	4,2447	4,3757

The average exchange rate as at the balance sheet date of the National Bank of Poland was used to convert balance sheet data.

The arithmetic mean of the National Bank of Poland's exchange rates of the last day of given period's particulars months was used to convert profit and loss and cash flow statement.

CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION

I. Data of the Parent Equity:

Name:	APLISENS Spółka Akcyjna
Legal form:	Joint-stock company
Headquarters:	Morelowa 7, 03-192 Warsaw
Country of registration:	Poland
Basic subject of activity:	Measuring, control and navigation devices production
Registered in:	Sąd Rejonowy dla miasta st. Warszawy w Warszawie XIII Wydział Gospodarczy Krajowego Rejestru Sądowego KRS: 0000302835
National Business Registry Number:	012265485

II. Duration of the Parent Equity:

The Company was established for an indefinite period.

III. Periods presented in statements

The annual consolidated financial statements contain data for the period from January 1, 2017 to December 31, 2017. Comparative data are presented as at December 31, 2016 for the consolidated statement of financial position and for the period from January 1, 2016 to December 31, 2016 for the consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of cash flows and reports on changes in consolidated equity. The year 2016 was brought to comparability due to the consolidation of APLISENS SRL in Romania.

Change in comparative data	Primary data for 2016	Consolidation change	Adjusted data for 2016
Fixed assets	86 095	24	86 119
Current assets	69 470	812	70 282
Equity capital	144 853	444	145 297
Long-term liabilities	673	78	751
Short-term liabilities	10 039	314	10 353
Book value per share (pln/euro)	11,01	0,03	11,04
Net revenues from sales of products, goods and materials	94 295	2 384	96 679
Cost of sales	62 453	1 509	63 962
Operating profit (loss)	15 550	393	15 943
Gross profit (loss)	16 721	364	17 085
Net profit (loss)	14 411	286	14 697
Number of shares	13 160 656	-	13 160 656
Net profit (loss) per share	1,10	0,02	1,12

IV. Composition of the Parent Company's authorities as at December 31, 2017:

Management Board:

CEO - Adam Żurawski

Changes in the Management Board:

None.

Supervisory Board:

Chairman - Edmund Kozak
Vice-chairman - Dariusz Tenderenda
Secretary - Andrzej Kobiąłka
Member - Bożena Hoja
Member - Jarosław Karczmarczyk

Changes in the Supervisory Board:

None.

V. Statutory Auditor:

PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.
Orzycka 6 lok. 1B02-695 Warsaw

VI. Attorney:

Kancelaria Dag M. Opolski i Spółka Komandytowa
Krakowskie Przedmieście 36/10 20-002 Lublin

VII. Banks:

ALIOR BANK S.A. (previously BANK BPH S.A.)
PKO BP S.A.
BANK ZACHODNI WBK S.A.
MBANK S.A.

VIII. Listings on the regulated market:

General Information:

1. Stock Exchange:	Giełda Papierów Wartościowych w Warszawie S.A.
	Książęca 400-498 Warsaw
Symbol:	APN
Industry Sector:	Electromechanical industry

2. Deposit and billing system: Krajowy Depozyt Papierów Wartościowych S.A. (KDPW)

Książęca
 400-498 Warsaw

3. Investor relations: MAK MEDIA Group

Soczi 10/25
 02-760 Warsaw

IX. Significant Shareholders:

As at December 31, 2017, shareholders holding over 5% of votes at the General Meeting of Shareholders were::

Shareholder	Number of shares	Share in equity capital %	Number of votes	Share in total number of votes in General Meetings of Shareholders
Adam Żurawski * – CEO	2 336 722	17,80%	2 336 722	17,80%
Mirosław Dawidonis	1 480 000	11,27%	1 480 000	11,27%
Janusz Szewczyk	1 640 000	12,49%	1 640 000	12,49%
Dorota Zubkow *	825 000	6,28%	825 000	6,28%
Andrzej Kobialka * - Member of the Supervisory Board	630 139	4,80%	630 139	4,80%
Mirosław Karczmarczyk - Member of the Supervisory Board	1 138 257	8,67%	1 138 257	8,67%
OFE PZU "Złota Jesień"	815 714	6,21%	815 714	6,21%
Own Shared	755 210	5,75%	755 210	5,75%
Other shareholders	3 508 828	26,72%	3 508 828	26,72%
Total	13 129 870	100,0%	13 129 870	100,0%

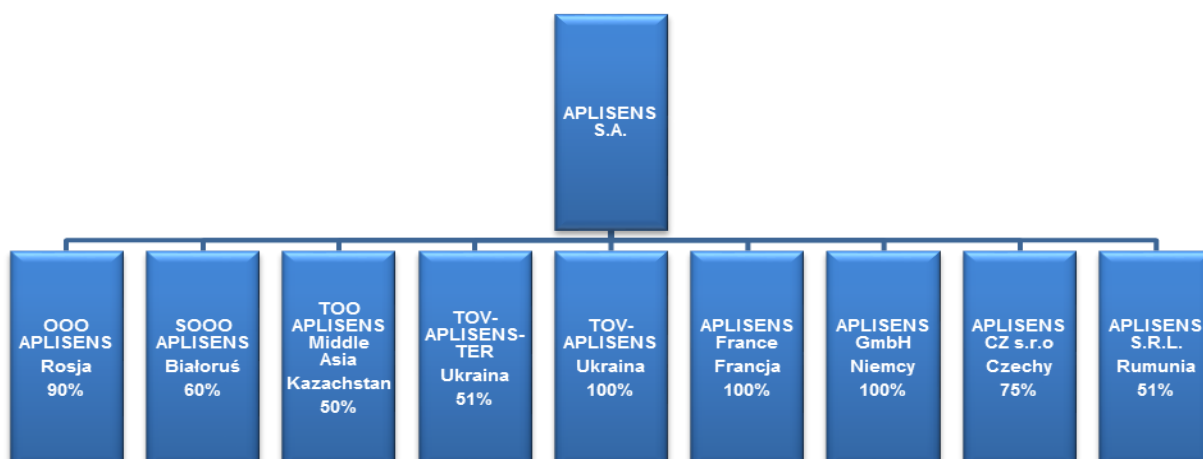
* together with people for whom, pursuant to art. 87 par. 4 of the Act on Public Offering, it is presumed that they are connected by an agreement with a managing or supervising person.

X. Subsidiaries with share of Aplisens S.A. indicated:

- OOO APLISENS Russia - 90% of shares - 90% of votes
- SOOO APLISENS Belarus - 60% of shares - 60% of votes
- GT APLISENS-TER Ukraine - 51% of shares - 51% of votes
- TOV-APLISENS Ukraine - 100% of shares - 100% of votes
- APLISENS GmbH Germany - 100% of shares - 100% of votes
- APLISENS France - 100% of shares - 100% of votes
- APLISENS CZ s.r.o. Czech Republic – 75,03% of shares – 75,03% of votes
- APLISENS SRL Romania – 51% of shares – 51% of votes
- TOO APLISENS Middle Asia (Kazakhstan) - 50% of shares - 50% of votes

Operating on the Easter market, OOO EUROPRIBOR Russia, SOOO EUROPRIBOR Belarus, OOO Alta and OOO AR Projekt are connected with Aplisens S.A. by key management personnel employed in OOO APLISENS Russia and SOOO APLISENS Belarus.

XI. Presentation of Capital Group:



XII. Approval of the published financial statements

These consolidated financial statements have been approved for publication by the Management Board of the Parent Company on March 20, 2018.

CONSOLIDATED FINANCIAL STATEMENTS OF CAPITAL GROUP APLISENS

1 Consolidated profit and loss account

	NOTE	01.01 - 31.12.2017	01.01 - 31.12.2016
Sales revenues	1,2	99 845	96 679
Revenues from the sale of products		90 958	87 938
Revenues from the sale of services		1 298	1 163
Revenues from the sale of goods and materials		7 589	7 578
Cost of products, goods and materials sold	2,3	64 928	63 962
Production costs of products and services sold		59 718	58 682
Value of sold goods and materials		5 210	5 280
Sales profit (loss)		34 917	32 717
Other operating income	4	747	824
Cost of sales	2,3	2 299	2 147
Administrative expenses	2,3	15 278	13 922
Other operating costs	4	1 002	1 529
Operating profit (loss)		17 085	15 943
Financial income	5	391	1 224
Financial costs	5	700	82
Gross profit (loss)		16 776	17 085
Income tax	6	-3 236	2 372
Other mandatory decrease of profit (increase of loss)			16
Net profit (loss) on continuing operations		20 012	14 697
Profit (loss) on discontinued operations	7		
Net profit (loss)		20 012	14 697
Profit (loss) to non-controlling shareholders		364	462
Net profit (loss) of Parent Company		19 648	14 235
Net profit (loss) per share (pln)	8		
Basic for financial period		1,56	1,12
Diluted for financial period		1,56	1,12
Net profit (loss) per share on continuing operations (pln)			
Basic for financial period		1,56	1,12
Diluted for financial period		1,56	1,12
Net profit (loss) per share on discontinued operations (pln)			

Warsaw, March 20, 2018.

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant

2 Consolidated statement of comprehensive income

	NOTE	01.01 - 31.12.2017	01.01 - 31.12.2016
Net profit (loss)		20 012	14 697
Changes in the revaluation surplus			
Profit (loss) on revaluation of available-for-sale financial assets			
The effective part of profit and loss related to cash flow hedges			
Actuarial profit (loss) from defined retirement benefit plans			
Exchange differences on the valuation of entities operating abroad		-1 206	1 851
Share in total revenues of associates			
Income tax related to elements of other comprehensive income			
Total comprehensive income	10, 11	18 806	16 548
Total sum of total revenues attributed to non-controlling shareholders		122	801
Total revenues for the Parent Entity		18 684	15 747

Warsaw, March 20, 2018.

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant

3 Consolidated statement of financial position

ASSETS	NOTE	31.12.2017	31.12.2016
Fixed assets		92 600	86 119
Tangible fixed assets	13	74 142	74 044
Intangible fixed assets	14,15	9 940	9 379
Shares in subordinated entities not included in the consolidation	17	1 595	1 369
Deferred tax asset	6	6 923	1 327
Current assets		68 111	70 282
Inventories	23	33 494	33 054
Trade receivables	25	20 686	15 267
Current income tax receivables		359	1 155
Other receivables	26	92	164
Financial assets valued at fair value (in profit or loss)	21	8 332	4 322
Prepayments	27	315	247
Cash and cash equivalents	28	4 833	16 073
TOTAL ASSETS		160 711	156 401

Capital Group APLISENS
Condensed Consolidated Financial Statements for the period ended December 31, 2017.
(all amounts are presented in kPLN)

LIABILITIES	NOTE	31.12.2017	31.12.2016
Equity Capital		150 664	145 297
<i>The shareholders' equity of the Parent Entity</i>		148 860	143 526
Share capital	29	2 626	2 641
Reserve capital from the sale of shares above the nominal price	30	22 976	22 976
Own shares (negative value)	31	-10 827	-2 300
Reserve capital for the repurchase of own shares	32		11 000
Other capital	32	114 534	94 998
Exchange differences on translation		-2 464	-1 500
Undivided financial result	33	2 367	1 476
The financial result of the current period		19 648	14 235
The capital of non-controlling shareholders	34	1 804	1 771
Long-term liabilities		659	751
Other financial liabilities		53	78
Provisions for deferred income tax	6	372	455
Provision for retirement benefits and similar	43	234	218
Short-term liabilities		9 388	10 353
Trade liabilities	37	7 245	8 331
Other liabilities	38	1 573	1 606
Accruals	42	91	40
Provision for retirement benefits and similar	43	441	338
Other provisions	44	38	38
TOTAL LIABILITIES		160 711	156 401
Book value per share		12,53	11,88

Warsaw, March 20, 2018

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant

Capital Group APLISENS
Condensed Consolidated Financial Statements for the period ended December 31, 2017.
(all amounts are presented in kPLN)

4 Consolidated statement of changes in equity

	Share capital	Reserve capital from the sale of shares above the nominal price	Own shares	Reserve capital for the purchase of own shares	Other capital	Exchange differences from translation	Undivided financial result	The financial result of the current period	Shareholders equity of the Parent Company	Capital of non-controlling shareholders	Total equity
twelve months ended December 31, 2017											
Equity as at January 1	2 641	22 976	-2 300	11 000	94 998	-1 500	15 711	0	143 526	1 771	145 297
Changes in accounting policy											
Adjustments for basic errors							-20		-20	-89	-109
Equity after adjustments	2 641	22 976	-2 300	11 000	94 998	-1 500	15 691	0	143 506	1 682	145 188
Redemption of shares	-15		948		-933				0		0
Payments in the form of own shares			2 806		19				2 825		2 825
Update of reserve capital for the purpose of repurchase of own shares				1 281	-1 281						0
Purchase of own shares			-12 281	-12 281	12 281				-12 281		-12 281
Distribution of net profit					9 450		-9 450		0		0
Payment of the dividend							-3 874		-3 874		-3 874
Total income						-964		19 648	18 684	122	18 806
Equity as at December 31	2 626	22 976	-10 827	0	114 534	-2 464	2 367	19 648	148 860	1 804	150 664
twelve months ended December 31, 2016											
Equity as at January 1	2 641	22 976	-3 264	3 937	91 954	-3 012	15 267	0	130 446	970	131 416
Changes in accounting policy											
Adjustments for basic errors											
Kapitał własny po korektach	2 641	22 976	-3 264	3 937	91 954	-3 012	15 267	0	130 499	970	131 469
Redemption of shares											
Payments in the form of own shares			3 142		-211				2 931		2 931
Update of reserve capital for the purpose of repurchase of own shares				-3 937	3 937						0
Purchase of own shares			-2 178	11 000	-11 000				-2 178		-2 178
Distribution of net profit					10 318		-10 360		-42		-42
Payment of the dividend							-3 431		-3 431		-3 431
Total income						1 512		14 235	15 747	801	16 548
Equity as at December 31	2 641	22 976	-2 300	11 000	94 998	-1 500	1 476	14 235	143 526	1 771	145 297

Warsaw, March 20, 2018.

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant

5 Consolidated statement of cash flows

	01.01 -31.12.2017	01.01 -31.12.2016
OPERATING ACTIVITIES		
Gross profit (loss)	16 776	17 085
Total adjustments	1 212	7 131
Share in net profit of subsidiaries valuated the equity method		
Depreciation	6 776	6 230
Profit (loss) due to exchange differences	-183	-141
Interest and share in profit (dividends)	0	
Profit (loss) on investing activities	-443	-86
Change in provisions	119	51
Change in inventories	-440	-2 363
Change in receivables	-5 309	-859
Change in liabilities, except loans and credits	-913	2 725
Change in other assets	-17	-116
Other adjustments from operating activities	1 622	1 691
Cash from operating activities	17 988	24 216
Income tax (paid)/ returned	-1 811	-2 470
A. Net cash flow on operating activities	16 177	21 746
INVESTING ACTIVITIES		
Incomes	949	6 008
Disposal of intangible and tangible assets	295	29
Disposal of real estate investments		
Disposal of financial assets	654	5 979
Other investment inflows		
Expenditures	13 413	18 592
Purchase of intangible and tangible assets	8 636	10 396
Purchase of real estate investments		
Expenses for financial assets	4 777	8 196
Other investing expenses		
B. Net cash flow on investing activities	-12 464	-12 584
FINANCING ACTIVITIES		
Incomes	1 203	1 239
Net impact from the issue of shares (issue of shares) and other capital instruments and additional payments to capital	1 203	1 239
Credits and loans		
Issue of debt securities		
Other financial inflows		
Expenditures	16 155	5 609
Purchase of own shares	12 281	2 178
Dividends and other payments to owners	3 874	3 431
Repayment of loans and credits		
Other financial liabilities		
Payments of liabilities due to finance lease agreements		
Interests		
C. Net cash flow on financing activities	-14 952	-4 370
D. Total net cash flow (A+B+C)	-11 239	4 792
E. Balance sheet change in cash, including:	-11 239	4 792
– change in cash due to exchange differences		
F. Cash at the beginning of the period	16 073	11 281
G. Cash at the end of the period (F+D)	4 833	16 073

Warsaw, March 20, 2018.

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant

ADDITIONAL NOTES AND EXPLANATIONS TO THE FINANCIAL STATEMENTS

Note 1. SALES REVENUES

In line with IAS 18, revenues from the sale of products, goods, materials and services, net of VAT and discounts are recognized when significant risks and benefits arising from their ownership have been transferred on the buyer.

The sales revenues and total revenues of the Company are as follows:

Specification	01.01 - 31.12.2017	01.01 - 31.12.2016
Continuing operations		
Sales of goods and materials	7 589	7 578
Sales of products	90 958	87 938
Sales of services	1 298	1 163
Total revenues from sales	99 845	96 679
Other operating income	747	824
Financial income	391	1 224
Total revenues from continuing operations	100 983	98 727
Revenues from discontinued operations		
TOTAL REVENUES	100 983	98 727

Revenues from discontinued operations did not occur.

Note 2. INVENTORIES

Inventories are valued at the purchase price or manufacturing costs not higher than their net sale price possible to be obtained as at the balance sheet date. Net value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make it available for the sale.

Specification	31.12.2017	31.12.2016
Materials	13 107	13 654
Semi-finished products and production in progress	13 811	12 038
Finished products	5 628	6 211
Goods	1 379	1 481
Gross inventories	33 925	33 384
Write-down of inventories	431	330
Net inventories	33 494	33 054

** All deviations of the production value as at the balance sheet date are presented in the position of finished products.*

Note 3. TRADE RECEIVABLES

Specification	31.12.2017	31.12.2016
Trade receivables	20 686	15 267
- from related parties	693	440
- from other entities	19 993	14 827
Write-downs (positive value)	465	510
Gross trade receivables	21 151	15 777

Receivables due to deliveries and services are not interest-bearing and usually have a 14-day payment period.

The company has the appropriate policy to sell only to verified clients. Thanks to this, in the opinion of the management, there is no additional credit risk, beyond the level defined by the write-down for bad debts, applicable to trade receivables of the Company.

As at 31 December 2017, trade receivables in the amount of 465 thousand PLN (in 2015 510 thousand PLN) were considered irrecoverable and therefore covered by the write-off. Receivables in the amount of PLN 45 thousand were considered irrecoverable and were written down.

Changes in the write-down revaluating receivables are as follows:

Change in write-downs on trade receivables:

	31.12.2017	31.12.2016
Related parties		
Write-downs of trade receivables at the beginning of period	341	341
Write-downs of trade receivables at the end of period	341	341
Other entities		
Write-downs of trade receivables at the beginning of period	169	195
Increase, including:		77
- write-offs for overdue and disputable receivables in the acquired entity		77
Decrease, including:	45	103
- use of write-downs	45	103
Write-downs of trade receivables at the end of period	124	169
Write-downs of trade receivables at the end of period	465	510

Note 4. OTHER RECEIVABLES

Specification	31.12.2017	31.12.2016
Other receivables, including:	92	164
- for taxes, excluding CIT	70	119
- under deposit	4	
- in respect of income tax from previous years		
- payments due from TFI INVENTUM	3	41
- other	15	4
Write-downs	150	150
Gross other receivables	242	314

Specification	31.12.2017	31.12.2016
Other receivables, including:	92	164
Related parties		
Other entities	92	164
Write-downs	150	150
Gross other receivables	242	314

Note 5. CASH AND CASH EQUIVALENTS

Specification	31.12.2017	31.12.2016
Cash at hand and at bank:	3 397	12 210
Cash at hand	23	18
ALIOR Bank S.A (dawny BPH S.A.)	2 431	1 610
BRE RDM Wealth Management		2
brokerage house account BZ WBK	1	8 421
Other banks and banks of subsidiaries	943	2 159
Other cash	1 435	3 863
Deposit for collateral	2	21
Overnight deposit	1 415	3 750
Deposits in banks	19	92
Total	4 833	16 073

Cash at the bank bear interest at variable interest rates, the amount of which depends on the interest rate on one-day bank deposits. Short-term deposits are made for various periods, from one day to several months, depending on the Company's current demand for cash and bear interest at the interest rates set for them. The fair value of cash and cash equivalents as at December 31, 2017 amounts to 4 833 thousand PLN (December 31, 2016: 16 073 thousand PLN).

As at December 31, 2016, cash on the brokerage account was a collateral for the purchase of shares referred to in note 58. The unused amount of 4 145 thousand PLN came back to the operating account of the Parent Company on January 31, 2017.

Note 6. SHARE CAPITAL

Specification	31.12.2017	31.12.2016
Number of shares	13 129 870	13 202 954
Nominal value of shares	0,20	0,20
Share capital (PLN)	2 625 974,00	2 640 590,80

Kapitał zakładowy – struktura cd.

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Adam Żurawski * – CEO	2 336 722	17,8%	2 336 722	17,8%
Mirosław Dawidonis	1 480 000	11,3%	1 480 000	11,3%
Janusz Szewczyk	1 640 000	12,5%	1 640 000	12,5%
Dorota Zubkow *	825 000	6,3%	825 000	6,3%
Andrzej Kobiałka * - Member of the Supervisory Board	630 139	4,8%	630 139	4,8%
Mirosław Karczmarczyk - Member of the Supervisory Board	1 138 257	8,7%	1 138 257	8,7%
OFE PZU "Złota Jesień"	815 714	6,2%	815 714	6,2%
Own shares	755 210	5,8%	755 210	5,8%
Other shareholders	3 508 828	26,7%	3 508 828	26,7%
Total	13 129 870	100,0%	13 129 870	100,0%

* with persons for whom, pursuant to art. 87 par. 4 of the Act on Public Offering, it is presumed that they are connected by an agreement with a managing or supervising person

Note 7. CREDITS AND LOANS

Does not occur.

Note 8. OTHER FINANCIAL LIABILITIES

APLISENS SLR in Romania has signed 2 leasing contracts for 2 passenger cars. The value of liabilities is as follows:

Specification	31.12.2017	31.12.2016
Liabilities due to leasing of 2 cars	59	80

Note 9. TRADE LIABILITIES

Trade liabilities

Specification	31.12.2017	31.12.2016
Trade liabilities	7 245	8 331
For other entities	7 245	8 331

Trade liabilities - the structure of overdue

Specification	Total	Not overdue	Overdue but recoverable				
			< 60 days	61 – 90 days	91 – 180 days	181 – 360 days	>360 days
31.12.2017	7 245	4 413	2 720	70	5	1	36
For related parties							
For other entities	7 245	4 413	2 720	70	5	1	36
31.12.2016	8 331	8 233	65	0	2	12	19
For related parties							
For other entities	8 331	8 233	65		2	12	19

Note 10. OTHER LIABILITIES

Other short-term liabilities

Specification	31.12.2017	31.12.2016
Liabilities due to other taxes, duties, social and other insurance, excluding CIT	1 329	1 195
VAT	473	421
PIT	193	177
Social security contributions	651	579
Other	12	18
Other liabilities	244	411
other	244	411
Total other liabilities	1 573	1 606

Other short-term liabilities - the structure of overdue

Specification	Total	Not overdue	Overdue but recoverable				
			< 60 days	61 - 90 days	91 - 180 days	181 - 360 days	>360 days
31.12.2017	1 573	1 573					
For related parties							
For other entities	1 573	1 573					
31.12.2016	1 606	1 606					
For related parties							
For other entities	1 606	1 606					

Note 11. CONTINGENT LIABILITIES

Specification	31.12.2017	31.12.2016
Liabilities due to bank guarantees granted mainly as a security for the performance of trade agreements	86	37
Total contingent liabilities	86	37

As at December 31, 2017, the Company has a multipurpose line at Alior Bank SA (formerly BPH), under which it has the option of using a letter of credit up to 300 000 PLN and bank guarantees up to 1.5 million PLN. As part of the agreement, as at the balance sheet date, there is a bank guarantee in the amount of 38 thousand PLN, 10 thousand PLN and 9 000 EUR.

Note 12. LONG-TERM AND SHORT-TERM FINANCIAL LEASING RECEIVABLES AND LIABILITIES

APLISENS SLR in Romania has signed 2 leasing contracts for 2 passenger cars. The value of liabilities is as follows:

Specification	31.12.2017	31.12.2016
Liabilities due to leasing	59	80

Note 13. PROVISION FOR RETIREMENT AND SIMILAR BENEFITS

Specification	31.12.2017	31.12.2016
Provisions for retirement and pension benefits	275	256
Provisions for holiday leaves	400	300
Total, including:	675	556
- Long-term	234	218
- Short-term	441	338

The parent company pays retiring employees the amount of retirement benefits in the amount specified by the Labor Code. Therefore, the parent company on the basis of a valuation performed by a professional actuarial company creates a provision for the current value of liabilities due to retirement benefits. The amount of the provision and reconciliation presenting changes in the balance during the financial period are presented in the table below:

Changes in provisions

Specification	Provisions for retirement benefits and disability pensions	Provisions for jubilee awards	Reserves for holiday leaves	Provisions for other employee benefits
As at January 1, 2017	256		300	
Increase	19		100	
Decrease				
As at December 31, 2017:	275		400	
- Long-term	234			
- Short-term	41		400	
As at January 1, 2016:	205		300	
Increase	51		100	
Decrease			100	
As at December 31, 2016:	256		300	
- Long-term	218			
- Short-term	38		300	

Note 14. OTHER PROVISIONS

Specification	31.12.2017	31.12.2017
Provision for audit of financial statements	38	38
Provision for warranty repairs		
Total, including:	38	38
- Long-term		
- Short-term	38	38

Other provisions

Other provisions are created at the cost of auditing the financial statements for 2017 in the amount of 38 000 PLN.

Note 15. INFORMATION ABOUT RELATED PARTIES

The following table shows the total amounts of transactions with related entities for the current and previous financial year.

Capital Group APLISENS
Condensed Consolidated Financial Statements for the period ended December 31, 2017.
(all amounts are presented in kPLN)

Related parties	Sales to related entity		Purchases from related entity		Receivables from related entity		Including overdue receivables		Liabilities to related parties		Including overdue liabilities	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Parent Entity												
APLISENS S.A.	4 036	3 608	55	202	1 034	440	55	38				
Subsidiaries:												
APLISENS GmbH Germany	3 311	2 849	22	202	792	114	20					
APLISENS CZ s.r.o. Czech Republic	725	759			242	326	35	38				
TOO APLISENS Middle Asia Kazakhstan			33									

The Parent Entity APLISENS S.A. carried out the following types of transactions with subsidiaries:

- 1) sale of finished products to Aplisens GmbH, APLISENS CZ s.r.o. Czech Republic
- 2) purchase from Aplisens Middle Asia from Kazakhstan.

With OOO APLISENS Russia, GT APLISENS-TER Ukraine and APLISENS FRANCE, there were no transactions in 2017.

Operating in the Eastern market companies, OOO EUROPRIBOR Russia, SOOO EUROPRIBOR Belarus, OOO Alta oraz OOO AR Projekt are indirectly affiliated with APLISENS S.A. through key management personnel employed in OOO APLISENS Russia and SOOO APLISENS Belarus.

In 2017, total purchases of APLISENS Russia from OOO EUROPRIBOR Russia amounted to approximately 841 thousand PLN and total sales amounted to 1 156 thousand PLN.

The SOOO APLISENS Belarus company carries out a part of the sale of the Group's products through a dealer on the Belarusian market - EUROPRIBOR. The value of sales in 2017 was about 2 041 thousand PLN and the level of purchases amounted to approximately 337 thousand PLN.

Parent Entity of the Group

APLISENS S.A.

Entity with significant influence on the Group

Does not occur.

Associate

Does not occur.

Joint venture in which the Company is a partner.

Does not occur.

Terms of transactions with related parties

Transactions between related parties took place under conditions applicable to transactions concluded on market terms.

Loan granted to the Members of the Management Board

Does not occur.

Other transactions with the Members of the Management Board

Does not occur.

Note 16. EMPLOYMENT

Average employment

Specification	01.01 - 31.12.2017	01.01 - 31.12.2016
Management Board	18	14
Administration	31	35
Sales department	68	60
Production department	219	196
Others	121	127
TOTAL	456	432

Jobs rotation

Specification	01.01 - 31.12.2017	01.01 - 31.12.2016
Amount of employed	71	54
Amount of dismissed	47	32
TOTAL	24	22

Warsaw, March 20, 2018.

Adam Żurawski
CEO

Grzegorz Grochalski
Chief Accountant