

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

**Consolidated Financial Statements of the Capital Group EMC Instytut Medyczny
for the year ended 31 December 2016**

**Table 1. Adjusted Consolidated Statement of the Financial Standing of the Group
as at 31 December 2016 – selected data**

Figures in PLN thousand as per International Financial Reporting Standards (IFRS)

| | <i>As at 31.12.2016</i> | | |
|---|----------------------------------|-------------------|---------------------------------|
| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
| Fixed assets | 242.053 | -11.669 | 230.384 |
| Intangible assets | 33.131 | -145 | 32.986 |
| Tangible fixed assets | 205.561 | -11.524 | 194.037 |
| Investment real estates | 880 | 0 | 880 |
| Deferred tax assets | 2.481 | 0 | 2.481 |
| Current assets | 46.135 | 0 | 46.135 |
| Inventories | 3.124 | 0 | 3.124 |
| Receivables due to deliveries and services | 29.812 | 0 | 29.812 |
| The other receivables | 1.334 | 0 | 1.334 |
| Receivables due to income tax | 108 | 0 | 108 |
| The other financial assets | 0 | 0 | 0 |
| Prepayments | 878 | 0 | 878 |
| Cash and other pecuniary assets | 10.879 | 0 | 10.879 |
| FIXED ASSETS | 288.188 | -11.669 | 276.519 |
| Equity (Parent Undertaking Shareholders) | 134.025 | -11.510 | 122.515 |
| Share capital | 53.141 | 0 | 53.141 |
| Inventory capital | 96.144 | 0 | 96.144 |
| Exchange differences due to converting a foreign entity | 242 | 0 | 242 |
| Retained earnings | -15.502 | -11.510 | -27.012 |
| Capital of non-controlling Shareholders | 7.851 | 0 | 7.798 |
| Total equity | 141.876 | -11.510 | 130.366 |
| Long-term liabilities | 47.386 | -159 | 47.227 |
| Short-term liabilities | 98.926 | 0 | 98.926 |
| TOTAL LIABILITIES AND EQUITY | 288.188 | -11.669 | 276.519 |

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

**Table 2. Adjusted Consolidated Comprehensive Income Statement of the Group
as at 31 December 2016 – selected data**

Figures in PLN thousand as per International Financial Reporting Standards (IFRS)

| | <i>For the year ended 31.12.2016</i> | | |
|---|--|-------------------|---|
| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
| Revenues from sales | 277.484 | 0 | 277.484 |
| Net revenues from sales of products | 274.601 | 0 | 274.601 |
| Net revenues from sales of goods and materials | 2.883 | 0 | 2.883 |
| Operating expenses | 287.377 | 11.507 | 298.884 |
| Loss on sales | -9.893 | 11.507 | -21.400 |
| The other operating revenues | 4.992 | 0 | 4.992 |
| The other operating expenses | 1.763 | 0 | 1.763 |
| Loss on operating activities | -6.664 | -11.507 | -18.171 |
| Financial revenues | 309 | 0 | 309 |
| Financial costs | 3.057 | 0 | 3.057 |
| Loss on business activities | -9.412 | -11.507 | -20.919 |
| Gross loss | -9.412 | -11.507 | -20.919 |
| Income tax | 1.781 | 3 | 1.784 |
| Net loss | -11.193 | -11.510 | -22.703 |
| Other comprehensive net income | 196 | 0 | 196 |
| Total comprehensive income for the period | -10.997 | -11.510 | -22.507 |
| Net loss including: | | | |
| <i>Parent Undertaking Shareholders</i> | <i>-11.142</i> | <i>-11.510</i> | <i>-22.703</i> |
| <i>Non-controlling Shareholders</i> | <i>-51</i> | <i>0</i> | <i>-51</i> |
| Total income concerning: | | | |
| <i>Parent Undertaking Shareholders</i> | <i>-10.946</i> | <i>-11.510</i> | <i>-22.507</i> |
| <i>Non-Controlling Shareholders</i> | <i>-51</i> | <i>0</i> | <i>-51</i> |
| Loss per share of Parent Undertaking Shareholders in PLN | -0,84 | -0,86 | -1,70 |

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

**Unitary Financial Statement of EMC Instytut Medyczny SA
as at 31 December 2016 – selected data**

Table 3. Adjusted Balance Sheet of the Company as at 31 December 2016 – selected data

Figures in PLN thousand as per "Accounting Act"

| | <i>As at 31.12.2016</i> | | |
|---|--|-----------------------|-------------------------------------|
| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
| Fixed assets | <u>214.404</u> | <u>-13.359</u> | <u>201.045</u> |
| Intangible assets | 2.497 | -1.835 | 662 |
| Goodwill | 1.835 | -1.835 | 0 |
| Other intangible assets | 662 | 0 | 662 |
| Tangible fixed assets | 43.607 | -11.524 | 32.083 |
| Fixed assets | 41.372 | -11.524 | 29.848 |
| a) land (including perpetual usufruct of land) | 1.843 | 0 | 1.843 |
| b) buildings, flats, and civil engineering structures | 32.848 | -9.576 | 23.272 |
| c) plant and machinery | 1.597 | -466 | 1.131 |
| d) means of transportation | 120 | -35 | 85 |
| e) other fixed assets | 4.964 | -1.447 | 3.517 |
| Fixed assets under construction | 2.219 | 0 | 2.219 |
| Advances on fixed assets under construction | 16 | 0 | 16 |
| Long-term investments | 167.544 | 0 | 167.544 |
| Long-term prepayments | 756 | 0 | 756 |
| Current assets | <u>18.462</u> | <u>0</u> | <u>18.462</u> |
| Stocks | 909 | 0 | 909 |
| Short-term receivables | 9.593 | 0 | 9.593 |
| Short-term investments | 7.721 | 0 | 7.721 |
| Short-term prepayments | 239 | 0 | 239 |
| TOTAL ASSETS | 232.866 | -13.359 | 219.507 |
| Equity | <u>141.551</u> | <u>-13.359</u> | <u>128.192</u> |
| Initial capital | 53.141 | 0 | 53.141 |
| Supplementary capital | 101.427 | 0 | 101.427 |
| Net profit (loss) | -13.017 | -13.359 | -26.376 |
| Liabilities and reserves for liabilities | <u>91.315</u> | <u>0</u> | <u>91.315</u> |
| | 2.58 | | |
| Reserves for liabilities | 1 | 0 | 2.581 |
| Long-term liabilities | 33.060 | 0 | 33.060 |
| Short-term liabilities | 55.552 | 0 | 55.552 |
| Accruals | 122 | 0 | 122 |
| TOTAL LIABILITIES | 232.866 | -13.359 | 219.507 |

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

Table 4. Adjusted Profit and loss Account of the Company for the year ended 31 December 2016 – selected data

| <i>Figures in PLN thousand as per "Accounting Act"</i> | for the year ended 31 December 2016 | | |
|--|--|-------------------|---------------------------------|
| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
| Net revenues from sales and equivalent | 84.880 | 0 | 84.880 |
| Net revenues from sales of products | 82.937 | 0 | 82.937 |
| Net revenues from sales of goods and materials | 1.943 | 0 | 1.943 |
| Operating expenses | 93.940 | 0 | 93.940 |
| Loss on sales | -9.060 | 0 | -9.060 |
| The other operating revenues | 1.401 | 0 | 1.401 |
| The other operating expenses | 3.592 | 13.359 | 16.951 |
| Loss on operating activities | -11.251 | -13.359 | -24.610 |
| Financial revenues | 3.003 | 0 | 3.003 |
| Financial expenses | 4.758 | 0 | 4.758 |
| Loss on business activities | -13.006 | -13.359 | -26.365 |
| Gross loss | -13.006 | -13.359 | -26.365 |
| Income tax | 11 | 0 | 11 |
| Total net loss | -13.017 | -13.359 | -26.376 |

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

**Consolidated Financial Statements of the Capital Group EMC Instytut Medyczny
for the year ended 31 December 2016****Adjusted explanatory note no 5.1 c) – Settlement of the acquisition of the new units within EMC Group, Q-Med Sp. z o.o.**

In the fourth quarter of 2016 EMC Group finally settled the acquisition of Q-Med Sp. z o.o. purchased on 1 August 2017. As at 1 August 2016 the following assets and liabilities of Q-Med Sp. z o.o. have been identified:

| | Determined Fair Value | | |
|--|----------------------------------|-------------------|---------------------------------|
| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
| Other intangible assets | | 0 | 35 |
| Relationship with patients | 1 725 | (852) | 873 |
| Buildings and structures | 6 | 0 | 6 |
| The other tangible fixed assets | 255 | 0 | 255 |
| Deferred tax assets | 29 | 0 | 29 |
| Goods | 159 | 0 | 159 |
| Advances for delivery | 11 | 0 | 11 |
| Other receivables from related parties | 60 | 0 | 60 |
| Receivables due to deliveries and services | 621 | 0 | 621 |
| Receivables due to taxes, duties, insurance and other benefits | 8 | 0 | 8 |
| Other receivables | 3 | 0 | 3 |
| Cash in hand and at bank | 681 | 0 | 681 |
| Short-term prepayments and accruals | 7 | 0 | 7 |
| Deferred tax liability | (341) | (162) | (179) |
| Reserves for retirement benefits and similar | (144) | 0 | (144) |
| Credits and loans | (91) | 0 | (91) |

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

| | | | |
|--|--------------|------------|--------------|
| Liabilities due to deliveries and services | (328) | 0 | (328) |
| Liabilities due to taxes, duties, insurance and other benefits | (87) | 0 | (87) |
| Payroll | (17) | 0 | (17) |
| Other short-term liabilities | (9) | 0 | (9) |
| Net assets acquired | 2 583 | 690 | 1893 |
| Amount paid in cash | 7 781 | 0 | 7 781 |
| Discounted payment deferred due to guarantee deposit amounting to 10% of the purchase value (to be paid in cash) | 803* | 0 | 803 |
| Total remuneration due to acquisition | 8 584 | 0 | 8 584 |
| Goodwill | 6 001 | 690 | 6 691 |

* Guarantee deposit retained for unexpected events that could have occurred after the date of signing the sales contract. This amount will be released successively, in two instalments (1 August 2017 and 1 August 2018) and reduced by the value of any damages.

The scope of business of Q-Med Sp. z o.o is providing health care services by running a group of outpatient clinics.

The purchase agreement was made in accordance with the strategy of the Capital Group EMC Instytut Medyczny SA which aimed at developing a model of treatment tailored to meet each patient's needs - ranging from GP, through specialists' consultation, full diagnostics, hospital treatment, care for the elderly in specialized centres or in the patient's home. In addition, based on past experience in taking over hospitals and outpatient clinics, EMC Group has seen the opportunity to expand its medical activity, optimize company costs in management and administration as well as utilizing synergy effect within the Group. Goodwill of PLN 6.001 thousand represents the Group's potential for acquiring new patients.

The Issuer has incurred costs related to acquiring the company (tax on civil law transactions, notary fees, financial and tax reporting) in the total amount of PLN 120 thousand which charged the result of the current period and were included in the following cost categories:

- taxes and fees
- outsourced services

Q-Med Sp. z o.o. for the period from the acquisition date to 31 December 2016, generated revenue of PLN 3.810 thousand and the net profit generated by the company amounted to PLN 286 thousand. These numbers have been included in the Group's consolidated income statement for the 12 months ended 31 December 2016.

If the acquisition had taken place on 1 January 2016, the group's revenue would have increased by PLN 4.387 thousand, while net loss would have increased by PLN 15 thousand.

EMC Instytut Medyczny SA

Adjusted financial data of the Group and the Company for the year ended 31 December 2016

The above value adjustment of interactions with patients has affected depreciation for the period of 5 months of 2016, i.e. from the date of the audit, i.e. 1 August 2016 to 31 December 2016, which has been demonstrated in Table 1 above - Adjusted Consolidated Statement of Financial Position of the Group as at 31 December 2016 - selected data and Table 2 above - Adjusted Consolidated Statement of Comprehensive Income of the Group for the year ended 31 December 2016 - selected data.

| | <i>Figures before adjustment</i> | <i>adjustment</i> | <i>Figures after adjustment</i> |
|---|--------------------------------------|-------------------|-------------------------------------|
| Depreciation | 91 | (17) | 74 |
| Reserve due to deferred income tax | (17) | 3 | (14) |
| Deferred income | (74) | 14 | (60) |
| Intangible assets - interactions with patients | (91) | 17 | (74) |

Depreciation adjustment concerning interactions with patients has affected the Group's financial performance substantially for the year ended 31 December 2016 (up PLN 14 thousand).