

RGC Resources, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---------------------------------|---------------------|----------------------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues | \$ 21,216,747 | \$ 18,756,051 | \$ 67,995,432 | \$ 62,264,336 |
| Operating expenses | 17,952,525 | 15,111,560 | 56,905,194 | 50,540,988 |
| Operating income | 3,264,222 | 3,644,491 | 11,090,238 | 11,723,348 |
| Equity in earnings of MVP | 563,049 | 148,811 | 1,352,769 | 485,917 |
| Other income (expense), net | 125,886 | 14,501 | 356,253 | (509,056) |
| Interest expense | 816,782 | 612,645 | 2,665,702 | 2,071,378 |
| Income before income taxes | 3,136,375 | 3,195,158 | 10,133,558 | 9,628,831 |
| Income tax expense | 702,213 | 1,135,696 | 2,461,653 | 3,568,722 |
| Net income | <u>\$ 2,434,162</u> | <u>\$ 2,059,462</u> | <u>\$ 7,671,905</u> | <u>\$ 6,060,109</u> |
| Net earnings per share of common stock: | | | | |
| Basic | <u>\$ 0.30</u> | <u>\$ 0.28</u> | <u>\$ 0.98</u> | <u>\$ 0.84</u> |
| Diluted | <u>\$ 0.30</u> | <u>\$ 0.28</u> | <u>\$ 0.97</u> | <u>\$ 0.83</u> |
| Cash dividends per common share | <u>\$ 0.1650</u> | <u>\$ 0.1550</u> | <u>\$ 0.6300</u> | <u>\$ 0.5900</u> |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 8,003,736 | 7,248,094 | 7,839,488 | 7,232,171 |
| Diluted | 8,051,997 | 7,296,180 | 7,886,296 | 7,276,772 |

Condensed Consolidated Balance Sheets
(Unaudited)

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2018 | 2017 |
| Assets | | |
| Current assets | \$ 22,329,735 | \$ 21,881,630 |
| Total property, plant and equipment, net | 170,032,053 | 151,909,137 |
| Other assets | 42,341,003 | 22,490,552 |
| Total Assets | <u>\$ 234,702,791</u> | <u>\$ 196,281,319</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | \$ 19,416,078 | \$ 17,876,580 |
| Long-term debt, net | 89,119,411 | 69,793,783 |
| Deferred credits and other liabilities | 45,207,562 | 47,309,921 |
| Total Liabilities | 153,743,051 | 134,980,284 |
| Stockholders' Equity | 80,959,740 | 61,301,035 |
| Total Liabilities and Stockholders' Equity | <u>\$ 234,702,791</u> | <u>\$ 196,281,319</u> |