

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

|   | Three Months Ended         |                            |
|---|----------------------------|----------------------------|
|   | June 30,                   |                            |
|   | 2019                       | 2018                       |
| Revenues  | \$ 11,682,950              | \$ 11,889,570              |
| Operating expenses                                    | 10,045,893                 | 10,053,980                 |
| Operating Income                                      | <u>1,637,057</u>           | <u>1,835,590</u>           |
| Equity in earnings of MVP                             | 777,193                    | 245,075                    |
| Other income (expense), net                           | (5,967)                    | 36,857                     |
| Interest expense                                      | 925,698                    | 583,592                    |
| Income before income taxes                            | <u>1,482,585</u>           | <u>1,533,930</u>           |
| Income tax expense                                    | <u>344,030</u>             | <u>446,575</u>             |
| Net income  | <u><u>\$ 1,138,555</u></u> | <u><u>\$ 1,087,355</u></u> |
| Net earnings per share of common stock:               |                            |                            |
| Basic   | <u><u>\$ 0.14</u></u>      | <u><u>\$ 0.14</u></u>      |
| Diluted   | <u><u>\$ 0.14</u></u>      | <u><u>\$ 0.14</u></u>      |
| Cash dividends per common share                       | <u><u>\$ 0.1650</u></u>    | <u><u>\$ 0.1550</u></u>    |
| Weighted average number of common shares outstanding: |                            |                            |
| Basic   | 8,051,944                  | 7,982,354                  |
| Diluted   | 8,088,270                  | 8,031,052                  |

**Condensed Consolidated Balance Sheets**  
(Unaudited)

|   | June 30,                     |
|---|------------------------------|
|   | 2019                         |
| <b>Assets</b>                               |                              |
| Current assets                              | \$ 13,256,420                |
| Total property, plant and equipment, net    | 177,816,330                  |
| Other assets                                | <u>53,350,288</u>            |
| Total Assets                                | <u><u>\$ 244,423,038</u></u> |
| <b>Liabilities and Stockholders' Equity</b> |                              |
| Current liabilities                         | \$ 23,546,484                |
| Long-term debt, net                         | 90,470,806                   |
| Deferred credits and other liabilities      | 45,668,813                   |

|  |                              |
|--|------------------------------|
| Total Liabilities                          | <u>159,686,103</u>           |
| Stockholders' Equity                       | <u>84,736,935</u>            |
| Total Liabilities and Stockholders' Equity | <u><u>\$ 244,423,038</u></u> |

Twelve Months Ended  
June 30,

| 2019          | 2018          |
|---------------|---------------|
| \$ 68,145,798 | \$ 65,736,042 |
| 56,326,695    | 54,081,653    |
| 11,819,103    | 11,654,389    |
| 2,391,549     | 717,254       |
| 393,190       | (147,723)     |
| 3,267,271     | 2,346,376     |
| 11,336,571    | 9,877,544     |
| 2,409,305     | 3,104,912     |
| \$ 8,927,266  | \$ 6,772,632  |

|         |         |
|---------|---------|
| \$ 1.11 | \$ 0.91 |
| \$ 1.11 | \$ 0.90 |

|           |           |
|-----------|-----------|
| \$ 0.6500 | \$ 0.6100 |
|-----------|-----------|

|           |           |
|-----------|-----------|
| 8,019,728 | 7,459,005 |
| 8,063,073 | 7,505,921 |

30,

| 2018           |
|----------------|
| \$ 13,143,064  |
| 161,105,263    |
| 34,507,400     |
| \$ 208,755,727 |

\$ 24,554,669  
57,054,224  
47,716,465

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129,325,358

79,430,369

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\$ 208,755,727