



PRZEDSIĘBIORSTWO HANDLU ZAGRANICZNEGO „BALTONA” S.A.  
[FOREIGN TRADE COMPANY “BALTONA” JOINT STOCK COMPANY]  
QUARTERLY FINANCIAL INFORMATION INCLUDING  
SHORTENED INDIVIDUAL FINANCIAL STATEMENTS  
FOR THE PERIOD OF NINE MONTHS ENDED  
ON 30 SEPTEMBER 2018

*This document is a translation of financial statements originally issued in Polish.*

*The Polish original should be referred to in matters of interpretation.*

Warsaw, 29 November 2018

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.****Quarterly Shortened Individual Financial Statements*****Table of contents***

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**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**
**Quarterly shortened individual statement of financial position**

<b>ASSETS</b>	<b>2018-09-30</b> (unaudited)	<b>2018-06-30</b> (unaudited)	<b>2017-12-31</b>	<b>2017-09-30</b> (unaudited)
<b>Non-current assets</b>				
Property, plant and equipment	11 305	9 852	5 175	4 436
Intangible assets	563	298	390	379
Trade and other receivables	4 078	4 036	1 993	2 000
Long-term investments	49 733	48 596	40 018	40 280
Deferred income tax assets	2 228	2 228	2 228	786
<b>Non-current assets</b>	<b>67 907</b>	<b>65 010</b>	<b>49 804</b>	<b>47 881</b>
<b>Current assets</b>				
Inventories	22 200	22 822	17 248	12 821
Trade and other receivables	19 484	17 577	12 852	12 951
Short-term investments	1 557	96	117	115
Cash and cash equivalents	5 164	4 047	5 591	2 811
<b>Current assets</b>	<b>48 405</b>	<b>44 542</b>	<b>35 808</b>	<b>28 698</b>
<b>TOTAL ASSETS</b>	<b>116 312</b>	<b>109 552</b>	<b>85 612</b>	<b>76 579</b>

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**
**Quarterly shortened individual statement of financial position**

<b>LIABILITIES</b>	<b>2018-09-30</b>	<b>2018-06-30</b>	<b>2017-12-31</b>	<b>2017-09-30</b>
	(unaudited)	(unaudited)		(unaudited)
<b>Equity</b>				
Share capital	2 814	2 814	2 814	2 814
Share premium	4 655	4 655	4 655	4 655
Reserve capital	21 468	21 468	21 003	21 003
Treasury shares	(2 043)	(2 043)	(2 043)	(2 043)
Retained profits	(1 112)	(5 562)	(108)	2 352
<b>Total equity</b>	<b>25 782</b>	<b>21 332</b>	<b>26 321</b>	<b>28 781</b>
<b>Liabilities</b>				
Liabilities under credits, loans and other debt instruments	22 238	23 328	18 038	17 957
Provisions	52	52	52	52
Liabilities under employee benefits	35	35	35	37
<b>Long-term liabilities</b>	<b>22 325</b>	<b>23 415</b>	<b>18 125</b>	<b>18 046</b>
Liabilities under credits, loans and other debt instruments	17 251	16 515	8 828	8 815
Trade and other liabilities	49 500	46 819	30 960	19 867
Liabilities under employee benefits	1 454	1 471	1 373	1 051
Deferred income	-	-	5	19
<b>Short-term liabilities</b>	<b>68 205</b>	<b>64 805</b>	<b>41 166</b>	<b>29 752</b>
<b>Liabilities</b>	<b>90 530</b>	<b>88 220</b>	<b>59 291</b>	<b>47 798</b>
<b>TOTAL LIABILITIES</b>	<b>116 312</b>	<b>109 552</b>	<b>85 612</b>	<b>76 579</b>

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**
**Quarterly shortened individual statement of profit and loss and other comprehensive income**

	<b>01.07.2018- 30.09.2018</b> (unaudited)	<b>01.07.2017- 30.09.2017</b> (unaudited)	<b>01.01.2018- 30.09.2018</b> (unaudited)	<b>01.01.2017- 30.09.2017</b> (unaudited)
Sales revenue	82 260	40 122	208 470	143 120
Other revenue	10	69	19	454
<b>Total operating revenue</b>	<b>82 270</b>	<b>40 191</b>	<b>208 489</b>	<b>143 574</b>
Depreciation and impairment write-offs	(777)	(520)	(2 024)	(2 155)
Consumption of raw materials and materials	(357)	(257)	(1 036)	(785)
Third party services	(22 278)	(8 661)	(55 548)	(30 953)
Costs of employee benefits	(4 011)	(2 357)	(10 753)	(8 014)
Taxes and fees	(228)	(177)	(711)	(738)
Other cost items	(447)	(220)	(1 545)	(925)
Value of goods and materials sold	(54 931)	(29 197)	(143 986)	(104 782)
Other operating costs	(38)	57	(64)	(115)
<b>Total operating costs</b>	<b>(83 067)</b>	<b>(41 332)</b>	<b>(215 667)</b>	<b>(148 467)</b>
<b>Operating loss</b>	<b>(797)</b>	<b>(1 141)</b>	<b>(7 178)</b>	<b>(4 893)</b>
Financial revenue	5 826	788	8 119	9 746
Financial costs	(579)	(1 257)	(1 480)	(2 309)
<b>Net financial revenue</b>	<b>5 247</b>	<b>(469)</b>	<b>6 639</b>	<b>7 437</b>
<b>(Loss)/Profit before tax</b>	<b>4 450</b>	<b>(1 610)</b>	<b>(539)</b>	<b>2 544</b>
Income tax	-	-	-	380
<b>Net (loss)/profit for the reporting period</b>	<b>4 450</b>	<b>(1 610)</b>	<b>(539)</b>	<b>2 924</b>
<b>Other total comprehensive net income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the reporting period</b>	<b>4 450</b>	<b>(1 610)</b>	<b>(539)</b>	<b>2 924</b>
<b>(Loss)/Profit per 1 share</b>				
Basic (PLN)	0,41	(0,15)	(0,05)	0,27
Diluted (PLN)	0,41	(0,15)	(0,05)	0,27

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**
**Quarterly shortened individual cash flow statement**

	<b>01.01.2018- 30.09.2018</b>	<b>01.01.2017- 30.09.2017</b>
	(unaudited)	(unaudited)
<b>Operating cash flows</b>		
Net (loss)/profit for the reporting period	(539)	2 924
<b>Adjustments:</b>		
Depreciation of property, plant and equipment	1 612	2 090
Depreciation of intangible assets	412	65
Net financial (revenue)/costs	(6 639)	(7 437)
(Profit)/Loss on sale of property, plant and equipment	-	(32)
Income tax	-	(380)
Other adjustments	(33)	330
	<u>(5 187)</u>	<u>(2 440)</u>
Change in inventories	(4 952)	10 222
Change in trade and other receivables	(2 230)	13 958
Change in trade and other liabilities	21 192	(20 907)
Change in provisions and liabilities under employee benefits	(17)	59
Change in deferred income	(5)	19
Cash generated on operating activity	<u>8 801</u>	<u>911</u>
Tax paid	-	-
<b>Net cash from operating activity</b>	<u>8 801</u>	<u>911</u>
<b>Investment cash flows</b>		
Dividends received	737	-
Proceeds from sale of property, plant and equipment	-	32
Proceeds from investments	2 906	253
Acquisition of property, plant and equipment, and intangible assets	(12 709)	(1 067)
Acquisition of investments (loans granted)	(10 638)	(4 426)
<b>Net cash from investments</b>	<u>(19 704)</u>	<u>(5 208)</u>
<b>Financial cash flows</b>		
Credits and loans drawn	8 656	-
Expenditures on repayment of credits and loans	(1 610)	(702)
Payment of financial lease liabilities	(218)	(300)
Interest paid	(891)	(611)
<b>Net cash from financial activity</b>	<u>5 937</u>	<u>(1 613)</u>
<b>Total net cash flows</b>	<u>(4 966)</u>	<u>(5 910)</u>
Cash and cash equivalents at the beginning of the period	<u>(1 908)</u>	<u>1 054</u>
<b>Cash at the end of the period</b>	<u>(6 874)</u>	<u>(4 856)</u>

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.  
Quarterly shortened individual statement of changes in equity**

	Share capital	Share premium	Reserve capital	Treasury shares	Retained profits	Total equity
<b>Equity as at 01.01.2017</b>	2 814	4 655	21 003	(2 043)	(572)	25 857
						-
<b>Comprehensive income for the reporting period</b>						-
Net profit for the reporting period	-	-	-	-	2 924	2 924
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	2 924	2 924
<b>Transactions with owners recognised directly in equity</b>						
Treasury shares acquired	-	-	-	-	-	-
Transfer of profit to reserve capital	-	-	-	-	-	-
Coverage of loss with reserve capital	-	-	-	-	-	-
<b>Total transactions with owners of the Parent Entity</b>	-	-	-	-	-	-
<b>Equity as at 30.09.2017</b>	2 814	4 655	21 003	(2 043)	2 352	28 781

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**  
**Quarterly shortened individual statement of changes in equity**

	<b>Share capital</b>	<b>Share premium</b>	<b>Reserve capital</b>	<b>Treasury shares</b>	<b>Retained profits</b>	<b>Total equity</b>
<b>Equity as at 01.01.2017</b>	2 814	4 655	21 003	(2 043)	(572)	25 857
<b>Comprehensive income for the reporting period</b>						
Net profit for the reporting period	-	-	-	-	464	464
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	464	464
<b>Transactions with owners recognised directly in equity</b>						
Treasury shares acquired	-	-	-	-	-	-
Transfer of profit to reserve capital	-	-	-	-	-	-
<b>Total transactions with owners of the Parent Entity</b>	-	-	-	-	-	-
<b>Equity as at 31.12.2017</b>	2 814	4 655	21 003	(2 043)	(108)	26 321



**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.  
Quarterly shortened individual statement of changes in equity**

	<b>Share capital</b>	<b>Share premium</b>	<b>Reserve capital</b>	<b>Treasury shares</b>	<b>Retained profits</b>	<b>Total equity</b>
<b>Equity as at 01.01.2018</b>	2 814	4 655	21 003	(2 043)	(108)	26 321
<b>Comprehensive income for the reporting period</b>						
Net (loss) for the reporting period	-	-	-	-	(539)	(539)
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	(539)	(539)
<b>Transactions with owners recognised directly in equity</b>						
Treasury shares acquired	-	-	-	-	-	-
<b>Other</b>						
Transfer of profit to reserve capital	-	-	465	-	(465)	-
<b>Total transactions with owners of the Parent Entity</b>	-	-	465	-	(465)	-
<b>Equity as at 30.09.2018 (unaudited)</b>	2 814	4 655	21 468	(2 043)	(1 112)	25 782

The above quarterly shortened individual financial statements were drawn up on 29 November 2018 and approved for publication by the Management Board of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A. on 29 November 2018.

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*Piotr Kazimierski*  
**President of the Management Board**

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*Karolina Szuba*  
**Member of the Management Board**

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*Michał Kacprzak*  
**Member of the Management Board, Chief Accountant**  
***Person responsible for maintenance***  
***of accounting books***