



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 THREE MONTHS ENDED  
ON 31 MARCH 2018

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

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

**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**

ASSETS	2018-03-31	31.12.2017	2017-03-31
	<i>(unaudited)</i>		<i>(unaudited)</i>
<b>Non-current assets</b>			
Property, plant and equipment	6 896	5 175	5 230
Intangible assets	346	390	42
Trade and other receivables	3 089	1 993	1 810
Long-term investments	43 966	40 018	38 980
Deferred income tax assets	2 228	2 228	406
<b>Non-current assets</b>	<b>56 525</b>	<b>49 804</b>	<b>46 468</b>
<b>Current assets</b>			
Inventories	21 149	17 248	26 339
Trade and other receivables	15 032	12 852	15 169
Short-term investments	2 093	117	112
Current income tax receivables	-	-	-
Non-current assets held for sale	-	-	-
Cash and cash equivalents	2 674	5 591	2 158
<b>Current assets</b>	<b>40 948</b>	<b>35 808</b>	<b>43 778</b>
<b>TOTAL ASSETS</b>	<b>97 473</b>	<b>85 612</b>	<b>90 246</b>

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

LIABILITIES	2018-03-31 <i>(unaudited)</i>	2017-12-31	2017-03-31 <i>(unaudited)</i>
<b>Equity</b>			
Share capital	2 814	2 814	2 814
Capital from share sale above face value	4 655	4 655	4 655
Reserve capital	21 003	21 003	21 003
Treasury shares	(2 043)	(2 043)	(2 043)
Retained profits	(3 326)	(108)	(2 962)
<b>Total equity</b>	<b>23 103</b>	<b>26 321</b>	<b>23 467</b>
<b>Liabilities</b>			
Liabilities under credits, loans and other debt instruments	20 666	18 038	17 801
Provisions	52	52	52
Liabilities under employee benefits	35	35	37
<b>Long-term liabilities</b>	<b>20 753</b>	<b>18 125</b>	<b>17 890</b>
Liabilities under credits, loans and other debt instruments	16 034	8 828	11 018
Trade and other liabilities	35 935	30 960	36 530
Liabilities under employee benefits	1 646	1 373	1 341
Deferred income	2	5	-
<b>Short-term liabilities</b>	<b>53 617</b>	<b>41 166</b>	<b>48 889</b>
<b>Liabilities</b>	<b>74 370</b>	<b>59 291</b>	<b>66 779</b>
<b>TOTAL LIABILITIES</b>	<b>97 473</b>	<b>85 612</b>	<b>90 246</b>

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

	<b>01.01.2018- 2018-03-31 (unaudited)</b>	<b>01.01.2017- 2017-03-31 (unaudited)</b>
Sales revenue	53 910	50 950
Other operating revenue	5	27
<b>Total operating revenue</b>	<b>53 915</b>	<b>50 977</b>
Depreciation and impairment write-off	(583)	(796)
Consumption of raw materials and materials	(304)	(327)
Third party services	(14 153)	(13 867)
Costs of employee benefits	(3 298)	(3 160)
Taxes and fees	(235)	(338)
Other cost items	(469)	(317)
Value of goods and materials sold	(38 659)	(34 837)
Other operating costs	(10)	(17)
<b>Total operating costs</b>	<b>(57 711)</b>	<b>(53 659)</b>
<b>Operating loss</b>	<b>(3 796)</b>	<b>(2 682)</b>
Financial revenue	1 202	804
Financial costs	(624)	(512)
<b>Net financial revenue/(costs)</b>	<b>578</b>	<b>292</b>
<b>Loss before tax</b>	<b>(3 218)</b>	<b>(2 390)</b>
Income tax	-	-
<b>Net loss on continued operations</b>	<b>(3 218)</b>	<b>(2 390)</b>
<b>Net loss for the reporting period</b>	<b>(3 218)</b>	<b>(2 390)</b>
<b>Total comprehensive loss for the reporting period</b>	<b>(3 218)</b>	<b>(2 390)</b>
<b>Loss per 1 share</b>		
Basic (PLN)	(0,29)	(0,22)
Diluted (PLN)	(0,29)	(0,22)

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

	01.01.2018- 2018-03-31	01.01.2017- 2017-03-31
<b>Operating cash flows</b>		
Net profit for the reporting period	(3 218)	(2 390)
<b>Adjustments:</b>		
Depreciation of non-current assets	446	759
Depreciation of intangible assets	137	37
Net financial revenue	(1 178)	(292)
(Profit)/Loss on sale of property, plant and equipment	-	(23)
Other adjustments	63	50
	<b>(3 750)</b>	<b>(1 859)</b>
Change in inventories	(3 901)	(3 296)
Change in trade and other receivables	(3 276)	3 465
Change in trade and other liabilities	4 975	(4 543)
Change in provisions and liabilities under employee liabilities	273	221
Change in deferred income	(3)	-
<b>Net cash from operating activity</b>	<b>(5 682)</b>	<b>(6 012)</b>
<b>Investment cash flows</b>		
Dividends received	600	-
Proceeds from sale of property, plant and equipment	-	23
Return of deposits	-	425
Acquisition of property, plant and equipment and intangible assets	(3 317)	(113)
Acquisition of investments (loans granted)	(5 733)	(1 725)
<b>Net cash from investments</b>	<b>(8 450)</b>	<b>(1 390)</b>
<b>Financial cash flows</b>		
Proceeds from credits and loans drawn	6 887	-
Expenditures on repayment of credits and loans	(240)	(233)
Payment of financial lease liabilities	(76)	(108)
Interest paid	(180)	(103)
<b>Net cash from financial activity</b>	<b>6 391</b>	<b>(444)</b>
<b>Total net cash flows</b>	<b>(7 741)</b>	<b>(7 846)</b>
Cash and cash equivalents at the beginning of the period	(1 908)	1 054
<b>Cash at the end of the period</b>	<b>(9 649)</b>	<b>(6 792)</b>

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

	Share capital	Capital from sale of shares above face value	Reserve capital	Treasury shares	Retained profits	Total equity
<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	-	-	-	-	(3 218)	(3 218)
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	(3 218)	(3 218)
<b>Transactions with owners recognised directly in equity</b>						
Total transactions with owners	-	-	-	-	-	-
<b>Equity as at 31.03.2018</b>	2 814	4 655	21 003	(2 043)	(3 326)	23 103

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

	Share capital	Capital from sale of shares above face value	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	-	-	-	-	464	464
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	464	464
<b>Transactions with owners recognised directly in equity</b>						
Total transactions with owners	-	-	-	-	-	-
<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**

	Share capital	Capital from sale of shares above face value	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 loss for the reporting period	-	-	-	-	(2 390)	(2 390)
<b>Total comprehensive income for the reporting period</b>	-	-	-	-	(2 390)	(2 390)
<b>Transactions with owners recognised directly in equity</b>						
Total transactions with owners	-	-	-	-	-	-
<b>Equity as at 31.03.2017</b>	2 814	4 655	21 003	(2 043)	(2 962)	23 467

**Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.**

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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***

Warsaw, 18.05.2018