



PRZEDSIĘBIORSTWO HANDLU ZAGRANICZNEGO „BALTONA” S.A.
[FOREIGN TRADE COMPANY “BALTONA” JOINT STOCK COMPANY]
QUARTERLY FINANCIAL INFORMATION INCLUDING
QUARTERLY SHORTENED INDIVIDUAL FINANCIAL STATEMENTS
FOR THE PERIOD OF THREE MONTHS ENDED
ON 31 MARCH 2019

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	2019-03-31	31.12.2018	2018-03-31
	<i>(unaudited)</i>		<i>(unaudited)</i>
Non-current assets			
Property, plant and equipment	8 838	10 725	6 896
Assets under the right of use	39 170	-	-
Intangible assets	89 607	92 264	346
Trade and other receivables	4 064	3 535	3 089
Long-term investments	52 040	48 423	43 966
Deferred income tax assets	38	38	2 228
Non-current assets	193 757	154 985	56 525
Current assets			
Inventories	11 547	17 688	21 149
Trade and other receivables	44 206	38 984	15 032
Short-term investments	125	124	2 093
Cash and cash equivalents	2 817	3 171	2 674
Current assets	58 695	59 967	40 948
TOTAL ASSETS	252 452	214 952	97 473

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

LIABILITIES	2019-03-31 <i>(unaudited)</i>	2018-12-31 <i>(transformed)</i>	2018-03-31 <i>(unaudited)</i> <i>(transformed)</i>
Equity			
Share capital	2 814	2 814	2 814
Share premium	4 655	4 655	4 655
Supplementary capital	21 467	21 467	21 003
Treasury shares	(2 043)	(2 043)	(2 043)
Capital from transactions with owners	94 992	94 992	-
Retained profits	(17 610)	(12 340)	(5 511)
Total equity	104 275	109 545	20 918
Liabilities			
Liabilities under credits, loans and other debt instruments	18 202	18 842	20 431
Liabilities under lease	23 081	845	235
Trade and other liabilities	10 836	10 836	-
Provisions	52	52	52
Liabilities under employee benefits	49	49	35
Long-term liabilities	52 220	30 624	20 753
Liabilities under credits, loans and other debt instruments	30 617	29 843	15 876
Liabilities under lease	16 424	320	158
Trade and other liabilities	43 955	38 788	35 935
Income tax liabilities	1 739	2 237	2 185
Liabilities under employee benefits	1 627	1 469	1 646
Deferred income	1 595	2 126	2
Short-term liabilities	95 957	74 783	55 802
Liabilities	148 177	105 407	76 555
TOTAL LIABILITIES	252 452	214 952	97 473

The financial statements for 2018 include a fundamental error correction in connection with completion of legal and tax analyses concerning the methods of reconciliation of royalties for the right of use of the "Baltona" trademarks for years 2013-2017, adopted by the Company, at PLN 2,185 thousand. Due to change of the opening balance, the figures presented differ from those published for the corresponding quarter of 2018 in the items of retained profits and income tax liabilities. Moreover, liabilities under lease have been separated.

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

	01.01.2019- 2019-03-31 (unaudited)	01.01.2018- 2018-03-31 (unaudited)
Revenue from sales	53 651	53 910
Other operating revenue	8	5
Total operating revenue	53 659	53 915
Depreciation and impairment write-offs	(7 542)	(583)
Consumption of raw materials and materials	(311)	(304)
Third party services	(9 546)	(14 153)
Costs of employee benefits	(3 966)	(3 298)
Taxes and fees	(406)	(235)
Other cost items	(502)	(469)
Value of goods and materials sold	(37 059)	(38 659)
Other operating costs	(3)	(10)
Total operating costs	(59 335)	(57 711)
Operating loss	(5 676)	(3 796)
Financial revenue	1 525	1 202
Financial costs	(1 119)	(624)
Net financial revenue / (costs)	406	578
Loss before tax	(5 270)	(3 218)
Income tax	-	-
Net loss from continued activity	(5 270)	(3 218)
Net loss for the reporting period	(5 270)	(3 218)
Total loss for the reporting period	(5 270)	(3 218)
Loss per 1 share		
Basic (PLN)	(0,48)	(0,29)
Diluted (PLN)	(0,48)	(0,29)

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

	01.01.2019- 2019-03-31	01.01.2018- 2018-03-31
Operating cash flows		
Net profit for the reporting period	(5 270)	(3 218)
Adjustments:		
Depreciation of property, plant and equipment	4 856	446
Depreciation of intangible assets	2 686	137
Net financial revenue	(821)	(1 178)
Other adjustments	134	63
	1 585	(3 750)
Change in inventories	6 141	(3 901)
Change in trade and other receivables	(5 151)	(3 276)
Change in trade and other liabilities	5 167	4 975
Change in provisions and liabilities under employee benefits	158	273
Change in deferred income	(531)	(3)
Cash generated on operating activity	7 369	(5 682)
Tax paid	(498)	-
Net cash from operating activity	6 871	(5 682)
Investment cash flows		
Dividends received	415	600
Proceeds from investments (repayment of loans granted)	215	-
Acquisition of property, plant and equipment, and intangible assets	(198)	(3 317)
Acquisition of investments (loans granted)	(3 249)	(5 733)
Net cash from investments	(2 817)	(8 450)
Financial cash flows		
Net inflows from issue of shares		
Inflows from credits and loans drawn	5 835	6 887
Expenditures on repayment of credits and loans	(1 020)	(240)
Payment of financial lease liabilities	(4 034)	(76)
Interest paid	(385)	(180)
Net cash from financial activity	396	6 391
Total net cash flows	4 450	(7 741)
Cash and cash equivalents at the beginning of the period	(20 813)	(1 908)
Cash at the end of the period	(16 363)	(9 649)

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

	Share capital	Share premium	Supplementary capital	Treasury shares	Retained profits	Capital from transactions with owners	Total equity
Equity as at 01.01.2019	2 814	4 655	21 467	(2 043)	(12 340)	94 992	109 545
Comprehensive income for the reporting period							
Net loss for the reporting period	-	-	-	-	(5 270)	-	(5 270)
Total comprehensive income for the reporting period	-	-	-	-	(5 270)	-	(5 270)
Total transactions with owners	-	-	-	-	-	-	-
Equity as at 31.03.2019	2 814	4 655	21 467	(2 043)	(17 610)	94 992	104 275

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

	Share capital	Share premium	Supplementary capital	Treasury shares	Retained profits	Capital from transactions with owners	Total equity
Equity as at 01.01.2018	2 814	4 655	21 003	(2 043)	(2 293)	-	24 136
Comprehensive income for the reporting period							
Net (loss) for the reporting period	-	-	-	-	(9 583)	-	(9 583)
Total comprehensive income for the reporting period	-	-	-	-	(9 583)	-	(9 583)
Transactions with owners recognised directly in equity							
<i>Other</i>							
Capital from the right to conclude an agreement	-	-	-	-	-	94 992	94 992
Transfer of profit to supplementary capital	-	-	464	-	(464)	-	-
Coverage of loss with supplementary capital							
Total transactions with owners	-	-	464	-	(464)	94 992	94 992
Equity as at 31.12.2018	2 814	4 655	21 467	(2 043)	(12 340)	94 992	109 545

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

	Share capital	Share premium	Supplementary capital	Treasury shares	Retained profits	Capital from transactions with owners	Total equity
Equity as at 01.01.2018 (transformed)	2 814	4 655	21 003	(2 043)	(2 293)	-	24 136
Comprehensive income for the reporting period							
Net loss for the reporting period	-	-	-	-	(3 218)	-	(3 218)
Total comprehensive income for the reporting period	-	-	-	-	(3 218)	-	(3 218)
Total transactions with owners	-	-	-	-	-	-	-
Equity as at 31.03.2018	2 814	4 655	21 003	(2 043)	(5 511)	-	20 918

Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Piotr Kazimierski
President of the Management Board

Karolina Szuba
Member of the Management Board

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

Warsaw, 30.05.2019.