CAPITAL GROUP OF PRZEDSIĘBIORSTWO HANDLU ZAGRANICZNEGO "BALTONA" S.A.

[FOREIGN TRADE COMPANY "BALTONA" JOINT STOCK COMPANY]

QUARTERLY SHORTENED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD OF THREE MONTHS

ENDED ON 31 MARCH 2019

IN THOUSANDS POLISH ZLOTYS

This document is a translation of financial statements originally issued in Polish.
The Polish original should be referred to in matters of interpretation.

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated financial statements for the period of 3 months ended on 31 March 2019

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Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated statement of financial position

ASSETS	Note	2019-03-31 *(unaudited)*	31.12.2018	2018-03-31 *(unaudited)*
Non-current assets				
Property, plant and equipment	10	92 007	87 130	17 324
Assets under right of use	11	560 372	-	-
Intangible assets		91 096	92 717	926
Goodwill		4 449	4 449	5 719
Other receivables	14	4 460	4 465	5 556
Deferred income tax assets		1 634	1 634	3 337
Non-current assets		754 018	190 395	32 862
Current assets				
Inventories	13	39 716	42 915	44 476
Trade and other receivables	14	41 165	45 589	21 208
Short-term investments	12	1 123	1 071	2 092
Current income tax receivables		103	103	50
Cash and cash equivalents	15	8 437	11 638	9 429
Current assets		90 544	101 316	77 255
TOTAL ASSETS		844 562	291 711	110 117

The quarterly shortened consolidated statement of financial position ought to be analysed together with the explanatory information to the quarterly shortened consolidated financial statements.

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated statement of financial position

LIABILITIES	Note	2019-03-31 (unaudited)	31.12.2018 (transformed)	2018-03-31 (unaudited) (transformed)
Equity				
Share capital		2 814	2 814	2 814
Share premium		4 655	4 655	4 655
Supplementary capital		23 529	23 529	23 064
Treasury shares		(2 042)	(2 042)	(2 042)
Translation differences		(619)	(803)	(1 269)
Equity from transactions with owners		94 992	94 992	-
Retained profits		(49 249)	(26 529)	(26 202)
Equity attributable to the parent entity's owners		74 080	96 616	1 020
Non-controlling shares		52	216	(615)
Total equity		74 132	96 832	405
Liabilities				
Liabilities under credits, loans and other debt instruments	18.1	51 407	54 076	24 776
Liabilities under lease	18.5	491 990	1 277	797
Trade and other liabilities		10 836	10 836	-
Deferred income	22	62	69	103
Provisions	21	52	52	1 094
Liabilities under employee benefits	20	340	340	4 196
Long-term liabilities		554 687	66 650	30 966
Liabilities under credits, loans and other debt instruments	18.2	44 265	45 987	19 692
Liabilities under lease	18.5	75 167	703	569
Trade and other liabilities	19	87 439	71 169	51 787
Liabilities under income tax		2 144	3 038	2 322
Liabilities under employee benefits	20	4 348	3 719	4 372
Deferred income	23	2 378	3 611	2
Provisions	21	2	2	2
Short-term liabilities		215 743	128 229	78 746
Liabilities		770 430	194 879	109 712
TOTAL LIABILITIES		844 562	291 711	110 117

The quarterly shortened consolidated statement of financial position ought to be analysed together with the explanatory information to the quarterly shortened consolidated financial statements.

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego “Baltona” S.A.

Quarterly shortened consolidated statement of profit and loss and other comprehensive income

	Note	01.01.2019-31.03.2019 *(unaudited)*	01.01.2018-31.03.2018 *(unaudited)* *(transformed)*
Revenue from sales	5	116 545	91 652
Other revenue	7	50	276
Total operating revenue		116 595	91 928
Depreciation and impairment write-offs		(26 326)	(1 398)
Consumption of raw materials and materials		(1 115)	(815)
Third party services		(16 732)	(19 495)
Costs of employee benefits		(12 586)	(11 122)
Taxes and fees		(685)	(391)
Other cost items		(1 072)	(919)
Value of goods and materials sold		(74 522)	(61 590)
Other operating costs	7	(40)	(27)
Total operating costs		(133 078)	(95 757)
Operating loss		(16 483)	(3 829)
Financial revenue		410	454
Financial costs		(6 581)	(524)
Net financial costs	8	(6 171)	(70)
Loss before tax		(22 654)	(3 899)
Income tax	9	(199)	(169)
Net loss for the reporting period		(22 853)	(4 068)
Other comprehensive income			
Items which may be carried to the profit and loss account			
Exchange differences from translation of entities operating abroad		153	65
Other comprehensive net income for the reporting period		153	65
Total comprehensive income for the period		(22 700)	(4 002)
Profit/(Loss) attributable to:			
Owners of the Parent Entity		(22 720)	(3 523)
Non-controlling shares		(133)	(545)
Loss for the reporting period		(22 853)	(4 068)
Total comprehensive income attributable to:			
Owners of the Parent Entity		(22 536)	(3 475)
Non-controlling shares		(164)	(528)
Total comprehensive income for the period		(22 700)	(4 003)
Earnings/(Loss) per share			
Basic (PLN)		(2,10)	(0,32)
Diluted (PLN)		(2,09)	(0,32)

The quarterly shortened consolidated statement of profit and loss and other comprehensive income ought to be analysed together with the explanatory information to the quarterly shortened consolidated financial statements.

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated cash flow statement

	Note	01.01.2019-31.03.2019 *(unaudited)*	01.01.2018-31.03.2018 *(unaudited)*
Operating cash flow			
Net profit/(loss) for the reporting period		(22 853)	(4 068)
Adjustments:			
Depreciation of property, plant and equipment, and intangible assets		26 326	1 398
Net financial (revenue)/costs	8.1	6 171	70
Income tax	9.1	199	169
Other adjustments		(203)	38
		9 640	(2 393)
Change in inventories		3 199	(7 572)
Change in trade and other receivables		2 801	(1 872)
Change in trade and other liabilities		18 255	4 223
Change in provisions and liabilities under employee benefits		629	918
Change in deferred income		(1 240)	(48)
Cash generated on operating activity		**33 284**	**(6 744)**
Tax paid		(1 030)	(178)
Net cash from operating activity		32 254	(6 922)
Investment cash flows			
Acquisition of property, plant and equipment, and intangible assets		(11 329)	(3 562)
Loan granted to a related entity		-	(1 991)
Net cash flow from investment activity		(11 329)	(5 553)
Financial cash flows			
Credits and loans drawn		-	4 948
Expenditures on repayment of credits and loans		(3 187)	(240)
Payment of financial lease liabilities		(18 442)	(185)
Interest paid		(926)	(208)
Net cash from financial activity		(22 555)	4 315
Total net cash flows		(1 630)	(8 160)
Cash and cash equivalents at the beginning of the period		(21 302)	533
Influence of exchange rate differences concerning cash and cash equivalents		-	1
Cash at the end of the period	14	**(22 932)**	**(7 626)**

The quarterly shortened consolidated cash flow statement ought to be analysed together with the explanatory information to the quarterly shortened consolidated financial statements.

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated statement of changes in equity

		Share capital	Share premium	Supplementary capital	Treasury shares	Exchange differences on translation	Retained profits	Capital from transactions with owners	Total equity of the parent entity's owners	Non-controlling shares	Total equity
Equity as at 01.01.2019		2 814	4 655	23 529	(2 042)	(803)	(26 529)	94 992	96 616	216	96 832
Comprehensive income for the reporting period											
Net profit (loss) for the reporting period		-	-	-	-	-	(22 720)	-	(22 720)	(133)	(22 853)
Other comprehensive income									-		
Exchange differences from translation of entities operating abroad		-	-	-	-	184	-	-	184	(31)	153
Total other comprehensive income		-	-	-	-	184	-	-	184	(31)	153
Total comprehensive income for the reporting period		-	-	-	-	184	(22 720)	-	(22 536)	(164)	(22 700)
Acquired treasury shares	16.2	-	-		-	-	-	-	-	-	-
Total transactions with owners of the Parent Entity		-	-	-	-	-	-	-	-	-	-
Equity as at 31.03.2019		2 814	4 655	23 529	(2 042)	(619)	(49 249)	94 992	74 080	52	74 132

The quarterly shortened consolidated statement of changes in equity ought to be analysed together with the additional explanations to the quarterly shortened consolidated financial statements.

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated statement of changes in equity

	Note	Share capital	Share premium	Supplementary capital	Treasury shares	Exchange differences on translation	Retained profits	Capital from transactions with owners	Total equity of the parent entity's owners	Non-controlling shares	Total equity
Equity as at 01.01.2018		2 814	4 655	23 064	(2 042)	(1 317)	(22 679)	-	4 495	(86)	4 409
Comprehensive income for the reporting period											
Net profit (loss) for the reporting period		-	-	-	-	-	(4 806)	-	(4 806)	464	(4 342)
Other comprehensive income											
Exchange differences from translation of entities operating abroad		-	-	-	-	514	-	-	514	(162)	352
Actuarial gains (losses) from the programme of defined benefits		-	-	-	-	-	-	-	-	-	-
Total other comprehensive income		-	-	-	-	514	-	-	514	(162)	866
Total comprehensive income for the reporting period		-	-	-	-	514	(4 806)	-	(4 292)	302	(3 990)
Transactions with owners of the Parent Entity recognised directly in equity											
Disposal of shares in subsidiaries		-	-	-	-	-	1 421	-	1 421	-	1 421
Capital from the agreement conclusion right								94 992	94 992	-	94 992
Transfer of profit to supplementary capital		-	-	465	-	-	(465)		-	-	-
Total transactions with owners of the Parent Entity		-	-	465	-	-	956	94 992	96 413	-	96 413
Equity as at 31.12.2018		2 814	4 655	23 529	(2 042)	(803)	(26 529)	94 992	96 616	216	96 832

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Quarterly shortened consolidated statement of changes in equity

	Note	Share capital	Share premium	Supplementary capital	Treasury shares	Exchange differences on translation	Retained profits	Capital from transactions with owners	Total equity of the parent entity's owners	Non-controlling shares	Total equity
Equity as at 01.01.2018		2 814	4 655	23 064	(2 042)	(1 317)	(22 679)	-	4 495	(87)	4 409
Comprehensive income for the reporting period											
Net (loss) for the reporting period		-	-	-	-	-	(3 523)	-	(3 523)	(545)	(4 068)
Other comprehensive income											
Exchange differences from translation of entities operating abroad		-	-	-	-	48	-	-	48	17	65
Total other comprehensive income		-	-	-	-	48	-	-	48	17	65
Total comprehensive income for the reporting period		-	-	-	-	48	(3 523)	-	(3 475)	(528)	(4 003)
Acquired treasury shares	16.2	-	-		-	-	-		-	-	-
Total transactions with owners of the Parent Entity		-	-	-	-	-	-	-	-	-	-
Equity as at 31.03.2018		2 814	4 655	23 064	(2 042)	(1 269)	(26 202)	-	1 020	(615)	405

All amounts are presented in thousands PLN unless stated otherwise

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Explanatory information to the quarterly shortened consolidated financial statements

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Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

Explanatory information to the quarterly shortened consolidated financial statements

1. Identification of the Parent Entity

Przedsiębiorstwo Handlu Zagranicznego "BALTONA" Spółka Akcyjna [Foreign Trade Company "BALTONA" Joint Stock Company], hereinafter referred to as the "Parent Entity" is a joint stock company incorporated in Poland.
The registered office of the Parent Entity is located at ul. Flisa 4 in Warsaw (postal code: 02-247).
The quarterly shortened consolidated financial statements for the reporting period ended on 31 March 2019 include the financial statements of the Parent Entity and its subsidiaries (hereinafter referred to jointly as the "Group" and individually as "Group Entities").

The Group's business includes sales of goods at retail shops, including in particular duty free shops at airports, as well as at border crossings. The points of sale of the Group are located in Poland (majority), in Romania, France, Italy, Ukraine, Estonia, Germany, the Netherlands and Belgium, as well as on sea ferries operating on the Baltic Sea. Moreover, the Group deals among others with gastronomy activity and supplying crews of ships and vessels moored at Polish seaports (shipchandling activity).

Duration of the Parent Entity and entities making up Baltona Group is unlimited.

The ultimate parent which recognises the data of "Baltona" Group in its statements is Flemingo International Limited.

2. Basis of preparation of the financial statements

2.1 Statement of compliance and general principles of preparation

The quarterly shortened consolidated financial statements have been prepared in compliance with the International Financial Reporting Standard 34 "Interim Financial Reporting", as approved by the European Union, and with the Regulation of the Minister of Finance of 29 March 2018 on ongoing and periodic information submitted by issuers of securities and prerequisites for considering information required under the laws of a non-EU member state as equivalent (consolidated text in the Polish Journal of Laws of 2018, item 757).

Selected notes are included to explain events and transactions important for understanding changes in the financial standing and results of the Group since the last consolidated annual financial statements prepared for the year ended on 31 December 2018. These quarterly shortened consolidated financial statements do not include all the information required for full annual financial statements prepared in compliance with the International Financial Reporting Standards as approved by the European Union, hereinafter referred to as "EU IFRS".

The quarterly shortened consolidated financial statements prepared for the period of 3 months ended on 31 March 2019 have not been reviewed by an expert auditor, but the consolidated financial statements for the year ended on 31 December 2018 were reviewed by an expert auditor who expressed an opinion without objections concerning the consolidated financial statements.

The quarterly shortened consolidated financial statements have been prepared based on the assumption of going concern within foreseeable future as regards the Parent Entity and all subsidiaries making up the Group. As at the date of approval of these interim shortened consolidated financial statements, no circumstances indicating a threat to the Group's ability to continue its business are recognised.

These interim shortened consolidated financial statements have been prepared in accordance with the principle of historical cost.

The quarterly shortened consolidated financial statements were approved for publication by the Management Board of the Parent Entity on 30 May 2019.

2.2 Presentation and functional currency

Figures in the financial statements are presented in Polish zlotys rounded to full thousands unless stated otherwise.

The Polish zloty is the Parent Entity's functional currency.

The functional currency is identified for each of the subsidiaries; assets and liabilities of the specific entity are measured in its functional currency. The subsidiaries apply the following functional currencies: EUR (companies of CDD Holding BV Group, Baltona France S.A.S., Baltona Italy S.R.L., Baltona Duty Free Estonia OÜ; Liege Airport Shop BVBA), USD (Baldemar Holdings Limited), RON (Gredy Company SRL) and UAH (Flemingo Duty Free Ukraine). The Group applies the direct consolidation method and has selected a method for reconciliation of translation gains or losses compliant with that method.

2.3 Judgements and estimations made

Preparation of the quarterly shortened consolidated financial statements pursuant to EU IFRS requires the Management Board of the Parent Entity to make judgements, estimations and assumptions influencing the applied accounting principles and presented amounts of assets, liabilities, revenue and costs whose actual amounts may differ from the estimated ones.

As at the date of preparation of these quarterly shortened consolidated financial statements, material estimates made by the Management Board of the Parent Entity concerning the Group's principles of accountancy and the main sources of estimate uncertainty remain unchanged as compared with those applied in the preparation of the annual consolidated financial statements for the financial year ended on 31 December 2018.

2.4 Error corrections and presentation changes

The consolidated financial statements do not contain corrections of fundamental errors, but they contain presentation changes of comparative figures.

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, marketing services are presented as reduction of own cost of sales. In connection with implementation of IFRS 16, liabilities under lease have been separated within comparative data.

3. Overview of the main principles of accounting and changes in EU IFRS

The principles (policies) of accounting applied by the Group in preparation of the quarterly shortened consolidated financial statements are consistent with those applied in preparation of the annual consolidated financial statements as at 31 December 2018, except for the principles introduced in connection with implementation of new standards with effect of 1 January 2019, including in particular IFRS 16. The impact of the new standards onto the principles (policies) of accounting is discussed in note 3.19 to the consolidated financial statements for 2018.

The Group intends to adopt amendments to EU IFRS, published but not yet effective as on the date of publication of these quarterly shortened consolidated financial statements, in accordance with their effective date. Estimation of the impact of the above amendments onto future consolidated financial statements of the Group is the subject of ongoing analyses.

3.1 Influence of first time application of IFRS 16

With effect on 01.01.2019, the Group introduced IFRS 16 with application of the modified retrospective method, i.e. without transformation of comparative data, but including recognition of the total effect of first time adoption of the standard as adjustment of the opening balance of retained profits on the date of first time application. Moreover, the Group applied the following practical solutions allowed by the standard:

- on the date of first time adoption of IFRS 16, the Group will not reassess whether or not a specific agreement is or contains lease; the Group intends to apply the standard only towards those agreements which were identified as leases in accordance with IAS 17 and IFRIC 4 before that date,

- value of the right of use under all agreements previously classified by the Group as operating leases in accordance with IAS 17 on the date of first time adoption of IFRS 16 will be determined at the amount of liability under lease, adjusted by charges and prepayments recognised in the consolidated statement of financial position drawn up immediately before the date of the first time adoption,

- within the portfolio approach to all car lease agreements, the Group will apply a single discount rate – agreements expiring in 2019 are recognised by the Group as costs, with application of the linear method during the lease period.

The influence of changes resulting from implementation of IFRS 16 onto the opening balance of changes onto the consolidated statement of financial position is presented in the following table:

Item of financial statements	As at 01.01.2019 before the change	Impact of IFRS 16 onto the consolidated statement of financial position	As at 01.01.2019 after the change
Property, plant and equipment	87 130	(2 701)	84 429
Assets under the right of use	-	581 254	581 254
Retained profits	(26 529)	-	(26 529)
Liabilities under lease	1 980	578 553	580 533

All amounts are presented in thousands PLN unless stated otherwise

Moreover, implementation of IFRS 16 has influence onto the structure of the statement of profit or loss and other comprehensive income. During the 3 months of 2019, in connection with implementation of the new standard, depreciation increased by PLN 20,641 thousand, operating result decreased by PLN 2,411 thousand, whereas the result before tax fell by PLN 7,474 thousand. As a result of introduction of the new standard, the EBITDA measure is higher by PLN 18,230 thousand.

The influence of changes resulting from implementation of IFRS 16 onto items of the consolidated financial statements as at 31.03.2019 is presented in the following table:

Item of financial statements	As at 31.03.2019 without consideration of the impact of IFRS 16	Impact of IFRS 16 onto the consolidated statement of financial position	As at 31.03.2019 after implementation of IFRS 16
Property, plant and equipment	94 467	(2 460)	92 007
Assets under the right of use	-	560 372	560 372
Retained profits	(41 775)	(7 474)	(49 249)
Long-term liabilities under lease	1 086	490 904	491 990
Short-term liabilities under lease	684	74 483	75 167
Depreciation	(5 685)	(20 641)	(26 326)
Third party services	(34 962)	18 230	(16 732)
Financial costs - interest	(1 518)	(5 063)	(6 581)

4. Operating segments

Pursuant to IFRS 8, an operating segment is a distinguishable part of the Group's operations for which separate financial information subjected to regular review by the main body responsible for adoption of decisions regarding allocation of resources and evaluation of operating results is available.

Three reporting segments, i.e. such operating segments for which IFRS 8 requires disclosures, are distinguished within the Group. The operating activity of particular reporting segments of the Group is as follows:

1) Shops – segment made up of entities whose primary business is retail sales, including mainly at duty free shops and publicly available shops located above all at airports in Poland and Europe. The segment includes, among others, the following entities: PHZ "Baltona" S.A., Baltona France S.A.S, Baltona Italy S.R.L, Gredy Company, Flemingo Duty Free Ukraine, Baltona Duty Free Estonia OÜ, Liege Airport Shop BVBA and 2 companies of Chacalli-De Decker group.
2) Gastronomy – segment made up of entities whose primary business is sales of meals and beverages at gastronomic points of sale and cafes located nearby or at airports and railway stations. One company of the Group – Centrum Obsługi Operacyjnej Sp. z o.o. – is classified in the segment.
3) B2B – segment including wholesale trade as well as sales of goods to ship and vessel crews (shipchandling). On 11 July 2018, an agreement concerning sale of three companies of the Chacalli-De Decker group was concluded; consequently, the figures for the first quarter of 2019 do not include data for the disposed companies, whereas comparative figures include the balance sheets and results of those companies generated during the first quarter of 2018.

All amounts are presented in thousands PLN unless stated otherwise

Results of the reporting segments come from internal reports verified periodically by the Management Board of the Parent Entity (main decision making body within the Group). The Management Board of the Parent Entity analyses the results of operating segments on the level of operating profit (loss).

The table below presents results before tax of each of the reporting segments, as the Group does not allocate income tax to particular segment.

The item of operating segment assets includes all assets controlled by the Group as at 31 March 2019 allocated to respective segments, except for goodwill recognised in the consolidated balance sheet as at 31 March 2019.

As compared with the consolidated financial statements for 2018, there are no changes with respect to separation of the segments and measurement of the profit or loss of the segment.

	Shops		Gastronomy		B2B		Total	
	01.01.2019-31.03.2019 (unaudited)	01.01.2018-31.03.2018 (unaudited)	01.01.2019-31.03.2019 (unaudited)	01.01.2018-31.03.2018 (unaudited)	01.01.2019-31.03.2019 (unaudited)	01.01.2018-31.03.2018 (unaudited)	01.01.2019-31.03.2019 (unaudited)	01.01.2018-31.03.2018 (unaudited)
Revenue from third party customers	95 422	65 450	5 188	5 982	15 985	20 496	116 595	91 928
Revenue from sales among segments	10 734	9 053	88	261	1 797	4 180	12 619	13 494
Operating result	(16 075)	(2 663)	(1 034)	(455)	626	(712)	(16 483)	(3 830)
Result before tax	(22 150)	(2 654)	(1 169)	(605)	646	(646)	(22 673)	(3 905)
Assets of the reporting segment	865 990	115 717	5 163	3 835	15 050	19 966	886 203	139 518
Investment expenditures	11 255	3 469	69	82	5	11	11 329	3 562
Liabilities of the reporting segment	845 309	80 405	18 569	16 333	16 199	38 093	880 077	134 831

Reconciliation of revenue, profits and losses

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Revenue		
Total revenue of reporting segments	129 214	105 422
Elimination of revenue from transactions among segments	(12 619)	(13 494)
Consolidated revenue	**116 595**	**91 928**
(Profit)/Loss before tax		
Total profit or loss before tax from reported segments	(22 673)	(3 905)
Elimination of (profits)/losses from transactions among segments	19	6
Profit of loss before tax	**(22 654)**	**(3 899)**

Reconciliation of items of the statement of financial position

	2019-03-31	2018-03-31
Assets		
Total assets of reporting segments	886 203	139 518
Elimination of balances of settlements among segments	(46 089)	(35 119)
Goodwill	4 448	5 718
Total consolidated assets	**844 562**	**110 117**
Liabilities		
Total liabilities of reporting segments	880 077	134 831
Other liabilities - loan for acquisition of shares in CDD	10 574	10 405
Elimination of balances of settlements among segments	(46 089)	(35 119)
Total consolidated liabilities	**844 562**	**110 117**

All amounts are presented in thousands PLN unless stated otherwise

5. Revenue

5.1. Material structure

	01.01.2019-31.03.2019	01.01.2018-31.03.2018 *(transformed)*
Revenue from sales of products		
Sublease of space	11	10
DCC* revenue	627	513
Other	52	20
Total revenue from sales of products	**690**	**543**
Revenue from sales of goods and materials		
Public retail sales	14 536	15 434
Duty free retail sales	84 856	62 065
Wholesale and shipchandling	16 415	13 545
Other	48	65
Total revenue from sales of goods and materials	**115 855**	**91 109**
Total revenue from sales	**116 545**	**91 652**

* In 2019 and 2018, the Group generated revenue from DCC, i.e. Dynamic Currency Conversion – revenue from provision of the service involving settlement of payment card operations directly in the currency of the card or country of its issuer.

5.2. Territorial structure

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Revenue from sales of products		
Poland	668	331
Other	22	212
Total revenue from sales of products	**690**	**543**
Revenue from sales of goods and materials		
Poland	97 621	70 112
Other	18 234	20 997
Total revenue from sales of goods and materials	**115 855**	**91 109**
Total revenue from sales	**116 545**	**91 652**

All amounts are presented in thousands PLN unless stated otherwise

6. Information on the seasonal or cyclical character of the Capital Group's business during the presented period

To a large extent, the operating activity of the Group companies is dependent on the intensity of air traffic, which influences the level of demand, profitability and sales during the given month. This results from specific features of the air transport industry and resulting seasonal character of air traffic. The Group records the lowest sales in the period from November to April, and the highest sales from May to October. As a result, revenue of the 1st and 4th quarters of the year are usually lower, while revenue in the 2nd and 3rd quarters grow cyclically. Seasonal character influences the margins and financial results achieved by the Company during particular months and quarters of the year, ant it causes diversified working capital requirements on the part of the Group.

7. Other operating revenue and costs

7.1. Recognised as profit or loss of the current period

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Reversal of provisions	27	223
Reversal of receivables revaluation write-offs	1	1
Other	22	52
Total other operating revenue	**50**	**276**

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Liquidation of goods	(3)	-
Penalties and damages	-	(2)
Other	(37)	(25)
Total other operating costs	**(40)**	**(27)**

8. Financial revenue and costs

8.1. Recognised as profit or loss of the current period

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Revenue from interest on granted loans and receivables	9	5
Net exchange rate differences	396	449
Other	5	-
Total financial revenue	**410**	**454**

All amounts are presented in thousands PLN unless stated otherwise

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Costs of interest on financial liabilities carried at amortised cost	(1 331)	(491)
Cost of interest on liabilities under lease	(5 081)	(15)
Re-measurement of derivative instruments carried at fair value through profit or loss	(44)	-
Revaluation write-offs of financial instruments	-	(18)
Other	(125)	-
Total financial costs	**(6 581)**	**(524)**
Net financial costs recognised as profit or loss of the current period	**(6 171)**	**(70)**

9. Income tax

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Income tax (current part)		
Income tax for the current period	199	169
	199	**169**
Income tax (deferred part)		
Creation/reversal of interim differences	-	-
	-	**-**
Total income tax	**199**	**169**

During the period of three months ended on 31 March 2019, there were no material changes in assets and deferred income tax provisions. A detailed discussion of those items is contained in the published annual consolidated statements for 2018.

10. Property, plant and equipment

During the period of three months ended on 31 March 2019, the Group acquired property, plant and equipment worth PLN 11,329 thousand (period of three months ended on 31 March 2018: PLN 3,562 thousand).

No impairment write-offs regarding property, plant and equipment were performed during the reporting period, nor in the comparative period.
No impairment write-offs regarding property, plant and equipment were performed during the reporting period (nor reversal of previously performed write-offs).

All amounts are presented in thousands PLN unless stated otherwise

11. Assets under the right of use

The Group is a lessee of space at approximately 20 locations, with agreements concluded on average for terms of 1 to 5 years, meeting the definition of lease pursuant to IFRS 16. The following tables present the right of use relating to assets and their amortisation.

11.1 Gross value of tangible assets under the right of use

	Buildings and structures	Machines and equipment	Means of transport	Total
Gross value as at 01.01.2019	**578 553**	**4 202**	**3 495**	**586 250**
Increases	-	2	-	**2**
Decreases (sale/liquidation/transfer)	-	-	-	**-**
Gross value as at 31.03.2019	**578 553**	**4 204**	**3 495**	**586 252**

11.2 Amortisation and impairment write-offs

	Buildings and structures	Machines and equipment	Means of transport	Total
Amortisation and impairment write-offs as at 01.01.2019	**-**	**2 566**	**2 430**	**4 996**
Depreciation	20 641	121	122	**20 884**
Decreases (sale/liquidation/transfer)	-	-	-	**-**
Amortisation and impairment write-offs as at 31.03.2019	**20 641**	**2 687**	**2 552**	**25 880**

11.3 Net value

	Buildings and structures	Machines and equipment	Means of transport	Total
As at 31.12.2018	**578 553**	**1 636**	**1 065**	**581 254**
As at 31.03.2019	**557 912**	**1 517**	**943**	**560 372**

All amounts are presented in thousands PLN unless stated otherwise

12. Other investments

Short-term investments	31.03.2019	31.12.2018	31.03.2018
Loans granted to affiliated entities	1 123	1 071	2 110
Other short-term financial assets (valuation)	-	-	(18)
	1 123	**1 071**	**2 092**

13. Inventories

	31.03.2019	31.12.2018	31.03.2018
Goods and finished products	39 716	42 915	44 476
	39 716	**42 915**	**44 476**

During the period from 1 January 2018 to 31 March 2019, the value of materials and trading goods included in own cost of sales amounted to PLN 74,522 thousand (from 1 January 2018 to 31 March 2018: PLN 61,590 thousand). During the period of three months ended on 31 March 2019, and during the corresponding period of the preceding year, there were no changes in inventory revaluation write-offs.

As at 30 April 2019, the value of inventories increased to PLN 42,672 thousand.

14. Trade and other receivables

	31.03.2019	31.12.2018	31.03.2018
Trade receivables	20 923	26 788	12 269
Budgetary receivables	16 719	18 376	6 073
Other receivables	273	50	2 370
Receivables under deposits	3 777	3 869	2 450
Accruals and deferrals	3 933	971	3 602
Total receivables	**45 625**	**50 054**	**26 764**
Long-term	4 460	4 465	5 556
Short-term	41 165	45 589	21 208
	45 625	**50 054**	**26 764**

The amount of long-term receivables includes deposits and securities amounting to PLN 3,995 thousand.

As at 30 April 2019, the value of trade and other receivables fell to PLN 45,439 thousand.

All amounts are presented in thousands PLN unless stated otherwise

	31.03.2019	31.12.2018	31.03.2018
Trade receivables from affiliated entities	11 148	11 074	985
Trade receivables from other entities	9 774	15 714	11 284
Total trade receivables	**20 922**	**26 788**	**12 269**
Długoterminowe	-	-	-
Krótkoterminowe	20 922	26 788	12 269
	20 922	**26 788**	**12 269**

During the period from 1 January 2019 to 31 March 2019, receivables revaluation write-offs amounting to PLN 1 thousand were reversed. During the period from 1 January 2018 to 31 March 2018, receivables revaluation write-offs amounting to PLN 1 thousand were reversed.

15. Cash and cash equivalents

	31.03.2019	31.12.2018	31.03.2018
Cash in hand and in bank	5 945	8 311	7 903
Cash in transit	2 492	3 327	1 526
Cash and cash equivalents, value recognised in the statement of financial position	**8 437**	**11 638**	**9 429**
Overdrafts	(31 369)	(32 940)	(17 055)
Cash and cash equivalents, value recognised in the cash flow statement	**(22 932)**	**(21 302)**	**(7 626)**

As at 30 April 2019, the value of cash and cash equivalents increased to PLN 8,485 thousand, whereas the value of cash and cash equivalents recognised in the cash flow statement increased to PLN (19,618) thousand.

16. Equity

16.1 Share capital

As at 31 March 2019, the share capital of the Parent Entity amounted to PLN 2,814 thousand and was divided into 11,256,577 shares with the face value of PLN 0.25 each.

Series A, B, C, D and E shares, whose number is 11 239 177, are bearer shares. As at the reporting date, 17 400 series A ordinary shares remain ordinary registered shares.

16.2 Treasury shares purchase programme

All amounts are presented in thousands PLN unless stated otherwise

On 16 January 2012, the Management Board of the Parent Entity became authorised to have the Entity purchase treasury shares. The treasury shares purchase programme was conducted from 25 January 2012 until 1 January 2015. Under the programme, the Management Board of the Parent Entity was authorised to purchase no more than 500,000 treasury shares with the face value of PLN 125,000 in order to redeem them or release them to shareholders of the company taken over by the Parent Entity. Purchases of the Parent Entity's shares was exercised solely through Dom Inwestycyjny BRE Bank S.A. The minimum price of purchase by the Entity of one treasury share was determined at PLN 0.25, whereas the maximum price was set at PLN 9.20. In total, the Parent Entity allocated the amount of PLN 4,650,000 to purchase treasury shares. Detailed information on the treasury shares purchase programme was publicly announced by the Parent Entity in its current reports.

On 19 February 2015, the Extraordinary General Meeting of Shareholders of the Company adopted a resolution pursuant to which the treasury shares purchase programme was extended in terms of duration and volume, i.e. the number of the Entity's treasury shares which could be purchased was increased to 750,000. The treasury shares buy-out deadline was postponed until 1 January 2017. The shares could be acquired for redemption, release to shareholders or partners of the company taken over by the Entity or release to holders of subscription warrants issued pursuant to resolutions of the General Meeting of Shareholders. The maximum acquisition price was maintained on the level of PLN 9.20 per share.

The Issuer's Extraordinary Meeting of Shareholders was held on 14 November 2017; the Meeting adopted resolutions regarding buyback of the treasury shares for redemption and regarding amendment of the articles of association and adoption of a consolidated text of the articles of association. Pursuant to resolution no. 4 of the Extraordinary Meeting of Shareholders, the Company will be entitled to purchase no more than 900,000 treasury shares with the total nominal value of PLN 225,000.00 for a market price, but not higher than PLN 5.00 per share and not lower than PLN 0.25 per share. The Company may purchase the treasury shares during the period from 15 November 2017 until 15 November 2018, but no longer than until the funds allocated to the purchase programme are exhausted. Moreover, the Extraordinary General Meeting decided to establish a reserve capital of PLN 4,520,000.00, allocated to financing purchase of the treasury shares by the Company and the costs of purchase thereof.

By 31 March 2019, within the programme, the Parent Entity had bought back the total of 368,995 treasury shares, bearing the right to 3.278% votes at the General Meeting of Shareholders and 3.278% of the share capital of the Company. During the first quarter of 2019 and during 2018, 0 ordinary shares of the Company were purchased.

16.3 Dividends proposed by the Management Board

During the period of 3 months of 2019, the Parent Entity did not pay any dividends. The Management Board of the Parent Entity did not propose payment of the dividend. The same situation occurred in 2018.

17. Share based payments

During the period of three months ended on 31 March 2019, there were no changes with respect to share based payments. A detailed discussion of events is contained in the published annual consolidated financial statements for 2018.

18. Liabilities under credits, loans and other debt instruments

18.1 Long-term liabilities

	31.03.2019	31.12.2018	31.03.2018
Secured credits and loans	31 998	34 953	4 521
Loans from affiliated entities	19 409	19 123	20 255
	51 407	**54 076**	**24 776**

The loans from affiliated entities, specified above, are subordinated to repayment of liabilities under credits.

18.2 Short-term liabilities

	31.03.2019	31.12.2018	31.03.2018
Overdrafts	31 369	32 940	17 055
Secured credits and loans	12 213	12 445	2 553
Loans from affiliated entities	78	78	84
Measurement of derivative instruments (IRS)	605	524	-
	44 265	**45 987**	**19 692**

As at 30 April 2019, the value of short-term liabilities under credits, loans and other debt instruments (excluding liabilities under lease, connected with implementation of IFRS 16) fell to PLN 40,514 thousand.

All amounts are presented in thousands PLN unless stated otherwise

18.3 *Credit and loan repayment terms and schedule*

Deadlines of repayment and terms of open credit agreements:

	Currency	Nominal rate	Year of maturity	2019-03-31 Book value	2018-12-31 Book value	2018-03-31 Book value
Unsecured loan from an affiliated entity	USD	5,00%	2020	3 364	3 278	2 929
Unsecured loan from an affiliated entity	EUR	5,00%	2020	14 293	14 144	15 837
Unsecured loan from an affiliated entity	EUR	5,00%	2020	35	43	34
Unsecured loan from an affiliated entity	USD	5,00%	2020	1 752	1 701	1 499
Unsecured loan from an affiliated entity	USD	5,00%	2020	43	35	40
Overdraft	EUR	EURIBOR + margin	2019	0	0	3 367
Overdraft	PLN	WIBOR3M+bank's margin	2021*	19 180	23 984	12 322
Overdraft	PLN	WIBOR1M+bank's margin	2019	8 551	6 027	-
Overdraft	PLN	WIBOR3M+bank's margin	2019	3 637	2 928	1 366
Short-term credit	PLN	WIBOR3M+bank's margin	2019	418	667	1 398
Non-revolving credit	PLN	WIBOR3M+bank's margin	2020	3 356	3 819	3 808
Non-revolving credit	PLN	WIBOR3M+bank's margin	2021	3 603	3 912	1 868
Non-revolving credit	PLN	WIBOR3M+bank's margin	2022	36 833	39 000	-
Liabilities under financial lease	PLN, EUR	Lease interest rate	2019-2022	1 770	1 980	1 366
Liabilities under financial lease	PLN, EUR	Lease interest rate	2019-2027	565 388	-	-
Total interest bearing liabilities				**662 223**	**101 518**	**45 834**

* Crediting period until 8 February 2021. Current credit availability term falls on 18 June 2019.

Overdraft facilities, covered by annexes signed on 21 September 2018, are secured on the Group's assets, as follows:

- own blank promissory note with promissory note declaration, issued by the Company, guaranteed by Baltona Shipchandlers sp. z o.o., Centrum Usług Wspólnych Baltona sp. z o.o., Centrum Obsługi Operacyjnej Sp. z o.o., together with declaration of the promissory note issuer on submission to enforcement proceedings up to PLN 114,000 thousand in connection with the issued promissory note,
- establishment of registered pledge on the inventory of goods constituting the property of the Company and its subsidiary BH Travel Retail Poland Sp. z o.o., located at warehouses and shops, up to PLN 34,000 thousand (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- assignment of rights under the insurance policy concerning the inventory (together with the agreement concerning assignment of receivables from the policy) in favour of the bank, up to PLN 34,000 thousand (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-

All amounts are presented in thousands PLN unless stated otherwise

revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),

- corporate guarantee issued by Flemingo International Limited for PLN 106,500 thousand including the Guarantor's statement on submission to enforcement in favour of the Bank,
- corporate guarantee issued by Chacalli – De Decker N.V for PLN 49,500 thousand including the Guarantor's statement on submission to enforcement in favour of the Bank,
- bank's power of attorney towards the account of Baltona France SAS maintained at BNP Paribas (France),
- bank's power of attorney towards the accounts of Centrum Obsługi Operacyjnej Sp. z o.o., Centrum Usług Wspólnych Baltona Sp. z o.o.,
- subordination of 100% of all current and future loans granted to Baltona Group Companies by entities controlling it indirectly or directly (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- additional security for the overdraft facility in the form of bank guarantee issued by Barclays Bank PLC at USD 1,150 thousand or its PLN equivalent.

In the annex dated 19 June 2018, Foreign Trade Company "BALTONA" Joint Stock Company consented to joining by BH Travel Retail Poland Sp. z o.o. of the multi-purpose credit line and the debt arisen under the credit agreement in accordance with the principles governing joint liability, pursuant to art. 366 of the Civil Code.

The non-revolving credit dated 30.08.2016 is secured on the Parent Entity's assets as follows:

- own blank promissory note with promissory note declaration, issued by the Company and guaranteed by Baltona Shipchandlers sp. z o.o., Centrum Usług Wspólnych Baltona sp. z o.o., BH Travel Retail Poland sp. z o.o., Centrum Obsługi Operacyjnej Sp. z o.o., together with declaration of the promissory note issuer on submission to enforcement proceedings up to PLN 6,750 thousand in connection with the issued promissory note,
- establishment of registered pledge on the inventory of goods constituting the property of the Parent Entity and BH Travel Retail Poland Sp. z o.o., located at warehouses and shops, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- assignment of rights under the insurance policy concerning the inventory (together with the agreement concerning assignment of receivables from the policy) in favour of the bank, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- corporate guarantee issued by Flemingo International Limited for PLN 6,750 thousand,

- bank's power of attorney towards the account of Baltona France SAS maintained at BNP Paribas (France),
- bank's power of attorney towards the accounts of Centrum Obsługi Operacyjnej Sp. z o.o., BH Travel Retail Poland Sp. z o.o., Centrum Usług Wspólnych Baltona Sp. z o.o. maintained at BGŻ BNP Paribas S.A.,
- subordination of 100% of all current and future loans granted to the Company by entities controlling it indirectly or directly (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018).

The non-revolving credit dated 29.09.2017 is secured on the Parent Entity's assets as follows:

- own blank promissory note with promissory note declaration, issued by the Company and guaranteed by Baltona Shipchandlers sp. z o.o., Centrum Usług Wspólnych Baltona sp. z o.o., BH Travel Retail Poland sp. z o.o., Centrum Obsługi Operacyjnej Sp. z o.o., together with declaration of the promissory note issuer on submission to enforcement proceedings up to PLN 5,782.5 thousand in connection with the issued promissory note,
- corporate guarantee issued by Flemingo International Limited for PLN 5,782.5 thousand,
- corporate guarantee issued by Baltona Duty Free Estonia OÜ for PLN 5,782.5 thousand,
- establishment of registered pledge on the inventory of goods constituting the property of the Parent Entity and BH Travel Retail Poland Sp. z o.o., located at warehouses and shops, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- assignment of rights under the insurance policy concerning the inventory (together with the agreement concerning assignment of receivables from the policy) in favour of the bank, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- powers of attorney towards the accounts of Centrum Obsługi Operacyjnej Sp. z o.o., BH Travel Retail Poland Sp. z o.o., Centrum Usług Wspólnych Baltona Sp. z o.o. and Baltona Duty Free Estonia OÜ,
- bank's power of attorney towards the account of Baltona France SAS maintained at BNP Paribas (France),
- subordination of 100% of all current and future loans granted to the Company by entities controlling it indirectly or directly (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018).

The non-revolving credit dated 20.02.2018 is secured on the Parent Entity's assets as follows:

- own blank promissory note with promissory note declaration, issued by the Company and guaranteed by Baltona Shipchandlers sp. z o.o., Centrum Usług Wspólnych Baltona sp. z o.o., BH Travel Retail Poland sp. z o.o., Centrum Obsługi Operacyjnej Sp. z o.o., together with declaration of the promissory note issuer on submission to enforcement proceedings up to PLN 6,795 thousand in connection with the issued promissory note,
- corporate guarantee issued by Flemingo International Limited for PLN 6,795 thousand,
- corporate guarantee issued by Chacalli – De Decker N.V for PLN 6,795 thousand,
- establishment of registered pledge on the inventory of goods constituting the property of the Parent Entity and BH Travel Retail Poland Sp. z o.o., located at warehouses and shops, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- assignment of rights under the insurance policy concerning the inventory (together with the agreement concerning assignment of receivables from the policy) in favour of the bank, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- bank's power of attorney towards the account of Baltona France SAS maintained at BNP Paribas (France),
- subordination of 100% of all current and future loans granted to the Company by entities controlling it indirectly or directly (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018).

The non-revolving credit dated 19.06.2018 is secured on the assets of the subsidiary BH Travel Retail Poland Sp. z o.o. as follows:

- own blank promissory note with promissory note declaration, issued by the Company and guaranteed by Przedsiębiorstwo Handlu Zagranicznego "BALTONA" S.A., Centrum Usług Wspólnych Baltona sp. z o.o., Centrum Obsługi Operacyjnej Sp. z o.o., together with declaration of the promissory note issuer on submission to enforcement proceedings up to PLN 58,500 thousand in connection with the issued promissory note,
- establishment of registered pledge on the inventory of goods constituting the property of the Parent Entity and BH Travel Retail Poland Sp. z o.o., located at warehouses and shops, up to PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- assignment of rights under the insurance policy concerning the inventory (together with the agreement concerning assignment of receivables from the policy) in favour of the bank, up to

PLN 14,000 thousand until 29 November 2018 and up to PLN 34,000 thousand from 30 November 2018 onwards (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),

- corporate guarantee issued by Flemingo International Limited BVI for PLN 58,500 thousand,
- bank's power of attorney towards the accounts of the guarantors,
- subordination of 100% of all current and future loans granted to the Company by entities controlling it indirectly or directly (joint security of the overdraft facility agreement, non-revolving credit agreement dated 30.08.2016, non-revolving credit agreement dated 29.09.2017, non-revolving credit agreement dated 20.02.2018 and non-revolving credit agreement dated 19.06.2018),
- establishment of registered pledge on equipment of the shops owned by the Borrower with the total value not lower than PLN 6,000 thousand (until establishment of the pledge – transfer of the ownership title in favour of the Bank),
- assignment in favour of the bank of rights under the insurance policy covering the shop equipment, provided however that the insurance sum cannot be lower than PLN 6,000 thousand.

Moreover, the following collaterals existed on the date of the statement of financial position:

- corporate guarantee issued by Flemingo International BVI up to PLN 3,000 thousand as security of transactions on currency contracts.

18.4 Failure to observe credit agreement terms

The Group is taking advantage of overdrafts, whose book value as at 31 March 2019 totals PLN 31,369 thousand. Pursuant to the terms of the agreements, the crediting period lasts until 8 February 2021, with the current availability period expiring on 18 June 2019.

Pursuant to the concluded credit agreements, the Group is obliged to maintain the following covenants as defined below:

- the debt service coverage ratio (DSCR) on a level not lower than 1.2 (where DSCR is defined, defined as the quotient of EBITDA less tax paid and the total of amounts of principal and interest instalments paid on Baltona Group's bank debt, and other financial liabilities granted by affiliated entities and other financial institutions, paid with interest),
- quotient of the net amount of financial liabilities to EBITDA on a level not higher than 3 (where net financial liabilities are defined, the sum of long-term and short-term credits, loans, issues of securities and other financial liabilities towards third parties and affiliated entities (except for those subordinated to credit repayment) less cash and other monetary assets),
- current liquidity ratio on the level of 1, where the ratio is defined as the quotient (of inventories less non-saleable inventories plus short-term receivables less non-recoverable receivables and receivables claimed in court plus short-term investments) and (short-term liabilities towards affiliated entities and third parties, excluding special funds).

Verification of the ratios is performed every half-year and takes place based on consolidated financial data of Baltona Group. Analysis performed as at 31.12.2018 demonstrated that the quotient of net financial liabilities to EBITDA exceeded 3 as a result of additional financing obtained in 2018 for newly opened stores in Tallinn, Wrocław and Warsaw.

Due to additional financing and impact of the introduction of IFRS 16, which may involve violation of further covenants, the Management Board of the Parent Entity undertook discussions with the bank in order to adapt the covenants to the current legal status and capabilities of the Group.

18.5 Liabilities under financial lease

As at 31 March 2019, the object of lease agreements where the Group is the lessee were means of transport, equipment and fittings of shops and cafes, as well as premises where operating activity is conducted. The division is presented in the following table:

Zobowiązania z tytułu leasingu

	31.03.2019	31.12.2018	31.03.2018
Lease of means of transport	631	834	1 035
Lease of equipment and fittings	1 140	1 146	331
Lease of premises	565 386	-	-
	567 157	**1 980**	**1 366**
Long-term	491 990	1 277	797
Short-term	75 167	703	569
	567 157	**1 980**	**1 366**

All amounts are presented in thousands PLN unless stated otherwise

Current value of lease payments is presented in the following table:

	Future minimum lease payments 31.03.2019	Interest 31.03.2019	Present value of future minimum lease payments 31.03.2019	Future minimum lease payments 31.12.2018	Interest 31.12.2018	Present value of future minimum lease payments 31.12.2018
Liabilities under financial lease						
up to one year	93 933	18 766	75 167	770	67	703
2 to 5 years	531 432	56 946	486 786	1 376	99	1 277
above 5 years	12 300	7 096	5 204	-	-	-
	637 665	**82 808**	**567 157**	**2 146**	**166**	**1 980**

The Group uses means of transport and some of the equipment under financial leases. The Group's liabilities under financial lease agreements are secured with the lessors' rights towards the assets covered by the agreements and own promissory notes.

All amounts are presented in thousands PLN unless stated otherwise

19. Trade and other liabilities

	Note	31.03.2019	31.12.2018	31.03.2018
Trade liabilities towards related entities	25.3	8 216	8 686	460
Trade liabilities towards third parties		68 252	50 773	41 177
Budgetary liabilities		7 996	10 796	5 587
Other liabilities		156	138	69
Accruals and deferrals		12 995	11 386	4 077
Special funds		660	226	417
		98 275	**82 005**	**51 787**
including:				
- long-term part		10 836	10 836	-
- short-term part		87 439	71 169	51 787

The long-term part of the liabilities concerns in whole payments under charges/penalties connected with rent and delays in commencement of business activity for particular outlets, towards Przedsiębiorstwo Państwowe "Porty Lotnicze" [State Airports Company] which, pursuant to the settlement of 4 March 2019 the Group undertook to pay as monthly payments during the period from May 2020 until December 2020.

20. Liabilities under employee benefits

	31.03.2019	31.12.2018	31.03.2018
Liabilities under retirement severance pay	356	356	265
Liabilities under defined benefits programme	-	-	3 931
Liabilities under salaries	2 655	2 277	2 242
Other liabilities	1 677	1 426	2 130
	4 688	**4 059**	**8 568**
including:			
- long-term part	340	340	4 196
- short-term part	4 348	3 719	4 372

All amounts are presented in thousands PLN unless stated otherwise

21. Provisions

The provision for court cases amounting to PLN 52 thousand concerns proceedings pending before the District Court in Gdynia upon a natural person's petition for return of benefits from the property locatedin Gdynia. Details of the case are discussed in note 24.

The provision reversed in 2018, amounting to PLN 1,042 thousand, concerned the dispute between the Group entity BH Travel Retail Poland Sp. z o.o. and Przedsiębiorstwo Państwowe "Porty Lotnicze" [State Airports Company], ended on 6 May 2018 with the settlement defining the principles of settlement of mutual claims connected with disputes relating to lease of retail space at Warsaw Chopin Airport.

22. Contractual obligations entered to purchase property, plant and equipment

Contractual obligations related to purchase of property, plant and equipment, drawn at the end of the reporting period but not yet disclosed in the statement of financial position, amount to PLN 6,807 thousand and concern fit-out work at new shops in Warsaw and extension of the shop in Montpellier.

23. Deferred income

	31.03.2019	31.12.2018	31.03.2018
Marketing services - deferred income	2 440	3 680	2
Development subsidy	-	-	103
	2 440	**3 680**	**105**
including:			
- long-term part	62	69	103
- short-term part	2 378	3 611	2

24. Contingency liabilities

Proceedings upon the petition of a natural person concerning liquidation of co-ownership title to the property located in Gdynia, at ul. 10 Lutego 7, are in progress before the District Court in Gdynia. The proceedings involve the claim concerning return of benefits from the property. The court expert appointed to clarify achievable benefits for the period from 20 December 1994 until 25 September 1998 issued an opinion stating that rental revenue during the said period could have amounted to over PLN 3,300 thousand. In the evaluation of the Management Board, this opinion is absolutely incorrect. So far, the Court has focused on elimination of co-ownership and, consequently, it has not dealt with settlement of benefits and outlays of particular co-owners. After the process related to determination of the circumstances concerning purposefulness of elimination of property co-ownership, which took over two years, the Court proceeded to analyse who and how performed property management while the Company was one of the co-owners, as well as who and at what amount obtained benefits therefrom. On 2 May 2017, the District Court suspended the proceedings, but the decision was subsequently repealed by the Regional Court. In the meantime, the other co-owner sold his shares to the original petitioner in the discussed proceedings. On 8 May 2018, the Court suspended the proceedings upon the petitioner's request. In the ruling issued on 15 January 2019, the Regional Court in Gdańsk dismissed the decision appelaed by the other co-owner. Consequently, the case was returned for re-examination by the District Court and, pursuant to the opinion of the lawyers representing the Parent Entity, proceedings in this case will not be concluded in coming years.

All amounts are presented in thousands PLN unless stated otherwise

At present, it is not possible to estimate possible liabilities of the Parent Entity which may arise in connection with the proceedings. In the opinion of the Management Board, any liabilities which may arise as a result of this case, will not have material impact onto the Parent Entity's financial result. In the evaluation of the Management Board, the proceedings in this case will take several years. The Parent Entity established a provision for this claim at PLN 52 thousand.

On 6 May 2018, the Parent Entity, BH Travel, Flemingo Dutyfree Shop Private Limited (Flemingo Duty Free), Ashdod Holding Limited (Ashdod) (Flemingo Dutyfree and Ashdod being the parent entities of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.) concluded with the State Airports Company (PPL) a settlement in which the Parties determined the principles of settlement of mutual claims connected with termination in 2012 of retail space lease agreements at Warsaw Chopin Airport by PPL (Settlement). In connection with conclusion of the Settlement, the Parent Entity and PPL concluded 14 retail space lease agreements, as a result of which retail activity will be partly resumed by Baltona Group at Warsaw Chopin Airport.

In 2012 the subsidiary BH Travel Retail Poland Sp. z o.o. (BH Travel) suspended its retail activity at Warsaw Chopin Airport as a result of the notice of termination of the lease agreements furnished by Przedsiębiorstwo Państwowe Porty Lotnicze (State Airports Company – PPL). The dispute connected with termination of the lease agreements by PPL and activities related to preparing modernisation of Terminal 1 at Warsaw Chopin Airport included several proceedings which, by the date of publication of these statements, have been discontinued as a result of conclusion of the Settlement.

In connection with the above dispute, the case brought by Vistula Group S.A. against BH Travel is still pending. Until 2012, Vistula Group S.A. was the sub-lessee of one of the premises leased by BH Travel from PPL. In connection with termination of the lease agreements by PPL, BH Travel terminated the sublease agreement with Vistula Group. However, Vistula Group failed to return the premises to BH Travel or pay the sublease rent. BH Travel required payments from the bank guarantee issued upon the instruction of Vistula Group S.A. In the suit of 12 August 2012, Vistula Group S.A. requested adjudication from BH Travel of PLN 279,947.33 with interest (amount charged under the bank guarantee). The payment order issued on 1 October 2012 in the payment order proceedings was appealed by BH Travel in whole. On 26 April 2017, the first instance court issued a judgement in which it adjudicated from BH Travel the amount of PLN 279,947.33 with statutory interest and costs of proceedings. On 19 June 2017, BH Travel appealed from the said judgement and Vistula Group S.A. responded to the appeal. In the judgement of 6 February 2019, the Court of Appeal in Warsaw revoked the appealed judgement and referred the case to re-examination by the District Court in Warsaw. The date of hearing has not been scheduled yet. These proceedings are not covered by the Settlement.

In connection with conclusion by the Parent Entity and PPPL of 14 agreements for lease of retail space at Warsaw Okęcie Airport, the former tenant Lagardere Travel Retail Sp. z o.o. with the registered office in Warsaw ("LTR") filed a petition against the Company and PPPL for cancellation of the above mentioned 14 lease agreements. The legal basis of the claim contained in the petition is art. 70^5 of the Civil Code, pursuant to which a tender participant may request cancellation of a concluded agreement if a party to the agreement, another participant or a person acting in agreement therewith influenced the result of the auction or tender in a manner being in contradiction with the law or good habits.

In the said proceedings, LTR submitted two motions requesting security of the claims, namely: (a) requesting prohibition to release the units covered by the above mentioned lease agreements to the Company by PPL and prohibition to perform the said lease agreements, (b) requesting issuance of an order to furnish the court with monthly statements on performance of the said lease agreements.

By the date of publication of these statements, the court has dismissed the motion requesting security of the claims related to submission of reports. LTR's objection against the ruling of the Regional Court dismissing the motion was also dismissed. To the best of the Parent Entity's knowledge, the other motion requesting security has not been handled to date. However, all the premises covered by the above mentioned lease agreements have been released to the Parent Entity by the date of publication of these statements.

According to the information furnished to the Parent Entity by PPL, the previous tender procedure concerning lease of retail space at Warsaw Chopin Airport was ended by PPL without selection of a bid. The Parent Entity did not participate in these proceedings and the lease agreements were concluded by way of negotiations.

The Parent Entity is not familiar with any circumstances which could substantiate the conclusion that signature of the lease agreements occurred as a result of violation of the law or good habits.

Due to the above, the Parent Entity does not see any reasons why LTR's petition for cancellation of the lease agreements concluded with PPL should be accepted. Therefore, despite the value of the object of litigation identified by LTR as PLN 78.9 million, the Parent Entity has not established a provision for these liabilities.

On 25 January 2019, the Court served the proxy of the Parent Entity with a copy of the said petition. The Parent Entity responded to the petition on 25 February 2019, requesting dismissal of the petition in whole. The District Court scheduled the date of the first hearing on 4 June 2019.

Moreover, on 7 November 2018, the Parent Entity was furnished with a copy of the petition filed by LTR against Port Lotniczy Wrocław S.A. (hereinafter: Wrocław Airport) and the Parent Entity. The claim of the suit is stated as the request to cancel the agreement concluded between Wrocław Airport and the Parent Entity for lease of space. Moreover, the petitioner raised the alternative claim concerning adjudication of invalidity of the above mentioned agreement. Also in this case, the legal basis of the request to invalidate the agreement is art. 70^5 of the Civil Code, which refers to conducting the tendering procedure in a manner inconsistent with the law or good habits. The legal basis of the alternative claim is art. 58 of the Civil Code, but the petitioner also refers to alleged irregularities of the bidding procedure and alleged violation of the petitioner's priority right to occupy a part of the lease object. Value of the object of litigation is specified by LTR as PLN 250,000.

On 28 November 2018, the Parent Entity filed its reply to the petition, requesting dismissal of the petition in whole. On 7 March 2019, the District Court in Warsaw, 16th Trade Division dismissed the petition in whole. The judgement is not yet legally valid. As far as the Parent Entity is aware, LTR appealed against the judgement.

25. Related party transactions

25.1 Parent entity and ultimate parent

The ultimate parent of the capital group whose part is the Parent Entity as a subsidiary is Flemingo International Limited with the registered office in the British Virgin Islands.

25.2 *Transactions with management staff*

Remuneration of key members of the Group's managerial staff during the first quarter of 2018 and during the comparative period was as follows:

	01.01.2019-31.03.2019	01.01.2018-31.03.2018
Remuneration of management members	366	366
	366	**366**

25.3 *Other related party transactions*

	Value of transactions for the period		Outstanding balances as at	
	01.01.2019-31.03.2019	01.01.2018-31.03.2018	2019-03-31	2018-12-31
Sales of goods and services				
Flemingo International Ltd. - sales of services	-	-	488	488
Flemingo Brasil Importacao Limitada	-	-	363	363
Flemingo Tanger	-	-	-	-
Ashdod Holdings Ltd. - sales of services	-	-	29	29
Flemingo Duty Free Shop Pvt. Ltd	-	-	110	110
Chacalli-De Decker NV	-	-	7 384	7 410
Chacalli Den Haag BV	-	-	2 185	2 102
Chacalli-De Decker Limited	-	-	589	572
	-	**-**	**11 148**	**11 074**
Other revenue - loans				
Rafał Kazimierski - interest and loan revenue	2	2	126	124
Harding Brothers Retail Ltd.- interest and loan revenue	-	1	-	-
Chacalli-De Decker Limited - interest revenue	8	-	997	947
	10	**3**	**1 123**	**1 071**
Purchases of raw materials, goods and services				
Flemingo International Ltd. - purchase of goods				
Flemingo International Ltd. - other services	-	-	443	443
Flemingo Duty Free Shop Pvt. Ltd	56	-	56	19
Flemingo International Tortola- other services	58	56	58	19
Ashdod Holdings Ltd. - other liabilities	-	-	24	24
Chacalli-De Decker NV		-	5 290	5 314
	114	**56**	**5 871**	**5 820**
Other costs				
Flemingo International Ltd. - loans/interest costs*	183	205	19 487	19 201
Chacalli-De Decker NV - purchase of shares in LAS			2 345	2 866
	183	**205**	**21 832**	**22 067**

* The Group received from the related entities Flemingo International (BVI) Limited and Flemingo International Limited loans whose repayment dates fall on 31 December 2020 (PLN 19,409 thousand) and 31 December 2020 (PLN 78 thousand).

In connection with the overdraft facility and guarantee line agreements discussed in note 17.3, Group companies were granted with corporate guarantees issued by Flemingo International Limited, totalling PLN 187,327.5 thousand as at 31 March 2019.

All amounts are presented in thousands PLN unless stated otherwise

All outstanding balances with related entities are measured at arm's length terms and are to be settled as follows: in case of cash settlements for trade receivables within 12 months of the end of the reporting period, in case of loans received – within the deadlines enumerated in note 18.3.

26. Composition of the Capital Group

Company name	Country	Share in % 2019-03-31	Share in % 2018-12-31	Share in % 2018-03-31
BH Travel Retail Poland Sp. z o.o.	Poland	100	100	100
Baltona Shipchandlers Sp. z o.o.	Poland	100	100	100
Gredy Company SRL	Romania	100	100	100
Centrum Usług Wspólnych Baltona Sp. z o.o.	Poland	100	100	100
Baltona France S.A.S.	France	100	100	100
Baldemar Holdings Limited *and its subsidiary:*	Cyprus	100	100	100
Flemingo Duty Free Ukraine	Ukraine	100	100	100
Centrum Obsługi Operacyjnej Sp. z o.o.	Poland	100	100	100
KW Shelf Company Sp. z o.o.	Poland	100	100	100
Baltona Duty Free Estonia OÜ	Estonia	100	100	100
Baltona Italy S.R.L.	Italy	100	100	100
Sandpipier 3 Sp z o.o.	Poland	100	100	100
Liege Airport Shop BVBA	Belgium	100	100	100
CDD Holding BV and its subsidiaries*:*	the Netherlands	62	62	62
Chacalli-De Decker NV	Belgium	0	62	62
Chacalli Den Haag BV	the Netherlands	0	62	62
Rotterdam Airport Tax-Free Shop BV	the Netherlands	62	62	62
Niederrhein Airport Shop GmbH	Germany	62	62	62
Chacalli-De Decker Limited	Great Britain	0	62	62

No changes within the capital structure of the Group occurred in 2019.

27. Events after the date of the reporting period

On 25 April 2019, the Management Board of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A. signed with La Société Aéroport de Montpellier Méditerranée S.A. an annex to the agreement, pursuant to which the lease term was extended until 31 January 2029. Moreover, in accordance with the provisions of the annex, the lease space was materially enlarged as compared with the space leased so far and currently is app. 411 m^2. Estimated value of the lease agreement object during the lease term will be from PLN 2.4 million to PLN 4.1 million per annum. Estimated value of the object of agreement comprises the sum of quarterly fixed payments agreed by the parties and variable payments depending on trade volumes.

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On 9 May 2019, the Management Board of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A. concluded a package of documents identifying the terms of cooperation with PT Dystrybucja S.A. regarding deliveries of FMCG goods and establishment of collateral for those agreements. In connection with the above, cooperation with that supplier will include deliveries performed directly to shops located at airports in Poland, including those performed at Warsaw airport where business activity is conducted by the Issuer's subsidiary, i.e. BH Travel Retail Poland Sp. z o.o. Cooperation with PT Dystrybucja S.A. was established for an unspecified term with the possibility of termination upon one-month notice. Estimated value of overall cooperation of the Issuer's capital Group with the Supplier amounts to app. PLN 100 million net per year. Within the cooperation, ownership title towards the goods is acquired after payment of the complete sale price. In connection with granting of trade credit within the cooperation, collaterals will be established by the Issuer in favour of the Supplier, including in particular own blank promissory notes with promissory note declarations, statements of submission to enforcement proceedings by the Issuer in the mode prescribed in art. 777 § 1 item 5 of the Code of Civil Proceedings up to the total amount of PLN 5.5 million, valid until the end of 2025 and a guarantee, not limited in time, up to PLN 3.85 million for the liabilities of BH Travel in connection with the trade credit granted to that company by the supplier.

The Management Board of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A. (hereinafter: the Issuer or Company) hereby informs that on 23 May 2019 it received from Flemingo Dutyfree Shop Private Limited and Flemingo International Limited (hereinafter: Flemingo) a letter advising of initiation by Flemingo and Ashdod Holding Limited, i.e. the dominant shareholder of the Company (hereinafter: Ashdod) of a process involving review of strategic options connected with Flemingo's investment in the Company. Pursuant to the information obtained as above, the said process involves consideration of – among others – scenarios related to strengthening of operating cooperation among Flemingo Group entities as well as the possibility to introduce organisation changes within Flemingo Group, which may include acquisition of a potential capital/strategic investor for the Issuer. In the light of potential occurrence of the above scenarios, on 23 May 2019 the Issuer decided to initiate the process of internal analyses initiating the process related to review of strategic options concerning operational utilisation of particular asset groups of the Issuer's Capital Group and further development of its business activity. It is the intention of the Issuer's Management Board to identify, within the said process, of operating activity development scenarios and identify options of the Issuer's Capital Group optimum financing structure based on available sources of financing within different time perspectives. Within the above process, the Issuer's Management Board foresees performance of analyses in, among others, the following areas:

- comprehensive review of the potential and directions allowing optimum utilisation of all operating assets of the Issuer's Capital Group, taking into account the possibility of changes in operating activity by, among others, conclusion of transactions involving sale of selected operating assets, including businesses belonging to the Issuer's Capital group, identified because of kind of business or geographical region,
- acquisition of debt financing, issues of shares, short- or medium-term bonds, or utilisation of other mixed character financial instruments,
- changes related to optimisation or simplification of the Issuer's Capital Group organisation structure,
- engagement of a new investor/strategic partner for the whole Capital Group of the Issuer or particular areas of its activity.

On 29 May 2019, the Issuer's subsidiary CDD Holding B.V. (hereinafter: CDD) concluded with a foreign industry partner operating in the countries of Western Europe (hereinafter: Buyer) an agreement concerning purchase from CDD of all shares in two CDD's subsidiaries, i.e. Rotterdam Airport Tax-Free Shop B.V and Niederrhein Airport Shop GmbH (hereinafter jointly: RAS & NAS) (hereinafter:

Agreement). The Issuer reminds that it is in the possession of 62% shares in CDD which, in turn, holds 100% shares of RAS and NAS each. The total sale price of RAS & NAS is app. EUR 1.51 million (i.e. app. PLN 6.5 million) and it was paid on the date of Agreement conclusion. Transfer of the ownership title towards the shares in RAS & NAS occurred on the date of Agreement conclusion. The Issuer expects recognition in the consolidated financial statements during the subsequent reporting period of profit on the transaction at app. EUR 0.2 million, that being an equivalent of app. PLN 0.86 million. The Agreement does not contain provisions in the area of liquidated damages. The remaining provisions of the Agreement, including those pertaining to liability for statements made or the possibility to terminate the Agreement or withdraw from it, do not differ from standards applied in such agreements. The business activity conducted by RAS & NAS accounted for 4.5% of consolidated revenue from sales in 2018 and 2.8% of revenue from sales during the first quarter of 2019, with total net profit of PLN 1.15 million during 2018 and total net loss of PLN (-) 0.35 million during the first quarter of 2019. As at the end of March 2019, the share of assets of RAS & NAS in the balance sheet sum of the Capital Group was 1.7%. The above transaction was carried out in connection with decreased attractiveness of the locations concerned by the assets being the object of the transaction, as evaluated by the Issuer, along with the intention to focus operating and management activities as well as financial resources on development of business activity in alternative locations where the Issuer's Capital Group companies conduct their business activity. The possibility to obtain financial resources based on potential sale transactions of selected groups of operating assets of Baltona Capital Group was notified by the Issuer – among others – in the Report on activity in 2018 (page 51), as well as in the current report no. 20/2019 concerning initiation of the process related to review of strategic options concerning operational utilisation of particular asset groups of the Issuer's Capital Group and continued development of its business. The Buyer is not a related party towards the Issuer or the persons performing management and supervisory functions with respect to the Issuer. Moreover, the Issuer advises that, as on the date of preparation of that current report, the above mentioned process related to review of strategic options is in progress with regard to all areas identified in the said current report.

Capital Group of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A.

The above interim shortened consolidated financial statements were drawn up on 30 May 2019 and approved for publication by the Management Board of Przedsiębiorstwo Handlu Zagranicznego "Baltona" S.A. on the same day.

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