

Report on Review of the Condensed Half-year Financial Statements

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For the Shareholders of Przedsiębiorstwo Handlu Zagranicznego „Baltona” S.A.

Introduction

We have reviewed the accompanying condensed half-year financial statements of Przedsiębiorstwo Handlu Zagranicznego „Baltona” S.A. (the Company) with its registered office in Warsaw, 4 Marcina Flisa Street, which comprise the condensed statement of financial position as of June 30, 2019 the condensed statement of profit or loss, condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, condensed statement of cash flows for the period from January 1, 2019 to June 30, 2019 and selected explanatory notes.

The Management Board of the Company is responsible for the preparation and presentation of these condensed half-year financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

Our responsibility is to express a conclusion on these condensed half-year financial statements based on our review.

Scope of Review

We conducted our review in accordance with National Standard on Review Engagements 2410 consistent with International Standard on Review Engagements 2410 *Review of Interim Information Performed by the Independent Auditor of the Entity* adopted by the National Council of Statutory Auditors' resolution No. 3436/52e/2019 of April 8, 2019. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with National Standards on Auditing consistent with International Standards on Auditing adopted by the National Council of Statutory Auditors' resolution No. 3430/52a/2019 of March 21, 2019, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* published in the form of European Commission regulations.

Emphasis of Matter

In condensed half-year financial statements, the company showed short-term liabilities of 118 097 thousand PLN exceeding the current assets by an amount of 40 848 thousand PLN. In addition, in note 2.1, the Company informed about delays in the regulation of liabilities and in note 17.4 the Company notified about the failure to comply with the terms of the credit agreements. These circumstances indicate significant uncertainty as to the Company ability to continue as a going concern. In note 2.1, the Board of Directors reported that they received a letter of support from the majority owner of the company, in which the majority owner committed to support the company financially in order to settle the liabilities and provide liquidity to the company for the period of 12 months or until the date of sale of the company's shares to a new investor. According to the information provided by the Management Board in note 2.1, negotiations on the sale of a majority shareholding to a new investor are currently underway, but there is no certainty whether they will succeed. Taking into account the circumstances above, the Management board prepared a condensed half-year financial statement on going concern basis. The condensed half-year financial statements do not contain any corrections that would have been necessary if the assumption of going concern proved unjustified.

Jan Letkiewicz

Statutory Auditor No. 9530

Key Audit Partner performing the review on behalf of

Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością sp. k.,

Poznań, ul. Abpa Antoniego Baraniaka 88 E, Audit Firm No. 4055

Poznań, September 30, 2019.

THIS IS TRANSLATION ONLY. The Polish language version of the report is the only valid and legally binding version. This translation into English is provided to facilitate understanding of the report.