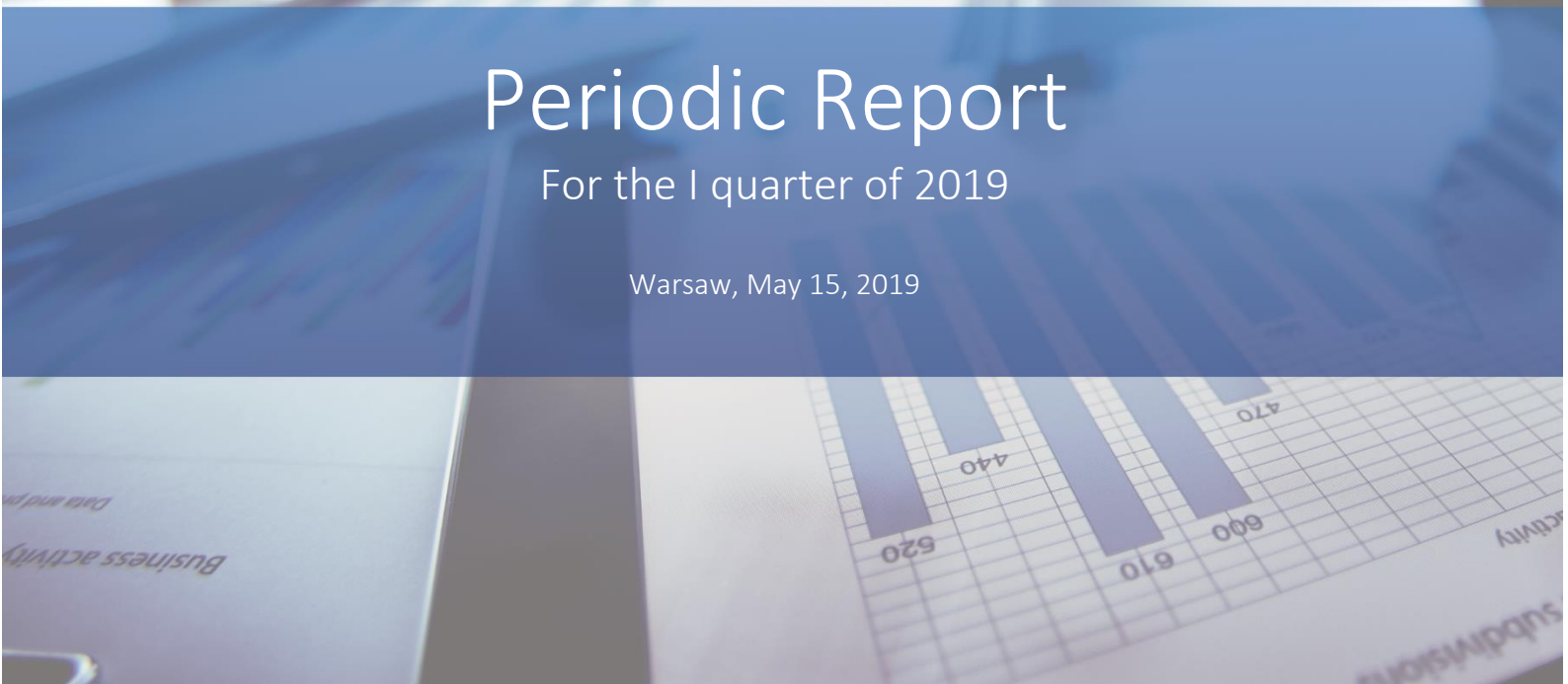




Periodic Report

For the I quarter of 2019

Warsaw, May 15, 2019



INDEX

General Informations about the Capital Group and the Parent Company.....	3
Quarterly condensed CONSOLIDATED financial statements of the AFORTI Capital Group.....	9
Quarterly condensed individual financial statements - selected individual financial data of Aforti Holding SA.....	20
The fundamental principles for the preparation of financial report including changes in accounting policy.....	30
Characteristics of significant achievements or failures of the issuer in the period covered by the report with the description of the most important factors and events, in particular of unusual nature affecting achieved results	36
The ability to implement published financial perspectives for a given year including the results presented in quarterly report	43
The status of the issuer's activities and investments indicated in the Information Document and their schedule.....	45
The activity of issuer during the period covered by the report in the area of business development through initiatives targeted innovation-related solutions in the Company	47
Board of Directors statement	49
The list of current reports of the issuer published in the IV quarter of 2018	51

1

General Informations about the Capital Group
and the Parent Company

PARENT COMPANY

Name (Company):	Aforti Holding Inc
Country:	Poland
Address:	00-613 Warsaw, 8 Chałubińskiego Street
Telephone:	+48 22 647 50 00
Faks:	+48 22 205 08 19
E-mail address:	inwestorzy@afortiholding.pl
Website:	www.afortiholding.pl
KRS:	0000330108, District Court in Warsaw XII Commercial Division of the National Court Register
NIP:	525-245-37-55
REGON:	141800547

Source: Issuer

Aforti Holding SA is a public company acting as a parent company, which does not run operating activities but acts as a holding company

The Aforti Group shall be composed of:

AFORTI Ac sp. z o.o. – the company provides accounting and bookkeeping services

AFORTI Capital Sp. z o.o. – the company manages the fund of Aforti Micro-loans Closed-ended Investment Fund of Non-public Assets

AFORTI Collections S.A. – is a debt collection company specializing in managing liabilities with a wide range of collection tools at its disposal. Acquiring and servicing the portfolios of liabilities is the second line of the Company's operation.

AFORTI Exchange S.A. – is a functional online currency exchange platform for companies. It offers wholesale exchange rates, allowing for convenient non-cash exchange.

AFORTI Exchange Romania S.A. – is a functional online currency exchange platform for companies, that operating in Romania. It offers wholesale exchange rates, allowing for convenient non-cash exchange.

Aforti Exchange Bulgaria AD – is a functional online currency exchange platform for companies, that operating in Bulgaria. It offers wholesale exchange rates, allowing for convenient non-cash exchange. The company has not yet started operating activity.

AFORTI Factor S.A. – the company provides factoring services. It acquires from the clients overdue receivables of goods or services and supports effective management of the portfolio of receivables.

AFORTI Finance S.A. – is a company specializing in providing sole proprietors, civil-law partnerships, general partnerships and limited liability companies with “non-bank” loans. The products are dedicated to entrepreneurs whose access to financing their own business is restricted due to the stern requirements of the banking law.

AFORTI Finance Romania IFN S.A. – is a company registered in Romania, which will deal with non-bank loans for entrepreneurs. The company has not yet started operating activity.

AUTHORITIES OF PARENT COMPANY

BOARD OF DIRECTORS

Name	Function	Term of office	
		From	To
Klaudiusz Sytek	Chairman of the Board	29.06.2017	29.06.2020
Paweł Opoka	Vice-Chairman of the Board	15.05.2018	15.05.2021
Mateusz Niemczyk	Vice-Chairman of the Board	08.05.2019	08.05.2022

Source: Issuer

On May 8, 2019, the Supervisory Board of the Company adopted a resolution on appointing Mr Mateusz Niemczyk to the Management Board and entrusting him the function of the Vice-President of the Management Board. (EBI Current Report No. [30/2019](#))

On May 15, 2018, the Supervisory Board of the Company adopted a resolution on appointing Mr Paweł Opoka to the Management Board and entrusting him the function of the Vice-President of the Management Board. (EBI Current Report No. [33/2018](#))

SUPERVISORY BOARD

Name	Function	Term of office	
		From	To
Kamilla Sytek - Skonieczna	President of the Supervisory Board	29.06.2017	29.06.2020
Maciej Stańczuk	Supervisory Board	29.06.2017	29.06.2020
Dawid Pawłowski	Supervisory Board	29.06.2017	29.06.2020
Olga Chojcka-Szymańska	Supervisory Board	02.07.2018	29.06.2020
Ludwik Sobolewski	Supervisory Board	02.07.2018	29.06.2020

Source: Issuer

On July 2, 2018, the Company received letters dated on June 19, 2018 with information about the resignation as of June 30, 2018 from the position of a member of the Supervisory Board of the Company by Mr. Krzysztof Dresler and Mr. Andrzej Podsiadło. (EBI current report No. [46/2018](#), [47/2018](#), [50/2018](#))

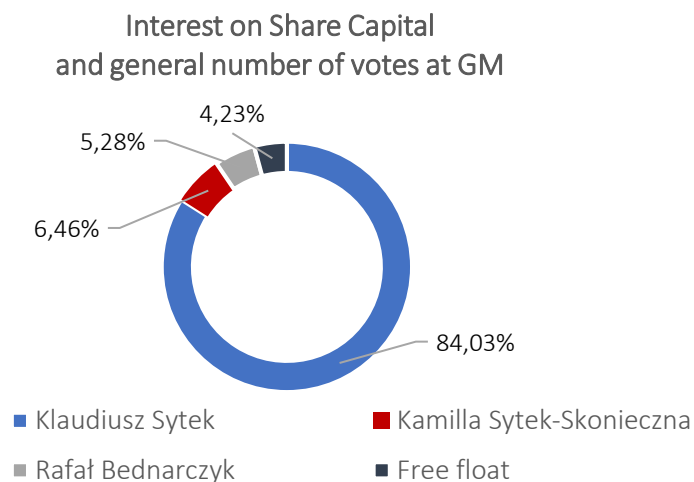
On July 2, 2018, the Supervisory Board of the Company based on §15 para. 4 of the Statutes of the Company, adopted a resolution on co-opting Mr. Ludwik Sobolewski to the Supervisory Board. (EBI current report No. [48/2018](#))

On July 2, 2018, the Supervisory Board of the Company based on §15 para. 4 of the Statutes of the Company, adopted a resolution on co-opting Mrs Olga Chojecka-Szymańska to the Supervisory Board. (EBI current report No. [49/2018](#))

THE SHAREHOLDING STRUCTURE OF THE ISSUER WITH AN INDICATION OF SHAREHOLDERS WHO OWNS A MINIMUM 5% OF VOTES ON THE GENERAL MEETING ON THE DAY OF TRANSMISSION OF THE REPORT

Shareholder	Number of shares	Number of votes GM	Interest on Share Capital	The percentage of voting rights at GM
Klaudiusz Sytek	6 556 216	6 556 216	84,03%	84,03%
Kamilla Sytek - Skonieczna	503 907	503 907	6,46%	6,46%
Rafał Bednarczyk	411 864	411 864	5,28%	5,28%
Free float	329 928	329 928	4,23%	4,23%
Total	7 801 915	7 801 915	100,00%	100,00%

Source: Issuer



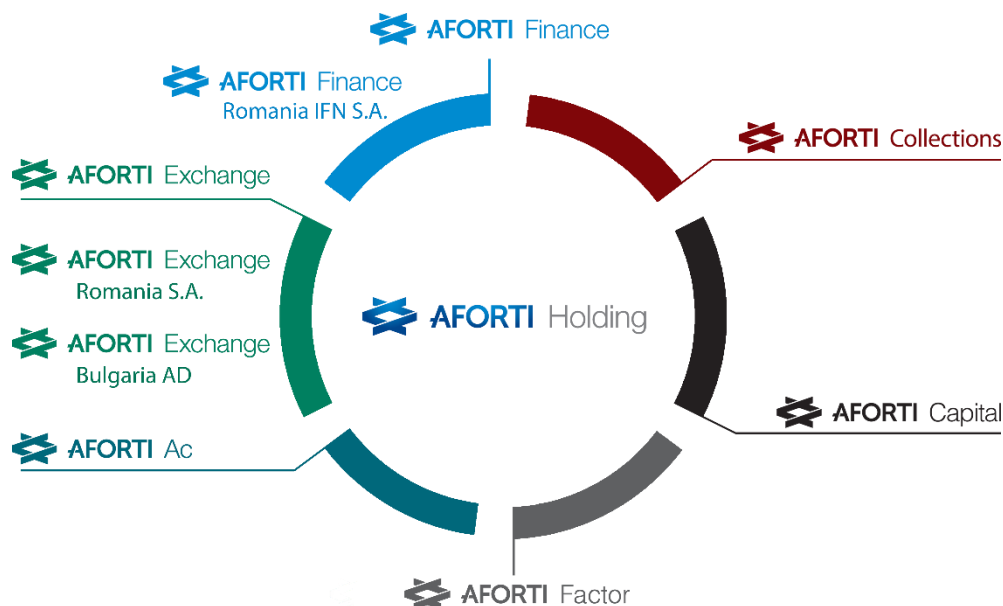
Source: Issuer

On 11/07/2018, the Issuer published the current report ESPI No. [27/2018](#), in which it announced changes in the shareholding structure.

THE DESCRIPTION OF THE ORGANIZATION OF THE CAPITAL GROUP, WITH AN INDICATION OF THE UNDERTAKINGS TO BE CONSOLIDATED

The structure of the Capital Group on the day of publication of the report:

- Aforti Holding S.A. – parent company
- Aforti Finance S.A. – 72,07% shares
 - Aforti Finance Romania IFN S.A. – 99.99% shares indirectly through Aforti Finance S.A., the remaining 0.01% shares has Mr. Klaudiusz Sytek
- Aforti Collections S.A. – 94% shares
- Aforti Capital Sp. z o.o. – 100% shares
- Aforti Factor S.A. (Aforti Corporate Finance S.A.) – 85,72% shares
- Aforti Ac Sp. z o.o. – 100% shares
- Aforti Exchange S.A. – 100% shares
 - Aforti Exchange Romania S.A. – 30.57% of shares and indirectly through Aforti Exchange S.A. the 69.43% of shares
 - Aforti Exchange Bulgaria S.A. – 90% shares and indirectly through Aforti Exchange S.A. the 10% of shares



Source: Issuer

Companies operating in foreign countries are not subject to consolidation.

INFORMATIONS CONCERNING THE NUMBER OF PERSONS FULL-TIME EMPLOYED BY THE ISSUER

At the end of the I quarter of 2019 Aforti Holding SA employed 14,35 people on full-time contracts and 51 people based on civil law and managerial contracts (also appointing board members).

The Aforti Capital Group in Poland and abroad (Romania and Bulagaria) has employed 80,15 people for full-time contracts and 118 people based on civil law and managerial contracts (also appointing board members).

2

Quarterly condensed CONSOLIDATED financial statements
of the AFORTI Capital Group



Table 1. Consolidated selected financial data from the balance sheet dated on 31.03.2019 together with comparative and cumulative data [PLN]

Lp.	Title	Status 31.03.2019	Status 31.03.2018
A	Fixed assets	30 465 367,39	30 009 674,80
I	Intangible assets	1 776 450,87	545 917,63
1	Research and development costs	0,00	0,00
2	Goodwill	518 006,13	0,00
3	Other intangible assets	677 192,81	545 917,63
4	Intangible assets advances	581 251,93	0,00
II	Consolidated goodwill	10 791 971,96	12 384 603,27
1	Consolidated goodwill - subsidiaries	10 791 971,96	12 384 603,27
III	Property, plant and equipment	2 812 401,66	1 722 324,12
1	Capital assets	2 809 858,66	1 577 918,06
a	Land (perpetual usufruct of the land)	0,00	0,00
b	Buildings, premises, civil engineering	405 305,73	9 523,56
c	Equipment and machinery	373 395,29	646 151,82
d	Means of transport	1 750 143,15	692 249,82
e	Fixed assets	281 014,49	229 992,86
2	Fixed assets in course of construction	2 543,00	144 406,06
3	Advances on fixed assets in course of construction	0,00	0,00
IV	Long-term assets	298 384,32	77 491,19
1	From related parties	0,00	0,00
2	From other capital entities	0,00	0,00
3	From other entities	298 384,32	77 491,19
V	Long-term investments	6 104 428,92	11 399 089,59
1	Real estate	0,00	0,00
2	Intangible assets	0,00	0,00
3	Long-term financial assets	6 104 428,92	11 399 089,59
a	Affiliated undertakings	5 559 823,55	4 389 435,69
	- stocks or shares	5 094 823,55	4 171 662,87
	- other securities	465 000,00	200 000,00
	- loans	0,00	17 772,82
	- other long-term financial assets	0,00	0,00
b	Other capital entities	0,00	0,00
	- stocks or shares	0,00	0,00
	- other securities	0,00	0,00
	- loans	0,00	0,00
	- other long-term financial assets	0,00	0,00
c	Other entities	544 605,37	7 009 653,90
	- stocks and shares	544 605,37	0,00
	- other securities	0,00	0,00
	- loans	0,00	7 009 653,90
	- other long-term financial assets	0,00	0,00
4	Other long-term investments	0,00	0,00
VI	Long-term accrued settlements	8 681 729,66	3 880 249,00
1	Deferred tax assets	4 352 270,12	1 133 710,38
2	Other accrued settlements	4 329 459,54	2 746 538,62
B	Current assets	128 913 092,21	72 564 357,04
I	Supplies	0,01	1 500,00
1	Materials	0,01	1 500,00

2	Semi-finished products and products in progress	0,00	0,00
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Supply advances	0,00	0,00
II	Current assets	34 462 505,25	20 108 991,51
1	Amounts owed by affiliated undertakings	12 066 450,03	8 614 125,75
a	Due to supply and service during the collection period:	879 176,38	4 093 687,90
	- until 12 months	879 176,38	4 093 687,90
	- over 12 months	0,00	0,00
b	Others	11 187 273,65	4 520 437,85
2	Amounts owed by other capital entities	0,00	0,00
a	Due to supply and service during the collection period:	0,00	0,00
	- until 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Others	0,00	0,00
2	Amounts owed by other entities	22 396 055,22	11 494 865,76
a	Due to supply and service during the collection period:	1 272 158,66	561 973,21
	- until 12 months	1 272 158,66	561 973,21
	- over 12 months	0,00	0,00
b	For taxes, grants, duties, social securities, health insurance and other benefits	1 895 318,25	1 045 899,41
c	Others	19 228 578,31	9 886 993,14
d	Claims in court	0,00	0,00
III	Short-term investments	91 700 275,66	50 892 655,27
1	Short-term financial assets	91 700 275,66	50 892 655,27
a	Related parties	13 440 453,92	1 804 222,20
	- stocks or shares	13 439 300,49	1 804 222,20
	- Other intangible assets	0,00	0,00
	- loans	1 153,43	0,00
	- short-term financial assets	0,00	0,00
b	In other entities	77 606 161,05	46 751 651,03
	- shares or stocks	68 000,00	1 667 996,43
	- Other intangible assets	6 424 210,96	4 685 178,40
	- loans	71 113 950,09	40 398 476,20
	- other short-term financial assets	0,00	0,00
c	Money and monetary assets	653 660,69	2 336 782,04
	- cash in hand and on the accounts	653 551,17	2 046 036,60
	- other money	109,52	290 745,44
	- other monetary assets	0,00	0,00
2	Other short-term investments	0,00	0,00
IV	Short-term accrued settlements	2 750 311,29	1 561 210,26
C	Unpaid capital	0,00	0,00
D	Own shares	0,00	0,00
Total Assets		157 581 846,59	159 378 459,60

Source: Issuer

Lp.	Title	Status 31.03.2019	Status 31.03.2018
A	Own Capital (fund)	5 112 179,38	5 213 691,97
I	Share Capital (fund)	7 801 915,00	7 801 915,00
II	Capital reserve (fund)	6 803 898,96	3 504 854,16
	- sales value surplus (issuance value) over nominal value of shares	1 284 946,80	1 284 946,80
III	Revaluation capital (fund)	0,00	0,00
	- hourly revaluation	0,00	0,00
IV	Other capital reserves (fund)	0,00	0,00
	- in accordance with the agreement/ Articles of Asociacion	0,00	0,00
	- to own shares	0,00	0,00
V	Profit (loss) from previous years	(9 789 531,84)	(6 810 956,97)
VI	Net Profit (loss)	295 897,27	717 879,77
X	Net Profit copies during financial year (negative rate)	0,00	0,00
B	Minority capital	2 613 779,62	1 780 319,89
C	Negative goodwill of entities	0,00	0,00
I	Negative goodwill — subsidiary	0,00	0,00
II	Negative goodwill — interdependent entities	0,00	0,00
D	FINANCIAL LIABILITIES AND PROVISIONS FOR LIABILITIES	151 652 500,59	95 580 019,98
I	Provisions for liabilities	66 943,16	20 400,00
1	Deffered tax liabilities	0,00	0,00
2	Provisions for pensions	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
3	Other provisions	66 943,16	20 400,00
	- long-term	0,00	0,00
	- short-term	66 943,16	20 400,00
II	Long-term liabilities	89 769 507,89	57 894 573,63
1	To affiliated undertakings	450,00	1 643 914,27
2	To other capital entities	0,00	0,00
3	To other entities	89 769 057,89	56 250 659,36
a	Loans	0,00	4 333,33
b	Debt securities issued	88 917 778,43	55 986 687,16
c	Other financial liabilities	851 279,46	259 638,87
d	Marker liabilities	0,00	0,00
e	Others	0,00	0,00
III	Short-term liabilities	56 363 638,48	33 843 102,18
1	To affiliated undertakings	1 212 278,75	411 880,19
a	Due to supplies and services during the collection period:	121 679,16	391 128,77
	- until 12 months	121 679,16	391 128,77
	- over 12 months	0,00	0,00
b	Others	1 090 599,59	20 751,42
2	Liabilities to other capital entities	0,00	0,00
a	Due to supplies and services during the collection period:	0,00	0,00
	- until 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Others	0,00	0,00
2	To other entities	55 151 359,73	33 431 221,99

a	Loans	143,13	27 858,23
b	Debt security issues	10 229 000,00	13 322 504,81
c	Other financial liabilities	27 983 212,68	15 278 822,10
d	Due to supplies and services during the collection period:	8 017 170,93	538 365,74
	- until 12 months	8 017 170,93	538 365,74
	- over 12 months	0,00	0,00
e	Supplies advances	0,00	0,00
f	Marker liabilities	0,00	0,00
g	Tax, duties, insurances and others	7 601 119,78	3 587 097,34
h	Salaries	482 776,18	376 583,13
i	Others	837 937,03	299 990,64
3	Special funds	0,00	0,00
IV	Accruals	5 452 411,06	3 821 944,17
1	Negative goodwill	0,00	0,00
2	Other accruals	5 452 411,06	3 821 944,17
	- long-term	120,75	0,00
	- short-term	5 452 290,31	3 821 944,17
	Total Liabilities	159 378 459,60	102 574 031,83

Source: Issuer

INCOME STATEMENT – COMPARATIVER OPTION

Table 2. Consolidated selected financial data of the profit and loss for the first quarter 2019 and cumulatively with comparative data [PLN]

Lp.	Title	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
A	Net turnover	203 796 961,59	99 923 461,71
-	Related parties	0,00	0,00
I	Net revenues from sales of products	3 403 990,87	5 945 137,62
II	Changes in the state of products (increase – positive value, decrease – negative value)	0,00	0,00
III	Costs of product development	0,00	0,00
IV	Net revenues from sales of products, goods and materials	200 392 970,72	93 978 324,09
B	Operational costs	209 012 107,23	98 883 840,46
I	Depreciation	352 400,03	181 487,30
II	Materials and Energy consumption	149 760,97	138 004,70
III	External services	3 220 685,55	1 887 381,49
IV	Tax and fees, including:	973 783,10	210 692,21
-	- excise duty	0,00	0,00
V	Salaries	1 708 516,79	1 193 168,15
VI	Social Securities and other benefits	347 911,28	211 802,53
-	- pensions	129 578,43	86 776,52
VII	Other costs	1 982 574,80	1 106 030,22
VIII	Value of the goods and materials sold	200 276 474,71	93 955 273,86
C	Profit (loss) on sales (A-B)	(5 215 145,64)	1 039 621,25
D	Other operational profits	92 593,37	310 658,62
I	Profit of disbursement of fixed assets	0,00	0,00
II	Grants	0,00	0,00
III	Update on the value of non-financial assets	0,00	0,00
IV	Other operating income	92 593,37	310 658,62
E	Other operating costs	125 046,27	16 277,40
I	Loss from disposal of fixed assets	0,00	0,00
II	Update on the value non-finacial asstes	0,00	0,00
III	Other operational costs	125 046,27	16 277,40
F	Profit (loss) on operational activity (C+D-E)	(5 247 598,54)	1 334 002,47
G	Financial income	8 602 332,49	7 791 689,80
I	Dividends and shares of profits	0,00	0,00
a)	From related parties	0,00	0,00
-	- capital involved	0,00	0,00
b)	From other entities	0,00	0,00
-	- capital involved	0,00	0,00
II	Interest	77 487,71	16 714,25
-	- from related parties	0,00	0,00
III	Profit from disposal of investemnt	2 614 290,86	4 407 044,80
-	- related parties	0,00	0,00
IV	Update on the investment value	2 614 938,52	0,00
V	Others	3 295 615,40	3 367 930,75
H	Financial expenses	2 772 012,44	6 039 681,81
I	Interest	2 082 118,37	1 456 885,04
-	- for related parties	0,00	0,00
II	Loss from disbursement of financial assets	0,00	0,00

- in related parties	0,00	0,00
III Value of financial assets update	0,00	4 034 096,24
IV Others	689 894,07	548 700,53
I Profit (loss) on sale of whole or part of unit shares	0,00	0,00
J Profit (loss) on business activity (F+G-H+/-I)	582 721,51	3 086 010,46
K An impairment of the company	394 946,30	397 595,00
I An impairment — subsidiaries	394 946,30	397 595,00
II An impairment — interdependent entities	0,00	0,00
L An impairment negative value of the company	0,00	0,00
I An impairment negative value of the company — subsidiaries	0,00	0,00
II An impairment negative value of the company — interdependent entities	0,00	0,00
M Profit (loss) from shares of subsidiaries priced by equity method	0,00	0,00
N Profit (loss) gross (J-K+L+/-M)	187 775,21	2 688 415,46
O Income tax	0,00	1 167 757,00
P Other obligatory profit reduction (loss increase)	0,00	0,00
Q Profit (loss) of minority	(108 122,06)	802 778,68
R Profit (loss) net (N-O-P+/-Q)	295 897,27	717 879,77

Source: Issuer

CASH FLOW STATEMENT

Table 3. Consolidated selected financial data of the cash flow statement after three months of 2019 together with comparative data [PLN]

Lp.	Title	01.01.2019 – 31.03.2019	01.01.2018 – 31.03.2018
A.	Cash flow net from operations		
I	Profit (loss) net	295 897,27	717 879,77
II	Total adjustment	(3 176 856,67)	(11 731 308,57)
1	Profits (minority losses)	(108 122,06)	802 778,68
2	Profits (loss) from shares of entities priced by equity method	0,00	0,00
3	Depreciation	352 400,03	181 487,30
4	An impairment of goodwill of the company	394 946,30	397 595,00
5	An impairment of negative goodwill of the company	0,00	0,00
6	Profit (loss) due to exchange differences	0,00	0,00
7	Interest and shares on profit (dividends)	2 004 630,66	1 440 170,79
8	Profits (loss) from investment activity	(2 614 290,86)	(4 407 044,80)
9	Change in the provision	0,00	(6 600,00)
10	Change in stocks	1 799,99	(1 500,00)
11	Change in financial claims	(10 938 146,87)	(15 255 970,94)
12	Change in short-term financial liabilities, excluding loans	3 640 777,03	455 516,87
13	Change in accrued settlements	6 962 039,48	469 862,23
14	Other provisions	(2 872 890,37)	4 192 396,29
III	Cash flow net from operations (I ± II)	(2 880 959,40)	(11 013 428,80)
B.	Cash flow from investment activity		
I	Profits	0,00	6 198 727,70
1	Disposal of legal, intangible and tangible assets	0,00	0,00
2	Disposal of real estate investments and legal, intangible assets	0,00	0,00
3	Financial assets	0,00	6 198 727,70
a)	In related parties	0,00	6 198 727,70
b)	In other entities	0,00	0,00
-	Disposal of financial assets	0,00	0,00
-	Dividends and shares of profit	0,00	0,00
-	Repayment of long-term loans	0,00	0,00
-	Interest	0,00	0,00
-	Other profits from financial shares	0,00	0,00
4	Other investment profits	0,00	0,00
II	Expenses	594 582,27	2 202 905,20
1	Aquisition of tangible and intangible fixed assets	594 582,27	202 663,15
2	Investments in real estate and intangible assets	0,00	0,00
3	Financial assets	0,00	2 000 242,05
a)	In related parties	0,00	1 995 336,95
b)	In other equities	0,00	4 905,10
-	Aquisition of financial assets	0,00	0,00
-	Long-term loans	0,00	4 905,10
4	Dividends and other shares on profit paid to minority shareholders		
5	Other investment expenses	0,00	0,00

III	Cash flow net from investment activity (I-II)	(594 582,27)	3 995 822,50
C	Cash flow from financial activity		
I	Profits	27 982 907,97	18 981 518,45
1	Net receipts from issuance of shares and other equity instruments and equity infusion	0,00	0,00
2	Loans	8 767 827,23	5 391 882,26
3	Debt securities issuance	19 137 593,03	11 323 000,00
4	Other financial income	77 487,71	2 266 636,19
II	Expenses	25 696 315,00	13 484 769,56
1	Aquisition of treasury shares	0,00	0,00
2	Dividends and other distributions to owners	0,00	0,00
3	Other expenses than distribution to owners, expenses related to sharing of the capital gain	0,00	0,00
4	Repayment of loans	0,00	0,00
5	Debt securities buyout	13 576 814,60	2 867 000,00
6	Other financial liabilities	0,00	0,00
7	Payments from financial leasing	56 530,03	47 679,11
8	Interest	2 082 118,37	1 456 885,04
9	Other financial expenses	9 980 852,00	9 113 205,41
III	Net cash flow from financial activity (I-II)	2 286 592,97	5 496 748,89
D	Tolat net cash flow (A.III ± B.III ± CIII)	(1 188 948,70)	(1 520 857,41)
E	Balance change in cash assets	(1 188 948,70)	(1 520 857,41)
-	Profit (loss) due to exchange differences	0,00	0,00
F	Cash at the beggining of period	1 842 609,39	3 857 639,45
G	Cash at the end of period (F±E)	653 660,69	2 336 782,04
-	Restricted possibility of dispatch		

Source: Issuer

THE STATEMENT OF CHANGES IN EQUITY

Table 4. Consolidated selected financial data from the statement showing changes in equity after three months 2019 together with comparative data [PLN]

Lp.	Title	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
I.	Equity (fund) at the beginning of period (BO)	4 816 282,12	4 148 716,43
-	Changes in accounting policy	0,00	0,00
-	Correction of fundamental errors		0,00
I.a.	Equity (fund) at the beginning of period (BO), after adjustments	4 816 282,12	4 148 716,43
1	Share capital (fund) at the beginning of period	7 801 915,00	7 801 915,00
1.1.	Share capital changes (fund)	0,00	0,00
a	Increase related to:	0,00	0,00
-	Issuance of shares		0,00
-	Contribution in-kind	0,00	0,00
b	Decrease related to:	0,00	0,00
-	Redemption of shares		0,00
		0,00
1.2.	Equity (fund) at the beginning of period	7 801 915,00	7 801 915,00
2	Equity (fund) reserve at the beginning of period	6 803 898,96	3 504 854,16
2.1.	Equity (fund) reserve change	0,00	0,00
a	Increase related to:	0,00	0,00
-	Share issue over nominal value		0,00
-	Appropriation of the profit (by law)		0,00
-	Appropriation of the profit (over required by law nominal value)		0,00
-	Issuing of the new shares		0,00
b	Decrease (for the transfer of capital reserve)	0,00	0,00
-	Cover the deficit		0,00
-	Transfer to the share capital (registration of shares D series)		0,00
2.2.	Capital reserve status (fund) at the end of the beginning of period	6 803 898,96	3 504 854,16
3	Equity (fund) of revaluation at the beginning of period – changes in accounting policy	0,00	0,00
3.1.	Changes in the share capital (fund) of revaluation	0,00	0,00
a	Increase	0,00	0,00
b	Decrease	0,00	0,00
3.2.	Equity (fund) of revaluation at the end of period	0,00	0,00
4	Other reserves (fund) at the beginning of period	0,00	0,00
4.1.	Changes in other reserves (fund)	0,00	0,00
a	Increase (copy of the profit)		0,00
-	Increase of capital reserve (transfer)		0,00
b	Decrease	0,00	0,00
-	Divident payment		0,00
4.2.	Other equity reserve (fund) at the end of period	0,00	0,00
5	Profit (loss) from the previous years at the beginning of period	(10 110 001,77)	0,00
5.1.	Profit from the previous years at the beginning of period		0,00
-	Changes in the accounting policy		0,00
-	Correction of fundamental errors		0,00

5.2.	Profit from the previous years at the beginning of period, after corrections	0,00	0,00
a	Increase	320 469,93	1 525 962,83
-	The appropriation of the profit from the previous years	320 469,93	1 525 962,83
b	Decrease	320 469,93	1 525 962,83
-	Loss compensation	320 469,93	1 525 962,83
-	Transfer of capital reserve		0,00
5.3.	Profit from the previous years at the end of period	0,00	0,00
5.4	Losses from previous years at the beginning of period (-)	(10 110 001,77)	(8 336 919,80)
-	Changes in accounting policy		0,00
-	Correction of fundamental errors		0,00
5.5.	Losses from previous years at the beginning of period, after corrections	(10 110 001,77)	(8 336 919,80)
a	Increase	0,00	0,00
-	Loss carry-forward from the previous years to cover	0,00	0,00
b	Decrease	(320 469,93)	(1 525 962,83)
-	(320 469,93)	(1 525 962,83)
5.6.	Losses from previous years at the end of period	(9 789 531,84)	(6 810 956,96)
5.7	Profit (loss) from previous years at the end of period	(9 789 531,84)	(6 810 956,96)
6.	Net income	295 897,27	717 879,77
a	Net profit	295 897,27	717 879,77
b	Net loss (negative)		0,00
c	Profit copy (negative)		0,00
II	Equity (fund) at the end of period (BZ)	5 112 179,38	5 213 691,97
III	Equity (fund) after taking into account proposed profit (cover loss)	5 112 179,38	5 213 691,97

Source: Issuer

3

Quarterly condensed individual financial statements
- selected individual financial data of Aforti Holding SA


BALANCE SHEET

Table 5. Individual selected financial data of the balance dated on 31.03.2019 together with comparative and cumulative data [PLN]

ASSETS

Lp.	Title	Status	Status
		31.03.2019	31.03.2019
A	FIXED ASSETS	114 871 271,91	114 871 271,91
I	Intangible fixed assets	14 730,52	14 730,52
1	Costs of the completed, development activities	0,00	0,00
2	Change in the balance of products (increase – positive value, decrease – negative value)	0,00	0,00
3	Other intangible fixed assets	14 730,52	14 730,52
4	Intangible fixed assets advance	0,00	0,00
II	Tangible assets	1 615 716,72	1 615 716,72
1	Fixed assets	1 615 716,72	1 615 716,72
a	Land (perpetual usufruct)	0,00	0,00
b	Buildings, premises i civil engineering facilities	405 305,73	405 305,73
c	Equipment and machinery	159 777,62	159 777,62
d	Means of transport	809 925,24	809 925,24
e	Other fixed assets	240 708,13	240 708,13
2	Fixed assets under construction	0,00	0,00
3	Fixed assets under construction advances	0,00	0,00
III	Long-term receivables	200 504,31	200 504,31
1	From affiliates	0,00	0,00
2	From other capital equities	0,00	0,00
3	From other equities	200 504,31	200 504,31
IV	Long-term investments	108 550 739,65	108 550 739,65
1	Real estate	0,00	0,00
2	Intangible assets	0,00	0,00
3	Long-term financial assets	108 550 739,65	108 550 739,65
a	In affiliates	108 550 739,65	108 550 739,65
	- stocks or shares	91 450 739,65	91 450 739,65
	- other securities	17 100 000,00	17 100 000,00
	- loans	0,00	0,00
	- other long-term financial assets	0,00	0,00
b	In other capital entities	0,00	0,00
	- stocks or shares	0,00	0,00
	- other securities	0,00	0,00
	- loans	0,00	0,00
	- other long-term financial assets	0,00	0,00
c	In other equities	0,00	0,00
	- stocks or shares	0,00	0,00
	- other securities	0,00	0,00
	- loans	0,00	0,00
	- other long-term financial assets	0,00	0,00
4	Other long-term investments	0,00	0,00
V	Long term accruals	4 489 580,71	4 489 580,71
1	Deffered tax assets	160 121,17	160 121,17
2	Other accruals	4 329 459,54	4 329 459,54
B	CURRENT ASSETS	47 588 147,96	47 588 147,96
I	Supplies	0,00	0,00
1	Materials	0,00	0,00

2	Semi-finished products and products in progress	0,00	0,00
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advances on supplies	0,00	0,00
II	Short-term receivables	28 098 907,04	28 098 907,04
1	Related parties receivables	27 533 825,27	27 533 825,27
a	Due to supplies and services during the collection period:	1 430 206,50	1 430 206,50
	- until 12 months	1 430 206,50	1 430 206,50
	- over 12 months	0,00	0,00
b	Other	26 103 618,77	26 103 618,77
2	Receivables from other capital entities	0,00	0,00
a	Due to supplies and services during the collection period:	0,00	0,00
	- until 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Other	0,00	0,00
3	Receivables from other entities	565 081,77	565 081,77
a	Due to supplies and services during the collection period:	145 598,47	145 598,47
	- until 12 months	145 598,47	145 598,47
	- over 12 months	0,00	0,00
b	Due to taxes, grands, duties, social securities, health insurance and other benefits	149 934,08	149 934,08
c	Other	269 549,22	269 549,22
d	Claimed at court	0,00	0,00
III	Short-term investemnts	17 794 289,47	17 794 289,47
1	Short-term financial assets	17 794 289,47	17 794 289,47
a	In related parties	16 926 850,91	16 926 850,91
	- stocks or shares	16 926 850,91	16 926 850,91
	- other securities	0,00	0,00
	- loans	0,00	0,00
	- other short-term financial assets	0,00	0,00
b	In other entities	802 650,96	802 650,96
	- stocks and shares	0,00	0,00
	- other securities	802 650,96	802 650,96
	- loans	0,00	0,00
	- other short-term financial assets	0,00	0,00
c	Money and monetary assets	64 787,60	64 787,60
	- cash in hand and in the account	64 787,60	64 787,60
	- other money	0,00	0,00
	- other monetary assets	0,00	0,00
2	Other short-term investemnts	0,00	0,00
IV	Short term accruals	1 694 951,45	1 694 951,45
C	Unpaid share capital (fund)	0,00	0,00
D	Own shares	0,00	0,00
TOTAL ASSETS		162 459 419,87	162 459 419,87

Source: Issuer

LIABILITIES

Lp.	Title	Status	Status
		31.03.2019	31.03.2018
A	Equity (fund)	62 617 469,70	43 643 365,68
I	Share capital (fund)	7 801 915,00	7 801 915,00
II	Capital reserve (fund):	6 803 898,96	3 504 854,16

- Excess of the sale value (issued value) over the nominal value of shares	1 284 946,80	1 284 946,80
III Capital (fund) of revaluation	28 581 297,24	28 581 297,24
- due to hourly update	0,00	0,00
IV Other capital reserve (fund)	0,00	0,00
- carried out in accordance of the agreement of the Group (articles of association)	0,00	0,00
- to own shares	0,00	0,00
V Profit (loss) from previous years	14 327 624,45	3 685 769,03
VI Net profit (loss)	5 102 734,05	69 530,25
VII Net profit copies during the financial year (negative value)	0,00	0,00
B LIABILITIES AND PROVISIONS ON LIABILITIES	99 841 950,17	56 944 747,58
I Provisions on liabilities	0,00	15 400,00
1 Deffered tax liability	0,00	0,00
2 Provisions and pensions	0,00	0,00
- long-term	0,00	0,00
- short-term	0,00	0,00
3 Other reserves	0,00	15 400,00
- long-term	0,00	0,00
- short-term	0,00	15 400,00
II Long-term liabilities	93 726 719,50	44 415 918,85
1 To affiliated undertakings	470 661,61	47 375,00
2 To other capital entities	0,00	0,00
3 To other entities	93 256 057,89	44 368 543,85
a Loans	0,00	0,00
b Due to debt securities issues	92 404 778,43	44 133 687,16
c Other financial liabilities	851 279,46	234 856,69
d Marker liabilities	0,00	0,00
e Other	0,00	0,00
III Short-term liabilities	6 115 230,67	12 513 428,73
1 To related parties	1 225 875,07	552 018,69
a Due to supplies and services, with the maturity:	44 143,00	50 723,96
- until 12 months	44 143,00	50 723,96
- over 12 months	0,00	0,00
b Other	1 181 732,07	501 294,73
2 Liabilities to other capital entities	0,00	0,00
a Due to supplies and services, with the maturity:	0,00	0,00
- until 12 months	0,00	0,00
- over 12 months	0,00	0,00
b Other	0,00	0,00
3 To other entities	4 889 355,60	11 961 410,04
a Loans	0,00	9 600,00
b Due to debt securities issues	0,00	10 946 000,00
c Other financial liabilities	48 434,64	91 750,93
d Due to supplies and services, with the maturity:	818 413,51	262 217,07
- until 12 months	818 413,51	262 217,07
- over 12 months	0,00	0,00
e Advances on supplies	0,00	0,00
f Marker liabilities	0,00	0,00
g Due to tax, duties, social securities, insurrances and other benefits	3 910 598,84	438 318,59
h Payroll	111 161,47	129 086,21
i Other	747,14	84 437,24
4 Special funds	0,00	0,00

IV Accruals	0,00	0,00
1 Negative goodwill	0,00	0,00
2 Other accruals	0,00	0,00
- long-term	0,00	0,00
- short-term	0,00	0,00
TOTAL LIABILITIES	162 459 419,87	100 588 113,26

Source: Issuer

PROFIT AND LOSS ACCOUNT – by nature of expense

Table 6. Individual selected financial data of the profit and loss account after the first quarter 2019 together with comparative data [PLN]

Lp.	Title	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
A	Net revenues from sales and equivalent, including revenues:	4 416 912,69	2 978 106,06
-	Related parties	0,00	0,00
I	Net revenues from sales of products	4 416 912,69	2 978 106,06
II	Change in the balance of products (increase - positive value, decrease - negative value)	0,00	
III	Manufacturing cost of products for internal purposes	0,00	
IV	Net revenues from sales of goods and materials	0,00	
B	Operating expenses	3 449 478,14	2 501 333,70
I	Amortisation and depreciation	110 690,80	61 068,99
II	Consumption of materials and energy	69 326,79	64 165,71
III	External services	1 557 652,16	771 214,01
IV	Taxes and charges, including:	23 123,99	7 608,98
-	- excise duty	0,00	0,00
V	Payroll	521 635,77	443 696,48
VI	Social security and other benefits	86 241,33	64 646,40
-	- pensions	31 373,40	24 245,36
VII	Other costs by type	1 080 807,30	1 088 933,13
VIII	Value of goods and materials sold	0,00	
C	Profit (loss) on sales (A-B)	967 434,55	476 772,36
D	Other operating revenues	849,94	218 619,18
I	Profit on disposal of non-financial fixed assets	0,00	0,00
II	Subsidies	0,00	0,00
III	Revaluation of non-financial assets	0,00	0,00
IV	Other operating revenues	849,94	218 619,18
E	Other operating expenses	56 816,55	13 038,70
I	Loss on disposal of non-financial fixed assets	0,00	0,00
II	Revaluation of non-financial assets	0,00	0,00
III	Other operating expenses	56 816,55	13 038,70
F	Profit (loss) on operating activities (C+D-E)	911 467,94	682 352,84
G	Financial revenues	5 646 446,78	4 380 819,82
I	Dividends and profit sharing, including:	0,00	
a)	from related parties:	0,00	
-	- capital entity	0,00	
b)	From other entities:	0,00	
-	- capital entity	0,00	
II	Interest, including::	417 217,40	282 241,87
-	- From related parties	416 923,00	279 981,67
III	Profit on disposal of financial assets	2 614 290,86	4 081 858,30
-	- in related parties	0,00	0,00
IV	Revaluation of financial assets	2 614 938,52	0,00
V	Other	0,00	16 719,65
H	Financial expenses	1 455 180,67	4 993 642,41
I	Interest	1 455 061,14	959 546,17
-	- for related parties	281 407,80	35 539,10
II	Loss on disposal of financial assets	0,00	0,00

- in relations parties	0,00	0,00
III Revaluation of financial assets	0,00	4 034 096,24
IV Other	119,53	0,00
I Gross profit (loss) (F+G-H)	5 102 734,05	69 530,25
J Income tax	0,00	0,00
K Other statutory reductions in profit (increases in loss)	0,00	
L Net profit (loss) (I-J-K)	5 102 734,05	69 530,25

Source: Issuer

CASH-FLOW STATEMENT

Table 7. Individual selected financial data of the cash flow statement after the first quarter of 2019 together with comparative data [PLN]

Lp.	Title	01.01.2019 – 31.03.2019	01.01.2017 – 31.03.2019
A.	Net cash flows from operating activities		
I	Net profit (loss)	5 102 734,05	69 530,25
II	Total provisions	(15 049 106,92)	2 390 066,81
3	Amortisation and depreciation	110 690,80	61 068,99
6	Foreign exchange gains (loss)	0,00	0,00
7	Interest and gain-share (dividends)	1 037 843,74	677 304,30
8	Profit (loss) on investment activity	(2 614 290,86)	(4 081 858,30)
9	Changes of provisions	0,00	(6 600,00)
10	Change in stocks	0,00	0,00
11	Change in receivables	(11 452 714,76)	1 745 002,09
12	Change in short-term liabilities excluding credits and loans	(209 951,90)	(425 187,00)
13	Change in prepayments and accruals	694 254,58	386 240,49
14	Other adjustments	(2 614 938,52)	4 034 096,24
III	Net cash flows from operating activities (I ± II)	(9 946 372,87)	2 459 597,06
B.	Net cash flows from investment activities		
I	Inflows	0,00	7 876 966,00
1	Disposal of intangible and tangible fixed assets	0,00	0,00
2	Disposal of investments in real property and in intangible assets	0,00	0,00
3	From financial assets, including:	0,00	7 876 966,00
a)	in related parties	0,00	5 029 778,00
b)	in other entities	0,00	2 847 188,00
-	Disposal of financial assets	0,00	0,00
-	Dividends and gain-share	0,00	0,00
-	Repayment of long-term loans	0,00	2 847 188,00
-	Interest	0,00	0,00
-	Other inflows from financial assets	0,00	0,00
4	Other investments inflows	0,00	0,00
II	Outflows	2 520 164,38	18 758 732,71
1	Aquisition of intangible fixed and tangible assets	465 604,38	136 732,71

2	Investments on real estate and intangible fixed assets	0,00	0,00
3	Financial assets:	2 054 560,00	18 622 000,00
a)	In related parties	2 054 560,00	9 872 000,00
b)	In other equities	0,00	8 750 000,00
-	Acquisition of financial assets	0,00	0,00
-	Long-term loans	0,00	8 750 000,00
4	Other investment expenses	0,00	0,00
III	Net cash flows from investment activities (I-II)	(2 520 164,38)	(10 881 766,71)
C.	Net cash flows from financial activities		
I	Inflows	21 049 217,40	12 205 241,87
1	Net inflows from issuance of shares and other capital instruments and from capital	0,00	0,00
2	Credits and loans	0,00	0,00
3	Issuance of debt securities	20 632 000,00	11 923 000,00
4	Other inflows from financial activities	417 217,40	282 241,87
II	Outflows	8 530 676,16	5 058 336,06
1	Purchase of own shares	0,00	0,00
2	Dividends and other payments to shareholders	0,00	0,00
3	Profit distribution liabilities other than profit distribution payments to shareholders	0,00	0,00
4	Repayment of credits and loans	0,00	0,00
5	Redemption of debt securities	7 034 814,60	4 067 000,00
6	Payment of other financial liabilities	0,00	0,00
7	Payment of liabilities arising from financial leases	40 800,42	31 789,89
8	Interest	1 455 061,14	959 546,17
9	Other financial expenses	0,00	0,00
III	Net cash flows from financial activities (I-II)	12 518 541,24	7 146 905,81
D	Total net cash flows (A.III ± B.III ± C.III)	52 003,99	(1 275 263,84)
E	Balance sheet change in cash:	52 003,99	(1 275 263,84)
-	Change in cash due to exchange differences	0,00	0,00
F	Opening balance of cash	12 783,61	1 750 289,26
G	Closing balance of cash (F±E):	64 787,60	475 025,42
-	Limited possibility of disposition		

Source: Issuer

STATEMENT OF CHANGES IN EQUITY

Table 8. Individual selected financial data of the statement of changes in equity after the first quarter of 2019 together with comparative data [PLN]

Lp.	Title	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
I.	Equity (fund) at the beginning of period (BO)	57 514 735,65	43 573 835,43
-	Corrections of fundamental errors and changes in accounting policy	0,00	0,00
		0,00	0,00
I.a.	Equity (fund) at the beginning of period (BO), after provisions	57 514 735,65	43 573 835,43
1	Change in the balance of products (increase – positive value, decrease – negative value)	7 801 915,00	7 801 915,00
1.1.	Changes in share capital (fund)	0,00	0,00
a	Increase	0,00	0,00
-	Issue of shares		
-	Contribution in-kind		
b	Decrease		
-	Redemption of shares		
		
1.2.	Share capital (fund) at the end of period	7 801 915,00	7 801 915,00
2	Capital (fundusz) reserve at the beginning of period	6 803 898,96	3 504 854,16
2.1.	Changes in capital reserve (fund)	0,00	0,00
a	Increase	0,00	0,00
-	Issue of shares over nominal value		
-	Distribution of shares (by law)		
-	Distribution of shares (over required by law minimum value)		
b	Decrease	0,00	0,00
-	Loss compensation		
-		
2.2.	Capital reserve (fund) balance at the end of period	6 803 898,96	3 504 854,16
3	Equity (fund) of revaluation at the beginning of period – changes in accounting policy	28 581 297,24	28 581 297,24
3.1.	Changes in capital (fund) of revaluation	0,00	0,00
a	Increase		
b	Decrease	0,00	0,00
3.2.	Equity (fund) of revaluation at the end of period	28 581 297,24	28 581 297,24
4	Other shares reserve (fund) at the beginning of period	0,00	0,00
4.1.	Changes in other capital reserve (fund)	0,00	0,00

a	Increase		
-		
b	Decrease	0,00	0,00
-		
4.2.	Other capital reserve (fund) at the end of period	0,00	0,00
5	Profit (loss) from previous years at the beginning of period	386 724,23	(499 270,56)
5.1.	Profit from previous years at the beginning of period	386 724,23	(499 270,56)
-	Changes in accounting policy		
-	Correction of fundamental errors		
5.2.	Profit from previous years at the beginning of period after provisions	386 724,23	(499 270,56)
a	Increase	13 940 900,22	4 185 039,59
-	Distribution of profit from previous years	13 940 900,22	4 185 039,59
b	Decrease	0,00	0,00
-	Loss compensation	0,00	0,00
-	Transfer to capital reserve		
5.3.	Profit from previous years at the beginning of period	14 327 624,45	3 685 769,03
5.4	Loss from previous years at the beginning of period (-)	0,00	0,00
-	Changes in accounting policy		
-	Correction of fundamental errors		
5.5.	Loss from previous years at the beginning of period, after provisions	0,00	0,00
a	Increase	0,00	0,00
-	Loss carry-over from previous years to cover	0,00	0,00
b	Decrease	0,00	0,00
-	Profit carry-over from previous years to cover	0,00	0,00
5.6.	Loss from previous years at the end of period	0,00	0,00
5.7	Profit (loss) from previous years at the end of period	14 327 624,45	3 685 769,03
6.	Net Result	5 102 734,05	69 530,25
a	Net profit	5 102 734,05	69 530,25
b	Net loss (negative value)		
c	Profit copy (negative value)		
II	Equity (fund) at the end of period (BZ)	62 617 469,70	43 643 365,68
III	Equity (fund) after taking into account the proposed distribution of profit (loss coverage)	62 617 469,70	43 643 365,68

Source: Issuer

4

The fundamental principles
for the preparation of financial report
including changes in accounting policy

This report shall cover the data of the first quarter of 2019 and was not audited or reviewed by an auditor or by an entity authorized to audit financial statements. The report presents a separate financial statement including the balance sheet, profit and loss account, cash flow statement and changes in the equity statement covering the first quarter of 2019 and cumulative data for the period from the beginning of the year 2019 until March 31, 2019, including comparable periods analogical to the year 2018.

The Company shall not amend principles in the accounting policy. The principles of the accounting policy adopted to the condensed financial statement from the I quarter of 2019 are compatible with the Accounting Law dated on September 29, 1994. The accounting entries shall be carried out according to historic cost principle, with the exclusion of fixed assets under periodic revaluation in accordance to the principles described in the Accounting Law and separate legislations whereas impact of inflation shall not be taken into account. Aforti Holding S.A. shall prepare the profit and loss account in the comparative option.

4.1 Tangible fixed assets, intangible fixed assets

Intangible assets and fixed assets shall be measured at depreciated cost. Depreciation charges on tangible and intangible fixed assets constituting acquired rights are made on the basis of a depreciation plan, including rates and amounts of annual depreciation copies.

The components of fixed assets with an initial value not exceeding PLN100 shall charge operating costs once in a month putting them into use. Depreciation is carried out using the straight-line method. When determining the depreciation period and the annual depreciation rate, the period of economic utility of the fixed asset and the components of intangible assets shall be taken into account.

The purchase price or production cost of a fixed asset increases its cost of improvement.

Foreign fixed assets or intangible assets accepted for use under a leasing agreement are classified as fixed assets if the contract shall comply with the conditions specified in the legislation.

Fixed assets under the construction are measured at the total amount of costs directly related to their acquisition or production, reduced by the impairment losses.

In the case of changes in the production technology, liquidation, withdrawal from service or other reasons causing a permanent impairment of a fixed asset or intangible asset, an impairment shall be made to the other operating costs.

4.2. Long-term and short-term liabilities

Long-term receivables, short-term receivables and claims are reported in net value (gross value reduced by impairment allowances). Impairment losses on receivables are made on the basis of

individual assessment of receivables from individual debtors as well as on the basis of the general assessment of receivables (without identification of the debtor).

Individual write-offs revaluating receivables are made separately for each irrecoverable amount. Their value is determined on the basis of the risk of non-recoverability assigned to a specific debtor. Write-downs refer to specific receivables and have a strictly defined amount as revealed by the documents and analytical accounts of receivables. Receivables denominated in foreign currencies are valued at the balance sheet date at the average exchange rate of the National Bank of Poland on that day.

Receivables shall be revalued by provisioning up to amount not covered by a guarantee or other collateral. Provisions shall be created taking into account the degree of risk associated with a given receivable. Foreign exchange differences on receivables denominated in foreign currencies resulting on the valuation day and after payment refer to financial costs or revenues, and in justified cases to the cost of products production, services or price of goods, as well as the production of fixed assets or intangible assets (to increase or decrease these costs).

4.3. Inventories

Inventories shall be valued at actual purchase prices, not higher than the net sales prices. If the value of goods (materials) measured at the purchase price is higher than the net sale price, the difference of valuation is written off in other operating costs, reducing the value of inventories and the financial result.

4.4. The money

Cash shall be reported at the nominal value. Cash in foreign currencies shall be valued on the balance sheet date at the average exchange rate of the National Bank of Poland on that day.

4.5. Prepaid expense

Prepayments shall be made if the costs incurred in a given period relate to future reporting periods. Write-offs of prepayments are carried out according to the passage of time. The time and the method of settlement is justified by the nature of the settled costs, in accordance with the principle of prudent valuation.

4.6. Share capital

The share capital of the company shall be carried at amounts specified in the agreement or articles of association and entered into the court register. Declared but not paid capital contributions are recognized as independent contributions to capital.

4.7. Provisions for liabilities

Provisions are created for certain or highly probable future liabilities and they are valued at the balance sheet date in a reliably estimated value. Provisions are classified as other operating costs, financial costs or extraordinary losses, depending on the circumstances related to the future liabilities.

4.8. Long-term and short-term liabilities

Liabilities are disclosed in the nominal or demanding amount (liabilities in the instrument loans), including the interest to be paid as at the balance sheet date. Interest shall be recorded as a financial expense.

Liabilities denominated in foreign currencies are valued according to the balance sheet date at the average exchange rate of the National Bank of Poland on that day.

Exchange differences regarding liabilities denominated in foreign currency resulting from the measurement date are recognised as an expense or financial income, and in justified cases, the cost of manufacturing products, services or price of goods, as well as the production of fixed assets or intangible assets.

If the due date exceeds one year from the balance sheet date, the balance of these liabilities are shown as long-term, with the exception of trade liabilities. The remaining balances are shown as short-term liabilities.

4.9. Accrued expenses

Passive accruals of costs are made in the amount of probable liabilities falling into the current reporting period, resulting in particular:

- from the services provided to the entity by the counterparties of the entity, when the amount of liability can be estimated reliably,
- from the obligation to provide future benefits related to the current operations to unknown persons, the amount of which can be estimated, although the date of the rise to a liability is not yet known, including warranty repairs and warranties for sold long-term products.

Write-offs of accrued expenses are applied until the passage of time. The time and the method of settlement is justified by the nature of the costs to be settled, in accordance with the precautionary principle.

4.10. Deffered tax

Due to temporary differences between the value of assets and liabilities shown in the accounting books, their tax value and the tax loss possible to deduct in the future, a provision is recognized and deferred tax assets are determined.

Deferred income tax assets shall be determined in accordance with the amount provided for the future for tax deduction, related to deductible temporary differences, which shall reduce the tax base and the deductible tax loss determined by taking into account the precautionary principle.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. The measurement of deferred tax liabilities and deferred tax assets must be determined taking into account the rate of the corporation tax applicable in the year of tax liability.

The difference between the balance of provisions and deferred tax assets at the end and beginning of the reporting period affects the financial result, whereas deferred tax assets and liabilities related to operations settled by equity.

4.11. Financial result statement

The transfer of the net financial result follows after the approval of the financial report by the authorized body.

4.12. Sales revenue

Sales revenues are recognized when: the goods are delivered, the unit has transferred significant risks and the rewards of ownership of the goods, or service is provided.

Sales are carried out at net value, excluding tax of goods and service, after taking into account any discounts granted.

4.13. Foreign currency transactions

The business operations denominated in foreign currency are recognized in the accounting books at the time of their performance at the exchange rates:

- purchase or sale of currencies used by the Bank whose services are used by the entity - in the case of sales and purchases of currencies, receivables or liability payments,
- the average fixed rate for a given currency by the National Bank of Poland on this day, unless a different course has been established in the customs declaration or other binding document - for other operations.

As of the balance sheet date, it is valued in foreign currencies:

- asset components (excluding shares in subordinated entities valued using the equity method)
 - at the average exchange rate of the National Bank of Poland on that day,
- liability components - at the average exchange rate of the National Bank of Poland on that day.

Exchange-rate differences related to other assets and liabilities denominated in foreign currency, created on the date of their valuation and when paying receivables and liabilities in foreign currencies are included in financial revenues/costs, and in justified cases - to the cost of product production, price of goods, price or cost of producing fixed assets, fixed assets under construction or intangible assets.

4.14. Taxation

Accounting result is adjusted by:

- current liabilities due to income tax from legal entities,
- other mandatory reduction of profit (increase of loss).

4.15. Separate financial statements

The quarterly condensed financial statements of the Company, prepared in accordance with the accounting principles applicable to the Company, for the fourth quarter of 2018, including comparative data for the previous year (profit and loss account) and on March 31, 2019 including comparative data of the previous year (balance).

The financial statements have been prepared on the basis of the operating principle of the Company and is in accordance with the Accounting Act. During the period for which the report is prepared, there were no changes to the accounting policy. The financial data are given in PLN.

5

Characteristics of significant achievements or failures of the issuer in the period covered by the report with the description of the most important factors and events, in particular of unusual nature affecting achieved results

5.1. Comment on consolidated financial results of Aforti Group

In the first quarter of 2019, the Aforti Capital Group generated nearly 203.8 million PLN in sales revenue, which is an increase of 103.95% compared to 2018. The increase in revenues was related to the Group's active operating activities, primarily in the area of its intensive development in the debt collection and factoring industry. Here, an important factor is the right adjustment of the offer, its change and extension, to the current needs of the business market. It should also be emphasized that the market share of currency exchange services is growing all the time, where Aforti Exchange reports a higher turnover and number of transactions from month to month.

The net profit of the entire Group in the indicated period was over PLN 295.8 thousand, but it was lower by about PLN 421 thousand than a year earlier. The net result of the Group was affected by an increase in the Group's operating expenses, which are necessary due to the intensive development and expansion of the structure of all Group companies - which is a normal phenomenon when increasing the scale of operations - there was also an increase in employment in the so-called back office, as well as in the departments responsible for sales. In addition, the Group's continued development on foreign markets also had an impact on the result.

These costs should gradually decrease in subsequent reporting periods. It should, however, take into account the fact that the dynamics of changes in the aforementioned costs may also take shape in a stepwise manner (ie decrease) and then increase again slightly.

Balance Sheet

The value of the Aforti Group's assets at the end of March 2019 amounted to over PLN 159.3 million and was higher by 55.38 percent year-on-year. The increase in the value of assets was related to the dynamic development of the Group, including the increase in the value of companies in terms of their geographical expansion in the country and beyond its borders.

Long-term receivables of the Group reached the level of approx. PLN 298.3 thousand and increased by 285.06 percent compared to the previous year. The value of equity in the Aforti Group was PLN 5.11 million and was lower than a year before by about 1.95%.

Selected business activities of individual holding companies:

1) Aforti Finance Inc

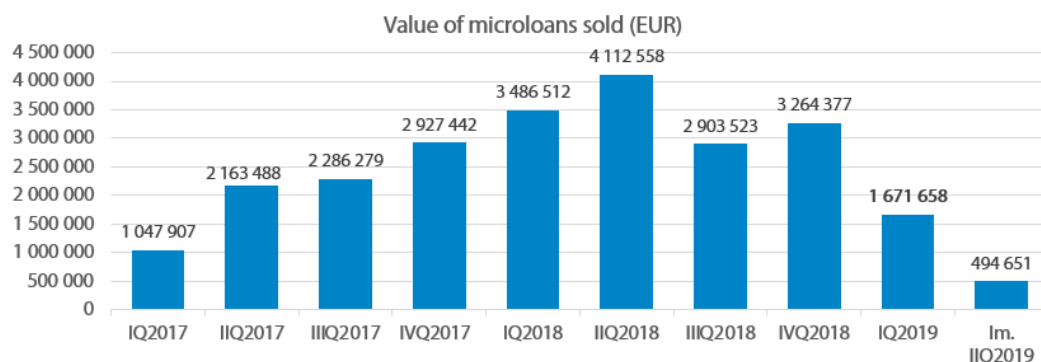
In the first quarter of 2019, the Company's activities were focused on modifying the product offer, optimizing creditworthiness assessment procedures in order to simplify it while maximizing security levels. As a result, the products with the highest risk level were eliminated

from the offer, and additionally, changes were made in the scoring models in the area of estimating the creditworthiness of customers.

The work of the Company's team related to launching the operating activity of a subsidiary in Romania can not be omitted. Already in April Aforti Finance Romania IFNA S.A. started accepting first loan applications.

- In the first quarter of 2019, Aforti Finance S.A. granted 53 loans (less by 67.48% year-on-year) with a total value of EUR 661 thousand and this result constitutes a decrease by 52.05% as compared to 2018. From January to the end of March this year 482 loan applications were submitted.

AFORTI Finance



Source: Issuer

2) Aforti Finance Romania IFN Inc

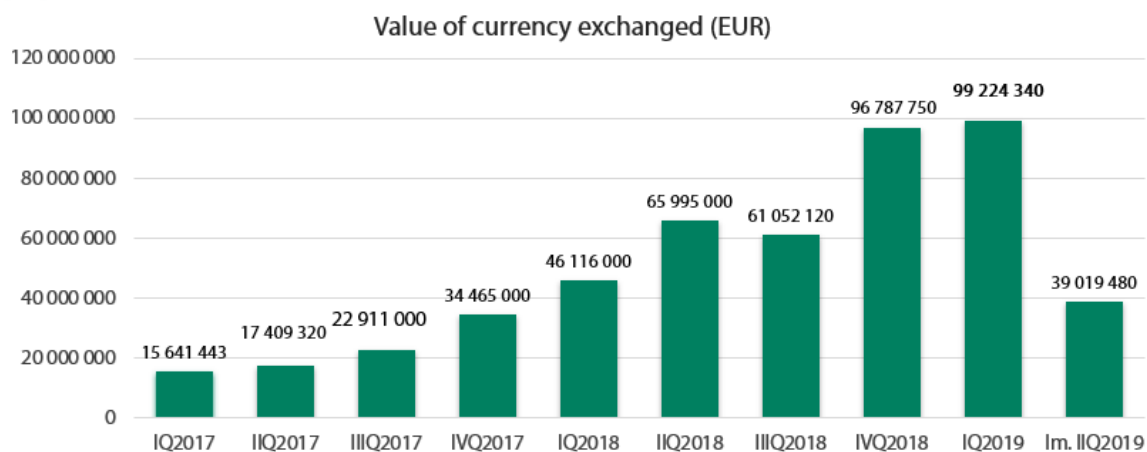
The first quarter of this year it was a time of intense preparation of the company to start operating activity. Thanks to the efforts made, in April the first applications for loans with a total value of RON 813.20 were accepted (Romanian currency).

Aforti Finance Romania IFN SA on 31.10.2018 obtained a license of a non-bank financial institution (current report ESPI 35/2018 of 31/10/2018).

3) Aforti Exchange Inc

In the period from January to the end of March 2019, the company continued its efforts to acquire new customers. The growing number of transactions and the rapidly growing value of transactions clearly indicate that Aforti Exchange has a strong position in the market of currency exchange services for entrepreneurs and effectively increases its competitive advantage over competitors.

- After three months of 2019, the value of trading on the Aforti Exchange currency exchange platform reached the level of EUR 99,229.61 thousand, an increase of 115.17% year-on-year.

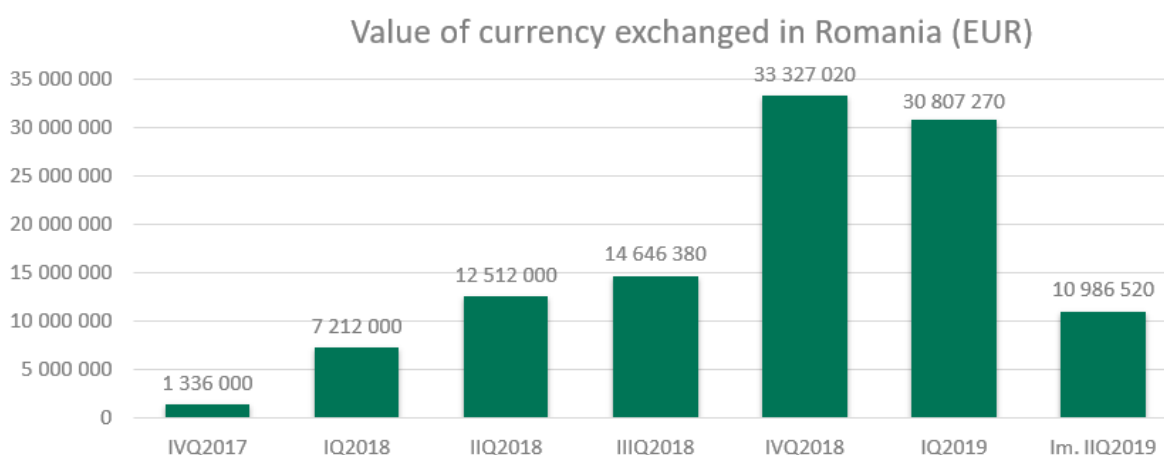
Source: Issuer

4) Aforti Exchange Romania Inc

In the first quarter of 2019, the company focused on expanding the internal structure in the form of a professional customer service telephone department, as well as expanding the team of regional managers responsible for acquiring new customers.

The company has also started talks aimed at establishing cooperation with another bank in Romania in order to shorten the time of executing currency exchange transactions.

- From January to the end of March 2019, Aforti Exchange Romania S.A. recorded EUR 30,793.98 thousand total value of turnover, which in comparison to the previous year is an increase of 327,397%.

Source: Issuer

5) Aforti Ac LLC

The company provides accounting and personnel services for the purposes of servicing entities belonging to the AFORTI Group and operating in Poland.

6) Aforti Collections Inc

In the first quarter of this year Aforti Collections has focused its activity on reaching its customers with new industries. In the course of successfully taken actions, he joined the group of clients of the company from one of the largest entities in the telecommunications industry. At the same time, the company is currently looking for clients from the energy industry.

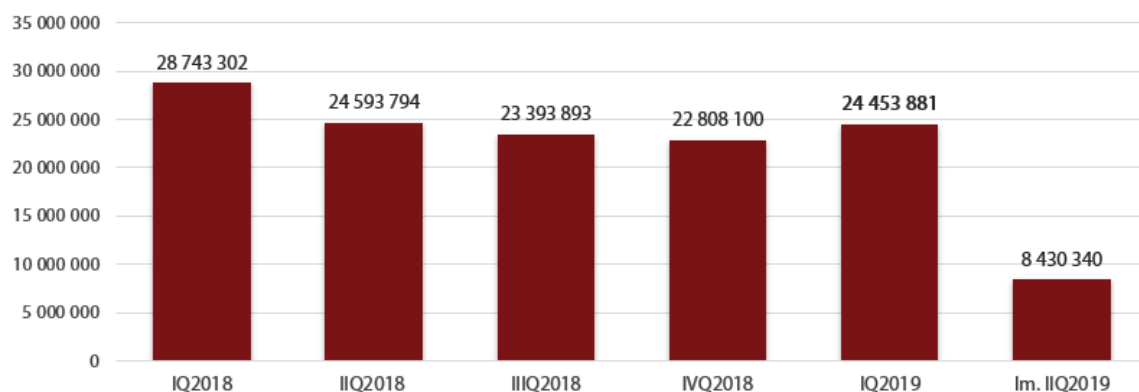
In addition, work has also begun on an advanced application that will allow full automation of field inspectorate work management.

It should also be mentioned that Aforti Collections was awarded in the ranking of Gazeta Finansowa "Leaders of the Debt Market 2018", in which it took 4th and 5th place respectively for: number of debt collection cases accepted in 2018 and nominal value of cases accepted for debt collection in 2018.

- At the end of March 2019, the nominal value of collections was EUR 24.45 million, which is an increase of 1261,50% year-on-year. The number of orders was also higher by 1785.59% and amounted to 17,668. At the same time, the number of debt recovery agreements concluded in the period from January to the end of March this year was equal to 15 (by 87.50% more than the year before).

AFORTI Collections

Nominal value of debt collection orders (EUR)



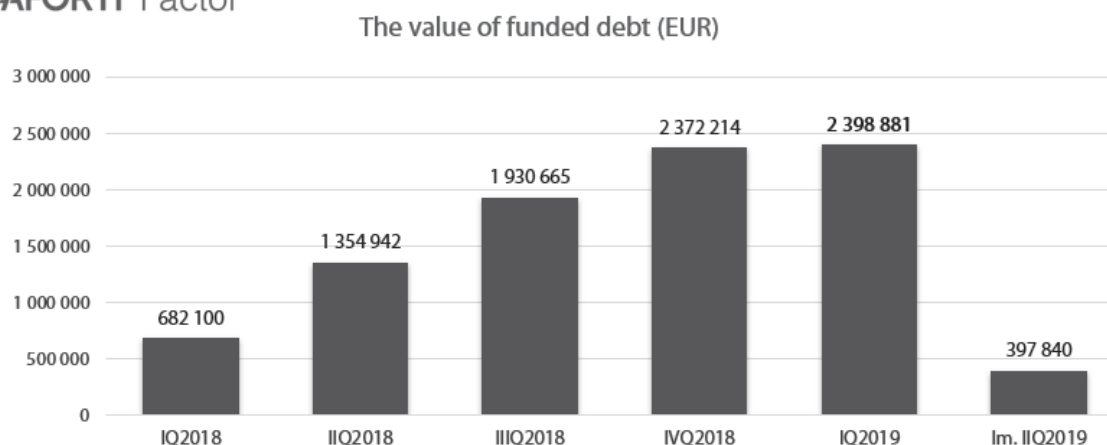
Source: Issuer

7) Aforti Factor Inc

In the first three months of this year Aforti Factor SA focused on promotional campaigns in order to acquire new customers. These activities were successful, which was also reflected in the amount of receivables financed by the company.

- After three months of 2019, Aforti Factor financed receivables with a total value EUR 2.39 million, recording an increase of 251.69% year-on-year.

AFORTI Factor



Source: Issuer

5.2. Comment on Individual financial results of Aforti Holding Inc

In the reporting period of the first quarter of 2019, Aforti Holding S.A. generated over PLN 4.41 million of sales revenues, which means an increase by 48.31 percent compared to the same period in the previous year. Net profit amounted to PLN 5.10 million and was higher by 723.87 percent. than in the previous year. The operating profit of the Issuer in the indicated period reached the amount of over 911,46 thousand. PLN, which is an increase of 33.58% compared to the first quarter of 2018.

It needs to be highlighted that the Issuer, being a holding company, does not conduct active operations. The Company's management focuses mainly on the construction of a group of companies providing financial services to entrepreneurs. The aim of the Issuer is to focus only on a few lines to rapidly develop the operating profitability of subsidiaries.

Statistics on the stock quotes of Aforti Holding SA on the Alternative System Trading NewConnect market

In the first quarter of 2019, the value of trading in the Issuer's shares reached PLN 538.46 thousand. PLN (124.99 thousand euros). The average volume per session was 366, which gave the company 56 position on 388 listed companies.

The minimum quotation rate in the indicated period was PLN 4.26, and the maximum PLN 13.95.

The capitalization of the Company at the end of the first quarter of 2019 reached PLN 81.53 million (18.95 million), which placed the Issuer at 18th position. The book value was PLN 6.13 million. The C / Z (P / E) ratio stopped at 49.8. At the same time, the C / WK (P / BV) ratio was 13.30.

The C / Z (P / E) indicators suggest the level at which a given market measures a given share at a given time. The C / WK (P / BV) indicators inform about the current valuation by the market of the book value, i.e. the difference between balance sheet assets and total liabilities. It shows the effectiveness of the use of assets, not taking into account the source of capital. Companies with higher return on equity usually have a higher P / BV ratio as well. This indicator informs how many times the company's value on the market is higher (smaller) than its book value. Companies representing capital-intensive sectors of the economy may have a C / WK ratio lower than consulting or IT companies.

5.3. Summary of the Aforti Group's activities in the field of sports sponsorship

For several years the Aforti Group has been running a Sponsoring Sport Project, for which a special program #AfortiSupPORT was launched last year. As part of this program, the Aforti Group invests in the development of talented, hard-working and promising athletes.

The first team that was sponsored by Aforti was the football club KKS Lech Poznań, whose Group is currently a strategic sponsor.

In the first quarter of this year there was also an extension and extension of cooperation between the Aforti Group and the speedway team GTM Start Gniezno. In addition to the title of the strategic sponsor of the first team of the indicated club, Aforti also became the titular sponsor of juniors, speedway club, club television and lead-in team.

In addition, the Aforti Group has also established individual cooperation with Mr. Mirosław Jabłoński, who will be the coach of the GTM Start Gniezno team and the ambassador of Aforti Szkółka Żużlowa. Another talented, young athlete who has qualified for #AfortiSupPORT is Mr. Kacper Majchrzak - Polish freestyle competitor, bronze medalist of the European Championship, participant of the Summer Olympic Games 2012 and Summer Olympic Games 2016. Polish record holder at the distance of 100 and 200 m style any. Mr Kacper Majchrzak in the first quarter of this year he successfully launched a new swimming season, taking part in international competitions in Lithuania and the Polish Grand Prix in Lublin. At both events he won the first place on 100 m freestyle and won the competition on the 200m variable style during the second of the above competition.

6

The ability to implement published financial perspectives for a given year including the results presented in quarterly report

According to the current report ESPI [ESPI 1/2019](#) dated on 2019, 2nd January, the Company has resigned from publishing the financial perspectives for 2019. In the opinion of the Board of Directors of the Company, the dynamically growing scale of the Issuer's operations and external factors related to its market environment limit the ability to precisely determine the financial perspective of the Issuer's financial result. Considering the above, the publication of financial forecasts would be too risky and could mislead the investors.

7

The status of the issuer's activities and investments indicated in the Information Document and their schedule

Not apply

8

The activity of issuer during the period covered by the report
in the area of business development through initiatives targeted
innovation-related solutions in the Company

In the period covered by this Report, the Issuer undertook activities related to the day-to-day operations and development of its subsidiaries. The initiatives undertaken were not related with the introduction of innovative solutions.

9

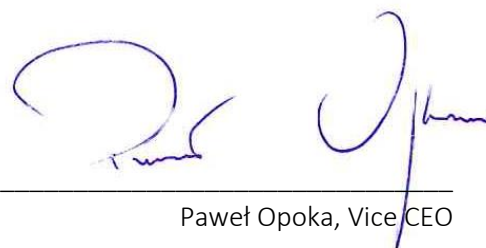
Board of Directors statement

The Board of Directors of Aforti Holding SA declares that selected financial information for the first quarter of 2019 as well as comparable data were prepared in accordance with the provisions in force to the Company and the quarterly report contains a true overview of development and achievements of the Company.

Warsaw, May 15, 2019



Klaudiusz Sytek, CEO



Paweł Opoka, Vice CEO



Mateusz Niemczyk, Vice CEO

10

The list of current reports of the issuer
published in the IV quarter of 2018

Current reports published by the Issuer in the first quarter of 2019.

1) System EBI

2019-03-27 16:06:53	Bieżący 22/2019 Przydział Obligacji serii P12 / P12 Series Bonds Allocation
2019-03-25 08:43:01	Bieżący 21/2019 Terminowy wykup obligacji serii N11 / Buy out of the N11 series bonds
2019-03-18 16:59:56	Bieżący 20/2019 Przydział Obligacji serii P11 / P11 Series Bonds Allocation
2019-03-15 17:02:31	Bieżący 19/2019 Przydział Obligacji serii P10 / P10 Series Bonds Allocation
2019-03-11 16:58:54	Bieżący 18/2019 Przydział Obligacji serii P9 / P9 Series Bonds Allocation
2019-03-06 17:00:51	Bieżący 17/2019 Przydział Obligacji serii P8 / P8 Series Bonds Allocation
2019-02-28 17:00:15	Bieżący 16/2019 Przydział Obligacji serii P7 / P7 Series Bonds Allocation
2019-02-27 15:53:33	Bieżący 15/2019 Przydział Obligacji serii P6 / P6 Series Bonds Allocation
2019-02-27 08:15:29	Bieżący 14/2019 Terminowy wykup obligacji serii N7 / Buy out of the N7 series bonds
2019-02-14 17:06:13	Kwartalny 13/2019 Jednostkowy i skonsolidowany raport kwartalny za IV kwartał 2018 roku / Individual and Consolidated quarterly report for Q IV 2018
2019-02-13 08:06:41	Bieżący 12/2019 Terminowy wykup obligacji serii N6 / Buy out of the N6 series bonds
2019-02-12 08:39:40	Bieżący 11/2019 Przydział Obligacji serii P5 / P5 Series Bonds Allocation
2019-02-05 17:01:19	Bieżący 10/2019 Przydział Obligacji serii P4 / P4 Series Bonds Allocation
2019-01-31 10:05:40	Bieżący 9/2019 Terminowy wykup obligacji serii N5 / Buy out of the N5 series bonds
2019-01-31 10:02:22	Bieżący 8/2019 Terminowy wykup obligacji serii N4 / Buy out of the N4 series bonds
2019-01-31 10:00:23	Bieżący 7/2019 Terminowy wykup obligacji serii N2 / Buy out of the N2 series bonds
2019-01-28 17:02:09	Bieżący 6/2019 Przydział Obligacji serii P3 / P3 Series Bonds Allocation
2019-01-16 16:08:37	Bieżący 5/2019 Przydział Obligacji serii P2 / P2 Series Bonds Allocation
2019-01-16 16:03:37	Bieżący 4/2019 Przydział Obligacji serii P1 / P1 Series Bonds Allocation
2019-01-16 08:09:41	Bieżący 3/2019 Terminowy wykup obligacji serii N1 / Buy out of the N1 series bonds
2019-01-11 17:02:14	Bieżący 2/2019 Przydział Obligacji serii P / P Series Bonds Allocation

[2019-01-07 10:55:38](#) [Bieżący | 1/2019](#)
[Harmonogram przekazywania raportów okresowych w 2019 roku / Schedule of periodic reports submission in 2019](#)

2) System ESPI

[2019-03-26 13:14:21](#) [Bieżący | 7/2019](#)
[Spółka zależna Aforti Finance S.A. przystępuje do negocjacji warunków ostatecznej umowy dotyczącej pozyskania finansowania zewnętrznego](#)

[2019-03-13 13:35:26](#) [Bieżący | 6/2019](#)
[Rozpoczęcie przez spółkę zależną Aforti Finance S.A. negocjacji podstawowych warunków transakcji w celu pozyskania finansowania zewnętrznego](#)

[2019-03-04 08:19:31](#) [Bieżący | 5/2019](#)
[Szacunkowe dane operacyjne i sprzedażowe spółek zależnych Aforti Finance S.A., Aforti Exchange S.A., Aforti Exchange Romania S.A., Aforti Collections S.A. oraz Aforti Factor S.A. – luty 2019 r.](#)

[2019-02-04 08:51:46](#) [Bieżący | 4/2019](#)
[Szacunkowe dane operacyjne i sprzedażowe spółek zależnych Aforti Finance S.A., Aforti Exchange S.A., Aforti Exchange Romania S.A., Aforti Collections S.A. oraz Aforti Factor S.A. – styczeń 2019 r.](#)

[2019-01-03 08:51:26](#) [Bieżący | 3/2019](#)
[Szacunkowe dane operacyjne i sprzedażowe spółek zależnych Aforti Finance S.A., Aforti Exchange S.A., Aforti Exchange Romania S.A., Aforti Collections S.A. oraz Aforti Factor S.A. – grudzień 2018 r.](#)

[2019-01-02 12:23:21](#) [Bieżący | 2/2019](#)
[Połączenie spółek zależnych Aforti Collections S.A. i LifeBelt sp. z o.o.](#)

[2019-01-02 12:16:31](#) [Bieżący | 1/2019](#)
[Odstąpienie od publikacji prognoz wyników finansowych na 2019 rok](#)