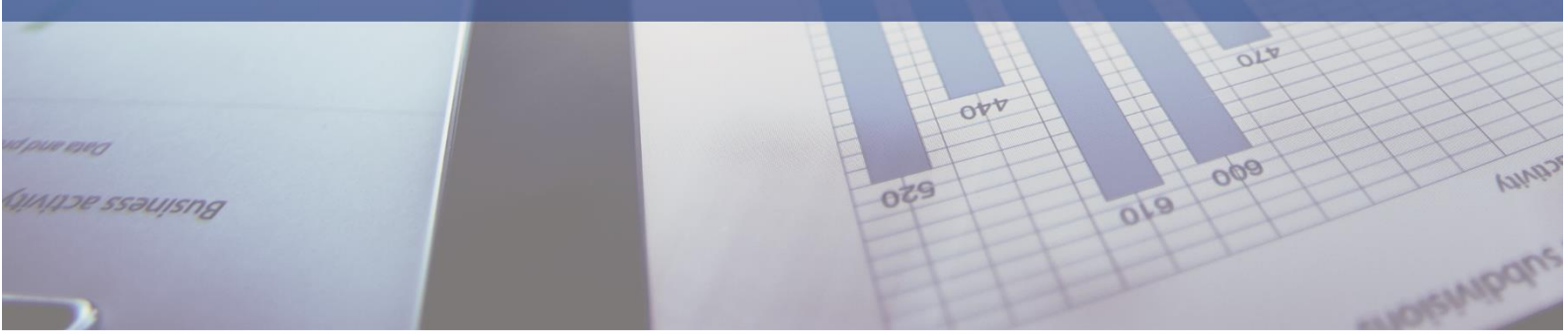




# Periodic Report

For the I quarter of 2020

Warsaw, May 15, 2020



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<b>Nie zdefiniowano zakładki.</b>	

# 1

General Informations about the Capital Group  
and the Parent Company

## PARENT COMPANY

<b>Name (Company):</b>	<b>Aforti Holding Inc</b>
<b>Country:</b>	Poland
<b>Address:</b>	00-613 Warsaw, 8 Chałubinskiego Street
<b>Telephone:</b>	+48 22 647 50 00
<b>E-mail address:</b>	<a href="mailto:inwestorzy@afortiholding.pl">inwestorzy@afortiholding.pl</a>
<b>Website:</b>	<a href="http://www.afortiholding.pl">www.afortiholding.pl</a>
<b>KRS:</b>	0000330108, District Court in Warsaw XII Commercial Division of the National Court Register
<b>NIP:</b>	525-245-37-55
<b>REGON:</b>	141800547

Source: Issuer

**Aforti Holding S.A.** is the parent company of the AFORTI Capital Group. As a holding company, its activities are focused on providing support to subsidiaries, including in the field of marketing and promotion, investor relations, legal advice, IT services, providing administrative "back office" (including leasing of office equipment, car fleet management, loan support, etc.). In addition, the Issuer oversees and implements the adopted development strategy. An important aspect of the Company's operations is also the active search for entities that could be subject of acquisition, supplementing the portfolio of services for entrepreneurs provided by the Aforti Group.

## 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

### SUPERVISORY BOARD

Name	Function	Term of office	
		From	To
Kamilla Sytek - Skonieczna	President of the Supervisory Board	29.06.2017	29.06.2020
Dawid Pawłowski	Supervisory Board	29.06.2017	29.06.2020
Olga Chojecka-Szymańska	Supervisory Board	02.07.2018	29.06.2020
Ludwik Sobolewski	Supervisory Board	02.07.2018	29.06.2020
Krzysztof Rabański	CPLNonek Rady Nadzorczej	22.10.2019	22.10.2021

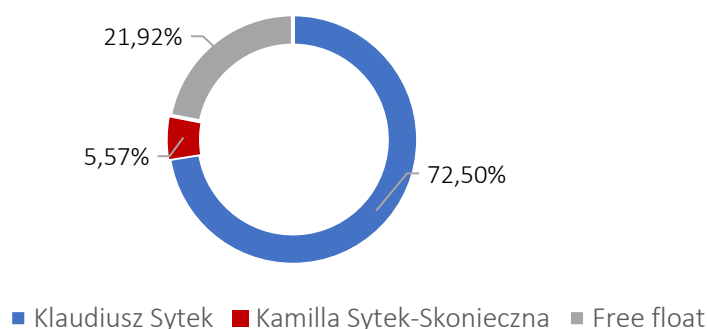
Source: Issuer

## 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	72,50%	72,50%
Kamilla Sytek - Skonieczna	503 907	503 907	5,57%	5,57%
Free float	1 982 391	1 982 391	21,92%	21,92%
<b>Total</b>	<b>9 042 514</b>	<b>9 042 514</b>	<b>100,0%</b>	<b>100,0%</b>

Source: Issuer

Interest on Share Capital and general number of votes at GM



Source: Issuer

The Extraordinary General Meeting of Shareholders of Aforti Holding S.A., which took place on October 22, 2019, decided to issue series I bearer shares. The increase in the share capital related to the private subscription was registered on 24 January 2020 in the National Court Register ([CR EBI 10/2020](#)). The capital was increased by 1,240,599 (in words: one million two hundred forty thousand five hundred and ninety nine) series I shares with a nominal value of PLN 1.00 (in words: one zloty) per one share. As at the date of publication of the periodic Report, the Issuer's share capital amounts to PLN 9,042,514.00 (in words: nine million forty two thousand five hundred and fourteen zlotys) and is divided into 9,042,514 (in words: nine million forty two thousand five hundred and fourteen) shares with nominal value PLN 1.00 (in words: one zloty) each, including:

- 100,000 (in words: one hundred thousand) A series bearer shares,
- 170,000 (in words: one hundred and seventy thousand) B series bearer shares,
- 30,000 (in words : thirty thousand) C series bearer shares,
- 49,450 (in words: forty nine thousand four hundred fifty) D series bearer shares,

- 2,394,630 (in words: two million three hundred ninety four thousand six hundred and thirty) E series bearer shares,
- 271,000 (in words: two hundred seventy-one thousand) F series bearer shares,
- 3,026,835 (in words: three million twenty six thousand eight hundred and thirty five) G series bearer shares,
- 1,760,000 (in words: one million seven hundred and sixty thousand) H series bearer shares,
- 1,240,599 (in words: one million two hundred forty thousand five hundred ninety nine) I series bearer shares.

The total number of votes resulting from all issued shares disclosed in the National Court Register is 9,042,514 (in words: nine million forty two thousand five hundred and fourteen) votes at the General Meeting of Shareholders of the Company.

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

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The structure of the Capital Group on the day of publication of the report includes the entities listed below.

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.** – originally a company managing a FIZAN fund, currently conducting activities related to the foreign expansion of the AFORTI Group on selected markets.

**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.

**AFORTI, UAB** – is a company registered in Lithuania. Its objective is to obtain a license of the E-Money Institution institution (EMI) which allow to handle electronic money transactions, including transfers to third party accounts and handling cards and payment accounts.

Nazwa spółki	Siedziba	Dane rejestrowe	Kapitał zakładowy	Udział Jednostki Dominującej w kapitale zakładowym
<b>AFORTI HOLDING S.A.</b>	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000330108 REGON: 141800547 NIP: 525-245-37-55	9.042.514,00 PLN	-----
AFORTI Ac Sp. z o.o.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000313339 REGON: 141570047 NIP: 5242661216	4.200.000,00 PLN	100% of shares
AFORTI Capital Sp. z o.o.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000396193 REGON: 145820475 NIP: 5252519247	11.319.000,00 PLN	98,50% of shares and indirectly 1,50% by Aforti Exchange S.A.,
AFORTI Collections S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000639964 REGON: 365362973 NIP: 7010620699	6.848.028,00 PLN	93,56% of shares and indirectly 3,23% by Aforti Exchange S.A.
AFORTI Exchange S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000719620 REGON: 146332039 NIP: 9512360841	17.500.00,00 PLN	100% of shares
AFORTI Exchange Bulgaria A.D.	14, Tsar Osvoboditel Blvd., fl. 5, Sofia Landmark House Centre, 1000 Sofia, Republic of Bulgaria	UIC 204854594	500.000,00 BGN	90% of shares and indirectly 10% by Aforti Exchange S.A.
AFORTI Exchange Romania S.A.	17 Constantin Alexandru Rosetti (C.A. Rosetti) street, office 005, entresol, district 2, Bucharest, Romania	Trade Register no. J40/10043/2017 The unique registration code 37812805	3.378.240,00 RON	30,57% of shares and indirectly 69,43% by Aforti Exchange S.A.
AFORTI Factor S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000274431 REGON: 14084631700000 NIP: 1070006505	19.300.000,00 PLN	83,10% of shares and indirectly 4,18% by Aforti Exchange S.A.
AFORTI Finance S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000436229 REGON: 146346308 NIP: 5252540891	15.189.375,00 PLN	83,86% of shares and indirectly 9,42% by: Aforti Collections S.A., Aforti Exchange S.A., Aforti Factor S.A., Aforti AC sp. z o.o.,
AFORTI Finance	Romania, Bucharest, 020334, 2nd District,	Trade Registry no. J40/5254/2018,	4.046.114,00 RON	99,99% of shares indirectly by Aforti

Romania IFN S.A.	4B Gara Herastrau Street, 10th floor, registered with the Bucharest Trade Registry Office, under	sole identification number (tax no.): 39199589 registered in the Non-Banking Financial Institutions General Register held by the National Bank of Romania under no. RG-PJR-41-110339/26.10.2018	Finance S.A., and 0,01% of shares are held by Mr. Klaudiusz Sytek
AFORTI, UAB	Mėsinių gatvė 5, Vilnius 01133, Lietuva	305207212	400.000,00 EUR 100% of shares

#### I. Entities covered by consolidation

- Aforti Holding S.A. – parent company
- Aforti Finance S.A.
- Aforti Finance Romania IFN S.A.
- Aforti Collections S.A
- Aforti Capital Sp. z o.o.
- Aforti Factor S.A.
- Aforti Ac Sp. z o.o.
- Aforti Exchange S.A.
- Aforti Exchange Romania S.A.

#### II. Entities not included in consolidation

- Aforti Exchange Bulgaria S.A.
- Aforti, UAB

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

At the end of the first quarter of 2020, Aforti Holding S.A. employed 16 full time equivalents and 24 people on the basis of civil law contracts, managerial contracts and appointment to the Management Board. In the whole Aforti Group in Poland and in foreign countries (Romania and Bulgaria) there were 57 FTEs and 86 FTEs under civil-law contracts and managerial contracts (including the appointment to the Management Board).



# 2

Quarterly condensed CONSOLIDATED financial statements  
of the AFORTI Capital Group



**Table 1.** Consolidated selected financial data from the balance sheet dated on 31.03.2020 together with comparative data [PLN]

Lp.	Title	Status 31.03.2020	Status 31.03.2019
<b>A</b>	<b>Fixed assets</b>	<b>38 068 514,80</b>	<b>30 465 367,39</b>
<b>I</b>	<b>Intangible assets</b>	<b>2 054 282,81</b>	<b>1 776 450,87</b>
1	Reasearch and development costs	1 253 365,35	0,00
2	Goodwill	408 952,21	518 006,13
3	Other intengible assets	223 500,90	677 192,81
4	Intangible assets advances	168 464,35	581 251,93
<b>II</b>	<b>Consolidated goodwill</b>	<b>13 072 133,87</b>	<b>10 791 971,96</b>
1	Concolitaded goodwill - subsidiaries	13 072 133,87	10 791 971,96
<b>III</b>	<b>Property, plant and equipment</b>	<b>2 212 819,03</b>	<b>2 812 401,66</b>
<b>1</b>	<b>Capital assets</b>	<b>2 186 051,03</b>	<b>2 809 858,66</b>
a	Land (perpetual usufrut of the land)	0,00	0,00
b	Buildings, premisses, civil engineering	741 090,34	405 305,73
c	Equipment and machinery	242 514,84	373 395,29
d	Means of transport	1 049 784,48	1 750 143,15
e	Fixed assets	152 661,37	281 014,49
<b>2</b>	<b>Fixed assets in course of consrtuction</b>	<b>26 768,00</b>	<b>2 543,00</b>
<b>3</b>	<b>Advances on fixed assets in course of construction</b>	<b>0,00</b>	<b>0,00</b>
<b>IV</b>	<b>Long-term assets</b>	<b>376 489,41</b>	<b>298 384,32</b>
1	From related parties	0,00	0,00
2	Froim other capital entities	0,00	0,00
3	From otherentities	376 489,41	298 384,32
<b>V</b>	<b>Long-term investments</b>	<b>4 891 398,65</b>	<b>6 104 428,92</b>
<b>1</b>	<b>Real estate</b>	<b>0,00</b>	<b>0,00</b>
<b>2</b>	<b>Intangible assets</b>	<b>0,00</b>	<b>0,00</b>
<b>3</b>	<b>Long-term financial assets</b>	<b>4 891 398,65</b>	<b>6 104 428,92</b>
a	Affiliated undetakings	<b>2 806 030,00</b>	<b>5 559 823,55</b>
	- stocks or shares	2 806 030,00	5 094 823,55
	- other securities	0,00	465 000,00
	- loans	0,00	0,00
	- other long-term financial asstes	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	<b>2 085 368,65</b>	<b>544 605,37</b>
	- stocks and shares	718 090,69	544 605,37
	- other securities	1 092 023,78	0,00
	- loans	275 254,18	0,00
	- other long-term financial assets	0,00	0,00
<b>4</b>	<b>Other long-term investments</b>	<b>0,00</b>	<b>0,00</b>
<b>VI</b>	<b>Long-term accrued settlements</b>	<b>15 461 391,03</b>	<b>8 681 729,66</b>
<b>1</b>	<b>Deffered tax assets</b>	<b>8 690 238,69</b>	<b>4 352 270,12</b>
<b>2</b>	<b>Other accrued settlements</b>	<b>6 771 152,34</b>	<b>4 329 459,54</b>
<b>B</b>	<b>Current assets</b>	<b>158 112 589,50</b>	<b>128 913 092,21</b>
<b>I</b>	<b>Supplies</b>	<b>778,87</b>	<b>0,01</b>
1	Materials	0,00	0,01

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	778,87	0,00
<b>II</b>	<b>Current assets</b>	<b>45 284 463,95</b>	<b>34 462 505,25</b>
<b>1</b>	<b>Amounts owed by affiliated undertakings</b>	<b>17 291 786,04</b>	<b>12 066 450,03</b>
a	Due to supply and service during the collection period:	2 755 940,47	879 176,38
	- until 12 months	2 755 940,47	879 176,38
	- over 12 months	0,00	0,00
b	Others	14 535 845,57	11 187 273,65
<b>2</b>	<b>Amounts owed by other capital entities</b>	<b>0,00</b>	<b>0,00</b>
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
<b>2</b>	<b>Amounts owed by other entities</b>	<b>27 992 677,91</b>	<b>22 396 055,22</b>
a	Due to supply and service during the collection period:	1 299 079,49	1 272 158,66
	- until 12 months	1 299 079,49	1 272 158,66
	- over 12 months	0,00	0,00
b	For taxes, grants, duties, social securities, health insurance and other benefits	3 384 327,51	1 895 318,25
c	Others	23 309 270,91	19 228 578,31
d	Claims in court	0,00	0,00
<b>III</b>	<b>Short-term investments</b>	<b>106 438 710,46</b>	<b>91 700 275,66</b>
<b>1</b>	<b>Short-term financial assets</b>	<b>106 438 710,46</b>	<b>91 700 275,66</b>
a	Related parties	34 092 479,69	13 440 453,92
	- stocks or shares	34 092 479,69	13 439 300,49
	- Other intangible assets	0,00	0,00
	- loans	0,00	1 153,43
	- short-term financial assets	0,00	0,00
b	In other entities	71 980 263,81	77 606 161,05
	- shares or stocks	0,00	68 000,00
	- Other intangible assets	4 097 527,83	6 424 210,96
	- loans	67 882 735,98	71 113 950,09
	- other short-term financial assets	0,00	0,00
c	Money and monetary assets	365 966,96	653 660,69
	- cash in hand and on the accounts	365 753,88	653 551,17
	- other money	213,08	109,52
	- other monetary assets	0,00	0,00
<b>2</b>	<b>Other short-term investments</b>	<b>0,00</b>	<b>0,00</b>
<b>IV</b>	<b>Short-term accrued settlements</b>	<b>6 388 636,22</b>	<b>2 750 311,29</b>
<b>C</b>	<b>Unpaid capital</b>	<b>0,00</b>	<b>0,00</b>
<b>D</b>	<b>Own shares</b>	<b>20 583 495,00</b>	<b>0,00</b>
	<b>Total Assets</b>	<b>216 764 599,30</b>	<b>159 378 459,60</b>

Source: Issuer

Lp.	Title	Status 31.03.2020	Status 31.03.2019
A	Own Capital (fund)	56 766 701,40	5 112 179,38
I	Share Capital (fund)	9 042 514,00	7 801 915,00
II	Capital reserve (fund)	75 331 155,18	6 803 898,96
	- sales value surplus (issuance value) over nominal value of shares	55 871 302,80	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	(28 037 595,88)	(9 789 531,84)
VI	Net Profit (loss)	463 819,96	295 897,27
X	Net Profit copies during financial year (negative rate)	(33 191,86)	0,00
B	Minority capital	(11 774 994,04)	2 613 779,62
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	171 772 891,93	151 652 500,59
I	Provisions for liabilities	0,00	66 943,16
1	Deferred 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	0,00	66 943,16
	- long-term	0,00	0,00
	- short-term	0,00	66 943,16
II	Long-term liabilities	98 823 113,96	89 769 507,89
1	To affiliated undertakings	2 019 780,00	450,00
2	To other capital entities	0,00	0,00
3	To other entities	96 803 333,96	89 769 057,89
a	Loans	120 095,29	0,00
b	Debt securities issued	58 131 269,96	88 917 778,43
c	Other financial liabilities	5 928 959,48	851 279,46
d	Marker liabilities	32 623 009,23	0,00
e	Others	0,00	0,00
III	Short-term liabilities	57 700 880,67	56 363 638,48
1	To affiliated undertakings	1 898 396,33	1 212 278,75
a	Due to supplies and services during the collection period:		
	- until 12 months	50 159,34	121 679,16
	- over 12 months	0,00	0,00
b	Others	1 848 236,99	1 090 599,59
2	Liabilities to other capital entities	0,00	0,00
a	Due to supplies and services during the collection period:		
	- until 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Others	0,00	0,00
2	To other entities	55 802 484,34	55 151 359,73
a	Loans	341 789,73	143,13
b	Debt security issues	23 622 116,95	10 229 000,00

c	Other financial liabilities	7 797 992,12	27 983 212,68
d	Due to supplies and services during the collection period:		
	- until 12 months	8 096 006,98	8 017 170,93
	- over 12 months	8 096 006,98	8 017 170,93
		0,00	0,00
e	Supplies advances	0,00	0,00
f	Marker liabilities	8 539 014,37	0,00
g	Tax, duties, insurances and others	6 504 625,81	7 601 119,78
h	Salaries	368 935,37	482 776,18
i	Others	532 003,00	837 937,03
3	Special funds	0,00	0,00
<b>IV</b>	<b>Accruals</b>	<b>15 248 897,31</b>	<b>5 452 411,06</b>
1	Negative goodwill	0,00	0,00
2	Other accruals	15 248 897,31	5 452 411,06
	- long-term	1 046 197,49	120,75
	- short-term	14 202 699,82	5 452 290,31
	<b>Total Liabilities</b>	<b>216 764 599,30</b>	<b>159 378 459,60</b>

Source: Issuer

## INCOME STATEMENT – COMPARATIVER OPTION

**Table 2.** Consolidated selected financial data of the profit and loss for the first quarter 2020 and cumulatively with comparative data [PLN]

Lp.	Title	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
<b>A</b>	<b>Net turnover</b>	<b>142 248 682,28</b>	<b>203 796 961,59</b>
-	Related parties	0,00	0,00
I	Net revenues from sales of products	992 219,19	3 403 990,87
	Changes in the state of products	0,00	0,00
II	(increase – positive value, decrease – negative value)		
III	Costs of product development	0,00	0,00
IV	Net revenues from sales of products, goods and materials	141 256 463,09	200 392 970,72
<b>B</b>	<b>Operational costs</b>	<b>147 917 636,63</b>	<b>209 012 107,23</b>
I	Depreciation	407 726,74	352 400,03
II	Materials and Energy consumption	90 799,32	149 760,97
III	External services	2 888 394,81	3 220 685,55
IV	Tax and fees, including:	382 873,66	973 783,10
	- excise duty	0,00	0,00
V	Salaries	1 529 310,51	1 708 516,79
VI	Social Securities and other benefits	246 405,87	347 911,28
	- pensions	77 859,70	129 578,43
VII	Other costs	1 272 598,67	1 982 574,80
VIII	Value of the goods and materials sold	141 099 527,05	200 276 474,71
<b>C</b>	<b>Profit (loss) on sales (A-B)</b>	<b>(5 668 954,35)</b>	<b>(5 215 145,64)</b>
<b>D</b>	<b>Other operational profits</b>	<b>516 952,17</b>	<b>92 593,37</b>
I	Profit of disbursement of fixed assets	114 161,68	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	402 790,48	92 593,37
<b>E</b>	<b>Other operating costs</b>	<b>4 166 248,86</b>	<b>125 046,27</b>
I	Loss from disposal of fixed assets	23 409,30	0,00
II	Update on the value non-financial assets	0,00	0,00
III	Other operational costs	4 142 839,56	125 046,27
<b>F</b>	<b>Profit (loss) on operational activity (C+D-E)</b>	<b>(9 318 251,04)</b>	<b>(5 247 598,54)</b>
<b>G</b>	<b>Financial income</b>	<b>12 733 995,06</b>	<b>8 602 332,49</b>
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	122 052,49	77 487,71
	- from related parties	0,00	0,00
III	Profit from disposal of investment	0,00	2 614 290,86
	- related parties	0,00	0,00
IV	Update on the investment value	11 895 000,00	2 614 938,52
V	Others	716 942,57	3 295 615,40

<b>H</b>	<b>Financial expenses</b>	<b>3 149 733,63</b>	<b>2 772 012,44</b>
I	Interest	2 048 421,03	2 082 118,37
-	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	5 641,69	0,00
IV	Others	1 095 670,91	689 894,07
<b>I</b>	<b>Profit (loss) on sale of whole or part of unit shares</b>	<b>0,00</b>	<b>0,00</b>
<b>J</b>	<b>Profit (loss) on business activity (F+G-H+/-I)</b>	<b>266 010,39</b>	<b>582 721,51</b>
<b>K</b>	<b>An impairment of the company</b>	<b>414 157,39</b>	<b>394 946,30</b>
I	An impairment — subsidiaries	414 157,39	394 946,30
II	An impairment — interdependent entities	0,00	0,00
<b>L</b>	<b>An impairment negative value of the company</b>	<b>0,00</b>	<b>0,00</b>
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
<b>M</b>	<b>Profit (loss) from shares of subsidiaries priced by equity method</b>	<b>0,00</b>	<b>0,00</b>
<b>N</b>	<b>Profit (loss) gross (J-K+L+/-M)</b>	<b>(148 147,00)</b>	<b>187 775,21</b>
<b>O</b>	<b>Income tax</b>	<b>0,00</b>	<b>0,00</b>
<b>P</b>	<b>Other obligatory profit reduction (loss increase)</b>	<b>0,00</b>	<b>0,00</b>
<b>Q</b>	<b>Profit (loss) of minority</b>	<b>(611 966,96)</b>	<b>(108 122,06)</b>
<b>R</b>	<b>Profit (loss) net (N-O-P+/-Q)</b>	<b>463 819,96</b>	<b>295 897,27</b>

Source: Issuer

## CASH FLOW STATEMENT

**Table 3.** Consolidated selected financial data of the cash flow statement after three months of 2020 together with comparative data [PLN]

Lp.	Title	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
<b>A</b>	<b>Cash flow net from operations</b>		
I	<b>Profit (loss) net</b>	<b>463 819,96</b>	<b>295 897,27</b>
II	<b>Total adjustment</b>	<b>(8 029 683,11)</b>	<b>(3 176 856,67)</b>
1	Profits (minority losses)	(611 966,96)	(108 122,06)
2	Profits (loss) from shares of entities priced by equity method	0,00	0,00
3	Depreciation	407 726,74	352 400,03
4	An impairment of goodwill of the company	414 157,39	394 946,30
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)	1 926 368,54	2 004 630,66
8	Profits (loss) from investment activity	(90 752,38)	(2 614 290,86)
9	Change in the provision	0,00	0,00
10	Change in stocks	1 272,08	1 799,99
11	Change in financial claims	(3 276 445,72)	(10 938 146,87)
12	Change in short-term financial liabilities, excluding loans	67 325,27	3 640 777,03
13	Change in accrued settlements	2 577 652,84	6 962 039,48
14	Other provisions	(9 445 020,90)	(2 872 890,37)
III	<b>Cash flow net from operations (I ± II)</b>	<b>(7 565 863,15)</b>	<b>(2 880 959,40)</b>
<b>B</b>	<b>Cash flow from investment activity</b>		
I	<b>Profits</b>	<b>652 501,07</b>	<b>0,00</b>
1	Disposal of legal, intangible and tangible assets	371 216,59	0,00
2	Disposal of real estate investments and legal, intangible assets	0,00	0,00
3	Financial assets	281 284,49	0,00
a)	In related parties	200 010,00	0,00
b)	In other entities	81 274,49	0,00
-	Disposal of financial assets	0,00	0,00
-	Dividends and shares of profit	0,00	0,00
-	Repayment of long-term loans	81 274,49	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	<b>Expenses</b>	<b>789 881,05</b>	<b>594 582,27</b>
1	Aquisition of tangible and intangible fixed assets	142 802,47	594 582,27
2	Investments in real estate and intangible assets	0,00	0,00
3	Financial assets	647 078,58	0,00
a)	In related parties	0,00	0,00
b)	In other equities	647 078,58	0,00
-	Aquisition of financial assets	647 078,58	0,00
-	Long-term loans	0,00	0,00



4	Dividends and other shares on profit paid to minority shareholders	0,00	
5	Other investment expenses	0,00	0,00
<b>III</b>	<b>Cash flow net from investment activity (I-II)</b>	<b>(137 379,98)</b>	<b>(594 582,27)</b>
<b>C</b>	<b>Cash flow from financial activity</b>		
<b>I</b>	<b>Profits</b>	<b>11 650 594,61</b>	<b>27 982 907,97</b>
	Net receipts from issuance of shares and other equity instruments and equity infusion	0,00	0,00
1	Loans	4 098 542,12	8 767 827,23
2	Debt securities issuance	0,00	19 137 593,03
3	Other financial income	7 552 052,49	77 487,71
4	<b>II Expenses</b>	<b>4 176 535,69</b>	<b>25 696 315,00</b>
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	1 672 507,38	13 576 814,60
6	Other financial liabilities	0,00	0,00
7	Payments from financial leasing	30 192,82	56 530,03
8	Interest	2 048 421,03	2 082 118,37
9	Other financial expenses	425 414,46	9 980 852,00
<b>III</b>	<b>Net cash flow from financial activity (I-II)</b>	<b>7 474 058,92</b>	<b>2 286 592,97</b>
<b>D</b>	<b>Tolat net cash flow (A.III ± B.III ± C.III)</b>	<b>(229 184,21)</b>	<b>(1 188 948,70)</b>
<b>E</b>	<b>Balance change in cash assets</b>	<b>(229 184,21)</b>	<b>(1 188 948,70)</b>
-	Profit (loss) due to exchange differences	0,00	0,00
<b>F</b>	<b>Cash at the beggining of period</b>	<b>595 151,17</b>	<b>1 842 609,39</b>
<b>G</b>	<b>Cash at the end of period (F±E)</b>	<b>365 966,96</b>	<b>653 660,69</b>
-	Restricted possibility of dispatch		0,00

Source: Issuer

## THE STATEMENT OF CHANGES IN EQUITY

**Table 4.** Consolidated selected financial data from the statement showing changes in equity after three months 2020 together with comparative data [PLN]

Lp.	Title	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
I.	<b>Equity (fund) at the beginning of period (BO)</b>	<b>56 408 762,62</b>	<b>4 816 282,12</b>
-	Changes in accounting policy	(56 552,32)	0,00
-	Correction of fundamental errors		
I.a.	<b>Equity (fund) at the beginning of period (BO), after adjustments</b>	<b>56 408 762,62</b>	<b>4 816 282,12</b>
1	<b>Share capital (fund) at the beginning of period</b>	<b>7 801 915,00</b>	<b>7 801 915,00</b>
1.1.	Share capital changes (fund)	1 240 599,00	0,00
a	Increase related to:	1 240 599,00	0,00
-	Issuance of shares	1 240 599,00	
-	Contribution in-kind	0,00	0,00
b	Decrease related to:	0,00	0,00
-	Redemption of shares		
	.....		
1.2.	<b>Equity (fund) at the beginning of period</b>	<b>9 042 514,00</b>	<b>7 801 915,00</b>
2	<b>Equity (fund) reserve at the beginning of period</b>	<b>76 571 754,18</b>	<b>6 803 898,96</b>
2.1.	Equity (fund) reserve change	(1 240 599,00)	0,00
a	Increase related to:	0,00	0,00
-	Share issue over nominal value		
-	Appropriation of the profit (by law)		
-	Appropriation of the profit (over required by law nominal value)		
-	Issuing of the new shares		
b	Decrease (for the transfer of capital reserve)	1 240 599,00	0,00
-	Cover the deficit		
-	Transfer to the share capital (registration of shares D series)	1 240 599,00	
2.2.	<b>Capital reserve status (fund) at the end of the beginning of period</b>	<b>75 331 155,18</b>	<b>6 803 898,96</b>
3	<b>Equity (fund) of revaluation at the beginning of period – changes in accounting policy</b>	<b>0,00</b>	<b>0,00</b>
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.	<b>Equity (fund) of revaluation at the end of period</b>	<b>0,00</b>	<b>0,00</b>
4	<b>Other reserves (fund) at the beginning of period</b>	<b>0,00</b>	<b>0,00</b>
4.1.	Changes in other reserves (fund)	0,00	0,00
a	Increase (copy of the profit)		
-	Increase of capital reserve (transfer)		
b	Decrease	0,00	0,00
-	Divident payment		

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	(27 212 430,79)	(10 110 001,77)
5.1.	Profit from the previous years at the beginning of period		
-	Changes in the accounting policy		
-	Correction of fundamental errors	(56 552,32)	
5.2.	Profit from the previous years at the beginning of period, after corrections	(56 552,32)	0,00
a	Increase	213 094,43	320 469,93
-	The appropriation of the profit from the previous years	213 094,43	320 469,93
b	Decrease	0,00	320 469,93
-	Loss compensation		320 469,93
-	Transfer of capital reserve		
5.3.	Profit from the previous years at the end of period	156 542,11	0,00
5.4	Losses from previous years at the beginning of period (-)	(28 194 137,99)	(10 110 001,77)
-	Changes in accounting policy		
-	Correction of fundamental errors		
5.5.	Losses from previous years at the beginning of period, after corrections	(28 194 137,99)	(10 110 001,77)
a	Increase	0,00	0,00
-	Loss carry-forward from the previous years to cover	0,00	0,00
b	Decrease	0,00	(320 469,93)
-	....		(320 469,93)
5.6.	Losses from previous years at the end of period	(28 194 137,99)	(9 789 531,84)
5.7	Profit (loss) from previous years at the end of period	(28 037 595,88)	(9 789 531,84)
6.	Net income	430 628,10	295 897,27
a	Net profit	463 819,96	295 897,27
b	Net loss (negative)		
c	Profit copy (negative)	(33 191,86)	
II	Equity (fund) at the end of period (BZ)	56 766 701,40	5 112 179,38
III	Equity (fund) after taking into account proposed profit (cover loss)	56 766 701,40	5 112 179,38

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 31.03.2020 together with comparative and cumulative data [PLN]

**ASSETS**

Lp.	Title	31.03.2020	31.03.2019
<b>A</b>	<b>FIXED ASSETS</b>	<b>170 752 117,92</b>	<b>114 871 271,91</b>
<b>I</b>	<b>Intangible fixed assets</b>	<b>0,00</b>	<b>14 730,52</b>
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	0,00	14 730,52
4	Intangible fixed assets advance	0,00	0,00
<b>II</b>	<b>Tangible assets</b>	<b>1 161 682,66</b>	<b>1 615 716,72</b>
<b>1</b>	<b>Fixed assets</b>	<b>1 161 682,66</b>	<b>1 615 716,72</b>
a	Land (perpetual usufruct)	0,00	0,00
b	Buildings, premises i civil engineering facilities	364 313,45	405 305,73
c	Equipment and machinery	114 519,07	159 777,62
d	Means of transport	554 821,87	809 925,24
e	Other fixed assets	128 028,27	240 708,13
<b>2</b>	<b>Fixed assets under construction</b>	<b>0,00</b>	<b>0,00</b>
<b>3</b>	<b>Fixed assets under construction advances</b>	<b>0,00</b>	<b>0,00</b>
<b>III</b>	<b>Long-term receivables</b>	<b>285 020,53</b>	<b>200 504,31</b>
1	From affiliates	0,00	0,00
2	From other capital equities	0,00	0,00
3	From other equities	285 020,53	200 504,31
<b>IV</b>	<b>Long-term investments</b>	<b>165 383 811,26</b>	<b>108 550 739,65</b>
<b>1</b>	<b>Real estate</b>	<b>0,00</b>	<b>0,00</b>
<b>2</b>	<b>Intangible assets</b>	<b>0,00</b>	<b>0,00</b>
<b>3</b>	<b>Long-term financial assets</b>	<b>165 383 811,26</b>	<b>108 550 739,65</b>
a	In affiliates	<b>165 383 811,26</b>	<b>108 550 739,65</b>
	- stocks or shares	154 250 726,26	91 450 739,65
	- other securities	10 778 085,00	17 100 000,00
	- loans	355 000,00	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	<b>0,00</b>	<b>0,00</b>
	- 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
<b>4</b>	<b>Other long-term investments</b>	<b>0,00</b>	<b>0,00</b>
<b>V</b>	<b>Long term accruals</b>	<b>3 921 603,47</b>	<b>4 489 580,71</b>
<b>1</b>	<b>Deferred tax assets</b>	<b>160 121,17</b>	<b>160 121,17</b>
<b>2</b>	<b>Other accruals</b>	<b>3 761 482,30</b>	<b>4 329 459,54</b>
<b>B</b>	<b>CURRENT ASSETS</b>	<b>75 340 671,46</b>	<b>47 588 147,96</b>
<b>I</b>	<b>Supplies</b>	<b>0,00</b>	<b>0,00</b>

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
<b>II</b>	<b>Short-term receivables</b>	<b>35 856 951,31</b>	<b>28 098 907,04</b>
<b>1</b>	<b>Related parties receivables</b>	<b>34 693 877,20</b>	<b>27 533 825,27</b>
a	Due to supplies and services during the collection period:		
	- until 12 months	6 400 901,59	1 430 206,50
	- over 12 months	6 400 901,59	1 430 206,50
		0,00	0,00
b	Other	28 292 975,61	26 103 618,77
2	Receivables from other capital entities	0,00	0,00
a	Due to supplies and services during the collection period:		
	- until 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	Other	0,00	0,00
<b>3</b>	<b>Receivables from other entities</b>	<b>1 163 074,11</b>	<b>565 081,77</b>
a	Due to supplies and services during the collection period:		
	- until 12 months	268 337,36	145 598,47
	- over 12 months	268 337,36	145 598,47
		0,00	0,00
b	Due to taxes, grands, duties, social securities, health insurance and other benefits	822 494,23	149 934,08
c	Other	72 242,52	269 549,22
d	Claimed at court	0,00	0,00
<b>III</b>	<b>Short-term investemnts</b>	<b>35 158 811,55</b>	<b>17 794 289,47</b>
<b>1</b>	<b>Short-term financial assets</b>	<b>35 158 811,55</b>	<b>17 794 289,47</b>
a	In related parties	34 392 290,91	16 926 850,91
	- stocks or shares	34 392 290,91	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	766 467,83	802 650,96
	- stocks and shares	0,00	0,00
	- other securities	766 467,83	802 650,96
	- loans	0,00	0,00
	- other short-term financial assets	0,00	0,00
c	Money and monetary assets	52,81	64 787,60
	- cash in hand and in the account	52,81	64 787,60
	- other money	0,00	0,00
	- other monetary assets	0,00	0,00
<b>2</b>	<b>Other short-term investemnts</b>	<b>0,00</b>	<b>0,00</b>
<b>IV</b>	<b>Short term accruals</b>	<b>4 324 908,60</b>	<b>1 694 951,45</b>
<b>C</b>	<b>Unpaid share capital (fund)</b>	<b>0,00</b>	<b>0,00</b>
<b>D</b>	<b>Own shares</b>	<b>0,00</b>	<b>0,00</b>
	<b>TOTAL ASSETS</b>	<b>246 092 789,38</b>	<b>162 459 419,87</b>

Source: Issuer

**LIABILITIES**

Lp.	Title	31.03.2020	31.03.2019
<b>A</b>	<b>Equity (fund)</b>	<b>136 227 745,42</b>	<b>62 617 469,70</b>
I	Share capital (fund)	9 042 514,00	7 801 915,00
II	Capital reserve (fund):	75 331 155,18	6 803 898,96
	- Excess of the sale value (issued value) over the nominal value of shares	55 871 302,80	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 asociacion)	0,00	0,00
	- to own shares	0,00	0,00
V	Profit (loss) from previous years	14 578 509,96	14 327 624,45
VI	Net profit (loss)	8 694 269,04	5 102 734,05
VII	Net profit copies during the financial year (negative value)	0,00	0,00
<b>B</b>	<b>LIABILITIES AND PROVISIONS ON LIABILITIES</b>	<b>109 865 043,96</b>	<b>99 841 950,17</b>
I	Provisions on liabilities	0,00	0,00
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	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
II	Long-term liabilities	81 560 691,45	93 726 719,50
1	To affiliated undertakings	4 285 212,00	470 661,61
2	To other capital entities	0,00	0,00
3	To other entities	77 275 479,45	93 256 057,89
a	Loans	0,00	0,00
b	Due to debt securities issues	54 790 264,56	92 404 778,43
c	Other financial liabilities	389 194,82	851 279,46
d	Marker liabilities	22 096 020,07	0,00
e	Other	0,00	0,00
III	Short-term liabilities	28 302 121,30	6 115 230,67
1	To related parties	8 176 340,71	1 225 875,07
a	Due to supplies and services, with the maturity:	177 307,37	44 143,00
	- until 12 months	177 307,37	44 143,00
	- over 12 months	0,00	0,00
b	Other	7 999 033,34	1 181 732,07
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	20 125 780,59	4 889 355,60
a	Loans	251,66	0,00
b	Due to debt securities issues	12 018 069,87	0,00
c	Other financial liabilities	86 073,54	48 434,64

d	Due to supplies and services, with the maturity:		
	- until 12 months	3 361 994,46	818 413,51
	- over 12 months	3 361 994,46	818 413,51
		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	4 341 669,32	3 910 598,84
h	Payroll	120 515,75	111 161,47
i	Other	197 205,99	747,14
4	Special funds	0,00	0,00
<b>IV</b>	<b>Accruals</b>	<b>2 231,21</b>	<b>0,00</b>
1	Negative goodwill	0,00	0,00
2	Other accruals	2 231,21	0,00
	- long-term	0,00	0,00
	- short-term	2 231,21	0,00
<b>TOTAL LIABILITIES</b>		<b>246 092 789,38</b>	<b>162 459 419,87</b>

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 2020 together with comparative data [PLN]

Lp.	Title	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
<b>A</b>	<b>Net revenues from sales and equivalent, including revenues:</b>	<b>2 077 558,24</b>	<b>4 416 912,69</b>
-	Related parties	0,00	0,00
I	Net revenues from sales of products	2 077 558,24	4 416 912,69
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>B</b>	<b>Operating expenses</b>	<b>3 647 592,67</b>	<b>3 449 478,14</b>
I	Amortisation and depreciation	85 562,08	110 690,80
II	Consumption of materials and energy	25 937,82	69 326,79
III	External services	1 854 386,06	1 557 652,16
IV	Taxes and charges, including:	14 117,40	23 123,99
	- excise duty	0,00	0,00
V	Payroll	500 983,30	521 635,77
VI	Social security and other benefits	88 727,47	86 241,33
	- pensions	35 286,50	31 373,40
VII	Other costs by type	1 077 878,54	1 080 807,30
VIII	Value of goods and materials sold		0,00
<b>C</b>	<b>Profit (loss) on sales (A-B)</b>	<b>(1 570 034,43)</b>	<b>967 434,55</b>
<b>D</b>	<b>Other operating revenues</b>	<b>80 036,81</b>	<b>849,94</b>
I	Profit on disposal of non-financial fixed assets	13 541,49	0,00
II	Subsidies	0,00	0,00
III	Revaluation of non-financial assets	0,00	0,00
IV	Other operating revenues	66 495,32	849,94
<b>E</b>	<b>Other operating expenses</b>	<b>198 285,40</b>	<b>56 816,55</b>
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	198 285,40	56 816,55
<b>F</b>	<b>Profit (loss) on operating activities (C+D-E)</b>	<b>(1 688 283,02)</b>	<b>911 467,94</b>
<b>G</b>	<b>Financial revenues</b>	<b>11 976 657,78</b>	<b>5 646 446,78</b>
I	Dividends and profit sharing, including:	0,00	0,00
a)	from related parties:	0,00	0,00
	- capital entity	0,00	0,00
b)	From other entities:	0,00	0,00
	- capital entity	0,00	0,00
II	Interest, including:	68 118,82	417 217,40
-	From related parties	68 104,66	416 923,00
III	Profit on disposal of financial assets	0,00	2 614 290,86
	- in related parties	0,00	0,00
IV	Revaluation of financial assets	11 895 000,00	2 614 938,52
V	Other	13 538,96	0,00
<b>H</b>	<b>Financial expenses</b>	<b>1 594 105,72</b>	<b>1 455 180,67</b>
I	Interest	1 226 865,22	1 455 061,14
	- for related parties	307 947,98	281 407,80

II	Loss on disposal of financial assets - in relations parties	0,00 0,00	0,00 0,00
III	Revaluation of financial assets	0,00	0,00
IV	Other	367 240,50	119,53
I	<b>Gross profit (loss) (F+G-H)</b>	<b>8 694 269,04</b>	<b>5 102 734,05</b>
J	Income tax	0,00	0,00
K	Other statutory reductions in profit (increases in loss)		0,00
L	<b>Net profit (loss) (I-J-K)</b>	<b>8 694 269,04</b>	<b>5 102 734,05</b>

Source: Issuer

## CASH-FLOW STATEMENT

**Table 7.** Individual selected financial data of the cash flow statement after the first quarter of 2020 together with comparative data [PLN]

Lp.	Title	01.01.2020 – 31.03.2020	01.01.2019 – 31.03.2019
<b>A</b>	<b>Net cash flows from operating activities</b>		
I	<b>Net profit (loss)</b>	<b>8 694 269,04</b>	<b>5 102 734,05</b>
II	<b>Total provisions</b>	<b>(10 662 112,23)</b>	<b>(15 049 106,92)</b>
3	Amortisation and depreciation	85 562,08	110 690,80
6	Foreign exchange gains (loss)	0,00	0,00
7	Interest and gain-share (dividends)	1 158 746,40	1 037 843,74
8	Profit (loss) on investment activity	(13 541,49)	(2 614 290,86)
9	Changes of provisions	0,00	0,00
10	Change in stocks	0,00	0,00
11	Change in receivables	251 394,66	(11 452 714,76)
12	Change in short-term liabilities excluding credits and loans	(986 903,25)	(209 951,90)
13	Change in prepayments and accruals	737 629,37	694 254,58
14	Other adjustments	(11 895 000,00)	(2 614 938,52)
III	<b>Net cash flows from operating activities (I ± II)</b>	<b>(1 967 843,19)</b>	<b>(9 946 372,87)</b>
<b>B</b>	<b>Net cash flows from investment activities</b>		
I	<b>Inflows</b>	<b>277 929,80</b>	<b>0,00</b>
1	Disposal of intangible and tangible fixed assets	16 746,67	0,00
2	Disposal of investments in real property and in intangible assets	0,00	0,00
3	From financial assets, including:	261 183,13	0,00
a)	in related parties	0,00	0,00
b)	in other entities	261 183,13	0,00
-	Disposal of financial assets	0,00	0,00
-	Dividends and gain-share	0,00	0,00
-	Repayment of long-term loans	0,00	0,00
-	Interest	0,00	0,00
-	Other inflows from financial assets	261 183,13	0,00
4	Other investments inflows	0,00	0,00
II	<b>Outflows</b>	<b>0,00</b>	<b>2 520 164,38</b>
1	Acquisition of intangible fixed and tangible assets	0,00	465 604,38
2	Investments on real estate and intangible fixed assets	0,00	0,00
3	Financial assets:	0,00	2 054 560,00
a)	In related parties	0,00	2 054 560,00
b)	In other equities	0,00	0,00
-	Acquisition of financial assets	0,00	0,00
-	Long-term loans	0,00	0,00
4	Other investment expenses	0,00	0,00
III	<b>Net cash flows from investment activities (I-II)</b>	<b>277 929,80</b>	<b>(2 520 164,38)</b>
<b>C</b>	<b>Net cash flows from financial activities</b>		

<b>I Inflows</b>	<b>3 766 118,82</b>	<b>21 049 217,40</b>
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	0,00	20 632 000,00
4 Other inflows from financial activities	3 766 118,82	417 217,40
<b>II Outflows</b>	<b>2 201 565,42</b>	<b>8 530 676,16</b>
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	944 507,38	7 034 814,60
6 Payment of other financial liabilities	0,00	0,00
7 Payment of liabilities arising from financial leases	30 192,82	40 800,42
8 Interest	1 226 865,22	1 455 061,14
9 Other financial expenses	0,00	0,00
<b>III Net cash flows from financial activities (I-II)</b>	<b>1 564 553,40</b>	<b>12 518 541,24</b>
<b>D Total net cash flows (A.III ± B.III ± C.III)</b>	<b>(125 359,99)</b>	<b>52 003,99</b>
<b>E Balance sheet change in cash:</b>	<b>(125 359,99)</b>	<b>52 003,99</b>
- Change in cash due to exchange differences	0,00	0,00
<b>F Opening balance of cash</b>	<b>125 412,80</b>	<b>12 783,61</b>
<b>G Closing balance of cash (F±E):</b>	<b>52,81</b>	<b>64 787,60</b>
- 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 2020 together with comparative data [PLN]

Lp.	Title	01.01.2020 - 31.03.2020	01.01.2019 – 31.03.2019
I.	<b>Equity (fund) at the beginning of period (BO)</b>	<b>127 720 143,61</b>	<b>57 514 735,65</b>
-	Corrections of fundamental errors and changes in accounting policy	0,00	0,00
		0,00	0,00
I.a.	<b>Equity (fund) at the beginning of period (BO), after provisions</b>	<b>127 720 143,61</b>	<b>57 514 735,65</b>
1	<b>Change in the balance of products (increase – positive value, decrease – negative value)</b>	<b>7 801 915,00</b>	<b>7 801 915,00</b>
1.1.	Changes in share capital (fund)	1 240 599,00	0,00
a	Increase	1 240 599,00	0,00
-	Issue of shares	1 240 599,00	
-	Contribution in-kind		
b	Decrease		
-	Redemption of shares		
	.....		
1.2.	<b>Share capital (fund) at the end of period</b>	<b>9 042 514,00</b>	<b>7 801 915,00</b>
2	<b>Capital (fundusz) reserve at the beginning of period</b>	<b>76 571 754,18</b>	<b>6 803 898,96</b>
2.1.	Changes in capital reserve (fund)	(1 240 599,00)	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	1 240 599,00	0,00
-	Loss compensation		
-	.....	1 240 599,00	
2.2.	<b>Capital reserve (fund) balance at the end of period</b>	<b>75 331 155,18</b>	<b>6 803 898,96</b>
3	<b>Equity (fund) of revaluation at the beginning of period – changes in accounting policy</b>	<b>28 581 297,24</b>	<b>28 581 297,24</b>
3.1.	Changes in capital (fund) of revaluation	0,00	0,00
a	Increase		
b	Decrease	0,00	0,00
3.2.	<b>Equity (fund) of revaluation at the end of period</b>	<b>28 581 297,24</b>	<b>28 581 297,24</b>
4	<b>Other shares reserve (fund) at the beginning of period</b>	<b>0,00</b>	<b>0,00</b>
4.1.	Changes in other capital reserve (fund)	0,00	0,00
a	Increase		
-	.....		
b	Decrease	0,00	0,00
-	.....		
4.2.	<b>Other capital reserve (fund) at the end of period</b>	<b>0,00</b>	<b>0,00</b>

5	<b>Profit (loss) from previous years at the beginning of period</b>	<b>386 724,23</b>	<b>386 724,23</b>
5.1.	<b>Profit from previous years at the beginning of period</b>	<b>386 724,23</b>	<b>386 724,23</b>
-	Changes in accounting policy		
-	Correction of fundamental errors		
5.2.	<b>Profit from previous years at the beginning of period after provisions</b>	<b>386 724,23</b>	<b>386 724,23</b>
a	Increase	14 191 785,73	13 940 900,22
-	Distribution of profit from previous years	14 191 785,73	13 940 900,22
b	Decrease	0,00	0,00
-	Loss compensation	0,00	0,00
-	Transfer to capital reserve		
5.3.	<b>Profit from previous years at the beginning of period</b>	<b>14 578 509,96</b>	<b>14 327 624,45</b>
5.4	<b>Loss from previous years at the beginning of period (-)</b>	<b>0,00</b>	<b>0,00</b>
-	Changes in accounting policy		
-	Correction of fundamental errors		
5.5.	<b>Loss from previous years at the beginning of period, after provisions</b>	<b>0,00</b>	<b>0,00</b>
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.	<b>Loss from previous years at the end of period</b>	<b>0,00</b>	<b>0,00</b>
5.7	<b>Profit (loss) from previous years at the end of period</b>	<b>14 578 509,96</b>	<b>14 327 624,45</b>
6.	<b>Net Result</b>	<b>8 694 269,04</b>	<b>5 102 734,05</b>
a	Net profit	8 694 269,04	5 102 734,05
b	Net loss (negative value)		
c	Profit copy (negative value)		
II	<b>Equity (fund) at the end of period (BZ)</b>	<b>136 227 745,42</b>	<b>62 617 469,70</b>
III	<b>Equity (fund) after taking into account the proposed distribution of profit (loss coverage)</b>	<b>136 227 745,42</b>	<b>62 617 469,70</b>

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 2020 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 2020 and cumulative data for the period from the beginning of the year 2020 until March 31, 2020, including comparable periods analogical to the year 2019.

The Company shall not amend principles in the accounting policy. The Issuer's subsidiary, Aforti Finance S.A., introduced a change in the accounting policy in the presented period consisting of a change in the method of accounting and revenue presentation from the loans in such a way that the handling and administrative fees charged when granting the loan were settled evenly over the period for which the loan was granted. The principles of the accounting policy adopted to the condensed financial statement from the I quarter of 2020 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 PLN 100 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. Deferred 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 first quarter of 2020, including comparative data for the previous year (profit and loss account) and on March 31, 2020 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

The Issuer's commentary on the circumstances and events that significantly affect its business, financial condition and results achieved in the I quarter of 2020

## 5.1. Comment on consolidated financial results of Aforti Group

In the first quarter of 2020, the Aforti Capital Group generated PLN 142 million in revenue from sales, which is a decrease of 30.2 percent compared to 2019.

The net profit of the entire Group in the reported period amounted to PLN 464,000 compared to PLN 296,000 achieved in the first quarter of 2019, which is an increase of 57.75 per cent.

The decrease in the Group's operating result both in Q1 2020 is associated with a deliberate reduction in lending to businesses due to the adoption of a more conservative credit policy in order to reduce the cost of risk incurred, as well as a change in the accounting policy introduced by the Issuer's subsidiary, Aforti Finance S.A., consisting of a change in the method of accounting and presentation of income from loans in such a way that handling and administrative fees charged when granting a loan were evenly settled over the period for which the loan was granted.

### *Balance Sheet*

The value of the Aforti Group's fixed assets at the end of March 2020 amounted to over PLN 38 million and was higher by 24.95 per cent year-on-year. The increase in the value of non-current assets was related to the increase in long-term financial assets in related entities, other entities, as well as the increase in long-term prepayments.

The 22.65% increase in current assets was related to the increase in receivables from non-consolidated related parties, other parties (increase in the value of the portfolio of factoring and debt collection receivables) and the increase in the value of financial assets in related parties. The Group's consolidated balance sheet, in accordance with the Accounting Act, on the assets side also includes the value of the Issuer's shares acquired by its subsidiaries.

At the end of March 2020, Aforti Group recorded an increase in equity by over PLN 51.5 million which was related to the issue of new shares of the Issuer, which as of 01.01.2020 were not yet registered, but increased the balance of the value of the issue over the nominal value of those shares. The registration of these shares was made on 24 January 2020.

Long-term liabilities on a year-to-year basis increased by 10.08%. The result was influenced by the increase in the value of long-term debt instruments, as well as the increase in liabilities towards related parties. Short-term liabilities increased by 2.37% on a year-to-year basis and by 17.95% compared to Q4 2019. This was due to an increase in the value of the issue of short-term financial instruments as well as other liabilities, with a simultaneous increase in liabilities towards related parties and short-term accruals (+PLN 9.5 million)....

## INFLUENCE OF CORONAVIRUS EPIDEMIA (COVID-19) ON OPERATING ACTIVITIES AND FINANCIAL RESULTS OF THE ISSUER AND ITS CAPITAL GROUP

The Issuer and its Capital Group maintain operational continuity. In the period of March and April 2020, the majority of employees and collaborators of the Issuing Party and its Capital Group worked remotely, whereas in May this year, the return to stationary work gradually began. The necessary security procedures were also introduced: direct meetings were reduced to a minimum.

with customers for telephone and electronic communication, visits were suspended

in foreign subsidiaries, the generally recommended health and safety principles and solutions to reduce the risk of virus infection have been implemented.

In the case of lending activities conducted by the Issuer's subsidiary: Aforti Finance S.A., the Issuer's Management Board takes into account various scenarios depending on the individual situation of its customers. The Management Board of the subsidiary monitors on an ongoing basis the situation with regard to repayment of the loans granted, prepares appropriate procedures and actions to be implemented if necessary.

With respect to foreign exchange services for entrepreneurs, provided by the Issuer's subsidiary: In Aforti Exchange S.A., initially a decrease in the value of turnover realised by customers was observed quarter to quarter. In the area of debt collection, carried out by the Issuer's subsidiary: Aforti Exchange S.A:

In Aforti Collections S.A., a further significant increase in orders and acceleration of the transfer of overdue receivables by creditors is observed.

At the same time, the situation is stable in the case of factoring services provided by the Issuer's subsidiary: Aforti Factor S.A.

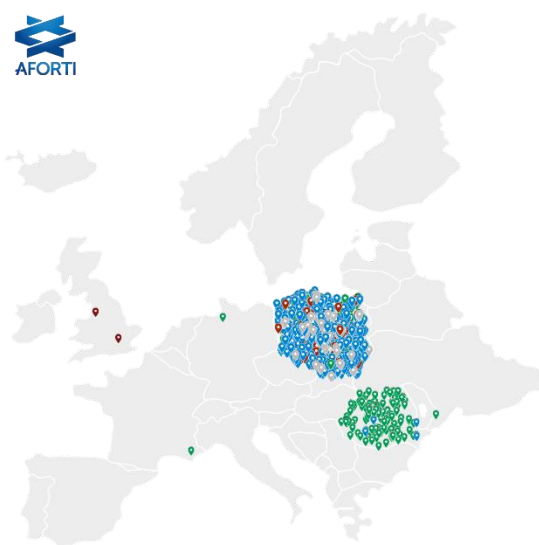
As at the date of publication of this report the number of users visiting the websites of the Issuer and its subsidiaries is comparable in relation to the previous period.

Taking into account the dynamically changing environment, the Issuer's Management Board cannot reliably determine the impact of the spread of the COVID-19 virus crown on the operations of the Company and its Capital Group, financial results and business prospects. It should be emphasized that at present the continuity of the Issuer's and its Capital Group's activity has not been interrupted. The Issuer and its subsidiaries are currently adjusting their activity to the observed and anticipated market needs.

## Summary of AFORTI Group activity in the first quarter of 2019.

The AFORTI Group has been operating on the Polish market for 11 years. During this period, over 5,500 were acquired and serviced. Customers throughout Poland and Europe. The Aforti brand has become more recognizable in the financial services industry dedicated to the small and medium-sized enterprises (SME) sector.

*Rysunek 1* The map presents the geographical dispersion of the clients of the Aforti Group companies



source: the Issuer

The constant development of the Group's structures, actively and consciously anticipating market trends, as well as the ability to see new perspectives have generated impressive results:

COMPANY	DATA	STAUTS ON 31.03.2020*
Aforti Collections SA	Nominal value of orders	121 148 602,70 zł
Aforti Exchange SA (Polska) with Aforti Exchange Romania SA (Rumunia)	Value of the currency exchanged	309 152 178,87 zł
Aforti Factor SA	Value of purchased invoices	8 324 123,14 zł
Aforti Finance SA with Aforti Finance Romania IFN SA	Value of micro-loans sold	2 222 742,99 zł
	Value of loan applications submitted	22 006 307,57 zł

**\*Data cumulatively from the beginning of activity of each of the companies listed in the table above.**

source: Issuer



In the first quarter of 2020, the AFORTI Group focused on activities related to the implementation of the Group's strategy in a situation of epidemiological threat and obstacles related to it. It focused on the development of factoring and debt collection activities as the industries with the greatest potential, and in accordance with the current situation on the market and the progressing slowdown of the economy, less involved in lending activities.

One of the most important events in the last quarter was the registration of the share capital increase in the National Court Register on 24 January 2020. (RB EBI 10/2020). Currently, the Issuer has begun preparations for the introduction of the above series of shares to trading in the Alternative Trading System on the NewConnect market and on 27 March 2020, an application for the introduction of 1,240,599 (one million two hundred and forty thousand five hundred and ninety-nine) series I ordinary bearer shares of the Company, with a nominal value of PLN 1.00 per share, was sent to the Warsaw Stock Exchange by mail, together with the required attachments.

At the same time, in order to effectively implement the adopted development strategy, the Aforti Group focused its activity, among others, on seeking an institutional investor. In the fourth quarter Aforti continued talks in this respect.

Moreover, the Company's Management Board informs in relation to the report (RB ESPI 14/2020) published on 9 April 2020, concerning the resolution of the Company's Management Board to issue an opinion on the prices of Aforti Holding S.A.'s shares and to issue a recommendation to the General Meeting of Shareholders of the Company regarding the buy-back of own shares and to adopt a resolution on 20 April 2020 by the Company's Supervisory Board and to issue a positive recommendation to the General Meeting of Shareholders regarding the buy-back of own shares in accordance with the resolution of the Management Board of Aforti Holding S.A. of 08 April 2020 on convening the General Meeting of Shareholders for 21 May 2020.

On 22 April 2020. The Issuer signed a letter of intent with the Company listed on the main market of the London Stock Exchange ("LSE"), on the basis of which both Companies decided to take all actions aimed at taking up shares in LSE by Aforti Holding S.A. in exchange for shares in Aforti Exchange S.A. By virtue of taking up the said shares, Aforti Holding S.A. would become the majority shareholder in the UK Company and at the same time indirectly become the dominant shareholder in Aforti Exchange S.A. (RB ESPI 18/2020). The transaction called reverse acquisition ("RTO") is aimed at implementing the strategy announced in the current report (RB ESPI 11/2018) of 4 April 2018 consisting in the listing of Aforti Exchange on one of the foreign stock exchanges. The parties assume that after signing the letter of intent they will immediately start work related to convening a General Meeting of Shareholders of the LSE to issue shares addressed to the Issuer and to work related to the

legal and transactional aspects of the undertaking. It is also the Issuer's intention to conduct the process of raising capital through the LSE Company during the RTO process.

At the turn of February and March 2020, the 12th edition of the Investor's Day series of meetings took place, which was attended by about 250 guests in total.

### Selected business activities of individual Holding's Companies

#### Aforti Finance S.A. AFORTI Finance

In the first quarter of 2020, the company introduced a change in the accounting policy in the presented period consisting in changing the method of accounting and presentation of income from loans in such a way that handling and administrative fees charged when granting a loan were settled evenly over the period for which the loan was granted.

1) Aforti Finance S.A. also introduced a new policy of provisions related to credit risk by creating provisions and write-downs of receivables related to credit exposures with respect to credit exposures to:

- a. "Normal" category - with regard to credit exposures resulting from loans and factoring limits, where the delay in repayment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability's origin does not exceed 30 days.
- b. The "watch-list" category - with respect to credit exposures arising from loans and factoring limits where the delay in the repayment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability arises does not exceed 90 days.
- c. Groups "at risk" - including "substandard", "doubtful" or "lost" - in respect of credit exposures arising from loans and factoring limits in the case of which the delay in the payment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability arises exceeds 90 days.

Provisions and receivables revaluation write-offs will be created on the basis of individual risk assessment of a given exposure, however, in the amount of at least the required level of provisions, constituting in relation to the basis for creating specific provisions:

- a. 0% - in the case of "normal" and "watch" categories up to 60 days of delay
- b. 10 % for the 'under observation' category and a delay of more than 60 days
- c. 50 % for the 'substandard' category and a delay of more than 90 days
- d. 100% - for the 'doubtful' category and a delay of more than 180 days
- e. 100% - for the "lost" category and a delay of more than 360 days

### Aforti Exchange S.A.

An important event  **AFORTI Exchange** in 1Q 2020 was obtaining on 30/01/2020 an entry in the Register of Small Payment Institutions kept by the Polish Financial Supervision Authority ([CR ESPI 5/2020](#)). According to the Register kept by the Polish Financial Supervision Authority, the company's entry is numbered MIP50 / 2020.

The obtained license of a Small Payment Institution will allow Aforti Exchange to increase the scale of operations and thus the level of competitiveness through the possibility of providing a money transfer service in Poland. It is worth adding that in March 2018 Aforti Exchange also obtained the Payment Services Office license and was entered in the register also kept by the Polish Financial Supervision Authority.

### Aforti Collections S.A. **AFORTI Collections**

In Q1 2020, the company entered into significant agreements with an entity operating in the sector of non-banking loans to individual customers to service the portfolio of paying loans and to service and recover the delayed loans. Under the agreement, Aforti Collections will handle a loan portfolio of over 7500 cases with the current balance of over PLN 30 million.

### Aforti Factor S.A. **AFORTI Factor**

In Q1 2020, the company introduced a new policy of provisions related to credit risk by creating provisions and write-downs of receivables related to credit exposures with respect to credit exposures to:

- a. Normal' category - with regard to credit exposures resulting from loans and factoring limits, where the delay in repayment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability arises does not exceed 30 days.
- b. The "watch-list" category - with respect to credit exposures arising from loans and factoring limits where the delay in the repayment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability arises does not exceed 90 days.
- c. Groups "at risk" - including "substandard", "doubtful" or "lost" - in respect of credit exposures arising from loans and factoring limits in the case of which the delay in the payment of the principal or interest instalment in relation to the repayment schedule determined at the time of the liability arises exceeds 90 days.

Provisions and receivables revaluation write-offs will be created on the basis of individual risk assessment of a given exposure, however, in the amount of at least the required level of provisions, constituting in relation to the basis for creating specific provisions:

- a. 0% - in the case of "normal" and "watch" categories up to 60 days of delay

- b. 10 % for the 'under observation' category and a delay of more than 60 days
- c. 50 % for the 'substandard' category and a delay of more than 90 days
- d. 100% - for the 'doubtful' category and a delay of more than 180 days
- e. 100% - for the "lost" category and a delay of more than 360 days

## 5.2. Comment on Individual financial results of Aforti Holding Inc

In the reported period of the first quarter of 2020, Aforti Holding S.A. generated over PLN 2 million in sales revenues, which means a 47.03 per cent decrease compared to the same period last year. The decrease in unit revenues of Aforti Holding S.A. resulted from savings introduced in the Aforti Group and smaller scale of invoices for holding services provided to the Issuer's Group subsidiaries.

At the same time the net result amounted to PLN 8,694,000, compared to PLN 5,103,000 recorded in the previous year, which constitutes an increase by 70.38% year-on-year. This result was influenced by an increase of financial income.

In the case of the balance sheet, an increase in fixed assets is noticeable (+48.65%), which was a result of an increase in the value of long-term financial assets in affiliated entities as a result of their recapitalization by the Issuer. Current assets increased by 58.32% mainly as a result of increased receivables from affiliated companies.

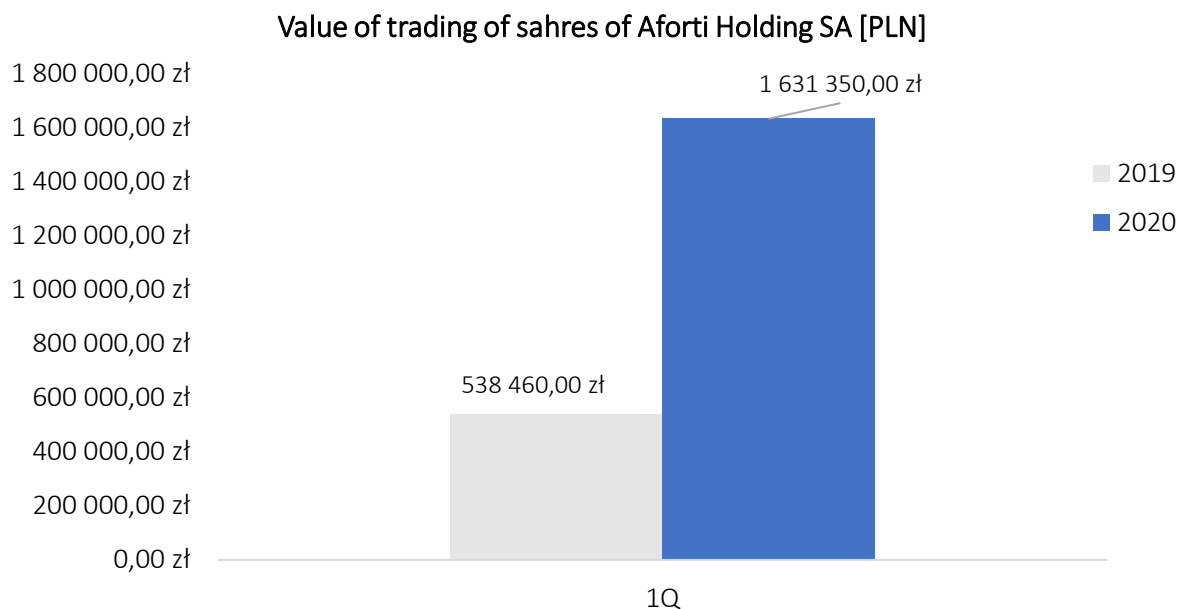
The value of the Issuer's share capital increased by 117.55%, which was related to the issue of new shares of the Company (series I) and contributed to an increase in the balance of the issue's sale value over the nominal value of shares and the transfer of the previous year's profit to reserve capital.

Long-term liabilities were reduced by 17.87% compared to the same period in 2019, while short-term liabilities increased by 362.83%. The change was mainly related to the issue of debt securities by the Company, as well as for deliveries and services with a maturity of up to 12 months and the occurrence of accruals.

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**

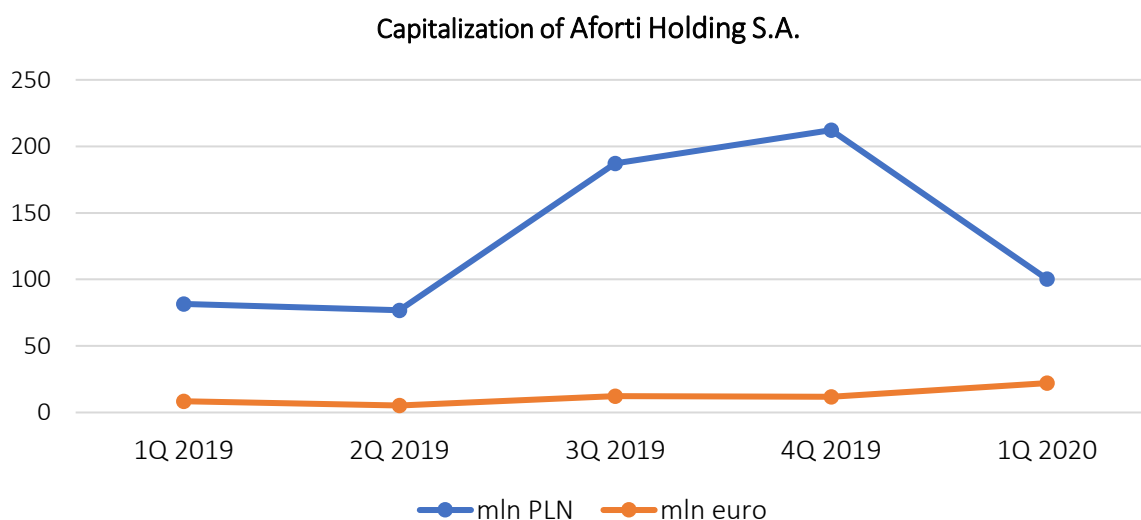
In Q1 2020, the value of trading in the Issuer's shares reached PLN 1,631.35 thousand (EUR 379.87 thousand). The average volume per session was 1,791, which gave the Company 72nd position out of 346 listed companies.



source: GPW newconnect.pl

The minimum price in the indicated period was 5.90 PLN and the maximum price was 27.20 PLN.

The Company's capitalisation at the end of Q1 2020 reached PLN 100.37 million (EUR 22.05 million), which placed the Issuer in 20th position. It is worth adding that the Issuer's capitalization increased by 23.11% y-o-y. The book value was PLN 58.22 million. C/WK (P/BV) ratio was 1.72 .



source: GPW newconnect.pl

*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.

The first team that has been sponsored by Aforti is the football club KKS Lech Poznań, which the Group is now a strategic sponsor. In addition, the Aforti Group also supports the GTM Start Gniezno speedway team (holds the title of the strategic sponsor of the club's first team and is the title sponsor of the juniors) along with its speedway school, club television and the lead team.

Under the wings of AFORTI is also Mr. Kacper Majchrzak - a Polish swimmer specializing in freestyle, bronze medalist of the European championships, participant in the Summer Olympic Games 2012 and Summer Olympic Games 2016. Polish record holder at a distance of 100 and 200 m freestyle

# 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 [1/2020](#) dated on 2020, 2nd January, the Company has resigned from publishing the financial perspectives for 2020.

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

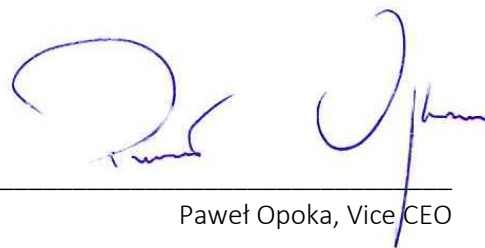
The Board of Directors of Aforti Holding SA declares that selected financial information for the first quarter of 2020 as well as comparable data were prepared in accordance with the provisions in force to the Company and the quarterly report contains a true overview of development and achievements of the Company.

Warsaw, May 15, 2020



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Klaudiusz Sytek, CEO



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Paweł Opoka, Vice CEO



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Mateusz Niemczyk, Vice CEO

# 10

The list of current reports of the issuer  
published in the I quarter of 2020

Current reports published by the Issuer in the I quarter of 2020.

1) System EBI

- 2020-03-31 08:30:37 Bieżący | 15/2020  
[Wykup obligacji serii P13/Buy out of the P13 series bonds](#)
- 2020-03-05 17:19:48 Bieżący | 14/2020  
[Wykup obligacji serii P8 / Buy out of the P8 series bonds](#)
- 2020-02-14 18:02:06 Kwartalny | 13/2020  
[Jednostkowy i skonsolidowany raport kwartalny za IV kwartał 2019 roku / Individual and Consolidated quarterly report for Q IV 2019](#)
- 2020-01-30 18:01:46 Bieżący | 12/2020  
[Rejestracja zmian statutu spółki / Registration of changes to the company's statute](#)
- 2020-01-28 14:30:08 Bieżący | 11/2020  
[Informacja o strukturze kapitału zakładowego / Information regarding the shareholding structure](#)
- 2020-01-27 12:37:58 Bieżący | 10/2020  
[Rejestracja podwyższenia kapitału zakładowego / Registration of share capital increase](#)
- 2020-01-15 17:08:15 Bieżący | 9/2020  
[Przedterminowy wykup obligacji serii P11 / Premature buyback of P11 series bonds](#)
- 2020-01-14 17:12:32 Bieżący | 8/2020  
[Przedterminowy wykup obligacji serii O25 / Premature buyback of O25 series bonds](#)
- 2020-01-10 17:10:35 Bieżący | 7/2020  
[Przedterminowy wykup obligacji serii P / Premature buyback of P series bonds](#)
- 2020-01-09 17:15:39 Bieżący | 6/2020  
[Przedterminowy wykup obligacji serii P14 / Premature buyback of P14 series bonds](#)
- 2020-01-08 16:03:56 Bieżący | 5/2020  
[Przedterminowy wykup obligacji serii P5 / Premature buyback of P5 series bonds](#)
- 2020-01-07 16:52:41 Bieżący | 4/2020  
[Przedterminowy wykup obligacji serii P8 / Premature buyback of P8 series bonds](#)



Bieżący | 3/2020

[2020-01-07 16:50:12](#) [Przedterminowy wykup obligacji serii P4 / Premature buyback of P4 series bonds](#)

Bieżący | 2/2020

[2020-01-07 16:46:51](#) [Przedterminowy wykup obligacji serii O24 / Premature buyback of O24 series bonds](#)

Bieżący | 1/2020

[2020-01-02 16:22:03](#) [Harmonogram przekazywania raportów okresowych w 2020 roku / Schedule of publication of periodic reports in 2020](#)

## 2) ESPI System

Bieżący | 11/2020

[2020-03-31 13:54:12](#) [Zawiadomienie o transakcjach osób blisko związanych z osobami pełniącymi obowiązki zarządcze](#)

Bieżący | 10/2020

[2020-03-27 14:24:17](#) [Wysłanie wniosku o wprowadzenie instrumentów finansowych Spółki do obrotu na rynku NewConnect](#)

Bieżący | 9/2020

[2020-03-24 13:16:02](#) [Informacja dotycząca wpływu skutków COVID-19 na działalność Emitenta oraz jego Grupy Kapitałowej](#)

Bieżący | 8/2020

[2020-03-03 08:44:27](#) [Szacunkowe dane operacyjne i sprzedażowe Grupy Aforti – luty 2020 r.](#)

Bieżący | 6/2020

[2020-02-04 09:00:26](#) [Szacunkowe dane operacyjne i sprzedażowe Grupy Aforti – styczeń 2020 r.](#)

Bieżący | 5/2020

[2020-02-03 17:03:11](#) [Wpis do Rejestru małych instytucji płatniczych](#)

Bieżący | 4/2020

[2020-01-28 14:13:08](#) [Zawiadomienie o transakcjach osób blisko związanych z osobami pełniącymi obowiązki zarządcze](#)

Bieżący | 3/2020

[2020-01-28 09:48:18](#) [Zawiadomienie akcjonariusza w związku ze zmianą udziału w kapitale zakładowym oraz udziału w głosach na Walnym Zgromadzeniu Spółki](#)

Bieżący | 2/2020

[2020-01-03 10:23:28](#) [Szacunkowe dane operacyjne i sprzedażowe spółek zależnych Aforti Finance S.A., Aforti Finance Romania IFN S.A., Aforti Exchange S.A., Aforti Exchange Romania S.A., Aforti Collections S.A. oraz Aforti Factor S.A. – grudzień 2019 r.](#)

2020-01-02 16:40:08	Bieżący   1/2020 <a href="#">Odstąpienie od publikacji prognoz wyników finansowych na 2020 rok</a>
2020-03-03 08:44:27	Bieżący   8/2020 <a href="#">Szacunkowe dane operacyjne i sprzedażowe Grupy Aforti – luty 2020 r.</a>
2020-02-04 09:00:26	Bieżący   6/2020 <a href="#">Szacunkowe dane operacyjne i sprzedażowe Grupy Aforti – styczeń 2020 r.</a>
2020-02-03 17:03:11	Bieżący   5/2020 <a href="#">Wpis do Rejestru małych instytucji płatniczych</a>
2020-01-28 14:13:08	Bieżący   4/2020 <a href="#">Zawiadomienie o transakcjach osób blisko związanych z osobami pełniącymi obowiązki zarządcze</a>
2020-01-28 09:48:18	Bieżący   3/2020 <a href="#">Zawiadomienie akcjonariusza w związku ze zmianą udziału w kapitale zakładowym oraz udziału w głosach na Walnym Zgromadzeniu Spółki</a>
2020-01-03 10:23:28	Bieżący   2/2020 <a href="#">Szacunkowe dane operacyjne i sprzedażowe spółek zależnych Aforti Finance S.A., Aforti Finance Romania IFN S.A., Aforti Exchange S.A., Aforti Exchange Romania S.A., Aforti Collections S.A. oraz Aforti Factor S.A. – grudzień 2019 r.</a>
2020-01-02 16:40:08	Bieżący   1/2020 <a href="#">Odstąpienie od publikacji prognoz wyników finansowych na 2020 rok</a>