

Company AS BALTIKA  
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Attachments:

- Baltika-10003391991-en.pdf (<http://oam.fi.ee/en/download?id=4592>)
- Baltika-10003391993-et.pdf (<http://oam.fi.ee/en/download?id=4593>)

Currency

Title Baltika's Unaudited Financial Results, First Quarter of 2020

Baltika Group ended the first quarter with a net loss of 2,474 thousand euros. The loss for the same period last year was 1,442 thousand euros. The financial results of the first quarter were strongly affected by the weak March caused by the global COVID-19 pandemic. January and February results were in accordance with the company's forecasts.

In the first quarter, COVID-19 had the strongest impact on Baltika Group's operations in Lithuania, where all stores were closed as of 16 March due to orders from the Lithuanian government, and all shopping centers in Estonia were closed by a government decision on 27 March. In Latvia, the shops were open part-time during the week and closed on weekends. Since the declaration of the state of emergency, Baltika Group has directed even more resources to the e-shop [www.andmorefashion.com](http://www.andmorefashion.com), through which customers can shop without contact.

In addition, non-recurring costs related to the restructuring of the Baltika Group (mainly the cessation of production in Estonia) have also had a negative impact on the financial results and liquidity of the Baltika Group in the first quarter. In order to overcome the above difficulties, the court initiated the reorganization proceedings of AS Baltika on March 26, 2020. Baltika is of the opinion that in the current situation the reorganization of the company is the best way to protect the rights and interests of Baltika's shareholders, employees, creditors and partners.

The Group's sales revenue for the first quarter was 6,137 thousand euros, decreasing by 34% compared to the same period last year. Majority, i.e 70% of the loss of sales revenue (2.2 million euros) came from March, when a state of emergency was declared in the Baltics and stores were closed. The sales revenue in January and February was slightly lower than in the previous year, but the men's collection made a very strong result, where sales of Baltman suits and Monton outerwear increased significantly compared to the previous year.



The sales channel with the largest share retail, decreased by 32% (2.6 million euros) of which 80% is the extremely weak result in March. The sales revenue of Baltika Group's e-store Andmorefashion.com in the first quarter decreased by 7% compared to the same period last year and was 505 thousand euros. The sales revenue of business customers was 200 thousand euros in the first quarter, decreasing by 72% compared to a year ago. The decrease in sales revenue of business customers is expected, as the exit of business customers' sales channel is a part of the Baltika Group's ongoing restructuring plan.

The Group's distribution expenses in the first quarter were 4,200 thousand euros decreasing by 17%, i.e 829 thousand euros compared to the same period last year. A consistent and significant reduction in distribution and administrative expenses is a part of Baltika Group's ongoing restructuring plan.

The result for the first quarter of 2020 includes a negative impact of 11 thousand euros on the new accounting standard IFRS 16.

#### Consolidated statement of financial position

	31 March 2020	31 Dec 2019
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ASSETS		
Current assets		
Cash and cash equivalents	215	264
Trade and other receivables	753	621
Inventories	8 035	7 644
Assets classified as held for sale	28	28
Total current assets	9 031	8 557
Non-current assets		
Deferred income tax asset	281	281
Other non-current assets	222	222
Property, plant and equipment	1 538	1 683
Right-of-use assets	14 925	16 040
Intangible assets	557	536
Total non-current assets	17 523	18 762



TOTAL ASSETS	26 554	27 319
LIABILITIES AND EQUITY		
Current liabilities		
Borrowings	2 819	1 731
Lease liabilities	6 237	5 383
Trade and other payables	4 920	4 118
Total current liabilities	13 976	11 232
Non-current liabilities		
Borrowings	1 412	488
Lease liabilities	10 437	12 396
Total non-current liabilities	11 849	12 884
TOTAL LIABILITIES	25 825	24 116
EQUITY		
Share capital at par value	5 408	5 408
Share premium	0	0
Reserves	4 045	4 045
Retained earnings	-6 250	-341
Net profit (loss) for the period	-2 474	-5 909
TOTAL EQUITY	729	3 203
TOTAL LIABILITIES AND EQUITY	26 554	27 319

Consolidated statement of profit and loss and comprehensive income



Revenue	6 137	9 270
Client bonus provision	0	0
Revenue after client bonus provision	6 137	9 270
Cost of goods sold	-3 390	-4 836
Gross profit	2 747	4 434
Distribution costs	-4 200	-5 029
Administrative and general expenses	-792	-598
Other operating income (-expense)	37	117
Operating profit (loss)	-2 208	-1 076
Finance costs	-266	-366
Profit (loss) before income tax	-2 474	-1 442
Income tax expense	0	0
Net profit (loss) for the period	-2 474	-1 442
Total comprehensive income (loss) for the period	-2 474	-1 442
Basic earnings per share from net loss for the period, EUR	-0,05	-0,04



Diluted earnings per share from net loss for the period, EUR    -0,05    -0,04

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