

Company AS BALTIKA  
Type Company Release  
Category Management interim statement or quaterly financial report  
Disclosure time 16 Apr 2021 09:00:00 +0300

Attachments:

- Baltika IQ 2021.pdf (<http://oam.fi.ee/en/download?id=5413>)
- Baltika I kv 2021.pdf (<http://oam.fi.ee/en/download?id=5414>)

Currency

Title Baltika's Unaudited Financial Results, First Quarter of 2021

Baltika Group ended the first quarter with a net loss of 1,655 thousand euros. The loss for the same period last year was 2,603 thousand euros. This signifies an improvement of 958 thousand euros despite the fact that 2020 first quarter was impacted from COVID-19 pandemia for less than one month opposed to current year.

The Group's sales revenue for the first quarter was 2,132 thousand euros, decreasing by 65% compared to the same period last year. Retail sales revenue in the first quarter decreased by 78%. The main reason for the decrease in retail sales was the second wave of COVID-19 and the restrictions in place in Latvia and Lithuania for full period and in Estonia fully from 11(th) March. Meanwhile e-com performance was very strong, and sales increased 89%.

The gross profit for the quarter was 873 thousand euros, decreasing by 1,874 thousand euros compared to the same period of the previous year (Q1 2020: 2,747 thousand euros) in line with the sales decrease. The company's gross profit margin was 40.9% in the first quarter, which is 3.9 percentage points lower than the margin of the first quarter of the previous year (Q1 2020: 44.8%). The decrease in gross profit margin is mainly because Estonian market was open and sales higher in January and February, which is sales period for all retails and the target set was to reduce prior year collections related inventory and increase Group's cashflow with higher sales discounts.

The Group's distribution and administrative expenses in the first quarter were 2,636 thousand euros, decreasing by 47% i.e., 2,356 thousand euros compared to the same period last year. Over 70% of the decrease in expense relates to reduction in retail costs. The head-office distribution and administrative expense decreased a further 396 thousand euros compared to same period last year as all the changes in head-office took place after first quarter 2020.



Last year pandemic that saw the closing of stores for only a few weeks in the first quarter seems now nothing compared to what happened this year when half of market (Latvia and Lithuania) have been closed since mid of December 2020. Additionally, all our Estonian offline store were completely closed from 11(th) of March while different restrictions were already in place earlier. However, despite this unpredictability and difficult business scenario, Baltika managed to reach financial stability just in time and be proactive with stock management to remain in good financial position (only 66 thousand euros withdrawn from 3 000 thousand euros limit) to look forward for opening of offline stores to show the Ivo Nikkolo clothing collection and accessories.

#### Consolidated statement of financial position

	31 March 2021	31 Dec 2020
-----		
ASSETS		
Current assets		
Cash and cash equivalents	356	1,427
Trade and other receivables	205	318
Inventories	3,651	3,467
Total current assets	4,212	5,212
Non-current assets		
Deferred income tax asset	140	140
Other non-current assets	124	111
Property, plant and equipment	1,082	1,218
Right-of-use assets	8,079	9,199
Intangible assets	609	597
Total non-current assets	10,034	11,255
TOTAL ASSETS	14,246	16,477
LIABILITIES AND EQUITY		
Current liabilities		



Borrowings	347	252
Lease liabilities	3,139	3,127
Trade and other payables	3,479	3,019
Total current liabilities	6,959	6,398
Non-current liabilities		
Borrowings	883	874
Lease liabilities	5,341	6,493
Total non-current liabilities	6,224	7,367
TOTAL LIABILITIES	13,189	13,765
EQUITY		
Share capital at par value	5,408	5,408
Reserves	3,931	3,931
Retained earnings	-6,627	-6,250
Net profit (loss) for the period	-1,655	?-377
TOTAL EQUITY	1,057	2,712
TOTAL LIABILITIES AND EQUITY	14,246	16,477

Consolidated statement of profit and loss and comprehensive income

	1Q 2021	1Q 2020
-----		
Revenue	2,132	6,137
Cost of goods sold	-1,259	-3,390
Gross profit	873	2,747



Distribution costs	-2,141	-4,200
Administrative and general expenses	-495	-792
Other operating income (-expense)	234	37
Operating profit (loss)	-1,529	-2,474
Finance costs	-126	-266
Profit (loss) before income tax	-1,655	-2,603
Income tax expense	0	0
Net profit (loss) for the period	-1,655	-2,603
Basic earnings per share from net profit (loss) for the period, EUR	-0.03	-0.05
Diluted earnings per share from net profit (loss) for the period, EUR	-0.03	-0.05

Flavio Perini  
Chairman of Management Board, CEO  
flavio.perini@baltikagroup.com  
([https://www.globenewswire.com/Tracker?data=kFHNBackukURPkBgqkS4\\_rE3af1hnX2WFHbG2wSR7vUxnJNNRHOWQAI9OIFKOeGU6s1b1ExNNPSWUeCwF6zC8DKwnyXrybbeLrWnrHmC6Ex\\_WNr6PO5HfTM0arK691F9](https://www.globenewswire.com/Tracker?data=kFHNBackukURPkBgqkS4_rE3af1hnX2WFHbG2wSR7vUxnJNNRHOWQAI9OIFKOeGU6s1b1ExNNPSWUeCwF6zC8DKwnyXrybbeLrWnrHmC6Ex_WNr6PO5HfTM0arK691F9))

