

**ADDITIONAL INFORMATION
TO THE FINANCIAL STATEMENT
FOR THE 1ST QUARTER OF THE BUSINESS YEAR 2014/2015
FROM 1 JULY 2014 TO 30 JUNE 2015**



Pursuant to the § 87 section 4 and 7 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities, the Management Board of HELIO S.A., with its registered office in Wyględy, in its full personal composition:

1. Leszek Wąsowicz – President of the Management Board
2. Justyna Wąsowicz – Vice President of the Management Board

hereby presents additional information to the interim report for **the 1st quarter of the current business year 2014/2015**. This quarterly report includes the period from **1 July 2014 to 30 September 2014**.

Pursuant to the statutes of the Company the business year of HELIO S.A. shall start on 1 July and end on 30 June.

The Company shall not prepare a consolidated financial statement.

1. Accounting principles adopted while preparing the report

The presented financial data of the Company for the 1st quarter of the business year 2014/2015 was prepared pursuant to the Accounting Act of 29 September 1994. In the current business year the Company did not change the accounting principles (policy) in relation to the principles adopted in the financial statement for the previous year.

PLN (the Polish zloty) is the currency of this report.

In order to assure the comparability of the financial data for the 1st quarter of the current business year, the analogical period from the previous business year, i.e. from 1 July 2013 to 30 September 2013 was accepted as a comparable period.

All the data presented in the statement was shown in thousand zlotys, unless otherwise specified. Operations in foreign currencies and asset and liability items were converted into the Polish zloty in accordance with the following rules:

- revenues and expenses in foreign currencies were converted in accordance with the average exchange rate determined by the Polish National Bank [NBP] for the day of the transaction,
- financial operations in foreign currencies were converted in accordance with the purchase exchange rate of currencies applied by the bank whose services the Company used,
- asset and liability items for the balance-sheet date were priced at the exchange rate determined by the Polish National Bank [NBP] of 30 September 2014.

The presented selected financial data from the balance-sheet, from the profit and loss account and cash flow account were converted from the Polish zloty into the Euro in accordance with the following rules:

- particular asset and liability items of the balance-sheet as of 30 September 2014 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 189/A/NBP/2014 of 30 September 2014, 1 EUR = PLN 4.1755,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2014 to 30 September 2014 were converted at the exchange rate that is the arithmetic average of the exchange rate of the Polish National Bank for the Euro for the last day of each month in the given period in the following way:

Table No.	Date	Exchange rate (PLN)
147/A/NBP/2014	31.07.2014	4.1640
167/A/NBP/2014	29.08.2014	4.2129
189/A/NBP/2014	30.09.2014	4.1755
Average exchange rate for 3 months	1 EUR =	4.1841

2. Information on material changes of estimated amounts

Adjustments for provisions, provisions for deferred income tax and deferred income tax assets are observed in the period analysed.

The provisions were taken up for:

- interest on receivables (PLN 14 thousand),
- financial leasing (PLN 2 thousand).

Deferred tax assets refer to:

- promoting and marketing activities (PLN 76 thousand),
- unpaid salaries and National Insurance contributions (PLN 15 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 36 thousand),
- audit of annual financial statements (PLN 3 thousand),
- allowances for uncollectible accounts (PLN 39 thousand),
- bonus of the management board (PLN 23 thousand),
- unpaid interest of banks credits (PLN 7 thousand).

Provisions for deferred income tax refer to:

- financial leasing (PLN 10 thousand).

3. Description of essential achievements or failures in the period concerned

In the 1st quarter of the current business year, the Company achieved a sales revenue at a level slightly lower than in the analogical period of the business year 2013/2014, which was PLN 12,618 thousand (the sales revenue for the period of July - September 2013 was PLN 13,255 thousand). This slight decline in sales affected the amount of the Company's profits from the sale, which was reflected both in terms of net results and EBITDA (operating profit + depreciation). In the first quarter of the financial year 2014/2015 the Issuer recorded a profit at the EBITDA level of PLN 307 thousand (compared to the profit of PLN 387 thousand for the period of July-September 2013), whereas the net result was PLN -505 thousand (compared to PLN -338 thousand for the period of July-September 2013). It should also be noted that a net loss in this period is typical of the Issuer's industry. Thus, historically speaking, the period between July and September has always been characterised by a negative net result, which is in line with the seasonal nature of profit generation in the Company.

4. Factors and events, especially of untypical nature that influence the obtained financial results

The current quarter was a typical period of summer decrease in the sales of dried nuts and fruit. This was a period when the Company prepared for the key season

for the whole industry, i.e. Christmas, which involved purchasing raw materials and creating stocks for future sales. The expected results of HELIO SA operations in the past quarter will thus be visible in the results of the following months. It should be borne in mind that, despite the market trends that popularise dried nuts and fruit in a broader context than just an irreplaceable ingredient of festive dishes, the Issuer's industry is still characterised by high seasonality closely associated with the periods of Christmas and Easter.

Among the untypical factors influencing the results of the last quarter should indicate the negative trend in raw material (dried fruits and nuts) market. Increasing raw material prices and high price pressures made a current profitability of the Issuer lower than the year before. Although the Company partially compensated the price increases with the generated margin, the Company failed to maintain previous rate of sales growth.

Simultaneously Company improved its operational efficiency and reduced financial costs, ie. interest expense. This was possible thanks to a better than last year's terms of collaboration with the banks financing the current operations of HELIO S.A. as well as a systematically decreasing investment loan balance (the following table includes a list of loan commitments of HELIO SA). The positive factor for the Issuer's results was also WIBOR for loans taken by the Issuer which was lower than in the previous year.

Table: Liabilities due to loans and borrowings of HELIO S.A. (in thousand PLN)

Liabilities in relation to other entities due to loans and borrowings	As of 30.09.2014	As of 30.09.2013
- long-term	7,848	9,396
- short-term	8,358	11,030

Source: Management of HELIO S.A.

5. Information about seasonal character or cyclical nature of the activities of the issuer in the presented period.

In the Company's activity there occurs the tendency of a significant seasonality of sale. The highest sale of nuts and dried fruits falls in the period before Christmas and Easter. The sale of nuts and dried fruits is the lowest in the summer time due to the level of accessibility of fresh fruits which in this period constitute competitive goods. At the same time, preparing to the period of increased sale, the Company purchases nuts and dried fruits in the period when the sale is the lowest. The seasonality affects the seasonal nature of generating profits and losses in each quarter of the financial year

6. Information on write-offs revaluating stocks to the net value achievable and reversing these write-offs

None.

7. Information on impairment losses on financial assets, property, plant and equipment, intangibles or other assets and reversing such impairment losses

None.

8. Information on establishing, increasing, using and releasing provisions

Releasing provisions refer to:

- interest on receivables (PLN 14 thousand),
- exchange gain (PLN 2 thousand).

9. Information on deferred income tax provisions and assets

Deferred tax assets refer to:

- promoting and marketing activities (PLN 76 thousand),
- unpaid salaries and National Insurance contributions (PLN 15 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 36 thousand),
- audit of annual financial statements (PLN 3 thousand),
- allowances for uncollectible accounts (PLN 39 thousand),
- bonus of the management board (PLN 23 thousand),
- unpaid interest of banks credits (PLN 7 thousand).

Provisions for deferred income tax refer to:

- financial leasing (PLN 10 thousand).

10. Information on material transactions of purchase and sales of property, plant and equipment

No material events referred to in this Section occurred during the period covered by this statement.

11. Information on a material liability due to the purchase of property, plant and equipment

No material events referred to in this Section occurred during the period covered by this statement.

12. Information on material settlements due to court proceedings

No material events referred to in this Section occurred during the period covered by this statement.

13. Correction of prior period errors

None.

14. Information on changes in the economic situation and business conditions which have a material influence on the fair value of financial assets and financial liabilities of the entity, regardless of whether these assets and liabilities are held at fair value or adjusted at the purchase price (depreciated cost)

During the period covered by this statement no changes were observed in the economic situation or business conditions that would have a material influence on the fair value of financial assets or liabilities of the Issuer.

15. Information on a failure to repay a credit or a loan, or breaching material terms and conditions of a credit or loan agreement, with respect to which no recovery measures were undertaken by the end of the reporting period

During the period covered by this statement no events referred to in this Section occurred with respect to which no recovery measures were undertaken.

16. Information on the conclusion by the Issuer or its subsidiary of one or many transactions with related parties if any or all of them are significant and were concluded on non arm's-length terms and conditions

HELIO S.A. did not conclude any material transactions with related parties on non arm's-length terms and conditions during the period covered by this statement.

17. In the case of financial instruments held at fair value – information on the change of the method of determining the fair value

None.

18. Information on changes in the classification of financial assets as a result of a change of the purpose or utilisation of these assets

None.

19. Information about issue, redemption and repayment of debt securities and capital securities.

No transactions connected with issue, redemption and repayment of debt securities and capital securities were carried out in the period for which this report is presented.

20. Information about declared or paid dividend

HELIO S.A. did not declare or pay dividend in the period for this report is presented.

21. Events that occurred after 30 September 2014, not included in the abridged version of the statement that may significantly influence the future financial results of the Issuer.

No events that may significantly influence the future financial results of the Issuer occurred after the date for which the quarterly financial statement was prepared.

22. Information about changes in the conditional liabilities and conditional assets that took place after the end of the last business year.

No such events took place in the period for which this statement is presented, i.e. from the end of the last business year.

23. Other information which may have a material influence on the evaluation of the economic and financial standing as well as the financial result of the Issuer

In the assessment of the Company all essentials information was included in this quarterly report.

24. Description of the organization of the capital group of the Issuer with pointing to the entities subject to consolidation.

HELIO S.A. does not form a capital group and is not a parent company.

25. Information about changes in the structure of HELIO S.A., including mergers with other entities, takeovers or sale of the entities from the Issuer's capital group, long-term investments, division, restructuring and discontinuation of activity

No such events took place.

26. The position of the Management Board in relation to the possibility of accomplishing the previously published forecasts of financial results for the given year in the light of the results presented in the quarterly report in relation to the forecasted results.

The Issuer did not publish financial result forecast for the current business year.

27. Shareholders who own directly or indirectly by means of dependent entities at least 5% of the total number of votes at the Issuer's General Meeting of Shareholders for the date of passing the quarterly report and changes in the ownership structure of significant blocks of the Issuer's share in the period from passing the previous quarterly report.

For the day of passing this quarterly report, in accordance with the knowledge of the Management Board of HELIO S.A. the structure of shareholders who own at least 5% of votes at the Issuer's General Meeting of Shareholders was as follows:

Name of the shareholder	Number of shares	Share in the share capital (%)	Number of votes at the General Meeting of Shareholders	Share in the total number of votes at the General Meeting of Shareholders (%)
Leszek Wąsowicz	3 857 000	77.14	3 857 000	77.14

In accordance with the knowledge of the Management Board, the ownership structure of the significant block of the Issuer's shares did not change in the period from passing the previous interim report.

28. List of the assets of shares of HELIO S.A. or rights to them for managing and supervising persons as of the date of passing the quarterly report with the changes in the ownership in the period from passing the previous quarterly report.

The managing and supervising persons owned the following shares of the Company, as of the date of passing this quarterly report:

Shareholder	Number of shares	Percentage (%) share in the share capital	Number of votes at the General Meeting of Shareholders	Percentage (%) share in the total number of votes at the General Meeting of Shareholders
Members of the Management Board				
Leszek Wąsowicz	3.857.000	77.1	3.857.000	77.1
Members of the Supervisory Board				
Jacek Kosiński	17.800	0.4	17.800	0.4

In accordance with the knowledge of the Management Board, no changes in the ownership of shares of HELIO S.A. of the managing and supervising persons took place in the period from passing the previous quarterly report.

29. Information on ongoing judicial proceedings, proceedings in authorities competent for arbitral proceedings or in public administration authorities

In the period for which this report is presented, the Company did not participate in any legal proceedings which a single or total value was at least 10% of the Issuer's equity capital .

30. Information about one or many transactions with affiliated entities concluded by the Issuer

HELIO S.A. did not carry out any significant transaction with an affiliated entity on other terms than market.

31. Information about granting by the Company credit securities or loans or guarantees – in total to one entity or a person dependent on this entity, if the total value of the existing securities and guarantees is equal to at least 10% of the equity capitals of the Company

The Company did not grant credit securities, loans or guarantee in the period for which this report of HELIO S.A. is presented.

32. Other information that is essential in the Issuer's opinion for the assessment of its personnel, material and financial situation and its changes that may be essentials for the assessment of the possibility of accomplishing the Issuer's liabilities

In the assessment of the Company all essentials information was included in this quarterly report.

33. List of factors that in the Issuer's assessment will influence the obtained results in the perspective of at least successive quarter of the year

The results of HELIO SA in the next quarter will be affected mainly by seasonal increase in demand for dried nuts and fruit before Christmas. Therefore, at that time the Company will seek to use its production and sales capacity, as well as over 20 years of experience in the industry as efficiently as possible. This year, as in the past years, in order to further improve its

position on the domestic market, it is planned to carry out intensive and efficient marketing activities to support the sales of the Issuer's products.

Among macroeconomic factors which influence the results of HELIO SA, the currency and the raw materials market situation is particularly worth noting. The unstable situation in this area affects negatively the activities of HELIO SA. Although the Company has the opportunity to renegotiate the prices of sold products with its customers, adapting them to current market conditions, it is a process extended in time and implying a temporary decrease in margins on the Company's sale. Due to the persistence of the negative trends in the raw-materials market, these factors seem to be one of the key challenges of next year.

To conclude, the period essential for the industry, which determines the Issuer's annual results, is before the Company. Although the main risk factors characteristic of HELIO SA operations should still be considered, including: fluctuations in raw materials prices and in foreign exchange rates, the measures taken so far combined with the leading position in the industry should help the Company overcome the temporary inconvenience. At the same time the Company will try to take advantage of the favourable trend of changing consumer habits of Poles seeking natural products, little processed, healthier, with less salt and fat content, and a higher proportion of natural ingredients or fiber. The Issuer will seek to develop its existing offer by adapting it flexibly to current market expectations.