

**ADDITIONAL INFORMATION
TO THE FINANCIAL STATEMENT
FOR THE 3RD 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 3rd quarter of the current business year 2014/2015**. This quarterly report includes the period from **1 January 2015 to 31 March 2015**.

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 3rd 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 3rd quarter of the current business year, the analogical period from the previous business year, i.e. from 1 January 2014 to 31 March 2014 was accepted as a comparable period. In case of data presented in an increasing order for three quarters of the current business year, the analogical period from 1 July 2013 to 31 March 2014 was accepted as the comparable period.

All data presented in the report are provided in thousand of zlotys, unless otherwise states. Transactions in foreign currencies, as well as positions of the assets and the liabilities have been converted in to the Polish currency following the below presented rules:

- transaction in foreign currencies are included as of a date when they were paid, if payment of the debtors and the liabilities was effected in fact on that day following the exchange rate of that day, but when the exchange rate of the date of transaction is not justifiable, following the average exchange rate announced for a particular currency by the National Bank of Poland (NBP) of a prior day of such date, and in case the average exchange rate was not calculated and announced for such day, then the exchange rate calculated and announced lately is applied for conversion,
- positions of the assets and the liabilities as of the balance sheet date have been evaluated following the NBP exchange rate announced on 31 March 2015.

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 31 March 2015 converted at the average exchange rate for the balance-sheet date determined by the Polish National Bank for the Euro, Table No. 62/A/NBP/2015 of 31 March 2015, 1 EUR = PLN 4.0890,
- particular profit and loss account items and of the cash flow account for the period from 1 July 2014 to 31 March 2015 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
212/A/NBP/2014	31.10.2014	4.2043
231/A/NBP/2014	28.11.2014	4.1814
252/A/NBP/2014	31.12.2014	4.2623
020/A/NBP/2015	30.01.2015	4.2081
040/A/NBP/2015	27.02.2015	4.1495
062/A/NBP/2015	31.03.2015	4.0890
Average exchange rate for 9 months	1 EUR =	4.1830

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:

- audit of financial statements (PLN 7 thousand),
- non-deductible VAT (PLN 3 thousand).

Deferred tax assets refer to:

- promoting and marketing activities (PLN 76 thousand),
- unpaid salaries and National Insurance contributions (PLN 29 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 33 thousand),
- allowances for uncollectible accounts (PLN 39 thousand),
- bonus of the management board (PLN 88 thousand),
- unpaid interest of banks credits (PLN 13 thousand).

Provisions for deferred income tax refer to:

- financial leasing (PLN 11 thousand).

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

In the third quarter of the current financial year, the Company achieved record-breaking in the history of the Issuer sales revenues, amounting to PLN 29 430 thousand. As compared to the data for the same period last year, HELIO S.A. increased its sales revenues by 41% (sales revenues for the period January – March 2012 amounted to PLN 26 039 thousand), and sales in volume terms increased by 37%.

The Company's sales growth has allowed for the expected economies of scale, which resulted in higher profits in compare to the corresponding period of the previous year. In the period January – March 2015 the net profit amounted to PLN 1 077 thousand, which means almost three times improvement referring to the corresponding period of last year (for the period January – March 2014 the net profit amounted to PLN 366 thousand). Simultaneously EBITDA profit increased by 67 % (from PLN 1 088 thousand in the period January – March 2014 to PLN 3 816 thousand in the period January - March 2015).

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

The financial results achieved in the third quarter of the financial year 2014/2015 were, mainly, an effect of good use of the phenomena of seasonality, typical of the industry in which the Issuer operates. As a results of this year's early date of Easter (beginning of April 2015 in comparison with end of April 2014) all of pre-Easter sales was executed over the current quarter (January – March 2015). The Issuer also tried to support sales through various forms of promotion, including cross-media campaign aimed at popularization of the Company's products in a healthy diet. Conducted promotional activities are long-term and are part of building a competitive advantage of the Issuer.

These factors were also reflected in other sections of the financial statements, including profits or balance sheet items. The shifted in time preholiday sales caused higher accounts receivable, and thus an increase in short-term credit liabilities (Table 1).

Table 1: *Liabilities from loans and credits of HELIO S.A. (in thousand PLN)*

Liabilities from loans and credits	31.03.2015	31.03.2014
- Long-term	7 073	8 622
- Short-term	28 432	14 653

Source: Management of HELIO S.A.

Regarding to macroeconomic factors one should pay attention to the still unfavorable situation on the raw-material market and currency market. Steadily rising prices of raw materials cause high pressures on the profitability of the industry, and the higher value of stocks held by the Company. Additionally this year's depreciation of the zloty against key currencies for purchases of raw materials, ie. USD (Table 2) intensified these trends , and also contributed to an increase in short-term financial assets (cash), which also contributed to the increase in the use of current loans. Another factor favorably affecting the Issuer's results were lower relative to last year, the amount of WIBOR reference rate for loans taken by the Issuer.

Table 2: A comparison of average NBP exchange rates for the USD against PLN

	Business year 2014/2015	Business year 2013/2014	Change
As of 31 March (end of 3 rd quarter of business year)	3.8125	3.0344	+26%
Average exchange rate for 3 quarters 1 July – 31 March	3.4109	3.1143	+10%

Source: Management of HELIO S.A.

Summarizing it should be noted that despite unfavourable external factors the Issuer has consistently tried to implement its objectives.

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

Establishing provisions refer to:

- bonus of the management board (PLN 185 thousand).

9. Information on deferred income tax provisions and assets

Deferred tax assets refer to:

- promoting and marketing activities (PLN 76 thousand),
- bonus of the management board (PLN 88 thousand),
- unpaid salaries and National Insurance contributions (PLN 29 thousand),
- retirement and pension pays (PLN 8 thousand),
- warehouses under construction, partially in use (PLN 15 thousand),
- leaves not taken up (PLN 33 thousand),
- allowances for uncollectible accounts (PLN 39 thousand),
- unpaid interest of banks credits (PLN 13 thousand).

Provisions for deferred income tax refer to:

- finance lease (PLN 11 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 31 March 2015, 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 essential 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 (half-yearly report SA-P 2014 of 02.03.2015).

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 interim report (half-yearly report SA-P 2014 of 02.03.2015).

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 early date of this year's Easter (end of March) resulted in the fact that in the last quarter of the current year (April – June) the Company will not record increased revenues under pre-Easter sales, and hence it will enter the period of summer sales reduction earlier than last year. Despite the prevailing market trends popularizing dried fruits and nuts in daily, yearlong diet, it should be remembered that pre-holiday demand is still a major generator of revenue and

profits for the branch. It is typical for the Issuer's industry and thus entered into the seasonal nature of income generation.

As regards the macroeconomic factors affecting the results of HELIO S.A. a special attention should be paid to the situation prevailing in the raw material and currency markets. Increasing prices of raw materials, and an unstable rate of exchange of the Polish currency, especially in relation to USD, which is purchased by the Issuer most of the raw materials, affect negatively on the activities of the Issuer. Although the company has the opportunity to renegotiate the prices of sold products with its customers, adapting them to current market conditions, it is the process extended in time and implying a temporary decrease in margins on the Company's sale. Due to the steady increase in raw material prices, as well as this year's depreciation of the domestic currency against the USD , should also expect higher than in the previous year value of stocks.

Due to this year's change the rules on food labeling, in the last quarter of the financial year may experience higher than normal write-downs of stocks from the annual inventory. Changes in the regulations was in fact the cause for the launching many new packaging designs, in particular private label products, and thereby partially obsolete old packaging held by the Issuer. It is also worth mentioning that HELIO SA is one of the leading manufacturers of private label products in the branch.

Despite the adverse factors in the next quarter, the Company is planning to continue the hitherto assumed strategy of development, including offering products at the best possible prices for the market, but without a detriment of implemented standards of production quality, brand image, as well as the economic interests of the Issuer. The Company will also try to make the best use possible of its potential, including launched new products and campaigns promoting a consumption of the Issuer's products in a healthy daily diet.