

26 April 2019
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

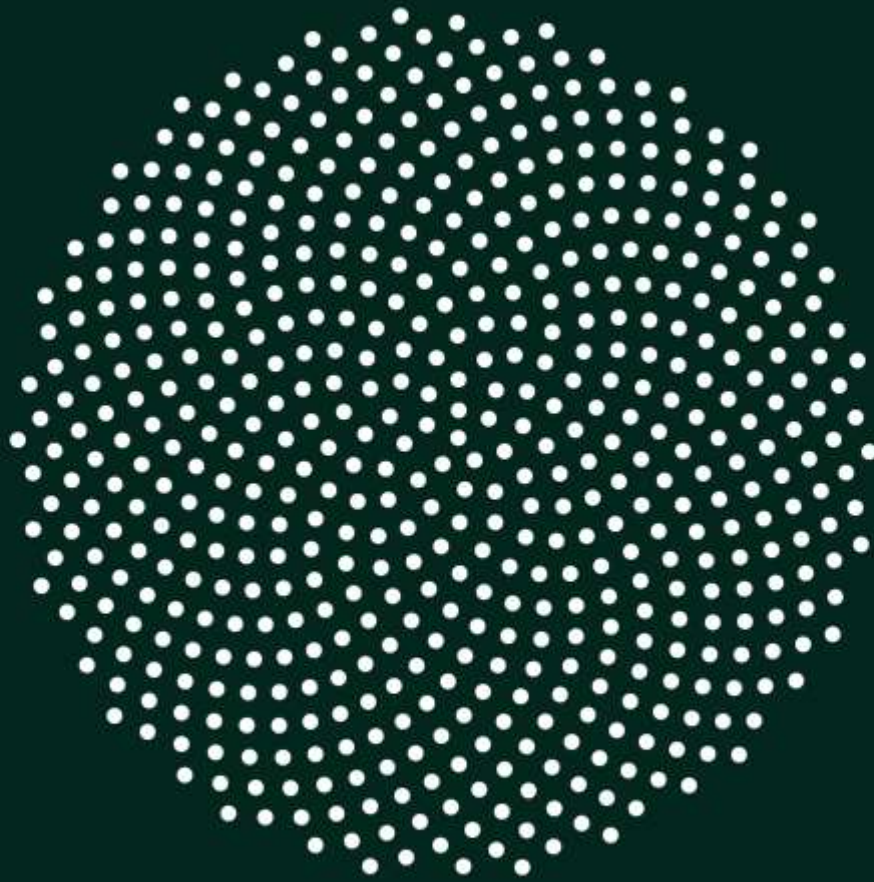
Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the three months of 2019 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flow of APB Apranga, as well as of Apranga Group consolidated companies.

Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Saulius Bačasuskas





APRANGA

G R O U P

APB APRANGA Interim Consolidated Financial Statements
For the Three months period ended 31 March 2019

(UNAUDITED)

INFORMATION ABOUT COMPANY

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius

NAME OF THE COMPANY	Apranga APB
LEGAL FORM	Public limited liability company
DATE OF REGISTRATION	1 st March 1993
CODE OF COMPANY	121933274
SHARE CAPITAL	EUR 16 034 668.40
REGISTERED OFFICE	Ukmerges 362, LT-14311 Vilnius, Lithuania
NAME OF REGISTER OF LEGAL ENTITIES	Registrų centras VJ, Vilnius branch
TELEPHONE NUMBER	+370 5 239 08 08
FAX NUMBER	+370 5 239 08 00
E-MAIL	info@apranga.lt
INTERNET ADDRESS	www.aprangagroup.lt
MAIN ACTIVITIES	Retail trade of apparel
AUDITOR	ERNST & YOUNG BALTIC UAB

T A B L E O F C O N T E N T

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius

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FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2019

(all tabular amounts are in EUR thousands unless otherwise stated)

REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group amounted to EUR 49.8 million in 1st quarter 2019 or by 6.9% more than in 2018. The largest increase in turnover was recorded in Lithuania – by 13.7% (+8.1% over two years), while in Latvia turnover decreased by 5.3%, mainly due to 7 stores closed. In Estonia, turnover grew moderately (+1.8%).

According to EUROSTAT data, the retail trade (except of motor vehicles, motorcycles and fuel) in Baltic States in 3 months 2019 had rapid growth rate (about 4%) in all three Baltic States (in 3 months 2018 the retail trade grew at lower rate of 2-4%). European Union (28 countries) retail trade in 1st quarter 2019 increased by 3% (1st quarter 2018: 2%).

The retail turnover of the Group stores by countries in the 3 months 2019 was (EUR thousand, VAT included):

Country	3 months 2019	3 months 2018	3 months 2017	2019/2018, %	2019/2017, %
Lithuania	30 510	26 837	28 227	13,7%	8,1%
Latvia	10 713	11 309	11 363	-5,3%	-5,7%
Estonia	8 566	8 414	8 254	1,8%	3,8%
Total:	49 790	46 560	47 843	6,9%	4,1%

The retail turnover of the Group stores by chains in 3 months 2019 was as follows (EUR thousand, VAT included):

Chain	3 months 2019	3 months 2018	3 months 2017	2019/2018, %	2019/2017, %
Economy ¹	6 596	6 469	6 675	2,0%	-1,2%
Youth ²	10 300	8 718	8 953	18,2%	15,0%
Footwear	1 328	1 250	1 239	6,3%	7,2%
Business ³	9 284	8 811	9 320	5,4%	-0,4%
Luxury ⁴	5 368	5 079	5 697	5,7%	-5,8%
Zara	14 596	14 069	13 692	3,7%	6,6%
Outlets	2 318	2 165	2 267	7,1%	2,3%
Total	49 790	46 560	47 843	6,9%	4,1%

¹ Apranga, Promod, s.Oliver, Tom Tailor, Orsay;

² Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho;

³ City, Massimo Dutti, Strellson, Marella, Pennyblack, Coccinelle, Tommy Hilfiger, Zara Home, Karen Millen, Calvin Klein Underwear;

⁴ Burberry, Emporio Armani, Hugo Boss, Ermenegildo Zegna, MaxMara, Weekend MaxMara, A|X Armani Exchange, Marina Rinaldi, Mados linija, Nude, Sandro, Maje.

In 1st quarter 2019, the highest turnover growth was reached by Youth chain (+18.2%). In the two-year period, highest turnover increase was recorded by Youth chain too (+15.0%).

During the three months 2019, the Group opened 4 stores (MAX&Co stores in Panorama shopping center in Vilnius and in Akropolis shopping center in Kaunas, Moskito store in Spice shopping center in Riga, and Nude Men store in Tallinn), renovated 3 stores (Aprangos galerija and s.Oliver stores in Panorama shopping center in Vilnius, and Mados linija store in Vilnius) and closed 8 stores. The total capital expenditure of the Group amounted to EUR 4.8 million (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

Country	31 03 2019	31 03 2018	31 03 2017	2019/2018, %	2019/2017, %
Lithuania	111	107	107	3,7%	3,7%
Latvia	38	45	47	-15,6%	-19,1%
Estonia	29	29	29	0,0%	0,0%
Total:	178	181	183	-1,7%	-2,7%

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(all tabular amounts are in EUR thousands unless otherwise stated)

The number of stores by chains was as follows:

Chain	31 03 2019	31 03 2018	31 03 2017	2019/2018, %	2019/2017, %
Economy	31	36	33	-13,9%	-6,1%
Youth	42	44	47	-4,5%	-10,6%
Footwear	13	14	15	-7,1%	-13,3%
Business	44	39	40	12,8%	10,0%
Luxury	28	27	27	3,7%	3,7%
Zara	11	12	12	-8,3%	-8,3%
Outlets	9	9	9	0,0%	0,0%
Total	178	181	183	-1,7%	-2,7%

The total sales area operated by the Group has decreased by 4.0% or by 3.4 thousand sq. m. during the 12 months period until 31 March 2019. In principle, the entire decrease in sales area was due to the ongoing restructuring of the chain in Latvia and the closure of seven stores in Riga. As a result, the area in Latvia decreased by almost 19%. On 4th April 2019, 11 new stores with an area of 8.5 thousand sq. m. were opened in the new Akropole shopping center in Riga. Thus, the area of stores in Riga compared to April 2018 increased by 23%.

The total area of stores by countries was as follows (thousand sq. m):

Country	31 03 2019	31 03 2018	31 03 2017	2019/2018, %	2019/2017, %
Lithuania	50,0	49,7	49,6	0,7%	0,9%
Latvia	16,4	20,2	20,8	-18,6%	-21,3%
Estonia	14,3	14,3	13,5	0,0%	6,1%
Total:	80,7	84,1	83,9	-4,0%	-3,8%

From 1 January 2019, the Company implemented a new International Financial Reporting Standard (IFRS) 16 "Leases". Due to the application of this standard, the Group's and Company's rent expenses decreased but depreciation and amortization charges and interest expenses increased. Accordingly, it also influenced the calculation of indicators. The impact of the new standard on the Statements of Comprehensive Income and Statements of Financial Position is disclosed in more detail in Note 6, IFRS 16 Leases.

In 3 months 2019, the Group had EUR 0.8 million of *loss before income tax*, while the Group had the loss before taxes of EUR 1.2 million in 3 months of 2018 (-34%). The negative impact of IFRS 16 "Leases" on the Group's profit before tax amounted to EUR 140 thousand in Q1 2019.

EBITDA of the Group was EUR 3.8 million in 3 months 2019, and it was EUR 0.4 million in corresponding previous year period. The positive impact of IFRS 16 "Leases" on the Group's EBITDA ratio was EUR 3.0 million. EBITDA margin increased from 1.0% to 9.3% during the year.

Main Group Indicators	3 months 2019	3 months 2018	3 months 2017
Net sales	41 158	38 317	38 884
Net sales in foreign markets	15 951	16 292	15 733
Like-for-like sales, %	7,4%	-4,9%	2,0%
Gross profit	15 500	14 172	16 862
Gross margin, %	37,7%	37,0%	43,4%
Operating profit (loss)	(625)	(1 236)	2 220
Operating profit margin, %	-1,5%	-3,2%	5,7%
EBT	(825)	(1 244)	2 215
EBT margin, %	-2,0%	-3,2%	5,7%
Profit (loss) for the period	(789)	(1 233)	1 773
Profit for the period margin, %	-1,9%	-3,2%	4,6%
EBITDA	3 827	366	3 834
EBITDA margin, %	9,3%	1,0%	9,9%
Return on equity (end of the period), %	-1,4%	-2,1%	3,2%
Return on assets (end of the period), %	-0,6%	-1,6%	2,4%
Net debt to equity, %	107,8%	-1,7%	-2,1%
Current ratio, times	1,5	3,0	2,9

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The operating expenses of the Group totaled EUR 16.1 million for 3 months 2019 and increased by 4.7%, comparing to the same period 2018 (sales increased by 7.4% for comparison). The Group had EUR 1.0 million of debts to financial institutions at the end of the reporting period (EUR 1.3 million as at 31 March 2018).

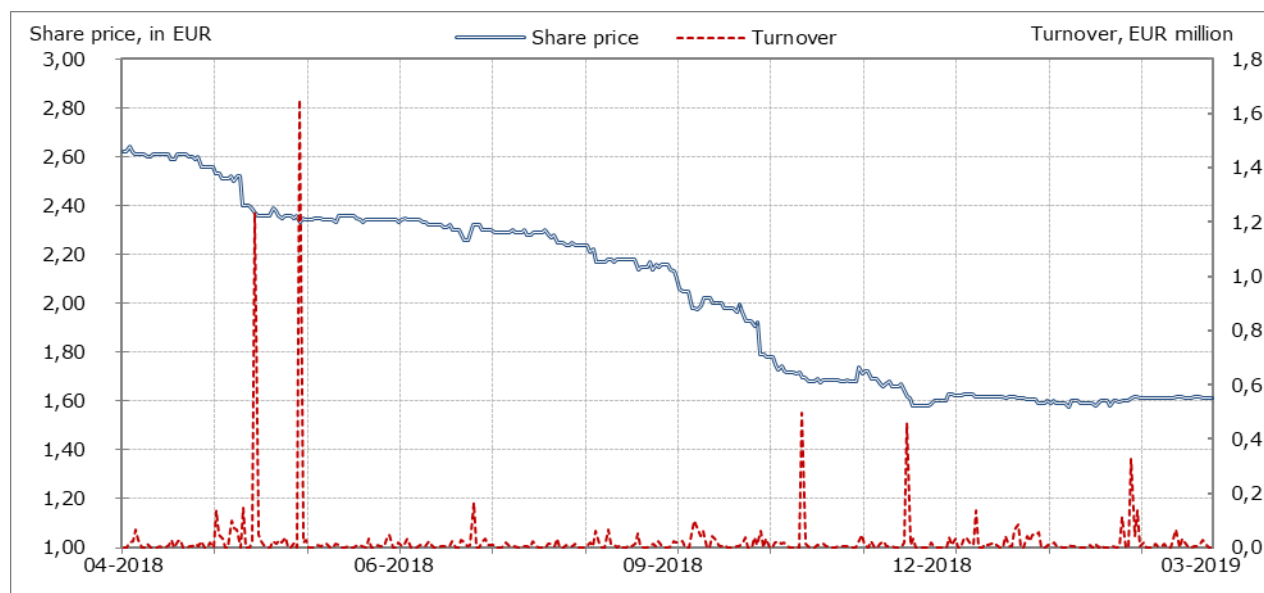
Main Group Indicators	3 months 2019	3 months 2018	Change
Net sales	41 158	38 317	7,4%
Net sales in foreign markets	15 951	16 292	-2,1%
Gross profit	15 500	14 172	9,4%
Operating (expenses)	(16 125)	(15 408)	4,7%
Operating profit (loss)	(625)	(1 236)	-49,4%
EBT	(825)	(1 244)	-33,7%
Profit (loss) for the period	(789)	(1 233)	-36,0%
EBITDA	3 827	366	945,6%

The Group's level of inventories during the year grew by 5.2% (the increase from EUR 39.7 million to EUR 41.8 million). Company's inventories grew by 3.1%.

The number of employees during the year till 31 March 2019 in the Group has increased by 19 to 2 129 (+0.9%) and increased in Company by 27 to 801 (+3.5%).

The price of the Company shares in 3 months 2019 increased by 1% from EUR 1.60 to EUR 1.61 per share. The maximum share price during the three months period was EUR 1.64 per share, minimum share price - EUR 1.56 per share. In this way, the market capitalization of the Company increased from EUR 88 million at the beginning of the year to EUR 89 million at the end of March 2019. The weighted average price of 1 share during the reporting period was EUR 1.61. Company's share turnover was EUR 1.8 million in 3 months 2019. The share price during the last 12 months period decreased from EUR 2.62 to EUR 1.61 per share, or by 39%.

Apranga APB share price in 12 months period from 1st April 2018 to 31st March 2019:



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Information about members of the Management board on 31 March 2019:

Name, Surname	Position	Number of shares owned and part in the share capital	Election date	End of term
Darius Juozas Mockus	Chairman of the Board	- -	27 04 2018	27 04 2022
Rimantas Perveneckas	Member of the Board, General Director	800 770 1.45%	27 04 2018	27 04 2022
Ilona Simkuniene	Member of the Board, Purchasing Director	- -	27 04 2018	27 04 2022
Ramunas Gaidamavicius	Member of the Board, Development Director	5 000 0.01%	27 04 2018	27 04 2022
Vidas Lazickas	Member of the Board	175 000 0.32%	27 04 2018	27 04 2022
Marijus Strončikas	Member of the Board	4 450 0.01%	27 04 2018	27 04 2022

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STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		3 months 2019	3 months 2018	3 months 2019	3 months 2018
Revenue from contracts with customers	7	41 158	-	19 108	-
Revenue	3	-	38 317	-	15 745
Cost of sales		(25 658)	(24 145)	(12 827)	(11 246)
GROSS PROFIT		15 500	14 172	6 281	4 499
Operating (expenses)		(16 129)	(15 594)	(6 549)	(5 940)
Other income		12	180	12	1 096
Net foreign exchange gain (loss)		(8)	6	(8)	6
OPERATING PROFIT (LOSS)		(625)	(1 236)	(264)	(339)
Finance income (costs)	6, 8	(200)	(8)	(96)	(8)
PROFIT (LOSS) BEFORE INCOME TAX		(825)	(1 244)	(360)	(347)
Income tax (expense)		36	11	(27)	(129)
PROFIT (LOSS) FOR THE YEAR	3	(789)	(1 233)	(387)	(476)
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(789)	(1 233)	(387)	(476)
Total comprehensive income attributable to:		(789)	(1 233)	(387)	(476)
Owners of the Company		(789)	(1 233)	(387)	(476)
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		(0,01)	(0,02)	(0,01)	(0,01)

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(all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	31 03 2019	31 12 2018	31 03 2019	31 12 2018
Property, plant and equipment	4	26 470	23 257	14 920	15 116
Intangible assets		196	166	195	165
Investments in subsidiaries	5	-	-	4 963	4 913
Prepayments		829	733	171	80
Trade and other receivables		8	8	8	8
Right of use the assets	6	62 392	-	30 122	-
Financial assets		2 000	2 000	2 000	2 000
Total non-current assets		91 895	26 164	52 379	22 282
CURRENT ASSETS					
Inventories		41 814	40 563	23 155	21 924
Financial assets		732	732	732	732
Prepayments		1 312	1 529	681	900
Trade and other receivables		1 703	2 916	10 879	9 798
Cash and cash equivalents		3 219	7 009	1 194	3 119
Total current assets		48 780	52 749	36 641	36 473
Non-current assets held for sale		190	190	190	190
TOTAL ASSETS	3	140 865	79 103	89 210	58 945
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	31 03 2019	31 12 2018	31 03 2019	31 12 2018
Ordinary shares		16 035	16 035	16 035	16 035
Legal reserve		1 604	1 604	1 604	1 604
Foreign currency translation reserve		(53)	(53)	-	-
Retained earnings		38 389	39 178	28 826	29 213
Total equity		55 975	56 764	46 465	46 852
NON-CURRENT LIABILITIES					
Borrowings	8	725	800	725	800
Deferred tax liabilities		1 348	1 436	339	311
Financial lease liabilities	6	50 533	-	24 791	-
Non-current employee benefits		391	552	391	552
Total non-current liabilities		52 997	2 788	26 246	1 663
CURRENT LIABILITIES					
Borrowings	8	300	300	3 904	2 878
Financial lease liabilities	6	11 999	-	5 386	-
Current income tax liability		87	38	1	1
Trade and other payables		19 507	19 213	7 208	7 551
Total current liabilities		31 893	19 551	16 499	10 430
Total liabilities		84 890	22 339	42 745	12 093
TOTAL EQUITY AND LIABILITIES		140 865	79 103	89 210	58 945

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STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2018		16 035	1 604	(53)	41 013	58 599
Comprehensive income:						
Loss for the 3 months 2018	3				(1 233)	(1 233)
Balance at 31 March 2018		16 035	1 604	(53)	39 780	57 366
Balance at 1 January 2019		16 035	1 604	(53)	39 178	56 764
Comprehensive income:						
Loss for the 3 months 2019	3				(789)	(789)
Balance at 31 March 2019		16 035	1 604	(53)	38 389	55 975

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2018		16 035	1 604	29 519	47 158
Comprehensive income:					
Loss for the 3 months 2018				(476)	(476)
Balance at 31 March 2018		16 035	1 604	29 043	46 682
Balance at 1 January 2019		16 035	1 604	29 213	46 852
Comprehensive income:					
Loss for the 3 months 2019				(387)	(387)
Balance at 31 March 2019		16 035	1 604	28 826	46 465

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STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		3 months 2019	3 months 2018	3 months 2019	3 months 2018
Profit (loss) before income taxes		(825)	(1 244)	(360)	(347)
ADJUSTMENTS FOR:					
Depreciation and amortization	6	4 452	1 602	2 053	693
Impairment charge (reverse)		(21)	-	(21)	-
Change in allowances for slow-moving inventories		(12)	84	9	(38)
(Gain) on disposal of property, plant and equipment		(8)	-	(3)	-
Write-off of property, plant and equipment		43	3	35	-
Interest income, net of interest expenses	6	200	(4)	96	(9)
Total		3 829	441	1 809	299
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		(1 239)	(1 595)	(1 240)	(2 236)
Decrease (increase) in receivables		1 334	(53)	(1 660)	72
Increase (decrease) in payables		133	(1 495)	(504)	(310)
Cash generated from operations		4 057	(2 702)	(1 595)	(2 175)
Income taxes paid		(3)	(84)	1	1
Interest paid	8	(14)	(8)	(14)	(8)
Net cash from operating activities		4 040	(2 794)	(1 608)	(2 182)
INVESTING ACTIVITIES					
Interest received		7	12	11	17
Loans granted		(16 200)	(9 900)	(19 295)	(13 025)
Loans repayments received		16 200	8 300	20 002	11 370
Purchases of PPE and intangible assets	4	(4 790)	(1 921)	(610)	(1 670)
Proceeds on disposal of PPE		9	-	3	-
Proceeds on disposal of financial assets at fair value		-	933	-	933
Investment in subsidiaries	5	-	-	(50)	(50)
Net cash used in investing activities		(4 774)	(2 576)	61	(2 425)
FINANCING ACTIVITIES					
Proceeds from borrowings	8	1	-	11 768	8 793
Repayments of borrowings	8	(76)	(75)	(10 817)	(8 141)
Repayments of obligations under finance leases	6	(2 981)	-	(1 329)	-
Net cash from financing activities		(3 056)	(75)	(378)	652
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(3 790)	(5 445)	(1 925)	(3 955)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		7 009	7 763	3 119	4 799
AT THE END OF THE PERIOD		3 219	2 318	1 194	844

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(all tabular amounts are in EUR thousands unless otherwise stated)

NOTES TO INTERIM CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS

1. General information

APB Apranga, (hereinafter "the Company"), was incorporated and commenced its operations in March 1993. The Company's main office is situated in Ukmerges 362, Vilnius, Lithuania. The Company has legal form of public limited liability company under the Law on Companies of Republic of Lithuania. The principal activity of the Company and its subsidiaries (hereinafter "the Group") is retail trade of apparel.

At 31 March 2019 the Group consisted of the Company and the following 100% owned subsidiaries:

Name	Country	Ownership interest in % 31 03 2019	Ownership interest in % 31 12 2018
UAB Apranga LT	Lithuania	100%	100%
UAB Apranga BPB LT	Lithuania	100%	100%
UAB Apranga PLT	Lithuania	100%	100%
UAB Apranga SLT	Lithuania	100%	100%
UAB Apranga MLT	Lithuania	100%	100%
UAB Apranga HLT	Lithuania	100%	100%
UAB Apranga OLT	Lithuania	100%	100%
UAB Apranga Ecom LT	Lithuania	100%	100%
SIA Apranga	Latvia	100%	100%
SIA Apranga LV	Latvia	100%	100%
SIA Apranga BPB LV	Latvia	100%	100%
SIA Apranga PLV	Latvia	100%	100%
SIA Apranga SLV	Latvia	100%	100%
SIA Apranga MLV	Latvia	100%	100%
SIA Apranga HLV	Latvia	100%	-
SIA Apranga OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga ¹	Estonia	100%	100%
OU Apranga Estonia	Estonia	100%	100%
OU Apranga BEE	Estonia	100%	100%
OU Apranga PB Trade	Estonia	100%	100%
OU Apranga ST Retail	Estonia	100%	100%
OU Apranga MDE	Estonia	100%	100%
OU Apranga HEST	Estonia	100%	100%
OU Apranga Ecom EE	Estonia	100%	100%

¹ 100 % jointly with OU Apranga Estonia

All 55 291 960 ordinary shares of nominal value EUR 0.29 each (ISIN code LT0000102337) that comprise Company share capital are listed on Baltic equity list of Nasdaq Vilnius Stock Exchange.

At 23 April 2019 the Company had 2 967 shareholders. Company shareholders which owned or had under management more than 5% of share capital were:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	34 442 189	62,3%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	5 942 826	10,7%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 779 762	6,8%

The ultimate parent company whose financial statements are available for public use is UAB Koncernas MG Baltic. The ultimate controlling individual of the Group is Mr. D. J. Mockus.

2. Basis of preparation and summary of main accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The principle accounting policies applied in the preparation of Interim financial statements are the same to those applied in preparation of the Annual financial statements.

In the financial statements all figures are presented in thousands of euro, unless indicated otherwise.

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3. Segment information

Management has determined the operating segments based on the reports reviewed by the General Director and other 6 Directors (responsible for managing, sales and marketing, human resources, purchases, development and finance) that are used to make strategic decisions.

All financial information, including the measure of profit and total assets, is analyzed on a country basis.

The segment information provided to the Directors for the reportable segments for the 3 months 2019 is as follows:

3 months 2019	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	29 888	9 214	7 340	46 442	-	
Inter-segment revenue	(4 763)	(401)	(202)	(5 366)	-	
Revenue from external customers (note 7)	25 125	8 813	7 138	41 076	-	41 076
Gross margin	37,6%	37,0%	37,9%	37,5%		37,5%
Profit (loss) for the year	(193)	(189)	(407)	(789)	-	(789)
Total assets	109 644	22 982	21 623	154 249	(13 384)	140 865
Additions to non-current assets (other than financial instruments and prepayments for leases)	639	4 133	21	4 793	(3)	4 790

3 months 2018	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	26 187	9 526	7 199	42 912	-	
Inter-segment revenue	(4 162)	(246)	(187)	(4 595)	-	
Revenue from external customers	22 025	9 280	7 012	38 317	-	38 317
Gross margin	37,2%	35,9%	37,6%	37,0%		37,0%
Profit (loss) for the year	(532)	(315)	(386)	(1 233)	-	(1 233)
Total assets	69 366	12 726	10 419	92 511	(15 747)	76 764
Additions to non-current assets (other than financial instruments and prepayments for leases)	1 754	103	64	1 921	-	1 921

4. Investments into non-current assets

Net investments of the Group amounted to EUR 4.8 million in 3 months 2019. The Company's investments have reached EUR 0.6 million, daughter companies – EUR 4.2 million.

5. Investments into subsidiaries

In March 2019, the Company established a subsidiary SIA APRANGA HLV, which will operate Zara Home stores in Latvia. The share capital of the subsidiary is EUR 50 thousand. All shares have been fully paid in cash. The Company controls 100% of the subsidiary's capital and voting rights.

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6. IFRS 16 "Leases"

New IFRS 16 "Leases" is effective for annual periods beginning on 1 January 2019. The Group and the Company apply the new standard using the modified retrospective approach, which means that comparative figures are not restated. IFRS 16 has a significant impact on the Group's and the Company's Statements of financial position and moderate impact on Statement of comprehensive income.

The impact on the Statement of financial position (increase / (decrease)) as of 31 March 2019:

	GROUP	COMPANY
ASSETS:		
Right of use the assets	62 392	30 122
NON-CURRENT LIABILITIES:		
Financial lease liabilities	50 533	24 791
CURRENT LIABILITIES:		
Financial lease liabilities	11 999	5 386
Impact on Equity	(140)	(55)

The impact on the Statement of comprehensive income (increase / (decrease)) for Q1 2019:

	GROUP	COMPANY
Depreciation expenses	2 928	1 291
Rent expenses	(2 981)	(1 329)
OPERATING PROFIT	53	38
Finance costs	(193)	(93)
PROFIT FOR THE YEAR	(140)	(55)

7. Income

For the Q1 2019 revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	2019	2018	2019	2018
Stores income	41 076	-	13 476	-
Wholesale income	-	-	4 573	-
Management fees	-	-	1 019	-
Gain from disposal of fixed assets, net	8	-	3	-
Other income	74	-	37	-
Total revenue from contracts with customers	41 158	-	19 108	-

8. Borrowings

In August and November 2017, the Company and SEB bank signed the amendments to the previously concluded credit line agreement. According to these amendments, the earlier credit line of EUR 20 500 thousand was reduced to EUR 20 000 thousand, and together a new long-term EUR 1 500 thousand business credit was issued. Credit repayment terms, respectively, 30 November 2019 and 23 August 2022. The interests are paid for the amount used, and the interest rate is calculated as 1-3 months EURIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In October 2018, the Company and LUMINOR bank have signed the new financial liability limit agreement, which replaced the previous overdraft facility and general agreement on bank's guarantees. Under the new agreement, the financial liability limit is EUR 15 000 thousand, limit expires on 30 June 2020. For the drawdown amount of the overdraft a floating interest rate calculated as the 1-month EURIBOR plus margin is being paid. There is fixed interest rate set for amount used for the issuance of guarantees.

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9. Guarantees and letters of credit

As of 31 March 2019, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 798 thousand (31 December 2018: EUR 14 661 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2019 amounted to EUR 16 513 thousand (31 December 2018: EUR 16 078 thousand).

As of 31 March 2019, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 737 thousand (31 December 2018: EUR 761 thousand).

10. Alternative performance measures

With regard to the requirements of the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures, Apranga APB provides an overview of the Alternative Performance Measures (APM) used, their definition and calculation on Apranga APB website at: <http://aprangagroup.lt/en/investors/investor-relations/alternative-performance-measures>.

11. Events after the reporting period

On 4th April 2019, the Group opened 11 new stores in the Latvian capital of Riga with a total sales area of over 8.5 thousand sq. m. New Apranga, Zara, Bershka, Pull&Bear, Stradivarius, Massimo Dutti, Oysho, Mango, Orsay, Moskito and Aldo stores opened at the Riga Akropole shopping center. So, the retail floor area in Riga increased by nearly a quarter – 23% – compared to April 2018.

On 8th April 2019, The Board of Directors proposed a dividend of EUR 0.13 per share to be paid to the shareholders. This dividend is subject to approval by the shareholders at the Annual Shareholder's Meeting, which should be held on 30th April 2019.