

30 July 2020
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Financial Statements for the six months 2020 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.

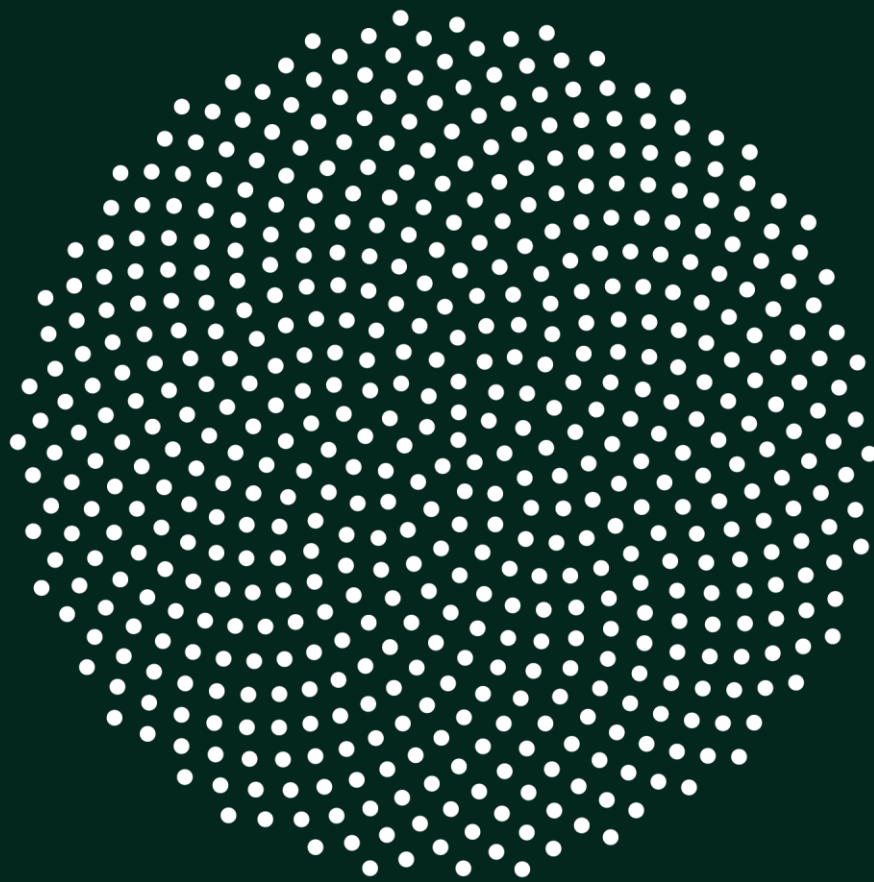
As well we confirm that by our knowledge Consolidated Report for the six months 2020 includes a fair review of the development and performance of the business of APB Apranga and Apranga Group in relation to the description of the main risks and contingencies faced thereby.

Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Saulius Bačauskas





APRANGA

G R O U P

APB APRANGA The Consolidated Interim Report and
Interim Consolidated Financial Statements
For the Six months period ended 30 June 2020

(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	Registru centras VJ, Vilnius branch
TELEPHONE NUMBER	+370 5 239 08 08
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

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INTERIM CONSOLIDATED REPORT

GENERAL INFORMATION

Interim consolidated report is prepared for the period January – June 2020.

Name of the Issuer:	APB Apranga
Legal form:	public limited liability company
Date and place of registration:	1993 03 01 Board of Vilnius City
Code of Enterprise:	121933274
Registered office:	Ukmerges str. 362, Vilnius, LT-14311, Lithuania
Telephone number:	+370 5 2390808
E-mail address:	info@apranga.lt
Internet address:	http://aprangagroup.lt

At 30 June 2020 Apranga Group (hereinafter - the Group) consisted of the parent company APB Apranga (hereinafter - the Company) and its wholly owned subsidiaries listed below. The principal activity of the Company and its subsidiaries is retail trade of apparel.

Name	Country	Ownership interest in % 30 06 2020	Ownership interest in % 31 12 2019
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%	100%
SIA Apranga OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga*	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 The Company directly owns 14.91% shares and indirectly through its subsidiary OU Apranga Estonia owns the rest 85.09% of shares.

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.

OPERATING HIGHLIGHTS

The retail turnover (including VAT) of Apranga Group reached EUR 86.7 million in 1st half 2020 or by 22.2% less than in 1st half 2019.

Based on the Government of the Republic of Lithuania act regarding quarantine declaration, from 16th March 2020 until 18th April 2020 all Apranga Group stores in Lithuania were closed due to epidemic coronavirus (COVID-19) infection (stores in supermarkets were closed until 25th April 2020). Also, according to the resolution of the Government of the Republic of Estonia, all Group stores operating in shopping malls in Estonia were closed from 27th March 2020 until 11th May 2020. From 28th March 2020 until 16th May 2020, stores in Latvia operating in shopping malls could not work on weekends. **These temporary store closures had a significant impact on the Group's generated turnover, earned profit and, accordingly, financial performance.**

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According to EUROSTAT data, the retail trade (except of motor vehicles, motorcycles and fuel) in Baltic States in 6 months 2020 grew in Estonia (+3%) and in Lithuania (+1%). In Latvia, the retail trade remained at the level of the corresponding period of last year. However, the negative effects of COVID-19 on trade are particularly pronounced on a quarterly basis. In 2nd quarter 2020, retail trade in all three countries fell by about 2-3%. European Union (28 countries) retail trade in 1st half 2020 decreased by 3%, when in 2nd quarter 2020 the decline was 6% (for comparison, in 1st half 2020 and in 2nd quarter 2020, retail trade grew by 3% and 2%, respectively).

The retail turnover of the Group's stores in first half of 2020 by countries was as follows (EUR thousand, VAT included):

Country	6 months 2020	6 months 2019	6 months 2018	2020/2019, %	2020/2018, %
Lithuania	50 658	64 485	58 862	-21,4%	-13,9%
Latvia	22 029	25 435	23 913	-13,4%	-7,9%
Estonia	14 047	18 719	18 469	-25,0%	-23,9%
Total:	86 734	108 639	101 243	-20,2%	-14,3%

The retail turnover of the Group's stores by countries during the second quarter of 2020 was (EUR thousand, VAT included):

Country	Q2 2020	Q2 2019	Q2 2018	2020/2019, %	2020/2018, %
Lithuania	23 864	33 974	32 025	-29,8%	-25,5%
Latvia	10 756	14 722	12 604	-26,9%	-14,7%
Estonia	6 267	10 153	10 055	-38,3%	-37,7%
Total:	40 887	58 849	54 683	-30,5%	-25,2%

The online turnover of the Group's stores in first half of 2020 was as follows (EUR thousand, VAT included):

	6 months 2020	6 months 2019	2020/2019, %
Online turnover	10 043	4 104	2.5 times
Relative weight in total turnover	11,6%	3,8%	

The Group's online turnover increased 2.5 times in the first half of the year, and its relative weight in total turnover increased from 3.8% to 11.6% compared to the corresponding period of the previous year. Online turnover increased particularly significantly due to the temporary closure of physical stores during the quarantine period caused by COVID-19.

The retail turnover of the Group's stores by chains in first half of 2020 was as follows (EUR thousand, VAT included):

Chain	6 months 2020	6 months 2019	6 months 2018	2020/2019, %	2020/2018, %
Economy ¹	10 064	14 190	14 064	-29,1%	-28,4%
Youth ²	19 746	24 572	20 837	-19,6%	-5,2%
Footwear	1 963	3 302	3 155	-40,5%	-37,8%
Business ³	15 667	18 845	17 397	-16,9%	-9,9%
Luxury ⁴	9 978	10 477	10 032	-4,8%	-0,5%
Zara	25 613	32 346	30 815	-20,8%	-16,9%
Outlets	3 702	4 907	4 943	-24,6%	-25,1%
Total	86 734	108 639	101 243	-20,2%	-14,3%

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

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

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

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

In 1st half 2020, the turnover of all chains decreased significantly due to the imposed trade restrictions. And although the turnover of Luxury chain decreased by only 4.8%, such a relatively small decrease in turnover was significantly influenced by the

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sharp increase in online sales of prestige goods via the international Farfetch platform. After eliminating online sales, the drop in turnover in the physical stores of the Luxury chain was 22.9%.

In 6 months 2020, Apranga Group opened 4 stores, renovated 5 stores and closed 6 stores.

The capital expenditure of the retail chain expansion amounted to EUR 2.7 million in first half 2020 (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	30 06 2020	30 06 2019	30 06 2018	2020/2019, %	2020/2018, %
Lithuania	106	111	110	-4,5%	-3,6%
Latvia	51	49	44	4,1%	15,9%
Estonia	27	29	29	-6,9%	-6,9%
Total:	184	189	183	-2,6%	0,5%

The number of stores by chains was as follows:

Chain	30 06 2020	30 06 2019	30 06 2018	2020/2019, %	2020/2018, %
Economy	35	33	36	6,1%	-2,8%
Youth	45	48	45	-6,3%	0,0%
Footwear	13	14	14	-7,1%	-7,1%
Business	41	45	40	-8,9%	2,5%
Luxury	30	28	27	7,1%	11,1%
Zara	11	12	12	-8,3%	-8,3%
Outlets	9	9	9	0,0%	0,0%
Total	184	189	183	-2,6%	0,5%

The total *sales area* operated by the Group has increased by 3.3% or by 3.0 thousand sq. m during the year period until 30 June 2020. The growth of the sales area was mainly due to the restructuring of the chain in Latvia in 2019.

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

Country	30 06 2020	30 06 2019	30 06 2018	2020/2019, %	2020/2018, %
Lithuania	50,4	50,0	50,1	0,6%	0,4%
Latvia	27,4	25,2	20,0	8,7%	37,0%
Estonia	15,6	15,1	14,3	3,4%	9,4%
Total:	93,4	90,4	84,4	3,3%	10,6%

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 some indicators.

In six months 2020, The Group had EUR 0.5 million of *loss before income tax*, while the Group had the profit before taxes of EUR 3.7 million in six months of 2019.

Management estimates that due to the COVID-19 pandemic and the temporary closure of stores, the Group lost about EUR 30-32 million of turnover (including VAT), did not receive about EUR 13-14 million of gross profit and did not earn about 4-5 million of profit before income tax in March-May 2020.

EBITDA of the Group was EUR 10.2 million in six months 2020, and it was EUR 13.2 million in corresponding previous year period. EBITDA margin has decreased from 14.7% to 14.0% during the year.

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Main Group Indicators	6 months 2020	6 months 2019	6 months 2018
Net sales	72 950	89 840	83 237
Net sales in foreign markets	30 163	36 586	34 987
Like-for-like sales, %	-	4,5%	0,5%
Gross profit	29 113	38 704	35 208
Gross margin, %	39,9%	43,1%	42,3%
Operating profit (loss)	49	4 061	2 668
Operating profit margin, %	0,1%	4,5%	3,2%
EBT	(492)	3 666	2 653
EBT margin, %	-0,7%	4,1%	3,2%
Profit (loss) for the period	(579)	2 996	2 144
Profit for the period margin, %	-0,8%	3,3%	2,6%
EBITDA	10 186	13 196	5 898
EBITDA margin, %	14,0%	14,7%	7,1%
Return on equity (end of the period), %	-1,0%	5,7%	4,2%
Return on assets (end of the period), %	-0,4%	2,2%	3,0%
Net debt to equity, %	91,8%	121,2%	-3,5%
Current ratio, times	1,4	1,4	2,4

The decline in the Group's *gross margin* in 6 months 2020 was determined by the suspension of trading at regular season prices for a period of 40-45 days and an earlier period of sale of goods. The *operating expenses* of the Group totaled EUR 29.1 million in 6 months 2020 and decreased by 16.1%, comparing to the same period 2019. Thus, operating expenses decreased in line with sales, which dropped by 18.8%. The Group had EUR 0.7 million of *debts to financial institutions* at the end of the reporting period (EUR 3.7 million at 30 June 2019). The decision of the Group's shareholders not to pay dividends for 2019 had a significant impact on the decrease in debts to financial institutions.

Main Group Indicators	6 months 2020	6 months 2019	Change
Net sales	72 950	89 840	-18,8%
Net sales in foreign markets	30 163	36 586	-17,6%
Gross profit	29 113	38 704	-24,8%
Operating (expenses)	(29 064)	(34 643)	-16,1%
Operating profit (loss)	49	4 061	-98,8%
EBT	(492)	3 666	-113,4%
Profit (loss) for the period	(579)	2 996	-119,3%
EBITDA	10 186	13 196	-22,8%

The Group's *level of inventories* during the last 12 months decreased by 15% to EUR 32.1 million. Company's inventories decreased by 10%. Inventories declined due to timely stopped the purchases of new goods following the COVID-19 pandemic.

The number of employees at 30 June 2020 and the average monthly salary by categories in 1st half 2020 were as follows:

Employee category	Group	Company	Group	Company
	Number of employees		Average monthly salary, EUR	
Administration	174	113	1 672	2 625
Stores' personnel	1 789	537	554	989
Logistics	59	59	1 228	1 228
Total	2 022	709	930	1 267

The number of employees during the year till 30 June 2020 in the Group has decreased by 356 to 2 022 (-15.0%) and has decreased in Company by 106 to 709 (-13.0%). The decrease in the number of employees was due to the natural turnover of employees due to the specifics of the job and the reduction of the recruitment of new employees. The need for staff decreased due to the restructuring of the chain, the reduction of shopping center opening hours during the epidemic and the decrease in customer flows.

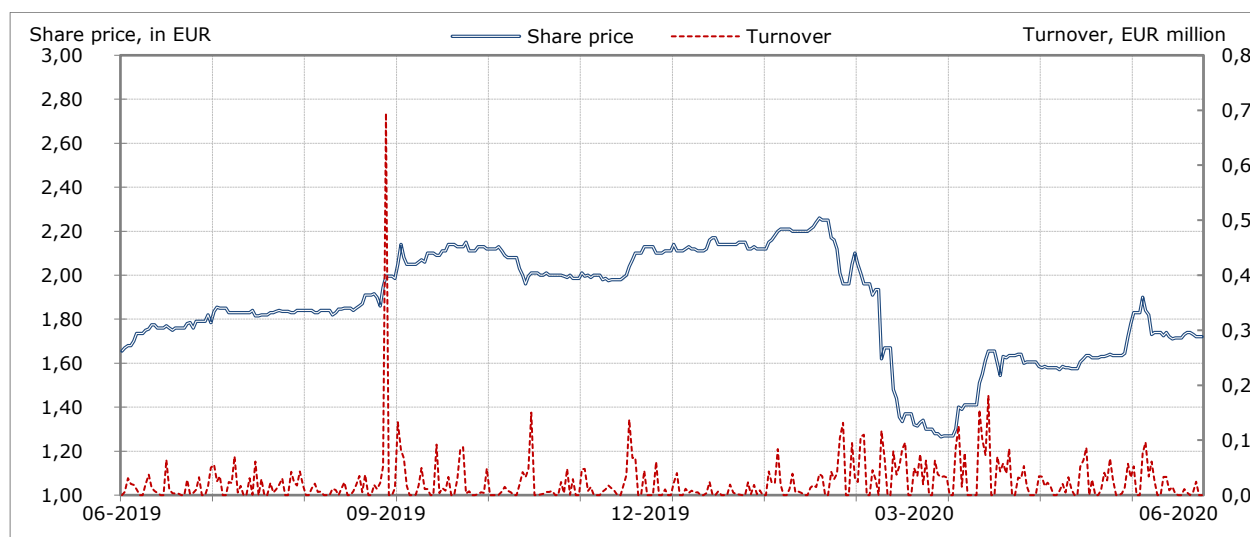
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Education of employees by categories on 30 June 2020 was as follows:

Education level	Group	Company
Higher	409	229
Professional	277	127
Secondary	461	138
Primary	39	3
Student	836	212
Total:	2 022	709

The price of the Company shares in 6 months 2020 decreased by 18% from EUR 2.11 per share to EUR 1.73 per share. The maximum share price during the six months period was EUR 2.29 per share, minimum share price - EUR 1.25 per share. The market capitalization of the Company decreased from EUR 117 million at the beginning of the year to EUR 96 million at the end of June 2020. The weighted average price of 1 share during the reporting period was EUR 1.78. Company's share turnover was EUR 8.7 million in 6 months 2020. The share price during the last 12 months increased from EUR 1.66 to EUR 1.73 per share, or by 5%.

Apranga APB share price in 12 months period from 1st July 2019 to 30th June 2020:



OPERATIONAL PLANS

Due to the crisis caused by COVID-19, the Group's previously announced plans for the year 2020 (to reach a turnover of EUR 263 million (including VAT); to renovate or open 13-17 stores; to invest about 5-7 million) are halted due to unclear trends of the situation caused by the COVID-19.

RISK MANAGEMENT

Financial risk factors

The risk management function within the Group is carried out in respect of financial risks (credit, market, currency, liquidity and interest rate), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables, bonds and borrowings. The accounting policy with respect to these financial instruments is the same as it was in 2019.

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Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with high credit ratings are accepted. Sales to wholesale customers are rare and immaterial; therefore, risk control only assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Sales to retail customers are settled in cash or using major credit cards.

Company's credit risk arising from trade receivables from subsidiaries and loans to subsidiaries is managed by controlling financial performance of subsidiaries on a monthly basis.

The Company and the Group has no significant concentration of credit risk.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice set by the Group. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these; and maintaining debt financing plans.

Market risk

Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates. The Company has loans to subsidiaries with floating interest rates, but the cash flow risk is mitigated by applying the same variable element of interest rate on those loans as the banks are charging the Company.

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk, but this is not included in sensitivity analysis as the change in interest rates has no impact on profit or equity of the Group.

The Company's and Group's borrowings consist of loans with floating interest rate, which is related to EURIBOR. The Company and the Group did not use any derivative financial instruments in order to control the risk of interest rate changes.

Trade and other receivables and payables are interest-free and have settlement dates within one year.

The Group's cash flow and fair value interest rate risk is periodically monitored by the Group's management. It analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the simulations performed, management considers the impact on post-tax profit of a 0.5% shift in interest rates to be not material to the financial statements of the Group and the Company.

Foreign exchange risk

The Company and the Group has a policy to synchronize the cash flows from expected sales in the future with the expected purchases and other expenses in each foreign currency. Substantially all the Group's payables and receivables are short-term and in addition revenues and expenses in foreign currencies are insignificant (less than 10%) as compared to those in Euro. At the moment the Company and the Group to some extent uses derivative financial instruments in order to control foreign currencies exchange risk. The use of derivative financial instruments is limited to forward foreign currency (US dollar) purchase transactions with maturities of less than 30 days.

The Group operates in Lithuania, Latvia and Estonia, and during the reporting period used Euro currency. Since Estonia, Latvia and Lithuania introduced the Euro (respectively, since 1st January 2011, 1st January 2014 and 1st January 2015), so there is no exchange rate fluctuations.

Price risk

The Group is not exposed to the market risk with respect to financial instruments as it does not hold any equity securities.

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Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

Pursuant to the Lithuanian Law on Companies the authorized share capital of a public limited liability company must be not less than EUR 40 thousand and of a private limited liability company must be not less than EUR 2.5 thousand. In addition, for all entities the shareholders' equity should not be lower than 50 per cent of the company's registered share capital. As at 30 June 2020, the Company and all its Lithuanian subsidiaries complied with these requirements.

Pursuant to the Latvian Commercial Law the authorized share capital of a private limited liability company must be not less than EUR 2.8 thousand. In addition, the losses of the company should not exceed 50 per cent of the company's share capital. As at 30 June 2020, all the Company's Latvian subsidiaries complied with these requirements.

Pursuant to the Estonian Commercial Code the authorized share capital of a private limited liability company must be not less than EUR 2.5 thousand. In addition, the shareholders' equity should not be lower than 50 per cent of the company's share capital. As at 30 June 2020, all the Company's Estonian subsidiaries complied with these requirements.

In addition, the Group should comply with the financial covenants imposed in the agreements with SEB bankas AB and Luminor Bank AB. The Group and the Company followed the covenants as at 30 June 2020.

SECURITIES

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

Each owner of the ordinary registered share has the following property rights:

- 1) To receive part of the company's profit (dividend);
- 2) To receive a part of the assets of the company in liquidation;
- 3) To receive shares without payment if the share capital is increased out of the company's funds, except the cases specified in the Law on Companies.
- 4) To have the pre-emption right to acquire the shares or convertible debenture issued by the company, except in cases when General Shareholder's Meeting pursuant to Law on Companies decides to withdraw the pre-emption right in acquiring the company's issued shares for all shareholders;
- 5) As provided by laws to lend to the company, however the company borrowing from its shareholders has no right to mortgage or pledge its assets to shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his/her place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders are prohibited from negotiating a higher interest rate;
- 6) To receive Company's funds in event the share capital is decreased on purpose to pay Company's funds to shareholders;
- 7) Shareholders have other property rights provided by laws of the Republic of Lithuania.

Each owner of the ordinary registered share has the following non-property rights:

- 1) To attend and vote in General Shareholder's Meetings. One ordinary registered share grants to its owner one vote at the General Shareholders' Meeting. The right to vote at the General Shareholder's Meeting may be withdrawn or restricted in cases established by laws of the Republic of Lithuania, also in cases when share ownership is contested;
- 2) To receive information on the company as provided by Law on Companies;
- 3) To file a claim to the court requesting compensation of damage to company resulting from non-performance or improper performance of the duties of the Manager of the Company or members of the Board of the company which duties have been prescribed by law and these Articles of Association of the company as well as in other cases as may be prescribed by law;
- 4) Other non-property rights prescribed by law.

As of 30 June 2020, the Company had 3 421 shareholders. Company's shareholders that control over 5% votes in General Shareholder Meeting were as follows:

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	6 403 839	11,6%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 637 978	6,6%

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The Company has concluded the contract with SEB bankas AB on securities account management.

General Shareholders' Meeting has a right to amend the Articles of Association under the qualified majority of votes, which may not be less than 2/3 of all votes the shareholders attending at the Meeting, except for the exceptions specified by Law on Companies.

CORPORATE GOVERNANCE

The management bodies of the Company are as follows: General Shareholders' Meeting, a collegial management body – Board, and a single-person management body – Manager of the Company.

Competence of *General Shareholders' Meeting* is the same as specified by the Law on Companies.

The Board, consisting of six members, is elected by General Shareholders' Meeting for a 4-year term. Company's Board members election and revocation procedure is the same as specified by Law on Companies.

Company's Board activity is conducted by chairman of the Board. The Board elects its chairman from among its members.

The Board continues in office for the period established in the Articles of Association or until a new Board is elected and assumes the office but not longer than until the annual General Shareholders' Meeting during the final year of its term of office.

Board of Company considers and approves:

- 1) The activity strategy of the Company;
- 2) The annual report of the Company;
- 3) The management structure of the Company and the positions of the employees;
- 4) The positions to which employees are recruited by competition;
- 5) Regulations of branches and representative offices of the Company.

The Board adopts the following resolutions:

- 1) Resolutions for the Company to become an incorporator or a member of other legal entities;
- 2) Resolutions to establish branches and representative offices of the Company;
- 3) Resolutions to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction);
- 4) Resolutions to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions);
- 5) Resolutions to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company;
- 6) Resolutions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company;
- 7) Resolutions to restructure the Company in the cases laid down in the Law on Restructuring of Enterprises;
- 8) Resolutions regarding issuance of debenture of the Company (except issuance of convertible debenture);
- 9) Other resolutions within the competence of the Board as prescribed by the Articles of Association or the resolutions of the General Shareholders' Meeting.

The Board analyses and assesses the documents submitted by the Manager of the Company on:

- 1) The implementation of the activity strategy of the Company;
- 2) The organization of the activities of the Company;
- 3) Financial standing of the Company;
- 4) The results of economic activities, income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

The Board elects and removes from office the Manager of the Company, fixes his/her remuneration and sets other terms of the employment agreement, approves his/her job description, provides incentives and imposes penalties.

The Board analyses and assesses the Company's draft annual financial statement and draft of profit/loss distribution and submits them to the General Shareholders' Meeting together with the annual report of the Company.

The Board is responsible for convening and arrangement of the General Shareholders' Meeting in due time.

Each member of the Board is entitled to initiate convening of the Board meeting. The Board may adopt resolutions and its meeting shall be deemed to have taken place when the meeting is attended by 2/3 or more members of the Board. The resolution of the Board is adopted if more votes for it are received than the votes against it. In the event of a tie, the Chairman of the Board shall have the casting vote. The member of the Board is not entitled to vote when the meeting of the Board discusses the issue related to his/her activities on the Board or the issue of his/her responsibility.

The Manager of the Company - General Director - is a single-person management body of the Company. The Manager of the Company acts at his/her own discretion in relation of the Company with other persons.

The Manager of the Company is elected and removed from office by the Board which also fixes his/her salary, approves his/her job description, provides incentives and imposes penalties. The employment agreement is concluded with the Manager of the Company and is signed on behalf of the Company by the Chairman of the Board or other person authorized by the Board.

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In his/her activities the Manager of the Company complies with laws and other legal acts, Articles of Association, General Shareholders' Meeting resolutions, Board resolutions, his/her job descriptions.

The Manager of the Company acts on behalf of the Company and is entitled to enter into the transactions at his/her own discretion. The Manager of the Company may conclude the following transactions provided that there is a decision of the Board to enter into these transactions: to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction); to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions); to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company; to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company.

The Manager of the Company is responsible for:

- 1) The organization of the Company's activity and implementation of its objectives;
- 2) The drawing up of the annual financial statements and the drafting of the annual report of the Company;
- 3) Concluding an agreement with the firm of auditors;
- 4) Submission of information and documents to the General Shareholders' Meeting and the Board in cases prescribed by Law on Companies or at their request;
- 5) Submission of the documents and data of the Company to manager of the Register of Legal Entities;
- 6) Submission of documents to the Securities Commission and Lithuanian Central Securities Depository;
- 7) Public announcement of information prescribed by Law on Companies in a daily newspaper indicated in Articles of Association;
- 8) Submission of information to shareholders;
- 9) The performance of other duties prescribed by laws as well as in the Articles of Association and the job descriptions of the Manager of the Company.

The Manager of the Company organizes daily activities of the Company, hires and dismisses employees, concludes and terminates employment contracts with them, provides incentives and imposes penalties.

The Manager of the Company is responsible for preparation of the draft share subscription agreement and its data correctness. The Manager of the Company issues authorizations and procuration within the scope of its competence.

The Manager of the Company is accountable and regularly reports to the Board on the implementation of Company's activity strategy, the organization of the Company's activity, the financial standing of the Company, the results of economic activity, the income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

BOARD OF THE COMPANY

On 27 April 2018 the Annual General Meeting of Company shareholders elected Company's members of the Board for new 4-year term. 27th April 2022 is the end term of all Company's members of the Board.



Darius Mockus
Chairman of the Board

Darius Mockus (born in 1965) - Chairman of the Board since 2 May 2002 (member of the Board since 23 March 1995). Education: Vilnius University, Faculty of Economics, Industrial Planning. He has no Company shares. With related companies Minvista UAB (Code of Enterprise: 110685692; Registered office: Jasinskio 16, Vilnius) and MG Baltic Investment UAB (Code of Enterprise: 123249022; Registered office: Jasinskio 16B, Vilnius) he has 40 846 028 shares, representing 73.87% of the share capital and votes.



Rimantas Perveneckas
Member of the Board, General Director

Rimantas Perveneckas (born in 1960) - Apranga Group General Director, Member of Board of APB Apranga since 23 February 1993, in the Company since 1983. Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. He has 800 770 shares of the Company, representing 1.45% of the share capital and votes.

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Ilona Šimkūnienė
Member of the Board, Purchasing Director

Ilona Šimkūnienė (born in 1963) - Apranga Group Purchasing Director, Member of Board of APB Apranga since 27 March 1998, in the Company since 1985. Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. She has no Company shares.



Vidas Lazickas
Member of the Board

Vidas Lazickas (born in 1965) - Member of Board of APB Apranga since 29 April 2011. Education: Vilnius University, Faculty of Economics, specialization in Production Management and Organization He has 200 000 shares of the Company, representing 0.36% of the share capital and votes.



Marijus Strončikas
Member of the Board

Marijus Strončikas (born in 1974) - Member of Board of APB Apranga since 30 April 2010. Education: Kaunas Technical University, Faculty of Informatics, master of IT Science. He has 4 450 shares of the Company, representing 0.01% of the share capital and votes.



Ramūnas Gaidamavičius
Member of the Board, Development Director

Ramūnas Gaidamavičius (born in 1968) - Apranga Group Development Director, Member of Board of APB Apranga since 30 April 2010, in the Company since 2002. Education: Vilnius University of Technology, Faculty of Mechanics, specialization in Machine Building. He has 5 000 shares of the Company, representing 0.01% of the share capital and votes.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties are disclosed in Note 7 to interim consolidated and Company's financial statements.

COMPLIANCE WITH THE GOVERNANCE CODE

In six months 2020, there were no essential changes related to Apranga APB report for year 2019 concerning the compliance with the Governance Code for the companies listed on the regulated market.

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PUBLICLY ANNOUNCED INFORMATION

During the period from the start of 2020 to 30th June 2020 Company publicly announced and broadcasted through Nasdaq Vilnius stock exchange information distribution system Globe Newswire and own webpage the following information:

Date	Title
2020-01-02	Turnover of Apranga Group in December 2019 and total year 2019
2020-01-06	Apranga Group extends successful collaboration with Inditex
2020-02-03	Turnover of Apranga Group in January 2020
2020-02-07	Regarding the Results of Investigation Completed by the Supervision Service of the Bank of Lithuania
2020-02-27	Apranga Group interim information for 12 months of 2019
2020-02-28	Apranga Group opens first Hugo store in the Baltic States
2020-03-02	Turnover of Apranga Group in February 2020
2020-03-16	Situation regarding coronavirus (COVID-19) effect to Apranga Group
2020-04-01	Turnover of Apranga Group
2020-04-01	CORRECTION: Apranga Group investor's calendar for the year 2020
2020-04-07	Notice of the Annual General Meeting of APB "APRANGA" shareholders
2020-04-07	Draft resolutions of the Annual General Meeting of APB APRANGA shareholders to be held on April 30th, 2020
2020-04-28	Apranga Group interim report for three months of 2020
2020-04-30	Resolutions of the Annual General Meeting of Apranga APB shareholders
2020-04-30	Apranga APB annual information 2019
2020-06-01	Notification on manager's transactions
2020-06-04	Notification on manager's transactions
2020-06-04	Notification on manager's transactions
2020-06-04	Notification on manager's related party transactions

Contents of above mentioned announcements can be obtained on Nasdaq Vilnius Stock Exchange webpage <http://www.nasdaqomxbaltic.com/market/?pg=details&instrument=LT0000102337&list=2&tab=news&lang=en> and on Company's webpage <http://aprangagroup.lt/en/investors/news-and-material-events>.

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STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		6 months 2020	6 months 2019	6 months 2020	6 months 2019
Revenue from contracts with customers	5	72 950	89 840	27 936	37 430
Cost of sales		(43 837)	(51 136)	(18 052)	(23 034)
GROSS PROFIT		29 113	38 704	9 884	14 396
Operating (expenses)		(29 208)	(34 716)	(10 945)	(13 524)
Other income		147	76	2 546	6 918
Net foreign exchange gain (loss)		(3)	(3)	(3)	(3)
OPERATING PROFIT (LOSS)		49	4 061	1 482	7 787
Finance income		16	23	55	36
Finance (costs)		(557)	(418)	(241)	(213)
PROFIT (LOSS) BEFORE INCOME TAX		(492)	3 666	1 296	7 610
Income tax (expense)		(87)	(670)	(51)	125
PROFIT (LOSS) FOR THE PERIOD	3	(579)	2 996	1 245	7 735
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		(579)	2 996	1 245	7 735
Total comprehensive income attributable to:		(579)	2 996	1 245	7 735
Owners of the Company		(579)	2 996	1 245	7 735
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		(0,01)	0,05	0,02	0,14

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STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	30 06 2020	31 12 2019	30 06 2020	31 12 2019
Property, plant and equipment		28 894	29 584	13 122	13 330
Intangible assets		408	310	391	292
Investments in subsidiaries		-	-	4 963	4 963
Prepayments		1 264	940	208	200
Trade and other receivables		4	4	4	4
Right-of-use assets		66 091	68 596	25 101	26 031
Financial assets		2 200	2 200	2 200	2 200
Total non-current assets		98 861	101 634	45 989	47 020
CURRENT ASSETS					
Inventories		32 072	40 106	19 285	21 122
Financial assets		716	732	716	732
Prepayments		1 596	1 391	1 502	1 056
Trade and other receivables		1 520	2 135	12 290	13 355
Cash and cash equivalents		15 119	6 712	8 396	4 557
Total current assets		51 023	51 076	42 189	40 822
Non-current assets held for sale		80	80	80	80
TOTAL ASSETS	3	149 964	152 790	88 258	87 922
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	30 06 2020	31 12 2019	30 06 2020	31 12 2019
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		40 381	40 960	32 441	31 196
Total equity		57 967	58 546	50 080	48 835
NON-CURRENT LIABILITIES					
Borrowings	6	350	500	350	500
Deferred tax liabilities		1 246	1 385	208	242
Non-current lease liabilities		54 842	56 659	20 631	21 047
Non-current employee benefits		127	186	127	186
Total non-current liabilities		56 565	58 730	21 316	21 975
CURRENT LIABILITIES					
Borrowings	6	300	300	4 825	4 025
Current lease liabilities		12 823	13 117	4 864	5 286
Current income tax liability		332	199	80	82
Trade and other payables		21 977	21 898	7 093	7 719
Total current liabilities		35 432	35 514	16 862	17 112
Total liabilities		91 997	94 244	38 178	39 087
TOTAL EQUITY AND LIABILITIES		149 964	152 790	88 258	87 922

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STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	(53)	39 178	56 764
Effect of adoption of IFRS 16 Leases					(270)	(270)
Balance at 1 January 2019		16 035	1 604	(53)	38 908	56 494
Comprehensive income:						
Profit for the 6 months 2019	3				2 996	2 996
Total comprehensive income		-	-	-	2 996	2 996
Transactions with owners:						
Dividends paid					(7 188)	(7 188)
Balance at 30 June 2019		16 035	1 604	(53)	34 716	52 302
Balance at 1 January 2020		16 035	1 604	(53)	40 960	58 546
Comprehensive income:						
Profit (loss) for the 6 months 2020	3				(579)	(579)
Total comprehensive income		-	-	-	(579)	(579)
Balance at 30 June 2020		16 035	1 604	(53)	40 381	57 967

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	29 213	46 852
Effect of adoption of IFRS 16 Leases				(64)	(64)
Balance at 1 January 2019		16 035	1 604	29 149	46 788
Comprehensive income:					
Profit for the 6 months 2019				7 735	7 735
Total comprehensive income		-	-	7 735	7 735
Transactions with owners:					
Dividends paid				(7 188)	(7 188)
Balance at 30 June 2019		16 035	1 604	29 696	47 335
Balance at 1 January 2020		16 035	1 604	31 196	48 835
Comprehensive income:					
Profit (loss) for the 6 months 2020				1 245	1 245
Total comprehensive income		-	-	1 245	1 245
Balance at 30 June 2020		16 035	1 604	32 441	50 080

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STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		6 months 2020	6 months 2019	6 months 2020	6 months 2019
Profit (loss) before income taxes		(492)	3 666	1 296	7 610
ADJUSTMENTS FOR:					
Depreciation and amortization		10 137	9 135	3 904	4 150
Impairment charge (reverse)		(5)	(21)	-	(21)
Change in allowances for slow-moving inventories		151	350	489	346
(Gain) on disposal of property, plant and equipment		(15)	(9)	(13)	(4)
Write-off of property, plant and equipment		12	41	-	35
Interest expenses (income)		541	395	186	177
Total		10 329	13 557	3 351	5 394
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		7 883	2 431	1 348	257
Decrease (increase) in receivables		(405)	295	(183)	(2 875)
Increase (decrease) in payables		19	(2 336)	(686)	(1 976)
Cash generated from operations		17 826	13 947	2 830	800
Income taxes paid		(93)	(160)	(87)	131
Interest paid		459	(30)	143	(30)
Net cash from operating activities		18 192	13 757	2 886	901
INVESTING ACTIVITIES					
Interest received		16	23	55	36
Dividends received		-	-	2 511	6 899
Loans granted		(12 800)	(26 050)	(22 121)	(36 984)
Loans repayments received		12 800	26 050	23 739	35 787
Purchases of PPE and intangible assets	4	(3 399)	(10 274)	(1 218)	(788)
Proceeds on disposal of PPE	4	661	3 435	131	4
Investment in subsidiaries		-	-	-	(50)
Net cash used in investing activities		(2 722)	(6 816)	3 097	4 904
FINANCING ACTIVITIES					
Dividends paid		1	(7 188)	1	(7 188)
Proceeds from borrowings		-	2	10 717	24 848
Repayments of borrowings		(150)	(152)	(10 067)	(25 825)
Repayments of lease liabilities		(6 914)	(6 143)	(2 795)	(2 708)
Net cash from financing activities		(7 063)	(13 481)	(2 144)	(10 873)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		8 407	(6 540)	3 839	(5 068)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		6 712	7 009	4 557	3 119
AT THE END OF THE PERIOD		15 119	469	8 396	(1 949)

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NOTES TO INTERIM 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 30 June 2020 the Group consisted of the Company and 25 subsidiaries:

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.

The financial statements for the period ended 30 June 2020 are not audited.

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

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 6 months 2020 is as follows:

6 months 2020	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	46 860	18 608	12 189	77 657	-	
Inter-segment revenue	(4 599)	(280)	(354)	(5 233)	-	
Revenue from external customers (note 7)	42 261	18 328	11 835	72 424	-	72 424
Gross margin	38,3%	40,6%	41,9%	39,5%		39,5%
Profit (loss) for the period	47	(350)	(276)	(579)	-	(579)
Total assets	110 520	34 138	21 554	166 212	(16 248)	149 964
Additions to non-current assets	1 730	1 422	260	3 412	(13)	3 399

6 months 2019	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	60 395	21 521	15 894	97 810	-	
Inter-segment revenue	(7 317)	(533)	(296)	(8 146)	-	
Revenue from external customers	53 078	20 988	15 598	89 664	-	89 664
Gross margin	42,3%	43,9%	43,8%	43,0%		43,0%
Profit (loss) for the period	2 271	709	16	2 996	-	2 996
Total assets	106 051	24 206	22 830	153 087	(14 200)	138 887
Additions to non-current assets	1 625	7 963	694	10 282	(8)	10 274

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4. Investments into non-current assets

Net investments of the Group amounted to EUR 2.7 million in 6 months 2020. The Company's investments have reached EUR 1.1 million, daughter companies – EUR 1.6 million.

5. Income

For the H1 2020 revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	6 months 2020	6 months 2019	6 months 2020	6 months 2019
Stores income	72 424	89 664	21 867	28 064
Wholesale income	-	-	4 278	6 952
Management fees	-	-	1 761	2 319
Gain from disposal of PPE, net	-	9	-	4
Other income	526	167	30	91
Total revenue from contracts with customers	72 950	89 840	27 936	37 430

6. Borrowings

In November 2019, 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 20 000 thousand was increased to EUR 27 000 thousand. Credit repayment term was prolonged to 30 November 2021. 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 June 2020, the Company and LUMINOR bank signed the amendments to the previously concluded financial liability limit agreements. According to these amendments, credit repayment terms of both EUR 10 000 thousand and EUR 5 000 thousand (non-binding financial liabilities limit) limits were prolonged until 30 June 2021. 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.

7. Related party transactions

The Company's and the Group's transactions with related parties and balances arising from these transactions as of 30 June 2020 were as follows:

Related parties	Accounts payable		Accounts receivable and loans granted		Income		Purchases	
	2020	2019	2020	2019	2020	2019	2020	2019
UAB Koncernas MG Baltic (the ultimate parent company)	12	17	-	-	-	-	57	160
As per ultimate parent company associated companies:								
UAB Mineraliniai vandenys	-	3	-	-	-	-	12	19
UAB MG Baltic Investment	5	5	-	-	-	-	26	53
UAB DARNU GROUP	-	-	-	-	-	-	8	-
UAB Palangos Varūna	-	-	-	235	-	-	-	-
LNK Group	4	-	-	5	13	11	28	11
UAB Eminta	85	84	-	-	-	-	219	494
UAB MGV T	-	-	-	-	-	-	-	1
Total	106	109	-	240	13	11	350	738

Prevailing types of related party contracts are rent, management service fee, advertising, centralized services (telecommunications, utilities etc.).

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The Company's transactions with subsidiaries and balances arising from these transactions as of 30 June 2020 were as follows:

Subsidiaries	Borrowings and accounts payable		Loans and accounts receivable		Income		Purchases	
	2020	2019	2020	2019	2020	2019	2020	2019
UAB Apranga LT	2 274	2 139	95	37	1 902	3 959	59	64
UAB Apranga BPB LT	360	141	22	8	271	603	7	14
UAB Apranga PLT	284	-	18	471	251	247	6	7
UAB Apranga SLT	90	-	14	377	252	430	8	7
UAB Apranga MLT	565	-	28	210	342	1 060	13	23
UAB Apranga HLT	25	-	9	101	34	79	2	2
UAB Apranga OLT	107	-	5	129	63	27	3	1
UAB Apranga Ecom LT	2	-	-	1	-	1	-	-
SIA Apranga	-	-	4 970	3 199	3 081	11 382	25	63
SIA Apranga LV	548	-	15	31	191	2 020	31	32
SIA Apranga BPB LV	-	-	89	4	27	169	2	2
SIA Apranga PLV	-	-	266	6	29	226	2	-
SIA Apranga SLV	-	-	58	108	25	76	2	1
SIA Apranga MLV	-	-	862	9	75	429	9	11
SIA Apranga HLV	-	-	272	-	15	-	-	-
SIA Apranga OLV	-	-	432	-	16	-	-	-
SIA Apranga Ecom LV	-	-	-	2	-	1	-	-
OU Apranga	-	-	2 547	3 059	1 849	5 661	9	54
OU Apranga Estonia	-	-	927	420	162	1 298	23	35
OU Apranga BEE	93	9	4	2	16	61	1	5
OU Apranga PB Trade	-	289	863	1	21	210	2	3
OU Apranga ST Retail	104	-	3	77	14	50	2	4
OU Apranga MDE	69	-	9	38	33	339	3	8
OU Apranga HEST	-	-	143	202	15	40	-	-
OU Apranga Ecom EE	4	-	-	-	-	1	-	-
Total	4 525	2 578	11 651	8 492	8 684	28 369	209	336

Prevailing types of intra-group transactions are centralized supplies of goods for resale, management service fees, centralized purchasing of services (telecommunications, IT, utilities and etc.), financing, and distribution of earnings. Dividend income in amount of EUR 2 400 thousand received from the subsidiaries in six months 2020 is presented in 'Income received' together with other income (2019: EUR 6 899 thousand).

8. Guarantees and letters of credit

As of 30 June 2020, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 181 thousand (31 December 2019: EUR 14 362 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 June 2020 amounted to EUR 16 134 thousand (31 December 2019: EUR 16 167 thousand).

As of 30 June 2020, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 798 thousand (31 December 2019: EUR 792 thousand).

9. Profit distribution

The Annual shareholders meeting of APB Apranga held on 30 April 2020 has resolved not to pay dividends for the year 2019.

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>.