

MAXIMA GRUPĒ, UAB

**Interim condensed consolidated financial statements
for the six months ended 30 June 2020**

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

Interim condensed consolidated statement of financial position

| | Notes | At 30 June 2020 | At 31 December 2019 |
|--|-------|--------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 705 745 | 700 698 |
| Right-of-use assets | | 674 159 | 691 458 |
| Investment properties | | 17 161 | 18 370 |
| Intangible assets (except for goodwill) | | 49 222 | 56 574 |
| Goodwill | | 209 158 | 212 178 |
| Non-current receivables and prepayments | | 15 920 | 17 038 |
| Deferred tax assets | | 10 867 | 10 014 |
| | | 1 682 232 | 1 706 331 |
| Current assets | | | |
| Inventories | 5 | 324 917 | 328 950 |
| Trade and other receivables, prepayments and other short-term financial assets | | 67 914 | 76 734 |
| Cash and cash equivalents | | 125 727 | 272 909 |
| | | 518 558 | 678 593 |
| TOTAL ASSETS | | 2 200 790 | 2 384 924 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 1 019 263 | 1 019 263 |
| Share premium | | 41 352 | 41 352 |
| Legal reserve | | 43 767 | 36 163 |
| Reverse acquisition reserve | | (1 430 271) | (1 430 271) |
| Other reserves | | 201 | (137) |
| Foreign currency translation reserve | | (23 465) | (9 576) |
| Retained earnings | | 640 730 | 685 606 |
| Total equity | | 291 577 | 342 400 |
| Non-current liabilities | | | |
| Borrowings (except for lease liabilities) | | 475 174 | 492 616 |
| Lease liabilities | | 586 634 | 593 602 |
| Deferred tax liabilities | | 17 407 | 20 919 |
| Other non-current liabilities | | 2 756 | 2 887 |
| | | 1 081 971 | 1 110 024 |
| Current liabilities | | | |
| Borrowings (except for lease liabilities) | | 117 360 | 104 065 |
| Lease liabilities | | 91 756 | 94 293 |
| Current income tax liabilities | | 1 902 | 7 928 |
| Trade and other payables | | 616 224 | 726 214 |
| | | 827 242 | 932 500 |
| Total liabilities | | 1 909 213 | 2 042 524 |
| TOTAL EQUITY AND LIABILITIES | | 2 200 790 | 2 384 924 |


Jurgita Šlekutė
Chief Executive Officer


Vitalij Rakovskij
Chief Financial Officer

Interim condensed consolidated financial statements have been approved and signed on 17 September 2020.
The accompanying notes are an integral part of these interim condensed consolidated financial statements.

*(All tabular amounts are in EUR thousands unless otherwise stated)***Interim condensed consolidated statement of
comprehensive income**

| | Notes | Six months ended 30 June | |
|--|-------|--------------------------|---------------|
| | | 2020 | 2019 |
| Revenue | 3, 6 | 2 046 830 | 1 925 909 |
| Cost of sales | | (1 880 434) | (1 775 096) |
| Operating expenses | | (89 746) | (88 449) |
| Other gains (losses) | | (684) | (768) |
| Profit from operations | | 75 966 | 61 596 |
| Finance income | | 188 | 243 |
| Finance costs | | (18 638) | (14 882) |
| Finance costs, net | | (18 450) | (14 639) |
| Profit before tax | | 57 516 | 46 957 |
| Income tax expense | | (8 226) | (7 622) |
| Net profit | 3 | 49 290 | 39 335 |
| Net profit attributable to: | | | |
| Equity holders of the parent | | 49 290 | 39 335 |
| | | 49 290 | 39 335 |
| Other comprehensive income: | | | |
| <i>Items that will not be subsequently reclassified to profit or loss</i> | | - | - |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | |
| Exchange differences on translation of foreign operations | | (13 889) | 3 217 |
| Net gain (loss) on cash flow hedges | | 338 | (492) |
| Other comprehensive income | | (13 551) | 2 725 |
| Total comprehensive income | | 35 739 | 42 060 |
| Total comprehensive income attributable to: | | | |
| Equity holders of the parent | | 35 739 | 42 060 |
| | | 35 739 | 42 060 |
| Earnings per share for profit attributable to ordinary equity holders of the parent (EUR) | | | |
| Basic/diluted | 7 | 0.014 | 0.011 |



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Chief Financial Officer

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Interim condensed consolidated statement of changes in equity

| Notes | Share capital | Share premium | Legal reserve | Reverse acquisition reserve | Other reserves | Foreign currency translation reserve | Retained earnings | Total equity |
|---|------------------|---------------|---------------|-----------------------------|----------------|--------------------------------------|-------------------|----------------|
| At 31 December 2018 | 1 019 263 | 41 352 | 30 720 | (1 430 271) | 382 | (12 936) | 643 915 | 292 424 |
| Profit for the period | - | - | - | - | - | - | 39 335 | 39 335 |
| Other comprehensive income | - | - | - | - | (492) | 3 217 | - | 2 725 |
| Total comprehensive income for the period | - | - | - | - | (492) | 3 217 | 39 335 | 42 060 |
| Transfer to legal reserve | - | - | 5 443 | - | - | - | (5 443) | - |
| Dividends | - | - | - | - | - | - | (82 000) | (82 000) |
| 8 | | | | | | | | |
| At 30 June 2019 | 1 019 263 | 41 352 | 36 163 | (1 430 271) | (110) | (9 719) | 595 806 | 252 484 |
| At 31 December 2019 | 1 019 263 | 41 352 | 36 163 | (1 430 271) | (137) | (9 576) | 685 606 | 342 400 |
| Profit for the period | - | - | - | - | - | - | 49 290 | 49 290 |
| Other comprehensive income | - | - | - | - | 338 | (13 889) | - | (13 551) |
| Total comprehensive income for the period | - | - | - | - | 338 | (13 889) | 49 290 | 35 739 |
| Transfer to legal reserve | - | - | 7 604 | - | - | - | (7 604) | - |
| Dividends | - | - | - | - | - | - | (86 562) | (86 562) |
| 8 | | | | | | | | |
| At 30 June 2020 | 1 019 263 | 41 352 | 43 767 | (1 430 271) | 201 | (23 465) | 640 730 | 291 577 |


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*(All tabular amounts are in EUR thousands unless otherwise stated)***Interim condensed consolidated statement of cash flows**

| | Notes | Six months ended 30 June | |
|--|-------|--------------------------|------------------|
| | | 2020 | 2019 |
| OPERATING ACTIVITIES | | | |
| Net profit | | 49 290 | 39 335 |
| Adjustments for: | | | |
| Depreciation | | 78 005 | 73 515 |
| Amortisation | | 5 428 | 7 631 |
| Property, plant & equipment and intangible assets write-offs | | 107 | 203 |
| Property, plant & equipment, intangible assets, right-of-use assets impairment charge (reversal) | | 3 539 | (761) |
| Loss / (profit) on disposal of property, plant and equipment | | 684 | 768 |
| Income tax expense | | 8 227 | 7 622 |
| Interest expenses | | 17 186 | 14 288 |
| Interest income | | (188) | (57) |
| Fair value (gains) losses on derivative financial instruments | | 338 | (492) |
| <i>Changes in working capital</i> | | | |
| - trade and other receivables | | 3 945 | (2 274) |
| - inventories | | 5 680 | 6 977 |
| - trade and other payables | | (102 011) | (41 790) |
| Cash generated from operations | | 70 230 | 104 965 |
| Income tax paid | | (16 956) | (10 605) |
| Net cash generated from operating activities | | 53 274 | 94 360 |
| INVESTING ACTIVITIES | | | |
| Purchases of property, plant and equipment, intangible assets and investment properties | | (55 655) | (49 053) |
| Proceeds from disposal of property, plant and equipment | | 4 776 | 431 |
| Acquisition of subsidiaries, net of cash acquired | | (1 237) | - |
| Loans granted | | - | (140) |
| Proceeds from repayment of loans granted | | 40 | 197 |
| Interest received | | 16 | 57 |
| Finance sublease receivable collected | | 1 509 | 1 304 |
| Net cash (used in) investing activities | | (50 551) | (47 204) |
| FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | - | 20 309 |
| Repayment of borrowings | | (28 626) | (27 484) |
| Payment of principal and interest on leases | | (52 879) | (48 723) |
| Dividends paid | 8 | (86 562) | (82 000) |
| Interest paid | | (1 786) | (2 514) |
| Net cash generated from (used in) financing activities | | (169 853) | (140 412) |
| Net increase (decrease) in cash and cash equivalents | | (167 130) | (93 256) |
| CASH AND CASH EQUIVALENTS, LESS OVERDRAFTS, AT THE BEGINNING OF THE PERIOD | | 261 559 | 222 067 |
| CASH AND CASH EQUIVALENTS, LESS OVERDRAFTS, AT THE END OF THE PERIOD | | 94 429 | 128 811 |



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Notes to the interim condensed consolidated financial statements

1. General information

MAXIMA GRUPĖ, UAB (entity code 301066547) (hereinafter "the Company") was incorporated and commenced its operations on 23 August 2007. The Company's registered address is Savanoriu av. 5, Vilnius, Lithuania. The Company's legal status - private limited liability company.

The sole shareholder of the Company is Vilniaus Prekyba, UAB incorporated in Lithuania. The ultimate shareholder is METHODIKA B.V., incorporated in the Netherlands, and the ultimate controlling party is Mr. N. Numa.

The consolidated group is comprised of the Company and its subsidiary undertakings (hereinafter collectively referred to as "the Group"). During the six months ended 30 June 2020 there were no changes in the Group's structure and the Group did not make significant business combinations.

The Group's principal business activity is retail in food and consumables.

The Group's bonds are traded at Euronext Dublin (Ireland) and Nasdaq Vilnius (Lithuania) stock exchanges.

The Company's management authorized these interim condensed consolidated financial statements on 17 September 2020.

2. Basis of preparation and adoption of new and revised standards and interpretations

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.1. Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial statements do not include all the notes required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

All amounts in these interim condensed consolidated financial statements are presented in euros, the functional currency of the Company and presentation currency of the Group, and they have been rounded to the nearest thousand (in thousand EUR), unless otherwise stated. Due to rounding the numbers in these interim condensed consolidated financial statements may not sum up.

2.2. Adoption of new and/or revised IFRSs and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

New standards, amendments and interpretations adopted by the Group

IFRS 3 Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These amendments had no impact on these interim condensed consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

**Interim condensed consolidated financial statements
for the six months ended 30 June 2020**

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

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)

The Amendments clarify the definition of 'material' and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7

The amendments to IFRS 9 and IAS 39 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. These amendments had no impact on the interim condensed consolidated financial statements of the Group.

3. Segment information

During the six months ended 30 June 2020 no differences occurred in the basis of the Group's segmentation or in the basis of measurement of segments' net profit (loss).

| | Six months ended 30 June 2020 | | | | | | Total retail |
|---------------------------------|-------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|
| | Lithuania | Latvia | Estonia | Bulgaria | Poland | E-commerce | |
| Revenue | 813 208 | 426 308 | 247 268 | 88 214 | 475 009 | 14 534 | 2 064 539 |
| <i>incl. external customers</i> | 804 696 | 426 163 | 247 221 | 88 214 | 474 392 | 2 312 | 2 042 998 |
| <i>incl. inter-segment</i> | 8 512 | 144 | 47 | - | 616 | 12 222 | 21 541 |
| EBITDA | 78 300 | 34 776 | 12 605 | 4 896 | 30 291 | (1 461) | 159 407 |
| Net profit (loss) | 171 260 | 12 508 | (2 175) | (1 422) | (2 042) | (2 285) | 175 844 |

| | Six months ended 30 June 2020 | | | | | | Total |
|---------------------------------|-------------------------------|---------------|----------------|-------------------------|----------------|---------------------------|---------------|
| | Total retail | Real estate | Other segments | Total reported segments | Other | Consolidation adjustments | |
| Revenue | 2 064 539 | 31 064 | 110 286 | 2 205 890 | 2 027 | (161 087) | 2 046 830 |
| <i>incl. external customers</i> | 2 042 998 | 2 127 | 863 | 2 045 987 | 300 | 543 | 2 046 830 |
| <i>incl. inter-segment</i> | 21 541 | 28 938 | 109 423 | 159 902 | 1 727 | (161 630) | - |
| EBITDA | 159 407 | 28 666 | 5 178 | 193 251 | (1 971) | (28 235) | 163 045 |
| Net profit (loss) | 175 844 | 12 510 | 3 575 | 191 929 | 301 713 | (444 351) | 49 290 |

MAXIMA GRUPĒ, UAB

Interim condensed consolidated financial statements for the six months ended 30 June 2020

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

| Six months ended 30 June 2019 (restated) | | | | | | | |
|---|---------------|--------------|----------------|----------------|----------------|----------------|---------------|
| Retail | | | | | | | |
| | Lithuania | Latvia | Estonia | Bulgaria | Poland | E-commerce | Total retail |
| Revenue | 852 816 | 406 635 | 242 078 | 71 500 | 423 930 | 6 921 | 2 003 880 |
| <i>incl. external customers</i> | 773 728 | 406 447 | 241 823 | 71 500 | 422 696 | 1 142 | 1 917 336 |
| <i>incl. inter-segment</i> | 79 088 | 188 | 255 | - | 1 234 | 5 779 | 86 544 |
| EBITDA | 59 634 | 26 901 | 11 812 | 1 602 | 21 372 | (1 553) | 119 769 |
| Net profit (loss) | 42 362 | 9 821 | (2 717) | (1 949) | (6 746) | (2 346) | 38 423 |

| Six months ended 30 June 2019 | | | | | | | |
|---------------------------------|---------------|---------------|----------------|-------------------------|----------------|---------------------------|---------------|
| | Total retail | Real estate | Other segments | Total reported segments | Other | Consolidation adjustments | Total |
| Revenue | 2 003 880 | 31 059 | 86 383 | 2 121 322 | 2 237 | (197 650) | 1 925 909 |
| <i>incl. external customers</i> | 1 917 336 | 2 485 | 5 650 | 1 925 472 | 437 | - | 1 925 909 |
| <i>incl. inter-segment</i> | 86 544 | 28 574 | 80 733 | 195 850 | 1 800 | (197 650) | - |
| EBITDA | 119 769 | 28 581 | 24 599 | 172 950 | (2 744) | (28 022) | 142 184 |
| Net profit (loss) | 38 423 | 11 870 | 19 849 | 70 142 | 192 825 | (223 632) | 39 335 |

Segments' net profit (loss) includes dividends received from directly controlled subsidiaries. During the six months ended 30 June 2020 dividends included in the Lithuania segment's net profit (loss) amounted to EUR 142,612 thousand (2019: EUR 24,972 thousand).

The Group restated segments information for the six months ended 30 June 2019 by combining intra-group franchise, wholesale and agency services segment with other segments. Under other segments are now combined intra-group services such as IT, security, franchise, wholesale and agency of goods.

At the end of 2019 intra-group franchise activities were terminated and related intellectual property was transferred from separate unit providing such services to retail operators. As a result of this change, during the six months ended 30 June 2020 EBITDA of retail operators in the Baltics and Bulgaria increased as compared to the six months ended 30 June 2019 because no franchise fee was charged to them.

In the six months ended 30 June 2020 the Group performed structural changes of the ownership structure within the Group. Gains/losses of the related transactions are reflected in Other column in the segment information.

Seasonality of operations

The seasonality of retail segment's results are mainly affected by the national holidays in the countries where the Group operates. Higher revenue and net profits are usually expected in the second half of the year. Real estate revenue and net profits are evenly spread between the two halves of the year. In the year ended 31 December 2019, 48% of revenue were earned in the first half of the year, with 52% earned in the second half.

4. Property, plant and equipment

Acquisitions

During the six months ended 30 June 2020, the Group acquired property, plant and equipment with a cost of EUR 47,202 thousand (30 June 2019: EUR 49,830 thousand), including property under construction.

MAXIMA GRUPÉ, UAB

Interim condensed consolidated financial statements for the six months ended 30 June 2020

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

5. Inventories

As of 30 June 2020 the allowances for net realisable value of inventories, goods for resale, comprised EUR 19,021 thousand (31 December 2019: EUR 11,195 thousand). During the six months ended 30 June 2020, increase in allowance amounting to EUR 7,826 thousand was included in cost of sales (30 June 2019: EUR 3,086 thousand).

6. Revenue

The Group's revenue comprise of the following:

| | Six months ended 30 June | |
|--|--------------------------|-------------------------|
| | 2020 | 2019 |
| <i>Revenue from contracts with customers</i> | | |
| Retail revenue | 1 996 596 | 1 870 576 |
| Commission income | 4 735 | 4 912 |
| Wholesale revenue | 25 786 | 25 044 |
| Other | 6 481 | 10 818 |
| | <u>2 033 598</u> | <u>1 911 350</u> |
| <i>Other income</i> | | |
| Rental income | 13 232 | 14 559 |
| | <u>13 232</u> | <u>14 559</u> |
| | <u>2 046 830</u> | <u>1 925 909</u> |

7. Earnings per share

The Company's basic and diluted earnings per share are equal. Calculation of basic/diluted earnings per share is presented below:

| | Six months ended 30 June | |
|---|--------------------------|---------------------|
| | 2020 | 2019 |
| Profit attributable to ordinary equity holders of the parent (EUR thousand) | 49 290 | 39 335 |
| Weighted average number of ordinary shares (in thousands) | <u>3 514 699</u> | <u>3 514 699</u> |
| Basic/diluted earnings per share (EUR/share) | <u>0.014</u> | <u>0.011</u> |

8. Dividends per share

Dividends declared in 2020 and 2019 amounted to EUR 86,562 thousand (EUR 0.025 per share) and EUR 82,000 thousand (EUR 0.023 per share), respectively.

9. Related party transactions

a) *Sales and purchases of goods and services and property, plant and equipment*

The following transactions were carried out with related parties:

| | Six months ended 30 June | |
|--|--------------------------|---------------------|
| | 2020 | 2019 |
| Sales of goods and services: | | |
| Sales of goods to other related parties | 825 | 624 |
| Sales of services to other related parties | <u>5 068</u> | <u>3 459</u> |
| | <u>5 893</u> | <u>4 083</u> |

Sales of services to related parties include mostly rent services and commission income.

MAXIMA GRUPĒ, UAB**Interim condensed consolidated financial statements
for the six months ended 30 June 2020***(All tabular amounts are in EUR thousands unless otherwise stated)*

| | Six months ended 30 June | |
|--|---------------------------------|--------------|
| | 2020 | 2019 |
| Purchases of goods and services: | | |
| Purchases of goods from other related parties | 2 216 | 1 545 |
| Purchases of services from parent company | 424 | 478 |
| Purchases of services from other related parties | 7 872 | 4 255 |
| | 10 512 | 6 278 |

Purchases of goods and services from related parties include mostly purchased goods for resale, consulting services and utilities services.

| | Six months ended 30 June | |
|---|---------------------------------|--------------|
| | 2020 | 2019 |
| Sales of property, plant and equipment to: | | |
| Other related parties | - | 2 000 |
| | - | 2 000 |

| | Six months ended 30 June | |
|---|---------------------------------|-------------|
| | 2020 | 2019 |
| Purchases of property, plant and equipment from: | | |
| Other related parties | 55 | 411 |
| | 55 | 411 |

b) *Period-end balances arising from sales/purchases of goods/services*

| | At 30 June 2020 | At 31 December 2019 |
|---|----------------------------|--------------------------------|
| Non-current receivables and prepayments: | | |
| Other related parties | 4 746 | 4 630 |
| | 4 746 | 4 630 |

Non-current receivables and prepayments include net investment in the lease recognised for the sublease of premises to related parties.

| | At 30 June 2020 | At 31 December 2019 |
|---|----------------------------|--------------------------------|
| Trade and other receivables, prepayments and other short-term financial assets from: | | |
| Trade and other receivables - other related parties | 1 158 | 4 913 |
| Current year portion of net investment in the lease - other related parties | 1 426 | 1 262 |
| | 2 584 | 6 175 |

| | At 30 June 2020 | At 31 December 2019 |
|-------------------------------------|----------------------------|--------------------------------|
| Trade and other payables to: | | |
| Parent company | 61 | 84 |
| Other related parties | 4 667 | 5 981 |
| | 4 728 | 6 065 |

MAXIMA GRUPË, UAB**Interim condensed consolidated financial statements
for the six months ended 30 June 2020**

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

c) *Borrowings*

| | At 30 June 2020 | At 31 December 2019 |
|--|----------------------------|--------------------------------|
| Non-current borrowings: | | |
| Lease liabilities to other related parties | 74 098 | 101 745 |
| | 74 098 | 101 745 |
| | | |
| | At 30 June 2020 | At 31 December 2019 |
| Current borrowings: | | |
| Loans from other related parties | 41 056 | 41 056 |
| Lease liabilities to other related parties | 8 240 | 11 421 |
| | 49 296 | 52 476 |

d) *Finance income/costs*

| | Six months ended 30 June 2020 | 2019 |
|------------------------------|--|-------------|
| Interest expenses to: | | |
| Other related parties | 898 | 965 |
| | 898 | 965 |
| | | |
| | Six months ended 30 June 2020 | 2019 |
| Interest income from: | | |
| Other related parties | 53 | - |
| | 53 | - |

Interest income is earned on net investment in the lease to related parties.

e) *Key management compensation*

| | Six months ended 30 June 2020 | 2019 |
|----------------------------------|--|--------------|
| Salaries including related taxes | 571 | 816 |
| Termination benefits | 3 | 280 |
| | 574 | 1 096 |

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

10. Contingent liabilities

Below is provided update of the contingent liabilities disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2019. The Group does not have any other material contingent liabilities.

Civil proceedings relating to collapse of store roof in Riga, Latvia

As of the date of the approval of these interim condensed consolidated financial statements, all legal proceedings in which Maxima Latvija SIA was involved as of 31 December 2019 relating to the collapse of parts of the roof of the trade centre "Maxima XX" located in Priedaines iela 20, Riga, Latvia, that occurred on 21 November 2013, with a claim amount of EUR 100 thousand were terminated due to the concluded settlement agreements of EUR 2 thousand.

There were no changes in the status of the legal case where an employee of Maxima Latvija SIA (who was responsible for labour safety in Maxima Latvija SIA) is participating as defendant in a criminal case initiated based on breach of labour safety rules.

Corporate income tax case in Poland

No changes in the status of the claim by the Head of the Tax Audit Office in Lublin, Poland, against Emperia Holding S.A. for unpaid corporate income tax.

Pollution tax

No changes in the status of the claim by Environment Protection Department of Vilnius region ("EPDVR") against Maxima LT, UAB for the payment of pollution tax as a result of issuance of faulty certificates by Metrail UAB.

11. Significant events

COVID-19

The Group's results of the six months ended 30 June 2020 were affected by COVID-19 pandemic. The Group's revenue growth was negatively impacted by the lockdown measures taken by the national governments to tackle COVID-19 pandemic in the second quarter of 2020. On the other hand COVID-19 pandemic accelerated consumer shift to e-commerce and this resulted in increased Group's revenue of online sales, however this only partially compensated negative impact on revenue from lockdown measures. The Group has not applied for any government assistance and has not received any government grants or concessions.

The Group incurred additional costs related to protection of health of the Group's employees and customers and compensations to employees for the work in COVID-19 pandemic environment. Moreover, the Group provided temporary rent concessions to tenants that suffered from the lockdown resulting in the decrease of rent income.

COVID-19 negative impact on the Group's profit before tax is estimated to be in the range of EUR 5 to 10 million.

Although measures to prevent the spread of COVID-19 disease were relaxed by many governments at the end of the second quarter of 2020, the Group's management monitors the situation and takes adaptive decisions to the changing environment. The Group's priority to maintain a safe environment to its employees and customers remains unchanged.

Events after the reporting period

There were no significant events after the reporting period.

17 September 2020

Responsibility statement of responsible persons

Hereby we confirm that, to the best of our knowledge and belief, the interim condensed consolidated financial statements of MAXIMA GRUPĖ, UAB (hereinafter "the Company") and its subsidiaries (hereinafter together "the Group") for the six months period ended 30 June 2020 prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union, give a true and fair view of the consolidated financial position of the Group as of 30 June 2020 and its consolidated financial performance and cash flows for the six months period then ended.



Jurgita Šlekytė

Chief Executive Officer



Vitalij Rakovski

Chief Financial Officer

Maxima Grupė, UAB

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