



JSC LATVIJAS BALZAMS

(Registration number 40003031873)

UNAUDITED CONDENSED FINANCIAL STATEMENTS

for the first three months of 2019

**prepared in accordance with
International Financial Reporting Standards as adopted by the EU**

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INFORMATION ON THE COMPANY

Name of the Company	Latvijas balzams
Legal status of the Company	Joint Stock Company
Number, place and date of registration	Companies register No. 40003031873 Riga, 2 October 1991 Re-registered on 20 October 1998 Commercial Register Riga, 19 June 2014
Address	A. Caka Street 160 Riga, LV- 1012 Latvia
Main business activities	Production of alcoholic beverages NACE2 11.01
Major shareholder	Amber Beverage Group Holding S.à r.l. (89.99%)
Names and positions of the Council Members	Rolands Gulbis – Chairman of the Council Oļegs Alainis – Vice Chairman of the Council Sergejs Ļimarenko – Member of the Council Pjotr Aven – Member of the Council Valizhan Abidov – Member of the Council
Names and positions of the Board Members	Intars Geidāns – Chairman of the Board Ronalds Žarinovs – Member of the Board Jekaterina Stūģe – Member of the Board

REPORT OF THE MANAGEMENT

Type of operations

AS Latvijas balzams (hereinafter also - the Company) is a leading producer of alcohol beverages in the Baltic States. The Company was established in 1900 as Riga's first state alcohol warehouse and has been operating under the current name since 1970. Since 7 May 2018 Amber Beverage Group Holding S.à. r.l. is the major shareholder, which owns 89.99% of the Company's share capital.

Nowadays AS Latvijas balzams is operating two alcohol production facilities in Riga: a plant for the production of strong alcoholic beverages and a plant for the production of sparkling wines and light alcoholic beverages. These plants produce most of alcoholic beverages, such as sparkling wines, fortified wines, ciders, vodka, liqueurs, brandy, gin, strong alcoholic beverages, etc. The recipes for some of AS Latvijas balzams key products date back hundreds of years; for example, the formula of Riga Black Balsam was officially written down in 1752. The mission of AS Latvijas balzams is "Excellence in everything we do".

At present, AS Latvijas balzams has a range of more than 100 different brands. Its products are exported to more than 175 export markets as mediated by SPI Group and to more than 42 markets via the Company's direct export route.

The key suppliers of raw materials and consumables for AS Latvijas balzams represent Latvia, Russia, Lithuania, Estonia, Poland, Germany and Slovakia. The key resources are water and alcoholic materials. Water is derived from an artesian well located in the territory of the Company. Alcohol for the production of most products is supplied by a related company Tambovskoe spirtovoe predpriyatie Talvis AO, which is one of the largest producers of high-quality alcohol in the Russian Federation.

Logistics services represent a small, but still significant share of the Company's business; this competence has been increasingly developing over the last two years. For the most part, services are rendered to related companies, but the volume of services, such as transit assurance services, bonded warehouse services, logistics services, value added services, picking, etc., provided to other enterprises of the alcohol industry is growing. Actions taken have ensured more effective utilization of available resources.

The Company as a socially responsible and sustainable enterprise has drafted and complies with basic principles of corporate social responsibility. These have been harmonized with the United Nations Sustainable Development Goals for 2030, the Organization for Economic Cooperation and Development guidelines and Financial Instrument Market Law of the Republic of Latvia, which are mentioned in the chapter Corporate Social Responsibility on the Company's website.

For compliance with these guidelines, the Company has drafted and adheres to the following procedures: the Corporate Social Responsibility Policy, the Company Procurement Procedure, the Collective Bargaining Agreement, the Quality Management Handbook, the Ethical Marketing Communications Code, the Anti-Corruption Policy, the Data Protection Policy, Risk Management Policy and other internal documents. These documents, policies and the procedures contained therein are reviewed regularly in accordance with the Quality Management System and by external auditors. The results of audits and planned corrective measures are considered at the Company's management meetings.

Performance of the Company during the reporting period

Financial performance

The unaudited net turnover of the Company for the first quarter of 2019 reached EUR 15.9 million, 5.7% up against first quarter 2018, due to higher orders and sales volumes from key international customers, as well from sales to Bennet Distributors, which increased its purchases due to changes in excise tax rates in Lithuania in the first quarter of the reporting period.

The unaudited profit has reached EUR 1.02 million, which is 37% more than in first quarter of 2018 as the result of increased volumes.

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REPORT OF THE MANAGEMENT (continued)

The operating profit for the first quarter of 2019 amounts to EUR 0.5 million, which is in line with the first quarter of 2018 result in terms of the profit/turnover ratio: 3.0 % in first quarter of 2018, 3.3 % in first quarter of 2019.

The Company's alternative performance indicators for past reporting periods are as follows:

The Company's return on equity (ROE) and return on assets (ROA) for the last three years:

	31.03.2019	31.03.2018	31.03.2017
ROA*	0.7%	0.5%	0.8%
ROE**	0.9%	0.7%	1.1%

* ROA = Net profit for the first quarter / average asset value x 100%

** ROE = Net profit for the first quarter / average total equity x 100%

The Company's EBIT* and EBITDA** indicators for the last three years are as follows:

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018	01.01.2017- 31.03.2017
	EUR 000	EUR 000	EUR 000
EBITDA*	1 187	865	1 434
EBIT **	524	444	1 072

* EBIT = earnings before interest and taxes

** EBITDA = earnings before interest and taxes, depreciation and amortization

The Company's management uses the previously reported alternative performance indicators in assessing the Company's performance for a particular financial period and in making decisions.

AS Latvijas balzams is one of the largest local taxpayers. During the reporting period, the Company paid taxes of EUR 21.2 million to the state budget, including excise duty amounting to EUR 17.2 million.

Non-financial performance and activities for the reporting year

Since 2016 AS Latvijas balzams has been successfully operating as a European logistics hub for the distribution of group's brands in Europe, including Scandinavia and Russia (KAH, Bayou, Arinzano, Achaval Ferrer). Since the fourth quarter of 2018, AS Latvijas balzams has been executing all customer service center's functions for all Amber Beverage Group's brands all over the world.

In 2018, the Company continued investing in production, specifically focusing on the improvement of efficiency and adaptability and the preservation of the low cost base. The major investments are expected to in second half of 2019, by implementing the automatic palletization line and other investments.

Apart from the financial indicators referred to in these financial statements, the Company is using the following comparative indicators for the purposes of operational analysis: RFT (*right first time*) and OTIF (*on time in full*) & quality. RFT shows the share of products manufactured right on the first time. During the first quarter of 2019, RFT reached 98.1%, which is improvement compared to 2018. The OTIF result for the first quarter 2019 is 90.3%, which is below the target level of 93%. As the methodology for calculation of this indicator has been changed the results are not directly comparable.

REPORT OF THE MANAGEMENT (continued)

Risk assessment and management

As regards the Company's products and risk management process, the following factors to which greater consideration is given should be mentioned on the basis of an assessment of external and internal factors that are likely to affect the Company's operations:

- the timely identification and compliance with statutory requirements by taking into account timely information and education of staff;
- the ensuring of production continuity by timely planning production capacity and load;
- the creation of adequate jobs by investing in the development of production, services and human resources by means of training.

In the course of business, the Company strictly complies with the legislation of the Republic of Latvia. Considering the industry, the Company is devoting a great deal of attention to the assessment of transactions and their conformity with laws.

Stock and fund market

In the first quarter of 2019, the Company's share price fluctuated from EUR 8.45 to EUR 9.10 per share.



Financial risk management

In the ordinary course of business, AS Latvijas balzams is exposed to a variety of financial risks, including credit risk, liquidity risk and interest rate risk. The Company's management manages financial risks on an ongoing basis in order to minimize their potential adverse effects on the financial performance of the Company.

The Company's borrowings have variable interest rates. The Company's management is considering the use of hedging instruments in order to minimize the effect of variable interest rates.

Financial assets which potentially expose the Company to a certain degree of credit risk concentration are primarily trade receivables, receivables from related companies and loans. The Company has introduced and pursues a credit policy whereby goods are sold on credit only to customers having sound credit histories. In international transactions, the Company also complies with the sanctions regime based on the information published on the website of the Ministry of Foreign Affairs of the Republic of Latvia. The Company's counterparties in cash transactions are highly reputable local financial institutions.

REPORT OF THE MANAGEMENT (continued)

The Company pursues a prudent liquidity risk management policy, according to which adequate credit resources are ensured to settle liabilities when they fall due. The Company's management manages liquidity and cash flow risks by maintaining adequate cash reserves and securing sufficient financing by means of loans, credit lines, finance leases, etc., by monitoring forecasted and actual cash flows and by matching the maturities of financial assets and liabilities on an ongoing basis. As at 31 March 2019, the Company's current assets exceeded its current liabilities by EUR 54.3 million (31 December 2018: EUR 54.6 million). The Company has a strong ability to meet its current liabilities as they fall due. The Company's liquidity ratios for last three years are as follows:

	2019	2018	2017
Current ratio*	2.56	2.54	2.34
Quick ratio**	1.89	1.92	1.66

* Current ratio = current assets / current liabilities

** Quick ratio = (cash and cash equivalents, short-term investments, and current receivables) / current liabilities.

Events after the reporting date

Since the last day of the financial year until the date of signing of these condensed financial statements, there have been no subsequent events which would have a significant effect on the financial position of the Company as at 31 March 2019.

Future prospects

In 2019, AS Latvijas balzams will keep focusing on the following:

- 1) investment opportunities in both the existing and new export markets with strong growth potential and accelerating sales;
- 2) the efficiency improvement program.

The strong focus will be maintained on the core export brands, i.e., Riga Black Balsam and Cosmopolitan Diva, as well as the premium gin brand Cross Keys Gin, by investing into their international recognition and the promotion of brand equity and market share.

The Company will also continue improving the efficiency of production, with a focus on purchase, planning and infrastructure improvements to support our goal, which is to deliver quality products with a competitive cost advantage. To this end, the work on the following projects will be continued in 2019:

- the introduction of the automated recording of products;
- the installation of automated quality control equipment;
- the installation of semi-automated palletizing equipment to substitute manual operations;
- the continuation of the LEAN project;
- the implementation of new bottle shapes for the popular Moskovskaya brand;
- the updating of the Company's website;
- the set-up of the Company's Tour center at the factory in A.Čaka Street.

In 2019, the Company will proceed with the plant modernization and reconstruction project with the aim of integrating both plants under the same roof. It is expected that the project will result in the improvement of the Company's competitive position among regional producers by decreasing labor, logistics and production costs.

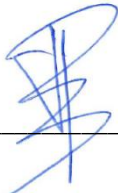
Total costs of the project are estimated at EUR 23 million. The Company has received a Cabinet's decision granting a corporate income tax discount for the implementation of the project and is currently drawing up the technical part of the project.

In 2019, the Company in its planning of corporate social responsibility activities will make a deeper analysis of the Company's impact and responsibility in terms of reaching 17 Sustainable Development Goals. Also, in 2019 the Company plans to review its activities in relation to responsibility for the environment and to draft a Company's Environmental policy. Of equal importance in 2019 is the Company paying special attention to reporting corporate governance principles in accordance with the best practices.

REPORT OF THE MANAGEMENT (continued)

Regardless of the potentially expected drop in prices for alcohol, wine materials, juice and concentrates in Europe in 2019, the price of secondary packaging and primary packaging (glass bottles) may still increase. In addition, production costs could be negatively affected by rises in the prices of all energy sources (electricity, gas). The total effect on the cost of production could be minimally negative. Despite these factors, the Company does not plan to change its sales prices and plans to keep its current level of profitability by making the aforementioned investments and thereby reducing fixed costs.

The Company as an alcohol industry enterprise was affected by the rise in the excise tax rate on 1 March 2019, which did not result in a decline in domestic consumption. At the same time Estonia has decided to reduce the excise tax rates effective from 1 July by 25%. Such decision by Estonian government can have significant impact on cross-border commerce and total volume sold in Latvian market. Under these conditions, Latvian state institutions should review the pace of planned excise tax raises (the next regular tax rate raise is expected in 2020).




Intars Geidāns
Chairman of the Board
Riga, 31 May 2019

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STATEMENT OF THE MANagements' RESPONSIBILITY

The management of the Company declares that in accordance with the information at its disposal, the condensed financial statements presented were prepared under laws and regulations in force and represent truthful and clear information on the company's assets, equity, liabilities, financial situation and profits or losses.

The Management Report contains truthful information.



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INCOME STATEMENT

	Notes	01.01.2019- 31.03.2019 EUR	01.01.2018- 31.03.2018 EUR
Revenue	3	15 893 149	15 041 478
Cost of sales	4	(12 845 940)	(12 145 423)
Gross profit		3 047 209	2 896 055
Distribution expenses	5	(1 482 230)	(1 483 235)
Administrative expenses	6	(1 181 595)	(1 064 348)
Other operating income		247 900	186 909
Other operating expenses		(107 686)	(91 226)
Finance income		549 417	348 020
Finance expenses		(54 929)	(49 928)
Net profit		1 018 086	742 247

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2019- 31.03.2019 EUR	01.01.2018- 31.03.2018 EUR
Net profit	1 018 086	742 247
Total comprehensive income for the period	1 018 086	742 247

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STATEMENT OF FINANCIAL POSITION

	31.03.2019	31.12.2018
	EUR	EUR
<u>ASSETS</u>		
Non-current assets		
Intangible assets	349 548	401 388
Property, plant and equipment	10 838 668	12 987 295
Right-of use assets	3 467 662	-
Investment property	1 886 208	1 912 137
Loans to group companies	38 231 771	38 231 771
Receivables from group companies	9 870 000	9 870 000
Other non current assets	333 979	258 339
Total non-current assets:	64 977 836	63 660 930
Current assets		
Inventories	22 613 843	21 385 788
Trade receivables	616 746	1 578 736
Receivables from group companies	65 256 741	66 435 043
Other current assets	639 593	681 693
Corporate income tax	5 000	5 000
Cash and cash equivalents	5 741	12 822
Total current assets:	89 137 664	90 099 082
<u>Total assets</u>	<u>154 115 500</u>	<u>153 760 012</u>
<u>EQUITY AND LIABILITIES</u>		
Equity		
Share capital	10 495 660	10 495 660
Share premium	87 887	87 887
Revaluation reserves of derivative financial instruments	(2 353)	(2 353)
Reserves	2 318 823	2 318 823
Retained earnings	102 239 951	101 221 866
Total equity:	115 139 968	114 121 883
Liabilities		
Non-current liabilities		
Borrowings	5 206 280	4 184 617
Derivative financial instruments	2 353	2 353
Total non-current liabilities:	5 208 633	4 186 970
Current liabilities		
Borrowings	1 756 671	1 778 863
Trade payables	5 943 556	6 402 576
Payables to group companies	6 302 234	2 040 007
Taxes payable	17 176 932	22 508 103
Other liabilities	2 587 506	2 721 610
Total current liabilities:	33 766 899	35 451 159
Total liabilities:	38 975 532	39 638 129
<u>Total equity and liabilities</u>	<u>154 115 500</u>	<u>153 760 012</u>

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserves	Revaluation reserves of derivative financial instruments	Retained earnings	Total
	EUR	EUR	EUR	EUR	EUR	EUR
31.12.2017.	10 495 660	87 887	2 318 823	(18 570)	91 834 566	104 718 366
Net profit	-	-	-	-	742 247	742 247
Total comprehensive income	-	-	-	-	742 247	742 247
31.03.2018.	10 495 660	87 887	2 318 823	(18 570)	92 576 813	105 460 613
31.12.2018.	10 495 660	87 887	2 318 823	(2 353)	101 221 866	114 121 883
Net profit	-	-	-	-	1 018 086	1 018 086
Total comprehensive income	-	-	-	-	1 018 086	1 018 086
31.03.2019.	10 495 660	87 887	2 318 823	(2 353)	102 239 951	115 139 968

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CASH FLOW STATEMENT

	01.01.2019- 31.03.2019 EUR	01.01.2018- 31.03.2018 EUR
Cash flow from operating activities		
Profit for the period before taxation	1 018 086	742 247
<u>Adjustments for:</u>		
Depreciation and amortisation	663 677	421 025
Net loss (profit) on sales and disposal of property, plant and equipment and intangibles	(1 221)	-
Accruals	(30 000)	-
Interest income	(549 417)	(348 020)
Interest expense	54 929	49 928
<u>Changes in working capital:</u>		
Increase in inventories	(1 198 055)	(3 652 599)
Decrease / (increase) in trade and other receivables	2 656 169	4 322 140
Decrease in trade and other payables	(79 618)	(35 108)
Cash generated from operations	2 534 550	(9 810 923)
Interest paid	(31 972)	(50 988)
Corporate income tax paid	-	(11 373)
Net cash generated from operating activities	2 502 578	(9 873 284)
Cash flow from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 905 792)	(737 016)
Proceeds from sales of property, plant and equipment	2 070	-
Net cash flow (used in) / generated from investing activities	(1 903 722)	10 573 520
Cash flow from financing activities		
Borrowings repaid	(348 084)	(731 612)
Payments for lease liabilities	(257 853)	(86 592)
Net cash flow used in financing activities	(605 937)	(818 204)
Net decrease in cash and cash equivalents	(7 081)	(117 968)
Cash and cash equivalents at the beginning of the period	12 822	132 970
Cash and cash equivalents at the end of the period	5 741	15 002

NOTES

(1) GENERAL INFORMATION

JSC Latvijas balzams (the Company) is a joint-stock company, which is incorporated and has its registered office in Latvia. The Company was founded in 1900 but acquired its current name in 1970. The registered address of the Company is at 160 A. Caka Street, Riga, LV-1012, Republic of Latvia. Shares of JSC Latvijas balzams are listed on the Baltic Secondary List the Nasdaq Riga AS.

The Company is the largest producer of alcohol beverages in the Baltic States. In total, JSC Latvijas balzams produces more than 100 different alcohol beverages. The major shareholder of the Company, which owns 89.99% of the Company's share capital as of 31 March 2019, is Amber Beverage Group Holding S.à r.l.

(2) ACCOUNTING POLICIES

Basis for preparation

The interim condensed financial statements for the first three months of 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as of 31 December 2018.

The interim financial statements are presented in euro (EUR), the monetary unit of the Republic of Latvia.

Changes in accounting policy and disclosures

The accounting policies are consistent with those followed in the preparation of the Company's annual financial statement for the previous periods. The Company has evaluated new and amended IFRSs and IFRICs effective for annual periods beginning on or after 1 January 2019. No material impact on the interim financial statements of the Company was identified, except as for IFRS 16 Leases as discussed further.

Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether and Arrangement contains a Lease, SIC-15 Operating Leases-incentives and SIC-27 Evaluating the Substance of Transaction Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accountant under IFRS 16 is substantially unchanged under IAS 17.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRS 4 at the date of initial application.

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(2) ACCOUNTING POLICIES (continued)

The effect of adoption IFRS 16 as at 1 January 2019 is as follows:

	01.01.2019. EUR
Assets	
Right-of-use assets	3 692 472
Property, plant and equipment	(2 087 001)
Total assets	<u>1 605 471</u>
Liabilities	
Borrowings	1 605 471
Total liabilities	<u>1 605 471</u>

Summary of new accounting policies

Right-of-use assets

The Company recognizes the right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of the lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Right-of-use assets			Lease liabilities
	Machinery and		Total	
	Buildings	Equipment		
	EUR	EUR	EUR	EUR
As at 1 January 2019	1 605 471	2 087 001	3 692 472	1 605 471
Additions	-	1 536	1 536	-
Depreciation expense	(145 952)	(80 394)	(226 346)	-
Payment	-	-	-	(145 952)
As at 31 March 2019	<u>1 459 519</u>	<u>2 008 143</u>	<u>3 467 662</u>	<u>1 459 519</u>

The Company has not applied and has not evaluated the impact of the application of the IFRS and IFRIC interpretations that have been issued as of the date of authorization of these financial statements for issue, but which are not yet effective. The Company plans to adopt these standards and interpretations on their effectiveness dates if they are endorsed by the EU.

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(3) REVENUE

a) Operation and reportable segment

The core activity of the Company is production of alcoholic beverages. AS Latvijas balsams produces over 100 different brands of beverages. Since the Company's core activity is mainly the production of alcoholic beverages, the Company has only one operation and reportable segment.

b) Revenue by type

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018
	EUR	EUR
Production of alcoholic beverages	14 864 734	13 983 216
Sales of other goods and materials	1 947	130 859
Other services	1 026 468	927 403
	<u>15 893 149</u>	<u>15 041 478</u>

c) Geographical segmentation

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018
	EUR	EUR
Cyprus	8 367 385	8 662 242
Latvia	5 574 303	4 971 454
Lithuania	1 516 613	677 492
Estonia	172 009	152 984
Russia	26 361	91 522
Other	236 478	485 785
	<u>15 893 149</u>	<u>15 041 478</u>

(4) COST OF SALES

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018
	EUR	EUR
Raw materials and consumables	10 316 919	9 381 932
Salary expense	1 388 739	1 364 474
The state compulsory social insurance contributions	332 223	325 729
Depreciation of non-current assets	295 559	228 846
Energy resources	266 878	245 906
Repair and maintenance expenses	175 939	153 933
Management of packaging	122 403	89 068
Accrued expenses on unused annual leave	32 035	(12 948)
Insurance payments	10 562	12 396
Laboratory expenses	9 156	7 017
Goods purchased	1 781	129 885
Changes of inventory value of finished goods	(575 793)	(136 412)
Other costs	469 539	355 597
	<u>12 845 940</u>	<u>12 145 423</u>

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(5) DISTRIBUTION EXPENSES

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018
	EUR	EUR
Salary expenses	458 450	425 454
Advertising and sales promotion expenses	276 616	271 557
Warehouse maintenance expenses	135 664	296 282
Transportation expenses	143 189	150 933
The state compulsory social insurance contributions	110 097	102 213
Depreciation of non-current assets	227 324	98 405
Other expenses	130 890	138 391
	<u>1 482 230</u>	<u>1 483 235</u>

(6) ADMINISTRATIVE EXPENSES

	01.01.2019- 31.03.2019	01.01.2018- 31.03.2018
	EUR	EUR
Management services and expenses	515 508	515 332
Salary expenses	157 650	140 981
Depreciation of non-current assets	140 794	93 774
Computer maintenance	53 558	49 317
Real estate tax	39 739	39 739
The state compulsory social insurance contributions	37 473	33 447
Professional service costs	39 254	19 610
Transport costs	10 471	11 204
Office expenses	3 655	15 537
Representation expenses	6 122	4 262
Communication and postal expenses	7 623	3 548
Financial support, sponsorship	2 006	2 953
Bank commissions	4 569	2 092
Business trip expenses	1 619	3 864
Other expenses	161 554	128 688
	<u>1 181 595</u>	<u>1 064 348</u>

(7) SUBSEQUENT EVENTS

Since the last day of the financial year until the date of signing of these condensed financial statements, there have been no subsequent events which would have a significant effect on the financial position of the Company as at 31 March 2019.