

APRANGA

G R O U P

APB APRANGA Interim Consolidated Financial Statements
For the Three months period ended 31 March 2021

(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

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

1 REVIEW OF ACTIVITY OF THE GROUP COMPANIES

2 FINANCIAL STATEMENTS:

- 2.1 Statements of comprehensive income
- 2.2 Statements of financial position
- 2.3 Statements of changes in equity
- 2.4 Statements of cash flows

3 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

REVIEW OF ACTIVITY OF THE GROUP COMPANIES

The retail turnover (including VAT) of Apranga Group (hereinafter - the Group) amounted to EUR 25.5 million in 1st quarter 2021 or by 44,3% less than in 2020. Due to epidemic coronavirus (COVID-19) infection, from 16 December 2020, all the Group's stores in Lithuania were temporarily closed. Stores in Lithuania with a separate entrance from the outside and a sales area not exceeding 300 square meters have been open since 15 February 2021. All stores with a separate entrance from the outside have been open since 15 March 2021 (in comparison to last year, all Group's stores were temporarily closed from 16 March 2020). In Latvia, stores are temporarily closed from 19 December 2020 (in comparison to last year, stores operating in shopping malls could not work on weekends from 28 March 2020 in Latvia). In Estonia, all Group's stores are temporarily closed from 11 March 2021, and from 6 March 2021 to 11 March 2021 stores were not allowed to work on weekends (in comparison to last year, stores operating in shopping malls were closed from 27th March 2020 in Estonia). **These temporary store closures had a significant impact on the Group's generated turnover, earned profit and, accordingly, financial performance.**

The retail turnover of the Group stores in the 3 months 2021 was (EUR thousand, VAT included):

| | 2021 | 2020 | 2019 | 2021/2020, % | 2021/2019, % |
|----------|--------|--------|--------|--------------|--------------|
| January | 6 651 | 19 929 | 16 972 | -66,6% | -60,8% |
| February | 8 298 | 17 318 | 15 162 | -52,1% | -45,3% |
| March | 10 598 | 8 599 | 17 656 | 23,2% | -40,0% |
| Total: | 25 547 | 45 846 | 49 790 | -44,3% | -48,7% |

The retail turnover of the Group stores *by countries* in the 3 months 2021 was (EUR thousand, VAT included):

| Country | 3 months 2021 | 3 months 2020 | 3 months 2019 | 2021/2020, % | 2021/2019, % |
|-----------|---------------|---------------|---------------|--------------|--------------|
| Lithuania | 15 851 | 26 794 | 30 510 | -40,8% | -48,0% |
| Latvia | 3 812 | 11 272 | 10 713 | -66,2% | -64,4% |
| Estonia | 5 884 | 7 780 | 8 566 | -24,4% | -31,3% |
| Total: | 25 547 | 45 846 | 49 790 | -44,3% | -48,7% |

The retail turnover in Latvia during the 3 months 2021 has decreased by 66.2%, if compared to last year, and was primarily caused by the closure of all Group's stores in Latvia during the entire period.

The online turnover of the Group's stores in 3 months of 2021 was as follows (EUR thousand, VAT included):

| | 3 months 2021 | 3 months 2020 | 2021/2020, % |
|-----------------------------------|---------------|---------------|--------------|
| Online turnover | 17 414 | 3 227 | 5.4 times |
| Relative weight in total turnover | 68,2% | 7,0% | |

The Group's online turnover increased 5.4 times in 3 months of 2021, and its relative weight in total turnover increased from 7.0% to 68.2% 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 stores *by chains* in 3 months 2021 was as follows (EUR thousand, VAT included):

| Chain | 3 months 2021 | 3 months 2020 | 3 months 2019 | 2021/2020, % | 2021/2019, % |
|-----------------------|---------------|---------------|---------------|--------------|--------------|
| Economy ¹ | 632 | 5 438 | 6 596 | -88,4% | -90,4% |
| Youth ² | 6 784 | 10 287 | 10 545 | -34,1% | -35,7% |
| Footwear | 103 | 983 | 1 328 | -89,5% | -92,2% |
| Business ³ | 4 242 | 8 330 | 9 039 | -49,1% | -53,1% |
| Luxury ⁴ | 3 633 | 5 169 | 5 368 | -29,7% | -32,3% |
| Zara | 9 787 | 13 632 | 14 596 | -28,2% | -32,9% |
| Outlets | 365 | 2 007 | 2 318 | -81,8% | -84,2% |
| Total | 25 547 | 45 846 | 49 790 | -44,3% | -48,7% |

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

² Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho, AlX Armani Exchange.

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, Marina Rinaldi, Mados linija, Nude, Sandro, Maje, Hugo.

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

According to EUROSTAT data, *the retail trade* (except of motor vehicles, motorcycles and fuel) in Baltic States during the period of January and February 2021 fell by around 3% (in January and February 2020 the retail trade grew at the rate of 7%). European Union (28 countries) retail trade during the period of January and February 2021 decreased by 3% (in January and February 2020 the retail trade grew by around 3%).

During the three months 2021, renovated 3 stores (Apranga and Aprangos galerija stores in Klaipėda, and Zara store in Kaunas) and closed 5 stores. The total capital expenditure of the Group amounted to EUR 2.5 million (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

| Country | 31 03 2021 | 31 03 2020 | 31 03 2019 | 2021/2020, % | 2021/2019, % |
|-----------|------------|------------|------------|--------------|--------------|
| Lithuania | 101 | 105 | 111 | -3,8% | -9,0% |
| Latvia | 48 | 51 | 38 | -5,9% | 26,3% |
| Estonia | 25 | 28 | 29 | -10,7% | -13,8% |
| Total: | 174 | 184 | 178 | -5,4% | -2,2% |

The number of stores by chains was as follows:

| Chain | 31 03 2021 | 31 03 2020 | 31 03 2019 | 2021/2020, % | 2021/2019, % |
|----------|------------|------------|------------|--------------|--------------|
| Economy | 29 | 34 | 31 | -14,7% | -6,5% |
| Youth | 47 | 47 | 44 | 0,0% | 6,8% |
| Footwear | 11 | 14 | 13 | -21,4% | -15,4% |
| Business | 38 | 39 | 42 | -2,6% | -9,5% |
| Luxury | 30 | 30 | 28 | 0,0% | 7,1% |
| Zara | 11 | 11 | 11 | 0,0% | 0,0% |
| Outlets | 8 | 9 | 9 | -11,1% | -11,1% |
| Total | 174 | 184 | 178 | -5,4% | -2,2% |

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

| Country | 31 03 2021 | 31 03 2020 | 31 03 2019 | 2021/2020, % | 2021/2019, % |
|-----------|------------|------------|------------|--------------|--------------|
| Lithuania | 51,0 | 50,1 | 50,0 | 1,8% | 2,0% |
| Latvia | 27,0 | 27,4 | 16,4 | -1,2% | 64,8% |
| Estonia | 15,4 | 15,8 | 14,3 | -2,6% | 7,5% |
| Total: | 93,4 | 93,3 | 80,7 | 0,2% | 15,7% |

The total sales area operated by the Group has increased by 0.2% or by 0.2 thousand sq. m. during the 12 months period until 31 March 2021.

In 3 months 2021, the Group had EUR 3.0 million of *loss before income tax*, while the Group had the loss before taxes of EUR 2.2 million in 3 months of 2020. Management estimates that due to the COVID-19 pandemic and the temporary closure of stores, the Group lost about EUR 30 million of turnover (including VAT), did not receive about EUR 9 million of gross profit and did not earn about 2.5 million of profit before income tax in 3 months 2021.

EBITDA of the Group was EUR 2.1 million in 3 months 2021, and it was EUR 2.8 million in corresponding previous year period. EBITDA margin increased from 7.3% to 9.4% during the year.

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

| Main Group Indicators | 3 months 2021 | 3 months 2020 | 3 months 2019 |
|-----------------------------------------|------------------|------------------|------------------|
| Net sales | 21 952 | 38 464 | 41 158 |
| Net sales in foreign markets | 8 264 | 15 955 | 15 951 |
| Like-for-like sales, % | - | - | 7,4% |
| Gross profit | 7 514 | 14 342 | 15 500 |
| Gross margin, % | 34,2% | 37,3% | 37,7% |
| Operating profit (loss) | (2 719) | (1 926) | (625) |
| Operating profit margin, % | -12,4% | -5,0% | -1,5% |
| EBT | (2 977) | (2 189) | (825) |
| EBT margin, % | -13,6% | -5,7% | -2,0% |
| Profit (loss) for the period | (2 521) | (1 999) | (789) |
| Profit for the period margin, % | -11,5% | -5,2% | -1,9% |
| EBITDA | 2 058 | 2 796 | 3 827 |
| EBITDA margin, % | 9,4% | 7,3% | 9,3% |
| Return on equity (end of the period), % | -4,1% | -3,5% | -1,4% |
| Return on assets (end of the period), % | -1,6% | -1,3% | -0,6% |
| Net debt to equity, % | 79,3% | 120,0% | 107,8% |
| Current ratio, times | 1,6 | 1,4 | 1,5 |

The operating expenses of the Group totaled EUR 10.2 million for 3 months 2021 and decreased by 37.1%, comparing to the same period 2020 (sales decreased by 42.9% for comparison). The Group had EUR 0.4 million of debts to financial institutions at the end of the reporting period (EUR 4.9 million as at 31 March 2020).

| Main Group Indicators | 3 months 2021 | 3 months 2020 | Change |
|------------------------------|------------------|------------------|--------|
| Net sales | 21 952 | 38 464 | -42,9% |
| Net sales in foreign markets | 8 264 | 15 955 | -48,2% |
| Gross profit | 7 514 | 14 342 | -47,6% |
| Operating (expenses) | (10 233) | (16 268) | -37,1% |
| Operating profit (loss) | (2 719) | (1 926) | 41,2% |
| EBT | (2 977) | (2 189) | 36,0% |
| Profit (loss) for the period | (2 521) | (1 999) | 26,1% |
| EBITDA | 2 058 | 2 796 | -26,4% |

The Group's level of inventories during the year decreased by 6.5% (from EUR 42.2 million to EUR 39.4 million). Company's inventories decreased by 0.6%.

The number of employees during the year till 31 March 2021 in the Group has decreased by 386 to 1 807 (-17.6%) and decreased in Company by 122 to 639 (-16.0%).

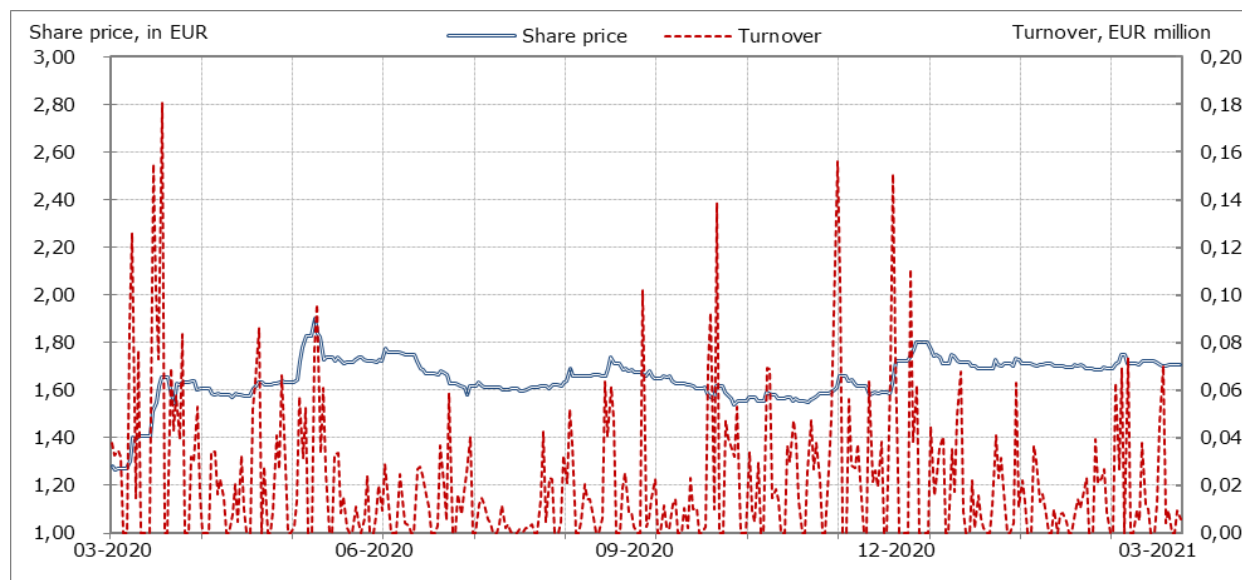
The price of the Company shares in 3 months 2021 decreased by 6% from EUR 1.80 to EUR 1.70 per share. The maximum share price during the three months period was EUR 1.82 per share, minimum share price - EUR 1.68 per share. In this way, the market capitalization of the Company decreased from EUR 100 million at the beginning of the year to EUR 94 million at the end of March 2021. The weighted average price of 1 share during the reporting period was EUR 1.71. Company's share turnover was EUR 1.4 million in 3 months 2021. The share price during the last 12 months period increased from EUR 1.28 to EUR 1.70 per share, or by 33%.

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

Apranga APB share price in 12 months period from 1st April 2020 to 31st March 2021:



Information about members of the Management board on 31 March 2021:

| Name, Surname | Position | Number of shares owned and part in the share capital | Election date | End of term |
|-----------------------|-------------------------------------------|------------------------------------------------------|---------------|-------------|
| Darius Juozas Mockus | Chairman of the Board | - | 27 04 2018 | 27 04 2022 |
| Rimantas Perveneckas | Member of the Board, General Director | 800 770 1,45% | 27 04 2018 | 27 04 2022 |
| Ilona Simkuniene | Member of the Board, Purchasing Director | - | 27 04 2018 | 27 04 2022 |
| Ramunas Gaidamavicius | Member of the Board, Development Director | 5 000 0,01% | 27 04 2018 | 27 04 2022 |
| Vidas Lazickas | Member of the Board | 221 300 0,40% | 27 04 2018 | 27 04 2022 |
| Marijus Strončikas | Member of the Board | 4 450 0,01% | 27 04 2018 | 27 04 2022 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF COMPREHENSIVE INCOME

| | Note | GROUP | | COMPANY | |
|-----------------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 3 months 2021 | 3 months 2020 | 3 months 2021 | 3 months 2020 |
| Revenue from contracts with customers | 5 | 21 952 | 38 464 | 7 299 | 15 953 |
| Cost of sales | | (14 438) | (24 122) | (5 192) | (10 680) |
| GROSS PROFIT | | 7 514 | 14 342 | 2 107 | 5 273 |
| Operating (expenses) | | (10 976) | (16 282) | (4 349) | (6 280) |
| Other income | | 743 | 17 | 1 | 18 |
| Net foreign exchange gain (loss) | | - | (3) | - | (3) |
| OPERATING PROFIT (LOSS) | | (2 719) | (1 926) | (2 241) | (992) |
| Finance income | | 8 | 8 | 18 | 26 |
| Finance (costs) | | (266) | (271) | (123) | (117) |
| PROFIT (LOSS) BEFORE INCOME TAX | | (2 977) | (2 189) | (2 346) | (1 083) |
| Income tax (expense) | | 456 | 190 | 361 | (82) |
| PROFIT (LOSS) FOR THE PERIOD | 3 | (2 521) | (1 999) | (1 985) | (1 165) |
| Other comprehensive income | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME | | (2 521) | (1 999) | (1 985) | (1 165) |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | (2 521) | (1 999) | (1 985) | (1 165) |
| Non-controlling interests | | - | - | - | - |
| Basic and diluted earnings per share (in EUR) | | (0,05) | (0,04) | (0,04) | (0,02) |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION

| ASSETS | | GROUP | | COMPANY | |
|--------------------------------------|----------|----------------|----------------|---------------|---------------|
| ASSETS | Note | 31 03 2021 | 31 12 2020 | 31 03 2021 | 31 12 2020 |
| Property, plant and equipment | | 26 935 | 25 999 | 13 171 | 12 705 |
| Intangible assets | | 543 | 534 | 507 | 497 |
| Investments in subsidiaries | | - | - | 4 963 | 4 963 |
| Prepayments | | 2 198 | 1 465 | 312 | 230 |
| Trade and other receivables | | 4 | 4 | 4 | 4 |
| Right-of-use assets | | 61 018 | 64 203 | 23 775 | 24 951 |
| Financial assets | | 2 400 | 2 400 | 2 400 | 2 400 |
| Total non-current assets | | 93 098 | 94 605 | 45 132 | 45 750 |
| CURRENT ASSETS | | | | | |
| Inventories | | 39 438 | 35 434 | 24 433 | 19 759 |
| Financial assets | | 740 | 732 | 740 | 732 |
| Prepayments | | 1 165 | 1 110 | 1 148 | 1 080 |
| Trade and other receivables | | 2 078 | 2 143 | 12 380 | 11 817 |
| Cash and cash equivalents | | 20 790 | 26 209 | 12 259 | 19 863 |
| Total current assets | | 64 211 | 65 628 | 50 960 | 53 251 |
| Non-current assets held for sale | | - | 71 | - | 71 |
| TOTAL ASSETS | 3 | 157 309 | 160 304 | 96 092 | 99 072 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | Note | 31 03 2021 | 31 12 2020 | 31 03 2021 | 31 12 2020 |
| 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 | | 43 375 | 45 896 | 33 277 | 35 262 |
| Total equity | | 60 961 | 63 482 | 50 916 | 52 901 |
| NON-CURRENT LIABILITIES | | | | | |
| Borrowings | 6 | 125 | 200 | 125 | 200 |
| Tax liabilities | | 5 038 | 7 597 | 2 492 | 3 773 |
| Deferred tax liabilities | | 575 | 1 008 | - | 96 |
| Non-current lease liabilities | | 51 195 | 53 936 | 19 944 | 20 993 |
| Non-current employee benefits | | 100 | 126 | 100 | 126 |
| Total non-current liabilities | | 57 033 | 62 867 | 22 661 | 25 188 |
| CURRENT LIABILITIES | | | | | |
| Borrowings | 6 | 300 | 300 | 8 123 | 8 468 |
| Tax liabilities | | 7 302 | 4 964 | 3 464 | 2 243 |
| Current lease liabilities | | 12 457 | 12 758 | 4 799 | 4 897 |
| Current income tax liability | | 896 | 938 | 3 | 2 |
| Trade and other payables | | 18 360 | 14 995 | 6 126 | 5 373 |
| Total current liabilities | | 39 315 | 33 955 | 22 515 | 20 983 |
| Total liabilities | | 96 348 | 96 822 | 45 176 | 46 171 |
| TOTAL EQUITY AND LIABILITIES | | 157 309 | 160 304 | 96 092 | 99 072 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF CHANGES IN EQUITY

| GROUP | Note | Share capital | Legal reserve | Translation reserve | Retained earnings | Total |
|-----------------------------------|------|---------------|---------------|---------------------|-------------------|----------------|
| Balance at 1 January 2020 | | 16 035 | 1 604 | (53) | 40 960 | 58 546 |
| Comprehensive income: | | | | | | |
| Loss for the 3 months 2020 | 3 | | | | (1 999) | (1 999) |
| Total comprehensive income | | - | - | - | (1 999) | (1 999) |
| Balance at 31 March 2020 | | 16 035 | 1 604 | (53) | 38 961 | 56 547 |
| Balance at 1 January 2021 | | 16 035 | 1 604 | (53) | 45 896 | 63 482 |
| Comprehensive income: | | | | | | |
| Loss for the 3 months 2021 | 3 | | | | (2 521) | (2 521) |
| Total comprehensive income | | - | - | - | (2 521) | (2 521) |
| Balance at 31 March 2021 | | 16 035 | 1 604 | (53) | 43 375 | 60 961 |

| COMPANY | | Share capital | Legal reserve | Retained earnings | Total |
|-----------------------------------|--|---------------|---------------|-------------------|----------------|
| Balance at 1 January 2020 | | 16 035 | 1 604 | 31 196 | 48 835 |
| Comprehensive income: | | | | | |
| Loss for the 3 months 2020 | | | | (1 165) | (1 165) |
| Total comprehensive income | | - | - | (1 165) | (1 165) |
| Balance at 31 March 2020 | | 16 035 | 1 604 | 30 031 | 47 670 |
| Balance at 1 January 2021 | | 16 035 | 1 604 | 35 262 | 52 901 |
| Comprehensive income: | | | | | |
| Loss for the 3 months 2021 | | | | (1 985) | (1 985) |
| Total comprehensive income | | - | - | (1 985) | (1 985) |
| Balance at 31 March 2021 | | 16 035 | 1 604 | 33 277 | 50 916 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF CASH FLOW

| OPERATING ACTIVITIES | Note | GROUP | | COMPANY | |
|------------------------------------------------------------|------|------------------|------------------|------------------|------------------|
| | | 3 months 2021 | 3 months 2020 | 3 months 2021 | 3 months 2020 |
| Profit (loss) before income taxes | | (2 977) | (2 189) | (2 346) | (1 083) |
| ADJUSTMENTS FOR: | | | | | |
| Depreciation and amortization | | 4 777 | 4 993 | 1 776 | 1 912 |
| Impairment charge (reversal) | | (8) | (5) | - | - |
| Change in allowances for slow-moving inventories | | (215) | (249) | 292 | 24 |
| (Gain) on disposal of property, plant and equipment | | 1 | (7) | 1 | (7) |
| Write-off of property, plant and equipment | | 5 | 12 | - | - |
| Dividend income | | (176) | - | - | - |
| Interest expenses | | 258 | 263 | 105 | 91 |
| Total | | 1 665 | 2 818 | (172) | 937 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES: | | | | | |
| Decrease (increase) in inventories | | (3 789) | (1 834) | (4 966) | (3 483) |
| Decrease (increase) in receivables | | (659) | 342 | 99 | (1 306) |
| Increase (decrease) in payables | | 3 118 | (3 082) | 667 | 223 |
| Cash generated from operations | | 335 | (1 756) | (4 372) | (3 629) |
| Income taxes paid | | (19) | (13) | 1 | (88) |
| Interest paid | | (266) | 227 | (123) | 73 |
| Net cash from operating activities | | 50 | (1 542) | (4 494) | (3 644) |
| INVESTING ACTIVITIES | | | | | |
| Interest received | | 8 | 8 | 18 | 26 |
| Dividends received | | 176 | - | - | - |
| Loans granted | | - | (12 800) | (3 490) | (21 571) |
| Loans repayments received | | - | 12 800 | 3 005 | 20 282 |
| Purchases of PPE and intangible assets | 4 | (2 535) | (2 725) | (1 077) | (685) |
| Proceeds on disposal of PPE | 4 | - | 538 | 1 | 9 |
| Net cash used in investing activities | | (2 351) | (2 179) | (1 543) | (1 939) |
| FINANCING ACTIVITIES | | | | | |
| Dividends paid | | - | 1 | - | 1 |
| Proceeds from borrowings | | - | - | 25 | 7 200 |
| Repayments of borrowings | | (75) | (75) | (445) | (8 851) |
| Payment of principal portion of lease liabilities | | (3 043) | (3 397) | (1 147) | (1 364) |
| Net cash from financing activities | | (3 118) | (3 471) | (1 567) | (3 014) |
| NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS | | (5 419) | (7 192) | (7 604) | (8 597) |
| CASH AND BANK OVERDRAFTS: | | | | | |
| AT THE BEGINNING OF THE PERIOD | | 26 209 | 6 712 | 19 863 | 4 557 |
| AT THE END OF THE PERIOD | | 20 790 | (480) | 12 259 | (4 040) |

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

NOTES TO INTERIM CONSOLIDATED AND COMPANY'S FINANCIAL STATEMENTS

1. General information

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

At 31 March 2021 the Group consisted of the Company and the following 100% owned subsidiaries:

| Name | Country | Ownership interest in % 31 03 2021 | Ownership interest in % 31 12 2020 |
|----------------------|-----------|---------------------------------------|---------------------------------------|
| 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% |

* The Company directly owns 14.91% shares and indirectly through its subsidiary OU Apranga Estonia owns the rest 85.09% of shares.

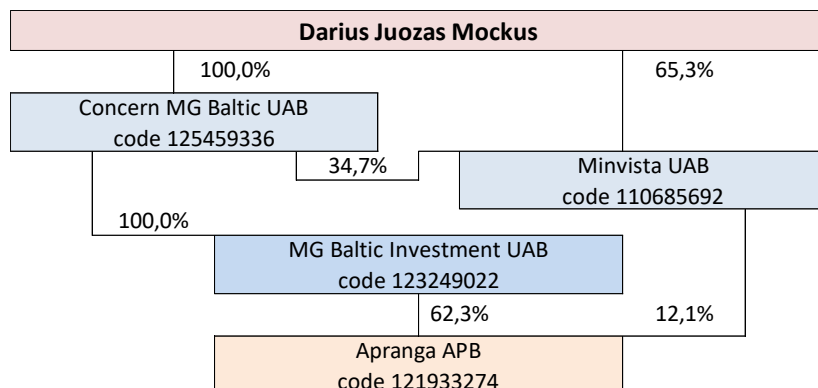
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All 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 of Nasdaq Vilnius Stock Exchange.

At 22 April 2021 the Company had 3 822 shareholders. Company shareholders which owned or had under management more than 5% of share capital were:

| Shareholder | Enterprise code | Address | Number of shares | % of total ownership |
|--------------------------|-----------------|-----------------------------------|------------------|----------------------|
| UAB MG Baltic Investment | 123249022 | Jasinskio 16B, Vilnius, Lithuania | 34 442 189 | 62,3% |
| UAB Minvista | 110685692 | Jasinskio 16, Vilnius, Lithuania | 6 689 775 | 12,1% |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

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



2. Basis of preparation and summary of main accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The principle accounting policies applied in the preparation of Interim financial statements are the same to those applied in preparation of the Annual financial statements.

The financial statements for the period ended 31 March 2021 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 3 months 2021 is as follows:

| 3 months 2021 | Lithuania | Latvia | Estonia | Total | Inter- company elimina- tions | Total in consolidated financial statements |
|------------------------------------------|-----------|---------|---------|---------|----------------------------------------|-----------------------------------------------------|
| Total segment revenue | 14 632 | 5 481 | 5 465 | 25 578 | - | |
| Inter-segment revenue | (987) | (2 196) | (486) | (3 669) | - | |
| Revenue from external customers (note 5) | 13 645 | 3 285 | 4 979 | 21 909 | - | 21 909 |
| Gross margin | 31,5% | 44,8% | 34,2% | 34,1% | | 34,1% |
| Profit (loss) for the year | (2 125) | 256 | (652) | (2 521) | - | (2 521) |
| Total assets | 125 975 | 32 084 | 18 463 | 176 522 | (19 213) | 157 309 |
| Additions to non-current assets | 2 521 | 2 | 15 | 2 538 | (3) | 2 535 |

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

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021

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

| 3 months 2020 | Lithuania | Latvia | Estonia | Total | Inter- company elimina- tions | Total in consolidated financial statements |
|---------------------------------|-----------|--------|---------|---------|----------------------------------------|-----------------------------------------------------|
| Total segment revenue | 25 867 | 9 587 | 6 729 | 42 183 | - | |
| Inter-segment revenue | (3 407) | (186) | (175) | (3 768) | - | |
| Revenue from external customers | 22 460 | 9 401 | 6 554 | 38 415 | - | 38 415 |
| Gross margin | 36,7% | 37,5% | 38,5% | 37,2% | | 37,2% |
| Profit (loss) for the year | (1 023) | (475) | (501) | (1 999) | - | (1 999) |
| Total assets | 109 086 | 34 068 | 22 937 | 166 091 | (17 638) | 148 453 |
| Additions to non-current assets | 1 118 | 1 381 | 239 | 2 738 | (13) | 2 725 |

4. Investments into non-current assets

Net investments of the Group amounted to EUR 2.5 million in 3 months 2021. The Company's investments have reached EUR 1.1 million, daughter companies – EUR 1.4 million.

5. Income

For the Q1 2021 revenue from contracts with customers consisted of the following:

| | GROUP | | COMPANY | |
|---------------------------------------------|--------|--------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Stores income | 21 909 | 38 415 | 5 647 | 11 714 |
| Wholesale income | - | - | 1 111 | 3 323 |
| Management fees | - | - | 513 | 900 |
| Other income | 43 | 49 | 28 | 16 |
| Total revenue from contracts with customers | 21 952 | 38 464 | 7 299 | 15 953 |

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. Guarantees and letters of credit

As of 31 March 2021, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 171 thousand (31 December 2020: EUR 14 159 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 March 2021 amounted to EUR 15 933 thousand (31 December 2020: EUR 15 843 thousand).

As of 31 March 2021, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 793 thousand (31 December 2020: EUR 818 thousand).

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2021
(all tabular amounts are in EUR thousands unless otherwise stated)

8. 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>.

9. Events after the reporting period

All Group's stores have been open in Lithuania from 19 April 2021. However, stores operating in shopping malls are not allowed to work on weekends, unless they have separate entrance from the outside.

Stores with sales area not exceeding 7,000 sq.m. and having separate entrance from the outside have been open in Latvia from 7 April 2021.

According to Government's of Republic of Estonia decision, all stores to be allowed to operate as of 3 May 2021.