

28 February 2023
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

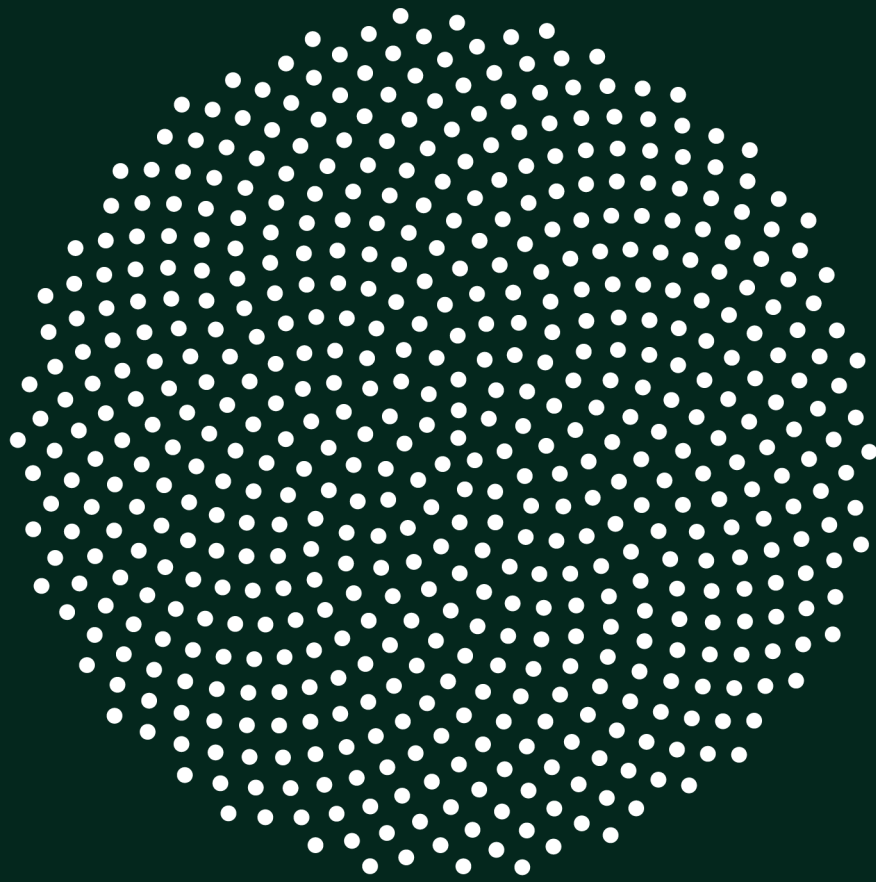
Hereby we confirm, that by our knowledge Interim Consolidated Financial Statements for the 12 months 2022 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flow of APB Apranga, as well as of Apranga Group consolidated companies.

Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Gabrielius Morkūnas





APRANGA

G R O U P

APB APRANGA The Consolidated Interim Report and
Interim Consolidated Financial Statements
For the Twelve months period ended 31 December 2022

(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 REFISTRATION	1 st March 1993
CODE OF COMPANY	121933274
SHARE CAPITAL	EUR 16 034 668.40
REGISTERED OFFICE	Ukmerges 362, LT-14311 Vilnius, Lithuania
NAME OF REGISTER OF LEGAL ENTITIES	Registrų centras VI, Vilnius branch
TELEPHONE NUMBER	+370 5 239 08 08
E-MAIL	info@apranga.lt
INTERNET ADRESS	www.aprangagroup.com
MAIN ACTIVITIES	Retail trade of apparel
AUDITOR	ERNST & YOUNG BALTIC UAB

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ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 293.3 million in 12 months 2022 and was by 28.4% higher than in 2021 and by 18.3% higher than in 2019. In 2022, the retail turnover of Apranga Group in Lithuania reached EUR 178.0 million and increased by 21.9% year-on-year. In 2022 the retail turnover of Apranga Group in Latvia was EUR 70.9 million and surged by 53.0% year-on-year, in Estonia was EUR 44.4 million and grew by 23.6% year-on-year.

Due to epidemic coronavirus (COVID-19) infection, from 16 December 2020, all the Group's stores in Lithuania were temporarily closed. Stores with a separate entrance from the outside and sales area not exceeding 300 square meters were open from 15 February 2021. Stores with a separate entrance from the outside and a sales area exceeding 300 square meters were open from 15 March 2021. All Group's stores have been reopened in Lithuania from 19 April 2021, however, stores operating in shopping malls were not allowed to work on weekends, unless they had separate entrance from outside. Eventually, all Group's stores had been open in Lithuania as of 29 May 2021. In Latvia, stores were temporarily closed from 19 December 2020. Group's stores that operate in shopping malls and have separate entrance from outside had been reopened in Latvia as of 22 May 2021. All Group's stores had been open in Latvia as of 3 June 2021 until 14 October 2021, when the operation of stores in shopping malls on weekends were banned in Latvia, and from 21 October 2021 all Group's stores in Latvia again were temporarily closed. All Group's stores were reopened in Latvia from 15 November 2021, however, stores operating in shopping malls were not allowed to work on weekends, unless they had separate entrance from outside. Eventually, all Group's stores were allowed to work also on weekends as of 25 December 2021. In Estonia, all Group's stores were temporarily closed from 11 March 2021 until 3 May 2021. These temporary closures had a significant impact on the Group's generated turnover in 2021.

According to the data of the official statistics departments of Lithuania, Latvia and Estonia, the market of retail trade, except of motor vehicles and motorcycles, in the Baltic states generated a turnover of over EUR 39.0 billion (excluding VAT) at current prices in the year 2022, which is about 21% more compared to the same period in 2021. In the months of January-June the market grew by 24% and in July-December the growth had slightly slowed down to 18% compared to the same period last year.

In the year 2022 the average annual Harmonized Indices of Consumer Prices (HICP), index used in inflation measurement, reached 18.9% in Lithuania, 17.2% in Latvia and 19.4% in Estonia, thus averaging to around 18.5% in Baltic region. In the first half of the year, January-June, the Baltic region HICP averaged to around 15.2%, whereas in the second half of the year it reached 21.7%. In December in Lithuania the consumer confidence index reached -8.1, while in Euro zone this index was -23.1. The worst confidence in economy Lithuanians had in September when it went down to -15.9, whereas the Euro zone consumer confidence also reached its lowest point in September with -28.7.

The companies participating in the textile, clothing and footwear market of the Baltic states generated a turnover of around EUR 1.82 billion (excluding VAT) in the year 2022. It is a 29% growth compared to 2021 and 22% growth compared to 2019. The first half of 2022 has experienced 53% growth year-on-year, while the period over July-December has grown 15% year-on-year. Lithuania remains the largest market of retail trade of textile, clothing and footwear in specialized stores in the Baltic states, generating around 50% of the Baltic states market turnover.

In the year 2022 the average annual Harmonized Indices of Consumer Prices (HICP) in the clothing and footwear industry reached 3.4% in Lithuania, 4.6% in Latvia and 6.5% in Estonia.

The retail turnover of the Group's stores in 12 months of 2022 by countries was as follows (EUR thousand, VAT included):

Country	12 months 2022	12 months 2021	12 months 2020	12 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Lithuania	178 024	146 003	118 336	147 470	21,9%	50,4%	20,7%
Latvia	70 900	46 409	52 377	59 363	52,8%	35,4%	19,4%
Estonia	44 416	36 010	33 532	41 124	23,3%	32,5%	8,0%
Total:	293 340	228 422	204 245	247 957	28,4%	43,6%	18,3%

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The retail turnover of the Group's stores by countries during the 4th quarter of 2022 was (EUR thousand, VAT included):

Country	Q4 2022	Q4 2021	Q4 2020	Q4 2019	2022/2021, %	2022/2020, %	2022/2019, %
Lithuania	51 646	46 370	30 647	44 210	11,4%	68,5%	16,8%
Latvia	20 420	13 103	13 756	17 260	55,8%	48,4%	18,3%
Estonia	12 453	10 779	9 355	10 993	15,5%	33,1%	13,3%
Total:	84 519	70 253	53 759	72 462	20,3%	57,2%	16,6%

The online turnover of the Group's stores in 12 months of 2022 was as follows (EUR thousand, VAT included):

	12 months 2022	12 months 2021	12 months 2020	12 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Online turnover	33 672	48 256	24 950	9 579	-30,2%	35,0%	3,5 times
Relative weight in total turnover	11,5%	21,1%	12,2%	3,9%			

The Group's online turnover decreased by 30,2% in the 12 months of the year, and its relative weight in total turnover decreased from 21.1% to 11.5% compared to the corresponding period of the previous year. In year 2021, online turnover was significantly higher due to the Covid-19 related temporary closure of physical stores. The Group's online turnover in 12 months 2022, compared to the corresponding period of 2019, increased 3.5 times.

The retail turnover of the Group's stores by chains in 12 months of 2022 was as follows (EUR thousand, VAT included):

Chain	12 months 2022	12 months 2021	12 months 2020	12 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Economy ¹	31 102	22 524	23 240	31 991	38,1%	33,8%	-2,8%
Youth ²	69 998	55 064	48 666	58 655	27,1%	43,8%	19,3%
Footwear	4 679	3 201	3 893	6 660	46,2%	20,2%	-29,7%
Business ³	54 100	42 545	38 216	44 802	27,2%	41,6%	20,8%
Luxury ⁴	29 280	25 263	21 431	22 333	15,9%	36,6%	31,1%
Zara	89 853	69 515	59 872	72 507	29,3%	50,1%	23,9%
Outlets	14 328	10 310	8 926	11 010	39,0%	60,5%	30,1%
Total	293 340	228 422	204 245	247 957	28,4%	43,6%	18,3%

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

² Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho, A|X Armani Exchange;

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

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

During the year 2022 Apranga Group opened 5 stores, enlarged and reconstructed 2 stores, partially renovated 4 stores and closed 6 stores. Currently Apranga Group operates the chain of 168 stores (100 in Lithuania, 44 in Latvia and 24 in Estonia) covering the gross area of 90.6 thousand sq. m., or by 0.1% less than a year ago.

The net capital expenditure to the retail chain expansion and modernization amounted to EUR 3.8 million in 12 months of 2022 (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 12 2022	31 12 2021	31 12 2020	2022/2021, %	2022/2020, %
Lithuania	100	102	104	-2,0%	-3,8%
Latvia	44	46	48	-4,3%	-8,3%
Estonia	24	21	27	14,3%	-11,1%
Total:	168	169	179	-0,6%	-6,1%

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The number of stores by chains was as follows:

Chain	31 12 2022	31 12 2021	31 12 2020	2022/2021, %	2022/2020, %
Economy	19	26	31	-26,9%	-38,7%
Youth	48	47	47	2,1%	2,1%
Footwear	11	10	13	10,0%	-15,4%
Business	41	39	41	5,1%	0,0%
Luxury	30	28	28	7,1%	7,1%
Zara	10	10	11	0,0%	-9,1%
Outlets	9	9	8	0,0%	12,5%
Total	168	169	179	-0,6%	-6,1%

The number of economy chain stores has significantly decreased due to closure of Promod and Orsay brand stores in years 2021 and 2022.

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

Country	31 12 2022	31 12 2021	31 12 2020	2022/2021, %	2022/2020, %
Lithuania	51,0	51,3	49,9	-0,6%	2,1%
Latvia	26,4	26,8	27,0	-1,3%	-2,2%
Estonia	13,2	12,6	15,6	5,2%	-15,5%
Total:	90,6	90,6	92,6	-0,1%	-2,1%

In addition to the key figures defined or specified in the applicable IFRS financial reporting framework, the Group also provides key financial ratios derived from or based on the prepared financial statements. These are known as Alternative Performance Measures (APM). Definitions of APM are provided on the Group's website. In table below are stated few APM.

The Group's profit before income tax amounted to EUR 18.5 million in 12 months 2022, while profit before taxes was EUR 13.2 million in 12 months of 2021, i.e., 40.4% more than in the corresponding period of the previous year.

EBITDA of the Group was EUR 38.7 million in 12 months 2022, and it was EUR 34.1 million in corresponding 2021 period, i.e., 13.6% more than in the corresponding period of the previous year. EBITDA margin has decreased from 18.0% to 15.9% during the year.

Main Group Indicators	12 months 2022	12 months 2021	12 months 2020	12 months 2019
Net sales	242 899	189 745	169 958	205 005
Net sales in foreign markets	95 595	68 502	71 424	83 197
Gross profit	111 344	82 230	71 146	89 210
Gross margin, %	45,8%	43,3%	41,9%	43,5%
Operating profit (loss)	19 669	14 278	7 038	11 929
Operating profit margin, %	8,1%	7,5%	4,1%	5,8%
EBT	18 545	13 211	5 961	10 994
EBT margin, %	7,6%	7,0%	3,5%	5,4%
Profit (loss) for the period	15 435	10 896	4 936	9 240
Profit for the period margin, %	6,4%	5,7%	2,9%	4,5%
EBITDA	38 706	34 076	27 340	30 031
EBITDA margin, %	15,9%	18,0%	16,1%	14,6%
Return on equity (end of the period), %	24,8%	14,6%	7,8%	15,8%
Return on assets (end of the period), %	10,4%	6,6%	3,1%	6,0%
Net debt to equity, %	53,4%	50,5%	76,5%	109,1%
Current ratio, times	1,7	2,0	1,9	1,4

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Main Group Indicators	Q4 2022	Q4 2021	Q4 2020	Q4 2019
Net sales	69 269	57 704	44 049	59 766
Net sales in foreign markets	26 951	19 603	19 070	23 338
Gross profit	33 230	26 128	18 387	26 977
Gross margin, %	48,0%	45,3%	41,7%	45,1%
Operating profit (loss)	5 422	5 369	848	4 090
Operating profit margin, %	7,8%	9,3%	1,9%	6,8%
EBT	5 059	5 041	579	3 744
EBT margin, %	7,3%	8,7%	1,3%	6,3%
Profit (loss) for the period	4 203	4 086	827	2 927
Profit for the period margin, %	6,1%	7,1%	1,9%	4,9%
EBITDA	10 365	10 861	5 945	9 113
EBITDA margin, %	15,0%	18,8%	13,5%	15,2%
Return on equity (end of the period), %	6,8%	5,5%	1,3%	5,0%
Return on assets (end of the period), %	2,8%	2,5%	0,5%	1,9%
Net debt to equity, %	53,4%	50,5%	76,5%	109,1%
Current ratio, times	1,7	2,0	1,9	1,4

The gross margin of the Group reached 45.8% in 12 months 2022, mainly driven by more effective inventory management.

In addition, the Group saw an increase in royalty rates for some of the brands and reduction of cost of goods starting from fall-winter 2022 season.

The operating expenses of the Group totaled EUR 91.7 million in 12 months 2022 and increased by 34.9%, comparing to the same period 2021. Operating expenses increased more than sales, which grew by 28%. The growth of operating expenses outpaced sales growth due to soaring electricity bills, increased salaries and royalty rates as well as due to various subsidies and discounts received in year 2021 because of covid-19 related closures of physical stores.

Main Group Indicators	12 months 2022	12 months 2021	Change
Net sales	242 899	189 745	28,0%
Net sales in foreign markets	95 595	68 502	39,6%
Gross profit	111 344	82 230	35,4%
Operating (expenses)	(91 675)	(67 952)	34,9%
Operating profit (loss)	19 669	14 278	37,8%
EBT	18 545	13 211	40,4%
Profit (loss) for the period	15 435	10 896	41,7%
EBITDA	38 706	34 076	13,6%

Main Group Indicators	Q4 2022	Q4 2021	Change
Net sales	69 269	57 704	20,0%
Net sales in foreign markets	26 951	19 603	37,5%
Gross profit	33 230	26 128	27,2%
Operating (expenses)	(27 808)	(20 759)	34,0%
Operating profit (loss)	5 422	5 369	1,0%
EBT	5 059	5 041	0,4%
Profit (loss) for the period	4 203	4 086	2,9%
EBITDA	10 365	10 861	-4,6%

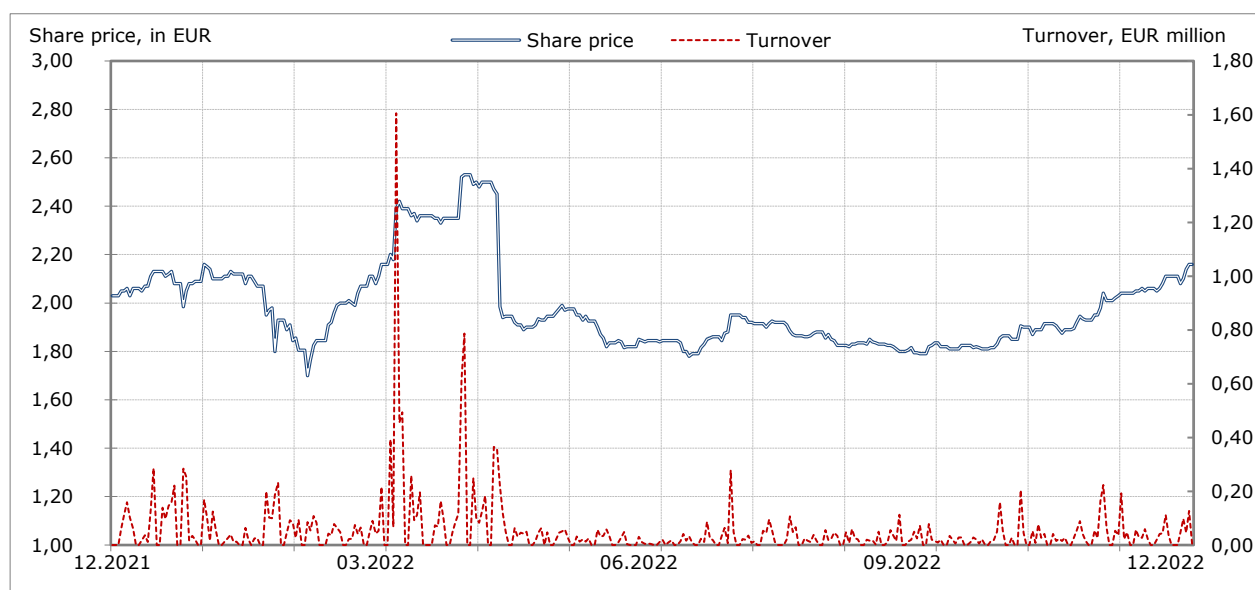
The Group's level of inventories during the last 12 months increased by 15.3% to EUR 41.4 million. Company's inventories increased by 19.9%.

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The number of employees during the year till 31 December 2022 in the Group has increased by 147 to 2 139 (7.4%) and has increased in Company by 8 to 740 (1.1%). During the 4th quarter 2022 the number of employees increased by 47 (2.2%) in the Group and increased by 8 (1.1%) in the Company. The number of employees increased less compared to the growth of sales, thanks to continuing optimization of the chain as well as some shorter store hours in major shopping malls.

The price of the Company shares in 12 months 2022 increased by 6.4% from EUR 2.03 per share to EUR 2.16 per share. The maximum share price for the 12 months period was EUR 2.58 per share, minimum share price - EUR 1.64 per share. The market capitalization of the Company increased from EUR 112 million at the beginning of the year to EUR 119 million at the end of December 2022. The weighted average price of 1 share during the reporting period was EUR 2.10. Company's share turnover was EUR 19.5 million in 12 months 2022.

Apranga APB share price in 12 months period from 1st January 2022 to 31st December 2022:



Information about members of the Management board on 31 December 2022:

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	- -	28 04 2022	27 04 2026
Vidas Lazickas	Member of the Board	265 138 0.48%	28 04 2022	27 04 2026
Ilona Šimkūnienė	Member of the Board, Purchasing Director	- -	28 04 2022	27 04 2026
Ramūnas Gaidamavičius	Member of the Board, Development Director	5 000 0.01%	28 04 2022	27 04 2026
Jonas Jokštys	Member of the Board, independent	- -	28 04 2022	27 04 2026
Gintaras Juškauskas	Member of the Board, independent	- -	28 04 2022	27 04 2026

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STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		12 months 2022	12 months 2021	12 months 2022	12 months 2021
Revenue from contracts with customers	5	242 899	189 745	96 797	77 558
Cost of sales		(131 555)	(107 515)	(54 992)	(45 272)
GROSS PROFIT		111 344	82 230	41 805	32 286
Operating (expenses)		(92 265)	(70 731)	(35 913)	(27 950)
Other income		590	2 779	15 993	500
OPERATING PROFIT (LOSS)		19 669	14 278	21 885	4 836
Finance income		37	32	50	58
Finance (costs)		(1 161)	(1 099)	(540)	(511)
PROFIT (LOSS) BEFORE INCOME TAX		18 545	13 211	21 395	4 383
Income tax (expense)		(3 110)	(2 315)	(887)	(703)
PROFIT (LOSS) FOR THE PERIOD	3	15 435	10 896	20 508	3 680
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		15 435	10 896	20 508	3 680
Total comprehensive income attributable to:					
Owners of the Company		15 435	10 896	20 508	3 680
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,28	0,20	0,37	0,07

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STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	31 12 2022	31 12 2021	31 12 2022	31 12 2021
Property, plant and equipment		20 992	24 900	11 614	13 165
Intangible assets		1 072	636	1 044	614
Investments in subsidiaries		-	-	5 095	4 963
Prepayments		267	416	128	188
Trade and other receivables		2 415	2 400	46	46
Right-of-use assets		53 281	64 194	23 830	28 060
Other financial assets		2 400	2 400	2 400	2 400
Total non-current assets		80 427	94 946	44 157	49 436
CURRENT ASSETS					
Inventories		41 386	35 909	22 206	18 525
Other financial assets		-	735	-	735
Prepayments		1 503	1 346	1 375	1 171
Trade and other receivables		1 781	3 076	10 701	12 363
Cash and cash equivalents		22 978	29 743	8 375	17 192
Total current assets		67 648	70 809	42 657	49 986
TOTAL ASSETS	3	148 075	165 755	86 814	99 422
EQUITY AND LIABILITIES					
EQUITY	Note	31 12 2022	31 12 2021	31 12 2022	31 12 2021
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		44 581	56 792	31 804	38 942
Total equity		62 167	74 378	49 443	56 581
NON-CURRENT LIABILITIES					
Deferred tax liabilities		2 196	2 067	407	389
Non-current lease liabilities		43 465	53 824	19 639	23 597
Non-current employee benefits		132	91	132	91
Total non-current liabilities		45 793	55 982	20 178	24 077
CURRENT LIABILITIES					
Borrowings	7	-	200	2 032	5 400
Current lease liabilities		12 717	13 251	5 018	5 261
Current income tax liability		701	211	591	134
Trade and other payables		26 697	21 733	9 552	7 969
Total current liabilities		40 115	35 395	17 193	18 764
Total liabilities		85 908	91 377	37 371	42 841
TOTAL EQUITY AND LIABILITIES		148 075	165 755	86 814	99 422

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STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2021		16 035	1 604	(53)	45 896	63 482
Comprehensive income:						
Profit for the 12 months 2021	3				10 896	10 896
Total comprehensive income		-	-	-	10 896	10 896
Balance at 31 December 2021		16 035	1 604	(53)	56 792	74 378
Balance at 1 January 2022		16 035	1 604	(53)	56 792	74 378
Comprehensive income:						
Profit for the 12 months 2022	3				15 435	15 435
Total comprehensive income		-	-	-	15 435	15 435
Dividends paid	9				(27 646)	(27 646)
Balance at 31 December 2022		16 035	1 604	(53)	44 581	62 167

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2021		16 035	1 604	35 262	52 901
Comprehensive income:					
Profit for the 12 months 2021				3 680	3 680
Total comprehensive income		-	-	3 680	3 680
Balance at 31 December 2021		16 035	1 604	38 942	56 581
Balance at 1 January 2022		16 035	1 604	38 942	56 581
Comprehensive income:					
Profit for the 12 months 2022				20 508	20 508
Total comprehensive income		-	-	20 508	20 508
Dividends paid	9			(27 646)	(27 646)
Balance at 31 December 2022		16 035	1 604	31 804	49 443

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STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		12 months 2022	12 months 2021	12 months 2022	12 months 2021
Profit (loss) before income taxes		18 545	13 211	21 395	4 383
ADJUSTMENTS FOR:					
Depreciation and amortization		19 037	19 798	7 545	7 682
Impairment charge (reversal)		(303)	(847)	(208)	(471)
Change in allowances for slow-moving inventories		676	(293)	(333)	(154)
(Gain) on disposal of property, plant and equipment		(466)	(38)	(466)	(39)
Write-off of property, plant and equipment		188	17	75	-
Fair value change of financial assets		121	(3)	121	(3)
Dividend income		(103)	(103)	(15 503)	(103)
Interest expenses		1 161	1 099	540	511
Total		38 856	32 841	13 166	11 806
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		(6 153)	(182)	(3 348)	1 388
Decrease (increase) in receivables		1 173	(2 477)	403	(1 555)
Increase (decrease) in payables		4 955	(8 259)	1 574	(4 368)
Cash generated from operations		38 831	21 923	11 795	7 271
Income taxes paid		(2 491)	(1 983)	(412)	(278)
Interest paid		(1 161)	(1 099)	(540)	(511)
Net cash from operating activities		35 179	18 841	10 843	6 482
INVESTING ACTIVITIES					
Interest received		37	32	50	58
Dividends received		103	103	15 503	103
Loans granted		(39 000)	-	(45 872)	(10 723)
Loans repayments received		39 000	-	46 972	11 653
Purchases of PPE and intangible assets	4	(4 362)	(7 953)	(2 126)	(4 147)
Proceeds on disposal of PPE	5	1 763	2 989	1 221	1 205
Proceeds on disposal of financial assets at fair value		579	-	579	-
Net cash from investing activities		(1 880)	(4 829)	16 195	(1 851)
FINANCING ACTIVITIES					
Dividends paid		(27 596)	-	(27 596)	-
Proceeds from borrowings		-	-	20 405	60
Repayments of borrowings		(200)	(300)	(23 773)	(3 328)
Payment of principal portion of lease liabilities		(12 268)	(10 178)	(4 891)	(4 034)
Net cash from financing activities		(40 064)	(10 478)	(35 855)	(7 302)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(6 765)	3 534	(8 817)	(2 671)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		29 743	26 209	17 192	19 863
AT THE END OF THE PERIOD		22 978	29 743	8 375	17 192

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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 31 December 2022 the Group consisted of the Company and 25 subsidiaries:

Name	Country	Ownership interest in % 31 12 2022	Ownership interest in % 31 12 2021
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.

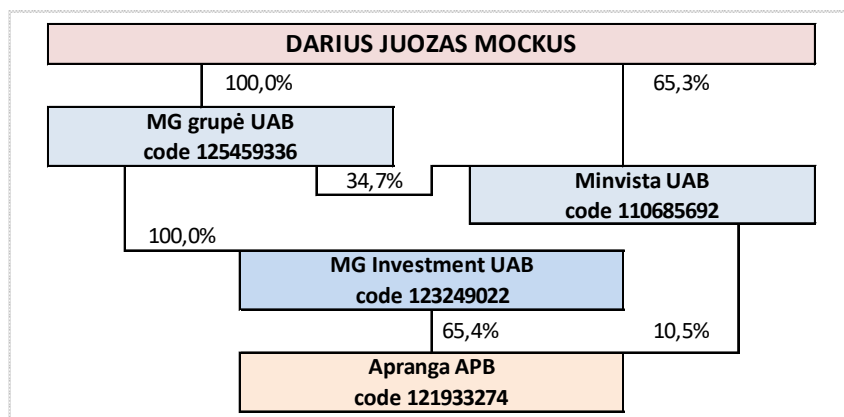
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All 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 31 December 2022, the Company had 6 172 shareholders. Company's 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 Investment	123249022	Aukštaičių 7, Vilnius, Lithuania	36 187 499	65,4%
UAB Minvista	110685692	Aukštaičių 7, Vilnius, Lithuania	5 795 929	10,5%

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



2. Basis of preparation and summary of main accounting policies

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

The financial statements for the period ended 31 December 2022 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 12 months 2022 is as follows:

12 months 2022	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	164 405	59 280	37 634	261 319	-	
Inter-segment revenue	(17 431)	(692)	(627)	(18 750)	-	
Revenue from external customers (Note 5)	146 974	58 588	37 007	242 569	-	242 569
Gross margin	45,5%	46,0%	46,6%	45,8%		45,8%
Profit (loss) for the year	10 524	3 422	1 489	15 435	-	15 435
Total assets	109 496	31 840	18 597	159 933	(11 858)	148 075
Additions to non-current assets	2 264	255	1 843	4 362	-	4 362

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12 months 2021	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	133 403	39 766	30 705	203 874	-	
Inter-segment revenue	(12 371)	(1 368)	(601)	(14 340)	-	
Revenue from external customers	121 032	38 398	30 104	189 534	-	189 534
Gross margin	43,5%	41,4%	44,7%	43,3%		43,3%
Profit (loss) for the year	8 158	1 935	803	10 896	-	10 896
Total assets	128 784	34 192	19 304	182 280	(16 525)	165 755
Additions to non-current assets	6 989	755	214	7 958	(5)	7 953

4. Investments into non-current assets

Net investments of the Group amounted to EUR 3.8 million in 12 months 2022. The Company's investments have reached EUR 2.1 million, including investment of EUR 0.4 million in solar power plant, while daughter companies invested EUR 1.7 million.

5. Sale of non-current assets

In February 2022, the Company sold retail premises located in Gedimino pr. 44, Vilnius. The total value of the transaction of the sale of assets amounted to EUR 1.2 million. The transaction's positive impact on Company's and Group's accounting period results - EUR 0.45 million. The profit of the transaction is recorded under "Other income" in the statement of comprehensive income.

6. Income

For the 12 months 2022, revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	2022	2021	2022	2021
Stores income	242 534	189 284	73 684	60 559
Wholesale income	35	250	16 610	12 008
Management fees	-	-	6 173	4 803
Other income	330	211	330	188
Total revenue from contracts with customers	242 899	189 745	96 797	77 558

7. Borrowings

In November 2021, the Company and SEB bank signed the amendment to the previously concluded credit line agreement. According to the amendment, credit repayment term was prolonged to 30 November 2023. Credit line limit remained at EUR 27 000 thousand. 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 2022, 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 2023. In December 2022, the Company and LUMINOR bank signed the additional amendment to the financial liability limit agreement, according to which the limit was reduced from EUR 10 000 thousand to EUR 5 000 thousand. For the drawdown amount of the overdraft a floating interest rate calculated as the 1-month EURIBOR plus margin is being paid. There is fixed interest rate set for amount used for the issuance of guarantees.

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8. Guarantees and letters of credit

As of 31 December 2022, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 13 698 thousand (31 December 2021: EUR 13 734 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 December 2022 amounted to EUR 15 295 thousand (31 December 2021: EUR 15 150 thousand).

As of 31 December 2022, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 482 thousand (31 December 2021: EUR 499 thousand).

9. Profit distribution

The Annual shareholders meeting of APB Apranga held on 28 April 2022 has resolved to pay EUR 27 646 thousand in dividends (EUR 0.50 per one share) for the year 2021.

10. Turnover and expansion plans in 2023

The Group plans to reach EUR 308 million turnover (including VAT) in 2023, or by 5% higher than actual year 2022 turnover.

In 2023, the Group plans to renovate or open 12-18 stores. The net investment is planned to be about EUR 5-8 million.

11. 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.it/en/investors/investor-relations/alternative-performancemeasures>.