

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 2020

(UNAUDITED)

INFORMATION ABOUT COMPANY

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

NAME OF THE COMPANY	Apranga APB
LEGAL FORM	Public limited liability company
DATE OF REGISTRATION	1 st March 1993
CODE OF COMPANY	121933274
SHARE CAPITAL	EUR 16 034 668.40
REGISTERED OFFICE	Ukmerges 362, LT-14311 Vilnius, Lithuania
NAME OF REGISTER OF LEGAL ENTITIES	Registru centras VJ, Vilnius branch
TELEPHONE NUMBER	+370 5 239 08 08
E-MAIL	info@apranga.lt
INTERNET ADDRESS	www.aprangagroup.com
MAIN ACTIVITIES	Retail trade of apparel
AUDITOR	ERNST & YOUNG BALTIC UAB

T A B L E O F C O N T E N T

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ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 204.2 million in 12 months 2020 or by 17.6% less than in the same period of 2019. In 2020, the retail turnover of Apranga Group in Lithuania was EUR 118.3 million and decreased by 19.8% year-on-year. In 2020, the retail turnover of Apranga Group in Latvia was EUR 52.4 million and decreased by 11.8% year-on-year, in Estonia has made EUR 33.5 million and decreased by 18.5% year-on-year.

Based on the Government of the Republic of Lithuania act regarding quarantine declaration, from 16th March 2020 until 18th April 2020 all Apranga Group stores in Lithuania were closed due to epidemic coronavirus (COVID-19) infection (stores in supermarkets were closed until 25th April 2020). Also, according to the resolution of the Government of the Republic of Estonia, all Group stores operating in shopping malls in Estonia were closed from 27th March 2020 until 11th May 2020. From 28th March 2020 until 16th May 2020, stores in Latvia operating in shopping malls could not work on weekends. Also, from 16th December 2020, all the Group's stores in Lithuania are temporarily closed. In Latvia, the stores are temporarily closed from 19th December 2020 (until then, from 14th November 2020, trading on weekends was prohibited in Latvia). **These temporary store closures had a significant impact on the Group's generated turnover, earned profit and, accordingly, financial performance.**

According to EUROSTAT data, the retail trade (except of motor vehicles, motorcycles and fuel) in Baltic States in 12 months 2020 grew in all three Baltic countries - from 1% to 5%. Retail sales grew the least in Latvia (+1%) and the highest in Estonia (+5%). The growth rates of retail trade in the 4th quarter of 2020 were very high in Lithuania (+7%) and Estonia (+7%). In Latvia, meanwhile, retail trade even declined in the last quarter of 2020 (-1%). European Union (28 countries) retail trade in 12 months 2020 increased by 0.3% (in the corresponding period of 2019 it grew by 2.7%).

The retail turnover of the Group's stores in 12 months of 2020 by countries was as follows (EUR thousand, VAT included):

Country	12 months 2020	12 months 2019	12 months 2018	2020/2019, %	2020/2018, %
Lithuania	118 336	147 470	133 811	-19,8%	-11,6%
Latvia	52 377	59 363	52 671	-11,8%	-0,6%
Estonia	33 532	41 124	40 158	-18,5%	-16,5%
Total:	204 245	247 957	226 640	-17,6%	-9,9%

The retail turnover of the Group's stores by countries during the 4th quarter of 2020 was (EUR thousand, VAT included):

Country	Q4 2020	Q4 2019	Q4 2018	2020/2019, %	2020/2018, %
Lithuania	30 619	44 258	39 977	-30,8%	-23,4%
Latvia	13 774	17 269	14 516	-20,2%	-5,1%
Estonia	9 355	10 992	10 601	-14,9%	-11,8%
Total:	53 748	72 519	65 094	-25,9%	-17,4%

The online turnover of the Group's stores in 12 months of 2020 was as follows (EUR thousand, VAT included):

	12 months 2020	12 months 2019	2020/2019, %
Online turnover	24 950	9 579	2.6 times
Relative weight in total turnover	12,2%	3,9%	

The Group's online turnover increased 2.6 times in 12 months of 2020, and its relative weight in total turnover increased from 3.9% to 12.2% 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.

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The retail turnover of the Group's stores by chains in 12 months of 2020 was as follows (EUR thousand, VAT included):

Chain	12 months 2020	12 months 2019	12 months 2018	2020/2019, %	2020/2018, %
Economy ¹	23 240	31 991	30 488	-27,4%	-23,8%
Youth ²	47 585	57 571	48 679	-17,3%	-2,2%
Footwear	3 893	6 660	6 421	-41,5%	-39,4%
Business ³	38 216	44 802	39 562	-14,7%	-3,4%
Luxury ⁴	22 512	23 416	21 983	-3,9%	2,4%
Zara	59 872	72 507	68 331	-17,4%	-12,4%
Outlets	8 926	11 010	11 176	-18,9%	-20,1%
Total	204 245	247 957	226 640	-17,6%	-9,9%

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

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

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

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

In 12 months 2020, the turnover of all chains decreased significantly due to the imposed trade restrictions. And although the turnover of Luxury chain decreased by only 3.9%, such a relatively small decrease in turnover was significantly influenced by the sharp increase in online sales of prestige goods via the international Farfetch platform. After eliminating online sales, the drop in turnover in the physical stores of the Luxury chain was 18.2%.

In 12 months 2020, Apranga Group opened 5 stores, renovated 7 stores, and closed 12 stores.

The net capital expenditure to the retail chain expansion amounted to EUR 4.4 million in 12 months of 2020 (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

Country	31 12 2020	31 12 2019	31 12 2018	2020/2019, %	2020/2018, %
Lithuania	104	108	111	-3,7%	-6,3%
Latvia	48	50	42	-4,0%	14,3%
Estonia	27	28	29	-3,6%	-6,9%
Total:	179	186	182	-3,8%	-1,6%

The number of stores by chains was as follows:

Chain	31 12 2020	31 12 2019	31 12 2018	2020/2019, %	2020/2018, %
Economy	31	33	32	-6,1%	-3,1%
Youth	45	49	45	-8,2%	0,0%
Footwear	13	14	14	-7,1%	-7,1%
Business	41	42	42	-2,4%	-2,4%
Luxury	30	28	29	7,1%	3,4%
Zara	11	11	11	0,0%	0,0%
Outlets	8	9	9	-11,1%	-11,1%
Total	179	186	182	-3,8%	-1,6%

The total sales area operated by the Group has decreased by 1.3% or by 1.2 thousand sq. m during the year period until 31 December 2020.

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

Country	31 12 2020	31 12 2019	31 12 2018	2020/2019, %	2020/2018, %
Lithuania	49,9	51,2	50,1	-2,6%	-0,4%
Latvia	27,0	26,8	18,2	1,0%	48,3%
Estonia	15,6	15,8	14,3	-0,9%	9,4%
Total:	92,6	93,8	82,6	-1,3%	12,0%

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From 1 January 2019, the Company implemented a new International Financial Reporting Standard (IFRS) 16 "Leases". Due to the application of this standard, the Group's and Company's rent expenses decreased but depreciation and amortization charges and interest expenses increased. Accordingly, it also influenced the calculation of indicators.

The Group has earned EUR 5.7 million of profit before income tax in 12 months 2020, while profit before taxes amounted to EUR 11.0 million in 12 months of 2019 (the decrease by 48.3%).

Management estimates that due to the COVID-19 pandemic and the temporary closure of stores, the Group lost about EUR 58-60 million of turnover (including VAT) and did not earn about 5-6 million of profit before income tax in 2020.

EBITDA of the Group was EUR 27.1 million in 12 months 2020, and it was EUR 30.0 million in corresponding previous year period (-9.7%). EBITDA margin has increased from 14.6% to 15.8% during the year.

Main Group Indicators	12 months 2020	12 months 2019	12 months 2018
Net sales	171 110	205 005	187 207
Net sales in foreign markets	71 588	83 197	76 740
Like-for-like sales, %	-	5,4%	0,4%
Gross profit	71 979	89 210	81 010
Gross margin, %	42,1%	43,5%	43,3%
Operating profit (loss)	6 754	11 929	9 199
Operating profit margin, %	3,9%	5,8%	4,9%
EBT	5 686	10 994	9 266
EBT margin, %	3,3%	5,4%	4,9%
Profit (loss) for the period	4 681	9 240	7 565
Profit for the period margin, %	2,7%	4,5%	4,0%
EBITDA	27 104	30 031	15 563
EBITDA margin, %	15,8%	14,6%	8,3%
Return on equity (end of the period), %	7,4%	15,8%	13,3%
Return on assets (end of the period), %	3,0%	6,0%	9,6%
Net debt to equity, %	72,5%	109,1%	-10,4%
Current ratio, times	2,0	1,4	2,7

Main Group Indicators	Q4 2020	Q4 2019	Q4 2018
Net sales	45 201	59 766	53 755
Net sales in foreign markets	19 234	23 338	20 800
Like-for-like sales, %	-	4,2%	0,1%
Gross profit	19 220	26 977	24 817
Gross margin, %	42,5%	45,1%	46,2%
Operating profit (loss)	564	4 090	3 435
Operating profit margin, %	1,2%	6,8%	6,4%
EBT	304	3 744	3 423
EBT margin, %	0,7%	6,3%	6,4%
Profit (loss) for the period	261	2 927	2 765
Profit for the period margin, %	0,6%	4,9%	5,1%
EBITDA	5 709	9 113	4 950
EBITDA margin, %	12,6%	15,2%	9,2%
Return on equity (end of the period), %	0,4%	5,0%	4,9%
Return on assets (end of the period), %	0,2%	1,9%	3,5%
Net debt to equity, %	72,5%	109,1%	-10,4%
Current ratio, times	2,0	1,4	2,7

The operating expenses of the Group totaled EUR 65.2 million in 12 months 2020 and decreased by 15.6%, comparing to the same period 2019. Thus, operating expenses decreased in line with sales, which dropped by 16.5%. The Group had EUR 0.5 million of debts to financial institutions at the end of the reporting period (EUR 0.8 million at 31 December 2019).

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Main Group Indicators	12 months 2020	12 months 2019	Change
Net sales	171 110	205 005	-16,5%
Net sales in foreign markets	71 588	83 197	-14,0%
Gross profit	71 979	89 210	-19,3%
Operating (expenses)	(65 225)	(77 281)	-15,6%
Operating profit (loss)	6 754	11 929	-43,4%
EBT	5 686	10 994	-48,3%
Profit (loss) for the period	4 681	9 240	-49,3%
EBITDA	27 104	30 031	-9,7%

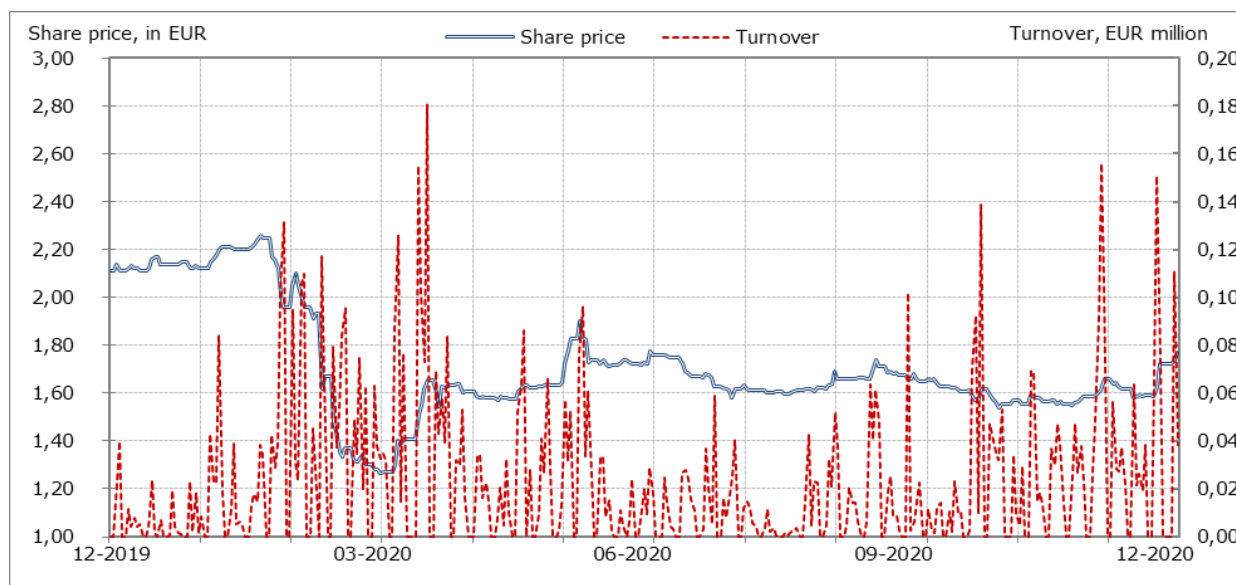
Main Group Indicators	Q4 2020	Q4 2019	Change
Net sales	45 201	59 766	-24,4%
Net sales in foreign markets	19 234	23 338	-17,6%
Gross profit	19 220	26 977	-28,8%
Operating (expenses)	(18 656)	(22 887)	-18,5%
Operating profit (loss)	564	4 090	-86,2%
EBT	304	3 744	-91,9%
Profit (loss) for the period	261	2 927	-91,1%
EBITDA	5 709	9 113	-37,4%

The Group's level of inventories during the last 12 months decreased by 12.6% to EUR 35.1 million. Company's inventories decreased by 7.2%. Inventories declined due to timely stopped the purchases of new goods following the COVID-19 pandemic.

The number of employees during the year till 31 December 2020 in the Group has decreased by 411 to 1 956 (-17.4%) and has decreased in Company by 115 to 682 (-14.4%). During the 4th quarter 2020 the number of employees decreased by 101 (-4.9%) in the Group and decreased by 24 (-3.4%) in the Company. The decrease in the number of employees was due to the natural turnover of employees due to the specifics of the job and the reduction of the recruitment of new employees. The need for staff decreased due to the restructuring of the chain, the reduction of shopping center opening hours during the epidemic and the decrease in customer flows.

The price of the Company shares in 12 months 2020 decreased by 15% from EUR 2.11 per share to EUR 1.80 per share. The maximum share price for the 12 months period was EUR 2.29 per share, minimum share price - EUR 1.25 per share. The market capitalization of the Company decreased from EUR 117 million at the beginning of the year to EUR 100 million at the end of December 2020. The weighted average price of 1 share during the reporting period was EUR 1.65. Company's share turnover was EUR 8.6 million in 12 months 2020.

Apranga APB share price in 12 months period from 1st January 2020 to 31st December 2020:



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Information about members of the Management board on 31 December 2020:

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

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STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		12 months 2020	12 months 2019	12 months 2020	12 months 2019
Revenue from contracts with customers	5	171 110	205 005	67 264	85 307
Cost of sales		(99 131)	(115 795)	(42 815)	(52 344)
GROSS PROFIT		71 979	89 210	24 449	32 963
Operating (expenses)		(65 463)	(77 626)	(24 471)	(30 299)
Other income		238	353	4 239	7 178
Net foreign exchange gain (loss)		-	(8)	-	(8)
OPERATING PROFIT (LOSS)		6 754	11 929	4 217	9 834
Finance income		32	40	89	84
Finance (costs)		(1 100)	(975)	(481)	(482)
PROFIT (LOSS) BEFORE INCOME TAX		5 686	10 994	3 825	9 436
Income tax (expense)		(1 005)	(1 754)	(64)	(201)
PROFIT (LOSS) FOR THE PERIOD	3	4 681	9 240	3 761	9 235
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		4 681	9 240	3 761	9 235
Total comprehensive income attributable to:					
Owners of the Company		4 681	9 240	3 761	9 235
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,08	0,17	0,07	0,17

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STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	31 12 2020	31 12 2019	31 12 2020	31 12 2019
Property, plant and equipment		25 622	29 584	12 407	13 330
Intangible assets		534	310	497	292
Investments in subsidiaries		-	-	4 963	4 963
Prepayments		1 465	940	230	200
Trade and other receivables		4	4	4	4
Right-of-use assets		61 616	68 596	22 489	26 031
Financial assets		2 200	2 200	2 200	2 200
Total non-current assets		91 441	101 634	42 790	47 020
CURRENT ASSETS					
Inventories		35 073	40 106	19 594	21 122
Financial assets		732	732	732	732
Prepayments		1 110	1 391	1 080	1 056
Trade and other receivables		2 048	2 135	11 932	13 355
Cash and cash equivalents		26 216	6 712	19 863	4 557
Total current assets		65 179	51 076	53 201	40 822
Non-current assets held for sale		80	80	80	80
TOTAL ASSETS	3	156 700	152 790	96 071	87 922
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	31 12 2020	31 12 2019	31 12 2020	31 12 2019
Ordinary shares		16 035	16 035	16 035	16 035
Legal reserve		1 604	1 604	1 604	1 604
Foreign currency translation reserve		(53)	(53)	-	-
Retained earnings		45 641	40 960	34 957	31 196
Total equity		63 227	58 546	52 596	48 835
NON-CURRENT LIABILITIES					
Borrowings	6	200	500	200	500
Tax liabilities		12 561	-	6 016	-
Deferred tax liabilities		1 432	1 385	189	242
Non-current lease liabilities		51 528	56 659	18 844	21 047
Non-current employee benefits		126	186	126	186
Total non-current liabilities		65 847	58 730	25 375	21 975
CURRENT LIABILITIES					
Borrowings	6	300	300	8 468	4 025
Current lease liabilities		12 434	13 117	4 399	5 286
Current income tax liability		444	199	-	82
Trade and other payables		14 448	21 898	5 233	7 719
Total current liabilities		27 626	35 514	18 100	17 112
Total liabilities		93 473	94 244	43 475	39 087
TOTAL EQUITY AND LIABILITIES		156 700	152 790	96 071	87 922

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STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	(53)	39 178	56 764
Effect of adoption of IFRS 16 Leases					(270)	(270)
Balance at 1 January 2019		16 035	1 604	(53)	38 908	56 494
Comprehensive income:						
Profit for the 12 months 2019	3				9 240	9 240
Total comprehensive income		-	-	-	9 240	9 240
Transactions with owners:						
Dividends paid					(7 188)	(7 188)
Balance at 31 December 2019		16 035	1 604	(53)	40 960	58 546
Comprehensive income:						
Profit for the 12 months 2020	3				4 681	4 681
Total comprehensive income		-	-	-	4 681	4 681
Balance at 31 December 2020		16 035	1 604	(53)	45 641	63 227

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	29 213	46 852
Effect of adoption of IFRS 16 Leases				(64)	(64)
Balance at 1 January 2019		16 035	1 604	29 149	46 788
Comprehensive income:					
Profit for the 12 months 2019				9 235	9 235
Total comprehensive income		-	-	9 235	9 235
Transactions with owners:					
Dividends paid				(7 188)	(7 188)
Balance at 31 December 2019		16 035	1 604	31 196	48 835
Comprehensive income:					
Profit for the 12 months 2020				3 761	3 761
Total comprehensive income		-	-	3 761	3 761
Balance at 31 December 2020		16 035	1 604	34 957	52 596

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STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		12 months 2020	12 months 2019	12 months 2020	12 months 2019
Profit (loss) before income taxes		5 686	10 994	3 825	9 436
ADJUSTMENTS FOR:					
Depreciation and amortization		20 350	19 077	7 818	8 204
Impairment charge (reverse)		1 816	205	785	30
Change in allowances for slow-moving inventories		611	530	362	265
(Gain) on disposal of property, plant and equipment		(26)	(23)	(24)	(5)
Write-off of property, plant and equipment		(7)	64	-	39
Dividends income		(176)	(97)	(4 176)	(6 937)
Interest expenses (income)		1 068	935	392	398
Total		29 322	31 685	8 982	11 430
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		4 422	(73)	1 166	537
Decrease (increase) in receivables		(1 150)	(199)	(2 219)	(7 653)
Increase (decrease) in payables		5 050	2 314	3 469	(203)
Cash generated from operations		37 644	33 727	11 398	4 111
Income taxes paid		(713)	(1 644)	(199)	(189)
Interest paid		886	855	267	362
Net cash from operating activities		37 817	32 938	11 466	4 284
INVESTING ACTIVITIES					
Interest received		32	40	89	84
Dividends received		176	97	4 176	6 937
Loans granted		(12 800)	(47 500)	(30 042)	(78 607)
Loans repayments received		12 800	47 500	33 257	82 010
Purchases of PPE and intangible assets	4	(5 261)	(21 727)	(2 377)	(1 214)
Proceeds on disposal of PPE	4	884	8 918	143	5
Purchases of financial assets at fair value		-	(200)	-	(200)
Investment in subsidiaries		-	-	-	(50)
Net cash used in investing activities		(4 169)	(12 872)	5 246	8 965
FINANCING ACTIVITIES					
Dividends paid		1	(7 183)	1	(7 183)
Proceeds from borrowings		-	14 018	17 927	69 210
Repayments of borrowings		(300)	(14 318)	(13 784)	(68 364)
Repayments of lease liabilities		(13 845)	(12 880)	(5 550)	(5 474)
Net cash from financing activities		(14 144)	(20 363)	(1 406)	(11 811)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		19 504	(297)	15 306	1 438
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		6 712	7 009	4 557	3 119
AT THE END OF THE PERIOD		26 216	6 712	19 863	4 557

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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 2020 the Group consisted of the Company and 25 subsidiaries:

Name	Country	Ownership interest in % 31 12 2020	Ownership interest in % 31 12 2019
UAB Apranga LT	Lithuania	100%	100%
UAB Apranga BPB LT	Lithuania	100%	100%
UAB Apranga PLT	Lithuania	100%	100%
UAB Apranga SLT	Lithuania	100%	100%
UAB Apranga MLT	Lithuania	100%	100%
UAB Apranga HLT	Lithuania	100%	100%
UAB Apranga OLT	Lithuania	100%	100%
UAB Apranga Ecom LT	Lithuania	100%	100%
SIA Apranga	Latvia	100%	100%
SIA Apranga LV	Latvia	100%	100%
SIA Apranga BPB LV	Latvia	100%	100%
SIA Apranga PLV	Latvia	100%	100%
SIA Apranga SLV	Latvia	100%	100%
SIA Apranga MLV	Latvia	100%	100%
SIA Apranga HLV	Latvia	100%	100%
SIA Apranga OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga*	Estonia	100%	100%
OU Apranga Estonia	Estonia	100%	100%
OU Apranga BEE	Estonia	100%	100%
OU Apranga PB Trade	Estonia	100%	100%
OU Apranga ST Retail	Estonia	100%	100%
OU Apranga MDE	Estonia	100%	100%
OU Apranga HEST	Estonia	100%	100%
OU Apranga Ecom EE	Estonia	100%	100%

¹ The Company directly owns 14.91% shares and indirectly through its subsidiary OU Apranga Estonia owns the rest 85.09% of shares.

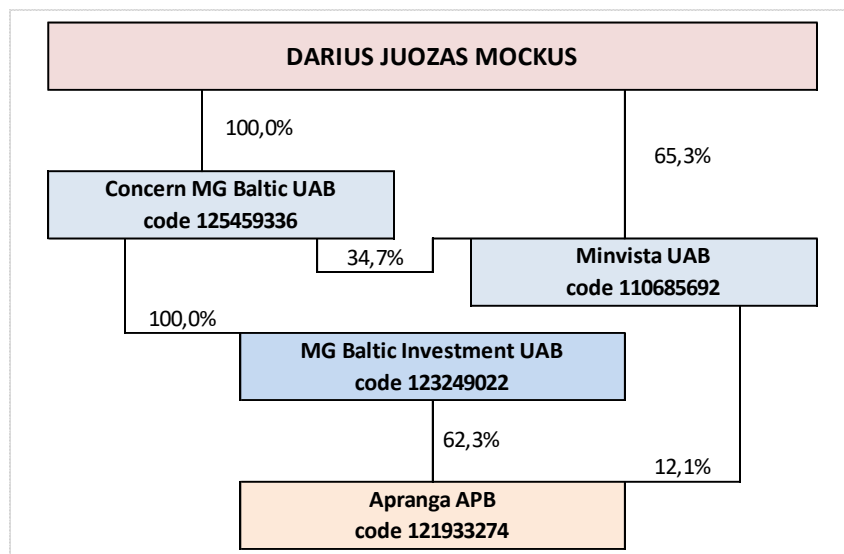
All 55 291 960 ordinary shares of nominal value EUR 0.29 each (ISIN code LT0000102337) that comprise Company's share capital are listed on Baltic equity list of Nasdaq Vilnius Stock Exchange.

At 31 December 2020, the Company had 3 567 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 Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	34 442 189	62,3%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	6 671 838	12,1%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 256 899	5,9%

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

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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 2020 are not audited.

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

3. Segment information

Management has determined the operating segments based on the reports reviewed by the General Director and other 6 Directors (responsible for managing, sales and marketing, human resources, purchases, development and finance) that are used to make strategic decisions.

All financial information, including the measure of profit and total assets, is analyzed on a country basis. The segment information provided to the Directors for the reportable segments for the 12 months 2020 is as follows:

12 months 2020	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	112 273	43 902	28 707	184 882	-	
Inter-segment revenue	(13 812)	(461)	(560)	(14 833)	-	
Revenue from external customers (note 5)	98 461	43 441	28 147	170 049	-	170 049
Gross margin	40,3%	43,7%	43,7%	41,7%		41,7%
Profit (loss) for the year	3 937	818	(74)	4 681	-	4 681
Total assets	121 965	33 717	20 440	176 122	(19 422)	156 700
Additions to non-current assets	3 123	1 688	466	5 277	(16)	5 261

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12 months 2019	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	Total in consolidated financial statements
Total segment revenue	138 719	49 926	34 880	223 525	-	
Inter-segment revenue	(17 289)	(987)	(622)	(18 898)	-	
Revenue from external customers	121 430	48 939	34 258	204 627	-	204 627
Gross margin	43,0%	44,0%	43,9%	43,6%		43,6%
Profit (loss) for the year	7 009	1 655	576	9 240	-	9 240
Total assets	110 453	35 320	23 371	169 144	(16 354)	152 790
Additions to non-current assets	4 948	14 599	2 256	21 803	(76)	21 727

4. Investments into non-current assets

Net investments of the Group amounted to EUR 4.4 million in 12 months 2020. The Company's investments have reached EUR 2.2 million, daughter companies – EUR 2.2 million.

5. Income

For the 12 months 2020, revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	12 months 2020	12 months 2019	12 months 2020	12 months 2019
Stores income	170 049	204 627	61 914	63 503
Wholesale income	-	-	930	16 597
Management fees	-	-	4 299	4 992
Gain from disposal of PPE, net	-	-	-	-
Other income	1 061	378	121	215
Total revenue from contracts with customers	171 110	205 005	67 264	85 307

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 December 2020, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 171 thousand (31 December 2019: EUR 14 362 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 31 December 2020 amounted to EUR 15 863 thousand (31 December 2019: EUR 16 167 thousand).

As of 31 December 2020, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 818 thousand (31 December 2019: EUR 792 thousand).

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8. Profit distribution

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

9. Turnover and expansion plans in 2021

Due to the crisis caused by COVID-19, the approval of the Group's plans for 2021 by the Board is temporarily suspended until the trends of the coronavirus crisis are unclear and until the opening dates of the temporarily closed main stores in Lithuania and Latvia are unclear.

10. Alternative performance measures

With regard to the requirements of the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures, Apranga APB provides an overview of the Alternative Performance Measures (APM) used, their definition and calculation on Apranga APB website at: <http://aprangagroup.lt/en/investors/investor-relations/alternative-performancemeasures>.