

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 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	Registrų centras VI, 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

TABLE OF CONTENT

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

1 ACTIVITY REPORT	4-8
<hr/>	
2 FINANCIAL STATEMENTS	9-12
<hr/>	
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 NOTES TO THE FINANCIAL STATEMENTS	13-16
<hr/>	

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

ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 228.4 million in 12 months 2021 or by 11.8% more than in the same period of 2020. In 2021, the retail turnover of Apranga Group in Lithuania was EUR 146 million and increased by 23.4% year-on-year. In 2021, the retail turnover of Apranga Group in Latvia was EUR 46.4 million and decreased by 11.4% year-on-year, in Estonia has made EUR 36 million and increased by 7.4% 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 in Lithuania with a separate entrance from outside and a sales area not exceeding 300 square meters had been open since 15 February 2021. All stores with a separate entrance from outside had been open since 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 have been open in Lithuania as of 29 May 2021. In Latvia, stores were temporarily closed from 19 December 2020. Stores with a separate entrance from outside and an area not exceeding 7,000 square meters have been open in Latvia from 7 April 2021. Group's stores that operate in shopping malls and have separate entrance from outside were reopened as of 22 May 2021. Eventually, all Group's stores have been open in Latvia as of 3 June 2021. However, due to the aggravation of the coronavirus situation, from 14 October 2021 the operation of stores in shopping malls on weekends were banned in Latvia, and from 21 October 2021 all Group's stores in Latvia were temporarily closed. All Group's stores have been 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. All Group's stores were allowed to also work on weekends as of 25 December 2021. In Estonia, all Group's stores were temporarily closed from 11 March 2021, and from 6 March 2021 to 11 March 2021 stores were not allowed to work on weekends. All Group's stores have been reopened in Estonia from 3 May 2021. **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 January-December 2021 in all three Baltic countries grew between 2% and 13%. Retail sales grew the least in Latvia (2%) and the most in Lithuania (13%). In October-December 2021, retail trade grew also in all three countries: by 11% in Lithuania, by 1% in Latvia and by 12% in Estonia. European Union (27 countries) retail trade in October-December 2021 increased by 4%, when in July-September 2021 the growth was 3%. The retail trade of clothing, footwear and textiles in July-December 2021 grew in all three Baltic countries between 10% (in Latvia) and 34% (in Lithuania), while in the first half of the year there was no growth or was a slight fall.

The retail turnover of the Group's stores in 12 months of 2021 by countries was as follows (EUR thousand, VAT included):

Country	12 months 2021	12 months 2020	12 months 2019	2021/2020, %	2021/2019, %
Lithuania	146 003	118 336	147 470	23,4%	-1,0%
Latvia	46 409	52 377	59 363	-11,4%	-21,8%
Estonia	36 010	33 532	41 124	7,4%	-12,4%
Total:	228 422	204 245	247 957	11,8%	-7,9%

The retail turnover of the Group's stores by countries during the 4th quarter of 2021 was (EUR thousand, VAT included):

Country	Q4 2021	Q4 2020	Q4 2019	2021/2020, %	2021/2019, %
Lithuania	46 370	30 619	44 258	51,4%	4,8%
Latvia	13 103	13 774	17 269	-4,9%	-24,1%
Estonia	10 779	9 355	10 992	15,2%	-1,9%
Total:	70 253	53 748	72 519	30,7%	-3,1%

The online turnover of the Group's stores in 12 months of 2021 was as follows (EUR thousand, VAT included):

	12 months 2021	12 months 2020	12 months 2019	2021/2020, %
Online turnover	48 256	24 950	9 579	1.9 times
Relative weight in total turnover	21,1%	10,9%	3,9%	

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

The Group's online turnover increased 1.9 times in 12 months of 2021, and its relative weight in total turnover increased from 10.9% to 21.1% 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's stores by chains in 12 months of 2021 was as follows (EUR thousand, VAT included):

Chain	12 months 2021	12 months 2020	12 months 2019	2021/2020, %	2021/2019, %
Economy ¹	22 524	23 240	31 991	-3,1%	-29,6%
Youth ²	55 064	48 666	58 655	13,1%	-6,1%
Footwear	3 201	3 893	6 660	-17,8%	-51,9%
Business ³	42 545	38 216	44 802	11,3%	-5,0%
Luxury ⁴	25 263	21 431	22 333	17,9%	13,1%
Zara	69 515	59 872	72 507	16,1%	-4,1%
Outlets	10 310	8 926	11 010	15,5%	-6,4%
Total	228 422	204 245	247 957	11,8%	-7,9%

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

² Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho, AIX 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 2021 Apranga Group opened 5 stores, reconstructed 10 and closed 15 stores. Currently Apranga Group operates the chain of 169 stores (102 in Lithuania, 46 in Latvia and 21 in Estonia) covering the gross area of 90.6 thousand sq. m., or by 2.1% less than a year ago.

The net capital expenditure to the retail chain expansion amounted to EUR 5 million in 12 months of 2021 (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 2021	31 12 2020	31 12 2019	2021/2020, %	2021/2019, %
Lithuania	102	104	108	-1,9%	-5,6%
Latvia	46	48	50	-4,2%	-8,0%
Estonia	21	27	28	-22,2%	-25,0%
Total:	169	179	186	-5,6%	-9,1%

The number of stores by chains was as follows:

Chain	31 12 2021	31 12 2020	31 12 2019	2021/2020, %	2021/2019, %
Economy	26	31	33	-16,1%	-21,2%
Youth	47	47	51	0,0%	-7,8%
Footwear	10	13	14	-23,1%	-28,6%
Business	39	41	42	-4,9%	-7,1%
Luxury	28	28	26	0,0%	7,7%
Zara	10	11	11	-9,1%	-9,1%
Outlets	9	8	9	12,5%	0,0%
Total	169	179	186	-5,6%	-9,1%

The total sales area operated by the Group has decreased by 2.1% or by 1.9 thousand sq. m during the year period until 31 December 2021.

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

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

Country	31 12 2021	31 12 2020	31 12 2019	2021/2020, %	2021/2019, %
Lithuania	51,3	49,9	51,2	2,8%	0,1%
Latvia	26,8	27,0	26,8	-0,9%	0,1%
Estonia	12,6	15,6	15,8	-19,7%	-20,4%
Total:	90,6	92,6	93,8	-2,1%	-3,3%

The Group's profit before income tax amounted to EUR 12.8 million in 12 months 2021, while profit before taxes was EUR 6.0 million in 12 months of 2020, i.e., 114.1% more than in the corresponding period of the previous year.

EBITDA of the Group was EUR 33.6 million in 12 months 2021, and it was EUR 27.3 million in corresponding 2020 period, i.e., 23% more than in the corresponding period of the previous year. EBITDA margin has increased from 16.1% to 17.7% during the year.

Main Group Indicators	12 months 2021	12 months 2020	12 months 2019
Net sales	189 743	169 958	205 005
Net sales in foreign markets	68 502	71 424	83 197
Like-for-like sales, %	-	-	5,4%
Gross profit	82 228	71 146	89 210
Gross margin, %	43,3%	41,9%	43,5%
Operating profit (loss)	13 831	7 038	11 929
Operating profit margin, %	7,3%	4,1%	5,8%
EBT	12 764	5 961	10 994
EBT margin, %	6,7%	3,5%	5,4%
Profit (loss) for the period	10 664	4 936	9 240
Profit for the period margin, %	5,6%	2,9%	4,5%
EBITDA	33 627	27 340	30 031
EBITDA margin, %	17,7%	16,1%	14,6%
Return on equity (end of the period), %	14,4%	7,8%	15,8%
Return on assets (end of the period), %	6,5%	3,1%	6,0%
Net debt to equity, %	50,6%	76,5%	109,1%
Current ratio, times	2,0	1,9	1,4

Main Group Indicators	Q4 2021	Q4 2020	Q4 2019
Net sales	57 702	44 049	59 766
Net sales in foreign markets	19 603	19 070	23 338
Like-for-like sales, %	-	-	4,2%
Gross profit	26 126	18 387	26 977
Gross margin, %	45,3%	41,7%	45,1%
Operating profit (loss)	4 922	848	4 090
Operating profit margin, %	8,5%	1,9%	6,8%
EBT	4 594	579	3 744
EBT margin, %	8,0%	1,3%	6,3%
Profit (loss) for the period	3 854	827	2 927
Profit for the period margin, %	6,7%	1,9%	4,9%
EBITDA	10 412	5 945	9 113
EBITDA margin, %	18,0%	13,5%	15,2%
Return on equity (end of the period), %	5,2%	1,3%	5,0%
Return on assets (end of the period), %	2,3%	0,5%	1,9%
Net debt to equity, %	50,6%	76,5%	109,1%
Current ratio, times	2,0	1,9	1,4

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

The operating expenses of the Group totaled EUR 68.4 million in 12 months 2021 and increased by 6.7%, comparing to the same period 2020. Operating expenses increased less than sales, which grew by 11.6%. This was mainly driven by government subsidies received to compensate for idle time of employees during the lock-down as well as working capital subsidies granted by government in Latvia for closed periods. The decision of the Group's shareholders not to pay dividends for 2019 and 2020 years had a positive impact on debt and liquidity ratios.

Main Group Indicators	12 months 2021	12 months 2020	Change
Net sales	189 743	169 958	11,6%
Net sales in foreign markets	68 502	71 424	-4,1%
Gross profit	82 228	71 146	15,6%
Operating (expenses)	(68 397)	(64 108)	6,7%
Operating profit (loss)	13 831	7 038	96,5%
EBT	12 764	5 961	114,1%
Profit (loss) for the period	10 664	4 936	116,1%
EBITDA	33 627	27 340	23,0%

Main Group Indicators	Q4 2021	Q4 2020	Change
Net sales	57 702	44 049	31,0%
Net sales in foreign markets	19 603	19 070	2,8%
Gross profit	26 126	18 387	42,1%
Operating (expenses)	(21 204)	(17 539)	20,9%
Operating profit (loss)	4 922	848	480,4%
EBT	4 594	579	693,4%
Profit (loss) for the period	3 854	827	366,1%
EBITDA	10 412	5 945	75,1%

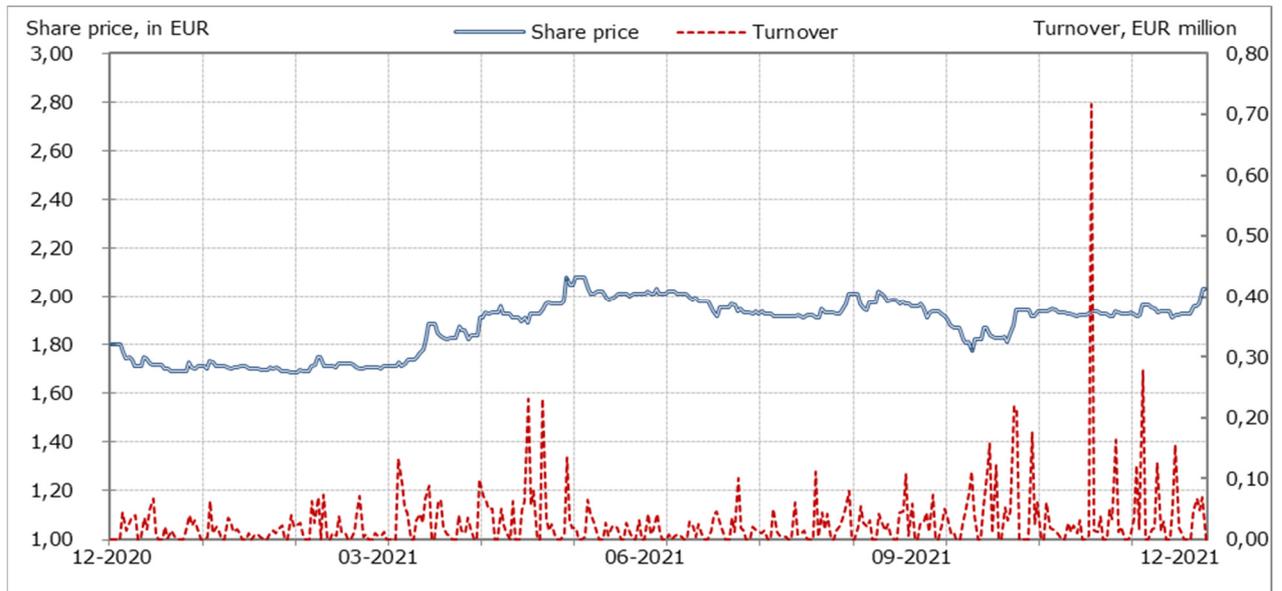
The Group's level of inventories during the last 12 months increased by 1.3% to EUR 35.9 million. Company's inventories decreased by 6.3%.

The number of employees during the year till 31 December 2021 in the Group has increased by 36 to 1 992 (1.8%) and has increased in Company by 50 to 732 (7.3%). During the 4th quarter 2021 the number of employees decreased by 54 (-2.6%) in the Group and increased by 24 (3.4%) in the Company.

The price of the Company shares in 12 months 2021 increased by 12,8% from EUR 1.80 per share to EUR 2.03 per share. The maximum share price for the 12 months period was EUR 2.10 per share, minimum share price - EUR 1.68 per share. The market capitalization of the Company increased from EUR 100 million at the beginning of the year to EUR 112 million at the end of December 2021. The weighted average price of 1 share during the reporting period was EUR 1.88. Company's share turnover was EUR 10.2 million in 12 months 2021.

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

Apranga APB share price in 12 months period from 1st January 2021 to 31st December 2021:



Information about members of the Management board on 31 December 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
Vidas Lazickas	Member of the Board	252 480 0.46%	27 04 2018	27 04 2022
Ilona Šimkūnienė	Member of the Board, Purchasing Director	- -	27 04 2018	27 04 2022
Ramūnas Gaidamavičius	Member of the Board, Development Director	5 000 0.01%	27 04 2018	27 04 2022
Jonas Jokštys	Member of the Board, independent	- -	29 04 2021	27 04 2022
Gintaras Juškauskas	Member of the Board, independent	- -	29 04 2021	27 04 2022

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

STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		12 months 2021	12 months 2020	12 months 2021	12 months 2020
Revenue from contracts with customers	5	189 743	169 958	77 556	67 164
Cost of sales		(107 515)	(98 812)	(45 272)	(42 688)
GROSS PROFIT		82 228	71 146	32 284	24 476
Operating (expenses)		(71 172)	(64 819)	(28 315)	(24 363)
Other income		2 779	711	500	4 439
Net foreign exchange gain (loss)		(4)	-	(4)	-
OPERATING PROFIT (LOSS)		13 831	7 038	4 465	4 552
Finance income		32	32	58	89
Finance (costs)		(1 099)	(1 109)	(511)	(486)
PROFIT (LOSS) BEFORE INCOME TAX		12 764	5 961	4 012	4 155
Income tax (expense)		(2 100)	(1 025)	(590)	(89)
PROFIT (LOSS) FOR THE PERIOD	3	10 664	4 936	3 422	4 066
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		10 664	4 936	3 422	4 066
Total comprehensive income attributable to:					
Owners of the Company		10 664	4 936	3 422	4 066
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,19	0,09	0,06	0,07

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

STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	31 12 2021	31 12 2020	31 12 2021	31 12 2020
Property, plant and equipment		24 295	25 999	13 027	12 705
Intangible assets		636	534	614	497
Investments in subsidiaries		-	-	4 963	4 963
Prepayments		2 810	1 465	228	230
Trade and other receivables		6	4	6	4
Right-of-use assets		64 306	64 203	27 798	24 951
Financial assets		2 400	2 400	2 400	2 400
Total non-current assets		94 453	94 605	49 036	45 750
CURRENT ASSETS					
Inventories		35 909	35 434	18 525	19 759
Financial assets		733	732	733	732
Prepayments		1 346	1 110	1 171	1 080
Trade and other receivables		3 076	2 143	12 363	11 817
Cash and cash equivalents		29 743	26 209	17 192	19 863
Total current assets		70 807	65 628	49 984	53 251
Non-current assets held for sale		-	71	-	71
TOTAL ASSETS	3	165 260	160 304	99 020	99 072
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	31 12 2021	31 12 2020	31 12 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		56 561	45 896	38 684	35 262
Total equity		74 147	63 482	56 323	52 901
NON-CURRENT LIABILITIES					
Borrowings	6	-	200	-	200
Tax liabilities		-	7 597	-	3 773
Deferred tax liabilities		1 853	1 008	280	96
Non-current lease liabilities		53 824	53 936	23 597	20 993
Non-current employee benefits		91	126	91	126
Total non-current liabilities		55 768	62 867	23 968	25 188
CURRENT LIABILITIES					
Borrowings	6	200	300	5 400	8 468
Current lease liabilities		13 251	12 758	5 261	4 897
Current income tax liability		209	938	130	2
Trade and other payables		21 686	14 995	7 938	5 373
Total current liabilities		35 346	33 955	18 729	20 983
Total liabilities		91 114	96 822	42 697	46 171
TOTAL EQUITY AND LIABILITIES		165 260	160 304	99 020	99 072

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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:						
Profit for the 12 months 2020	3				4 936	4 936
Total comprehensive income		-	-	-	4 936	4 936
Balance at 31 December 2020		16 035	1 604	(53)	45 896	63 482
Comprehensive income:						
Profit for the 12 months 2021	3				10 664	10 664
Total comprehensive income		-	-	-	10 664	10 664
Balance at 31 December 2021		16 035	1 604	(53)	56 560	74 146

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2020		16 035	1 604	31 196	48 835
Comprehensive income:					
Profit for the 12 months 2020				4 066	4 066
Total comprehensive income		-	-	4 066	4 066
Balance at 31 December 2020		16 035	1 604	35 262	52 901
Comprehensive income:					
Profit for the 12 months 2021				3 422	3 422
Total comprehensive income		-	-	3 422	3 422
Balance at 31 December 2021		16 035	1 604	38 684	56 323

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

STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		12 months 2021	12 months 2020	12 months 2021	12 months 2020
Profit (loss) before income taxes		12 764	5 961	4 012	4 155
ADJUSTMENTS FOR:					
Depreciation and amortization		19 796	20 302	7 682	7 780
Impairment charge (reverse)		(352)	1 583	(71)	673
Change in allowances for slow-moving inventories		(293)	1 422	(201)	318
(Gain) on disposal of property, plant and equipment		(38)	(26)	(39)	(24)
Write-off of property, plant and equipment		17	(7)	-	-
Dividends income		(103)	(176)	(103)	(4 176)
Interest expenses (income)		1 067	1 077	453	397
Total		32 858	30 136	11 733	9 123
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		(182)	3 250	1 435	1 045
Decrease (increase) in receivables		(2 446)	(252)	364	(1 731)
Increase (decrease) in payables		(5 905)	5 597	(3 486)	3 609
Cash generated from operations		24 325	38 731	10 046	12 046
Income taxes paid		(1 984)	(663)	(278)	(315)
Interest paid		(1 099)	(1 109)	(511)	(486)
Net cash from operating activities		21 242	36 959	9 257	11 245
INVESTING ACTIVITIES					
Interest received		32	32	58	89
Dividends received		103	176	103	4 176
Loans granted		-	(12 800)	(11 653)	(30 042)
Loans repayments received		-	12 800	10 723	33 257
Purchases of PPE and intangible assets	4	(7 953)	(5 261)	(4 149)	(2 377)
Proceeds on disposal of PPE	4	2 989	884	1 205	143
Purchases of financial assets at fair value		-	(200)	-	(200)
Investment in subsidiaries		-	-	-	-
Net cash used in investing activities		(4 829)	(4 369)	(3 713)	5 046
FINANCING ACTIVITIES					
Dividends paid		-	1	-	1
Proceeds from borrowings		-	-	60	17 927
Repayments of borrowings		(300)	(300)	(3 328)	(13 784)
Repayments of lease liabilities		(12 579)	(12 794)	(4 947)	(5 129)
Net cash from financing activities		(12 879)	(13 093)	(8 215)	(985)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		3 534	19 497	(2 671)	15 306
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		26 209	6 712	19 863	4 557
AT THE END OF THE PERIOD		29 743	26 209	17 192	19 863

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

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 2021 the Group consisted of the Company and 25 subsidiaries:

Name	Country	Ownership interest in % 31 12 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%

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

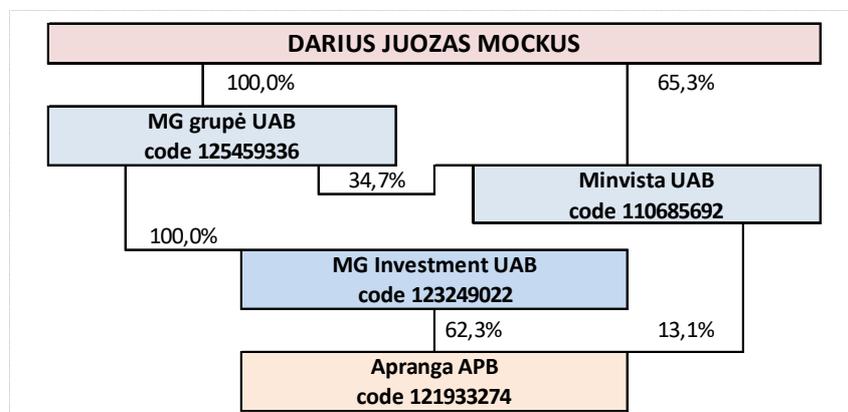
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All 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 2021, the Company had 4 119 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	34 442 189	62,3%
UAB Minvista	110685692	Aukštaičių 7, Vilnius, Lithuania	7 264 661	13,1%
Swedbank AS (Estonia and Latvia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 665 861	6,6%

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER 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 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 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 12 months 2021 is as follows:

12 months 2021	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	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 (note 5)	121 032	38 398	30 104	189 534	-	189 534
Gross margin	43,5%	41,5%	44,7%	43,3%		43,3%
Profit (loss) for the year	7 879	2 027	758	10 664	-	10 664
Total assets	128 330	34 170	19 285	181 785	(16 525)	165 260
Additions to non-current assets	6 989	755	214	7 958	(5)	7 953

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

12 months 2020	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	111 966	43 825	28 664	184 455	-	
Inter-segment revenue	(13 812)	(505)	(560)	(14 877)	-	
Revenue from external customers	98 154	43 320	28 104	169 578	-	169 578
Gross margin	40,9%	42,6%	43,5%	42,0%		42,0%
Profit (loss) for the year	4 603	514	(181)	4 936	-	4 936
Total assets	125 768	33 550	20 408	179 726	(19 422)	160 304
Additions to non-current assets	3 123	1 688	466	5 277	(16)	5 261

4. Investments into non-current assets

Net investments of the Group amounted to EUR 5 million in 12 months 2021. The Company's investments have reached EUR 3 million, daughter companies – EUR 2 million.

5. Income

For the 12 months 2021, revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	2021	2020	2021	2020
Stores income	189 284	169 578	60 559	49 878
Wholesale income	250	-	12 008	12 866
Management fees	-	-	4 803	4 299
Other income	208	380	185	121
Total revenue from contracts with customers	189 742	169 958	77 555	67 164

6. 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 2021, 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 2022. 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 2021, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 13 734 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 December 2021 amounted to EUR 15 150 thousand (31 December 2020: EUR 15 843 thousand).

As of 31 December 2021, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 499 thousand (31 December 2020: EUR 818 thousand).

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

8. Profit distribution

The Annual shareholders meeting of APB Apranga held on 29 April 2021 has resolved not to pay dividends for the year 2020.

9. Turnover and expansion plans in 2022

The Group plans to reach EUR 290 million turnover (including VAT) in 2022, or by 27% higher than actual year 2021 turnover.

In 2022, the Group plans to renovate or open 6-10 stores. The net investment is planned to be about EUR 2-5 million.

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>.