

APRANGA

G R O U P

APB APRANGA The Consolidated Interim Report and
Interim Consolidated Financial Statements
For the Nine months period ended 30 September 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 VĮ, 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 | 4-7 |
| <hr/> | |
| 2 FINANCIAL STATEMENTS | 8-11 |
| <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 | 12-15 |
| <hr/> | |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 158.2 million in 9 months 2021 or by 5.1% more than in the same period of 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 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. 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-August 2021 in all three Baltic countries grew between 2% and 14%. Retail sales grew the least in Latvia (2%) and the most in Lithuania (14%). In July-August 2021, retail trade grew also in all three countries: by 11% in Lithuania, by 4% in Latvia and by 10% in Estonia. European Union (27 countries) retail trade in January-August 2021 increased by 6%, when in July-August 2021 the growth was 2%. The retail trade of clothing, footwear and textiles in July-August 2021 grew in all three Baltic countries between 9% (in Latvia) and 19% (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 9 months of 2021 by countries was as follows (EUR thousand, VAT included):

| Country | 9 months 2021 | 9 months 2020 | 9 months 2019 | 2021/2020, % | 2021/2019, % |
|-----------|---------------|---------------|---------------|--------------|--------------|
| Lithuania | 99 633 | 87 716 | 103 212 | 13,6% | -3,5% |
| Latvia | 33 305 | 38 603 | 42 094 | -13,7% | -20,9% |
| Estonia | 25 231 | 24 177 | 30 131 | 4,4% | -16,3% |
| Total: | 158 169 | 150 497 | 175 438 | 5,1% | -9,8% |

The retail turnover of the Group's stores by countries during the 3rd quarter of 2021 was (EUR thousand, VAT included):

| Country | Q3 2021 | Q3 2020 | Q3 2019 | 2021/2020, % | 2021/2019, % |
|-----------|---------|---------|---------|--------------|--------------|
| Lithuania | 46 729 | 37 058 | 38 727 | 26,1% | 20,7% |
| Latvia | 18 784 | 16 574 | 16 659 | 13,3% | 12,8% |
| Estonia | 11 418 | 10 131 | 11 412 | 12,7% | 0,0% |
| Total: | 76 930 | 63 763 | 66 799 | 20,7% | 15,2% |

The online turnover of the Group's stores in 9 months of 2021 was as follows (EUR thousand, VAT included):

| | 9 months 2021 | 9 months 2020 | 9 months 2019 | 2021/2020, % | 2021/2019, % |
|-----------------------------------|---------------|---------------|---------------|--------------|--------------|
| Online turnover | 36 372 | 14 961 | 6 301 | 2.4 times | 5.8 times |
| Relative weight in total turnover | 23,0% | 9,9% | 3,6% | | |

The Group's online turnover increased 2.4 times in the first 9 months the year, and its relative weight in total turnover increased from 9.9% to 23.0% 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.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

The retail turnover of the Group's stores by chains in 9 months of 2021 was as follows (EUR thousand, VAT included):

| Chain | 9 months 2021 | 9 months 2020 | 9 months 2019 | 2021/2020, % | 2021/2019, % |
|-----------------------|----------------|----------------|----------------|--------------|--------------|
| Economy ¹ | 15 135 | 17 538 | 22 577 | -13,7% | -33,0% |
| Youth ² | 39 292 | 35 692 | 41 047 | 10,1% | -4,3% |
| Footwear | 2 353 | 3 213 | 5 090 | -26,8% | -53,8% |
| Business ³ | 27 746 | 27 022 | 30 492 | 2,7% | -9,0% |
| Luxury ⁴ | 17 198 | 16 524 | 16 959 | 4,1% | 1,4% |
| Zara | 50 188 | 43 846 | 51 629 | 14,5% | -2,8% |
| Outlets | 6 257 | 6 662 | 7 644 | -6,1% | -18,2% |
| Total | 158 169 | 150 497 | 175 438 | 5,1% | -9,8% |

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.

In 9 months of 2021, Apranga Group opened 3 stores, renovated 10 stores and 10 stores were closed.

The net capital expenditure of the retail chain expansion amounted to EUR 4.8 million in 9 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 | 30 09 2021 | 30 09 2020 | 30 09 2019 | 2021/2020, % | 2021/2019, % |
|---------------|------------|------------|------------|--------------|--------------|
| Lithuania | 101 | 106 | 110 | -4,7% | -8,2% |
| Latvia | 46 | 50 | 52 | -8,0% | -11,5% |
| Estonia | 25 | 27 | 29 | -7,4% | -13,8% |
| Total: | 172 | 183 | 191 | -6,0% | -9,9% |

The number of stores by chains was as follows:

| Chain | 30 09 2021 | 30 09 2020 | 30 09 2019 | 2021/2020, % | 2021/2019, % |
|--------------|------------|------------|------------|--------------|--------------|
| Economy | 27 | 35 | 33 | -22,9% | -18,2% |
| Youth | 47 | 45 | 50 | 4,4% | -6,0% |
| Footwear | 10 | 13 | 14 | -23,1% | -28,6% |
| Business | 39 | 41 | 46 | -4,9% | -15,2% |
| Luxury | 30 | 30 | 28 | 0,0% | 7,1% |
| Zara | 11 | 11 | 11 | 0,0% | 0,0% |
| Outlets | 8 | 8 | 9 | 0,0% | -11,1% |
| Total | 172 | 183 | 191 | -6,0% | -9,9% |

The total sales area operated by the Group has decreased by 1.7% till 91.9 thousand sq. m during the year period until 30 September 2021.

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

| Country | 30 09 2021 | 30 09 2020 | 30 09 2019 | 2021/2020, % | 2021/2019, % |
|---------------|-------------|-------------|-------------|--------------|--------------|
| Lithuania | 49,7 | 50,4 | 51,5 | -1,3% | -3,5% |
| Latvia | 26,8 | 27,4 | 27,4 | -2,4% | -2,2% |
| Estonia | 15,4 | 15,6 | 15,1 | -1,7% | 1,6% |
| Total: | 91,9 | 93,4 | 94,0 | -1,7% | -2,3% |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

The Group has earned EUR 8.2 million of profit before income tax in 9 months 2021, while profit before taxes amounted to EUR 5.4 million in 9 months of 2020 (the increase by 51.9%).

EBITDA of the Group was EUR 23.2 million in 9 months 2021, and it was EUR 21.4 million in corresponding previous year period. EBITDA margin has increased from 17.0% to 17.6% during the year.

| Main Group Indicators | 9 months 2021 | 9 months 2020 | 9 months 2019 |
|---|------------------|------------------|------------------|
| Net sales | 132 041 | 125 909 | 145 239 |
| Net sales in foreign markets | 48 899 | 52 354 | 59 859 |
| Like-for-like sales, % | - | - | 5,6% |
| Gross profit | 56 102 | 52 759 | 62 233 |
| Gross margin, % | 42,5% | 41,9% | 42,8% |
| Operating profit (loss) | 8 909 | 6 190 | 7 839 |
| Operating profit margin, % | 6,7% | 4,9% | 5,4% |
| EBT | 8 170 | 5 382 | 7 250 |
| EBT margin, % | 6,2% | 4,3% | 5,0% |
| Profit (loss) for the period | 6 810 | 4 420 | 6 313 |
| Profit for the period margin, % | 5,2% | 3,5% | 4,3% |
| EBITDA | 23 215 | 21 395 | 21 893 |
| EBITDA margin, % | 17,6% | 17,0% | 15,1% |
| Return on equity (end of the period), % | 9,7% | 7,0% | 11,3% |
| Return on assets (end of the period), % | 3,9% | 2,6% | 4,0% |
| Net debt to equity, % | 34,7% | 56,0% | 128,9% |
| Current ratio, times | 1,6 | 1,4 | 1,3 |

The operating expenses of the Group totaled EUR 47.2 million in 9 months 2021 and increased by 1.3%, comparing to the same period 2020. Operating expenses increased less than sales, which grew by 4.9%. 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. The decision of the Group's shareholders not to pay dividends had a positive impact on debt and liquidity ratios.

| Main Group Indicators | 9 months 2021 | 9 months 2020 | Change |
|------------------------------|------------------|------------------|--------|
| Net sales | 132 041 | 125 909 | 4,9% |
| Net sales in foreign markets | 48 899 | 52 354 | -6,6% |
| Gross profit | 56 102 | 52 759 | 6,3% |
| Operating (expenses) | (47 193) | (46 569) | 1,3% |
| Operating profit (loss) | 8 909 | 6 190 | 43,9% |
| EBT | 8 170 | 5 382 | 51,8% |
| Profit (loss) for the period | 6 810 | 4 420 | 54,1% |
| EBITDA | 23 215 | 21 395 | 8,5% |

The Group's level of inventories during the last 12 months increased by 7.8% to EUR 44.4 million. Company's inventories decreased by 1.3%. Group's inventories stabilized and reached 95% level if compared to the same period in 2019.

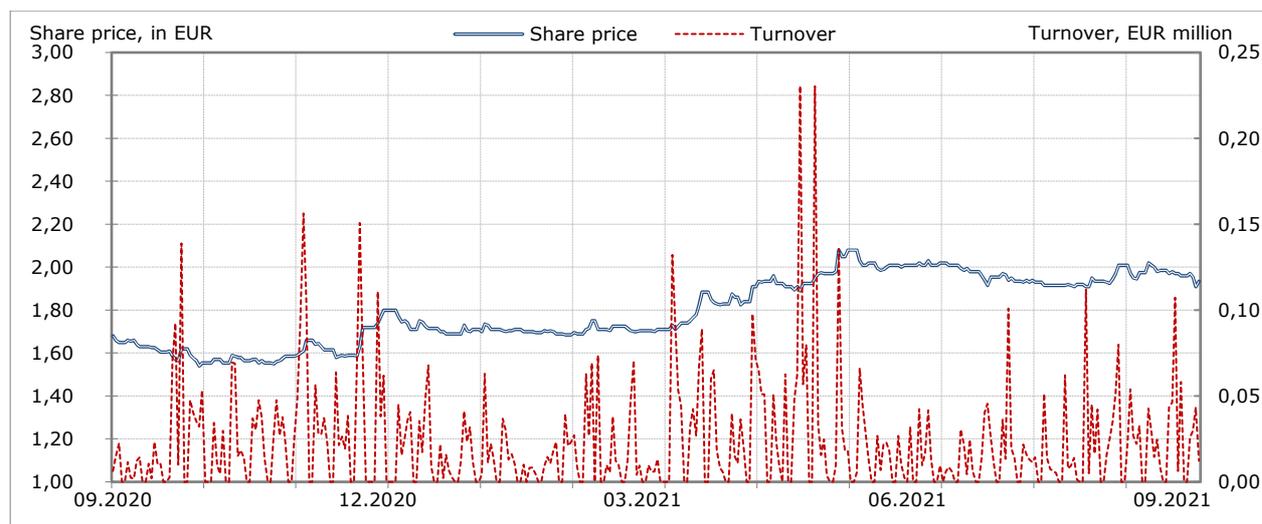
The number of employees during the year till 30 September 2021 in the Group has decreased by 11 to 2 046 (-0.53%) and has increased in Company by 2 to 708 (0.28%).

The price of the Company shares in 9 months 2021 increased by 8% from EUR 1.80 per share to EUR 1.94 per share. The maximum share price for the 9 months period was EUR 2.10 per share, minimum share price - EUR 1.68 per share. The market

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

capitalization of the Company increased from EUR 100 million at the beginning of the year to EUR 107 million at the end of September 2021. The weighted average price of 1 share during the reporting period was EUR 1.86. Company's share turnover was EUR 6.0 million in 9 months 2021. The share price during the last 12 months increased from EUR 1.68 to EUR 1.94 per share, or by 15%.

Apranga APB share price in 12 months period from 1st October 2020 to 30th September 2021:



Information about members of the Management board on 30 September 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 | 230 000 0.42% | 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF COMPREHENSIVE INCOME

| | Note | GROUP | | COMPANY | |
|---|------|------------------|------------------|------------------|------------------|
| | | 9 months 2021 | 9 months 2020 | 9 months 2021 | 9 months 2020 |
| Revenue from contracts with customers | 5 | 132 041 | 125 909 | 52 940 | 49 944 |
| Cost of sales | | (75 939) | (73 150) | (32 561) | (32 368) |
| GROSS PROFIT | | 56 102 | 52 759 | 20 379 | 17 576 |
| Operating (expenses) | | (49 424) | (46 737) | (19 170) | (17 790) |
| Other income | | 2 233 | 169 | 465 | 4 168 |
| Net foreign exchange gain (loss) | | (2) | (1) | (2) | (1) |
| OPERATING PROFIT (LOSS) | | 8 909 | 6 190 | 1 672 | 3 953 |
| Finance income | | 24 | 24 | 46 | 73 |
| Finance (costs) | | (763) | (832) | (352) | (364) |
| PROFIT (LOSS) BEFORE INCOME TAX | | 8 170 | 5 382 | 1 366 | 3 662 |
| Income tax (expense) | | (1 360) | (962) | (186) | (51) |
| PROFIT (LOSS) FOR THE PERIOD | 3 | 6 810 | 4 420 | 1 180 | 3 611 |
| Other comprehensive income | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME | | 6 810 | 4 420 | 1 180 | 3 611 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 6 810 | 4 420 | 1 180 | 3 611 |
| Non-controlling interests | | - | - | - | - |
| Basic and diluted earnings per share (in EUR) | | 0,12 | 0,08 | 0,02 | 0,07 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 202
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION

| ASSETS | | GROUP | | COMPANY | |
|--------------------------------------|----------|----------------|----------------|----------------|---------------|
| ASSETS | Note | 30 09 2021 | 31 12 2020 | 30 09 2021 | 31 12 2020 |
| Property, plant and equipment | | 25 814 | 25 999 | 13 778 | 12 705 |
| Intangible assets | | 597 | 534 | 579 | 497 |
| Investments in subsidiaries | | - | - | 4 963 | 4 963 |
| Prepayments | | 2 896 | 1 465 | 314 | 230 |
| Trade and other receivables | | 5 | 4 | 5 | 4 |
| Right-of-use assets | | 56 320 | 64 203 | 22 026 | 24 951 |
| Financial assets | | 2 400 | 2 400 | 2 400 | 2 400 |
| Total non-current assets | | 88 032 | 94 605 | 44 065 | 45 750 |
| CURRENT ASSETS | | | | | |
| Inventories | | 44 397 | 35 434 | 22 382 | 19 759 |
| Financial assets | | 724 | 732 | 724 | 732 |
| Prepayments | | 2 242 | 1 110 | 1 537 | 1 080 |
| Trade and other receivables | | 1 690 | 2 143 | 12 104 | 11 817 |
| Cash and cash equivalents | | 36 616 | 26 209 | 20 266 | 19 863 |
| Total current assets | | 85 669 | 65 628 | 57 013 | 53 251 |
| Non-current assets held for sale | | - | 71 | - | 71 |
| TOTAL ASSETS | 3 | 173 701 | 160 304 | 101 078 | 99 072 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | GROUP | | COMPANY | |
| EQUITY | Note | 30 09 2021 | 31 12 2020 | 30 09 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 | | 52 706 | 45 896 | 36 442 | 35 262 |
| Total equity | | 70 292 | 63 482 | 54 081 | 52 901 |
| NON-CURRENT LIABILITIES | | | | | |
| Borrowings | 6 | - | 200 | - | 200 |
| Tax liabilities | | 1 512 | 7 597 | 382 | 3 773 |
| Deferred tax liabilities | | 1 687 | 1 008 | 234 | 96 |
| Non-current lease liabilities | | 47 161 | 53 936 | 18 424 | 20 993 |
| Non-current employee benefits | | 170 | 126 | 170 | 126 |
| Total non-current liabilities | | 50 530 | 62 867 | 19 210 | 25 188 |
| CURRENT LIABILITIES | | | | | |
| Borrowings | 6 | 275 | 300 | 7 231 | 8 468 |
| Tax liabilities | | 11 837 | 4 964 | 5 798 | 2 243 |
| Current lease liabilities | | 12 025 | 12 758 | 4 612 | 4 897 |
| Current income tax liability | | 681 | 938 | 47 | 2 |
| Trade and other payables | | 28 061 | 14 995 | 10 099 | 5 373 |
| Total current liabilities | | 52 879 | 33 955 | 27 787 | 20 983 |
| Total liabilities | | 103 409 | 96 822 | 46 997 | 46 171 |
| TOTAL EQUITY AND LIABILITIES | | 173 701 | 160 304 | 101 078 | 99 072 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 9 months 2020 | 3 | | | | 4 420 | 4 420 |
| Total comprehensive income | | - | - | - | 4 420 | 4 420 |
| Balance at 30 September 2020 | | 16 035 | 1 604 | (53) | 45 380 | 62 966 |
| Balance at 1 January 2021 | | 16 035 | 1 604 | (53) | 45 896 | 63 482 |
| Comprehensive income: | | | | | | |
| Profit for the 9 months 2021 | 3 | | | | 6 810 | 6 810 |
| Total comprehensive income | | - | - | - | 6 810 | 6 810 |
| Balance at 30 September 2021 | | 16 035 | 1 604 | (53) | 52 706 | 70 292 |

| 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 9 months 2020 | | | | 3 611 | 3 611 |
| Total comprehensive income | | - | - | 3 611 | 3 611 |
| Balance at 30 September 2020 | | 16 035 | 1 604 | 34 807 | 52 446 |
| Balance at 1 January 2021 | | 16 035 | 1 604 | 35 262 | 52 901 |
| Comprehensive income: | | | | | |
| Profit for the 9 months 2021 | | | | 1 180 | 1 180 |
| Total comprehensive income | | - | - | 1 180 | 1 180 |
| Balance at 30 September 2021 | | 16 035 | 1 604 | 36 442 | 54 081 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF CASH FLOW

| OPERATING ACTIVITIES | Note | GROUP | | COMPANY | |
|--|------|------------------|------------------|------------------|------------------|
| | | 9 months 2021 | 9 months 2020 | 9 months 2021 | 9 months 2020 |
| Profit (loss) before income taxes | | 8 170 | 5 382 | 1 366 | 3 662 |
| ADJUSTMENTS FOR: | | | | | |
| Depreciation and amortization | | 14 306 | 15 205 | 5 421 | 5 860 |
| Impairment charge (reversal) | | (8) | (11) | - | - |
| Change in allowances for slow-moving inventories | | (1 316) | (285) | 174 | 304 |
| (Gain) on disposal of property, plant and equipment | | (41) | (22) | (41) | (19) |
| Write-off of property, plant and equipment | | 11 | 12 | - | - |
| Dividend income | | (56) | - | (56) | (4 111) |
| Interest expenses | | 739 | 808 | 306 | 291 |
| Total | | 21 805 | 21 089 | 7 170 | 5 987 |
| CHANGES IN OPERATING ASSETS AND LIABILITIES: | | | | | |
| Decrease (increase) in inventories | | (7 647) | (846) | (2 797) | (1 849) |
| Decrease (increase) in receivables | | (2 031) | 241 | (2 147) | (608) |
| Increase (decrease) in payables | | 13 898 | 16 869 | 4 934 | 8 864 |
| Cash generated from operations | | 26 025 | 37 353 | 7 160 | 12 394 |
| Income taxes paid | | (938) | (86) | (3) | (81) |
| Interest paid | | (763) | 674 | (352) | 206 |
| Net cash from operating activities | | 24 324 | 37 941 | 6 805 | 12 519 |
| INVESTING ACTIVITIES | | | | | |
| Interest received | | 24 | 24 | 46 | 73 |
| Dividends received | | 56 | - | 56 | 4 111 |
| Loans granted | | - | (12 800) | (8 180) | (24 701) |
| Loans repayments received | | - | 12 800 | 9 575 | 28 384 |
| Purchases of PPE and intangible assets | 4 | (7 231) | (4 065) | (3 663) | (1 423) |
| Proceeds on disposal of PPE | 4 | 2 418 | 880 | 634 | 137 |
| Net cash used in investing activities | | (4 733) | (3 161) | (1 532) | 6 581 |
| FINANCING ACTIVITIES | | | | | |
| Dividends paid | | - | 1 | - | 1 |
| Proceeds from borrowings | | - | - | 60 | 17 927 |
| Repayments of borrowings | | (225) | (225) | (1 497) | (13 127) |
| Payment of principal portion of lease liabilities | | (8 959) | (10 351) | (3 433) | (4 178) |
| Net cash from financing activities | | (9 184) | (10 575) | (4 870) | 623 |
| NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS | | 10 407 | 24 205 | 403 | 19 723 |
| CASH AND BANK OVERDRAFTS: | | | | | |
| AT THE BEGINNING OF THE PERIOD | | 26 209 | 6 712 | 19 863 | 4 557 |
| AT THE END OF THE PERIOD | | 36 616 | 30 917 | 20 266 | 24 280 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 30 September 2021 the Group consisted of the Company and the following 100% owned subsidiaries:

| Name | Country | Ownership interest in % 30 09 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.

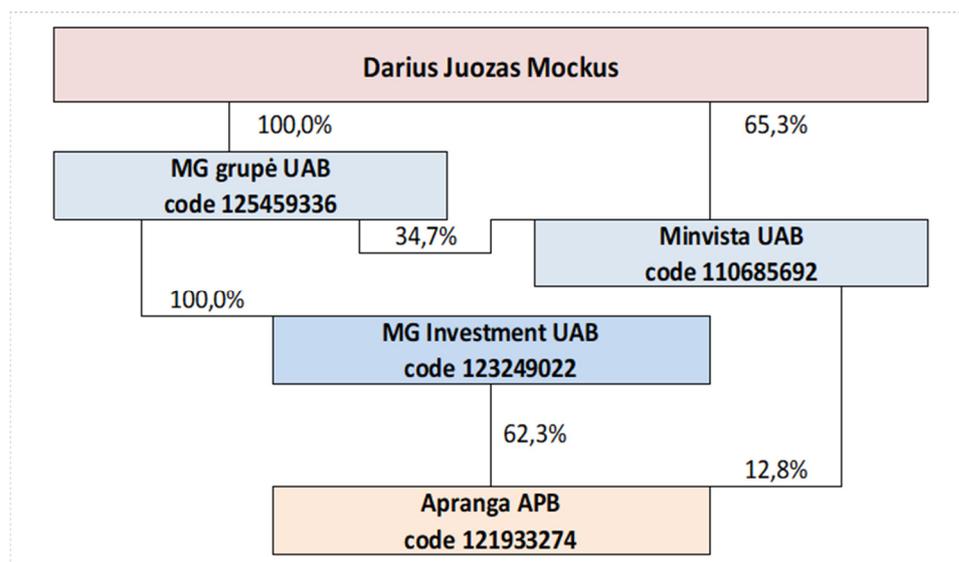
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All 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 30 September 2021, the Company had 3 980 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 | 7 060 498 | 12,8% |
| Swedbank AS (Estonia and Latvia) clients | 10060701 | Liivalaia 8 Tallinn, Estonia | 3 559 668 | 6,4% |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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 30 September 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 9 months 2021 is as follows:

| 9 months 2021 | Lithuania | Latvia | Estonia | Total | Inter-company eliminations | Total in consolidated financial statements |
|--|-----------|--------|---------|----------|----------------------------|--|
| Total segment revenue | 92 620 | 28 629 | 21 660 | 142 909 | - | |
| Inter-segment revenue | (9 559) | (917) | (473) | (10 949) | - | |
| Revenue from external customers (note 5) | 83 061 | 27 712 | 21 187 | 131 960 | - | 131 960 |
| Gross margin | 42,6% | 40,7% | 44,3% | 42,5% | | 42,5% |
| Profit (loss) for the year | 4 738 | 1 592 | 480 | 6 810 | - | 6 810 |
| Total assets | 135 561 | 36 401 | 20 047 | 192 009 | (18 308) | 173 701 |
| Additions to non-current assets | 6 458 | 750 | 26 | 7 234 | (3) | 7 231 |

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2021
 (all tabular amounts are in EUR thousands unless otherwise stated)

| 9 months 2020 | Lithuania | Latvia | Estonia | Total | Inter- company elimina- tions | Total in consolidated financial statements |
|--|-----------|--------|---------|----------|--|---|
| Total segment revenue | 82 916 | 32 407 | 20 778 | 136 101 | - | |
| Inter-segment revenue | (9 964) | (363) | (468) | (10 795) | - | |
| Revenue from external customers (note 5) | 72 952 | 32 044 | 20 310 | 125 306 | - | 125 306 |
| Gross margin | 40,6% | 42,7% | 43,6% | 41,6% | | 41,6% |
| Profit (loss) for the period | 3 388 | 829 | 203 | 4 420 | - | 4 420 |
| Total assets | 133 061 | 34 146 | 20 801 | 188 008 | (18 376) | 169 632 |
| Additions to non-current assets | 2 010 | 1 658 | 410 | 4 078 | (13) | 4 065 |

4. Investments into non-current assets

Net investments of the Group amounted to EUR 4.8 million in 9 months 2021. The Company's investments have reached EUR 3.0 million, while daughter companies invested EUR 1.8 million.

5. Income

For the 9 months 2021, revenue from contracts with customers consisted of the following:

| | GROUP | | COMPANY | |
|---|---------|---------|---------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Stores income | 131 960 | 125 306 | 40 451 | 45 941 |
| Wholesale income | - | - | 9 246 | 889 |
| Management fees | - | - | 3 172 | 3 052 |
| Other income | 81 | 603 | 71 | 62 |
| Total revenue from contracts with customers | 132 041 | 125 909 | 52 940 | 49 944 |

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 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 30 September 2021, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 13 782 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 30 September 2021 amounted to EUR 15 058 thousand (31 December 2020: EUR 15 843 thousand).

As of 30 September 2021, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 781 thousand (31 December 2020: EUR 818 thousand).

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 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. Operational plans

The Group's previously announced plans for the year 2021 - to reach a turnover of EUR 204-230 million (including VAT), to renovate or open 15 stores and to invest EUR 5 million remain unchanged.

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-performance-measures>.

11. Events after the reporting period

In accordance with the resolutions of the Government of the Republic of Latvia, the Republic of Latvia has introduced new restrictions due to the aggravation of the situation related to Covid-19. From 14th October 2021 the Republic of Latvia banned the operation of stores in shopping malls on weekends, and from 21st October 2021 until 15th November - all Group's stores in Latvia are temporarily closed.