

27 July 2023

Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

Hereby we confirm, that by our knowledge Consolidated Interim Financial Statements for the six months of 2023 prepared in accordance with International Financial Reporting Standards as adopted by the EU are true and fairly present assets, liabilities, financial position, profit or loss and cash flows of APB Apranga, as well as of Apranga Group consolidated companies.

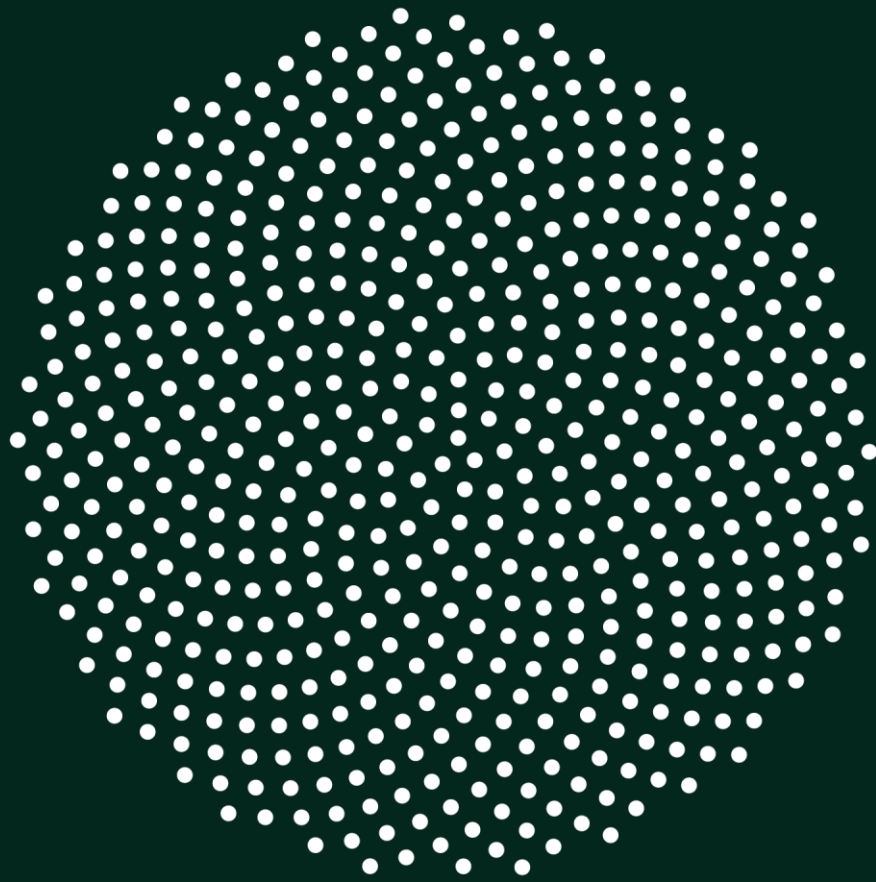
As well we confirm that by our knowledge Consolidated Report for the six months 2023 includes a fair review of the development and performance of the business of APB Apranga and Apranga Group in relation to the description of the main risks and contingencies faced thereby.

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 Six months period ended 30 June 2023

(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.lt
MAIN ACTIVITIES	Retail trade of apparel
AUDITOR	ERNST & YOUNG BALTIC UAB

TABLE OF CONTENT

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

1 INTERIM CONSOLIDATED REPORT	4-16
--------------------------------------	-------------

2 FINANCIAL STATEMENTS:	17-20
--------------------------------	--------------

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

3 EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	21-23
--	--------------

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

INTERIM CONSOLIDATED REPORT

GENERAL INFORMATION

Interim consolidated report is prepared for the period January – June 2023.

Name of the Issuer: APB Apranga
 Legal form: public limited liability company
 Date and place of registration: 1993 03 01 Board of Vilnius City
 Code of Enterprise: 121933274
 Registered office: Ukmerges str. 362, Vilnius, LT-14311, Lithuania
 Telephone number: +370 5 2390808
 E-mail address: info@apranga.lt
 Internet address: <http://aprangagroup.lt>

At 30 June 2023 Apranga Group (hereinafter - the Group) consisted of the parent company APB Apranga (hereinafter - the Company) and its wholly owned subsidiaries listed below. The principal activity of the Company and its subsidiaries is retail trade of apparel.

Name	Country	Ownership interest in % 30 06 2023	Ownership interest in % 31 12 2022
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%

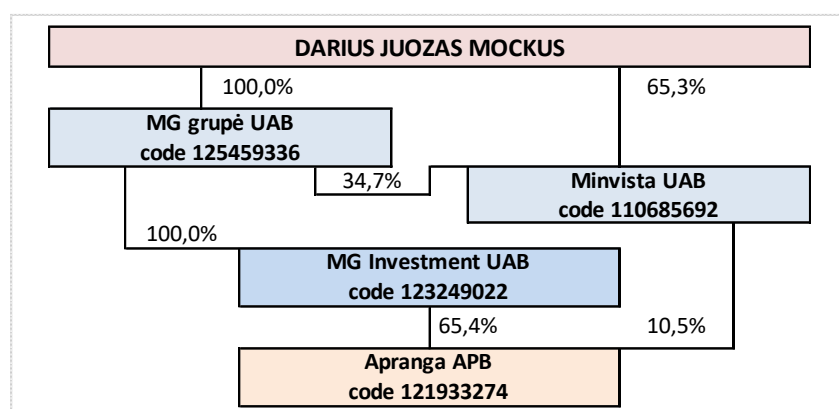
¹ The Company directly owns 14.91% shares and indirectly through its subsidiary OU Apranga Estonia owns the rest 85.09% of shares.

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

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

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



OPERATING HIGHLIGHTS

In January through June 2023, the retail turnover of Apranga Group (including VAT) totaled EUR 147.6 million and was by 15.6% higher than in 2022.

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 in January-May grew around 7% at current prices compared to the same period in 2022. The change of consumer prices in Baltic retail market in January-May 2023 compared to the corresponding period of the previous year averaged to around 16%. In this period the price index change in Lithuania was 15%, Latvia 17% and Estonia 15%. Consumer confidence index in the Euro area has been consistently increasing during first half of 2023 and rose from -20.6 to -16.1 (+4.5 p.). Despite minor fluctuations Baltic countries' consumer confidence index also shows upward trend. In Lithuania the index increased from -5.4 to -3.5 (+1.9 p.), Latvia from -32.4 to -21.3 (+11.1 p.), Estonia from -32.7 to -21.3 (+11.4 p.).

The companies participating in the textile, clothing and footwear market of the Baltic states generated a 12% higher turnover in the months of January-May 2023 compared to the corresponding period in 2022. The change of consumer prices index in the clothing and footwear industry in Baltic retail market in January-May 2023 compared to the corresponding period of the previous year averaged to around 7%. In this period the price index change in Lithuania was 5.6%, Latvia 4.2% and Estonia 12.2%. Lithuania remains the largest market of retail trade of textile, clothing and footwear in specialized stores in the Baltic countries, generating about 50% of the Baltic states market turnover.

The retail turnover of the Group's stores in first half of 2023 by month was as follows (EUR thousand, VAT included):

	2023	2022	2021	2023/2022, %	2023/2021, %
January	22 918	17 817	6 651	28,6%	244,6%
February	19 156	15 900	8 298	20,5%	130,9%
March	23 039	18 906	10 598	21,9%	117,4%
April	25 751	22 599	12 462	13,9%	106,6%
May	28 305	25 785	18 635	9,8%	51,9%
June	28 402	26 684	24 594	6,4%	15,5%
Total:	147 572	127 692	81 239	15,6%	81,7%

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

The retail turnover of the Group's stores in first half of 2023 by countries was as follows (EUR thousand, VAT included):

Country	6 months 2023	6 months 2022	6 months 2021	2023/2022, %	2023/2021, %
Lithuania	89 677	78 126	52 904	14,8%	69,5%
Latvia	35 030	30 607	14 522	14,5%	141,2%
Estonia	22 864	18 959	13 813	20,6%	65,5%
Total:	147 572	127 692	81 239	15,6%	81,7%

The retail turnover of the Group's stores by countries during the second quarter of 2023 was (EUR thousand, VAT included):

Country	Q2 2023	Q2 2022	Q2 2021	2023/2022, %	2023/2021, %
Lithuania	50 124	45 569	37 053	10,0%	35,3%
Latvia	19 158	17 945	10 710	6,8%	78,9%
Estonia	13 176	11 555	7 929	14,0%	66,2%
Total:	82 458	75 069	55 692	9,8%	48,1%

The online turnover of the Group's stores in first half of 2023 was as follows (EUR thousand, VAT included):

	6 months 2023	6 months 2022	6 months 2021	2023/2022, %	2023/2021, %
Online turnover	18 195	16 694	28 713	9,0%	-36,6%
Relative weight in total turnover	12,3%	13,1%	35,3%		

The Group's online turnover increased by 9.0% in the first half of the year, and its relative weight in total turnover decreased from 13.1% to 12.3% compared to the corresponding period of the previous year. In year 2021, online turnover was significantly higher 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 first half of 2023 was as follows (EUR thousand, VAT included):

Chain	6 months 2023	6 months 2022	6 months 2021	2023/2022, %	2023/2021, %
Economy ¹	14 808	13 691	6 222	8,2%	138,0%
Youth ²	35 594	30 873	20 167	15,3%	76,5%
Footwear	2 076	2 146	942	-3,3%	120,3%
Business ³	26 607	22 807	13 280	16,7%	100,4%
Luxury ⁴	14 730	12 833	9 780	14,8%	50,6%
Zara	47 285	38 738	27 773	22,1%	70,3%
Outlets	6 472	6 605	3 075	-2,0%	110,5%
Total	147 572	127 692	81 239	15,6%	81,7%

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 6 months 2023, the Group opened 3 new stores (Hugo stores in Riga and Tallinn, Betty Barclay in Tallinn), reconstructed 6 stores, out of which 3 stores were enlarged (Massimo Dutti in Vilnius in SC Akropolis and SC Panorama, City in Vilnius in SC Akropolis) and 3 stores were moved to other shopping center (Weekend MaxMara, Marella and Coccinelle stores in Vilnius from SC Europa to SC Panorama), closed 6 stores. The net capital expenditure to the retail chain expansion and renovation amounted to EUR 4.7 million (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

The number of stores by countries was as follows:

Country	30 06 2023	30 06 2022	30 06 2021	2023/2022, %	2023/2021, %
Lithuania	97	100	101	-3,0%	-4,0%
Latvia	44	44	48	0,0%	-8,3%
Estonia	24	23	25	4,3%	-4,0%
Total:	165	167	174	-1,2%	-5,2%

The number of stores by chains was as follows:

Chain	30 06 2023	30 06 2022	30 06 2021	2023/2022, %	2023/2021, %
Economy	18	22	29	-18,2%	-37,9%
Youth	47	47	47	0,0%	0,0%
Footwear	9	10	11	-10,0%	-18,2%
Business	40	39	40	2,6%	0,0%
Luxury	32	30	28	6,7%	14,3%
Zara	10	10	11	0,0%	-9,1%
Outlets	9	9	8	0,0%	12,5%
Total	165	167	174	-1,2%	-5,2%

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	30 06 2023	30 06 2022	30 06 2021	2023/2022, %	2023/2021, %
Lithuania	51,1	50,9	50,1	0,3%	1,8%
Latvia	26,4	26,4	27,0	0,0%	-2,2%
Estonia	13,2	13,1	15,4	0,8%	-14,1%
Total:	90,7	90,4	92,5	0,2%	-2,0%

The total *sales area* operated by the Group has increased by 0.2% or by 0.3 thousand sq. m. during the year period until 30 June 2023.

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.

In six months of 2023, The Group's *profit before income tax* reached EUR 9.0 million. The Group's profit before income tax was EUR 7.1 million in the same period of 2022.

EBITDA of the Group reached EUR 18.9 million in six months of 2023, while the Group had EBITDA of EUR 17.1 million in the same period of 2021 (+10.3%). EBITDA margin has decreased from 16.1% to 15.4% during the year.

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

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

Main Group Indicators	6 months 2023	6 months 2022	6 months 2021
Net sales	123 166	106 312	68 251
Net sales in foreign markets	48 332	41 361	23 802
Gross profit	56 543	47 387	27 489
Gross margin, %	45,9%	44,6%	40,3%
Operating profit (loss)	9 538	7 639	1 667
Operating profit margin, %	7,7%	7,2%	2,4%
EBT	8 997	7 123	1 162
EBT margin, %	7,3%	6,7%	1,7%
Profit (loss) for the period	7 452	5 947	957
Profit for the period margin, %	6,1%	5,6%	1,4%
EBITDA	18 907	17 139	11 212
EBITDA margin, %	15,4%	16,1%	16,4%
Return on equity (end of the period), %	13,7%	11,3%	1,5%
Return on assets (end of the period), %	5,2%	4,2%	0,6%
Net debt to equity, %	-16,3%	-24,1%	-39,3%
Current ratio, times	1,4	1,4	1,6

The gross margin of the Group reached 45.9% in 6 months 2023, 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 47.0 million in 6 months 2023 and increased by 18.3, comparing to the same period 2022 (sales increased by 15.9% for comparison). In 2022, the operating expenses of the Group were reduced by EUR 0.45 million due to a positive result of a long-term assets sales. Adjusted for the effect of beforementioned sale, the increase of the operating expenses of the Group in Q2 2023 was 16.9% compared to corresponding period of prior year.

Main Group Indicators	6 months 2023	6 months 2022	Change
Net sales	123 166	106 312	15,9%
Net sales in foreign markets	48 332	41 361	16,9%
Gross profit	56 543	47 387	19,3%
Operating (expenses)	(47 005)	(39 748)	18,3%
Operating profit (loss)	9 538	7 639	24,9%
EBT	8 997	7 123	26,3%
Profit (loss) for the period	7 452	5 947	25,3%
EBITDA	18 907	17 139	10,3%

The Group's *level of inventories* during the last 12 months increased by 20.2% to EUR 44.3 million. Company's inventories increased by 28.2%.

The number of employees at 30 June 2023 and the average monthly salary by categories in 1st half 2023 were as follows:

Employee category	Group	Company	Group	Company
	Number of employees		Average monthly salary, EUR	
Administration	182	124	4 059	4 551
Stores' personnel	1 963	552	1 221	1 279
Logistics	61	61	1 642	1 642
Total	2 206	737	1 490	1 895

When calculating the average monthly salary, part-time employees are also included. Part-time employees make up more than half of total Group employees.

The number of employees during the year till 30 June 2023 in the Group has increased by 50 to 2 206 (2.3%) and has decreased in Company by 5 to 737 (-0.7%).

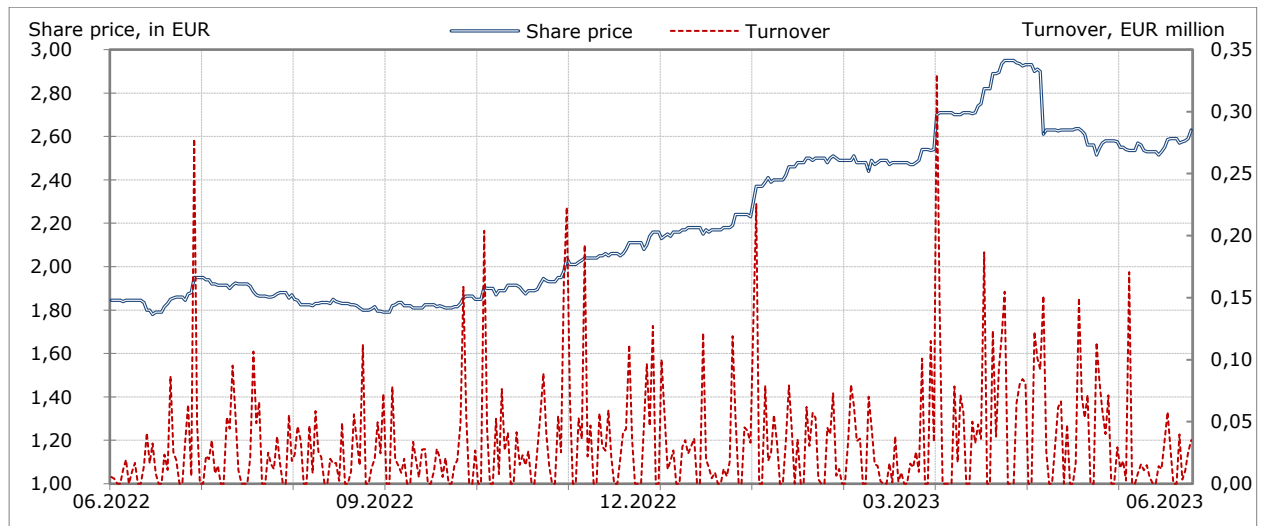
APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

Education of employees by categories on 30 June 2023 was as follows:

Education level	Group	Company
Higher	671	296
Professional	215	80
Secondary	542	137
Primary	43	10
Student	735	214
Total:	2 206	737

The price of the Company shares in 6 months 2023 increased by 22% from EUR 2.16 per share to EUR 2.63 per share. The maximum share price during the six months period was EUR 2.96 per share, minimum share price - EUR 2.12 per share. The market capitalization of the Company increased from EUR 119 million at the beginning of the year to EUR 145 million at the end of June 2023. The weighted average price of 1 share during the reporting period was EUR 2.55. Company's share turnover was EUR 6.7 million in 6 months 2023. The share price during the last 12 months increased from EUR 1.85 to EUR 2.63 per share, or by 43%.

Apranga APB share price in 12 months period from 1st July 2022 to 30th June 2023:



OPERATIONAL PLANS

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.

RISK MANAGEMENT

Financial risk factors

The risk management function within the Group and the Company is carried out in respect of financial risks (credit, market (which consist of currency, interest rate and price) and liquidity), operational risks and legal risks. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

The financial risks relate to the following financial instruments: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, trade receivables, cash and cash equivalents, trade and other payables and borrowings. The accounting policy with respect to these financial instruments is the same as it was in 2022.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(all tabular amounts are in EUR thousands unless otherwise stated)

Credit risk

Credit risk is managed on Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, financial assets at fair value through other comprehensive income as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties (or subsidiaries of such parties) with high credit ratings are accepted. Sales to wholesale customers are rare and immaterial, therefore risk control only assesses the credit quality of the customer, taking into account its financial position, past experience and future factors. Sales to retail customers are settled in cash or using major credit cards, therefore there is no credit risk.

Company's credit risk arising from trade receivables from subsidiaries and loans to subsidiaries is managed by controlling financial performance of subsidiaries on a monthly basis. All the subsidiaries having Company's loans have been profitable during the financial year, generated strong positive cash flows, historically none of them had liquidity issues. Management has also assessed the projected future information that will not have a material adverse effect on the Company's subsidiaries. Therefore, in the management's opinion, the credit risk is low.

The Company and the Group have no significant concentration of credit risk, except for cash which is held in two banks having high credit ratings and loans granted to subsidiaries.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group and the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's and the Company's liquidity reserve comprises undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice set by the Group. In addition, the Group's and the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these; and maintaining debt financing plans.

Market risk

Cash flow and fair value interest rate risk

The Company has loans to subsidiaries with floating interest rates, but the cash flow risk is mitigated by applying the same variable element of interest rate on those loans as the banks are charging the Company.

Loans granted and received at variable rates expose the Group to cash flow interest rate risk, which however has no material impact on profit or equity of the Group. Loans granted and received at fixed rates expose the Company to fair value interest rate risk, which however has no material impact on profit or equity of the Company.

The Company's and Group's borrowings consist of loans with floating interest rate, which are related to EURIBOR and EONIA. The Company and the Group did not use any derivative financial instruments in order to control the risk of interest rate changes.

Trade and other receivables and payables are interest-free and have settlement dates within one year.

The Group's and the Company's cash flow and fair value interest rate risk is periodically monitored by the Group's management. It analyses its interest rate exposure on a dynamic basis taking into consideration refinancing, renewal of existing positions, alternative financing.

Based on the simulations performed, management considers the impact of 0.5% change in interest rates to be not material to the financial statements of the Group and the Company.

Foreign exchange risk

The Company and the Group has a policy to synchronize the cash flows from expected sales in the future with the expected purchases and other expenses in each foreign currency. Substantially all the Group's payables and receivables are short-term and in addition expenses in foreign currencies are insignificant (less than 10%) as compared to those in Euro.

The Group operates in Lithuania, Latvia and Estonia, and during the reporting period used Euro currency. Since Estonia, Latvia and Lithuania introduced the Euro (respectively, since 1st January 2011, 1st January 2014 and 1st January 2015), so there is no exchange rate fluctuations.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(all tabular amounts are in EUR thousands unless otherwise stated)

Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group and the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

Pursuant to the Lithuanian Law on Companies the authorized share capital of a public limited liability company must be not less than EUR 40 thousand and of a private limited liability company must be not less than EUR 2.5 thousand. In addition, for all entities the shareholders' equity should not be lower than 50 per cent of the company's registered share capital. As at 30 June 2023 UAB Apranga Ecom LT had not complied with the requirements. Business activities of UAB Apranga Ecom LT are terminated.

Pursuant to the Latvian Commercial Law the authorized share capital of a private limited liability company must be not less than EUR 2.8 thousand. As at 30 June 2023, all of the Company's Latvian subsidiaries complied with these requirements.

Pursuant to the Estonian Commercial Code the authorized share capital of a private limited liability company must be not less than EUR 2.5 thousand. In addition, the shareholders' equity should not be lower than 50 per cent of the company's share capital. As at 30 June 2023, all of the Company's Estonian subsidiaries complied with these requirements.

In addition, the Group should comply with the financial covenants imposed in the agreements with SEB bankas AB and Luminor Bank AB. The Group and the Company followed the covenants as at 30 June 2023.

SECURITIES

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.

Neither Company, nor its subsidiaries directly or indirectly acquired own shares. By the knowledge of the Company's management, there are no restrictions imposed on transfer of Company's shares. All Company's shares give equal rights to shareholders and there are no shareholders with special control rights.

By the knowledge of the Company's management, there are no restrictions imposed on voting rights.

By the knowledge of the Company's management, there are no agreements among shareholders which may limit transfer of shares, or their voting rights.

Each owner of the ordinary registered share has the following property rights:

- 1) To receive part of the company's profit (dividend);
- 2) To receive a part of the assets of the company in liquidation;
- 3) To receive shares without payment if the share capital is increased out of the company's funds, except the cases specified in the Law on Companies.
- 4) To have the pre-emption right to acquire the shares or convertible debenture issued by the company, except in cases when General Shareholder's Meeting pursuant to Law on Companies decides to withdraw the pre-emption right in acquiring the company's issued shares for all shareholders;
- 5) As provided by laws to lend to the company, however the company borrowing from its shareholders has no right to mortgage or pledge its assets to shareholders. When the company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his/her place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the company and shareholders are prohibited from negotiating a higher interest rate;
- 6) To receive Company's funds in event the share capital is decreased on purpose to pay Company's funds to shareholders;
- 7) Shareholders have other property rights provided by laws of the Republic of Lithuania.

Each owner of the ordinary registered share has the following non-property rights:

- 1) To attend and vote in General Shareholder's Meetings. One ordinary registered share grants to its owner one vote at the General Shareholders' Meeting. The right to vote at the General Shareholder's Meeting may be withdrawn or restricted in cases established by laws of the Republic of Lithuania, also in cases when share ownership is contested;
- 2) to submit to the company in advance the questions related to the issues on the agenda of the general meeting of shareholders;
- 3) To receive information on the company as provided by legislation;

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

- 4) To file a claim to the court requesting compensation of damage to company resulting from non-performance or improper performance of the duties of the Manager of the Company or members of the Board of the company which duties have been prescribed by law and these Articles of Association of the company as well as in other cases as may be prescribed by law;
- 5) Other non-property rights prescribed by law.

As of 30 June 2023, the Company had 6 667 shareholders (as per shareholders list prepared in accordance with SRD II directive). Company's shareholders that control over 5% votes in General Shareholder Meeting were as follows:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Investment	123249022	Aukštaičių 7, Vilnius, Lithuania	36 169 099	65,4%
UAB Minvista	110685692	Aukštaičių 7, Vilnius, Lithuania	5 795 929	10,5%

The Company has concluded the contract with SEB bankas AB on securities account management.

General Shareholders' Meeting has a right to amend the Articles of Association under the qualified majority of votes, which may not be less than 2/3 of all votes the shareholders attending at the Meeting, except for the exceptions specified by Law on Companies.

CORPORATE GOVERNANCE

The management bodies of the Company are as follows: General Shareholders' Meeting, a collegial management body – Board, and a single-person management body – Manager of the Company.

Competence of *General Shareholders' Meeting* is the same as specified by the Law on Companies. Competence of General Shareholders' Meeting additionally includes adoption of the resolutions on the composition of the Audit Committee of the Company, including the appointment and removal of individual members of the Audit Committee, and approving the charter of the Audit Committee.

The Board, consisting of six members, is elected by General Shareholders' Meeting for a 4-year term. Company's Board members election and revocation procedure is the same as specified by Law on Companies. Starting from 29th April 2021 two independent Board members are elected to the Board. Consequently, starting from that date the Board performs the supervisory functions provided for in Paragraph 11 of Article 34 of the Law on Companies.

Company's Board activity is conducted by chairman of the Board. The Board elects its chairman from among its members.

The Board continues in office for the period established in the Articles of Association or until a new Board is elected and assumes the office but not longer than until the annual General Shareholders' Meeting during the final year of its term of office.

Board of Company considers and approves:

- 1) The activity strategy of the Company;
- 2) The interim and annual report of the Company;
- 3) The management structure of the Company and the positions of the employees;
- 4) The positions to which employees are recruited by competition;
- 5) Regulations of branches and representative offices of the Company.

The Board adopts the following resolutions:

- 1) Resolutions for the Company to become an incorporator or a member of other legal entities;
- 2) Resolutions to establish branches and representative offices of the Company;
- 3) Resolutions to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction);
- 4) Resolutions to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions);
- 5) Resolutions to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company;
- 6) Resolutions to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company;
- 7) Resolutions to restructure the Company in the cases laid down in the Law on Restructuring of Enterprises;
- 8) Resolutions regarding issuance of debenture of the Company (except issuance of convertible debenture);
- 9) Resolutions regarding transactions with related parties, as provided by Law on Companies;
- 10) Other resolutions within the competence of the Board as prescribed by the Articles of Association or the resolutions of the General Shareholders' Meeting.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(all tabular amounts are in EUR thousands unless otherwise stated)

The Board analyses and assesses the documents submitted by the Manager of the Company on:

- 1) The implementation of the activity strategy of the Company;
- 2) The organization of the activities of the Company;
- 3) Financial standing of the Company;
- 4) The results of economic activities, income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

The Board elects and removes from office the Manager of the Company, in accordance with the remuneration policy approved by the company fixes his/her remuneration and sets other terms of the employment agreement, approves his/her job description, provides incentives and imposes penalties.

The Board analyses and assesses the Company's draft annual financial statement and draft of profit/loss distribution and submits them to the General Shareholders' Meeting together with the annual report of the Company.

The Board is responsible for convening and arrangement of the General Shareholders' Meeting in due time.

Each member of the Board is entitled to initiate convening of the Board meeting. The Board may adopt resolutions and its meeting shall be deemed to have taken place when the meeting is attended by 2/3 or more members of the Board. The resolution of the Board is adopted if more votes for it are received than the votes against it. In the event of a tie, the Chairman of the Board shall have the casting vote. The member of the Board is not entitled to vote when the meeting of the Board discusses the issue related to his/her activities on the Board or the issue of his/her responsibility.

The Manager of the Company – General Director - is a single-person management body of the Company. The Manager of the Company acts at his/her own discretion in relation of the Company with other persons.

The Manager of the Company is elected and removed from office by the Board which also fixes his/her salary, approves his/her job description, provides incentives and imposes penalties. The employment agreement is concluded with the Manager of the Company and is signed on behalf of the Company by the Chairman of the Board or other person authorized by the Board. In his/her activities the Manager of the Company complies with laws and other legal acts, Articles of Association, General Shareholders' Meeting resolutions, Board resolutions, his/her job descriptions.

The Manager of the Company acts on behalf of the Company and is entitled to enter into the transactions at his/her own discretion. The Manager of the Company may conclude the following transactions provided that there is a decision of the Board to enter into these transactions: to invest, dispose of or lease the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated individually for every type of transaction); to pledge or mortgage the tangible long-term assets the book value whereof exceeds 1/20 of the share capital of the Company (calculated for the total amount of transactions); to offer surety or guarantee for the discharge of obligations of third persons the amount whereof exceeds 1/20 of the share capital of the Company; to acquire the tangible long-term assets the price whereof exceeds 1/20 of the share capital of the Company as well as to conclude transactions with related parties as provided by Law on Companies.

The Manager of the Company is responsible for:

- 1) The organization of the Company's activity and implementation of its objectives;
- 2) The drawing up of the set of annual financial statements and the drafting of the annual report of the Company;
- 3) The drawing up of a draft of procedure of the assessment and conditions for transactions with related parties that are concluded under normal market conditions in the course of normal economic activity;
- 4) The drawing up of a draft remuneration policy;
- 5) The drawing up of a draft remuneration report;
- 6) Public announcement of the remuneration policy and remuneration report on the Company's website;
- 7) Concluding an agreement with the auditor or firm of auditors;
- 8) Submission of information and documents to the shareholders, General Shareholders' Meeting and the Board in cases prescribed by Law on Companies or at their request;
- 9) Submission of the documents and data of the Company to manager of the Register of Legal Entities;
- 10) Submission of documents to the Bank of Lithuania and Central Securities Depository;
- 11) Public announcement of information prescribed by Law on Companies in a source indicated in Articles of Association;
- 12) Submission of information to shareholders;
- 13) Preparation of the draft decision of the distribution of dividends for the period, shorter than a financial year, composition of the set of the interim financial reports and the preparation of the interim report for the decision of the distribution of dividends for the period, shorter than a financial year;
- 14) Notification to the shareholders and the Board about the most important events that have a significance for the company's activities
- 15) Preparation of draft rules for granting shares;
- 16) The performance of other duties prescribed by laws as well as in the Articles of Association and the job descriptions of the Manager of the Company.

The Manager of the Company organizes daily activities of the Company, hires and dismisses employees, concludes and terminates employment contracts with them, provides incentives and imposes penalties.

The Manager of the Company is responsible for preparation of the draft share subscription agreement and its data correctness.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(all tabular amounts are in EUR thousands unless otherwise stated)

The Manager of the Company issues authorizations and procuration within the scope of its competence.

The Manager of the Company is accountable and regularly reports to the Board on the implementation of Company's activity strategy, the organization of the Company's activity, the financial standing of the Company, the results of economic activity, the income and cost estimates, the stocktaking data and other accounting data of changes in the assets.

BOARD OF THE COMPANY

On 28 April 2022 the Annual General Meeting of Company shareholders elected Company's members of the Board for new 4-year term. 27th April 2026 is the end term for Company's Board.



Darius Mockus
Chairman of the Board

Darius Mockus (born in 1965) - Chairman of the Board since 2 May 2002 (member of the Board since 23 March 1995). Education: Vilnius University, Faculty of Economics, Industrial Planning. He has no Company shares. With related companies Minvista UAB (Code of Enterprise: 110685692; Registered office: Aukštaičių 7, Vilnius) and MG Investment UAB (Code of Enterprise: 123249022; Registered office: Aukštaičių 7, Vilnius) he has 41 965 028 shares, representing 75.90% of the share capital and votes.



Vidas Lazickas
Member of the Board

Vidas Lazickas (born in 1965) - Member of Board of APB Apranga since 29 April 2011. Education: Vilnius University, Faculty of Economics, specialization in Production Management and Organization He has 265 138 shares of the Company, representing 0.48% of the share capital and votes.



Ilona Šimkūnienė
Member of the Board, Purchasing Director

Ilona Šimkūnienė (born in 1963) - Apranga Group Purchasing Director, Member of Board of APB Apranga since 27 March 1998, in the Company since 1985. Education: Vilnius University, Faculty of Trade, specialization in Trade Economics. She has no Company shares.



Ramūnas Gaidamavičius
Member of the Board, Development Director

Ramūnas Gaidamavičius (born in 1968) - Apranga Group Development Director, Member of Board of APB Apranga since 30 April 2010, in the Company since 2002. Education: Vilnius University of Technology, Faculty of Mechanics, specialization in Machine Building. He has 5 000 shares of the Company, representing 0.01% of the share capital and votes.

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)



Jonas Jokštys
 Member of the Board, independent

Jonas Jokštys (born in 1982 m.) - Member of Board of APB Apranga since 29th April 2021 m. Education: Stockholm School of Economics in Riga (2000-2003) Bachelor of Economics and Business Administration and London School of Economics and Political Science (2005-2006) Master of Philosophy and Political Science. Other titles not related with the activities in Board of the Company: UAB Elmoris VG, Board member, UAB Vendos, CEO, UAB Imum, CEO, UAB Žemaitijos žemė, CEO. He has no Company shares.



Gintaras Juškauskas
 Member of the Board, independent

Gintaras Juškauskas (born in 1970 m.) - Member of Board of APB Apranga since 29th April 2021 m. Education: Vilnius University, Finance faculty (1998-2003), Master of Economics and Vilnius University, Law faculty (2010-2013), Master of Law. Other titles not related with the activities in Board of the Company: Gintaro Juškausko IĮ, CEO, UAB Merits, auditor, associated partner. He has no Company shares.

RELATED PARTY TRANSACTIONS

The Company's transactions with related parties are disclosed in Note 7 to interim consolidated and Company's financial statements.

COMPLIANCE WITH THE GOVERNANCE CODE

In six months 2023, there were no essential changes related to Apranga APB report for year 2022 concerning the compliance with the Governance Code for the companies listed on the regulated market.

PUBLICLY ANNOUNCED INFORMATION

During the period from the start of 2023 to 30th June 2023 Company publicly announced and broadcasted through Nasdaq Vilnius stock exchange information distribution system Globe Newswire and own webpage the following information:

Date	Title
2023.01.03	Turnover of Apranga Group in December 2022 and total year 2022
2023.02.01	Turnover of Apranga Group in January 2023
2023.02.28	Apranga Group interim information for 12 months of 2022
2023.03.01	Turnover of Apranga Group in February 2023
2023.04.03	Turnover of Apranga Group in March 2023
2023.04.04	Notice of the Annual General Meeting of APB „APRANGA“ shareholders
2023.04.04	Draft resolutions of the Annual General Meeting of APB APRANGA shareholders to be held on April 27 th , 2023
2023.04.26	Apranga Group interim report for three months of 2023
2023.04.27	Resolutions of the Annual General Meeting of Apranga APB shareholders
2023.04.27	Apranga APB annual report 2022
2023.05.02	Turnover of Apranga Group in April 2023

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

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023

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

Date	Title
2023.05.05	Ex-dividend date and procedure for the payment of Apranga APB dividends for the year 2022
2023.06.01	Turnover of Apranga Group in May 2023
2023.06.23	Notification on manager's related party transactions
2023.06.27	Notification on manager's related party transactions
2023.06.27	Notification on manager's related party transactions
2023.06.28	Notification on manager's related party transactions
2023.06.28	Notification on manager's related party transactions

Contents of above mentioned announcements can be obtained on Nasdaq Vilnius Stock Exchange webpage <http://www.nasdaqomxbaltic.com/market/?pg=details&instrument=LT0000102337&list=2&tab=news&lang=en> and on Company's webpage <http://aprangagroup.lt/en/investors/news-and-material-events>

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		6 months 2023	6 months 2022	6 months 2023	6 months 2022
Revenue from contracts with customers	5	123 166	106 312	47 343	42 074
Cost of sales		(66 623)	(58 925)	(27 195)	(24 317)
GROSS PROFIT		56 543	47 387	20 148	17 757
Operating (expenses)		(47 018)	(40 274)	(17 876)	(16 557)
Other income		13	526	10 263	15 928
OPERATING PROFIT (LOSS)		9 538	7 639	12 535	17 128
Finance income		114	12	121	19
Finance (costs)		(655)	(528)	(403)	(257)
PROFIT (LOSS) BEFORE INCOME TAX		8 997	7 123	12 253	16 890
Income tax (expense)		(1 545)	(1 176)	(351)	(239)
PROFIT (LOSS) FOR THE PERIOD	3	7 452	5 947	11 902	16 651
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		7 452	5 947	11 902	16 651
Total comprehensive income attributable to:		7 452	5 947	11 902	16 651
Owners of the Company		7 452	5 947	11 902	16 651
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,13	0,11	0,22	0,30

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	30 06 2023	31 12 2022	30 06 2023	31 12 2022
Property, plant and equipment		22 472	20 992	11 972	11 614
Intangible assets		1 201	1 072	1 149	1 044
Investments in subsidiaries		-	-	5 095	5 095
Prepayments		288	273	149	134
Trade and other receivables		2 425	2 409	40	40
Right-of-use assets		57 178	53 281	24 490	23 830
Other financial assets		2 600	2 600	2 600	2 600
Total non-current assets		86 164	80 627	45 495	44 357
CURRENT ASSETS					
Inventories		44 345	41 386	25 845	22 206
Prepayments		3 415	1 503	2 888	1 375
Trade and other receivables		1 862	1 781	11 217	10 701
Cash and cash equivalents		8 849	22 978	6 142	8 375
Total current assets		58 471	67 648	46 092	42 657
TOTAL ASSETS	3	144 635	148 275	91 587	87 014
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	30 06 2023	31 12 2022	30 06 2023	31 12 2022
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		36 751	44 781	28 424	32 004
Total equity		54 337	62 367	46 063	49 643
NON-CURRENT LIABILITIES					
Deferred tax liabilities		1 662	2 194	434	407
Non-current lease liabilities		46 576	43 465	20 025	19 639
Non-current employee benefits		112	132	112	132
Total non-current liabilities		48 350	45 791	20 571	20 178
CURRENT LIABILITIES					
Borrowings	6	-	-	9 331	2 032
Current lease liabilities		13 671	12 717	5 382	5 018
Current income tax liability		867	701	325	591
Trade and other payables		27 410	26 699	9 915	9 552
Total current liabilities		41 948	40 117	24 953	17 193
Total liabilities		90 298	85 908	45 524	37 371
TOTAL EQUITY AND LIABILITIES		144 635	148 275	91 587	87 014

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (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 2022		16 035	1 604	(53)	56 792	74 378
Comprehensive income:						
Profit for the 6 months 2022	3				5 947	5 947
Total comprehensive income		-	-	-	5 947	5 947
Transactions with owners:						
The difference arising from the conversion of share capital into euros						-
Dividends paid					(27 646)	(27 646)
Balance at 30 June 2022		16 035	1 604	(53)	35 093	52 679
Balance at 1 January 2023		16 035	1 604	(53)	44 781	62 367
Comprehensive income:						
Profit for the 6 months 2023	3				7 452	7 452
Total comprehensive income		-	-	-	7 452	7 452
Transactions with owners:						
Dividends paid	9				(15 482)	(15 482)
Balance at 30 June 2023		16 035	1 604	(53)	36 751	54 337

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2022		16 035	1 604	38 942	56 581
Comprehensive income:					
Profit for the 6 months 2022				16 651	16 651
Total comprehensive income		-	-	16 651	16 651
Transactions with owners:					
Dividends paid				(27 646)	(27 646)
Balance at 30 June 2022		16 035	1 604	27 947	45 586
Balance at 1 January 2023		16 035	1 604	32 004	49 643
Comprehensive income:					
Profit for the 6 months 2023				11 902	11 902
Total comprehensive income		-	-	11 902	11 902
Transactions with owners:					
Dividends paid	9			(15 482)	(15 482)
Balance at 30 June 2023		16 035	1 604	28 424	46 063

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
(all tabular amounts are in EUR thousands unless otherwise stated)

STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		6 months 2023	6 months 2022	6 months 2023	6 months 2022
Profit (loss) before income taxes		8 997	7 123	12 253	16 890
ADJUSTMENTS FOR:					
Depreciation and amortization		9 369	9 500	3 675	3 728
Impairment charge (reversal)		-	(240)	-	(49)
Change in allowances for slow-moving inventories		(496)	(441)	228	(28)
(Gain) on disposal of property, plant and equipment		12	(463)	-	(463)
Write-off of property, plant and equipment		35	132	1	21
Fair value change of financial assets		-	121	-	121
Dividend income		-	(56)	(10 250)	(15 456)
Interest expenses		655	528	403	257
Total		18 572	16 204	6 310	5 021
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		(2 463)	(542)	(3 867)	(1 604)
Decrease (increase) in receivables		(2 041)	78	(2 135)	147
Increase (decrease) in payables		720	1 827	372	1 028
Cash generated from operations		14 788	17 567	680	4 592
Income taxes paid		(1 911)	(212)	(590)	(134)
Interest paid		(655)	(528)	(403)	(257)
Net cash from operating activities		12 222	16 827	(313)	4 201
INVESTING ACTIVITIES					
Interest received		114	12	121	19
Dividends received		-	56	10 250	15 456
Loans granted		(24 000)	(20 000)	(27 147)	(24 904)
Loans repayments received		24 000	20 000	27 214	25 489
Purchases of PPE and intangible assets	4	(5 448)	(2 344)	(1 761)	(559)
Proceeds on disposal of PPE		735	1 749	3	1 216
Proceeds on disposal of financial assets at fair value		-	579	-	579
Net cash from investing activities		(4 599)	52	8 680	17 296
FINANCING ACTIVITIES					
Dividends paid		(15 511)	(27 596)	(15 511)	(27 596)
Proceeds from borrowings		-	-	33 177	12 315
Repayments of borrowings		-	(150)	(25 878)	(13 502)
Payment of principal portion of lease liabilities		(6 241)	(6 149)	(2 388)	(2 468)
Net cash from financing activities		(21 752)	(33 895)	(10 600)	(31 251)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(14 129)	(17 016)	(2 233)	(9 754)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		22 978	29 743	8 375	17 192
AT THE END OF THE PERIOD		8 849	12 727	6 142	7 438

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (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 June 2023 the Group consisted of the Company and 25 subsidiaries:

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 June 2023 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 6 months 2023 is as follows:

6 months 2023	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	83 358	29 734	19 628	132 720	-	
Inter-segment revenue	(8 568)	(538)	(448)	(9 554)	-	
Revenue from external customers (Note 5)	74 790	29 196	19 180	123 166	-	123 166
Gross margin	45,5%	46,2%	47,2%	45,9%		45,9%
Profit (loss) for the year	4 794	1 684	974	7 452	-	7 452
Total assets	117 148	28 131	18 949	164 228	(19 593)	144 635
Additions to non-current assets	3 941	1 153	354	5 448	-	5 448

6 months 2022	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	72 031	25 804	16 300	114 135	-	
Inter-segment revenue	(7 082)	(330)	(413)	(7 825)	-	
Revenue from external customers	64 949	25 474	15 887	106 310	-	106 310
Gross margin	44,1%	44,8%	46,1%	44,6%		44,6%
Profit (loss) for the year	3 639	1 515	793	5 947	-	5 947
Total assets	106 871	30 067	18 425	155 363	(14 103)	141 260
Additions to non-current assets	604	35	1 705	2 344	-	2 344

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

4. Investments into non-current assets

Net investments of the Group amounted to EUR 4.7 million in 6 months 2023. The Company's investments have reached EUR 1.8 million, daughter companies – EUR 2.9 million.

5. Income

For the H1 2023 revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	2023	2022	2023	2022
Stores income	122 961	106 310	36 027	33 078
Wholesale income	-	-	8 170	6 632
Management fees	-	-	2 985	2 363
Other income	205	2	161	1
Total revenue from contracts with customers	123 166	106 312	47 343	42 074

6. Borrowings

In November 2021, the Company and SEB bank AB 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.

The Company and Luminor bank AB prolonged the period of credit usage of the previously concluded EUR 5 000 thousand non-binding credit limit until 31 July 2024. The binding credit limit was not prolonged. 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. Related party transactions

The Company's and the Group's transactions with related parties and balances arising from these transactions as of 30 June 2023 were as follows:

Related parties	Accounts payable		Accounts receivable and loans granted		Income		Purchases	
	2023	2022	2023	2022	2023	2022	2023	2022
UAB MG Grupė (the ultimate parent company)	15	10	-	-	-	-	61	54
As per ultimate parent company associated companies:								
UAB Mineraliniai vandenys	-	-	-	-	-	-	14	11
UAB Mediafon Technology	12	9	-	-	-	-	54	34
UAB MG Investment	4	5	-	-	-	-	27	26
LNK Group	1	4	-	-	-	-	-	-
UAB Eminta	92	86	-	-	-	-	454	435
UAB MV GROUP	-	-	-	-	-	-	-	-
Total	124	114	-	-	-	-	610	560

Prevailing types of related party contracts are rent, management service fee, advertising, centralized services (telecommunications, utilities etc.).

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius
 FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2023
 (all tabular amounts are in EUR thousands unless otherwise stated)

The Company's transactions with subsidiaries and balances arising from these transactions as of 30 June 2023 were as follows:

Subsidiaries	Borrowings and accounts payable		Loans and accounts receivable		Income		Purchases	
	2023	2022	2023	2022	2023	2022	2023	2022
UAB Apranga LT	1 632	-	191	210	3 133	5 522	96	68
UAB Apranga BPB LT	445	-	26	28	718	1 408	19	15
UAB Apranga PLT	289	69	20	24	634	777	11	7
UAB Apranga SLT	175	-	23	21	754	988	14	12
UAB Apranga MLT	445	315	38	38	664	1 835	32	20
UAB Apranga HLT	130	-	3	31	511	951	11	1
UAB Apranga OLT	-	-	9	8	233	525	5	2
UAB Apranga Ecom LT	-	-	-	-	-	-	-	-
SIA Apranga	2 745	2 665	5 494	5 583	6 092	5 142	72	22
SIA Apranga LV	1 020	560	22	22	1 525	1 467	46	36
SIA Apranga BPB LV	190	15	14	1	241	433	4	6
SIA Apranga PLV	-	-	4	4	238	283	3	4
SIA Apranga SLV	55	115	4	2	293	483	4	5
SIA Apranga MLV	-	-	6	12	705	679	16	8
SIA Apranga HLV	55	54	77	4	280	271	1	-
SIA Apranga OLV	55	-	5	5	228	19	3	2
SIA Apranga Ecom LV	-	-	-	-	-	-	-	-
OU Apranga	1 580	300	4 068	3 179	3 799	2 549	17	19
OU Apranga Estonia	180	-	53	47	1 148	700	26	23
OU Apranga BEE	145	-	6	26	25	22	3	3
OU Apranga PB Trade	-	-	66	396	28	24	1	-
OU Apranga ST Retail	190	-	5	4	22	17	3	2
OU Apranga MDE	-	-	12	233	203	196	6	4
OU Apranga HEST	-	70	4	4	273	271	3	-
OU Apranga Ecom EE	-	-	-	-	-	-	-	-
Total	9 331	4 163	10 150	9 882	21 747	24 562	396	259

Prevailing types of intra-group transactions are centralized supplies of goods for resale, management service fees, centralized purchasing of services (telecommunications, IT, utilities and etc.), financing, and distribution of earnings. Dividend income in amount of EUR 10 250 thousand received from the subsidiaries in six months 2023 is presented in 'Income received' together with other income (EUR 15 400 thousand dividend income received in 2022).

8. Guarantees and letters of credit

As of 30 June 2023, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 13 813 thousand (31 December 2022: EUR 13 698 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 June 2023 amounted to EUR 15 175 thousand (31 December 2022: EUR 15 295 thousand).

As of 30 June 2023, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 373 thousand (31 December 2022: EUR 482 thousand).

9. Profit distribution

The Annual shareholders meeting of APB Apranga held on 27 April 2023 has resolved to pay EUR 15 482 thousand in dividends for the year 2022.

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 July 2023, the Company and Luminor bank AB signed the amendment to the previously concluded non-binding credit limit agreement. According to the amendment, the period of credit usage of EUR 5 000 thousand non-binding credit limit was prolonged until 30 June 2024.