

# APRANGA GROUP

27 October 2022  
Vilnius

## **CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS**

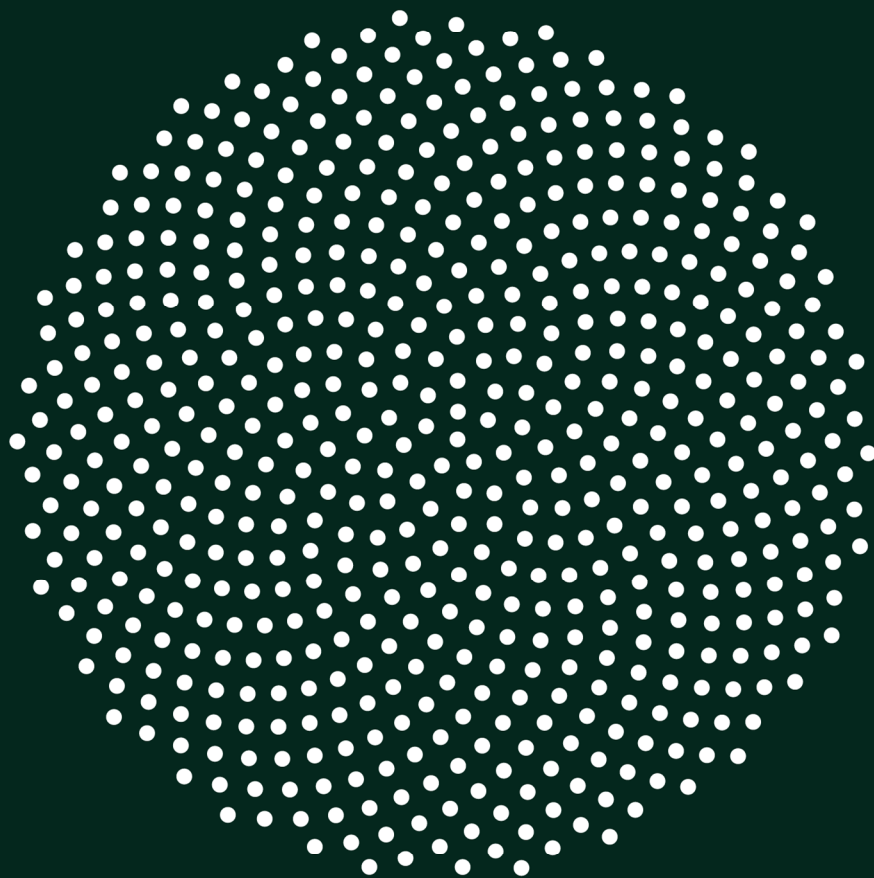
Hereby we confirm, that by our knowledge Interim Consolidated Financial Statements for the 9 months 2022 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flow of APB Apranga, as well as of Apranga Group consolidated companies.

Apranga Group General Manager  
Rimantas Perveneckas



Apranga Group Chief Financial Officer  
Gabrielius Morkūnas





# APRANGA

## G R O U P

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APB APRANGA The Consolidated Interim Report and  
Interim Consolidated Financial Statements  
For the Nine months period ended 30 September 2022

(UNAUDITED)

## INFORMATION ABOUT COMPANY

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

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

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APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius  
**FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**  
 (all tabular amounts are in EUR thousands unless otherwise stated)

## ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 208.8 million in 9 months 2022 and was by 32.0% higher than in 2021 and by 19.0% higher than in 2019.

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

According to the data of the official statistics departments of Lithuania, Latvia and Estonia, the market of retail trade, except of motor vehicles and motorcycles, in the Baltic states generated a turnover of over EUR 25.3 billion (excluding VAT) at current prices in January-August 2022, which is about 23% more compared to the same period in 2021. In the months of January-June the market grew by 24% and in July-August the growth had slowed down and reached 20% compared to the same period last year.

The change of consumer prices in Baltic retail market in January-September 2022 compared to the corresponding period of the previous year averaged to around 18%. In September, the change in consumer prices reached ~24% in Lithuania and Estonia, and ~22% in Latvia. During the period from May till September Lithuania's consumer confidence index had fallen from -8 to -16, while Euro zone's have fallen from -21 to -29.

The companies participating in the textile, clothing and footwear market of the Baltic states generated a turnover of around EUR 1.13 billion (excluding VAT) in the months of January-August 2022. It is 35% growth compared to January-August 2021 and 20% growth compared to January-August 2019. In the months of July-August, the market grew by 3.6% compared to the same period in 2021 and 22% compared with 2019.

In September 2022, the change of consumer prices in the clothing and footwear industry reached 5.1% in Lithuania, 2.7% in Latvia and 9.5% in Estonia. From January to September the change in consumer prices averaged to 2.8% in Lithuania, 4.5% in Latvia and 5.8% in Estonia. Lithuania remains the largest market of retail trade of textile, clothing and footwear in specialized stores in the Baltic states, generating about 50% of the Baltic states market turnover.

The retail turnover of the Group's stores in 9 months of 2022 by countries was as follows (EUR thousand, VAT included):

Country	9 months 2022	9 months 2021	9 months 2020	9 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Lithuania	126 362	99 633	87 689	103 261	26,8%	44,1%	22,4%
Latvia	50 480	33 305	38 621	42 103	51,6%	30,7%	19,9%
Estonia	31 963	25 231	24 177	30 131	26,7%	32,2%	6,1%
Total:	208 805	158 169	150 486	175 495	32,0%	38,8%	19,0%

The retail turnover of the Group's stores by countries during the 3<sup>rd</sup> quarter of 2022 was (EUR thousand, VAT included):

Country	Q3 2022	Q3 2021	Q3 2020	Q3 2019	2022/2021, %	2022/2020, %	2022/2019, %
Lithuania	48 236	46 728	37 050	38 771	3,2%	30,2%	24,4%
Latvia	19 873	18 784	16 580	16 650	5,8%	19,9%	19,4%
Estonia	13 004	11 418	10 135	11 413	13,9%	28,3%	13,9%
Total:	81 113	76 929	63 765	66 834	5,4%	27,2%	21,4%

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The online turnover of the Group's stores in 9 months of 2022 was as follows (EUR thousand, VAT included):

	9 months 2022	9 months 2021	9 months 2020	9 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Online turnover	23 770	36 372	14 970	6 301	-34,6%	58,8%	3.8 times
Relative weight in total turnover	11,4%	23,0%	9,9%	3,6%			

The Group's online turnover decreased by 34,6% in the 9 months of the year, and its relative weight in total turnover decreased from 23,0% to 11,4% compared to the corresponding period of the previous year. In year 2021, online turnover was significantly higher due to the Covid-19 related temporary closure of physical stores. The Group's online turnover in the first 9 months 2022, compared to the corresponding period of 2019, increased 3.8 times.

The retail turnover of the Group's stores by chains in 9 months of 2022 was as follows (EUR thousand, VAT included):

Chain	9 months 2022	9 months 2021	9 months 2020	9 months 2019	2022/2021, %	2022/2020, %	2022/2019, %
Economy <sup>1</sup>	22 394	15 135	17 542	22 580	48,0%	27,7%	-0,8%
Youth <sup>2</sup>	50 772	39 292	36 489	41 849	29,2%	39,1%	21,3%
Footwear	3 501	2 353	3 214	5 091	48,8%	8,9%	-31,2%
Business <sup>3</sup>	36 894	27 746	27 020	30 495	33,0%	36,5%	21,0%
Luxury <sup>4</sup>	20 734	17 198	15 712	16 203	20,6%	32,0%	28,0%
Zara	64 235	50 188	43 845	51 631	28,0%	46,5%	24,4%
Outlets	10 276	6 257	6 663	7 645	64,2%	54,2%	34,4%
Total	208 805	158 169	150 486	175 495	32,0%	38,8%	19,0%

<sup>1</sup> Apranga, Promod, s.Oliver, Tom Tailor, Orsay;

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

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

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

In 9 months of 2022, Apranga Group opened 3 stores, enlarged and renovated 2 stores, while 5 stores were closed.

The net capital expenditure of the retail chain expansion amounted to EUR 2.3 million in 9 months of 2022 (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

Country	30 09 2022	30 09 2021	30 09 2020	2022/2021, %	2022/2020, %
Lithuania	100	101	106	-1,0%	-5,7%
Latvia	44	46	50	-4,3%	-12,0%
Estonia	23	25	27	-8,0%	-14,8%
Total:	167	172	183	-2,9%	-8,7%

The number of stores by chains was as follows:

Chain	30 09 2022	30 09 2021	30 09 2020	2022/2021, %	2022/2020, %
Economy	21	27	35	-22,2%	-40,0%
Youth	47	47	47	0,0%	0,0%
Footwear	10	10	13	0,0%	-23,1%
Business	40	39	41	2,6%	-2,4%
Luxury	30	30	28	0,0%	7,1%
Zara	10	11	11	-9,1%	-9,1%
Outlets	9	8	8	12,5%	12,5%
Total	167	172	183	-2,9%	-8,7%

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The total sales area operated by the Group has decreased by 1.5% till 90.5 thousand sq. m during the year period until 30 September 2022.

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

Country	30 09 2022	30 09 2021	30 09 2020	2022/2021, %	2022/2020, %
Lithuania	51,0	49,7	50,4	2,5%	1,2%
Latvia	26,4	26,8	27,4	-1,4%	-3,7%
Estonia	13,1	15,4	15,6	-14,8%	-16,3%
<b>Total:</b>	<b>90,5</b>	<b>91,9</b>	<b>93,5</b>	<b>-1,5%</b>	<b>-3,2%</b>

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

The Group has earned EUR 13.5 million of profit before income tax in 9 months 2022, while profit before taxes amounted to EUR 8.2 million in 9 months of 2021 (the increase by 65.1%).

EBITDA of the Group was EUR 28.3 million in 9 months 2022, and it was EUR 23.2 million in corresponding previous year period. EBITDA margin has decreased from 17.6% to 16.3% during the year.

Main Group Indicators	9 months 2022	9 months 2021	9 months 2020	9 months 2019
Net sales	173 630	132 041	125 909	145 239
Net sales in foreign markets	68 644	48 899	52 354	59 859
Gross profit	78 114	56 102	52 759	62 233
Gross margin, %	45,0%	42,5%	41,9%	42,8%
Operating profit (loss)	14 247	8 909	6 190	7 839
Operating profit margin, %	8,2%	6,7%	4,9%	5,4%
EBT	13 486	8 170	5 382	7 250
EBT margin, %	7,8%	6,2%	4,3%	5,0%
Profit (loss) for the period	11 232	6 810	4 420	6 313
Profit for the period margin, %	6,5%	5,2%	3,5%	4,3%
EBITDA	28 341	23 215	21 395	21 893
EBITDA margin, %	16,3%	17,6%	17,0%	15,1%
Return on equity (end of the period), %	19,4%	9,7%	7,0%	11,3%
Return on assets (end of the period), %	7,4%	3,9%	2,6%	4,0%
Net debt to equity, %	71,2%	34,7%	56,0%	128,9%
Current ratio, times	1,5	1,6	1,4	1,3

The gross margin of the Group reached 45.0% in 9 months 2022, mainly driven by more effective inventory management.

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

The operating expenses of the Group totaled to EUR 63.9 million in 9 months 2022 and increased by 35.3%, comparing to the same period 2021. Operating expenses increased more than sales, which grew by 31.5%. The growth of operating expenses outpaced sales growth due to soaring electricity bills as well as increased royalty rates.

Main Group Indicators	9 months 2022	9 months 2021	Change
Net sales	173 630	132 041	31,5%
Net sales in foreign markets	68 644	48 899	40,4%
Gross profit	78 114	56 102	39,2%
Operating (expenses)	(63 867)	(47 193)	35,3%
Operating profit (loss)	14 247	8 909	59,9%
EBT	13 486	8 170	65,1%
Profit (loss) for the period	11 232	6 810	64,9%
EBITDA	28 341	23 215	22,1%

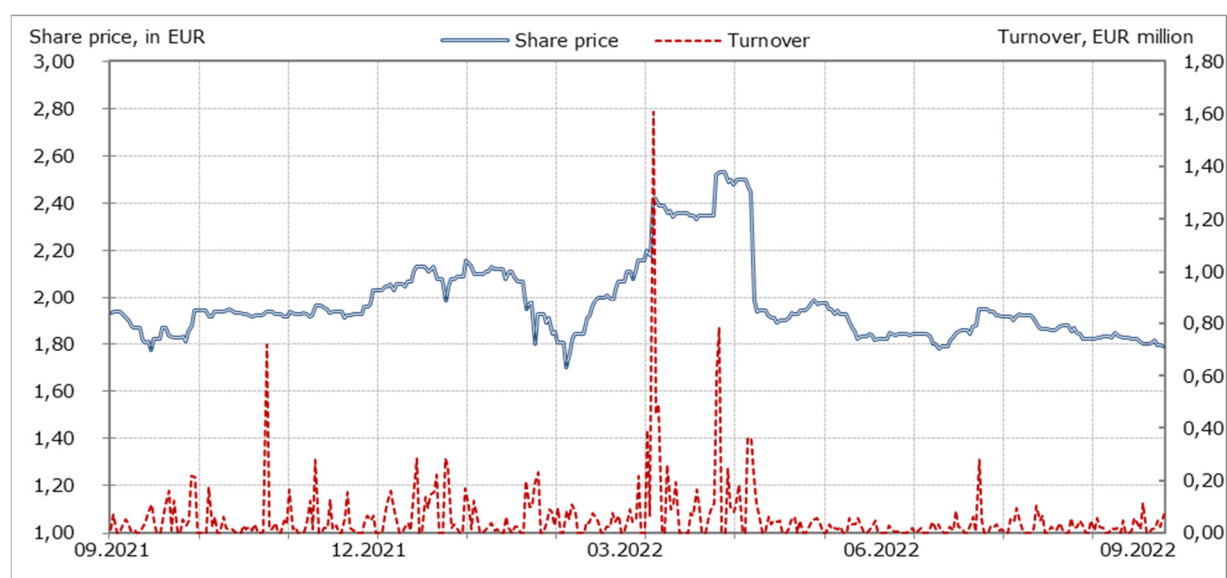
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The Group's level of inventories during the last 12 months increased by 5.2% to EUR 46.7 million. Company's inventories increased by 7.5%.

The number of employees during the year till 30 September 2022 in the Group has increased by 46 to 2 092 (2.2%) and has increased in Company by 24 to 732 (3.4%).

The price of the Company shares in 9 months 2022 decreased by 12% from EUR 2.03 per share to EUR 1.79 per share. The maximum share price during the nine months period was EUR 2.58 per share, minimum share price - EUR 1.64 per share. The market capitalization of the Company decreased from EUR 112 million at the beginning of the year to EUR 99 million at the end of September 2022. The weighted average price of 1 share during the reporting period was EUR 2.13. Company's share turnover was EUR 16.4 million in 9 months 2022. The share price during the last 12 months decreased from EUR 1.94 to EUR 1.79 per share, or by 7%.

Apranga APB share price in 12 months period from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022:



Information about members of the Management board on 30 September 2022:

Name, Surname	Position	Number of shares owned and part in the share capital	Election date	End of term
Darius Juozas Mockus	Chairman of the Board	- -	28 04 2022	27 04 2026
Vidas Lazickas	Member of the Board	265 138 0.48%	28 04 2022	27 04 2026
Ilona Šimkūnienė	Member of the Board, Purchasing Director	- -	28 04 2022	27 04 2026
Ramūnas Gaidamavičius	Member of the Board, Development Director	5 000 0.01%	28 04 2022	27 04 2026
Jonas Jokštys	Member of the Board, independent	- -	28 04 2022	27 04 2026
Gintaras Juškauskas	Member of the Board, independent	- -	28 04 2022	27 04 2026



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## STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		9 months 2022	9 months 2021	9 months 2022	9 months 2021
Revenue from contracts with customers	5	173 630	132 041	69 012	52 940
Cost of sales		(95 516)	(75 939)	(40 461)	(32 561)
<b>GROSS PROFIT</b>		<b>78 114</b>	<b>56 102</b>	<b>28 551</b>	<b>20 379</b>
Operating (expenses)		(64 401)	(49 424)	(25 436)	(19 170)
Other income		534	2 233	15 937	465
<b>OPERATING PROFIT (LOSS)</b>		<b>14 247</b>	<b>8 909</b>	<b>19 052</b>	<b>1 672</b>
Finance income		14	24	23	46
Finance (costs)		( 775)	( 763)	( 379)	( 352)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>13 486</b>	<b>8 170</b>	<b>18 696</b>	<b>1 366</b>
Income tax (expense)		(2 254)	(1 360)	( 507)	(186)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	3	<b>11 232</b>	<b>6 810</b>	<b>18 189</b>	<b>1 180</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>11 232</b>	<b>6 810</b>	<b>18 189</b>	<b>1 180</b>
Total comprehensive income attributable to:					
Owners of the Company		11 232	6 810	18 189	1 180
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,20	0,12	0,33	0,02

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 FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022  
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## STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	30 09 2022	31 12 2021	30 09 2022	31 12 2021
Property, plant and equipment		21 388	24 900	11 334	13 165
Intangible assets		933	636	916	614
Investments in subsidiaries		-	-	4 963	4 963
Prepayments		400	416	188	188
Trade and other receivables		2 402	2 400	46	46
Right-of-use assets		56 349	64 194	25 120	28 060
Other financial assets		2 400	2 400	2 400	2 400
<b>Total non-current assets</b>		<b>83 872</b>	<b>94 946</b>	<b>44 967</b>	<b>49 436</b>
<b>CURRENT ASSETS</b>					
Inventories		46 703	35 909	24 055	18 525
Other financial assets		-	735	-	735
Prepayments		2 936	1 346	2 094	1 171
Trade and other receivables		1 086	3 076	10 709	12 363
Cash and cash equivalents		18 015	29 743	11 647	17 192
<b>Total current assets</b>		<b>68 740</b>	<b>70 809</b>	<b>48 505</b>	<b>49 986</b>
<b>TOTAL ASSETS</b>	<b>3</b>	<b>152 612</b>	<b>165 755</b>	<b>93 472</b>	<b>99 422</b>
<b>EQUITY AND LIABILITIES</b>					
EQUITY	Note	30 09 2022	31 12 2021	30 09 2022	31 12 2021
Ordinary shares		16 035	16 035	16 035	16 035
Legal reserve		1 604	1 604	1 604	1 604
Foreign currency translation reserve		(53)	(53)	-	-
Retained earnings		40 378	56 792	29 485	38 942
<b>Total equity</b>		<b>57 964</b>	<b>74 378</b>	<b>47 124</b>	<b>56 581</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred tax liabilities		2 040	2 067	400	389
Non-current lease liabilities		46 698	53 824	20 827	23 597
Non-current employee benefits		135	91	135	91
<b>Total non-current liabilities</b>		<b>48 873</b>	<b>55 982</b>	<b>21 362</b>	<b>24 077</b>
<b>CURRENT LIABILITIES</b>					
Borrowings	7	-	200	7 878	5 400
Current lease liabilities		12 570	13 251	5 043	5 261
Current income tax liability		1 247	211	498	134
Trade and other payables		31 958	21 733	11 567	7 969
<b>Total current liabilities</b>		<b>45 775</b>	<b>35 395</b>	<b>24 986</b>	<b>18 764</b>
<b>Total liabilities</b>		<b>94 648</b>	<b>91 377</b>	<b>46 348</b>	<b>42 841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>152 612</b>	<b>165 755</b>	<b>93 472</b>	<b>99 422</b>

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## STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2021		16 035	1 604	( 53)	45 896	63 482
<b>Comprehensive income:</b>						
Profit for the 9 months 2021	3				6 810	6 810
<b>Total comprehensive income</b>		-	-	-	<b>6 810</b>	<b>6 810</b>
Balance at 30 September 2021		16 035	1 604	( 53)	52 706	70 292
Balance at 1 January 2022		16 035	1 604	( 53)	56 792	74 378
<b>Comprehensive income:</b>						
Profit for the 9 months 2022	3				11 232	11 232
<b>Total comprehensive income</b>		-	-	-	<b>11 232</b>	<b>11 232</b>
Dividends paid	9				(27 646)	(27 646)
Balance at 30 September 2022		16 035	1 604	( 53)	40 378	57 964

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2021		16 035	1 604	35 262	52 901
<b>Comprehensive income:</b>					
Profit for the 9 months 2021				1 180	1 180
<b>Total comprehensive income</b>		-	-	<b>1 180</b>	<b>1 180</b>
Balance at 30 September 2021		16 035	1 604	36 442	54 081
Balance at 1 January 2022		16 035	1 604	38 942	56 581
<b>Comprehensive income:</b>					
Profit for the 9 months 2022				18 189	18 189
<b>Total comprehensive income</b>		-	-	<b>18 189</b>	<b>18 189</b>
Dividends paid	9			(27 646)	(27 646)
Balance at 30 September 2022		16 035	1 604	29 485	47 124

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## STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		9 months 2022	9 months 2021	9 months 2022	9 months 2021
Profit (loss) before income taxes		13 486	8 170	18 696	1 366
<b>ADJUSTMENTS FOR:</b>					
Depreciation and amortization		14 094	14 306	5 467	5 421
Impairment charge (reversal)		(285)	(8)	(94)	-
Change in allowances for slow-moving inventories		(840)	(1 316)	(219)	174
(Gain) on disposal of property, plant and equipment		(463)	(41)	(463)	(41)
Write-off of property, plant and equipment		192	8	74	-
Fair value change of financial assets		121	-	121	-
Dividend income		(56)	(56)	(15 456)	(56)
Interest expenses		775	739	379	306
<b>Total</b>		<b>27 024</b>	<b>21 802</b>	<b>8 505</b>	<b>7 170</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>					
Decrease (increase) in inventories		(9 954)	(7 647)	(5 311)	(2 797)
Decrease (increase) in receivables		435	(2 031)	(221)	(2 147)
Increase (decrease) in payables		10 219	13 898	3 592	4 934
<b>Cash generated from operations</b>		<b>27 724</b>	<b>26 022</b>	<b>6 565</b>	<b>7 160</b>
Income taxes paid		(1 245)	(938)	(132)	(3)
Interest paid		(775)	(763)	(379)	(352)
<b>Net cash from operating activities</b>		<b>25 704</b>	<b>24 321</b>	<b>6 054</b>	<b>6 805</b>
<b>INVESTING ACTIVITIES</b>					
Interest received		14	24	22	46
Dividends received		56	56	15 456	56
Loans granted		(31 000)	-	(36 739)	(8 180)
Loans repayments received		31 000	-	37 704	9 575
Purchases of PPE and intangible assets	<b>4</b>	(2 889)	(7 228)	(1 056)	(3 663)
Proceeds on disposal of PPE	<b>5</b>	1 749	2 418	1 216	634
Proceeds on disposal of financial assets at fair value		579	-	579	-
<b>Net cash from investing activities</b>		<b>(491)</b>	<b>(4 730)</b>	<b>17 182</b>	<b>(1 532)</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid		(27 596)	-	(27 596)	-
Proceeds from borrowings		-	-	20 305	60
Repayments of borrowings		(200)	(225)	(17 827)	(1 497)
Payment of principal portion of lease liabilities		(9 145)	(8 959)	(3 663)	(3 433)
<b>Net cash from financing activities</b>		<b>(36 941)</b>	<b>(9 184)</b>	<b>(28 781)</b>	<b>(4 870)</b>
<b>NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS</b>		<b>(11 728)</b>	<b>10 407</b>	<b>(5 545)</b>	<b>403</b>
<b>CASH AND BANK OVERDRAFTS:</b>					
<b>AT THE BEGINNING OF THE PERIOD</b>		<b>29 743</b>	<b>26 209</b>	<b>17 192</b>	<b>19 863</b>
<b>AT THE END OF THE PERIOD</b>		<b>18 015</b>	<b>36 616</b>	<b>11 647</b>	<b>20 266</b>

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## NOTES TO INTERIM FINANCIAL STATEMENTS

### 1. General information

APB Apranga, (hereinafter "the Company"), was incorporated and commenced its operations in March 1993. The Company's main office is situated in Ukmerges 362, Vilnius, Lithuania. The Company has legal form of public limited liability company under the Law on Companies of Republic of Lithuania. The principal activity of the Company and its subsidiaries (hereinafter "the Group") is retail trade of apparel.

At 30 September 2022 the Group consisted of the Company and the following 100% owned subsidiaries:

Name	Country	Ownership interest in % 30 09 2022	Ownership interest in % 31 12 2021
UAB Apranga LT	Lithuania	100%	100%
UAB Apranga BPB LT	Lithuania	100%	100%
UAB Apranga PLT	Lithuania	100%	100%
UAB Apranga SLT	Lithuania	100%	100%
UAB Apranga MLT	Lithuania	100%	100%
UAB Apranga HLT	Lithuania	100%	100%
UAB Apranga OLT	Lithuania	100%	100%
UAB Apranga Ecom LT	Lithuania	100%	100%
SIA Apranga	Latvia	100%	100%
SIA Apranga LV	Latvia	100%	100%
SIA Apranga BPB LV	Latvia	100%	100%
SIA Apranga PLV	Latvia	100%	100%
SIA Apranga SLV	Latvia	100%	100%
SIA Apranga MLV	Latvia	100%	100%
SIA Apranga HLV	Latvia	100%	100%
SIA Apranga OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga*	Estonia	100%	100%
OU Apranga Estonia	Estonia	100%	100%
OU Apranga BEE	Estonia	100%	100%
OU Apranga PB Trade	Estonia	100%	100%
OU Apranga ST Retail	Estonia	100%	100%
OU Apranga MDE	Estonia	100%	100%
OU Apranga HEST	Estonia	100%	100%
OU Apranga Ecom EE	Estonia	100%	100%

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

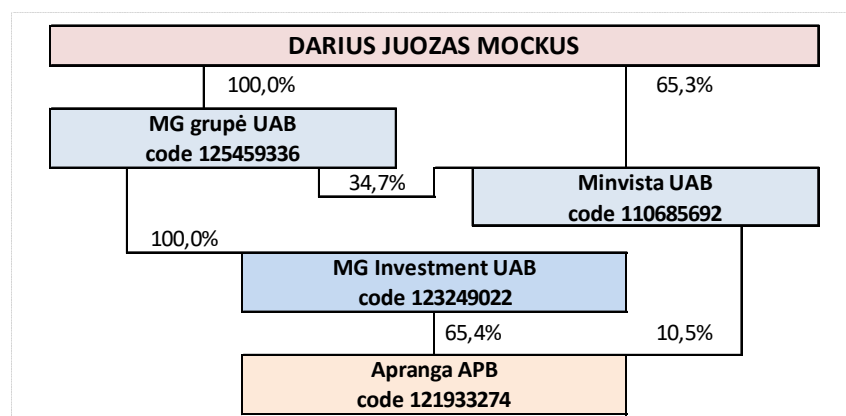
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All 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.

As of 30 September 2022, the Company had 6 065 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	36 187 499	65,4%
UAB Minvista	110685692	Aukštaičių 7, Vilnius, Lithuania	5 793 784	10,5%

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



## 2. Basis of preparation and summary of main accounting policies

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

The financial statements for the period ended 30 September 2022 are not audited.

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

## 3. Segment information

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

All financial information, including the measure of profit and total assets, is analyzed on a country basis. The segment information provided to the Directors for the reportable segments for the 9 months 2022 is as follows:

9 months 2022	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	117 847	42 441	27 246	187 534	-	
Inter-segment revenue	(13 014)	(534)	(509)	(14 057)	-	
Revenue from external customers (Note 5)	104 833	41 907	26 737	173 477	-	173 477
Gross margin	44,6%	45,1%	46,0%	45,0%		45,0%
Profit (loss) for the year	6 984	2 772	1 476	11 232	-	11 232
Total assets	119 216	32 100	19 459	170 775	(18 163)	152 612
Additions to non-current assets	1 108	53	1 728	2 889	-	2 889

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9 months 2021	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	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	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

#### 4. Investments into non-current assets

Net investments of the Group amounted to EUR 2.3 million in 9 months 2022. The Company's investments have reached EUR 1.1 million, while daughter companies invested EUR 1.2 million.

#### 5. Sale of non-current assets

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

#### 6. Income

For the 9 months 2022, revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	2022	2021	2022	2021
Stores income	173 477	131 960	52 587	40 451
Wholesale income	-	-	12 323	9 246
Management fees	-	-	3 958	3 172
Other income	153	81	144	71
Total revenue from contracts with customers	173 630	132 041	69 012	52 940

#### 7. Borrowings

In November 2021, the Company and SEB bank signed the amendment to the previously concluded credit line agreement. According to the amendment, credit repayment term was prolonged to 30 November 2023. Credit line limit remained at EUR 27 000 thousand. The interests are paid for the amount used, and the interest rate is calculated as 1-3 months EURIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In June 2022, the Company and LUMINOR bank signed the amendments to the previously concluded financial liability limit agreements. According to these amendments, credit repayment terms of both EUR 10 000 thousand and EUR 5 000 thousand (non-binding financial liabilities limit) limits were prolonged until 30 June 2023. 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.

#### 8. Guarantees and letters of credit

As of 30 September 2022, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 13 719 thousand (31 December 2021: EUR 13 734 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2022 amounted to EUR 15 200 thousand (31 December 2021: EUR 15 150 thousand).

As of 30 September 2022, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 482 thousand (31 December 2021: EUR 499 thousand).

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## 9. Profit distribution

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

## 10. Operational plans

The Group plans to reach EUR 290 million turnover (including VAT) in 2022, or by 27% higher than actual year 2021 turnover. In 2022, the Group plans to renovate or open 7-8 stores. The net investment is planned to be about EUR 3 million.

## 11. Alternative performance measures

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

## 12. Events after the reporting period

The Company, implementing the Company's sustainability plans, in October 2022 launched a 0.55 MW solar power plant installed on the roofs of the administrative and logistics buildings. It is planned that the investment will pay off in 4-5 years. It is expected that the installed equipment will work efficiently for at least 40 years. The investment amounts to EUR 0.4 million. The Company plans that the solar power plant will generate about 65% electricity needs of administration and logistics buildings.