

# 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 2020

(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 VJ, 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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## ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 150.5 million in 9 months 2020 or by 14.2% less than in the same period of 2019.

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

According to EUROSTAT data, the retail trade (except of motor vehicles, motorcycles and fuel) in Baltic States in 9 months 2020 grew in all three Baltic countries – from 1% to 4%. Retail sales grew the least in Latvia (1%) and the highest in Estonia (4%). However, the negative effects of COVID-19 on trade are particularly pronounced on a quarterly basis. In 2<sup>nd</sup> quarter 2020, retail trade in all three countries fell by about 1-3%. The 3<sup>rd</sup> quarter saw a sharp recovery, with turnover growth rates between 3% and 8% in different countries. European Union (27 countries) retail trade decreased by 0.5% in 9 months 2020 when in 3<sup>rd</sup> quarter 2020 retail trade already grew by about 3% (for comparison, the growth rates of retail trade in the first 9 months of 2019 and in the third quarter were 3% each).

The retail turnover of the Group's stores in 9 months of 2020 by countries was as follows (EUR thousand, VAT included):

Country	9 months 2020	9 months 2019	9 months 2018	2020/2019, %	2020/2018, %
Lithuania	87 716	103 212	93 834	-15,0%	-6,5%
Latvia	38 603	42 094	38 155	-8,3%	1,2%
Estonia	24 177	30 131	29 557	-19,8%	-18,2%
Total:	150 497	175 438	161 546	-14,2%	-6,8%

The retail turnover of the Group's stores by countries during the 3<sup>rd</sup> quarter of 2020 was (EUR thousand, VAT included):

Country	Q3 2020	Q3 2019	Q3 2018	2020/2019, %	2020/2018, %
Lithuania	37 058	38 727	34 972	-4,3%	6,0%
Latvia	16 574	16 659	14 242	-0,5%	16,4%
Estonia	10 131	11 412	11 088	-11,2%	-8,6%
Total:	63 763	66 799	60 302	-4,5%	5,7%

The online turnover of the Group's stores in 9 months of 2020 was as follows (EUR thousand, VAT included):

	9 months 2020	9 months 2019	2020/2019, %
Online turnover	14 961	6 301	2.4 times
Relative weight in total turnover	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 3.6% to 9.9% compared to the corresponding period of the previous year. Online turnover increased particularly significantly due to the temporary closure of physical stores during the quarantine period caused by COVID-19.

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The retail turnover of the Group's stores by chains in 9 months of 2020 was as follows (EUR thousand, VAT included):

Chain	9 months 2020	9 months 2019	9 months 2018	2020/2019, %	2020/2018, %
Economy <sup>1</sup>	17 538	22 577	21 663	-22,3%	-19,0%
Youth <sup>2</sup>	35 692	41 047	34 798	-13,0%	2,6%
Footwear	3 213	5 090	4 793	-36,9%	-33,0%
Business <sup>3</sup>	27 022	30 492	27 343	-11,4%	-1,2%
Luxury <sup>4</sup>	16 524	16 959	15 749	-2,6%	4,9%
Zara	43 846	51 629	49 212	-15,1%	-10,9%
Outlets	6 662	7 644	7 988	-12,9%	-16,6%
<b>Total</b>	<b>150 497</b>	<b>175 438</b>	<b>161 546</b>	<b>-14,2%</b>	<b>-6,8%</b>

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

<sup>2</sup> Aprangos galerija, Moskitas, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho.

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

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

In 9 months 2020, the turnover of all chains decreased significantly due to the imposed trade restrictions. And although the turnover of Luxury chain decreased by only 2.6%, such a relatively small decrease in turnover was significantly influenced by the sharp increase in online sales of prestige goods via the international Farfetch platform. After eliminating online sales, the drop in turnover in the physical stores of the Luxury chain was 17.2%.

In January through September 2020, Apranga Group opened 5 stores, renovated 6 stores and closed 8 stores.

The capital expenditure of the retail chain expansion amounted to EUR 3.2 million in 9 months of 2020 (see Note 4 "Investments into non-current assets"). Investments (acquisitions) by segments are disclosed in Note 3 ("Segment information"). The Group is not engaged in activities related to research and experimental development, except to the extent of process improvement. Group uses the latest technology and the latest technology processes that meet environmental standards and help reduce the negative impact on the environment.

The number of stores by countries was as follows:

Country	30 09 2020	30 09 2019	30 09 2018	2020/2019, %	2020/2018, %
Lithuania	106	110	110	-3,6%	-3,6%
Latvia	50	52	43	-3,8%	16,3%
Estonia	27	29	29	-6,9%	-6,9%
<b>Total:</b>	<b>183</b>	<b>191</b>	<b>182</b>	<b>-4,2%</b>	<b>0,5%</b>

The number of stores by chains was as follows:

Chain	30 09 2020	30 09 2019	30 09 2018	2020/2019, %	2020/2018, %
Economy	35	33	32	6,1%	9,4%
Youth	45	50	45	-10,0%	0,0%
Footwear	13	14	14	-7,1%	-7,1%
Business	41	46	41	-10,9%	0,0%
Luxury	30	28	29	7,1%	3,4%
Zara	11	11	12	0,0%	-8,3%
Outlets	8	9	9	-11,1%	-11,1%
<b>Total</b>	<b>183</b>	<b>191</b>	<b>182</b>	<b>-4,2%</b>	<b>0,5%</b>

The total sales area operated by the Group has decreased by 0.6% till 93.4 thousand sq. m during the year period until 30 September 2020.

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

Country	30 09 2020	30 09 2019	30 09 2018	2020/2019, %	2020/2018, %
Lithuania	50,4	51,5	50,1	-2,2%	0,4%
Latvia	27,4	27,4	19,8	0,1%	38,7%
Estonia	15,6	15,1	14,3	3,4%	9,4%
<b>Total:</b>	<b>93,4</b>	<b>94,0</b>	<b>84,2</b>	<b>-0,6%</b>	<b>11,0%</b>

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

The Group has earned EUR 5.4 million of profit before income tax in 9 months 2020, while profit before taxes amounted to EUR 7.3 million in 9 months of 2019 (the decrease by 25.8%).

Management estimates that due to the COVID-19 pandemic and the temporary closure of stores, the Group lost about EUR 30-32 million of turnover (including VAT), did not receive about EUR 13-14 million of gross profit and did not earn about 4-5 million of profit before income tax in March-May 2020.

EBITDA of the Group was EUR 21.4 million in 9 months 2020, and it was EUR 21.9 million in corresponding previous year period. EBITDA margin has increased from 15.1% to 17.0% during the year.

Main Group Indicators	9 months 2020	9 months 2019	9 months 2018
Net sales	125 909	145 239	133 033
Net sales in foreign markets	52 354	59 859	55 940
Like-for-like sales, %	-	5,6%	0,4%
Gross profit	52 759	62 233	55 774
Gross margin, %	41,9%	42,8%	41,9%
Operating profit (loss)	6 190	7 839	5 345
Operating profit margin, %	4,9%	5,4%	4,0%
EBT	5 382	7 250	5 323
EBT margin, %	4,3%	5,0%	4,0%
Profit (loss) for the period	4 420	6 313	4 279
Profit for the period margin, %	3,5%	4,3%	3,2%
EBITDA	21 395	21 893	10 194
EBITDA margin, %	17,0%	15,1%	7,7%
Return on equity (end of the period), %	7,0%	11,3%	8,0%
Return on assets (end of the period), %	2,6%	4,0%	5,4%
Net debt to equity, %	56,0%	128,9%	-2,6%
Current ratio, times	1,4	1,3	2,2

The operating expenses of the Group totaled EUR 46.6 million in 9 months 2020 and decreased by 14.4%, comparing to the same period 2019. Thus, operating expenses decreased in line with sales, which dropped by 13.3%. The Group had EUR 0.6 million of debts to financial institutions at the end of the reporting period (EUR 3.2 million at 30 September 2019).

Main Group Indicators	9 months 2020	9 months 2019	Change
Net sales	125 909	145 239	-13,3%
Net sales in foreign markets	52 354	59 859	-12,5%
Gross profit	52 759	62 233	-15,2%
Operating (expenses)	(46 569)	(54 394)	-14,4%
Operating profit (loss)	6 190	7 839	-21,0%
EBT	5 382	7 250	-25,8%
Profit (loss) for the period	4 420	6 313	-30,0%
EBITDA	21 395	21 893	-2,3%

The Group's level of inventories during the last 12 months decreased by 12% to EUR 41.2 million. Company's inventories decreased by 9%. Inventories declined due to timely stopped the purchases of new goods following the COVID-19 pandemic.

*The number of employees* during the year till 30 September 2020 in the Group has decreased by 325 to 2 057 (-13.6%) and has decreased in Company by 93 to 706 (-11.6%). The decrease in the number of employees was due to the natural turnover of employees due to the specifics of the job and the reduction of the recruitment of new employees. The need for staff decreased due to the restructuring of the chain, the reduction of shopping center opening hours during the epidemic and the decrease in customer flows.

*The price of the Company shares* in 9 months 2020 decreased by 20% from EUR 2.11 per share to EUR 1.68 per share. The maximum share price for the 9 months period was EUR 2.29 per share, minimum share price - EUR 1.25 per share. The market capitalization of the Company decreased from EUR 117 million at the beginning of the year to EUR 93 million at the end of

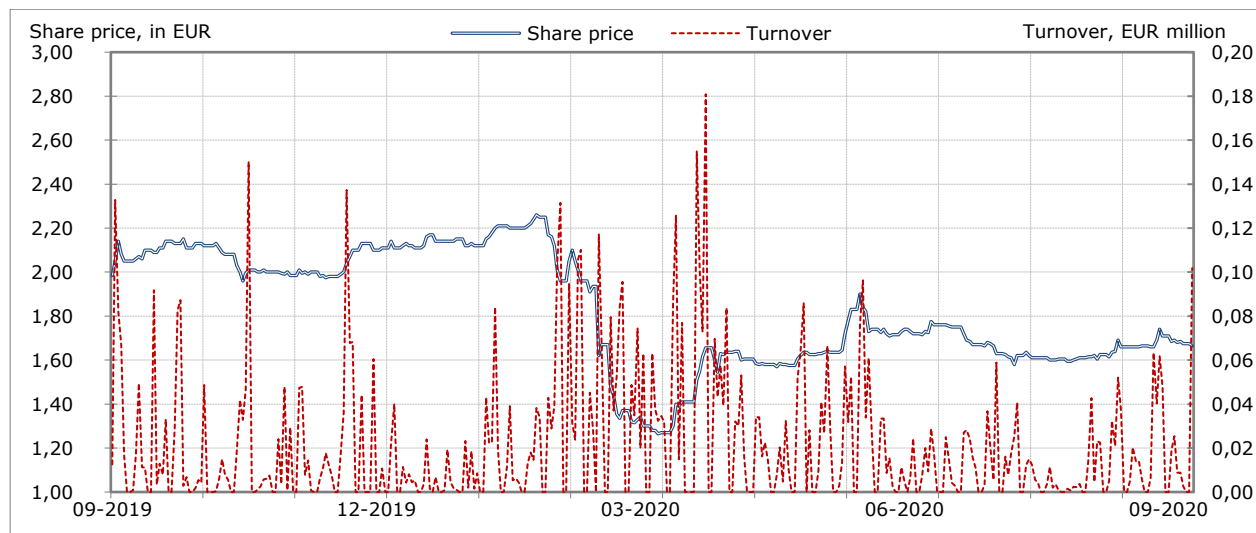
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September 2020. The weighted average price of 1 share during the reporting period was EUR 1.67. Company's share turnover was EUR 6.0 million in 9 months 2020. The share price during the last 12 months decreased from EUR 1.99 to EUR 1.68 per share, or by 15%.

Apranga APB share price in 12 months period from 1<sup>st</sup> October 2019 to 30<sup>th</sup> September 2020:



Information about members of the Management board on 30 September 2020:

Name, Surname	Position	Number of shares owned and part in the share capital	Election date	End of term
Darius Juozas Mockus	Chairman of the Board	- -	27 04 2018	27 04 2022
Rimantas Perveneckas	Member of the Board, General Director	800 770 1.45%	27 04 2018	27 04 2022
Ilona Simkuniene	Member of the Board, Purchasing Director	- -	27 04 2018	27 04 2022
Ramunas Gaidamavicius	Member of the Board, Development Director	5 000 0.01%	27 04 2018	27 04 2022
Vidas Lazickas	Member of the Board	215 000 0.39%	27 04 2018	27 04 2022
Marijus Strončikas	Member of the Board	4 450 0.01%	27 04 2018	27 04 2022

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## STATEMENTS OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		9 months 2020	9 months 2019	9 months 2020	9 months 2019
Revenue from contracts with customers	5	125 909	145 239	49 944	61 505
Cost of sales		(73 150)	(83 006)	(32 368)	(38 614)
<b>GROSS PROFIT</b>		<b>52 759</b>	<b>62 233</b>	<b>17 576</b>	<b>22 891</b>
Operating (expenses)		(46 737)	(54 490)	(17 790)	(21 424)
Other income		169	108	4 168	6 950
Net foreign exchange gain (loss)		(1)	(12)	(1)	(12)
<b>OPERATING PROFIT (LOSS)</b>		<b>6 190</b>	<b>7 839</b>	<b>3 953</b>	<b>8 405</b>
Finance income		24	32	73	55
Finance (costs)		( 832)	( 621)	( 364)	( 316)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>5 382</b>	<b>7 250</b>	<b>3 662</b>	<b>8 144</b>
Income tax (expense)		( 962)	( 937)	( 51)	28
<b>PROFIT (LOSS) FOR THE PERIOD</b>	3	<b>4 420</b>	<b>6 313</b>	<b>3 611</b>	<b>8 172</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>4 420</b>	<b>6 313</b>	<b>3 611</b>	<b>8 172</b>
Total comprehensive income attributable to:					
Owners of the Company		4 420	6 313	3 611	8 172
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,08	0,11	0,07	0,15



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## STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	30 09 2020	31 12 2019	30 09 2020	31 12 2019
Property, plant and equipment		27 592	29 584	12 659	13 330
Intangible assets		464	310	433	292
Investments in subsidiaries		-	-	4 963	4 963
Prepayments		1 294	940	223	200
Trade and other receivables		4	4	4	4
Right-of-use assets		62 934	68 596	23 859	26 031
Financial assets		2 200	2 200	2 200	2 200
<b>Total non-current assets</b>		<b>94 488</b>	<b>101 634</b>	<b>44 341</b>	<b>47 020</b>
<b>CURRENT ASSETS</b>					
Inventories		41 237	40 106	22 667	21 122
Financial assets		724	732	724	732
Prepayments		1 087	1 391	993	1 056
Trade and other receivables		1 099	2 135	10 045	13 355
Cash and cash equivalents		30 917	6 712	24 280	4 557
<b>Total current assets</b>		<b>75 064</b>	<b>51 076</b>	<b>58 709</b>	<b>40 822</b>
Non-current assets held for sale		80	80	80	80
<b>TOTAL ASSETS</b>	<b>3</b>	<b>169 632</b>	<b>152 790</b>	<b>103 130</b>	<b>87 922</b>
<b>EQUITY AND LIABILITIES</b>					
EQUITY		GROUP		COMPANY	
EQUITY	Note	30 09 2020	31 12 2019	30 09 2020	31 12 2019
Ordinary shares		16 035	16 035	16 035	16 035
Legal reserve		1 604	1 604	1 604	1 604
Foreign currency translation reserve		( 53)	( 53)	-	-
Retained earnings		45 380	40 960	34 807	31 196
<b>Total equity</b>		<b>62 966</b>	<b>58 546</b>	<b>52 446</b>	<b>48 835</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	6	275	500	275	500
Tax liabilities		941	-	782	-
Deferred tax liabilities		1 292	1 385	208	242
Non-current lease liabilities		52 104	56 659	19 669	21 047
Non-current employee benefits		242	186	242	186
<b>Total non-current liabilities</b>		<b>54 854</b>	<b>58 730</b>	<b>21 176</b>	<b>21 975</b>
<b>CURRENT LIABILITIES</b>					
Borrowings	6	300	300	9 050	4 025
Current lease liabilities		12 573	13 117	4 626	5 286
Current income tax liability		1 168	199	86	82
Trade and other payables		37 771	21 898	15 746	7 719
<b>Total current liabilities</b>		<b>51 812</b>	<b>35 514</b>	<b>29 508</b>	<b>17 112</b>
<b>Total liabilities</b>		<b>106 666</b>	<b>94 244</b>	<b>50 684</b>	<b>39 087</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>169 632</b>	<b>152 790</b>	<b>103 130</b>	<b>87 922</b>

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## STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	( 53)	39 178	56 764
Effect of adoption of IFRS 16 Leases					( 270)	( 270)
Balance at 1 January 2019		16 035	1 604	( 53)	38 908	56 494
<b>Comprehensive income:</b>						
Profit for the 9 months 2019	3				6 313	6 313
<b>Total comprehensive income</b>		-	-	-	<b>6 313</b>	<b>6 313</b>
<b>Transactions with owners:</b>						
Dividends paid					(7 188)	(7 188)
Balance at 30 September 2019		16 035	1 604	( 53)	38 033	55 619
Balance at 1 January 2020		16 035	1 604	( 53)	40 960	58 546
<b>Comprehensive income:</b>						
Profit (loss) for the 9 months 2020	3				4 420	4 420
<b>Total comprehensive income</b>		-	-	-	<b>4 420</b>	<b>4 420</b>
Balance at 30 September 2020		16 035	1 604	( 53)	45 380	62 966

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 31 December 2018		16 035	1 604	29 213	46 852
Effect of adoption of IFRS 16 Leases				( 64)	( 64)
Balance at 1 January 2019		16 035	1 604	29 149	46 788
<b>Comprehensive income:</b>					
Profit for the 9 months 2019				8 172	8 172
<b>Total comprehensive income</b>		-	-	<b>8 172</b>	<b>8 172</b>
<b>Transactions with owners:</b>					
Dividends paid				(7 188)	(7 188)
Balance at 30 September 2019		16 035	1 604	30 133	47 772
Balance at 1 January 2020		16 035	1 604	31 196	48 835
<b>Comprehensive income:</b>					
Profit (loss) for the 9 months 2020				3 611	3 611
<b>Total comprehensive income</b>		-	-	<b>3 611</b>	<b>3 611</b>
Balance at 30 September 2020		16 035	1 604	34 807	52 446

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## STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		9 months 2020	9 months 2019	9 months 2020	9 months 2019
Profit (loss) before income taxes		5 382	7 250	3 662	8 144
<b>ADJUSTMENTS FOR:</b>					
Depreciation and amortization		15 205	14 054	5 860	6 226
Impairment charge (reverse)		(11)	(21)	-	(21)
Change in allowances for slow-moving inventories		(285)	219	304	233
(Gain) on disposal of property, plant and equipment		(22)	(11)	(19)	(4)
Write-off of property, plant and equipment		12	51	-	35
Interest expenses (income)		808	589	291	261
<b>Total</b>		<b>21 089</b>	<b>22 131</b>	<b>5 987</b>	<b>7 959</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES:</b>					
Decrease (increase) in inventories		(846)	(6 562)	(1 849)	(3 204)
Decrease (increase) in receivables		241	(3 484)	(608)	(2 440)
Increase (decrease) in payables		16 869	7 979	8 864	1 173
<b>Cash generated from operations</b>		<b>37 353</b>	<b>20 064</b>	<b>12 394</b>	<b>3 488</b>
Income taxes paid		(86)	(484)	(81)	131
Interest paid		674	(45)	206	(45)
<b>Net cash from operating activities</b>		<b>37 941</b>	<b>19 535</b>	<b>12 519</b>	<b>3 574</b>
<b>INVESTING ACTIVITIES</b>					
Interest received		24	32	73	55
Dividends received		-	-	4 111	6 915
Loans granted		(12 800)	(26 050)	(24 701)	(57 777)
Loans repayments received		12 800	26 050	28 384	55 480
Purchases of PPE and intangible assets	4	(4 065)	(18 324)	(1 423)	(864)
Proceeds on disposal of PPE	4	880	7 984	137	4
Investment in subsidiaries		-	-	-	(50)
<b>Net cash used in investing activities</b>		<b>(3 161)</b>	<b>(10 308)</b>	<b>6 581</b>	<b>3 763</b>
<b>FINANCING ACTIVITIES</b>					
Dividends paid		1	(7 188)	1	(7 188)
Proceeds from borrowings		-	2 718	17 927	42 335
Repayments of borrowings		(225)	(2 943)	(13 127)	(43 456)
Repayments of lease liabilities		(10 351)	(9 426)	(4 178)	(4 078)
<b>Net cash from financing activities</b>		<b>(10 575)</b>	<b>(16 839)</b>	<b>623</b>	<b>(12 387)</b>
<b>NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS</b>		<b>24 205</b>	<b>(7 612)</b>	<b>19 723</b>	<b>(5 050)</b>
<b>CASH AND BANK OVERDRAFTS:</b>					
<b>AT THE BEGINNING OF THE PERIOD</b>		<b>6 712</b>	<b>7 009</b>	<b>4 557</b>	<b>3 119</b>
<b>AT THE END OF THE PERIOD</b>		<b>30 917</b>	<b>(603)</b>	<b>24 280</b>	<b>(1 931)</b>

APB APRANGA, Company's code 121933274, Ukmerges 362, Vilnius  
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 (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 2020 the Group consisted of the Company and 25 subsidiaries:

Name	Country	Ownership interest in % 30 09 2020	Ownership interest in % 31 12 2019
UAB Apranga LT	Lithuania	100%	100%
UAB Apranga BPB LT	Lithuania	100%	100%
UAB Apranga PLT	Lithuania	100%	100%
UAB Apranga SLT	Lithuania	100%	100%
UAB Apranga MLT	Lithuania	100%	100%
UAB Apranga HLT	Lithuania	100%	100%
UAB Apranga OLT	Lithuania	100%	100%
UAB Apranga Ecom LT	Lithuania	100%	100%
SIA Apranga	Latvia	100%	100%
SIA Apranga LV	Latvia	100%	100%
SIA Apranga BPB LV	Latvia	100%	100%
SIA Apranga PLV	Latvia	100%	100%
SIA Apranga SLV	Latvia	100%	100%
SIA Apranga MLV	Latvia	100%	100%
SIA Apranga HLV	Latvia	100%	100%
SIA Apranga OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga*	Estonia	100%	100%
OU Apranga Estonia	Estonia	100%	100%
OU Apranga BEE	Estonia	100%	100%
OU Apranga PB Trade	Estonia	100%	100%
OU Apranga ST Retail	Estonia	100%	100%
OU Apranga MDE	Estonia	100%	100%
OU Apranga HEST	Estonia	100%	100%
OU Apranga Ecom EE	Estonia	100%	100%

<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.

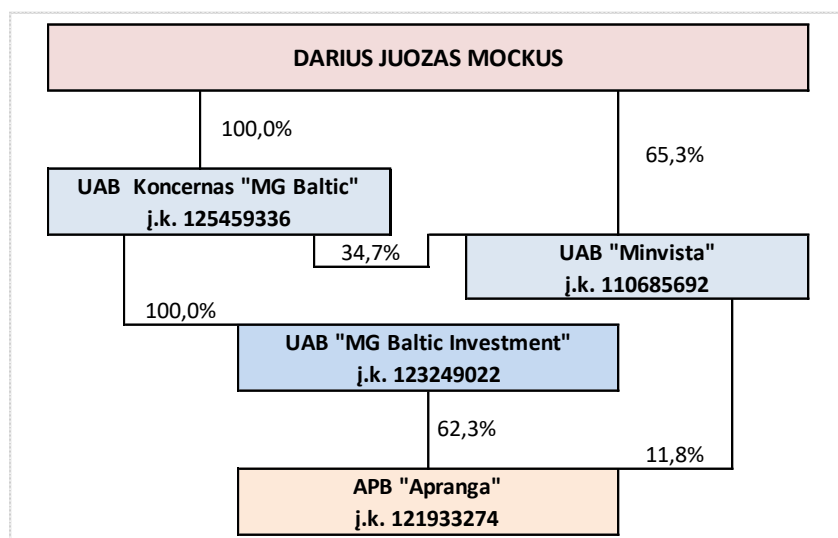
The share capital of APB Apranga is EUR 16,034,668.40 and it is divided into 55,291,960 ordinary registered shares with a nominal value of EUR 0.29 each, where each share grants to its owner 1 vote (in total 55,291,960 voting shares), all shares are paid in full and give the owners equal rights. All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

At 30 September 2020, the Company had 3 439 shareholders. Company's shareholders which owned or had under management more than 5% of share capital were:

Shareholder	Enterprise code	Address	Number of shares	% of total ownership
UAB MG Baltic Investment	123249022	Jasinskio 16B, Vilnius, Lithuania	34 442 189	62,3%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	6 519 769	11,8%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 583 572	6,5%

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

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

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

The financial statements for the period ended 30 September 2020 are not audited.

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

## 3. Segment information

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

All financial information, including the measure of profit and total assets, is analyzed on a country basis. The segment information provided to the Directors for the reportable segments for the 9 months 2020 is as follows:

9 months 2020	Lithuania	Latvia	Estonia	Total	Inter-company eliminations	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

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9 months 2019	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	98 608	35 532	25 518	159 658	-	
Inter-segment revenue	(13 477)	( 783)	( 408)	(14 668)	-	
Revenue from external customers	85 131	34 749	25 110	144 990	-	144 990
Gross margin	42,3%	43,3%	43,3%	42,8%		42,8%
Profit (loss) for the period	4 180	1 789	344	6 313	-	6 313
Total assets	115 222	37 139	21 999	174 360	(15 079)	159 281
Additions to non-current assets	4 322	13 076	974	18 372	( 48)	18 324

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

Net investments of the Group amounted to EUR 3.2 million in 9 months 2020. The Company's investments have reached EUR 1.3 million, daughter companies – EUR 1.9 million.

#### 5. Income

For the 9 months 2020, revenue from contracts with customers consisted of the following:

	GROUP		COMPANY	
	9 months 2020	9 months 2019	9 months 2020	9 months 2019
Stores income	125 306	144 990	45 941	44 676
Wholesale income	-	-	889	12 953
Management fees	-	-	3 052	3 742
Gain from disposal of PPE, net	-	11	-	4
Other income	603	238	62	130
Total revenue from contracts with customers	125 909	145 239	49 944	61 505

#### 6. Borrowings

In November 2019, the Company and SEB bank signed the amendments to the previously concluded credit line agreement. According to these amendments, the earlier credit line of EUR 20 000 thousand was increased to EUR 27 000 thousand. Credit repayment term was prolonged to 30 November 2021. The interests are paid for the amount used, and the interest rate is calculated as 1-3 months EURIBOR plus margin. There is fixed interest rate set for amount used for the issuance of guarantees and letters of credit.

In June 2020, the Company and LUMINOR bank signed the amendments to the previously concluded financial liability limit agreements. According to these amendments, credit repayment terms of both EUR 10 000 thousand and EUR 5 000 thousand (non-binding financial liabilities limit) limits were prolonged until 30 June 2021. For the drawdown amount of the overdraft a floating interest rate calculated as the 1-month EURIBOR plus margin is being paid. There is fixed interest rate set for amount used for the issuance of guarantees.

#### 7. Guarantees and letters of credit

As of 30 September 2020, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 171 thousand (31 December 2019: EUR 14 362 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2020 amounted to EUR 15 954 thousand (31 December 2019: EUR 16 167 thousand).

As of 30 September 2020, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 787 thousand (31 December 2019: EUR 792 thousand).

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## 8. Profit distribution

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

## 9. Operational plans

Due to the crisis caused by COVID-19, the Group's previously announced plans for the year 2020 (to reach a turnover of EUR 263 million (including VAT); to renovate or open 13-17 stores; to invest about 5-7 million) are halted due to unclear trends of the situation caused by the COVID-19. However, based on revised management calculations and assuming that the stores will be in normal operation until the end of the year (i.e. will not be temporarily closed as in March-April 2020), the Group's turnover in 2020 is likely to be 15-20% lower than previously planned. The prognosis for the year 2020 turnover will be revised at the end of the current year, considering the course of the second pandemic wave and its impact on sales.

## 10. Alternative performance measures

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