

30 October 2018
Vilnius

CONFIRMATION OF THE COMPANY'S RESPONSIBLE PERSONS

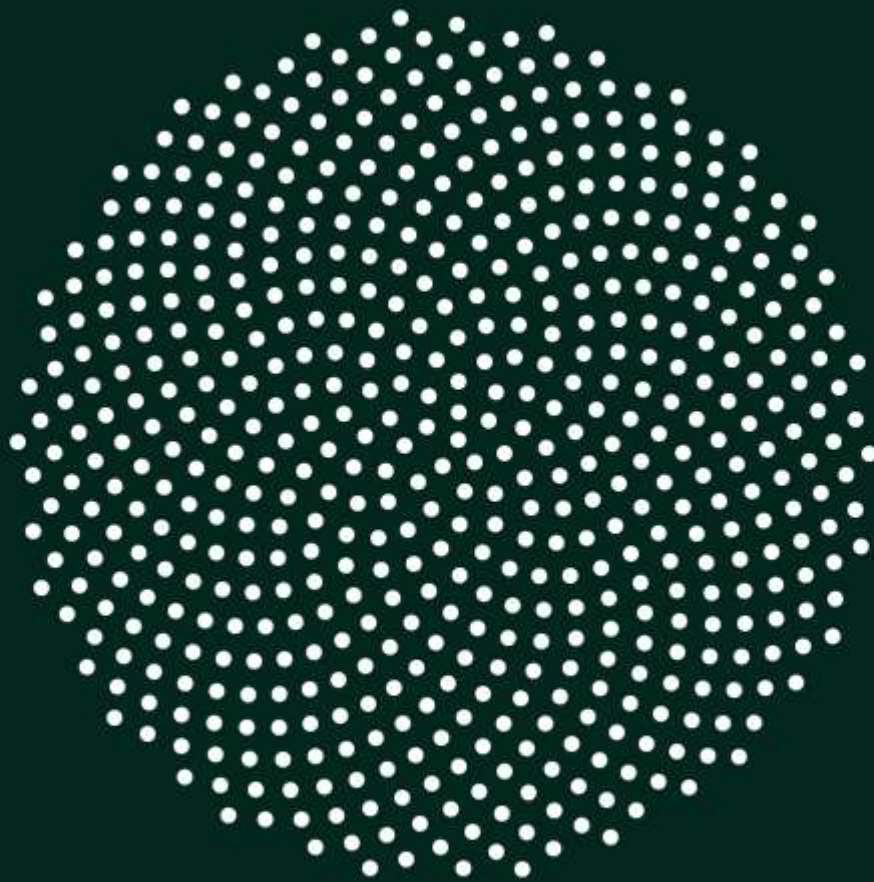
Hereby we confirm, that by our knowledge Consolidated Financial Statements for the 9 months 2018 prepared in accordance with International Financial Reporting Standards are true and fairly present assets, liabilities, financial position, profit or loss and cash flow of APB Apranga, as well as of Apranga Group consolidated companies.

Apranga Group General Manager
Rimantas Perveneckas



Apranga Group Chief Financial Officer
Saulius Bačasuskas





APRANGA

G R O U P

APB APRANGA The Consolidated Interim Report and
Interim Consolidated Financial Statements
For the Nine months period ended 30 September 2018

(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	Registru centras VJ, Vilnius branch
TELEPHONE NUMBER	+370 5 239 08 08
FAX NUMBER	+370 5 239 08 00
E-MAIL	info@apranga.lt
INTERNET ADDRESS	www.aprangagroup.com
MAIN ACTIVITIES	Retail trade of apparel
AUDITOR	ERNST & YOUNG BALTIC UAB

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ACTIVITY REPORT

The retail turnover (including VAT) of Apranga Group reached EUR 161.5 million in 9 months 2018 or by 1.4% more than in the same period of 2017. The highest growth rate was recorded in Estonia (+3.1%), when growth rate in Lithuania was 1.4%, and the turnover in Latvia was at the same level as in 2017.

According to EUROSTAT data, the retail trade (except of motor vehicles, motorcycles and fuel) in Baltic States in 9 months 2018 was fastest growing in Lithuania (+5%) and in Latvia (+4%). In Estonia in the same period, retail trade grew much slower and was about 1%. The average annual growth rate (i.e. of the last 12 months) of retail trade in the Baltic States was very similar to that in 9 months 2017. But the growth rates in the third quarter differed considerably among countries, reaching 6% in Lithuania, compared to 2-3% in Latvia and Estonia. European Union (28 countries) retail trade in 9 months 2018 in all quarters (as in 2017) grew very steady by about 2%.

The retail turnover of the Group's stores in nine months of 2018 by countries was as follows (EUR thousand, VAT included):

Country	9 months 2018	9 months 2017	9 months 2016	2018/2017, %	2018/2016, %
Lithuania	93 834	92 527	89 910	1,4%	4,4%
Latvia	38 155	38 164	37 330	0,0%	2,2%
Estonia	29 557	28 674	26 559	3,1%	11,3%
Total:	161 546	159 365	153 799	1,4%	5,0%

The retail turnover of the Group's stores by countries during the third quarter of 2018 was (EUR thousand, VAT included):

Country	Q3 2018	Q3 2017	Q3 2016	2018/2017, %	2018/2016, %
Lithuania	34 972	34 134	34 092	2,5%	2,6%
Latvia	14 242	14 630	14 497	-2,7%	-1,8%
Estonia	11 088	11 327	10 858	-2,1%	2,1%
Total:	60 302	60 091	59 447	0,4%	1,4%

The retail turnover of the Group's stores by chains in nine months of 2018 was as follows (EUR thousand, VAT included):

Chain	9 months 2018	9 months 2017	9 months 2016	2018/2017, %	2018/2016, %
Economy ¹	21 663	22 183	22 000	-2,3%	-1,5%
Youth ²	34 798	31 790	31 442	9,5%	10,7%
Footwear	4 793	4 694	4 917	2,1%	-2,5%
Business ³	27 343	27 876	26 183	-1,9%	4,4%
Luxury ⁴	15 749	16 965	17 622	-7,2%	-10,6%
Zara	49 212	48 287	44 689	1,9%	10,1%
Outlets	7 988	7 570	6 946	5,5%	15,0%
Total	161 546	159 365	153 799	1,4%	5,0%

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

² Aprangos galerija, Moskito, Mango, Bershka, Pull & Bear, Stradivarius, Desigual, Oysho;

³ City, Massimo Dutti, Strellson, Marella, Pennyblack, Coccinelle, Tommy Hilfiger, Zara Home, Karen Millen, Calvin Klein Underwear;

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

In January-September 2018, Youth and Outlets chain's turnover increased mostly (respectively by 9.5%, and 5.5%). In the two-year period, highest increase was recorded by Outlets chain (+15.0%).

In 9 months 2018, Apranga Group opened 6 stores: Orsay, Oysho, Tommy Hilfiger and Calvin Klein Underwear stores in Akropolis shopping center in Vilnius and Tommy Hilfiger and Calvin Klein Underwear stores in Akropolis shopping center in Klaipeda. During the reporting period, the Group extended and renovated 4 stores: Apranga and City stores in Panorama shopping center

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in Vilnius, Apranga store in Akropolis shopping center in Šiauliai and Max Mara store in Vilnius. It was also closed 6 stores in Lithuania and Latvia.

On 20 April 2018, the Group moved to new office and logistics premises at: Ukmerges g. 362, Vilnius.

The capital expenditure of the retail chain expansion amounted to EUR 3.9 million in nine months of 2018 (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 2018	30 09 2017	30 09 2016	2018/2017, %	2018/2016, %
Lithuania	110	106	103	3,8%	6,8%
Latvia	43	47	47	-8,5%	-8,5%
Estonia	29	29	29	0,0%	0,0%
Total:	182	182	179	0,0%	1,7%

The number of stores by chains was as follows:

Chain	30 09 2018	30 09 2017	30 09 2016	2018/2017, %	2018/2016, %
Economy	32	34	33	-5,9%	-3,0%
Youth	45	46	46	-2,2%	-2,2%
Footwear	14	14	15	0,0%	-6,7%
Business	41	40	37	2,5%	10,8%
Luxury	29	27	27	7,4%	7,4%
Zara	12	12	12	0,0%	0,0%
Outlets	9	9	8	0,0%	12,5%
Total	182	182	178	0,0%	2,2%

The total *sales area* operated by the Group has decreased by 0.4% or by 0.4 thousand sq. m. during the year period until 30 September 2018.

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

Country	30 09 2018	30 09 2017	30 09 2016	2018/2017, %	2018/2016, %
Lithuania	50,1	49,4	48,0	1,4%	4,5%
Latvia	19,8	20,8	20,7	-5,1%	-4,2%
Estonia	14,3	14,3	13,5	0,0%	6,1%
Total:	84,2	84,6	82,1	-0,4%	2,6%

The results of the 9 months 2018 were especially influenced by several factors:

- due to unusually cold weather in the first quarter of the year and too warm weather in the third quarter, sales of the new season goods were poor, resulting in a reduction in overall sales profitability ratios;
- since the start of the year 2017 the Group's and Inditex (largest Group partner) cooperation business model has changed. The transition to the new model hit the financial results mostly for the first quarters of 2017 and 2018, so increasing the financial results of the first quarter 2017 and decreasing financial results of the first quarter 2018.

The Group has earned EUR 5.3 million of *profit before income tax* in 9 months 2018, while profit before tax amounted to EUR 12.6 million in 9 months of 2017 (the decrease by 57.8%). In third quarter the profit before income tax decreased from EUR 7.4 million in 2017 to EUR 2.7 million in 2018 (-64.0%).

The decrease in both the results of the third quarter 2018 and 9 months 2018 was mainly influenced by a one-time sale of buildings, which took place in the third quarter 2017, with a positive influence on the year 2017 results of EUR 3.5 million.

After the elimination of a one-time sale of buildings, the Group's 9 months 2018 profit before tax decreased by 41.6% from 9.1 to 5.3 million Euro, and in the third quarter 2018 earnings decreased by 32.0% from 3.9 to 2.7 million Euro.

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EBITDA of the Group was EUR 10.2 million in 9 months 2018, and it was EUR 17.5 million in corresponding previous year period.

After the elimination of a one-time sale of buildings, the Group's EBITDA for 9 months 2018 decreased by 27.3% from 14.0 to 10.2 million Euro. EBITDA margin has decreased from 13.5% to 7.7% during the year (from 10.8% to 7.7% after the elimination of a one-time transaction in 2017).

Main Group Indicators	9 months 2018	9 months 2017	9 months 2016
Net sales	133 033	130 043	123 502
Net sales in foreign markets	55 940	54 182	51 162
Like-to-like sales, %	0,4%	-0,5%	2,3%
Gross profit	55 774	57 688	54 990
Gross margin, %	41,9%	44,4%	44,5%
Operating profit (loss)	5 345	12 617	9 537
Operating profit margin, %	4,0%	9,7%	7,7%
EBT	5 323	12 602	9 512
EBT margin, %	4,0%	9,7%	7,7%
EBT excluding non-recurring items*	5 323	9 107	9 512
EBT margin excluding non-recurring items*, %	4,0%	7,0%	7,7%
Profit (loss) for the period	4 279	10 522	7 918
Profit for the period margin, %	3,2%	8,1%	6,4%
EBITDA	10 194	17 524	14 113
EBITDA margin, %	7,7%	13,5%	11,4%
EBITDA excluding non-recurring items*	10 194	14 029	14 113
EBITDA margin excluding non-recurring items*, %	7,7%	10,8%	11,4%
Return on equity (end of the period), %	8,0%	19,0%	15,7%
Return on assets (end of the period), %	5,4%	12,8%	10,3%
Net debt to equity**, %	-2,6%	0,3%	5,4%
Current ratio, times	2,2	2,2	2,4

* One-time sale of buildings in Q3 2017, had EUR 3.5 million positive influence on the year 2017 results

** (Interest bearing liabilities less cash) / Equity

Main Group Indicators	Q3 2018	Q3 2017	Q3 2016
Net sales	49 796	49 286	48 101
Net sales in foreign markets	20 953	21 307	20 367
Like-to-like sales, %	0,1%	-2,9%	4,5%
Gross profit	20 566	21 020	21 280
Gross margin, %	41,3%	42,6%	44,2%
Operating profit	2 677	7 428	4 911
Operating profit margin, %	5,4%	15,1%	10,2%
EBT	2 670	7 423	4 907
EBT margin, %	5,4%	15,1%	10,2%
EBT excluding non-recurring items*	2 670	3 928	4 907
EBT margin excluding non-recurring items*, %	5,4%	8,0%	10,2%
Profit (loss) for the period	2 135	6 250	4 084
Profit for the period margin, %	4,3%	12,7%	8,5%
EBITDA	4 296	9 096	6 453
EBITDA margin, %	8,6%	18,5%	13,4%
EBITDA excluding non-recurring items*	4 296	5 601	6 453
EBITDA margin excluding non-recurring items*, %	8,6%	11,4%	13,4%
Return on equity (end of the period), %	4,0%	11,3%	8,1%
Return on assets (end of the period), %	2,7%	7,6%	5,3%
Net debt to equity**, %	-2,6%	0,3%	5,4%
Current ratio, times	2,2	2,2	2,4

* One-time sale of buildings in Q3 2017, had EUR 3.5 million positive influence on the year 2017 results

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The *operating expenses* of the Group totaled EUR 50.4 million in 9 months 2018 and increased by 3.8%, comparing to the same period 2017 (while net sales grew by 2.3%). Total *finance debts* of the Group decreased to EUR 2.2 million at 30 September 2018 (30 September 2017: EUR 2.4 million).

Main Group Indicators	9 months 2018	9 months 2017	Change
Net sales	133 033	130 043	2,3%
Net sales in foreign markets	55 940	54 182	3,2%
Gross profit	55 774	57 688	-3,3%
Operating expenses	(50 429)	(48 566)	3,8%
Operating profit	5 345	12 617	-57,6%
EBT	5 323	12 602	-57,8%
EBT excluding non-recurring items*	5 323	9 107	-41,6%
Profit for the period	4 279	10 522	-59,3%
EBITDA	10 194	17 524	-41,8%
EBITDA excluding non-recurring items*	10 194	14 029	-27,3%

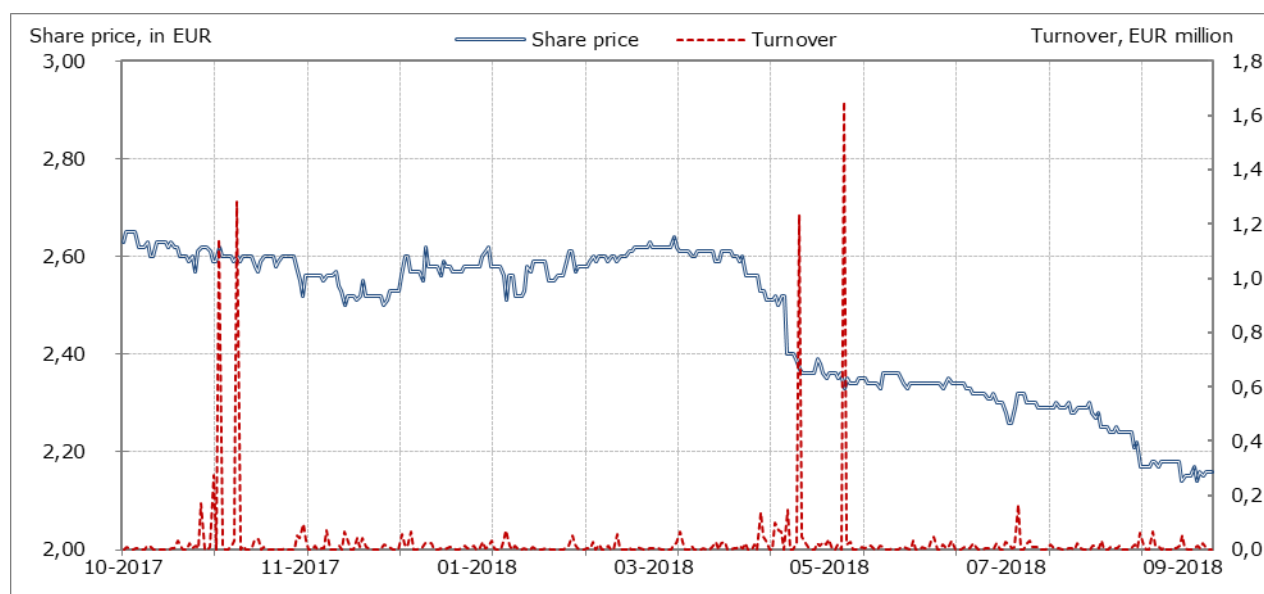
* One-time sale of buildings in Q3 2017, had EUR 3.5 million positive influence on the year 2017 results

The Group's *level of inventories* remained at the same level of EUR 45.3 million as the year before. Company's inventories grew by 1.6% during last 12 months period and amounted to EUR 24.6 million.

The *number of employees* during the year till 30 September 2018 in the Group has increased by 56 to 2 173 (+2.6%) and has increased in Company by 41 to 799 (+5.4%). During the third quarter 2018 the number of employees increased by 21 (+1.0%) in the Group, and by 12 (+1.5%) in the Company.

The *price of the Company shares* in 9 months 2018 decreased by 14.6% from EUR 2.53 per share to EUR 2.16 per share. The maximum share price for the 9 months period was EUR 2.64 per share, minimum share price - EUR 2.14 per share. The market capitalization of the Company decreased from EUR 140 million at the beginning of the year to EUR 119 million at the end of September 2018. The weighted average price of 1 share during the reporting period was EUR 2.39. Company's share turnover was EUR 6.2 million in 9 months 2018. The share price during the last 12 months decreased from EUR 2.63 to EUR 2.16 per share, or by 17.9%.

Apranga APB share price in 12 months period from 1st October 2017 to 30th September 2018:



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Information about members of the Management board on 30 September 2018:

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	155 000 0.28%	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 2018	9 months 2017	9 months 2018	9 months 2017
Revenue	3	133 033	130 043	52 147	52 331
Cost of sales		(77 259)	(72 355)	(35 679)	(35 192)
GROSS PROFIT		55 774	57 688	16 468	17 139
Operating expenses		(50 867)	(49 061)	(20 270)	(19 261)
Other income		455	3 949	12 016	15 007
Net foreign exchange gain (loss)		(17)	41	(17)	42
OPERATING PROFIT (LOSS)		5 345	12 617	8 197	12 927
Finance costs	7	(22)	(15)	(22)	(15)
PROFIT (LOSS) BEFORE INCOME TAX		5 323	12 602	8 175	12 912
Income tax (expense)		(1 044)	(2 080)	(101)	(755)
PROFIT (LOSS) FOR THE YEAR	3	4 279	10 522	8 074	12 157
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		4 279	10 522	8 074	12 157
Total comprehensive income attributable to:		4 279	10 522	8 074	12 157
Owners of the Company		4 279	10 522	8 074	12 157
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,08	0,19	0,15	0,22

	Note	GROUP		COMPANY	
		Q3 2018	Q3 2017	Q3 2018	Q3 2017
Revenue	3	49 796	49 286	20 367	20 099
Cost of sales		(29 230)	(28 266)	(14 571)	(14 022)
GROSS PROFIT		20 566	21 020	5 796	6 077
General and administrative expenses		(18 050)	(17 230)	(7 489)	(6 545)
Other income		165	3 632	1 426	4 775
Net foreign exchange gain (loss)		(4)	6	(4)	6
OPERATING PROFIT (LOSS)		2 677	7 428	(271)	4 313
Finance costs	7	(7)	(5)	(7)	(5)
PROFIT (LOSS) BEFORE INCOME TAX		2 670	7 423	(278)	4 308
Income tax expense		(535)	(1 173)	(25)	(653)
PROFIT (LOSS) FOR THE YEAR	3	2 135	6 250	(303)	3 655
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME		2 135	6 250	(303)	3 655
Total comprehensive income attributable to:		2 135	6 250	(303)	3 655
Owners of the Company		2 135	6 250	(303)	3 655
Non-controlling interests		-	-	-	-
Basic and diluted earnings per share (in EUR)		0,04	0,11	(0,01)	0,07

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STATEMENTS OF FINANCIAL POSITION

ASSETS		GROUP		COMPANY	
ASSETS	Note	30 09 2018	31 12 2017	30 09 2018	31 12 2017
Property, plant and equipment	4	23 463	24 407	15 123	14 551
Intangible assets		186	252	140	204
Investments in subsidiaries	5	-	-	4 913	4 813
Prepayments		697	685	80	68
Trade and other receivables		9	9	9	9
Non-current assets held for sale	6	2 000	-	2 000	-
Total non-current assets		26 355	25 353	22 265	19 645
CURRENT ASSETS					
Inventories		45 318	38 236	24 634	20 180
Available for sale financial assets	6	717	1 598	717	1 598
Prepayments		2 426	1 059	1 513	951
Trade and other receivables		1 029	5 329	10 315	14 625
Cash and cash equivalents		3 512	7 763	1 055	4 799
Total current assets		53 002	53 985	38 234	42 153
Non-current assets held for sale		324	324	324	324
TOTAL ASSETS	3	79 681	79 662	60 823	62 122
EQUITY AND LIABILITIES					
EQUITY		GROUP		COMPANY	
EQUITY	Note	30 09 2018	31 12 2017	30 09 2018	31 12 2017
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	9	35 892	41 013	28 193	29 519
Total equity		53 478	58 599	45 832	47 158
NON-CURRENT LIABILITIES					
Borrowings	7	875	1 100	875	1 100
Deferred tax liabilities		1 217	927	304	202
Non-current employee benefits		499	478	499	478
Total non-current liabilities		2 591	2 505	1 678	1 780
CURRENT LIABILITIES					
Borrowings	7	1 273	300	4 128	5 334
Current income tax liability		413	808	1	588
Trade and other payables		21 926	17 450	9 184	7 262
Total current liabilities		23 612	18 558	13 313	13 184
Total liabilities		26 203	21 063	14 991	14 964
TOTAL EQUITY AND LIABILITIES		79 681	79 662	60 823	62 122

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STATEMENTS OF CHANGES IN EQUITY

GROUP	Note	Share capital	Legal reserve	Translation reserve	Retained earnings	Total
Balance at 1 January 2017		16 035	1 604	(53)	35 985	53 571
Comprehensive income:						
Profit for the 9 months 2017	3				10 522	10 522
Transactions with owners:						
Dividends paid					(9 400)	(9 400)
Balance at 30 September 2017		16 035	1 604	(53)	37 107	54 693
Balance at 1 January 2018		16 035	1 604	(53)	41 013	58 599
Comprehensive income:						
Profit for the 9 months 2018	3				4 279	4 279
Transactions with owners:						
Dividends paid	9				(9 400)	(9 400)
Balance at 30 September 2018		16 035	1 604	(53)	35 892	53 478

COMPANY		Share capital	Legal reserve	Retained earnings	Total
Balance at 1 January 2017		16 035	1 604	25 073	42 712
Comprehensive income:					
Profit for the 9 months 2017				12 157	12 157
Transactions with owners:					
Dividends paid				(9 400)	(9 400)
Balance at 30 September 2017		16 035	1 604	27 830	45 469
Balance at 1 January 2018		16 035	1 604	29 519	47 158
Comprehensive income:					
Profit for the 9 months 2018				8 074	8 074
Transactions with owners:					
Dividends paid	9			(9 400)	(9 400)
Balance at 30 September 2018		16 035	1 604	28 193	45 832

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STATEMENTS OF CASH FLOW

OPERATING ACTIVITIES	Note	GROUP		COMPANY	
		9 months 2018	9 months 2017	9 months 2018	9 months 2017
Profit (loss) before income taxes		5 323	12 602	8 175	12 912
ADJUSTMENTS FOR:					
Depreciation and amortization		4 849	4 907	2 201	2 122
Impairment charge (reverse)		(27)	(47)	-	(19)
Change in allowances for slow-moving inventories		(70)	237	(53)	232
(Gain) Loss on disposal of property, plant and equipment		(6)	(3 500)	(4)	(3 500)
Write-off of property, plant and equipment		45	54	10	12
Dividends income		-	-	(8 200)	(8 050)
Interest income, net of interest expenses		(4)	(28)	(21)	(77)
Total		10 110	14 225	2 108	3 632
CHANGES IN OPERATING ASSETS AND LIABILITIES:					
Decrease (increase) in inventories		(7 012)	(10 096)	(4 401)	(5 060)
Decrease (increase) in receivables		2 869	(4 489)	3 892	(6 158)
Increase (decrease) in payables		4 497	5 145	1 943	2 259
Cash generated from operations		10 464	4 785	3 542	(5 327)
Income taxes paid		(1 149)	(677)	(586)	(80)
Interest paid	7	(22)	(15)	(22)	(15)
Net cash from operating activities		9 293	4 093	2 934	(5 422)
INVESTING ACTIVITIES					
Interest received		26	43	43	92
Dividends received		-	-	8 200	8 050
Loans granted		(43 100)	(22 400)	(54 766)	(32 063)
Loans repayments received		43 100	22 400	54 558	32 443
Purchases of property, plant and equipment and intangible assets	4	(4 056)	(6 486)	(2 722)	(2 097)
Proceeds on disposal of property, plant and equipment		205	6 074	7	5 003
Purchases of available-for-sale financial assets	6	(2 000)	-	(2 000)	-
Proceeds on disposal of available-for-sale financial assets	6	933	-	933	-
Investment in subsidiaries	5	-	-	(100)	(8)
Net cash used in investing activities		(4 892)	(369)	4 153	11 420
FINANCING ACTIVITIES					
Dividends paid	9	(9 400)	(8 847)	(9 400)	(8 847)
Proceeds from borrowings	7	5	6 916	36 223	42 784
Repayments of borrowings	7	(230)	(5 441)	(38 627)	(43 228)
Net cash from financing activities		(9 625)	(7 372)	(11 804)	(9 291)
NET INCREASE (DECREASE) IN CASH AND BANK OVERDRAFTS		(5 224)	(3 648)	(4 717)	(3 293)
CASH AND BANK OVERDRAFTS:					
AT THE BEGINNING OF THE PERIOD		7 763	4 976	4 799	3 055
AT THE END OF THE PERIOD		2 539	1 328	82	(238)

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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 2018 the Group consisted of the Company and 24 subsidiaries:

Name	Country	Ownership interest in % 30 09 2018	Ownership interest in % 31 12 2017
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 OLV	Latvia	100%	100%
SIA Apranga Ecom LV	Latvia	100%	100%
OU Apranga ¹	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 22.37% shares and indirectly through its subsidiary OU Apranga Estonia owns the rest 77.63% of shares.

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 2018, the Company had 2 711 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	34 262 189	62,0%
UAB Minvista	110685692	Jasinskio 16, Vilnius, Lithuania	5 442 826	9,8%
Swedbank AS (Estonia) clients	10060701	Liivalaia 8 Tallinn, Estonia	3 641 906	6,6%

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

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 2018 are not audited.

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

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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 2018 is as follows:

9 months 2018	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	89 252	31 862	25 002	146 116	-	
Inter-segment revenue	(12 159)	(552)	(372)	(13 083)	-	
Revenue from external customers	77 093	31 310	24 630	133 033	-	133 033
Gross margin	41,2%	42,8%	43,2%	41,9%		41,9%
Profit (loss) for the year	2 429	1 370	489	4 288	(9)	4 279
Total assets	68 324	13 371	10 570	92 265	(12 584)	79 681
Additions to non-current assets (other than financial instruments and prepayments for leases)	3 325	580	151	4 056	-	4 056

9 months 2017	Lithuania	Latvia	Estonia	Total	Inter- company elimina- tions	Total in consolidated financial statements
Total segment revenue	87 831	31 392	24 112	143 335	-	
Inter-segment revenue	(11 970)	(720)	(602)	(13 292)	-	
Revenue from external customers	75 861	30 672	23 510	130 043	-	130 043
Gross margin	43,1%	45,9%	46,2%	44,4%		44,4%
Profit (loss) for the year	7 649	1 933	940	10 522	-	10 522
Total assets	72 738	14 616	12 266	99 620	(17 456)	82 164
Additions to non-current assets (other than financial instruments and prepayments for leases)	4 141	561	1 784	6 486	-	6 486

4. Investments into non-current assets

Net investments of the Group amounted to EUR 3.9 million in 9 months 2018. The Company's investments have reached EUR 2.7 million, daughter companies – EUR 1.2 million.

5. Investments into subsidiaries

In January 2018, the Company established a subsidiary UAB Apranga OLT, which operates Oysho stores in Lithuania. The share capital of the subsidiary is EUR 50 thousand. All shares have been fully paid in cash. The Company controls 100% of the subsidiary's capital and voting rights.

In August 2018, the Company established a subsidiary SIA Apranga OLV, which will operate Oysho stores in Latvia. The share capital of the subsidiary is EUR 50 thousand. All shares have been fully paid in cash. The Company controls 100% of the subsidiary's capital and voting rights.

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6. Investments into financial assets

In March 2018, the Company for EUR 0.9 million sold the part of Lithuanian Government issued long-term bonds, which in balance sheet are recorded as Available for sale financial assets. Total investments in the Lithuanian Government issued the long-term bonds amounted to EUR 0.7 million on 30 September 2018.

In June 2018, the Company for EUR 2.0 million acquired shares of the investment company UAB LIM Verslo Trikampio NT Fondas. The investment in Statements of financial position is recorded as Non-current assets held for sale.

7. Borrowings

In August and November 2017, 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 20 500 thousand was reduced to EUR 20 000 thousand, and together a new long-term EUR 1 500 thousand business credit was issued. Credit repayment terms, respectively, 30 November 2019 and 23 August 2022. 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 2017, the Company and LUMINOR bank have signed the amendment to the overdraft facility and general agreement on bank's guarantees. Under this amendment, the Group granted overdraft amount increased to EUR 10 000 thousand and its limit extended until 30 June 2019. For the drawdown amount of the overdraft a floating interest rate calculated as the EONIA 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 2018, guarantees issued by the credit institutions on behalf of the Company to secure the obligations of its subsidiaries to their suppliers totaled EUR 14 738 thousand (31 December 2017: EUR 14 520 thousand). The letters of credit and guarantees provided to suppliers by the credit institutions on behalf of the Group as of 30 September 2018 amounted to EUR 16 390 thousand (31 December 2017: EUR 16 436 thousand).

As of 30 September 2018, the Company's guarantees issued to secure the obligations of its subsidiaries to their suppliers totaled EUR 747 thousand (31 December 2017: EUR 747 thousand).

9. Profit distribution

The Annual shareholders meeting of APB Apranga held on 27 April 2018 has resolved to pay EUR 9 400 thousand in dividends and to pay EUR 180 thousand as annual bonuses for the year 2017.

10. Events after the reporting period

In October 2018, the Company and LUMINOR bank have signed a financial liabilities limit agreement, which replaced the previous overdraft facility and general agreement on bank's guarantees. Under the new agreement, the maturity of the financial liabilities limit has been set by 30 June 2020.