



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 9 months period ended 30 September 2022
(UNAUDITED)

INFORMATION ABOUT COMPANY

Company name	Utenos Trikotažas AB
Legal and organisation form	Legal entity, public company
Date and place of incorporation	Registered with the Register of Legal Entities of Utena District on 6 st December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 st September 1998.
Registration code	BĮ 98-257
Code of the Register of Legal Entities	183709468
Authorised share capital	EUR 2 755 870
Address	J.Basanavičiaus g.122, LT-28214, Utena, Lithuania
Name of Register of Legal Entities	Registru centras VĮ
Telephone	+370 389 51445
Fax	+370 389 69358
E-mail	utenos.trikotazas@ut.lt
Website	www.ut.lt
Main activities	production of knit wear and textile articles
Auditors	KPMG BALTICS UAB

TABLE OF CONTENT

	PAGE
REVIEW OF ACTIVITY OF THE GROUP COMPANIES	4 - 9
FINANCIAL STATEMENTS:	
BALANCE SHEET	10-11
STATEMENT OF COMPREHENSIVE INCOME	12
STATEMENTS OF CHANGES IN EQUITY	13
STATEMENTS OF CASH FLOWS	14
EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS	15- 23

REVIEW OF ACTIVITY OF THE GROUP COMPANIES

In the 9 months of 2022, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 26.3 million, which is by 23.2 per-cent more than in the previous year when the Group’s sales accounted for EUR 21.3 million. The Group exported 82.6 per-cent of products.

During the 9 months of 2022, the company Utenos trikotažas sold products and provided services for EUR 24.3 million. The sales volume, compared with the 9 months of 2021, increased by EUR 4.4 million, or 22.2 per-cent. The company’s export sales reached 82.3 per-cent.

The sales of the largest segment – on-demand knitwear – increased by 31 per-cent and reached EUR 21.5 million, private brands UTENOS and ABOUT decreased by 12.6 per-cent and reached EUR 2.9 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija increased by 17.3 per-cent.

During the 9 months of 2022, the Group incurred EUR 1.669 thousand loss before tax, when during 9 months of 2021 the loss before tax was 1.839 thousand EUR. During the same period the company Utenos trikotažas suffered 1.137 thousand EUR loss before tax, while loss before tax amounted to EUR 1.348 thousand a year ago.

The Group’s EBITDA is negative at 453 thousand EUR, which is 670 thousand EUR better than in the same period in 2021. The Company’s EBITDA is negative at 406 thousand EUR, that is 377 thousand EUR better than the same period in 2021, when the company’s EBITDA accounted for EUR 783 thousand EUR

Key performance indicators of the Group

Trade

Revenue (EUR '000)	Group			Company		
	2022 9 M	2021 9 M	Change %	2022 9 M	2021 9 M	Change %
Products manufactured on demand of business clients	21 494	16 406	31,0	21 494	16 600	29,5
Own brands (ABOUT, UTENOS)	2 897	3 315	(12,6)	2 774	3 262	(15,0)
Services of functional-technical garments manufacture	1 908	1 627	17,3	-	-	-
	26 299	21 348	23,2	24 268	19 862	22,2

Revenue (EUR '000)	Group			Company		
	2022 III Q	2021 III Q	Change %	2022 III Q	2021 III Q	Change %
Products manufactured on demand of business clients	7 646	6 161	24,1	7 646	6 258	22,2
Own brands (ABOUT, UTENOS)	886	1 176	(24,7)	882	1 126	(21,6)
Services of functional-technical garments manufacture	515	591	(12,8)	-	-	-
	9 047	7 928	14,1	8 528	7 384	15,5

Sales by regions

Revenue (EUR '000)	Group			Company		
	2022 9 M	2021 9 M	Change %	2022 9 M	2021 9 M	Change %
Export	21 720	17 575	23,6	19 960	16 142	23,7
<i>DACH (Germany, Austria, Switzerland)</i>	13 293	12 213	8,8	12 970	11 340	14,4
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	4 854	3 185	52,4	4 504	2 984	50,9
<i>Other regions</i>	3 572	2 177	64,1	2 486	1 818	36,8
Domestic	4 580	3 773	21,4	4 308	3 720	15,8
	26 299	21 348	23,2	24 268	19 862	22,2

Interim Consolidated Information for the 9 months of 2022 (All amounts are in EUR thousand, unless otherwise stated)

Revenue (EUR '000)	Group			Company		
	2022 III Q	2021 III Q	Change %	2022 III Q	2021 III Q	Change %
Export	8 147	6 648	22,5	7 708	6 041	27,6
<i>DACH (Germany, Austria, Switzerland)</i>	4 701	4 166	12,9	4 669	3 931	18,8
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1 761	1 310	34,4	1 755	1 190	47,5
<i>Other regions</i>	1 685	1 172	43,7	1 284	920	39,5
Domestic	900	1 280	(29,7)	820	1 343	(38,9)
	9 047	7 928	14,1	8 528	7 384	15,5

Operating figures

	Group			Company		
	2022 9 M	2021 9 M	Change %	2022 9 M	2021 9 M	Change %
Manufactured, items units	1 838	1 292	42,3	1 775	1 240	43,2
Average number of employees	939	1 006	(6,7)	682	717	(4,9)

Financial ratios

	Group			Company		
	2022 9 M	2021 9 M	Change	2022 9 M	2021 9 M	Change
Revenue (EUR'000)	26 299	21 348	0,2%	24 268	19 862	0,2%
Operating profit (loss) (EUR'000)	(1 245)	(1 852)	---	(974)	(1 316)	---
Operating profit (loss) margin (%)	(4,7)	(8,7)	3,9	(4,0)	(6,6)	2,6
EBITDA (EUR'000)	(453)	(1 123)	---	(406)	(783)	---
EBITDA margin (%)	(1,7)	(5,3)	3,5	(1,7)	(3,9)	2,3
Profit (loss) before tax (EUR'000)	(1 669)	(1 839)	---	(1 137)	(1 348)	---
Profit (loss) before tax, margin (%)	(6,3)	(8,6)	2,3	(4,7)	(6,8)	2,1
Net profit (loss) for the year (EUR'000)	(1 648)	(1 775)	---	(1 129)	(1 340)	---
Net profit (loss) for the year margin (%)	(6,3)	(8,3)	2,0	(4,7)	(6,7)	2,1
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

	Group			Company		
	2022 III Q	2021 III Q	Change	2022 III Q	2021 III Q	Change
Revenue (EUR'000)	9 047	7 928	14,1%	8 528	7 384	15,5%
Operating profit (loss) (EUR'000)	297	(715)	----	348	(477)	----
Operating profit (loss) margin (%)	3,3	(9,0)	12,3 p.p	4,1	(6,5)	10,5 p.p
EBITDA (EUR'000)	542	(466)	----	523	(295)	----
EBITDA margin (%)	6,0	(5,9)	11,9 p.p	6,1	(4,0)	10,1 p.p
Profit (loss) before tax (EUR'000)	34	(741)	-----	279	(489)	-----
Profit (loss) before tax, margin (%)	0,4	(9,3)	9,7 p.p	0,4	(6,6)	7,0 p.p
Net profit (loss) for the year (EUR'000)	41	(691)	-----	282	(486)	-----
Net profit (loss) for the year margin (%)	0,5	(8,7)	9,2 p.p	3,3	(6,6)	9,9 p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

Relative ratios

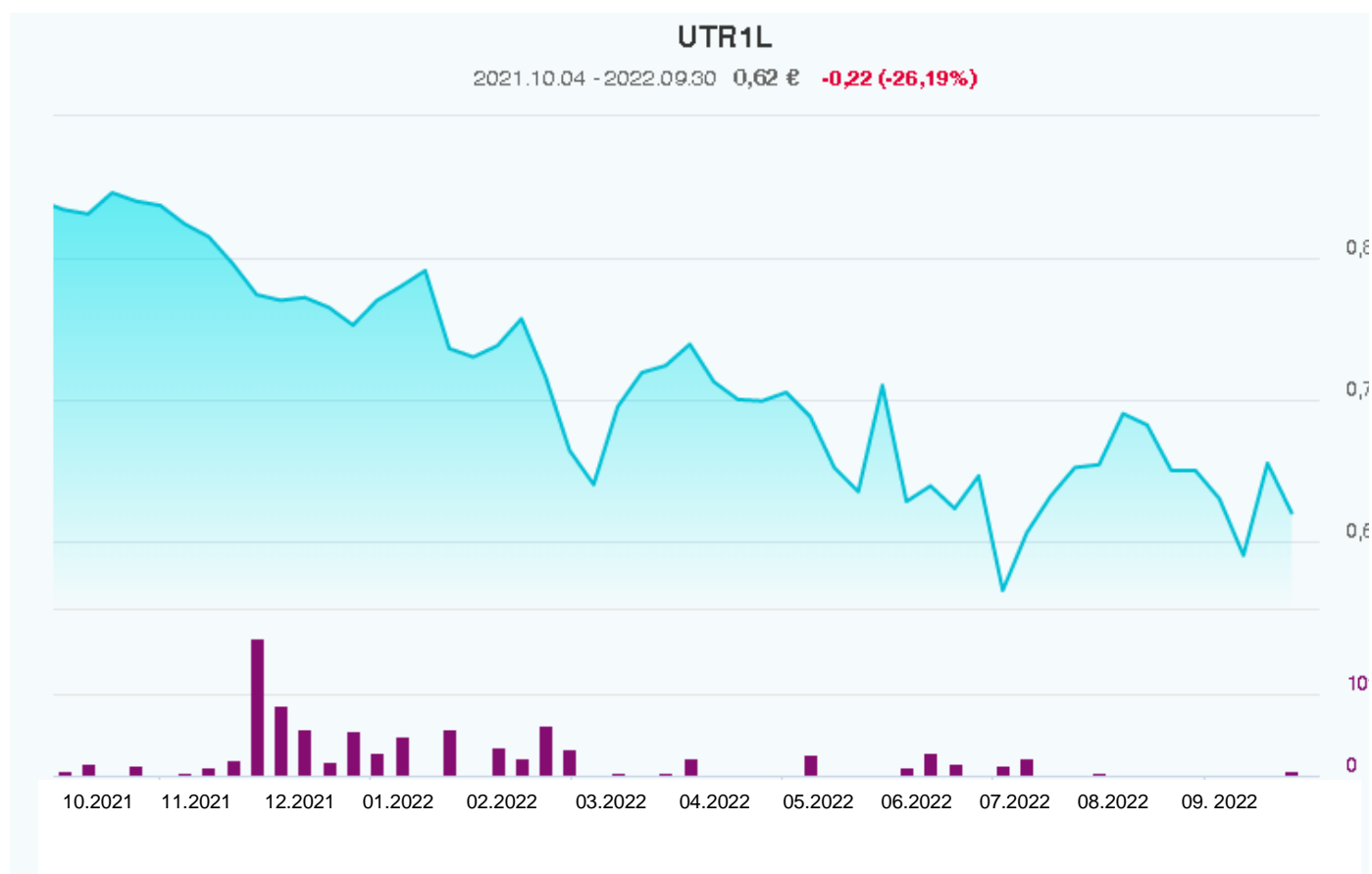
	Group			Company		
	2022 9 M	2021 9 M	Change p.p	2022 9 M	2021 9 M	Change p.p.
Return on capital employed (%)	(59,8)	(64,4)	4,6	(41,0)	(48,6)	7,6
Return on assets (%)	(7,9)	(8,0)	0,1	(8,4)	(6,3)	(2,1)
Return on shareholders' equity (%)	(29,1)	(20,3)	(8,8)	(28,3)	(15,7)	(12,6)
Debt ratio (%)	72,7	60,7	12,0	70,3	59,6	10,7
Debt-to-equity ratio (%)	266,7	154,5	112,2	237,2	147,3	89,9
Liquidity ratio (%)	125,8	114,3	11,5	128,7	111,8	16,9
Equity to assets ratio (%)	27,3	39,3	(12,0)	29,7	40,4	(10,7)

Ratios related with the share price

	2022 9 M	2021 9 M	Changes
P/E	(3,60)	(4,76)	1,16
EPS	(0,17)	(0,18)	0,01
EV/EBITDA	(0,01)	(10,29)	10,28

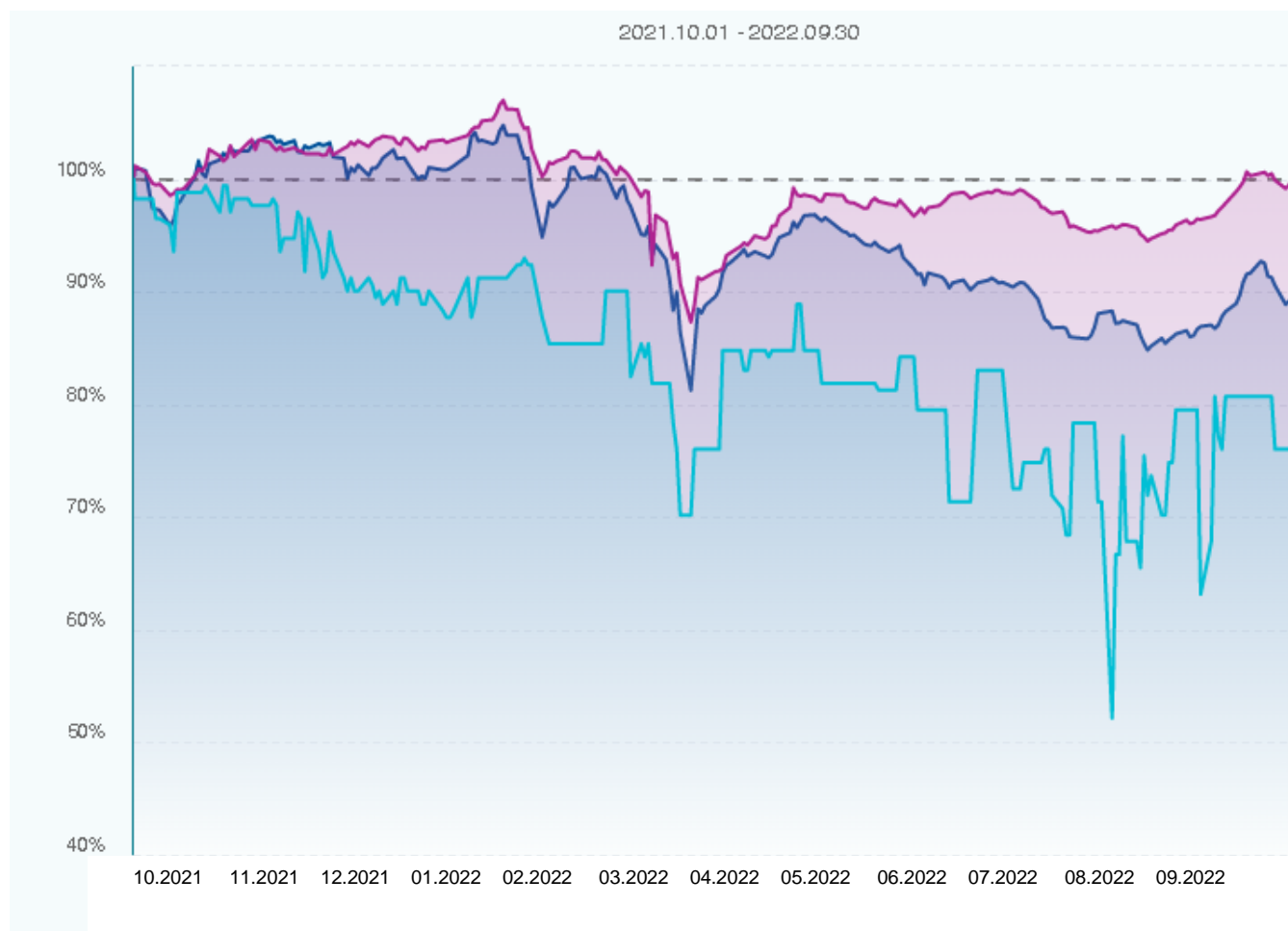
Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, during 12 months period from 1 October 2021 to 30 September 2022.



Price ratios

	2022 9 M	2021 9 M
Open price, EUR	0,780	0,920
High price, EUR	0,795	0,975
Low price, EUR	0,446	0,800
Last price, EUR	0,62	0,855
Traded volume	46 711	94 086
Turnover, million EUR	0,030	0,080
Capitalisation, million EUR	5,890	8,030

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 October 2021 to 30 September 2022


Index/ Equity	2022.09.30	2021.09.30	2022.09.30 /2021.09.30 Change, %
—OMX Baltic Benchmark GI	1 285,79	1 550,75	(17,09)
—OMX Vilnius	894,83	933,72	(4,17)
—UTR1L	0,62 EUR	0,85 EUR	(27,49)

Statement of financial position

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
ASSETS				
Non-current assets				
Intangible assets	465	486	61	84
Property, plant and equipment	8 665	9 443	6 079	6 405
Right-of-use assets	901	578	216	238
Investment property	158	163	158	163
Investments into subsidiaries	-	-	1 490	1 490
Receivables from subsidiaries	-	-	1 151	1 104
Prepayments to subsidiaries	-	-	750	771
	10 189	10 670	9 905	10 255
Current assets				
Inventories	5 316	6 914	5 225	6 831
Trade receivables	1 421	1 182	1 233	1 065
Contract assets	2 926	2 748	2 853	2 673
Other current assets	420	534	392	463
Cash and cash equivalents	481	625	35	72
	10 564	12 003	9 738	11 104
Total assets	20 753	22 673	19 643	21 359

Statement of financial position (cont ')

EQUITY AND LIABILITIES	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Share capital	2 756	2 756	2 756	2 756
Legal reserve	574	574	574	574
Revaluation surplus	3 841	3 946	2 086	2 129
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	989	1 053	-	-
Accumulated retained earnings/ (losses)	(3 785)	(2 142)	(591)	480
	<u>5 465</u>	<u>7 277</u>	<u>5 825</u>	<u>6 939</u>
Non-controlling interest	195	109	-	-
Total equity	<u>5 660</u>	<u>7 386</u>	<u>5 825</u>	<u>6 939</u>
LIABILITIES				
Non-current liabilities				
Borrowings	4 321	2 999	4 321	2 999
Borrowings from parent company	532	532	532	532
Non-current lease liabilities	763	488	165	177
Borrowings from subsidiaries	-	-	600	600
Deferred income tax liabilities	760	825	418	425
Provisions for employee benefits	320	358	214	251
	<u>6 696</u>	<u>5 202</u>	<u>6 250</u>	<u>4 984</u>
Current liabilities				
Current portion of non-current borrowings	637	637	637	637
Short – term financial liabilities	924	1 801	924	1 801
Current lease liabilities	171	116	74	81
Trade payables	2 098	2 989	2 051	2 886
Payables to other related parties and subsidiaries	221	106	285	320
Contract liabilities	1 401	861	1 401	860
Accrued expenses and other current liabilities	2 945	3 575	2 196	2 851
	<u>8 397</u>	<u>10 085</u>	<u>7 568</u>	<u>9 436</u>
Total liabilities	<u>15 093</u>	<u>15 287</u>	<u>13 818</u>	<u>14 420</u>
Total equity and liabilities	<u>20 753</u>	<u>22 673</u>	<u>19 643</u>	<u>21 359</u>

Interim Consolidated Information for the 9 months of 2022 (All amounts are in EUR thousand, unless otherwise stated)

Statement of comprehensive income

Group	January-September		July - September	
	2022	2021	2022	2021
Sales	26 299	21 348	9 047	7 928
Cost of sales	(23 889)	(18 218)	(7 906)	(6 748)
Gross profit	2 410	3 130	1 141	1 180
Selling expenses	(1 765)	(2 019)	(472)	(706)
General and administrative expenses	(1 953)	(3 045)	(359)	(1 214)
Other operating income	146	93	47	30
Other operating expenses	(83)	(11)	(60)	(5)
Operating profit (losses)	(1 245)	(1 852)	297	(715)
Finance income	240	255	127	11
Finance costs	(664)	(242)	(390)	(37)
Profit (losses) before tax	(1 669)	(1 839)	34	(741)
Income tax	21	64	7	50
Net profit (losses)	(1 648)	(1 775)	41	(691)
Net profit (losses) attributable to:				
Equity holders of the Company	(1 639)	(1 705)	13	(662)
Non-controlling interest	(9)	(70)	28	(29)
	(1 648)	(1 775)	41	(691)

Company	January-September		July- September	
	2022	2021	2022	2021
Sales	24 268	19 862	8 528	7 384
Cost of sales	(22 386)	(17 026)	(7 486)	(6 317)
Gross profit	1 882	2 836	1 042	1 067
Selling expenses	(1 572)	(1 876)	(459)	(627)
General and administrative expenses	(1 261)	(2 350)	(198)	(934)
Other operating income	55	83	22	21
Other operating expenses	(78)	(9)	(60)	(4)
Operating profit (losses)	(974)	(1 316)	347	(477)
Interest received	55	47	16	17
Finance income	150	52	109	17
Finance costs	(368)	(131)	(193)	(46)
Profit (losses) before tax	(1 137)	(1 348)	279	(489)
Income tax	8	8	3	3
Net profit (losses)	(1 129)	(1 340)	282	(486)

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Legal reserve	Revaluation surplus	Reserve for acquisition of own shares	Foreign currency translation reserve	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Balance as of 30 September 2021	2 756	574	3 977	1 090	1 084	(909)	8 572	184	8 756
Net profit (loss) for the year	-	-	-	-	-	(1 261)	(1 261)	(75)	(1 336)
Other comprehensive income	-	-	-	-	(31)	(3)	(34)	-	(34)
Total comprehensive income (loss)	-	-	-	-	(31)	(1 264)	(1 295)	(75)	(1 370)
Transfer of revolution surplus to retained earnings	-	-	(31)	-	-	31	-	-	-
Balance as of 31 December 2021	2 756	574	3 946	1 090	1 053	(2 142)	7 277	109	7 386
Net profit (loss) for the year	-	-	-	-	-	(1 639)	(1 639)	(9)	(1 647)
Other comprehensive income	-	-	-	-	(64)	(15)	(79)	1	(79)
Total comprehensive income (loss)	-	-	-	-	(64)	(1 654)	(1 718)	(8)	(1 726)
Transfer of revolution surplus to retained earnings	-	-	(105)	-	-	105	-	-	-
Other movements	-	-	-	-	-	(94)	(94)	94	-
Balance as of 30 September 2022	2 756	574	3 841	1 090	989	(3 785)	5 465	195	5 660

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 30 September 2021	2 756	574	1 000	2 144	2 076	8 550
Net profit (loss) for the year	-	-	-	-	(1 607)	(1 607)
Other comprehensive income	-	-	-	-	(4)	(4)
Total comprehensive income (loss)	-	-	-	-	(1 611)	(1 611)
Transfer of revolution surplus to retained earnings	-	-	-	(15)	15	-
Balance as of 31 December 2021	2 756	574	1 000	2 129	480	6 939
Net profit (loss) for the year	-	-	-	-	(1 129)	(1 129)
Other comprehensive income	-	-	-	-	15	15
Total comprehensive income (loss)	-	-	-	-	(1 114)	(1 114)
Transfer of revolution surplus to retained earnings	-	-	-	(43)	43	-
Balance as of 30 September 2022	2 756	574	1 000	2 086	(591)	5 825

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 September 2022	2021	30 September 2022	2021
Cash flows from operating activities				
Profit (loss) for the period	(1 647)	(1 775)	(1 129)	(1 340)
Adjustments for non-cash items:				
Depreciation and amortization	792	729	567	533
(Gain) on disposal of property, plant and equipment and investment property	59	(7)	59	(9)
Impairment and write-off of inventories and in trade receivables	(177)	394	(177)	394
Interest expense, net of interest income	146	44	172	33
Income tax (income) expense	(21)	(63)	(8)	(8)
Changes in working capital:				
(Increase) decrease in inventories	1 775	(2 174)	1 783	(1 947)
(Increase) decrease in trade receivables	(418)	(248)	(348)	(220)
Decrease (increase) in receivables from subsidiaries	-	-	105	42
(Increase) decrease in other receivables and other current assets	114	(51)	86	46
(Increase) decrease in trade and other accounts payable	(236)	1 309	(328)	1 313
Increase (decrease) in taxes payable and other current liabilities	(501)	(1 629)	(701)	(1 721)
Income tax (paid)	(72)	(84)	(69)	(72)
Net cash generated from operating activities	(186)	(3 555)	12	(2 956)
Cash flows from investing activities				
Acquisition of property, plant, and equipment	(60)	(475)	(57)	(466)
Proceeds from sale of property, plant, and equipment	16	7	16	9
Interest received	-	-	55	47
Investments in subsidiaries (acquisition)	-	-	(10)	(40)
Net cash flows generated from (to) investing activities	(44)	(468)	4	(450)
Cash flows from financing activities				
Proceeds from borrowings	1 800	1 482	1 800	1 482
Repayment of borrowings and financial lease payments	(1 354)	(437)	(1 354)	(437)
Loans granted to a subsidiary	-	-	(130)	(525)
Interest paid	(146)	(44)	(226)	(80)
Lease payments	(213)	(135)	(143)	(102)
Net cash flows from financing activities	87	866	(53)	338
Net increase in cash and cash equivalents	(143)	(3 157)	(37)	(3 068)
Cash and cash equivalents at the beginning of the period	625	3 792	72	3 167
Cash and cash equivalents at the end of the period	482	635	35	99

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is engaged in production of knit wear and textile articles.

The shares of Utenos Trikotažas AB are listed on the additional List of the NASDAQ OMX Vilnius Stock Exchange.

As of 30 September 2022, and 31 December 2021 the shareholders of the Company were as follows:

	As of 30 September 2022,		As of 31 December 2021,	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
SBA Grupė UAB	8 771	92,31	8 771	92,31
Other shareholders	732	7,69	732	7,69
	9 503	100,00	9 503	100,00

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 30 September 2022, and 31 December 2021 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

The consolidated group (hereinafter “the Group”) consists of the Company and the following subsidiaries:

		Group's share (%)		
	Registered address	30 September 2022	31 December 2021	Profile
Šatrija AB	Šatrijos str. 3, Raseiniai	89.78	89.78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	100.00	100.00	Retail trade
PAT MTF Mrija	Matrosovo Str. 13, Mukachev, Ukraine	98.95	98.95	Production of knitted articles
UAB Aboutwear	Laisvės pr. 3, Vilnius	100.00	80.00	Wholesale and retail trade

2. Form and contents of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

3. Change in the accounting method of the Companies' and the Group's Non-current assets Buildings group

In order to achieve a more accurate accounting of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

4. Consolidation

The consolidated financial statements of the Group include Utenos trikotažas AB and its subsidiaries as well as associated companies. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

5. Financial risk factors

Due to the geo-political situation in Ukraine and significant drop in the value of UAH against EUR, the Management of the Group and the Company re-designated loan granted, related interests and other long-term receivables as a part of net investment in Mrija PAT MTF. Accordingly gains (losses) arising from foreign exchange related to the monetary items considered to be part of net investment into foreign operation is accounted in Group's consolidated financial statements through other comprehensive income (loss).

The assigned net investment value is LTL 1.385 million. EUR and from this amount during 2022. The 9-month negative currency exchange difference of EUR 64 thousand is accounted for in the Group's financial statements as other comprehensive income.

Other comprehensive income (loss) from foreign currency translation included in the consolidated statements of changes in equity in other comprehensive income attributable to the equity holders of the Company:

Foreign currency exchange difference on monetary items attributed to net investments, EUR	(216 475)
Foreign currency translation reserve on other items, EUR	280 394
Other comprehensive income EUR, net	(63 919)

6. Segment information

The Group has two main business segments: production of knitted articles and production of functional-technical garments

In assessing operational performance of segments, the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization), profit (loss) ratios, therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments. Inter-segment transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the 9 months of 2022 and for the 9 months of 2021

of 30 September 2022	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	24 391	1 908	-	26 299
Internal sales	723	-	(723)	-
Total revenue	25 114	1 908	(723)	26 299
Gross profit	2 123	287	-	2 410
EBITDA	(471)	18	-	(453)
Profis (loss)	(1 604)	(44)	-	(1 648)

of 30 September 2021	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	19 721	1 627	-	21 348
Internal sales	777	-	(777)	-
Total revenue	20 498	1 627	(777)	21 348
Gross profit	3 018	112	-	3 130
EBITDA	(974)	(149)	-	(1 123)
Profit (loss)	(1 549)	(226)	-	(1 775)

7. Non-current intangible assets

Amortization expenses of intangible assets are included within general and administrative expenses in profit and loss statement.

8. Non-current tangible assets

Depreciation of non-current tangible property amounted to EUR 792 thousand as of 30 September 2022, EUR 394 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

As of 30 September 2022, and 31 December 2021 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. non-current financial assets

A subsidiary UAB Aboutwear was established on 07 May 2021. The main shareholder AB Utenos Trikotažas owns 400 or 80% of all shares in the company.

On 27 June 2021, Utenos trikotažas AB purchased 20 percent of the registered shares of Aboutwear UAB from G.Vilke. In 30 September 2022 AB Utenos trikotažas owns 100 percent of the shares of Aboutwear UAB.

10. Inventories

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Raw materials	3 325	3 310	2 978	2 971
Work in progress	1 978	2 418	1 975	2 411
Finished goods	1 697	2 985	1 638	2 930
Goods for resale	17	94	13	89
	<u>7 017</u>	<u>8 807</u>	<u>6 604</u>	<u>8 401</u>
Write-down to net realisable value:				
Opening balance	(1 893)	(1 418)	(1 570)	(1 095)
Change	<u>192</u>	<u>(475)</u>	<u>191</u>	<u>(475)</u>
Closing balance	<u>(1 701)</u>	<u>(1 893)</u>	<u>(1 379)</u>	<u>(1 570)</u>
	<u>5 316</u>	<u>6 914</u>	<u>5 225</u>	<u>6 831</u>

11. Trade receivables

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Trade receivables, gross	1 499	1 267	1 285	1 124
Allowance for trade receivables:				
Opening balance	(85)	(107)	(59)	(81)
Additional allowance	-	-	-	-
Written-of	<u>7</u>	<u>22</u>	<u>7</u>	<u>22</u>
Closing balance	<u>(78)</u>	<u>(85)</u>	<u>(52)</u>	<u>(59)</u>
	<u>1 421</u>	<u>1 182</u>	<u>1 233</u>	<u>1 065</u>

Changes in impairment allowance for doubtful trade receivables as of 30 September 2022 and 31 December 2021 were recorded within the Group 's and Company's general and administrative expenses.

12. Cash and cash equivalents

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Cash at bank and on hand	481	625	35	72
	<u>481</u>	<u>625</u>	<u>35</u>	<u>72</u>

13. Other reserves and retained earnings (deficit)

Revaluation surplus

Revaluation surplus reflects the result of the revaluation (net of deferred tax) of the property, plant, and equipment.

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5 % of net profit of the Company calculated according to the Lithuanian Company's law, are compulsory until the reserve reaches 10 % of the share capital. Legal reserve is fully formed by the Company. The legal reserve cannot be distributed as dividends but can be used to cover cumulated losses.

Foreign currency translation reserve

The foreign currency translation reserve represents translation differences arising on consolidation of financial statements of foreign subsidiaries.

Reserve for acquisition of own shares

2019 m. April according to the decision of shareholders of AB Utenos trikotažas a reserve of 1 000 thousand EUR was formed for acquisition of own shares.

Accumulated retained earnings (losses)

Pursuant to the provisions of the Law on Limited Liability Companies of the Republic of Lithuania, if the total of retained earnings at the beginning of the financial year and net profit (loss) for the year is negative, the General Shareholders' Meeting must make a decision to cover these losses. Transfers to distributable results should be made in the following sequence:

transfer from reserves not used in the reporting financial year.
 transfer from the compulsory legal reserve.
 transfer from the share premium.

At the date of these financial statements the Company was not informed about any actions of the shareholders of the Co. regarding retained deficit.

The balances of other reserves as of 30 September 2022 and 31 December 2021 were as follows:

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Revaluation surplus	3 841	3 946	2 086	2 129
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	989	1 053	-	-
Accumulated retained earnings/ (losses)	(3 785)	(2 142)	(591)	480
	2 709	4 521	3 069	4 183

14. Borrowings

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Current				
Current portion of non-current bank borrowings	637	637	637	637
Other current liabilities	924	1 801	924	1 801
Borrowings from parent company	532	532	532	532
Non-current				
Borrowings from subsidiaries	-	-	600	600
Long-term bank borrowings	4 321	2 999	4 321	2 999
Total borrowings	6 414	5 969	7 014	6 569

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Šatrija AB, amounting EUR 600 thousand with maturity as at 31 December 2027 and variable interest rate 12 month Euribor + 2.2 %.

On 18 December 2020, the Company entered into the loan agreement with SBA Group UAB for EUR 532 thousand. The annual interest rate on the loan is 6-month EURIBOR+2.2%. The loan matures on 31 December 2027

On 27 December 2021, bond subscription agreement and a loan agreement were concluded with manages the Business Assistance Fund, which provide that the Fund signs and acquires whereas the Company issues ordinary registered bonds of nominal value of up to EUR 2,300 thousand, and the Fund grants the Company a loan of up to EUR 500 thousand. The redemption date of the bonds and the repayment deadline of the loan – 15 December 2027. The liabilities are subject to an annual interest rate which is calculated at intervals of 12 (twelve) months - 7%. For each other 12 (twelve) months the interest rate is increased by 0.1 (one tenth) percentage point annually. Under the agreements, liabilities are guaranteed by pledges of current and non-current assets and by sureties of the subsidiaries Šatrija AB and Aboutwear UAB. As of 30 September 2022, the balance of issued and paid bonds amounted to EUR 2,300 thousand, the balance of the loan granted was EUR 500 thousand

As at 30 September 2022 and at 31 December 2021 the bank borrowings were secured by property plant and equipment.

The interest rate for the borrowings is based on variable interest rate, therefore, in the opinion of management, the carrying number of borrowings approximates their fair value.

15. Accrued expenses and other current liabilities

	Group		Company	
	2022.09.30	2021.12.31	2022.09.30	2021.12.31
Accrual for vacation reserve	983	1 360	728	1 061
Wages, salaries and social security	774	792	614	635
Amounts payable for services and non-current assets	506	494	503	496
Taxes payable, except for income tax	270	466	222	414
Provisions for accrued bonuses	92	72	38	72
Provisions for employee benefits	88	93	71	76
Other liabilities	232	298	20	97
	2 946	3 575	2 196	2 851

16. Revenue

Group	January-September		July -September	
	2022	2021	2022	2021
Revenue from sales of goods and services	24 982	20 251	8 588	7 597
Revenue from sales of materials	1 317	1 097	459	331
	26 299	21 348	9 046	7 928

Company	January-September		July -September	
	2022	2021	2022	2021
Revenue from sales of goods and services	22 989	18 829	8 072	7 073
Revenue from sales of materials	1 279	1 033	456	311
	24 268	19 862	8 528	7 384

17. Cost of sales**Group**

	January-September		July -September	
	2022	2021	2022	2021
Materials	8 749	7 272	2 769	2 816
Wages and salaries and social security	8 490	7 149	2 714	2 574
Depreciation and amortisation	5 240	2 680	1 872	1 019
Other overhead expenses	394	492	135	179
Cost of materials sold	1 015	625	416	160
	23 889	18 218	7 906	6 748

Company

	January-September		July -September	
	2022	2021	2022	2021
Materials	8 723	7 280	2 779	2 736
Wages and salaries and social security	6 730	5 564	2 211	2 077
Depreciation and amortisation	5 704	3 266	1 992	1 247
Other overhead expenses	271	335	91	109
Cost of materials sold	958	581	413	148
	22 386	17 026	7 486	6 317

18. Selling general and administrative expenses**Group**

	January-September		July -September	
	2022	2021	2022	2021
Selling expenses				
Wages and salaries and social security	682	764	185	242
Advertising and marketing costs	235	528	54	203
Other selling expenses	848	727	233	261
	1 765	2 019	472	706
General and administrative expenses				
Wages and salaries and social security	682	1 192	30	385
Communications and consulting services	407	484	109	167
Taxes other than income tax	93	102	33	37
Depreciation and amortization	190	131	58	44
Security	114	103	38	35
Vehicles exploitation expenses	59	44	13	19
Services of financial institutions	59	62	19	18
Premises exploitation expenses	39	31	14	11
Representation expenses	19	20	6	7
Allowance (reversal) and write-off of trade receivables and inventories	(282)	394	(319)	316
Other	573	482	358	175
	1 953	3 045	359	1 214
	3 718	5 064	831	1 920

Interim Consolidated Information for the 9 months of 2022 (All amounts are in EUR thousand, unless otherwise stated)

Company	January-September		July -September	
	2022	2021	2022	2021
Selling expenses				
Wages and salaries and social security	590	696	172	205
Advertising and marketing costs	170	460	53	164
Other selling expenses	812	720	234	258
	1 572	1 876	459	627
General and administrative expenses				
Wages and salaries and social security	630	886	190	267
Communications and consulting services	293	319	94	101
Taxes other than income tax	78	98	27	34
Depreciation and amortization	110	91	36	30
Security	58	52	19	17
Vehicles exploitation expenses	43	31	16	13
Services of financial institutions	52	57	18	15
Premises exploitation expenses	37	28	14	9
Representation expenses	19	20	6	7
Allowance (reversal) and write-off of trade receivables and inventories	(282)	394	(318)	316
Other	223	374	(96)	125
	1 261	2 350	198	934
	2 833	4 226	657	1 561

19. Other income and expenses

Group	January-September		July -September	
	2022	2021	2022	2021
Gain from disposal of non-current assets	7	8	7	8
Rent income	18	18	4	6
Other income	121	67	36	16
Other income	146	93	47	30
Loss from disposal of non-current assets	(66)	(1)	(55)	(1)
Rent costs	(15)	(6)	(5)	-
Other expenses	(2)	(4)	-	(4)
Other expenses	(83)	(11)	(60)	(5)

Company	January-September		July -September	
	2022	2021	2022	2021
Gain from disposal of non-current assets	7	10	7	10
Rent income	19	16	4	6
Other income	29	57	11	5
Other income	55	83	22	21
Loss from disposal of non-current assets	(66)	(1)	(55)	(1)
Rent costs	(12)	(8)	(5)	(3)
Other expenses	-	-	-	-
Other expenses	(78)	(9)	(60)	(4)

20. Finance costs, net

Group	January-September		July -September	
	2022	2021	2022	2021
Foreign exchange gain (loss)	(188)	87	(170)	2
Interest expenses	(229)	(74)	(82)	(28)
Other	(7)	-	(11)	-
	(424)	13	(263)	(26)

Company	January-September		July -September	
	2022	2021	2022	2021
Foreign exchange gain (loss)	14	1	8	-
Interest expenses	(226)	(80)	(82)	(30)
Interest income	55	47	16	18
Other	(6)	-	(10)	-
	(163)	(32)	(68)	(12)

21. Basic/dilutive earnings per share

Profit (loss) per share reflect the Group's net profit/(loss), divided by the outstanding number of shares. Calculation of the profit/(loss) per share is presented below:

Group

	January-September		July -September	
	2022	2021	2022	2021
Profit/ (loss) attributable to the equity holders of the Group	(1 639)	(1 705)	13	(662)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	(0,172)	(0,179)	(0,001)	(0,070)

22. Subsequent sheet events

There were no material subsequent sheet events, that could make a significant impact for the financial statement of the Group and the Company.