



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 9 months period ended 30 September 2021
(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

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES

In the 9 months of 2021, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 21.3 million, which is by 2.2 per-cent more than in the previous year when the Group's sales accounted for EUR 20.9 million. The Group exported 82.3 per-cent of products.

During the 9 months of 2021, the company Utenos trikotažas sold products and provided services for EUR 19.9 million. The sales volume, compared with the 9 months of 2020, increased by EUR 1.5 million, or 8.4 per-cent. The company's export sales reached 81.3 per-cent.

The sales of the largest segment – on-demand knitwear – increased by 15.1 per-cent and reached EUR 16.4 million, private brands UTENOS and ABOUT dropped by 19.9 per-cent and reached EUR 3.3 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija dropped by 34.7 per-cent.,

Sales of own brands were significantly affected by the quarantine restrictions on store operations in Lithuania due to the COVID-19 epidemic.

During the 9 months of 2021, the Group incurred EUR 1.839 thousand loss before tax, when 2020 in the 9 months was 446 thousand Eur loss before tax. During the same period, the company Utenos trikotažas suffered 1.348 thousand EUR loss before tax, while loss before tax amounted to EUR 257 thousand a year ago.

The Group's EBITDA is negative at 1.123 thousand EUR, which is 1.867 thousand EUR less than in the same period in 2020. The Company's EBITDA is negative at -783 thousand EUR, that is 1.114 thousand EUR less than the same period in 2020, when the company's EBITDA accounted for EUR 331 thousand.EUR

The group's results for the 9 months were negatively impacted by the reduced production capacity due to the COVID-19 epidemic and the additional costs incurred to compensate for them.

Key performance indicators of the Group

Trade

Revenue (EUR '000)	Group			Company		
	2021 9 M	2020 9 M	Change %	2021 9 M	2020 9 M	Change %
Products manufactured on demand of business clients	16 406	14 255	15,1	16 600	14 255	16,5
Own brands (ABOUT, UTENOS)	3 315	4 139	(19,9)	3 262	4 061	(19,7)
Services of functional-technical garments manufacture	1 627	2 493	(34,7)	-	-	-
	21 348	20 887	2,2	19 862	18 316	8,4

Revenue (EUR '000)	Group			Company		
	2021 III Q	2020 III Q	Change %	2021 III Q	2020 III Q	Change %
Products manufactured on demand of business clients	6 161	4 637	32,9	6 258	4 638	34,9
Own brands (ABOUT, UTENOS)	1 176	1 235	(4,8)	1 126	1 197	(5,9)
Services of functional-technical garments manufacture	591	764	(22,6)	-	-	-
	7 928	6 636	19,5	7 384	5 835	26,6

Sales by regions

Revenue (EUR '000)	Group			Company		
	2021 9 M	2020 9 M	Change %	2021 9 M	2020 9 M	Change %
Export	17 575	15 552	13,0	16 142	13 719	17,7
<i>DACH (Germany, Austria, Switzerland)</i>	12 213	11 582	5,4	11 340	10 214	11,0
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	3 185	1 860	71,2	2 984	1 860	60,4
<i>Other regions</i>	2 177	2 110	3,2	1 818	1 645	10,5
Domestic	3 773	5 335	(29,3)	3 720	4 597	(19,1)
	21 348	20 887	2,2	19 862	18 316	8,4

Interim Consolidated Information for the 9 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

Revenue (EUR '000)	Group			Company		
	2021 III Q	2020 III Q	Change %	2021 III Q	2020 III Q	Change %
Export	6 648	5 175	28,5	6 041	4 378	38,0
<i>DACH (Germany, Austria, Switzerland)</i>	4 166	3 949	5,5	3 931	3 267	20,3
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1 310	486	169,6	1 190	486	145,0
<i>Other regions</i>	1 172	740	58,4	920	625	47,2
Domestic	1 280	1 461	(12,4)	1 343	1 457	(7,8)
	7 928	6 636	194,7	7 384	5 835	26,5

Operating figures

	Group			Company		
	2021 9 M	2020 9 M	Change %	2021 9 M	2020 9 M	Change %
Manufactured, items units	1 895	2 418	(22)	1 828	2 272	(20)
Average number of employees	994	954	4	709	657	8

Financial ratios

	Group			Company		
	2021 9 M	2020 9 M	Change	2021 9 M	2020 9 M	Change
Revenue (EUR'000)	21 348	20 887	2,2%	19 862	18 316	8,4%
Operating profit (loss) (EUR'000)	(1 852)	(53)	----	(1 316)	(254)	----
Operating profit (loss) margin (%)	(8,7)	(0,3)	(8,4)	(6,6)	(1,4)	(5,2)
EBITDA (EUR'000)	(1 123)	744	----	(783)	331	----
EBITDA margin (%)	(5,3)	3,6	(8,8)	(3,9)	1,8	(5,8)
Profit (loss) before tax (EUR'000)	(1 839)	(446)	----	(1 348)	(257)	----
Profit (loss) before tax, margin (%)	(8,6)	(2,1)	(6,5)	(6,8)	(1,4)	(5,4)
Net profit (loss) for the year (EUR'000)	(1 775)	(458)	----	(1 340)	(280)	----
Net profit (loss) for the year margin (%)	(8,3)	(2,2)	(6,1)	(6,8)	(1,4)	(5,4)
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

	Group			Company		
	2021 III Q	2020 III Q	Change	2021 III Q	2020 III Q	Change
Revenue (EUR'000)	7 928	6 636	19,5%	7 384	5 835	26,5%
Operating profit (loss) (EUR'000)	(715)	987	----	(477)	842	----
Operating profit (loss) margin (%)	(9,0)	14,9	(23,9)	(6,5)	14,4	(20,9)
EBITDA (EUR'000)	(466)	1 253	----	(295)	1 040	----
EBITDA margin (%)	(5,9)	18,9	(24,8)	(4)	17,8	(21,8)
Profit (loss) before tax (EUR'000)	(741)	839	-----	(489)	817	----
Profit (loss) before tax, margin (%)	(9,3)	12,6	(22,0)	(6,6)	14,0	(20,6)
Net profit (loss) for the year (EUR'000)	(691)	846	----	(486)	819	----
Net profit (loss) for the year margin (%)	(8,7)	12,7	(21,5)	(6,6)	14,0	(20,6)
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

Relative ratios

	Group			Company		
	2021 9 M	2020 9 M	Change p.p	2021 9 M	2020 9 M	Change p.p.
Return on capital employed (%)	(64,4)	(12,1)	(52,3)	(48,6)	(1,0)	(47,6)
Return on assets (%)	(8,0)	(1,5)	(6,5)	(6,3)	(0,5)	(5,8)
Return on shareholders' equity (%)	(20,3)	(3,2)	(17,1)	(15,7)	1,0	(16,7)
Debt ratio (%)	60,7	53,7	6,7	59,6	52,9	6,7
Debt-to-equity ratio (%)	154,5	116,1	38,4	147,3	112,2	35,1
Liquidity ratio (%)	114,3	143,7	(29,4)	111,8	144,5	(32,7)
Equity to assets ratio (%)	39,3	46,3	(7,0)	40,4	47,1	(6,7)

Ratios related with the share price

	2021 9 M	2020 9 M	Changes
P/E	(4,76)	(26,99)	22,23
EPS	(0,18)	(0,04)	(0,14)
EV/EBITDA	(10,29)	7,73	(18,02)

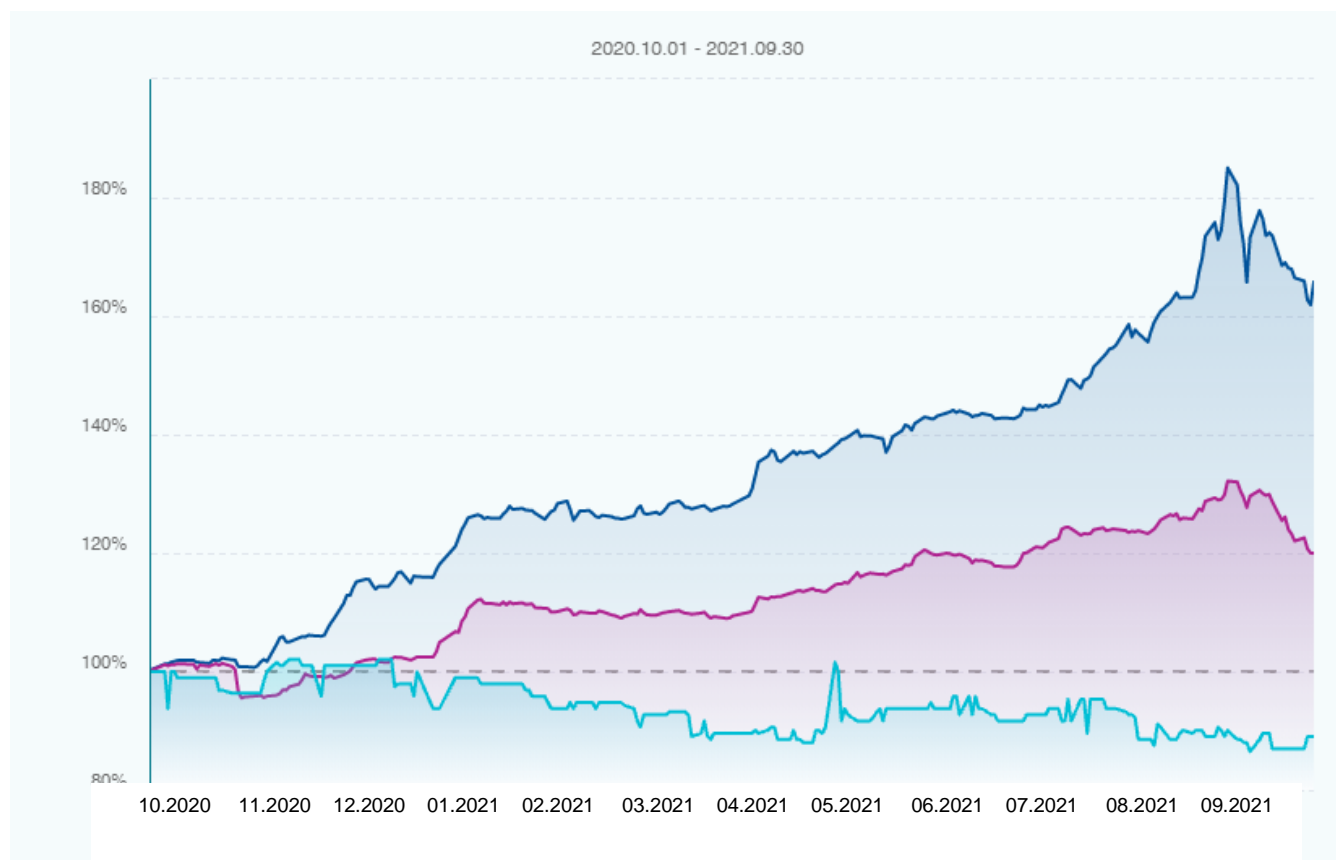
Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, during 12 months period from 1 October 2020 to 30 September 2021.



Price ratios

	2021 9 M	2020 9 M
Open price, EUR	0,920	0,940
High price, EUR	0,975	1,040
Low price, EUR	0,800	0,800
Last price, EUR	0,855	0,950
Traded volume	94 086	52 676
Turnover, million EUR	0,080	0,050
Capitalisation, million EUR	8,030	9,030

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 October 2020 to 30 September 2021


Index/ Equity	2021.09.30	2020.09.30	2021.09.30 /2020.09.30 Change, %
—OMX Baltic Benchmark GI	1 550,75	935,42	65,78
—OMX Vilnius	933,72	778,37	19,96
—UTR1L	0,85 EUR	0,96 EUR	(10,94)

Statement of financial position

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
ASSETS				
Non-current assets				
Intangible assets	494	517	97	115
Property, plant and equipment	9 517	9 448	6 431	6 463
Right-of-use assets	652	629	328	304
Investment property	189	125	189	125
Investments into subsidiaries	-	-	1 530	1 490
Receivables from subsidiaries	-	-	1 613	1 039
Prepayments to subsidiaries	-	-	769	883
Deferred income tax asset	120	77	-	-
	10 972	10 796	10 957	10 419
Current assets				
Inventories	7 208	5 428	6 936	5 384
Trade receivables	1 338	1 433	1 128	1 255
Contract assets	1 725	1 382	1 725	1 356
Other current assets	405	397	304	351
Cash and cash equivalents	634	3 792	99	3 167
	11 310	12 432	10 192	11 513
Total assets	22 282	23 228	21 149	21 932

Statement of financial position (cont ')

EQUITY AND LIABILITIES	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Share capital	2 756	2 756	2 756	2 756
Legal reserve	574	574	574	574
Revaluation surplus	3 977	4 085	2 144	2 187
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 084	922	-	-
Accumulated retained earnings/ (losses)	(909)	739	2 076	3 424
	8 572	10 166	8 550	9 941
Non-controlling interest	184	244	-	-
Total equity	8 756	10 410	8 550	9 941
LIABILITIES				
Non-current liabilities				
Borrowings	1 889	2 314	1 889	2 314
Non-current lease liabilities	805	527	506	227
Borrowings from subsidiaries	-	-	600	600
Deferred income tax liabilities	593	614	226	233
	340	275	258	193
	3 627	3 730	3 479	3 567
Current liabilities				
Current portion of non-current borrowings	567	567	567	567
Short – term financial liabilities	1 131	-	1 131	-
Borrowings from parent company	532	532	532	532
Current lease liabilities	213	128	180	96
Trade payables	3 343	2 180	3 279	2 106
Payables to other related parties and subsidiaries	68	97	122	157
Contract liabilities	518	372	506	366
Income tax payable	-	73	-	73
Accrued expenses and other current liabilities	3 527	5 139	2 803	4 527
	9 899	9 088	9 120	8 424
Total liabilities	13 526	12 818	12 599	11 991
Total equity and liabilities	22 282	23 228	21 149	21 932

Statement of comprehensive income

Group	January-September		July - September	
	2021	2020	2021	2020
Sales	21 348	20 887	7 928	6 636
Cost of sales	(18 218)	(16 311)	(6 748)	(4 526)
Gross profit	3 130	4 576	1 180	2 110
Selling expenses	(2 019)	(1 482)	(706)	(418)
General and administrative expenses	(3 045)	(3 242)	(1 214)	(740)
Other operating income	93	107	30	36
Other operating expenses	(11)	(12)	(5)	(1)
Operating profit (losses)	(1 852)	(53)	(715)	987
Finance income	255	103	11	8
Finance costs	(242)	(496)	(37)	(156)
Profit (losses) before tax	(1 839)	(446)	(741)	839
Income tax	64	(12)	50	7
Net profit (losses)	(1 775)	(458)	(691)	846
Net profit (losses) attributable to:				
Equity holders of the Company	(1 705)	(485)	(662)	830
Non-controlling interest	(70)	27	(29)	16
	(1 775)	(458)	(692)	846

Company	January-September		July- September	
	2021	2020	2021	2020
Sales	19 862	18 316	7 384	5 835
Cost of sales	(17 026)	(14 434)	(6 317)	(4 030)
Gross profit	2 836	3 882	1 067	1 805
Selling expenses	(1 876)	(1 429)	(627)	(407)
General and administrative expenses	(2 350)	(2 726)	(934)	(561)
Other operating income	83	29	21	6
Other operating expenses	(9)	(10)	(4)	(1)
Operating profit (losses)	(1 316)	(254)	(477)	842
Interest received	47	45	17	15
Finance income	52	77	17	20
Finance costs	(131)	(125)	(46)	(60)
Profit (losses) before tax	(1 348)	(257)	(489)	817
Income tax	8	(23)	3	2
Net profit (losses)	(1 340)	(280)	(486)	819

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 2020	2 756	574	4 124	1 090	935	627	10 106	230	10 336
Net profit (loss) for the year	-	-	-	-	-	62	62	4	66
Other comprehensive income	-	-	-	-	(13)	11	(2)	10	8
Total comprehensive income (loss)	-	-	-	-	(13)	73	60	14	74
Transfer of revaluation surplus to retained earnings	-	-	(39)	-	-	39	-	-	-
Balance as of 31 December 2020	2 756	574	4 085	1 090	922	739	10 166	244	10 410
Net profit (loss) for the year	-	-	-	-	-	(1 705)	(1 705)	(70)	(1 775)
Other comprehensive income	-	-	-	-	162	(51)	111	10	121
Total comprehensive income (loss)	-	-	-	-	162	(1 756)	(1 594)	(60)	(1 654)
Transfer of revaluation surplus to retained earnings	-	-	(108)	-	-	108	-	-	-
Balance as of 30 September 2021	2 756	574	3 977	1 090	1 084	(909)	8 572	184	8 756

Company

	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 30 September 2020	2 756	574	1 000	2 202	3 343	9 875
Net profit (loss) for the year	-	-	-	-	7	7
Other comprehensive income	-	-	-	-	59	59
Total comprehensive income (loss)	-	-	-	-	66	66
Transfer of revaluation surplus to retained earnings	-	-	-	(15)	15	-
Balance as of 31 December 2020	2 756	574	1 000	2 187	3 424	9 941
Net profit (loss) for the year	-	-	-	-	(1 340)	(1 340)
Other comprehensive income	-	-	-	-	(51)	(51)
Total comprehensive income (loss)	-	-	-	-	(1 391)	(1 391)
Transfer of revaluation surplus to retained earnings	-	-	-	(43)	43	-
Balance as of 30 September 2021	2 756	574	1 000	2 144	2 076	8 550

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 September 2021	2020	30 September 2021	2020
Cash flows from operating activities				
Profit (loss) for the period	(1 775)	(458)	(1 340)	(280)
Adjustments for non-cash items:				
Depreciation and amortization	729	798	533	585
(Gain) on disposal of property, plant and equipment and investment property	(7)	(7)	(9)	-
Impairment and write-off of inventories and in trade receivables	394	1 112	394	1 116
Interest expense, net of interest income	44	64	33	25
Income tax (income) expense	(63)	12	(8)	23
Changes in working capital:				
(Increase) decrease in inventories	(2 174)	1 055	(1 947)	1 034
(Increase) decrease in trade receivables	(248)	(131)	(220)	142
Decrease (increase) in receivables from subsidiaries	-	-	42	(89)
(Increase) decrease in other receivables and other current assets	(51)	(549)	46	(560)
(Increase) decrease in trade and other accounts payable	1 309	(348)	1 313	(442)
Increase (decrease) in taxes payable and other current liabilities	(1 629)	1 146	(1 721)	1 114
Income tax (paid)	(84)	(15)	(72)	(11)
Net cash generated from operating activities	(3 555)	2 679	(2 956)	2 657
Cash flows from investing activities				
Acquisition of property, plant and equipment	(475)	(342)	(466)	(303)
Proceeds from sale of property, plant and equipment	7	13	9	6
Interest received	-	-	47	45
Investments in subsidiaries (acquisition)	-	-	(40)	(16)
Dividends	-	-	-	32
Net cash flows generated from (to) investing activities	(468)	(329)	(450)	(236)
Cash flows from financing activities				
Proceeds from borrowings	1 482	-	1 482	-
Repayment of borrowings and financial lease payments	(437)	(142)	(437)	(292)
Loans granted to a subsidiary	-	-	(525)	-
Interest paid	(44)	(64)	(80)	(70)
Lease payments	(135)	(126)	(102)	(94)
Net cash flows from financing activities	866	(332)	338	(456)
Net increase in cash and cash equivalents	(3 157)	2 018	(3 068)	1 965
Cash and cash equivalents at the beginning of the period	3 792	895	3 167	652
Cash and cash equivalents at the end of the period	635	2 913	99	2 617

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 2021 and 31 December 2020 the shareholders of the Company were as follows:

	As of 30 September 2021		As of 31 December 2020	
	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 2021 and 31 December 2020 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:

	Registered address	Group's share (%)		Profile
		30 September 2021	31 December 2020	
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	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 2021. The 9-month negative currency exchange difference of EUR 202 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	(202 169)
Foreign currency translation reserve on other items, EUR	364 203
Other comprehensive income EUR, net	162 034

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 2021 and for the 9 months of 2020

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)
of 30 September 2020	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	18 394	2 493	-	20 887
Internal sales	813	-	(813)	-
Total revenue	19 207	2 493	(813)	20 887
Gross profit	4 372	204	-	4 576
EBITDA	371	373	-	744
Profit (loss)	(737)	279	-	(458)

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 729 thousand as of 30 September 2021, EUR 492 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 2021 and 31 December 2020 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.

10. Inventories

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Raw materials	3 536	3 017	3 191	2 684
Work in progress	2 699	1 485	2 697	1 481
Finished goods	2 750	2 340	2 507	2 314
Goods for resale	24	4	19	-
	<u>9 009</u>	<u>6 846</u>	<u>8 414</u>	<u>6 479</u>
Write-down to net realisable value:				
Opening balance	(1 418)	(890)	(1 095)	(567)
Change	(383)	(528)	(383)	(528)
Closing balance	<u>(1 801)</u>	<u>(1 418)</u>	<u>(1 478)</u>	<u>(1 095)</u>
	<u>7 208</u>	<u>5 428</u>	<u>6 936</u>	<u>5 384</u>

11. Trade receivables

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Trade receivables, gross	1 445	1 540	1 209	1 336
Allowance for trade receivables:				
Opening balance	(107)	(274)	(81)	(248)
Additional allowance	-	(81)	-	(81)
Written-of	-	248	-	248
Closing balance	<u>(107)</u>	<u>(107)</u>	<u>(81)</u>	<u>(81)</u>
	<u>1 338</u>	<u>1 433</u>	<u>1 128</u>	<u>1 255</u>

Changes in impairment allowance for doubtful trade receivables as of 30 Rugsėjo 2021 and 31 December 2020 were recorded within the Group's and Company's general and administrative expenses.

12. Cash and cash equivalents

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Cash at bank and on hand	634	3 792	99	3 167
	<u>634</u>	<u>3 792</u>	<u>99</u>	<u>3 167</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 has to 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 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Revaluation surplus	3 977	4 085	2 144	2 187
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 084	922	-	-
Accumulated retained earnings/ (losses)	(909)	739	2 076	3 424
	5 816	7 410	5 794	7 185

14. Borrowings

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Current				
Current portion of non-current bank borrowings	567	567	567	567
Other current liabilities	1 131	-	1 131	-
Borrowings from parent company	532	532	532	532
Non-current				
Borrowings from subsidiaries	-	-	600	600
Long-term bank borrowings	1 889	2 314	1 889	2 314
Total borrowings	4 119	3 413	4 719	4 013

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Satrija AB, amounting EUR 600 thousand with maturity as at 31 December 2022 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 will be 2.2 %. The loan matures on 31 December 2021.

2021 June 28 a loan agreement was signed between AB Utenos Trikotažas and its subsidiary UAB Aboutwear, the maximum amount of which is not more than EUR 700 thousand. The loan must be repaid by 2024. June 27.

The loan granted will bear interest at a variable interest rate calculated on the basis of 6 months. EURIBOR plus 2.2%. September 30, 2021 the loan amount is EUR 525 thousand.

As at 30 September 2021 and at 31 December 2020 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 amount of borrowings approximates their fair value.

15. Accrued expenses and other current liabilities

	Group		Company	
	2021.09.30	2020.12.31	2021.09.30	2020.12.31
Accrual for vacation reserve	1 170	1 059	923	840
Wages, salaries and social security	1 001	1 557	834	1 462
Amounts payable for services and non-current assets	384	328	387	353
Taxes payable, except for income tax	439	1 466	400	1 442
Provisions for employee benefits	312	502	249	420
Other liabilities	221	227	10	10
	3 527	5 139	2 803	4 527

16. Revenue

Group	January-September		July -September	
	2021	2020	2021	2020
Revenue from sales of goods and services	20 251	19 886	7 597	6 241
Revenue from sales of materials	1 097	1 001	331	395
	21 348	20 887	7 928	6 636

Company	January-September		July -September	
	2021	2020	2021	2020
Revenue from sales of goods and services	18 829	17 523	7 073	5 566
Revenue from sales of materials	1 033	793	311	269
	19 862	18 316	7 384	5 835

17. Cost of sales**Group**

	January-September		July -September	
	2021	2020	2021	2020
Materials	7 272	5 816	2 816	1 810
Wages and salaries and social security	7 149	6 737	2 574	1 586
Depreciation and amortisation	2 680	2 659	1 019	731
Other overhead expenses	492	525	179	169
Cost of materials sold	625	574	160	230
	18 218	16 311	6 748	4 526

Company

	January-September		July -September	
	2020	2019	2020	2019
Materials	7 280	5 680	2 736	1 795
Wages and salaries and social security	5 564	4 891	2 077	1 058
Depreciation and amortisation	3 266	2 975	1 247	845
Other overhead expenses	335	351	109	117
Cost of materials sold	581	537	148	215
	17 026	14 434	6 317	4 030

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

	January-September		July -September	
	2021	2020	2021	2020
Selling expenses				
Wages and salaries and social security	764	526	242	86
Advertising and marketing costs	528	309	203	117
Other selling expenses	727	647	261	215
	2 019	1 482	706	418
General and administrative expenses				
Wages and salaries and social security	1 192	947	385	214
Communications and consulting services	484	339	167	109
Taxes other than income tax	102	94	37	31
Depreciation and amortization	131	129	44	39
Security	103	103	35	33
Vehicles exploitation expenses	44	33	19	9
Services of financial institutions	62	73	18	21
Premises exploitation expenses	31	48	11	26
Travel expenses	1	5	1	-
Representation expenses	20	15	7	5
Allowance (reversal) and write-off of trade receivables and inventories	394	1 112	316	176
Other	481	344	174	77
	3 045	3 242	1 214	740
	5 064	4 724	1 922	1 158

Interim Consolidated Information for the 9 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

Company	January-September		July -September	
	2021	2020	2021	2020
Selling expenses				
Wages and salaries and social security	696	485	205	76
Advertising and marketing costs	460	308	164	117
Other selling expenses	720	636	258	214
	1 876	1 429	627	407
General and administrative expenses				
Wages and salaries and social security	886	710	267	143
Communications and consulting services	319	295	101	103
Taxes other than income tax	98	88	34	13
Depreciation and amortization	91	98	30	32
Security	52	50	17	16
Vehicles exploitation expenses	31	27	13	14
Services of financial institutions	57	70	15	20
Premises exploitation expenses	28	39	9	19
Travel expenses	1	4	1	-
Representation expenses	20	14	7	5
Allowance (reversal) and write-off of trade receivables and inventories	394	1 116	316	158
Other	373	215	124	38
	2 350	2 726	934	561
	4 226	4 155	1 561	968

In 2020, the company (Utenos Trikotažas AB) was included in the list of taxpayers who may be subject to fiscal aid measures due to the COVID-19, established by the State Tax Inspectorate. Additionally, under the Law on Employment, the Company received subsidies to employers during and after the downtime, and subsidies to employers affected by the COVID-19, which are accounted for by reducing wage costs (the total amount of subsidies received in 2020 01-09 m. amounted to EUR 1,343 thousand). The impact of the subsidies is reflected in the cost of production sold in the period from January to September, as well as in selling, general and administrative expenses.

19. Other income and expenses

Group	January-September		July -September	
	2021	2020	2021	2020
Gain from disposal of non-current assets	8	7	8	7
Rent income	18	17	6	6
Other income	67	83	16	23
Other income	93	107	30	36
Loss from disposal of non-current assets	(1)	-	(1)	-
Rent costs	(6)	(12)	(4)	(1)
Other expenses	(4)	-	-	-
Other expenses	(11)	(12)	(5)	(1)

Company

	January-September		July -September	
	2021	2020	2021	2020
Gain from disposal of non-current assets	10	-	10	-
Rent income	16	13	6	4
Other income	57	16	5	2
Other income	83	29	21	6
Loss from disposal of non-current assets	(1)	-	(1)	-
Rent costs	(8)	(10)	(3)	(1)
Other expenses	-	-	-	-
Other expenses	(9)	(10)	(4)	(1)

20. Finance costs, net**Group**

	January-September		July -September	
	2021	2020	2021	2020
Foreign exchange gain (loss)	87	(318)	2	(112)
Interest expenses	(74)	(64)	(28)	(19)
Other	-	11	-	(17)
	13	(393)	(26)	(148)

Company

	January-September		July -September	
	2021	2020	2021	2020
Foreign exchange gain (loss)	1	-	-	1
Interest expenses	(80)	(70)	(29)	(22)
Interest income	47	45	17	15
Dividends	-	33	-	-
Other	-	(11)	-	(19)
	(32)	(3)	(12)	(25)

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	
	2021	2020	2021	2020
Profit/ (loss) attributable to the equity holders of the Group	(1 705)	(485)	(662)	830
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	(0,18)	(0,05)	(0,07)	(0,09)

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.