



## **UTENOS TRIKOTAŽAS, AB**

**CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS**  
for the 12 months period ended 31 December 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 <sup>st</sup> December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 <sup>st</sup> 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	<a href="mailto:utenos.trikotazas@ut.lt">utenos.trikotazas@ut.lt</a>
Website	<a href="http://www.ut.lt">www.ut.lt</a>
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 12 months of 2021, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 30.4 million, which is by 9.1 per-cent more than in the previous year when the Group's sales accounted for EUR 27.9 million. The Group exported 81.9 per-cent of products.

During the 12 months of 2021, the company Utenos trikotažas sold products and provided services for EUR 28.1 million. The sales volume, compared with the 12 months of 2020, increased by EUR 3.3 million, or 13.5 per-cent. The company's export sales reached 82.4 per-cent.

The sales of the largest segment – on-demand knitwear – increased by 20.8 per-cent and reached EUR 23.7 million, private brands dropped by 14.2 per-cent and reached EUR 4.5 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija dropped by 26.1 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 12 months of 2021, the Group incurred EUR 2.861 thousand loss before tax, when during 12 months of 2020 there was 336 thousand Eur loss before tax. During the same period, the company Utenos trikotažas suffered 2.756 thousand EUR loss before tax, while loss before tax amounted to EUR 224 thousand a year ago.

The Group's EBITDA is negative at 1.919 thousand EUR, which is 3.103 thousand EUR less than in the same period in 2020. The Company's EBITDA is negative at -1.310 thousand EUR, that is 2.088 thousand EUR less than the same period in 2020, when the company's EBITDA accounted for EUR 778 thousand.

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 12 M	2020 12 M	Change %	2021 12 M	2020 12 M	Change %
Products manufactured on demand of business clients	23 714	19 637	20,8	23 639	19 636	20,4
Own brands (ABOUT, UTENOS)	4 480	5 222	(14,2)	4 482	5 142	(12,8)
Services of functional-technical garments manufacture	2 249	3 043	(26,1)	-	-	-
	30 443	27 902	9,1	28 121	24 778	13,5

Revenue (EUR '000)	Group			Company		
	2021 VI Q	2020 IV Q	Change %	2021 IV Q	2020 IV Q	Change %
Products manufactured on demand of business clients	7 307	5382	35,8	7 039	5 381	30,8
Own brands (ABOUT, UTENOS)	1 165	1083	7,6	1 220	1 081	12,9
Services of functional-technical garments manufacture	622	551	12,8	-	-	-
	9 094	7016	29,6	8 259	6 462	27,8

### Sales by regions

Revenue (EUR '000)	Group			Company		
	2021 12 M	2020 12 M	Change %	2021 12 M	2020 12 M	Change %
Export	24 943	21 747	14,7	23 175	19 320	20,0
<i>DACH (Germany, Austria, Switzerland)</i>	16 660	15 797	5,5	15 651	14 018	11,6
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	4 690	2 894	62,1	4 475	2 894	54,7
<i>Other regions</i>	3 593	3 056	17,6	3 049	2 408	26,6
Domestic	5 500	6 155	(10,6)	4 946	5 458	(9,4)
	30 443	27 902	9,1	28 121	24 778	13,5

Interim Consolidated Information for the 12 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

Revenue (EUR '000)	Group			Company		
	2021 IV Q	2020 IV Q	Change %	2021 IV Q	2020 IV Q	Change %
Export	7 367	6 196	18,9	7 033	5 601	25,6
DACH (Germany, Austria, Switzerland)	4 446	4 216	5,5	4 311	3 804	13,3
Scandinavia (Sweden, Norway, Denmark, Finland)	1 505	1 034	45,6	1 491	1 034	44,3
Other regions	1 416	946	49,7	1 231	763	61,4
Domestic	1 727	820	110,6	1 226	861	42,4
	9 094	7 016	29,7	8 259	6 462	27,8

### Operating figures

	Group			Company		
	2021 12 M	2020 12 M	Change %	2021 12 M	2020 12 M	Change %
Manufactured, items units	2 578	3 149	(18)	2 492	3 062	(19)
Average number of employees	1 022	936	9	715	662	8

### Financial ratios

	Group			Company		
	2021 12 M	2020 12 M	Change	2021 12 M	2020 12 M	Change
Revenue (EUR'000)	30 443	27 902	9,1%	28 121	24 778	13,5%
Operating profit (loss) (EUR'000)	(2 829)	131	-	(1 966)	(2)	-
Operating profit (loss) margin (%)	(9,3)	0,5	(9,8) p.p	(7,0)	0,0	(7,0) p.
EBITDA (EUR'000)	(1 919)	1 184	-	(1 310)	778	-
EBITDA margin (%)	(6,3)	4,2	(10,5).p.p	(4,7)	3,1	(7,8) p.p
Profit (loss) before tax (EUR'000)	(2 861)	(336)	-	(2 756)	(224)	-
Profit (loss) before tax, margin (%)	(9,4)	(1,2)	(8,2) p.p	(9,8)	(0,9)	(8,9) p.p
Net profit (loss) for the year (EUR'000)	(2 618)	(422)	-	(2 532)	(273)	-
Net profit (loss) for the year margin (%)	(8,6)	(1,5)	(7,1) p.p	(9,0)	(1,1)	(7,9) p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

	Group			Company		
	2021 IV Q	2020 IV Q	Change	2021 IV Q	2020 IV Q	Change
Revenue (EUR'000)	9 094	7 016	29,7%	8 259	6 462	27,8%
Operating profit (loss) (EUR'000)	(978)	185	-	(650)	252	-
Operating profit (loss) margin (%)	(10,7)	2,6	(13,4) p.p	(7,9)	3,9	(11,8) p.p
EBITDA (EUR'000)	(796)	440	-	(527)	447	-
EBITDA margin (%)	(8,8)	6,3	(15,0) p.p	(6,4)	6,9	(13,3) p.p
Profit (loss) before tax (EUR'000)	(1 023)	111	-	(1 408)	33	-
Profit (loss) before tax, margin (%)	(11,2)	1,6	(12,8) p.p	(17,0)	0,5	(17,6) p.p
Net profit (loss) for the year (EUR'000)	(844)	36	-	(1 192)	7	-
Net profit (loss) for the year margin (%)	(9,1)	0,5	(9,6) p.p	(14,4)	0,1	(14,5) p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	

### Relative ratios

	Group			Company		
	2021 12 M	2020 12 M	Change p.p	2021 12 M	2020 12 M	Change p.p.
Return on capital employed (%)	(95,0)	(15,3)	(79,7)	(91,8)	(9,9)	(81,9)
Return on assets (%)	(11,5)	(1,8)	(9,7)	(11,8)	(1,2)	(10,6)
Return on shareholders' equity (%)	(33,2)	(4,1)	(29,2)	(34,4)	(2,7)	(31,7)
Debt ratio (%)	65,3	55,2	10,2	65,6	54,7	10,9
Debt-to-equity ratio (%)	188,5	123,1	65,4	190,4	120,6	69,8
Liquidity ratio (%)	119,0	136,8	(17,8)	117,7	136,7	(19,0)
Equity to assets ratio (%)	34,7	44,8	(10,2)	34,4	45,3	(10,9)

### Ratios related with the share price

	2021 12 M	2020 12 M	Changes
P/E	(2,89)	(18,88)	15,99
EPS	(0,26)	(0,05)	(0,21)
EV/EBITDA	(6,45)	6,90	(13,35)

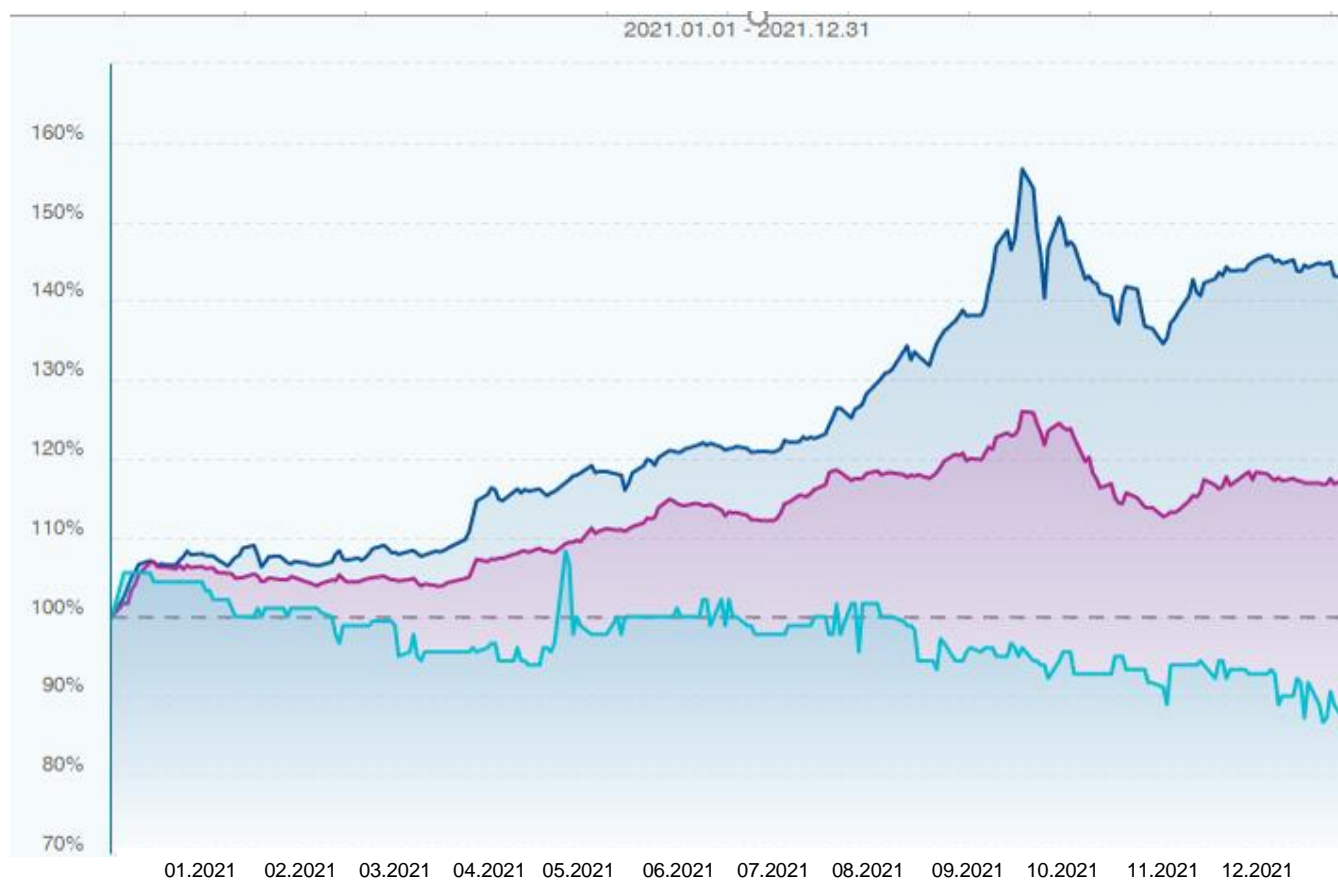
**Information regarding the price of shares and their dynamics**




Utenos Trikotažas AB share price dynamics, during 12 months period from 1 January 2021 to 31 December 2021.


**Price ratios**

	2021 12M	2020 12 M
Open price, EUR	0,920	0,940
High price, EUR	0,975	1,040
Low price, EUR	0,750	0,800
Last price, EUR	0,755	0,950
Traded volume	140 306	52 676
Turnover, million EUR	0,120	0,050
Capitalisation, million EUR	7,170	9,030



**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 January 2021 to 31 December 2021**


<b>Index/ Equity</b>	<b>2021.12.31</b>	<b>2020.12.31</b>	<b>2021.12.31 /2020.12.31 Change, %</b>
 OMX Baltic Benchmark GI	1 568,82	1 104,74	42,01
 OMX Vilnius	966,13	816,64	18,31
 UTR1L	0,76 EUR	0,90 EUR	(16,11)

## Statement of financial position

	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	486	517	84	115
Property, plant and equipment	9 443	9 448	6 405	6 463
Right-of-use assets	553	629	238	304
Investment property	163	125	163	125
Investments into subsidiaries	-	-	1 490	1 490
Receivables from subsidiaries	-	-	1 085	1 039
Prepayments to subsidiaries	-	-	790	883
Deferred income tax asset	77	77	-	-
	<b>10 722</b>	<b>10 796</b>	<b>10 255</b>	<b>10 419</b>
<b>Current assets</b>				
Inventories	6 914	5 428	6 831	5 384
Trade receivables	1 182	1 433	1 065	1 255
Contract assets	2 748	1 382	2 673	1 356
Other current assets	536	397	463	351
Cash and cash equivalents	625	3 792	72	3 167
	<b>12 005</b>	<b>12 432</b>	<b>11 104</b>	<b>11 513</b>
<b>Total assets</b>	<b>22 727</b>	<b>23 228</b>	<b>21 359</b>	<b>21 932</b>

**Statement of financial position ( cont ' )**

EQUITY AND LIABILITIES	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Share capital	2 756	2 756	2 756	2 756
Legal reserve	574	574	574	574
Revaluation surplus	3 946	4 085	2 129	2 187
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 052	922	-	-
Accumulated retained earnings/ (losses)	(1 657)	739	896	3 424
	<u>7 761</u>	<u>10 166</u>	<u>7 355</u>	<u>9 941</u>
<b>Non-controlling interest</b>	<u>117</u>	<u>244</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>	<u>7 878</u>	<u>10 410</u>	<u>7 355</u>	<u>9 941</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	2 747	2 314	2 747	2 314
Non-current lease liabilities	716	527	428	227
Borrowings from subsidiaries	-	-	600	600
Borrowings from parent company	532	-	532	-
Deferred income tax liabilities	410	614	10	233
Atidėjiniai darbuotojų išmokoms	358	275	251	193
	<u>4 763</u>	<u>3 730</u>	<u>4 568</u>	<u>3 567</u>
<b>Current liabilities</b>				
Current portion of non-current borrowings	567	567	567	567
Short – term financial liabilities	1 801	-	1 801	-
Borrowings from parent company	-	532	-	532
Current lease liabilities	186	128	151	96
Trade payables	2 989	2 180	2 886	2 106
Payables to other related parties and subsidiaries	106	97	314	157
Contract liabilities	861	372	866	366
Income tax payable	-	73	-	73
Accrued expenses and other current liabilities	3 576	5 139	2 851	4 527
	<u>10 086</u>	<u>9 088</u>	<u>9 436</u>	<u>8 424</u>
<b>Total liabilities</b>	<u>14 849</u>	<u>12 818</u>	<u>14 004</u>	<u>11 991</u>
<b>Total equity and liabilities</b>	<u>22 727</u>	<u>23 228</u>	<u>21 359</u>	<u>21 932</u>

## Statement of comprehensive income

Group	January-December		October- December	
	2021	2020	2021	2020
Revenue from contracts with customers	30 443	27 902	9 094	7 016
Cost of sales	(26 321)	(22 239)	(8 103)	(5 928)
<b>Gross profit</b>	4 122	5 663	991	1 088
Selling expenses	(2 806)	(2 026)	(787)	(544)
General and administrative expenses	(4 265)	(3 646)	(1 220)	(404)
Other operating income	137	155	44	48
Other operating expenses	(17)	(15)	(6)	(3)
<b>Operating profit (losses)</b>	(2 829)	131	(978)	185
Finance income	227	177	(28)	74
Finance costs	(259)	(644)	(17)	(148)
<b>Profit (losses) before tax</b>	(2 861)	(336)	(1 023)	111
Income tax	243	(86)	179	(75)
<b>Net profit (losses)</b>	(2 618)	(422)	(844)	36
<b>Net profit (losses) attributable to:</b>				
Equity holders of the Company	(2 481)	(453)	(777)	32
Non-controlling interest	(137)	31	(67)	4
	(2 618)	(422)	(844)	36

Company	January-September		July- September	
	2021	2020	2021	2020
Revenue from contracts with customers	28 121	24 778	8 259	6 462
Cost of sales	(24 364)	(19 945)	(7 338)	(5 511)
<b>Gross profit</b>	3 757	4 833	921	951
Selling expenses	(2 503)	(1 960)	(627)	(531)
General and administrative expenses	(3 313)	(2 916)	(962)	(190)
Other operating income	106	53	22	24
Other operating expenses	(13)	(12)	(4)	(2)
<b>Operating profit (losses)</b>	(1 966)	(2)	(650)	252
Interest received	66	60	17	15
Finance income	68	102	18	25
Finance costs	(924)	(384)	(793)	(259)
<b>Profit (losses) before tax</b>	(2 756)	(224)	(1 408)	33
Income tax	224	(49)	216	(26)
<b>Net profit (losses)</b>	(2 532)	(273)	(1 192)	7

## 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
<b>Balance as of 31 december 2019</b>	2 756	574	4 215	1 090	1 085	1 039	10 759	211	10 970
Net profit (loss) for the year	-	-	-	-	-	(453)	(453)	31	(422)
Other comprehensive income	-	-	-	-	(163)	23	(140)	2	(138)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(163)	(430)	(593)	33	(560)
Transfer of revaluation surplus to retained earnings	-	-	(130)	-	-	130	-	-	-
<b>Balance as of 31 December 2020</b>	2 756	574	4 085	1 090	922	739	10 166	244	10 410
Net profit (loss) for the year	-	-	-	-	-	(2 481)	(2 481)	(137)	(2 618)
Other comprehensive income	-	-	-	-	130	(54)	76	10	86
<b>Total comprehensive income (loss)</b>	-	-	-	-	130	(2 535)	(2 405)	(127)	(2 532)
Transfer of revaluation surplus to retained earnings	-	-	(139)	-	-	139	-	-	-
<b>Balance as of 31 december 2021</b>	2 756	574	3 946	1 090	1052	(1 657)	7 761	117	7 878

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
<b>Balance as of 31 December 2019</b>	2 756	574	1 000	2 245	3 616	10 191
Net profit (loss) for the year	-	-	-	-	(273)	(273)
Other comprehensive income	-	-	-	-	23	23
<b>Total comprehensive income (loss)</b>	-	-	-	-	(250)	(250)
Transfer of revaluation surplus to retained earnings	-	-	-	(58)	58	-
<b>Balance as of 31 December 2020</b>	2 756	574	1 000	2 187	3 424	9 941
Net profit (loss) for the year	-	-	-	-	(2 532)	(2 532)
Other comprehensive income	-	-	-	-	(54)	(54)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(2 586)	(2 586)
Transfer of revaluation surplus to retained earnings	-	-	-	(58)	58	-
<b>Balance as of 31 Decem,ber 2021</b>	2 756	574	1 000	2 129	896	7 355

**STATEMENTS OF CASH FLOWS**

	<b>Group</b>		<b>Company</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(2 618)	(422)	(2 532)	(273)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	910	1 053	655	780
(Gain) from disposal of property, plant and equipment and investment property	(1)	(7)	(3)	-
Impairment (reversal of impairment) and write-off of accounts receivable, loans granted and interests	(25)	95	675	245
Impairment of investments in subsidiaries	-	-	40	60
Impairment and write-off of non-current assets	158	27	158	26
Impairment and write-off of inventories	507	730	507	712
Elimination of finance (income)/costs	89	471	30	25
Income tax expense/(benefit)	(242)	86	(224)	49
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	(1 993)	507	(1 954)	422
(Increase) decrease in trade receivables	277	(294)	215	(384)
(Increase) decrease in contract asset	(1 366)	625	(1 317)	614
Decrease (increase) in receivables from subsidiaries	-	-	47	(72)
Decrease (increase) in other receivables and other current assets	46	(173)	(7)	(174)
Increase (decrease) in contract liabilities	490	239	500	232
Increase (decrease) in trade payables and other accounts payable	817	(1 367)	937	(1 373)
Increase (decrease) in taxes payable and other current liabilities	(1 622)	2 038	(1 689)	2 288
Income tax (paid)	(186)	(51)	(105)	(11)
<b>Net cash generated from operating activities</b>	<b>(4 759)</b>	<b>3 557</b>	<b>(4 067)</b>	<b>3 166</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(640)	(659)	(624)	(620)
Proceeds from sale of property, plant and equipment	4	7	4	-
Interest received	-	-	66	60
Investments in subsidiaries (acquisition)	-	-	(40)	3
Dividends	-	-	-	32
<b>Net cash flows generated from (to) investing activities</b>	<b>(636)</b>	<b>(652)</b>	<b>(594)</b>	<b>(525)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	3 351	532	3 351	532
Repayment of borrowings and financial lease payments	-	-	(700)	-
Loans granted to a subsidiary	(766)	(283)	(766)	(433)
Interest paid	(98)	(88)	(105)	(98)
Lease payments	(259)	(169)	(214)	(127)
<b>Net cash flows from financing activities</b>	<b>2 228</b>	<b>(8)</b>	<b>1 566</b>	<b>(126)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3 167)</b>	<b>2 897</b>	<b>(3 095)</b>	<b>2 515</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3 792</b>	<b>895</b>	<b>3 167</b>	<b>652</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>625</b>	<b>3 792</b>	<b>72</b>	<b>3 167</b>

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

	As of 31 December 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
	<b>9 503</b>	<b>100,00</b>	<b>9 503</b>	<b>100,00</b>

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 31 December 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
		31 December 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 12-month negative currency exchange difference of EUR 208 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	(208 297)
Foreign currency translation reserve on other items, EUR	338 763
<b>Other comprehensive income EUR, net</b>	<b>130 466</b>



## 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 12 months of 2021 and for the 12 months of 2020

	Production of functional-technical garments			
of 31 December 2021	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	28 194	2 249	-	30 443
Internal sales	870	-	(870)	-
<b>Total revenue</b>	<b>29 064</b>	<b>2 249</b>	<b>(870)</b>	<b>30 443</b>
Gross profit	4 022	100	-	4 122
EBITDA	(1 689)	(230)	-	(1 919)
Profit (loss)	<b>(2 286)</b>	<b>(332)</b>	-	<b>(2 618)</b>

	Production of functional-technical garments			
of 31 December 2020	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	24 858	3 044	-	27 902
Internal sales	638	-	(638)	-
<b>Total revenue</b>	<b>25 496</b>	<b>3 044</b>	<b>(638)</b>	<b>27 902</b>
Gross profit	4 942	721	-	5 663
EBITDA	846	338	-	1 184
Profit (loss)	(605)	183	-	(422)

## 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 910 thousand as of 31 December 2021, EUR 586 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 31 December 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.

Interim Consolidated Information for the 12 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

## 10. Inventories

	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Raw materials	3 310	3 017	2 971	2 684
Work in progress	2 418	1 485	2 411	1 481
Finished goods	2 985	2 340	2 930	2 314
Goods for resale	94	4	89	-
	<u>8 807</u>	<u>6 846</u>	<u>8 401</u>	<u>6 479</u>
Write-down to net realisable value:				
Opening balance	(1418)	(890)	(1 095)	(567)
Change	<u>(475)</u>	<u>(528)</u>	<u>(475)</u>	<u>(528)</u>
Closing balance	<u>(1 893)</u>	<u>(1 418)</u>	<u>(1 570)</u>	<u>(1 095)</u>
	<u>6 914</u>	<u>5 428</u>	<u>6 831</u>	<u>5 384</u>

## 11. Trade receivables

	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Trade receivables, gross	1 267	1 540	1 124	1 336
Allowance for trade receivables:				
Opening balance	(107)	(274)	(81)	(248)
Additional allowance	-	(81)	-	(81)
Written-of	<u>22</u>	<u>248</u>	<u>22</u>	<u>248</u>
Closing balance	<u>(85)</u>	<u>(107)</u>	<u>(59)</u>	<u>(81)</u>
	<u>1 182</u>	<u>1 433</u>	<u>1 065</u>	<u>1 255</u>

Changes in impairment allowance for doubtful trade receivables as of 31 December 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	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Cash at bank and on hand	625	3 792	72	3 167
	<u>625</u>	<u>3 792</u>	<u>72</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.

### 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 31 December 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Revaluation surplus	3 946	4 085	2 129	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	1 052	922	-	-
Accumulated retained earnings/ (losses)	(1 657)	739	896	3 424
	<u>5 005</u>	<u>7 410</u>	<u>4 599</u>	<u>7 185</u>

### 14. Borrowings

	Group		Company	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
<b>Current</b>				
Current portion of non-current bank borrowings	567	567	567	567
Other current liabilities	1 801	-	1 801	-
Borrowings from subsidiaries	-	-	600	-
Borrowings from parent company	532	532	532	532
<b>Non-current</b>				
Borrowings from subsidiaries	-	-	-	600
Long-term borrowings	2 747	2 314	2 747	2 314
<b>Total borrowings</b>	<u><b>5 647</b></u>	<u><b>3 413</b></u>	<u><b>6 247</b></u>	<u><b>4 013</b></u>

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 2027 and variable interest rate 12 month Euribor + 2.2 %.

On 18 December 2020, the Company entered into the loan agreement with SBA Grupė 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.

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 maturity date is June 27, 2024. The loan bears interest at a variable interest rate calculated on the basis of 6 month EURIBOR plus 2.2%. On December 31, 2021 the loan amounted to 700 thousand EUR.

On December 27, 2021 the Company and the Business Assistance Fund, have signed financing agreements that stipulate that the fund will purchase the company's bonds for EUR 2.3 million and will provide another EUR 500 thousand in the form of a loan. The financing maturity date is 15 December 2027. The annual interest rate for liabilities is calculated at intervals of 12 months at 7 %. For each of the other 12 months, the interest rate is increased by 0.1 (one tenth ) percentage point annually. Under the agreements, the liabilities are secured by pledges of long-term and short-term assets and sureties of the subsidiaries AB Šatrija and UAB Aboutwear. On 31 December 2021 the balance of issued and paid bonds was 1 000 thousand EUR.

As at 31 December 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	
	2021.12.31	2020.12.31	2021.12.31	2020.12.31
Accrual for vacation reserve	1 360	1 059	1 061	840
Wages, salaries and social security	792	1 557	635	1 462
Amounts payable for services and non-current assets	494	328	496	353
Taxes payable, except for income tax	466	1 466	414	1 442
Provisions for employee benefits	166	502	149	420
Other liabilities	298	227	96	10
	<b>3 576</b>	<b>5 139</b>	<b>2 851</b>	<b>4 527</b>

**16. Revenue**

Group	January-december		October -december	
	2021	2020	2021	2020
Revenue from sales of goods and services	28 907	26 530	8 656	6 644
Revenue from sales of materials	1 536	1 372	438	372
	<b>30 443</b>	<b>27 902</b>	<b>9 094</b>	<b>7 016</b>

Company	January-december		October -december	
	2021	2020	2021	2020
Revenue from sales of goods and services	26 659	23 561	7 831	6 038
Revenue from sales of materials	1 462	1 217	428	424
	<b>28 121</b>	<b>24 778</b>	<b>8 259</b>	<b>6 462</b>

**17. Cost of sales**

Group	January-december		October -december	
	2021	2020	2021	2020
Materials	10 467	8 131	3 195	2 315
Wages and salaries and social security	9 954	9 112	2 805	2 375
Depreciation and amortisation	4 453	3 569	1 773	910
Other overhead expenses	586	704	94	179
Cost of materials sold	861	723	236	149
	<b>26 321</b>	<b>22 239</b>	<b>8 103</b>	<b>5 928</b>

Company	January-december		October -december	
	2021	2020	2021	2020
Materials	10 353	7 921	3 073	2 241
Wages and salaries and social security	7 647	6 805	2 083	1 914
Depreciation and amortisation	5 181	4 054	1 915	1 079
Other overhead expenses	381	483	46	132
Cost of materials sold	802	682	221	145
	<b>24 364</b>	<b>19 945</b>	<b>7 338</b>	<b>5 511</b>

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

	January-december		October -december	
	2021	2020	2021	2020
<b>Selling expenses</b>				
Wages and salaries and social security	1 053	718	289	192
Advertising and marketing costs	737	445	209	136
Other selling expenses	1 016	863	289	216
	<b>2 806</b>	<b>2 026</b>	<b>787</b>	<b>544</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	1 477	1 173	285	226
Communications and consulting services	719	443	235	104
Taxes other than income tax	138	114	36	20
Depreciation and amortization	157	185	26	56
Security	139	136	36	33
Vehicles exploitation expenses	55	34	11	1
Services of financial institutions	95	97	33	24
Premises exploitation expenses	45	42	14	-
Travel expenses	3	5	2	-
Representation expenses	29	31	9	16
Allowance (reversal) and write-off of trade receivables and inventories	728	820	334	(292)
Other	680	566	199	216
	<b>4 265</b>	<b>3 646</b>	<b>1 220</b>	<b>404</b>
	<b>7 071</b>	<b>5 672</b>	<b>2 007</b>	<b>948</b>

**Company**

	January-december		October -december	
	2021	2020	2021	2020
<b>Selling expenses</b>				
Wages and salaries and social security	927	666	231	181
Advertising and marketing costs	576	444	116	136
Other selling expenses	1 000	850	280	214
	<b>2 503</b>	<b>1 960</b>	<b>627</b>	<b>531</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	1 067	837	181	127
Communications and consulting services	476	379	157	84
Taxes other than income tax	124	108	26	20
Depreciation and amortization	108	133	17	35
Security	71	67	19	17
Vehicles exploitation expenses	46	28	15	1
Services of financial institutions	89	94	32	24
Premises exploitation expenses	43	39	15	-
Travel expenses	2	4	1	-
Representation expenses	27	29	7	15
Allowance (reversal) and write-off of trade receivables and inventories	728	803	334	(313)
Other	532	395	158	180
	<b>3 313</b>	<b>2 916</b>	<b>962</b>	<b>190</b>
	<b>5 816</b>	<b>4 876</b>	<b>1 589</b>	<b>721</b>

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 1,688 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-december		October -december	
	2021	2020	2021	2020
Gain from disposal of non-current assets	1	7	-	-
Rent income	26	23	8	6
Other income	110	125	36	42
<b>Other income</b>	<b>137</b>	<b>155</b>	<b>44</b>	<b>48</b>
Loss from disposal of non-current assets	-	-	-	-
Rent costs	(16)	(15)	(10)	(3)
Other expenses	(1)	-	4	-
<b>Other expenses</b>	<b>(17)</b>	<b>(15)</b>	<b>(6)</b>	<b>(3)</b>

### Company

	January-december		October -december	
	2021	2020	2021	2020
Gain from disposal of non-current assets	3	-	-	-
Rent income	24	18	8	5
Other income	79	35	14	19
<b>Other income</b>	<b>106</b>	<b>53</b>	<b>22</b>	<b>24</b>
Loss from disposal of non-current assets	-	-	-	-
Rent costs	(11)	(12)	(3)	(2)
Other expenses	(2)	-	(1)	-
<b>Other expenses</b>	<b>(13)</b>	<b>(12)</b>	<b>(4)</b>	<b>(2)</b>

## 20. Finance costs, net

### Group

	January-december		October -december	
	2021	2020	2021	2020
Foreign exchange gain (loss)	79	(375)	(8)	(57)
Interest expenses	(100)	(88)	(26)	(24)
Other	(11)	(4)	(11)	7
	<b>(32)</b>	<b>(467)</b>	<b>(45)</b>	<b>(74)</b>

**Company**

	January-december		October -december	
	2021	2020	2021	2020
Foreign exchange gain (loss)	1	(2)	-	(2)
Interest expenses	(105)	(98)	(25)	(28)
Interest income	66	60	17	15
Dividends	-	33	-	0
Other	(752)	(215)	(750)	(204)
	<b>(790)</b>	<b>(222)</b>	<b>(758)</b>	<b>(219)</b>

**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-december		October -december	
	2021	2020	2021	2020
Profit/ (loss) attributable to the equity holders of the Group	(2 481)	(453)	(777)	32
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
<b>Basic/dilutive earnings per share (in EUR)</b>	<b>(0,26)</b>	<b>(0,05)</b>	<b>(0,08)</b>	<b>0,003</b>

**22. Subsequent sheet events**

On 1 February, 2022 an amendment to the loan agreement was signed between AB Utenos trikotažas and the subsidiary UAB Aboutwear, increasing a maximum loan amount of 700 thousand EUR to a maximum of 1000 thousand EUR.

In February 2022 a decision was made to suspend investments into the subsidiary UAB Aboutwear and to look for an alternative investor for the company; failing that, to suspend the company's commercial activities.

In February 2022 a notice was received about the resignation of a member of the Board of the Company Mr. Vytautas Vaškys; Mr. Vytautas Vaškys will also replace Mr. Petras Jašinskas as a CEO of the Company in March.

There have been to other events after the balance sheet date that could have a material effect on the financial statements of the Group and the Company prior to the date of approval