



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED GROUP AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 9 months period ended 30 September 2023
(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 2023, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 17.2 million, which is by 34,7 per-cent less than in the previous year when the Group's sales accounted for EUR 26,3 million. The Group exported 82.8 per-cent of products.

During the 9 months of 2023, the company Utenos trikotažas sold products and provided services for EUR 15.2 million. The sales volume, compared with the 9 months of 2022, decreased by EUR 9,0 million, or 37.2 per-cent. The company's export sales reached 80.7 per-cent.

The sales of the largest segment – on-demand knitwear – decreased by 36.2 per-cent and reached EUR 13.7 million, private brands decreased by 45.2 per-cent and reached EUR 1.6 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija increased by 2 per- cent.

During the 9 months of 2023, the Group incurred EUR 1 334 thousand loss before tax, when during 9 months of 2022 there was 1.669 thousand Eur loss before tax. During the same period , the company Utenos trikotažas suffered 1.228 thousand EUR loss before tax, while loss before tax amounted to EUR 1.137 thousand a year ago.

The Group's EBITDA is negative at 531 thousand EUR, which is 78 thousand EUR less than in the same period in 2022. The Company's EBITDA is negative at 510 thousand EUR, that is 104 thousand EUR less than the same period in 2022, when the company's EBITDA was negative at 406 thousand Eur.

Key performance indicators of the Group

Trade

Revenue (EUR '000)	Group			Company		
	2023 9 M	2022 9 M	Change %	2023 9 M	2022 9 M	Change %
Products manufactured on demand of other clients	13,713	21,494	(36,2)	13,653	21,494	(36,5)
Own brands (ABOUT, UTENOS)	1,589	2,897	(45,2)	1,577	2,774	(43,1)
Services of functional-technical garments manufacture	1,869	1,908	(2)	-	-	-
	17,171	26,299	(34,7)	15,230	24,268	(37,2)

Revenue (EUR '000)	Group			Company		
	2023 III Q	2022 III Q	Change %	2023 III Q	2022 III Q	Change %
Products manufactured on demand of other clients	4,703	7,646	(38,5)	4,683	7,645	(38,7)
Own brands (ABOUT, UTENOS)	408	886	(54)	404	883	(54,2)
Services of functional-technical garments manufacture	485	515	(5,8)	-	-	-
	5,596	9,047	(38,1)	5,087	8,528	(40,4)

Sales by regions

Revenue (EUR '000)	Group			Company		
	2023 9 M	2022 9 M	Change %	2023 9 M	2022 9 M	Change %
Export	14,210	21,719	(34,6)	12,286	19,960	(38,4)
DACH (Germany, Austria, Switzerland)	10,409	13,293	(21,7)	9,53	12,97	(26,5)
Scandinavia (Sweden, Norway, Denmark, Finland)	1,769	4,854	(63,6)	1,69	4,504	(62,5)
Other regions	2,032	3,572	(43,1)	1,066	2,486	(57,1)
Domestic	2,961	4,58	(35,4)	2,944	4,308	(31,7)
	17,171	26,299	(34,7)	15,230	24,268	(37,2)

Interim Consolidated Information for the 9 months of 2023 (All amounts are in EUR thousand, unless otherwise stated)

Revenue (EUR '000)	Group			Company		
	2023 III Q	2022 III Q	Change %	2023 III Q	2022 III Q	Change %
Export	5,149	8,147	(36,8)	4,641	7,708	(39,8)
DACH (Germany, Austria, Switzerland)	3,663	4,701	(22,1)	3,427	4,669	(26,6)
Scandinavia (Sweden, Norway, Denmark, Finland)	559	1,761	(68,3)	559	1,755	(68,1)
Other regions	927	1,685	(45)	655	1,284	(49)
Domestic	447	900	(50,4)	446	820	(45,7)
	5,596	9,047	(38,1)	5,087	8,528	(40,4)

Operating figures

	Group			Company		
	2023 9 M	2022 9 M	Change %	2023 9 M	2022 9 M	Change %
Manufactured items units	1,156	1,838	(37,1)	1,08	1,775	(39,2)
Average number of employees	767	940	(18,4)	526	682	(22,9)

Financial ratios

	Group			Company		
	2023 9 M	2022 9 M	Change	2023 9 M	2022 9 M	Change
Revenue (EUR'000)	17,171	26,299	(35)%	15,230	24,268	(37)%
Operating profit (loss) (EUR'000)	(1,024)	(1,245)	18%	(930)	(974)	5%
Operating profit (loss) margin (%)	(6,0)	(4,7)	(1,2)p.p.	(6,1)	(4)	(2,1) p.p.
EBITDA (EUR'000)	(531)	(453)	(17)%	(510)	(406)	(26)%
EBITDA margin (%)	(3,1)	(1,7)	(1,4)p.p.	(3,3)	(1,7)	(1,7)p.p.
Profit (loss) before tax (EUR'000)	(1,334)	(1,669)	20%	(1,228)	(1,137)	(8)%
Profit (loss) before tax, margin (%)	(7,8)	(6,3)	(1,4)p.p.	(8,1)	(4,7)	(3,4)p.p.
Net profit (loss) for the year (EUR'000)	(1,324)	(1,648)	20%	(1,228)	(1,129)	(8)%
Net profit (loss) for the year margin (%)	(7,7)	(6,3)	(1,4)p.p.	(4,7)	(6,7)	(3,4)p.p.
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

	Group			Company		
	2023 III Q	2022 III Q	Change	2023 III Q	2022 III Q	Change
Revenue (EUR'000)	5,596	9,047	(38,10)%	5,087	8,528	(40,40)%
Operating profit (loss) (EUR'000)	(343)	297	-	(226)	347	-
Operating profit (loss) margin (%)	(6,1)	3,3	(9,4) p.p	(4,5)	4,1	(8,5) p.p
EBITDA (EUR'000)	(550)	542	-	(467)	523	-
EBITDA margin (%)	(9,8)	6	(15,8) p.p	(9,2)	6,1	(15,3) p.p
Profit (loss) before tax (EUR'000)	(423)	34	-	(330)	279	-
Profit (loss) before tax, margin (%)	(7,5)	0,4	(7,9) p.p	(6,5)	3,3	(9,8) p.p
Net profit (loss) for the year (EUR'000)	(420)	41	-	(327)	282	-
Net profit (loss) for the year margin (%)	(7,5)	0,5	(7,9) p.p	(6,4)	3,3	(9,8) p.p
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

Relative ratios

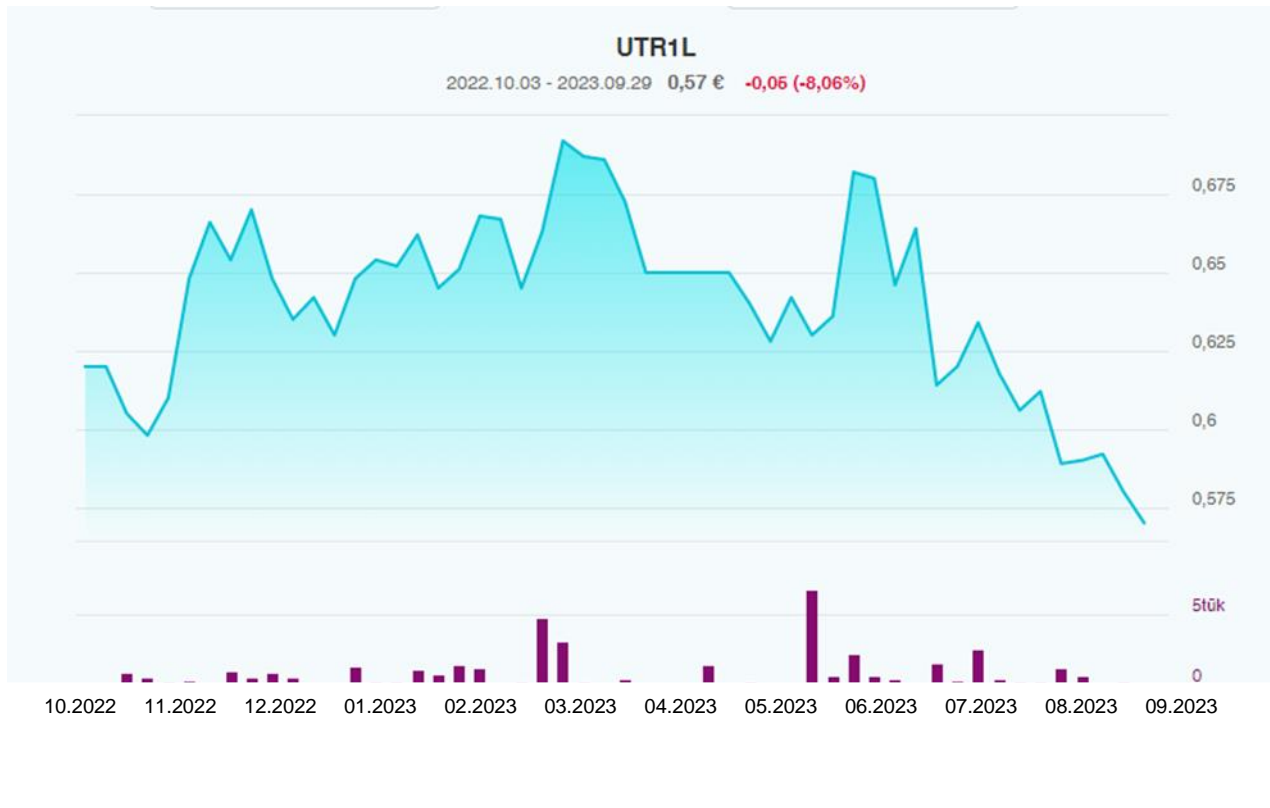
	Group			Company		
	2023 9 M	2022 9 M	Change p.p	2023 9 M	2022 9 M	Change p.p
Return on capital employed (%)	(48)	(59,8)	11,8	(44,3)	(41)	(3,4)
Return on assets (%)	(9)	(7,9)	(1,1)	(9,4)	(8,4)	(1,0)
Return on shareholders' equity (%)	(47,8)	(29,1)	(18,7)	(43,1)	(28,3)	(14,8)
Debt ratio (%)	81,1	72,7	8,4	78,2	70,3	7,9
Debt-to-equity ratio (%)	428,6	266,7	161,9	358,5	237,2	121,3
Liquidity ratio (%)	115,1	125,8	(10,7)	117	128,7	(11,7)
Equity to assets ratio (%)	18,9	27,3	(8,4)	21,8	29,7	(7,9)

Ratios related with the share price

	2023 9 M	2022 9 M	Change
P/E	(4,12)	(3,60)	(0,52)
EPS	(0,14)	(0,17)	0,03
EV/EBITDA	(20,37)	0,01	(20,38)

Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price during 12 months period from 1 October 2022 to 30 September 2023:



Price ratios

	2023 9 M	2022 9 M
Open price, EUR	0,605	0,780
High price, EUR	0,740	0,795
Low price, EUR	0,500	0,446
Last price, EUR	0,57	0,62
Traded volume	35 281	46 711
Turnover, million EUR	0,020	0,030
Capitalisation, million EUR	5,420	5,890

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, during 12 months period from 1 October 2022 to 30 September 2023


Index/ Equity	2023.09.30	2022.09.30	2023.09.30/2022.09.30 change, %
—OMX Baltic Benchmark GI	1,467,60	1,285,79	14.14
—OMX Vilnius	942,23	894,83	5.30
—UTR1L	0.57 EUR	0.62 EUR	(8.06)

Statement of financial position

	Notes	Group		Company	
		2023.09.30	2022.12.31	2023.09.30	2022.12.31
ASSETS					
Non-current assets					
Intangible assets	7	444	474	41	70
Property, plant and equipment	8	6 635	6 898	5 953	6 182
Right-of-use assets		285	355	165	227
Investment property		151	157	152	157
Investments into subsidiaries	9	-	-	1 490	1 490
Receivables from subsidiaries		-	-	48	-
Prepayments to subsidiaries		-	-	14	-
		7 515	7 884	7 863	8 126
Current assets					
Inventories	10	3 393	4 346	3 307	4 292
Trade receivables	11	1 175	1 997	913	1 623
Contract assets		1 784	1 900	1 688	1 801
Other current assets		262	315	229	280
Cash and cash equivalents	12	522	385	78	29
		7 136	8 943	6 215	8 025
Total assets		14 651	16 827	14 078	16 151

Statement of financial position (cont ')

EQUITY AND LIABILITIES	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Share capital		2 756	2 756	2 756
Legal reserve	13	574	574	574
Revaluation surplus	13	2 308	2 028	2 071
Reserve for acquisition of own shares	13	1 090	1 000	1 000
Foreign currency translation reserve	13	1 077	-	-
Accumulated retained earnings/ (losses)	13	(5 212)	(3 288)	(2 134)
		<u>2 593</u>	<u>3 070</u>	<u>4 267</u>
Non-controlling interest		<u>179</u>	<u>-</u>	<u>-</u>
Total equity		<u>2 772</u>	<u>3 070</u>	<u>4 267</u>
LIABILITIES				
Non-current liabilities				
Borrowings	14	3 553	3 553	4 162
Non-current lease liabilities		568	73	126
Borrowings from subsidiaries	14	-	639	600
Borrowings from parent company	14	581	581	532
Deferred income tax liabilities		507	452	460
Other non-current liabilities		286	286	394
Provisions for employee benefits		185	112	157
		<u>5 680</u>	<u>5 696</u>	<u>6 431</u>
Current liabilities				
Current portion of non-current borrowings	14	767	767	637
Other current liabilities	14	1 021	1 021	320
Current lease liabilities		194	101	115
Trade payables		824	774	1 122
Payables to other related parties and subsidiaries		164	417	243
Contract liabilities		483	367	820
Accrued expenses and other current liabilities	15	2 746	1 865	2 196
		<u>6 199</u>	<u>5 312</u>	<u>5 453</u>
Total liabilities		<u>11 879</u>	<u>11 008</u>	<u>11 884</u>
Total equity and liabilities		<u>14 651</u>	<u>14 078</u>	<u>16 151</u>

Statement of comprehensive income

Group	Note	January-September		July-September	
		2023	2022	2023	2022
Sales	6,16	17 171	26 299	5 596	9 047
Cost of sales	17	(15 400)	(23 889)	(5 130)	(7 906)
Gross profit		1 771	2 410	466	1 141
Selling expenses	18	(1 115)	(1 765)	(343)	(472)
General and administrative expenses	18	(1 776)	(1 953)	(496)	(359)
Other operating income	19	115	146	35	47
Other operating expenses	19	(19)	(83)	(5)	(60)
Operating profit (losses)		(1 024)	(1 245)	(343)	297
Finance income	20	316	240	61	127
Finance costs	20	(626)	(664)	(141)	(390)
Profit (losses) before tax		(1 334)	(1 669)	(423)	34
Income tax		10	21	3	7
Net profit (losses)		(1 324)	(1 648)	(420)	41
Net profit (losses) attributable to:					
Equity holders of the Company	21	(1 315)	(1 639)	(410)	13
Non-controlling interest		(9)	(9)	(10)	28
		(1 324)	(1 648)	(420)	41
Company	Note	January-September		July-September	
		2023	2022	2023	2022
Sales	6,16	15 230	24 268	5 087	8 528
Cost of sales	17	(13 874)	(22 386)	(4 658)	(7 486)
Gross profit		1 356	1 882	429	1 042
Selling expenses	18	(1 070)	(1 572)	(329)	(459)
General and administrative expenses	18	(1 232)	(1 261)	(330)	(198)
Other operating income	19	32	55	8	22
Other operating expenses	19	(16)	(78)	(4)	(60)
Operating profit (losses)		(930)	(974)	(226)	347
Interest received	20	45	55	15	16
Finance income	20	112	150	35	109
Finance costs	20	(455)	(368)	(154)	(193)
Profit (losses) before tax		(1 228)	(1 137)	(330)	279
Income tax		8	8	3	3
Net profit (losses)		(1 220)	(1 129)	(327)	282

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 2022	2 756	574	3 841	1 090	989	(3 795)	5 455	195	5 650
Net profit (loss) for the year	-	-	-	-	-	(277)	(277)	(5)	(282)
Other comprehensive income	-	-	(1 446)	-	34	79	(1 333)	(2)	(1 335)
Total comprehensive income (loss)	-	-	(1 446)	-	34	(198)	(1 610)	(7)	(1 617)
Transfer of revaluation surplus to retained earnings	-	-	(34)	-	-	34	-	-	-
Balance as of 31 December 2022	2 756	574	2 361	1 090	1 023	(3 959)	3 845	188	4 033
Net profit (loss) for the year	-	-	-	-	-	(1 315)	(1 315)	(9)	(1 324)
Other comprehensive income	-	-	-	-	54	9	63	-	63
Total comprehensive income (loss)	-	-	-	-	54	(1 306)	(1 251)	(9)	(1 260)
Transfer of revaluation surplus to retained earnings	-	-	(53)	-	-	53	-	-	-
Balance as of 30 September 2023	2 756	574	2 308	1 090	1 077	(5 212)	2 593	179	2 772

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 30 September 2022	2 756	574	1 000	2 086	(591)	5 825
Net profit (loss) for the year	-	-	-	-	(1 607)	(1 607)
Other comprehensive income	-	-	-	-	49	49
Total comprehensive income (loss)	-	-	-	-	(1 558)	(1 558)
Transfer of revaluation surplus to retained earnings	-	-	-	(15)	15	-
Balance as of 31 December 2022	2 756	574	1 000	2 071	(2 134)	4 267
Net profit (loss) for the year	-	-	-	-	(1 220)	(1 220)
Other comprehensive income	-	-	-	-	23	23
Total comprehensive income (loss)	-	-	-	-	(1 197)	(1 197)
Transfer of revaluation surplus to retained earnings	-	-	-	(43)	43	-
Balance as of 30 September 2023	2 756	574	1 000	2 028	(3 288)	3 070

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 September	2022	30 september	2022
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (loss) for the period	(1 323)	(1 686)	(1 220)	(1 411)
Adjustments for non-cash items:				
Depreciation and amortization	492	546	420	392
(Gain) on disposal of property, plant and equipment and investment property	(8)	11	(8)	11
Impairment and write-off of inventories	(125)	37	(115)	36
Interest expense, net of interest income	323	147	303	106
Income tax (income) expense	(10)	(14)	(8)	(5)
Changes in working capital:				
(Increase) decrease in inventories	1 077	392	1 101	389
(Increase) decrease in trade receivables	821	254	718	408
(Increase)/decrease in contract asset	116	(872)	113	(873)
Decrease (increase) in receivables from subsidiaries	-	-	(62)	16
(Increase) decrease in other receivables and other current assets	53	37	51	(13)
Increase/(decrease) in contract liabilities	(344)	919	(452)	888
(Increase) decrease in trade and other accounts payable	(323)	487	(87)	533
Increase (decrease) in taxes payable and other current liabilities	(258)	(390)	(463)	(468)
Income tax (paid)	-	(72)	-	(69)
Net cash generated from operating activities	491	(204)	291	(60)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(131)	(38)	(101)	(37)
Proceeds from sale of property, plant and equipment	8	3	8	3
Interest received	-	-	45	39
Net cash flows generated from (to) investing activities	(123)	(35)	(48)	5
Cash flows from financing activities				
Loans received	702	1 800	702	1 800
Loans repaid	(478)	(1 387)	(478)	(1 387)
Loans granted to a subsidiary	-	-	-	(130)
Interest paid	(324)	(147)	(348)	(144)
Lease payments	(131)	(158)	(70)	(107)
Net cash flows from financing activities	(231)	108	(194)	32
Net increase in cash and cash equivalents	137	(131)	49	(23)
Cash and cash equivalents at the beginning of the period	385	625	29	72
Cash and cash equivalents at the end of the period	522	494	78	49

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 2023 and 31 December 2022 the shareholders of the Company were as follows:

	As of 30 september 2023		As of 31 December 2022	
	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 2023 and 31 December 2022 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 2023	31 December 2022	
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	100.00	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 1.385 million. EUR and from this amount during 2023. The 9-month negative currency exchange difference of EUR 10 thousand is accounted for in the Group's financial statements as other comprehensive income (expenses).

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 intems attributed to net investments, EUR	(10 339)
Foreign currency translation reserve on other items, EUR	64 799
Other comprehensive income EUR, net	54 460

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 2023 and for the 9 months of 2022

of 30 September 2023	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	15 302	1 869		17 171
Internal sales	377	-	(377)	-
Total revenue	15 679	1 869	(377)	17 171
Gross profit	1 541	230	-	1 771
EBITDA	(500)	(31)	-	(531)
Profit (loss)	(1 237)	(87)	-	(1 324)
of 30 September 2022	Production 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)
Profit (loss)	(1 604)	(44)	-	(1 648)

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 492 thousand as of 30 September 2023, EUR 318 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 2023 and 31 December 2022 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Non-current financial assets

On 27 June 2021, Utenos trikotažas AB purchased 20 percent of the registered shares of Aboutwear UAB from G.Vilke. In 30 September 2022 and 2023 AB Utenos trikotažas owns 100 percent of the shares of Aboutwear UAB.

10. Inventories

	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Raw materials	2 387	2 993	2 056	2 640
Work in progress	1 527	1 596	1 524	1 594
Finished goods	984	1 386	924	1 367
Goods for resale	4	6	-	3
	4 902	5 981	4 504	5 604
Write-down to net realisable value:				
Opening balance	(1 635)	(1 893)	(1 312)	(1 570)
Change	126	258	115	258
Closing balance	(1 509)	(1 635)	(1 197)	(1 312)
	3 393	4 346	3 307	4 292

11. Trade receivables

	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Trade receivables, gross	1 200	2 075	913	1 675
Allowance for trade receivables:				
Opening balance	(78)	(85)	(52)	(59)
Additional allowance	-	-	-	-
Written-of	53	7	52	7
Closing balance	(25)	(78)	-	(52)
	1 175	1 997	913	1 623

Changes in impairment allowance for doubtful trade receivables as of 30 September 2023 and 31 December 2022 were recorded within the Group's and Company's general and administrative expenses.

12. Cash and cash equivalents

	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Cash at bank and on hand	522	385	78	29
	522	385	78	29

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 30 September 2023 and 31 December 2022 were as follows:

	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Revaluation surplus	2 308	2 361	2 028	2 071
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 077	1 023	-	-
Accumulated retained earnings/ (losses)	(5 212)	(3 959)	(3 288)	(2 134)
	(163)	1 089	314	1 511

14. Borrowings

	Group		Company	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Current				
Current portion of non-current bank borrowings	767	637	767	637
Other current liabilities	1 021	320	1 021	320
Non-current				
Borrowings from subsidiaries	-	-	639	600
Borrowings from related entities	581	532	581	532
Long-term bank borrowings	3 553	4 162	3 553	4 162
Other non-current liabilities	286	394	286	394
Total borrowings	6 208	6 045	6 847	6 645

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 Group UAB for EUR 532 thousand. The annual interest rate on the loan will be 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%. On 28 April 2023 an additional agreement was signed, according to which the interest rate was increased to 8.1% from the day of signing the agreement. 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 at 30 September 2023, 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 2023 and at 31 December 2022 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	
	2023.09.30	2022.12.31	2023.09.30	2022.12.31
Accrual for vacation reserve	865	1 088	615	810
Wages, salaries and social security	754	653	593	549
Amounts payable for services and non-current assets	515	423	371	422
Taxes payable, except for income tax	254	258	216	224
Provisions for accrued bonuses	54	122	-	50
Provisions for employee benefits	76	81	53	58
Other liabilities	228	297	17	83
	2 746	2 922	1 865	2 196

16. Revenue

Grup	January-September		July-September	
	2023	2022	2023	2022
Revenue from sales of goods and services	16 342	24 982	5 245	8 588
Revenue from sales of materials	829	1 317	351	459
	<u>17 171</u>	<u>26 299</u>	<u>5 596</u>	<u>9 047</u>

Company	January-September		July-September	
	2023	2022	2023	2022
Revenue from sales of goods and services	14 550	22 989	4 805	8 072
Revenue from sales of materials	680	1 279	282	456
	<u>15 230</u>	<u>24 268</u>	<u>5 087</u>	<u>8 528</u>

17. Cost of sales

Group	January-September		July-September	
	2023	2022	2023	2022
Materials	5 434	8 749	1 975	2 769
Wages and salaries and social security	7 026	8 490	2 265	2 714
Depreciation and amortisation	2 302	5 241	585	1 872
Other overhead expenses	318	394	113	135
Cost of materials sold	320	1 015	192	416
	<u>15 400</u>	<u>23 889</u>	<u>5 130</u>	<u>7 906</u>

Company	January-September		July-September	
	2023	2022	2023	2022
Materials	5 384	8 723	1 986	2 779
Wages and salaries and social security	5 366	6 730	1 758	2 211
Depreciation and amortisation	2 600	5 704	686	1 992
Other overhead expenses	274	271	92	91
Cost of materials sold	250	958	136	413
	<u>13 874</u>	<u>22 386</u>	<u>4 658</u>	<u>7 486</u>

18. Selling general and administrative expenses

Group	January-September		July-September	
	2023	2022	2023	2022
Selling expenses				
Wages and salaries and social security	473	682	139	185
Advertising and marketing costs	141	235	41	54
Other selling expenses	501	848	163	233
	<u>1 115</u>	<u>1 765</u>	<u>343</u>	<u>472</u>
General and administrative expenses				
Wages and salaries and social security	717	682	215	30
Communications and consulting services	411	407	135	109
Taxes other than income tax	126	93	41	33
Depreciation and amortization	107	190	36	58
Security	132	114	45	38
Vehicles exploitation expenses	50	59	25	13
Services of financial institutions	38	59	11	19
Premises exploitation expenses	33	39	8	14
Representation expenses	24	19	6	6
Inventory impairments and write-offs (reversals)	(125)	(282)	(102)	(319)
Other	263	592	76	358
	<u>1 776</u>	<u>1 953</u>	<u>496</u>	<u>359</u>
	<u>2 892</u>	<u>3 718</u>	<u>839</u>	<u>831</u>
Company				
Selling expenses				
Wages and salaries and social security	432	590	126	172
Advertising and marketing costs	141	170	41	53
Other selling expenses	497	812	162	234
	<u>1 070</u>	<u>1 572</u>	<u>329</u>	<u>459</u>
General and administrative expenses				
Wages and salaries and social security	477	630	143	190
Communications and consulting services	352	293	114	94
Taxes other than income tax	46	78	17	27
Depreciation and amortization	104	110	30	36
Security	69	58	24	19
Vehicles exploitation expenses	36	43	17	16
Services of financial institutions	35	52	10	18
Premises exploitation expenses	30	37	8	14
Representation expenses	23	19	6	6
Inventory impairments and write-offs (reversals)	(115)	(282)	(92)	(318)
Other	175	223	53	96
	<u>1 232</u>	<u>1 261</u>	<u>330</u>	<u>198</u>
	<u>2 303</u>	<u>2 833</u>	<u>659</u>	<u>657</u>

19. Other income and expenses

Group

	January-September		July-September	
	2023	2022	2023	2022
Gain on disposal of non-current assets	8	7	-	7
Rent income	21	18	6	4
Other income	86	121	29	36
Other income	115	146	35	47
Loss from disposal of non-current assets	(1)	(66)	(1)	(55)
Rent costs	(18)	(15)	(4)	(5)
Other expenses	-	(2)	-	-
Other expenses	(19)	(83)	(5)	(60)

Company

	January-September		July-September	
	2023	2022	2023	2022
Gain on disposal of non-current assets	8	7	-	7
Rent income	16	19	5	4
Other income	8	29	3	11
Other income	32	55	8	22
Loss from disposal of non-current assets	(1)	(66)	(1)	(55)
Rent costs	(15)	(12)	(3)	(5)
Other expenses	(16)	(78)	(4)	(60)

20. Finance costs, net

Group

	January-September		July-September	
	2023	2022	2023	2022
Foreign exchange gain (loss)	8	(188)	30	(170)
Interest expenses	(324)	(229)	(113)	(82)
Other	6	(7)	3	(11)
	(310)	(424)	(80)	(263)

Company

	January-September		July-September	
	2023	2022	2023	2022
Foreign exchange gain (loss)	-	14	-	8
Interest expenses	(348)	(226)	(121)	(82)
Interest income	45	55	15	16
Other	5	(6)	2	(10)
	(298)	(163)	(104)	(68)

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	
	2023	2022	2023	2022
Profit/ (loss) attributable to the equity holders of the Group	(1 315)	(1 639)	(410)	13
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	(0,14)	(0,17)	(0,04)	(0,00)

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.