



## **UTENOS TRIKOTAŽAS, AB**

**CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS**  
for the 3 months period ended 31 March 2022  
(UNAUDITED)

## INFORMATION ABOUT COMPANY

Company name	Utenos Trikotažas AB
Legal and organisation form	Legal entity, public company
Date and place of incorporation	Registered with the Register of Legal Entities of Utena District on 6 <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	Registų 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 3 months of 2022, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 8.6 million, which is by 33,8 per-cent more than in the previous year when the Group’s sales accounted for EUR 6,4 million. The Group exported 84.0 per-cent of products.

During the 3 months of 2022, the company Utenos trikotažas sold products and provided services for EUR 7.9 million. The sales volume, compared with the 3 months of 2021, increased by EUR 2.1 million, or 35.9 per-cent. The company’s export sales reached 84.1 per-cent.

The sales of the largest segment – on-demand knitwear – increased by 39.3 per-cent and reached EUR 6.9 million, private brands dropped by 29.0 per-cent and reached EUR 1.1 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija dropped by 3.5 per-cent.

During the 3 months of 2022, the Group incurred EUR 1,246 thousand loss before tax, when during 3 months of 2021 there was 640 thousand Eur loss before tax. During the same period, the company Utenos trikotažas suffered 942 thousand EUR loss before tax, while loss before tax amounted to EUR 688 thousand a year ago.

The Group’s EBITDA is negative at 841 thousand EUR, which is 385 thousand EUR less than in the same period in 2021. The Company’s EBITDA is negative at 700 thousand EUR, that is 193 thousand EUR less than the same period in 2021, when the company’s EBITDA accounted for EUR 507 thousand.

February 2022 the Russian Federation recognized the self-proclaimed republics of Donetsk and Lugansk and later invaded Ukraine, and the military conflict escalated and spread to other regions of the country. The current escalation of the military conflict is likely to have a negative impact on the political and business environment in Ukraine, including the ability of many actors to continue their normal activities. The Group operates in the Ukrainian market through its subsidiary Mrija PAT MTF, whose main activity is the provision of services to AB Utenos Trikotažas and whose external sales are insignificant. At the time of publication of these reports, Mrija PAT MTF was operating normally.

**Key performance indicators of the Group****Trade**

Revenue (EUR '000)	Group			Company		
	2022 I Q	2021 I Q	Change %	2022 I Q	2021 I Q	Change %
Products manufactured on demand of other clients	6,935	4,978	39,3	6,935	4,978	39,3
Own brands (ABOUT, UTENOS)	1,085	841	29,0	969	840	15,4
Services of functional-technical garments manufacture	599	621	(3,5)	-	-	-
	<u>8,619</u>	<u>6,440</u>	<u>33,8</u>	<u>7,904</u>	<u>5,818</u>	<u>35,9</u>

**Sales by regions**

Revenue (EUR '000)	Group			Company		
	2022 I Q	2021 I Q	Change %	2022 I Q	2021 I Q	Change %
Export	7,235	5,454	32,7	6,650	4,877	36,4
DACH (Germany, Austria, Switzerland)	5,168	4,278	20,8	4,994	3,757	32,9
Scandinavia (Sweden, Norway, Denmark, Finland)	1,329	806	64,9	1,234	793	55,6
Other regions	738	370	99,6	422	327	29,0
Domestic	1,384	986	40,4	1,254	941	33,2
	<u>8,619</u>	<u>6,440</u>	<u>33,8</u>	<u>7,904</u>	<u>5,818</u>	<u>35,8</u>

**Operating figures**

	Group			Company		
	2022 I Q	2021 I Q	Change %	2022 I Q	2021 I Q	Change %
Manufactured items units	718	647	11	688	614	12
Average number of employees	963	956	1	708	671	6

**Financial ratios**

	Group			Company		
	2022 I Q	2021 I Q	Change	2022 I Q	2021 I Q	Change
Revenue (EUR'000)	8,619	6,440	0,3	7,904	5,818	0,4
Operating profit (loss) (EUR'000)	(1,097)	(691)	0,6	(897)	(679)	0,3
Operating profit (loss) margin (%)	(12,7)	(10,7)	(2,0)	(11,3)	(11,7)	0,3
EBITDA (EUR'000)	(841)	(456)	0,8	(700)	(507)	0,4
EBITDA margin (%)	(9,8)	(7,1)	(2,7)	(8,9)	(8,7)	(0,1)
Profit (loss) before tax (EUR'000)	(1,246)	(640)	0,9	(942)	(688)	0,4
Profit (loss) before tax, margin (%)	(14,5)	(9,9)	(4,5)	(11,9)	(11,8)	(0,1)
Net profit (loss) for the year (EUR'000)	(1,238)	(632)	1,0	(939)	(685)	0,4
Net profit (loss) for the year margin (%)	(14,4)	(9,8)	(4,6)	(11,9)	(11,8)	(0,1)
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

**Relative ratios**

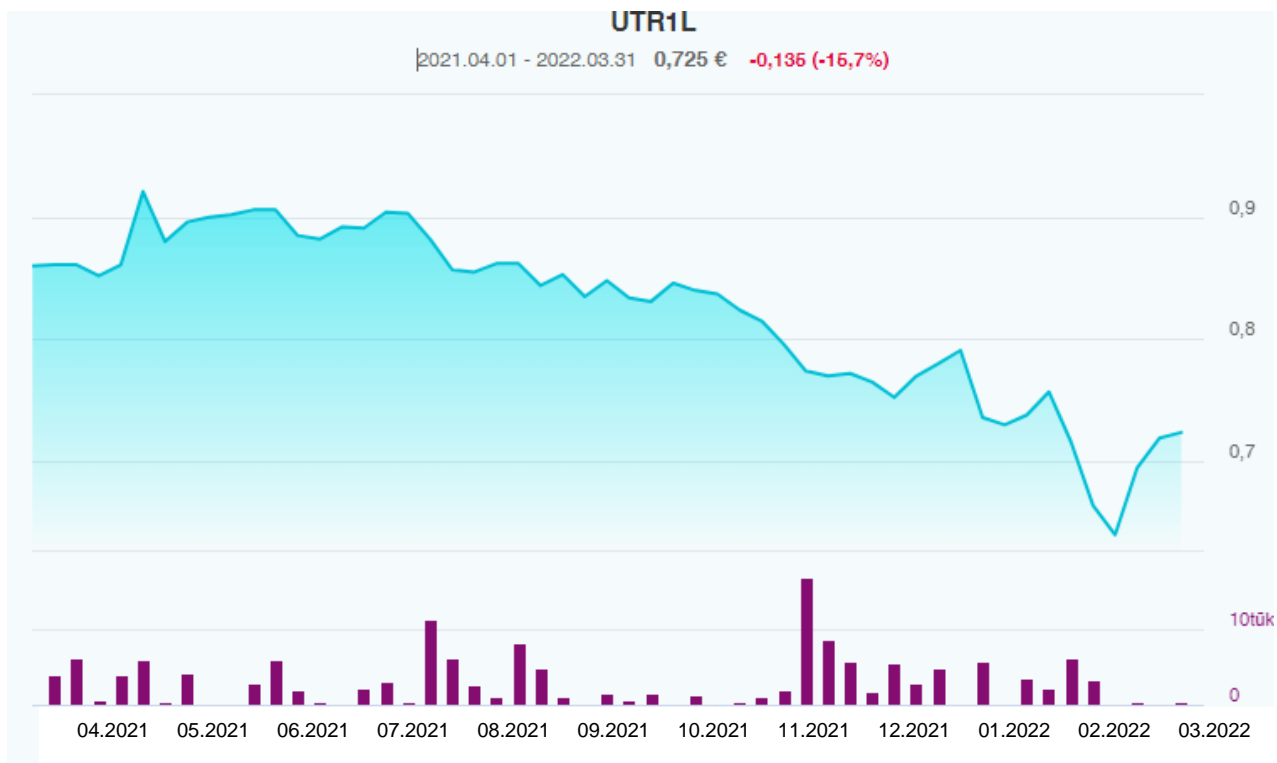
	Group			Company		
	2022 I Q	2021 I Q	Change p.p.	2022 I Q	2021 I Q	Change p.p.
Return on capital employed (%)	(44,9)	(22,9)	(22,0)	(34,0)	(24,9)	(9,2)
Return on assets (%)	(5,5)	(2,8)	(2,8)	(4,4)	(3,2)	(1,2)
Return on shareholders' equity (%)	(20,2)	(8,6)	(11,6)	(15,6)	(9,9)	(5,8)
Debt ratio (%)	72,5	67,4	5,1	71,7	67,5	4,1
Debt-to-equity ratio (%)	264,0	207,0	57,0	252,8	207,8	45,0
Liquidity ratio (%)	127,7	119,0	8,7	128,2	117,7	10,6
Equity to assets ratio (%)	27,5	32,6	(5,1)	28,3	32,5	(4,1)

**Ratios related with the share price**

	2022 I Q	2021 I Q	Change
P/E	(5,51)	(13,05)	7,54
EPS	(0,13)	(0,07)	(0,06)
EV/EBITDA	(5,44)	(19,53)	14,09

## Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price during 12 months period from 1 April 2021 to 31 March 2022:



### Price ratios

Open price, EUR  
 High price, EUR  
 Low price, EUR  
 Last price, EUR  
 Traded volume  
 Turnover, million EUR  
 Capitalisation, million EUR

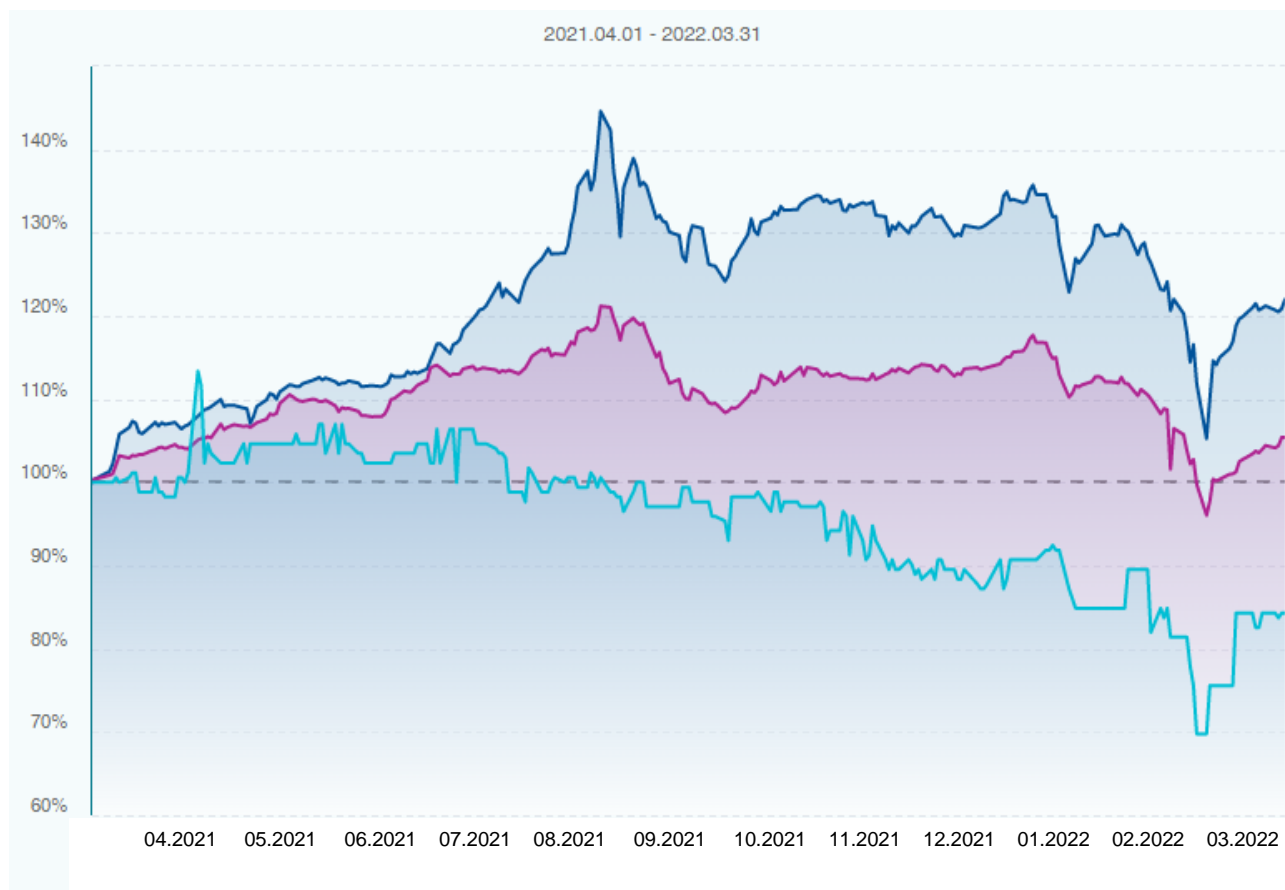
### 2022 I Q

0,780  
 0,795  
 0,510  
 0,700  
 32 320  
 0,020  
 6,650

### 2021 I Q

0,920  
 0,950  
 0,810  
 0,865  
 21 183  
 0,020  
 8,220

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, during 12 months period from 1 April 2021 to 31 March 2022**



Index/ Equity	2022.03.31	2021.03.31	2022.03.31/2021.03.31 change, %
—OMX Baltic Benchmark GI	1,460,04	1,196,92	21,98
—OMX Vilnius	894,98	848,89	5,43
—UTR1L	0,72 EUR	0,86 EUR	(15,70)



## Statements of Financial Position

		Group		Company	
		2022.03.31	2021.12.31	2022.03.31	2021.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	7	480	486	77	84
Property, plant and equipment	8	9,137	9,443	6,279	6,405
Right-of-use assets		588	578	271	238
Investment property		161	163	161	163
Investments into subsidiaries		-	-	1,490	1,490
Receivables from subsidiaries		-	-	1,248	1,104
Prepayments to subsidiaries		-	-	728	771
		<u>10,366</u>	<u>10,670</u>	<u>10,254</u>	<u>10,255</u>
<b>Current assets</b>					
Inventories	9	6,222	6,914	6,247	6,831
Trade receivables	10	2,277	1,182	1,727	1,065
Contract assets		2,625	2,748	2,551	2,673
Other current assets		397	534	353	463
Cash and cash equivalents	11	436	625	36	72
		<u>11,957</u>	<u>12,003</u>	<u>10,914</u>	<u>11,104</u>
<b>Total assets</b>		<u>22,323</u>	<u>22,673</u>	<u>21,168</u>	<u>21,359</u>

## Statements of financial position (continued)

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to the equity holders of the Company</b>				
Share capital	2,756	2,756	2,756	2,756
Revaluation surplus	12	574	574	574
Legal reserve	12	3,910	2,115	2,129
Reserve for acquisition of own shares	12	1,090	1,000	1,000
Foreign currency translation reserve	12	1,036	-	-
Accumulated retained earnings/ (losses)	12	(3,313)	(446)	480
		<u>6,053</u>	<u>5,999</u>	<u>6,939</u>
<b>Non-controlling interest</b>		79	-	-
<b>Total equity</b>		<u>6,132</u>	<u>5,999</u>	<u>6,939</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	13	4,640	4,640	2,999
Non-current lease liabilities	„	505	215	177
Borrowings from subsidiaries	13	-	600	600
Borrowings from parent company	13	532	532	532
Deferred income tax liabilities		791	423	425
Provisions for employee benefits		358	251	251
		<u>6,826</u>	<u>6,661</u>	<u>4,984</u>
<b>Current liabilities</b>				
Current portion of non-current borrowings	13	637	637	637
Other current liabilities	13	510	510	1,801
Current lease liabilities		110	77	81
Trade payables		3,502	3,448	2,886
Payables to other related parties and subsidiaries		156	340	320
Contract liabilities		879	876	860
Accrued expenses and other current liabilities	14	3,571	2,621	2,851
<b>Total current liabilities</b>		<u>9,365</u>	<u>8,508</u>	<u>9,436</u>
<b>Total liabilities</b>		<u>16,189</u>	<u>15,170</u>	<u>14,420</u>
<b>Total equity and liabilities</b>		<u>22,323</u>	<u>21,168</u>	<u>21,359</u>

**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Group January-March		Company January-March	
		2022	2021	2022	2021
Revenue from contracts with customers	6,15	8,619	6,440	7,904	5,818
Cost of sales	16	(8,251)	(5,600)	(7,730)	(5,118)
<b>Gross profit</b>		<b>368</b>	<b>840</b>	<b>174</b>	<b>700</b>
Selling expenses	17	(706)	(637)	(583)	(622)
General and administrative expenses	17	(810)	(921)	(501)	(761)
Other operating income	18	57	30	18	6
Other operating expenses	18	(6)	(3)	(5)	(2)
<b>Operating profit (losses)</b>		<b>(1,097)</b>	<b>(691)</b>	<b>(897)</b>	<b>(679)</b>
Interest income	19	-	-	19	15
Finance income	19	33	205	9	15
Finance costs	19	(182)	(154)	(73)	(39)
<b>Profit (losses) before tax</b>		<b>(1,246)</b>	<b>(640)</b>	<b>(942)</b>	<b>(688)</b>
Income tax		8	8	3	3
<b>Net profit (losses)</b>		<b>(1,238)</b>	<b>(632)</b>	<b>(939)</b>	<b>(685)</b>
<b>Net profit (losses) attributable to:</b>					
Equity shareholders of the Company	20	(1,208)	(630)	(939)	(685)
Non-controlling interest		(30)	(2)	-	-
		<b>(1,238)</b>	<b>(632)</b>	<b>(939)</b>	<b>(685)</b>

## 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 March 2021</b>	2,756	574	4,058	1,090	969	134	9,581	242	9,823
Net profit (loss) for the year	-	-	-	-	-	(2,334)	(2,334)	(143)	(2,477)
Other comprehensive income	-	-	-	-	84	(54)	30	-	30
<b>Total comprehensive income (loss)</b>	-	-	-	-	84	(2,388)	(2,304)	(143)	(2,447)
Transfer of revaluation surplus to retained earnings	-	-	(112)	-	-	112	-	-	-
Other movements	-	-	-	-	-	-	-	10	10
<b>Balance as of 31 December 2021</b>	2,756	574	3,946	1,090	1,053	(2,142)	7,277	109	7,386
Net profit (loss) for the year	-	-	-	-	-	(1,208)	(1,208)	(30)	(1,238)
Other comprehensive income	-	-	-	-	(17)	1	(16)	-	(16)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(17)	(1,207)	(1,224)	(30)	(1,254)
Transfer of revaluation surplus to retained earnings	-	-	(36)	-	-	36	-	-	-
<b>Balance as of 31 March 2022</b>	2,756	574	3,910	1,090	1,036	(3,313)	6,053	79	6,132

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
<b>Balance as of 31 March 2021</b>	2,756	574	2,173	1,000	2,752	9,255
Net profit (loss) for the year	-	-	-	-	(2,262)	(2,262)
Other comprehensive income (loss)	-	-	-	-	(54)	(54)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(2,316)	(2,316)
Transfer of revaluation surplus to retained earnings	-	-	(44)	-	44	-
<b>Balance as of 31 December 2021</b>	2,756	574	2,129	1,000	480	6,939
Net profit (loss) for the year	-	-	-	-	(939)	(939)
Other comprehensive income (loss)	-	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	-	-	-	-	(939)	(939)
Transfer of revaluation surplus to retained earnings	-	-	(14)	-	14	-
<b>Balance as of 31 March 2022</b>	2,756	574	2,115	1,000	(446)	5,999

**STATEMENTS OF CASH FLOWS**

	<b>Group</b>		<b>Company</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(1,239)	(633)	(939)	(686)
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	258	236	196	172
Impairment and write-off of inventories	16	139	16	139
Interest expense, net of interest income	64	24	47	11
Income tax (income) expense	(7)	(7)	(3)	(3)
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	753	(566)	644	(539)
(Increase) decrease in trade receivables	(1,097)	(77)	(662)	142
(Increase)/decrease in contract asset	123	602	122	576
Decrease (increase) in receivables from subsidiaries	-	-	(102)	(17)
(Increase) decrease in other receivables and other current assets	138	(162)	110	(110)
Increase/(decrease) in contract liabilities	18	61	16	67
(Increase) decrease in trade and other accounts payable	564	(87)	582	(61)
Increase (decrease) in taxes payable and other current liabilities	43	(338)	(266)	(392)
Income tax (paid)	(36)	(52)	(35)	(11)
<b>Net cash generated from operating activities</b>	<b>(402)</b>	<b>(860)</b>	<b>(274)</b>	<b>(712)</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(8)	(139)	(8)	(138)
Proceeds from sale of property, plant and equipment	-	-	-	-
Interest received	-	-	19	15
Dividends received	-	-	-	-
<b>Net cash flows generated from (to) investing activities</b>	<b>(8)</b>	<b>(139)</b>	<b>11</b>	<b>(123)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	1,800	-	1,800	-
Repayment of borrowings and financial lease payments	(1,450)	(142)	(1,450)	(142)
Interest paid	(64)	(24)	(66)	(25)
Lease payments	(65)	(33)	(57)	(23)
<b>Net cash flows from financing activities</b>	<b>221</b>	<b>(199)</b>	<b>227</b>	<b>(190)</b>
	<b>(189)</b>	<b>(1,198)</b>	<b>(36)</b>	<b>(1,025)</b>
<b>Net increase in cash and cash equivalents</b>				
	<b>625</b>	<b>3,792</b>	<b>72</b>	<b>3,167</b>
<b>Cash and cash equivalents at the beginning of the period</b>				
	<b>437</b>	<b>2,594</b>	<b>36</b>	<b>2,142</b>
<b>Cash and cash equivalents at the end of the period</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 Official List of the NASDAQ OMX Vilnius Stock Exchange.

As of 31 March 2022 and 31 December 2021 the shareholders of the Company were as follows:

	As of 31 March 2022		As of 31 December 2021	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
UAB SBA grupė	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 March 2022 and 31 December 2021 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

	Registered address	Group's share (%)		Profile
		31 March 2022	31 December 2021	
Šatrija AB	Satrijos 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	Tomas Masarik str.13, Mukachev, Ukraine	98.95	98.95	Production of knitted articles
Aboutwear UAB	Laisvės str.3, Vilnius	80.00	80.00	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).

Amount of monetary items attributed to net investment amounts to EUR 1.385 million and foreign currency exchange difference related to this amount for the 3 months of 2022 comprises EUR 75 thousand, which is accounted in the Group's consolidated financial statements through 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	74,530
Foreign currency translation reserve on other items, EUR	(91,452)
<b>Other comprehensive income EUR, net</b>	<b>(16,922)</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 3 months of 2022 and for the 3 months of 2021:

of 31 March 2022	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	8,019	600	-	8,619
Internal sales	306	-	(306)	-
<b>Total revenue</b>	<b>8,325</b>	<b>600</b>	<b>(306)</b>	<b>8,619</b>
<b>Gross profit</b>	<b>317</b>	<b>51</b>	<b>-</b>	<b>368</b>
<b>EBITDA</b>	<b>(803)</b>	<b>(37)</b>	<b>-</b>	<b>(841)</b>
<b>Profit (loss)</b>	<b>(1,176)</b>	<b>(62)</b>	<b>-</b>	<b>(1,238)</b>

of 31 March 2021	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	5,819	621	-	6,440
Internal sales	149	-	(149)	-
<b>Total revenue</b>	<b>5,968</b>	<b>621</b>	<b>(149)</b>	<b>6,440</b>
<b>Gross profit</b>	<b>757</b>	<b>83</b>	<b>-</b>	<b>840</b>
<b>EBITDA</b>	<b>(463)</b>	<b>7</b>	<b>-</b>	<b>(456)</b>
<b>Profit (loss)</b>	<b>(611)</b>	<b>(21)</b>	<b>-</b>	<b>(632)</b>

## 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 196 thousand as of 31 March 2022, EUR 122 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 March 2022 and 31 December 2021 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

## 9. Inventories

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
Raw materials	2,908	3,310	2,578	2,971
Work in progress	2,775	2,418	2,770	2,411
Finished goods	2,391	2,985	2,432	2,930
Goods for resale	58	94	54	89
	<b>8,132</b>	<b>8,807</b>	<b>7,834</b>	<b>8,401</b>
Write-down to net realisable value:				
Opening balance	(1,893)	(1,418)	(1,570)	(1,095)
Change	(17)	(475)	(17)	(475)
Closing balance	(1,910)	(1,893)	(1,587)	(1,570)
Opening balance	<b>6,222</b>	<b>6,914</b>	<b>6,247</b>	<b>6,831</b>

## 10. Trade receivables

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
Trade receivables, gross	2,362	1,267	1,786	1,124
Impairment:				
Opening balance	(85)	(107)	(59)	(81)
Accrued over the year	-	-	-	-
Written-off	-	22	-	22
Closing balance	(85)	(85)	(59)	(59)
	<b>2,277</b>	<b>1,182</b>	<b>1,727</b>	<b>1,065</b>

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

## 11. Cash and cash equivalents

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
Cash at bank and on hand	436	625	36	72
	<b>436</b>	<b>625</b>	<b>36</b>	<b>72</b>

## 12. 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 March 2022 and 31 December 2021 were as follows:

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
Revaluation surplus	3,910	3,946	2,115	2,129
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1,090	1,090	1,000	1,000
Foreign currency translation reserve	1,036	1,053	-	-
Cash flow hedge reserve	(3,313)	(2,142)	(446)	480
	<b>3,297</b>	<b>4,521</b>	<b>3,243</b>	<b>4,183</b>

**13. Borrowings**

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
<b>Current</b>				
Current portion of non-current bank borrowings	637	637	637	637
Other current borrowings	510	1,801	510	1,801
<b>Non-current</b>				
Borrowings from subsidiaries	-	-	600	600
Borrowings from parent company	532	532	532	532
Non-current borrowings	4,640	2,999	4,640	2,999
<b>Total borrowings</b>	<b>6,319</b>	<b>5,899</b>	<b>6,919</b>	<b>6,569</b>

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 UAB SBA grupė for EUR 532 thousand. The annual interest rate on the loan will be 2.2 %. The loan matures on 31 December 2027.

On 28 June 2021, a loan agreement was concluded between Utenos trikotažas UAB and the subsidiary Aboutwear UAB, the maximum amount of which does not exceed EUR 700 thousand. The loan has to be repaid before 27 June 2024. The loan bears interest, and a variable interest rate is applied calculated according to 6-month EURIBOR + 2.2%. as at 31 December 2021, the amount of the repaid loan was EUR 700 thousand. 31 March 2022 the amount of the loan EUR 830 thousand.

On 27 December 2021, bond subscription agreement and a loan agreement were concluded with manages the Business Assistance Fund, which provide that the Fund signs and acquires whereas the Company issues ordinary registered bonds of nominal value of up to EUR 2,300 thousand, and the Fund grants the Company a loan of up to EUR 500 thousand. The redemption date of the bonds and the repayment deadline of the loan – 15 December 2027. The liabilities are subject to an annual interest rate which is calculated at intervals of 12 (twelve) months - 7%. For each other 12 (twelve) months the interest rate is increased by 0.1 (one tenth) percentage point annually. Under the agreements, liabilities are guaranteed by pledges of current and non-current assets and by sureties of the subsidiaries Šatrija AB and Aboutwear UAB. As at 31 March 2022, the balance of issued and paid bonds amounted to EUR 2,300 thousand, the balance of the loan granted was EUR 500 thousand.

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

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

**14. Accrued expenses and other current liabilities**

	Group		Company	
	2022.03.31	2021.12.31	2022.03.31	2021.12.31
Accrual for vacation reserve	1,489	1,360	1,159	1,061
Wages, salaries and social security	859	792	680	635
Amounts payable for services and non-current assets	563	494	432	496
Taxes payable, except for income tax	260	466	203	414
Provisions for accrued bonuses	70	72	52	72
Provisions for employee benefits	93	93	76	76
Other liabilities	237	298	19	97
	<b>3,571</b>	<b>3,575</b>	<b>2,621</b>	<b>2,851</b>

**15. Revenue**

	Group January-March		Company January-March	
	2022	2021	2022	2021
Revenue from sales of goods and services	8,280	6,124	7,582	5,523
Revenue from sales of materials	339	316	322	295
	<b>8,619</b>	<b>6,440</b>	<b>7,904</b>	<b>5,818</b>

**16. Cost of sales**

	Group January-March		Company January-March	
	2022	2021	2022	2021
Materials	3,026	2,028	3,056	1,987
Wages and salaries and social security	3,014	2,448	2,397	1,921
Other overhead expenses	1,802	817	1,941	948
Depreciation and amortisation	122	144	90	113
Cost of materials sold	287	163	246	149
	<b>8,251</b>	<b>5,600</b>	<b>7,730</b>	<b>5,118</b>

**17. Selling general and administrative expenses**

	Group January-March		Company January-March	
	2022	2021	2022	2021
<b>Selling expenses</b>				
Wages and salaries and social security	269	244	216	232
Advertising and marketing costs	109	164	60	164
Other selling expenses	328	229	307	226
	<b>706</b>	<b>637</b>	<b>583</b>	<b>622</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	366	393	251	315
Communications and consulting services	178	129	105	109
Taxes other than income tax	55	36	31	33
Depreciation and amortization	40	41	25	30
Security	38	34	19	17
Vehicles exploitation expenses	18	8	14	6
Services of financial institutions	23	26	16	25
Premises exploitation expenses	15	12	13	11
Representation expenses	7	5	7	5
Impairment and write-off (reversal) of inventories	16	139	16	139
Other	54	98	20	71
	<b>810</b>	<b>921</b>	<b>501</b>	<b>761</b>
	<b>1,516</b>	<b>1,558</b>	<b>1,084</b>	<b>1,383</b>

## 18. Other income and expenses

	Group January-March		Company January-March	
	2022	2021	2022	2021
Rent income	6	6	7	5
Other income	51	24	11	1
<b>Other income</b>	<b>57</b>	<b>30</b>	<b>18</b>	<b>6</b>
Rent costs	(6)	(3)	(5)	(2)
Other expenses	-	-	-	-
<b>Other expenses</b>	<b>(6)</b>	<b>(3)</b>	<b>(5)</b>	<b>(2)</b>

## 19. Finance costs, net

	Group January-March		Company January-March	
	2022	2021	2022	2021
Foreign exchange gain (loss)	(86)	75	-	1
Interest expenses	(64)	(24)	(66)	(25)
Interest income	-	-	19	15
Other finance income	1	-	2	-
	<b>(149)</b>	<b>51</b>	<b>(45)</b>	<b>(9)</b>

## 20. 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-March	
	2022	2021
Profit/ (loss) attributable to the equity holders of the Group	(1,208)	(630)
Weighted average number of shares in issue (thousand)	9,503	9,503
<b>Basic/dilutive earnings per share (in EUR)</b>	<b>(0,13)</b>	<b>(0,07)</b>