



## **UTENOS TRIKOTAŽAS, AB**

**CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS**  
for the 3 months period ended 31 March 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 first quarter of 2021, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 6.4 million, which is by 13.6 per cent less than in the previous year when the Group’s sales accounted for EUR 7.5 million. The Group exported 84.7 per cent of products.

During the first three months of 2021, the company Utenos trikotažas sold products and provided services for EUR 5.8 million. The sales volume, compared with the first quarter of 2020, decreased by EUR 0.9 million, or 12.9 per cent. The company’s export sales reached 83.8 per cent.

The sales of the largest segment – on-demand knitwear –dropped by 7.5 per cent and reached EUR 5 million, private brands UTENOS and ABOUT dropped by 33.4 per cent and reached EUR 0.8 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija dropped by 23.5 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 first three months of 2021, the Group incurred EUR 640 thousand loss before tax, when 2020 in the first quarter was 200 thousand Eur loss before tax. During the same period , the company Utenos trikotažas suffered 688 thousand EUR loss before tax. When earned 76 thousand a year ago. EUR profil before tax.

The Group’s EBITDA is negative 456 thousand EUR , which is less by 912 thousand EUR less than in the same period in 2020.

The Company’s EBITDA is negative 507 thousand EUR , 747 thousand EUR less than in the first quarter of 2020, when the company’s EBITDA accounted for EUR 240 thousand.EUR

The group’s results for the first quarter were negatively impacted by the reduced production capacity due to the COVID-19 epidemic and the additional costs incurred to compensate for that.

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

Revenue (EUR '000)	Group			Company		
	2021 I Q	2020 I Q	Change %	2021 I Q	2020 I Q	Change %
Products manufactured on demand of other clients	4,978	5,380	(7,5)	4,978	5,380	(7,5)
Own brands (ABOUT, UTENOS)	841	1,262	(33,4)	840	1,299	(35,3)
Services of functional-technical garments manufacture	621	812	(23,5)	-	-	-
	6,440	7,454	(13,6)	5,818	6,679	(12,9)

**Sales by regions**

Revenue (EUR '000)	Group			Company		
	2021 I Q	2020 I Q	Change %	2021 I Q	2020 I Q	Change %
Export	5,454	5,800	(6,0)	4,877	5,337	(8,6)
<i>DACH (Germany, Austria, Switzerland)</i>	4,278	4,257	0,5	3,757	4,024	(6,6)
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	806	797	1,1	793	797	(0,5)
<i>Other regions</i>	370	746	(50,4)	327	516	(36,6)
Domestic	986	1,654	(40,4)	941	1,342	(29,9)
	6,440	7,454	(13,6)	5,818	6,679	(12,9)

**Operating figures**

	Group			Company		
	2021 I Q	2020 I Q	Change %	2021 I Q	2020 I Q	Change %
Manufactured items units	647	1,089	(41)	614	1,050	(42)
Average number of employees	956	1,049	(9)	671	719	(7)

**Financial ratios**

	Group			Company		
	2021 I Q	2020 I Q	Change	2021 I Q	2020 I Q	Change
Revenue (EUR'000)	6,440	7,454	(13,6)%	5,818	6,679	(12,9)%
Operating profit (loss) (EUR'000)	(691)	54	---	(679)	49	---
Operating profit (loss) margin (%)	(10,7)	0,7	(11,5) p.p	(11,7)	0,7	(12,4) p.p
EBITDA (EUR'000)	(456)	320	---	(507)	240	---
EBITDA margin (%)	(7,1)	4,3	(11,4) p.p	(8,7)	3,6	(12,3) p.p
Profit (loss) before tax (EUR'000)	(640)	(200)	---	(688)	76	---
Profit (loss) before tax, margin (%)	(9,9)	(2,7)	(7,3) p.p	(11,83)	1,14	(13,0) p.p
Net profit (loss) for the year (EUR'000)	(632)	(226)	---	(685)	48	---
Net profit (loss) for the year margin (%)	(9,8)	(3,0)	(6,8) p.p	(11,8)	0,7	(12,5) p.p
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

**Relative ratios**

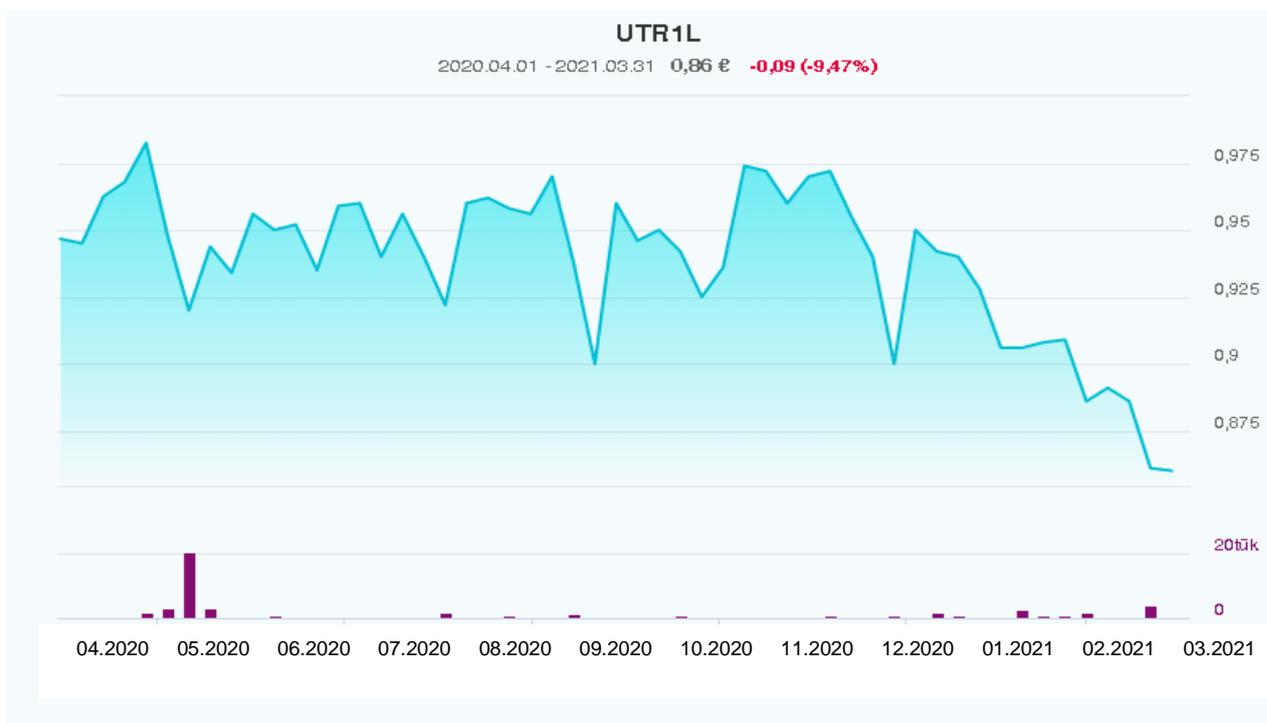
	Group			Company		
	2021 I Q	2020 I Q	Change p.p	2021 I Q	2020 I Q	Change p.p.
Return on capital employed (%)	(22,9)	(8,2)	(14,7)	(24,8)	1,7	(26,6)
Return on assets (%)	(2,9)	(1,0)	(1,9)	(3,3)	0,2	(3,5)
Return on shareholders' equity (%)	(6,4)	(2,2)	(4,3)	(7,4)	0,5	(7,9)
Debt ratio (%)	55,7	55,2	0,5	55,3	54,7	0,6
Debt-to-equity ratio (%)	125,7	123,1	2,6	123,8	120,6	3,1
Liquidity ratio (%)	128,8	136,8	(8,0)	127,7	136,7	(8,9)
Equity to assets ratio (%)	44,3	44,8	(0,5)	44,7	45,3	(0,6)

**Ratios related with the share price**

	2021 I Q	2020 I Q	Change
P/E	(13,05)	(39,35)	26,30
EPS	(0,07)	(0,02)	(0,04)
EV/EBITDA	(19,53)	6,66	(26,19)

## Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price during 12 months period from 1 April 2020 to 31 March 2021:



### Price ratios

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

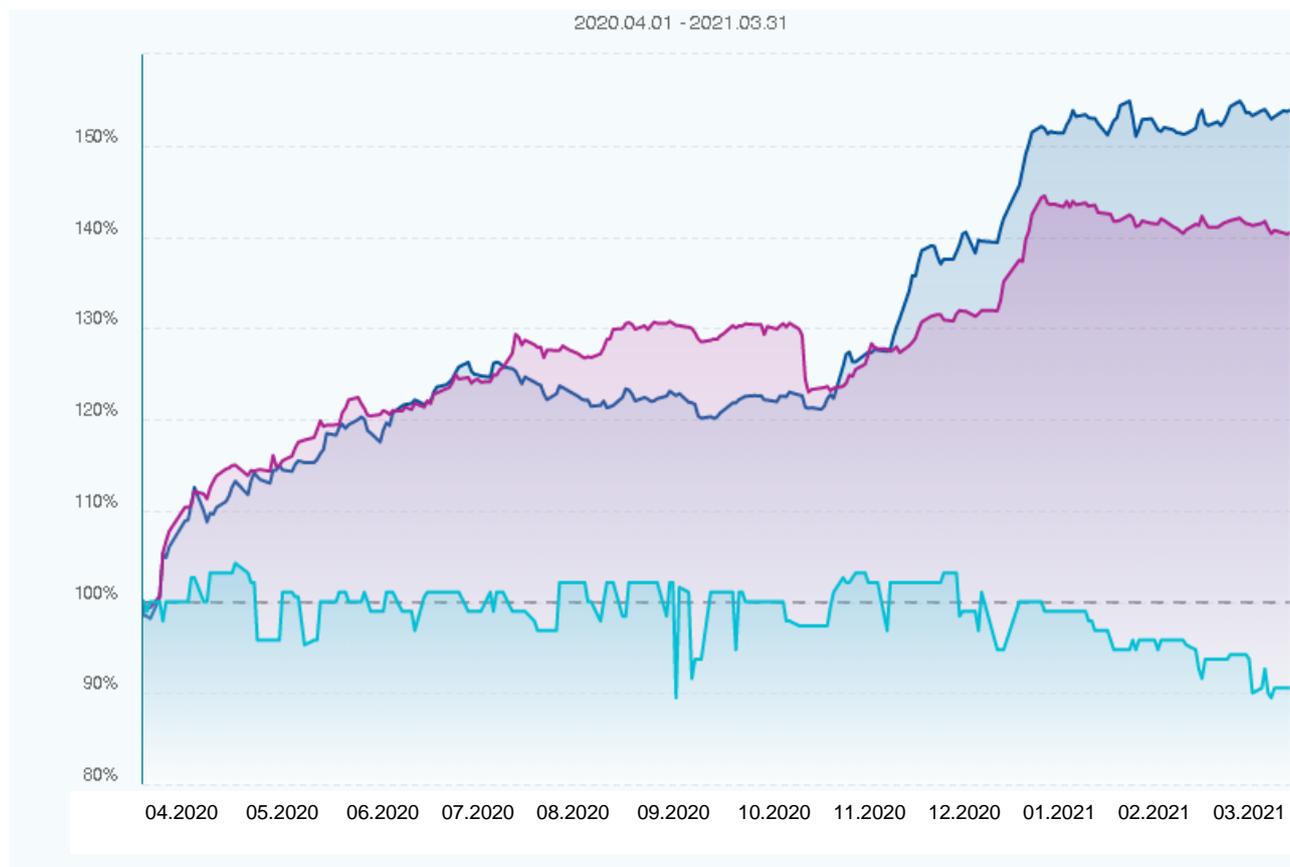
### 2021 I Q

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

### 2020 I Q

0,940  
1,040  
0,800  
0,975  
15 962  
0,020  
9,270

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, during 12 months period from 1 April 2020 to 31 March 2021**



Index/ Equity	2021.03.31	2020.03.31	2021.03.31/2020.03.31 change, %
—OMX Baltic Benchmark GI	1 196,92	777,91	53,86
—OMX Vilnius	848,89	604,56	40,41
—UTR1L	0,86 EUR	0,95 EUR	(9,47)

## Statements of Financial Position

		Group		Company	
		2021.03.31	2020.12.31	2021.03.31	2020.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	7	504	517	102	115
Property, plant and equipment	8	9,530	9,448	6,465	6,463
Right-of-use assets		641	629	313	304
Investment property		124	125	124	125
Investments into subsidiaries		-	-	1,490	1,490
Receivables from subsidiaries		-	-	1,054	1,039
Prepayments to subsidiaries		-	-	885	883
Deferred income tax asset		77	77	-	-
		<b>10,876</b>	<b>10,796</b>	<b>10,433</b>	<b>10,419</b>
<b>Current assets</b>					
Inventories	9	5,855	5,428	5,783	5,384
Trade receivables	10	1,511	1,433	1,113	1,255
Contract assets		780	1,382	780	1,356
Other current assets		559	397	461	351
Cash and cash equivalents	11	2,594	3,792	2,142	3,167
		<b>11,299</b>	<b>12,432</b>	<b>10,279</b>	<b>11,513</b>
<b>Total assets</b>		<b>22,175</b>	<b>23,228</b>	<b>20,712</b>	<b>21,932</b>

## Statements of financial position (continued)

	Group		Company	
	2021.03.31	2020.12.31	2021.03.31	2020.12.31
<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	574
Legal reserve	12 4,058	4,085	2,173	2,187
Reserve for acquisition of own shares	12 1,090	1,090	1,000	1,000
Foreign currency translation reserve	12 969	922	-	-
Accumulated retained earnings/ (losses)	12 134	739	2,753	3,424
	<b>9,581</b>	<b>10,166</b>	<b>9,256</b>	<b>9,941</b>
<b>Non-controlling interest</b>	<b>242</b>	<b>244</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>9,823</b>	<b>10,410</b>	<b>9,256</b>	<b>9,941</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	13 2,172	2,314	2,172	2,314
Non-current lease liabilities	13 528	527	213	227
Borrowings from subsidiaries	13 -	-	600	600
Deferred income tax liabilities	607	614	231	233
Provisions for employee benefits	275	275	193	193
	<b>3,582</b>	<b>3,730</b>	<b>3,409</b>	<b>3,567</b>
<b>Current liabilities</b>				
Current portion of non-current borrowings	13 567	567	567	567
Borrowings from parent company	13 532	532	532	532
Current lease liabilities	153	128	120	96
Trade payables	2,122	2,180	2,081	2,106
Payables to other related parties and subsidiaries	68	97	120	1157
Contract liabilities	432	372	433	366
Income tax payable	-	73	-	73
Accrued expenses and other current liabilities	14 4,896	5,139	4,194	4,527
	<b>8,770</b>	<b>9,088</b>	<b>8,047</b>	<b>8,424</b>
<b>Total current liabilities</b>	<b>8,770</b>	<b>9,088</b>	<b>8,047</b>	<b>8,424</b>
<b>Total liabilities</b>	<b>12,352</b>	<b>12,818</b>	<b>11,456</b>	<b>11,991</b>
<b>Total equity and liabilities</b>	<b>22,175</b>	<b>23,228</b>	<b>20,712</b>	<b>21,932</b>

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group January-March		Company January-March	
		2021	2020	2021	2020
Revenue from contracts with customers	6,15	6,440	7,454	5,818	6,679
Cost of sales	16	(5,600)	(5,993)	(5,118)	(5,391)
<b>Gross profit</b>		<b>840</b>	<b>1 461</b>	<b>700</b>	<b>1 288</b>
Selling expenses	17	(637)	(606)	(622)	(580)
General and administrative expenses	17	(921)	(827)	(761)	(664)
Other operating income	18	30	37	6	14
Other operating expenses	18	(3)	(11)	(2)	(9)
<b>Operating profit (losses)</b>		<b>(691)</b>	<b>54</b>	<b>(679)</b>	<b>49</b>
Interest income	19	-	-	15	15
Finance income	19	205	51	15	43
Finance costs	19	(154)	(305)	(39)	(31)
<b>Profit (losses) before tax</b>		<b>(640)</b>	<b>(200)</b>	<b>(688)</b>	<b>76</b>
Income tax		8	(26)	3	(28)
<b>Net profit (losses)</b>		<b>(632)</b>	<b>(226)</b>	<b>(685)</b>	<b>48</b>
<b>Net profit (losses) attributable to:</b>					
Equity shareholders of the Company	20	(630)	(227)	(685)	48
Non-controlling interest		(2)	1	-	-
		<b>(632)</b>	<b>(226)</b>	<b>(685)</b>	<b>48</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
				on of					
<b>Balance as of 31 March 2020</b>	2,756	574	4,194	1,090	1 034	797	10,445	206	10,651
Net profit (loss) for the year	-	-	-	-	-	(226)	(226)	30	(196)
Other comprehensive income	-	-	-	-	(112)	59	(53)	8	(45)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(112)	(167)	(279)	38	(241)
Transfer of revaluation surplus to retained earnings	-	-	(109)	-	-	109	-	-	-
<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	-	-	-	-	-	(632)	(632)	(2)	(634)
Other comprehensive income	-	-	-	-	47	-	47	-	47
<b>Total comprehensive income (loss)</b>	-	-	-	-	47	(632)	(585)	(2)	(587)
Transfer of revaluation surplus to retained earnings	-	-	(27)	-	-	27	-	-	-
<b>Balance as of 31 March 2021</b>	2,756	574	4,058	1,090	969	134	9,581	242	9,823

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
<b>Balance as of 31 March 2020</b>	2,756	574	1,000	2,230	3,677	10,237
Net profit (loss) for the year	-	-	-	-	(319)	(319)
Other comprehensive income (loss)	-	-	-	-	23	23
<b>Total comprehensive income (loss)</b>	-	-	-	-	(296)	(296)
Transfer of revaluation surplus to retained earnings	-	-	-	(43)	43	-
<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	-	-	-	-	(686)	(686)
Other comprehensive income (loss)	-	-	-	-	-	-
<b>Total comprehensive income (loss)</b>	-	-	-	-	(686)	(686)
Transfer of revaluation surplus to retained earnings	-	-	-	(14)	14	-
<b>Balance as of 31 March 2021</b>	2,756	574	1,000	2,173	2,752	9,255

**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>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(633)	(226)	(686)	48
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	236	266	172	191
Impairment and write-off of inventories	140	43	139	65
Interest expense, net of interest income	24	24	11	10
Income tax (income) expense	(7)	26	(3)	28
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	(566)	(105)	(539)	(85)
(Increase) decrease in trade receivables	(77)	22	142	68
(Increase)/decrease in contract asset	602	368	576	334
Decrease (increase) in receivables from subsidiaries	-	-	(17)	(53)
(Increase) decrease in other receivables and other current assets	(162)	40	(110)	32
Increase/(decrease) in contract liabilities	61	368	67	222
(Increase) decrease in trade and other accounts payable	(87)	(828)	(61)	(603)
Increase (decrease) in taxes payable and other current liabilities	(339)	414	(392)	211
Income tax (paid)	(52)	(15)	(11)	(11)
<b>Net cash generated from operating activities</b>	<b>(860)</b>	<b>397</b>	<b>(712)</b>	<b>457</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(139)	(129)	(138)	(122)
Proceeds from sale of property, plant and equipment	-	-	-	-
Interest received	-	-	15	15
Dividends received	-	-	-	32
<b>Net cash flows generated from (to) investing activities</b>	<b>(139)</b>	<b>(129)</b>	<b>(123)</b>	<b>(75)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	540	-	540
Repayment of borrowings and financial lease payments	(142)	(142)	(142)	(292)
Interest paid	(24)	(24)	(25)	(25)
Lease payments	(33)	(25)	(23)	(17)
<b>Net cash flows from financing activities</b>	<b>(199)</b>	<b>349</b>	<b>(190)</b>	<b>206</b>
	<b>(1,198)</b>	<b>617</b>	<b>(1,025)</b>	<b>588</b>
<b>Net increase in cash and cash equivalents</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>2,594</b>	<b>1,512</b>	<b>2,142</b>	<b>1,240</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 2021 and 31 December 2020 the shareholders of the Company were as follows:

	As of 31 March 2021		As of 31 December 2020	
	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 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 March 2021	31 December 2020	
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

## 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 2021 comprises EUR (82) 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	(81,503)
Foreign currency translation reserve on other items, EUR	128,642
<b>Other comprehensive income EUR, net</b>	<b>47,139</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 2021 and for the 3 months of 2020:

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>

of 31 March 2020	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	6,642	812	-	7,454
Internal sales	303	-	(303)	-
<b>Total revenue</b>	<b>6,945</b>	<b>812</b>	<b>(303)</b>	<b>7,454</b>
<b>Gross profit</b>	<b>1,316</b>	<b>145</b>	<b>-</b>	<b>1,461</b>
<b>EBITDA</b>	<b>264</b>	<b>56</b>	<b>-</b>	<b>320</b>
<b>Profit (loss)</b>	<b>(246)</b>	<b>20</b>	<b>-</b>	<b>(226)</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 236 thousand as of 31 March 2021, EUR 144 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 2021 and 31 December 2020 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

**9. Inventories**

	Group		Company	
	2021.03.31	2020.12.31	2021.03.31	2020.12.31
Raw materials	2,822	3,017	2,483	2,684
Work in progress	2,052	1,485	2,047	1,481
Finished goods	2,507	2,340	2,461	2,314
Goods for resale	5	4	-	-
	<b>7,386</b>	<b>6,846</b>	<b>6,991</b>	<b>6,479</b>
Write-down to net realisable value:				
Opening balance	(1,418)	(890)	(1,095)	(567)
Change	(113)	(528)	(113)	(528)
Closing balance	(1,531)	(1,418)	(1,208)	(1,095)
Opening balance	<b>5,855</b>	<b>5,428</b>	<b>5,783</b>	<b>5,384</b>

**10. Trade receivables**

	Group		Company	
	2021.03.31	2020.12.31	2021.03.31	2020.12.31
Trade receivables, gross	1,618	1,540	1,194	1,336
Impairment:				
Opening balance	(107)	(274)	(81)	(248)
Accrued over the year	-	(81)	-	(81)
Written-off	-	248	-	248
Closing balance	(107)	(107)	(81)	(81)
	<b>1,511</b>	<b>1,433</b>	<b>1,113</b>	<b>1,255</b>

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

## 11. Cash and cash equivalents

	Group		Company	
	2021.03.31	2020.12.31	2021.03.31	2020.12.31
Cash at bank and on hand	2,594	3,792	2,142	3,167
	<b>2,594</b>	<b>3,792</b>	<b>2,142</b>	<b>3,167</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 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021.03.31	2020.12.31	2021.03.31	2020.12.31
Revaluation surplus	4,058	4,085	2,173	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	969	922	-	-
Cash flow hedge reserve	134	739	2,753	3,424
	<b>6,825</b>	<b>7,410</b>	<b>6,500</b>	<b>7,185</b>

**13. Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2021.03.31</b>	<b>2020.12.31</b>	<b>2021.03.31</b>	<b>2020.12.31</b>
<b>Current</b>				
Current portion of non-current bank borrowings	567	567	567	567
Borrowings from parent company	532	532	532	532
<b>Non-current</b>				
Borrowings from subsidiaries	-	-	600	600
Non-current bank borrowings	2,172	2,314	2,172	2,314
<b>Total borrowings</b>	<b>3,271</b>	<b>3,413</b>	<b>3,871</b>	<b>4,013</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 2022 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 2021.

As at 31 March 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.

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

	<b>Group</b>		<b>Company</b>	
	<b>2021.03.31</b>	<b>2020.12.31</b>	<b>2021.03.31</b>	<b>2020.12.31</b>
Accrual for vacation reserve	1,336	1,059	1,081	840
Wages, salaries and social security	1,479	1,557	1,305	1,462
Amounts payable for services and non-current assets	264	328	269	353
Taxes payable, except for income tax	1,343	1,466	1,311	1,442
Prepayments received	251	502	220	420
Other liabilities	223	227	8	10
	<b>4,896</b>	<b>5,139</b>	<b>4,194</b>	<b>4,527</b>

**15. Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>January-March</b>		<b>January-March</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenue from sales of goods and services	6,124	7,266	5,523	6,522
Revenue from sales of materials	316	188	295	157
	<b>6,440</b>	<b>7,454</b>	<b>5,818</b>	<b>6,679</b>

**16. Cost of sales**

	<b>Group</b>		<b>Company</b>	
	<b>January-March</b>		<b>January-March</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Materials	2,028	2,124	1,987	2,047
Wages and salaries and social security	2,448	2,706	1,921	2,053
Other overhead expenses	817	926	948	1,067
Depreciation and amortisation	144	186	113	125
Cost of materials sold	163	51	149	99
	<b>5,600</b>	<b>5,993</b>	<b>5,118</b>	<b>5,391</b>

**17. Selling general and administrative expenses**

	<b>Group</b>		<b>Company</b>	
	<b>January-March</b>		<b>January-March</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Selling expenses</b>				
Wages and salaries and social security	244	230	232	211
Advertising and marketing costs	164	118	164	118
Other selling expenses	229	258	226	251
	<b>637</b>	<b>606</b>	<b>622</b>	<b>580</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	393	393	315	308
Communications and consulting services	129	110	109	96
Taxes other than income tax	36	22	33	20
Depreciation and amortization	41	43	30	32
Security	34	36	17	17
Vehicles exploitation expenses	8	4	6	4
Services of financial institutions	26	20	25	19
Premises exploitation expenses	12	13	11	11
Travel expenses	-	4	-	4
Representation expenses	5	7	5	7
Impairment and write-off (reversal) of inventories	140	43	139	65
Other	29	132	71	81
	<b>921</b>	<b>827</b>	<b>761</b>	<b>664</b>
	<b>1,558</b>	<b>1,433</b>	<b>1,383</b>	<b>1,244</b>

## 18. Other income and expenses

	Group January-March		Company January-March	
	2021	2020	2021	2020
Rent income	6	6	5	5
Other income	24	31	1	9
<b>Other income</b>	<b>30</b>	<b>37</b>	<b>6</b>	<b>14</b>
Rent costs	(3)	(11)	(2)	(9)
Other expenses	-	-	-	-
<b>Other expenses</b>	<b>(3)</b>	<b>(11)</b>	<b>(2)</b>	<b>(9)</b>

## 19. Finance costs, net

	Group January-March		Company January-March	
	2021	2020	2021	2020
Foreign exchange gain (loss)	75	(234)	1	-
Interest expenses	(24)	(24)	(25)	(25)
Interest income	-	-	15	15
Dividends income	-	-	-	33
Other finance income	-	4	-	4
	<b>51</b>	<b>(254)</b>	<b>(9)</b>	<b>27</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	
	2021	2020
Profit/ (loss) attributable to the equity holders of the Group	(630)	(227)
Weighted average number of shares in issue (thousand)	9,503	9,503
<b>Basic/dilutive earnings per share (in EUR)</b>	<b>(0,07)</b>	<b>(0,02)</b>

## 21. Subsequent sheet events

2021 April 28 extension of the Overdraft Agreement until 30 April 2022 was signed with the Lithuanian branch of OP Corporate bank pic. by increasing the amount of the limit to EUR 2,000,000.