



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 3 months period ended 31 March 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 3 months of 2023, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 6.1 million, which is by 29,8 per-cent less than in the previous year when the Group's sales accounted for EUR 8,6 million. The Group exported 82.3 per-cent of products.

During the 3 months of 2023, the company Utenos trikotažas sold products and provided services for EUR 5.3 million. The sales volume, compared with the 3 months of 2022, dropped by EUR 2,6 million, or 32.4 per-cent. The company's export sales reached 80.1 per-cent.

The sales of the largest segment – on-demand knitwear – dropped by 31.7 per-cent and reached EUR 4.7 million, private brands dropped by 42.8 per-cent and reached EUR 0.6 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija increased by 16 per-cent.

During the 3 months of 2023, the Group incurred EUR 248 thousand loss before tax, when during 3 months of 2022 there was 1.246 thousand Eur loss before tax. During the same period, the company Utenos trikotažas suffered 264 thousand EUR loss before tax, while loss before tax amounted to EUR 942 thousand a year ago.

The Group's EBITDA is positive at 19 thousand EUR, which is 860 thousand EUR more than in the same period in 2022. The Company's EBITDA is negative at 42 thousand EUR, that is 658 thousand EUR more than the same period in 2022, when the company's EBITDA accounted for EUR 700 thousand.

Key performance indicators of the Group**Trade**

	Group			Company		
	2023 I Q	2022 I Q	Change %	2023 I Q	2022 I Q	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	4,735	6,935	(31,7)	4,721	6,935	(31,9)
Own brands (ABOUT, UTENOS)	620	1,085	(42,8)	620	969	(36,0)
Services of functional-technical garments manufacture	695	599	16,0	-	-	-
	<u>6,050</u>	<u>8,619</u>	<u>(29,8)</u>	<u>5,341</u>	<u>7,904</u>	<u>(32,4)</u>

Sales by regions

	Group			Company		
	2023 I Q	2022 I Q	Change %	2023 I Q	2022 I Q	Change %
Revenue (EUR '000)						
Export	4,979	7,235	(31,2)	4,279	6,650	(35,6)
DACH (Germany, Austria, Switzerland)	3,311	5,168	(35,9)	3,154	4,994	(36,8)
Scandinavia (Sweden, Norway, Denmark, Finland)	601	1,329	(54,8)	600	1,234	(51,4)
Other regions	1,067	738	44,6	525	422	24,5
Domestic	1,071	1,384	(22,6)	1,062	1,254	(15,4)
	<u>6,050</u>	<u>8,619</u>	<u>(29,8)</u>	<u>5,341</u>	<u>7,904</u>	<u>(32,4)</u>

Operating figures

	Group			Company		
	2023 I Q	2022 I Q	Change %	2023 I Q	2022 I Q	Change %
Manufactured items units	454	718	(36,7)	422	688	(38,7)
Average number of employees	<u>820</u>	<u>963</u>	<u>(14,8)</u>	<u>571</u>	<u>708</u>	<u>(19,4)</u>

Financial ratios

	Group			Company		
	2023 I Q	2022 I Q	Change	2023 I Q	2022 I Q	Change
Revenue (EUR'000)	6,050	8,619	(29,8)%	5,341	7,904	(32,4)%
Operating profit (loss) (EUR'000)	(145)	(1,097)	-	(184)	(897)	-
Operating profit (loss) margin (%)	(2,4)	(12,7)	10,3 p.p	(3,4)	(11,3)	7,9 p.p
EBITDA (EUR'000)	19	(841)	-	(42)	(700)	-
EBITDA margin (%)	0,3	(9,8)	10,1 p.p	(0,8)	(8,9)	8,1 p.p
Profit (loss) before tax (EUR'000)	(248)	(1,246)	-	(264)	(942)	-
Profit (loss) before tax, margin (%)	(4,1)	(14,5)	10,4 p.p	(4,94)	(11,9)	7,0 p.p
Net profit (loss) for the year (EUR'000)	(245)	(1,238)	-	(261)	(939)	-
Net profit (loss) for the year margin (%)	(4,1)	(14,4)	10,3 p.p	(4,9)	(11,9)	7,0 p.p
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

Relative ratios

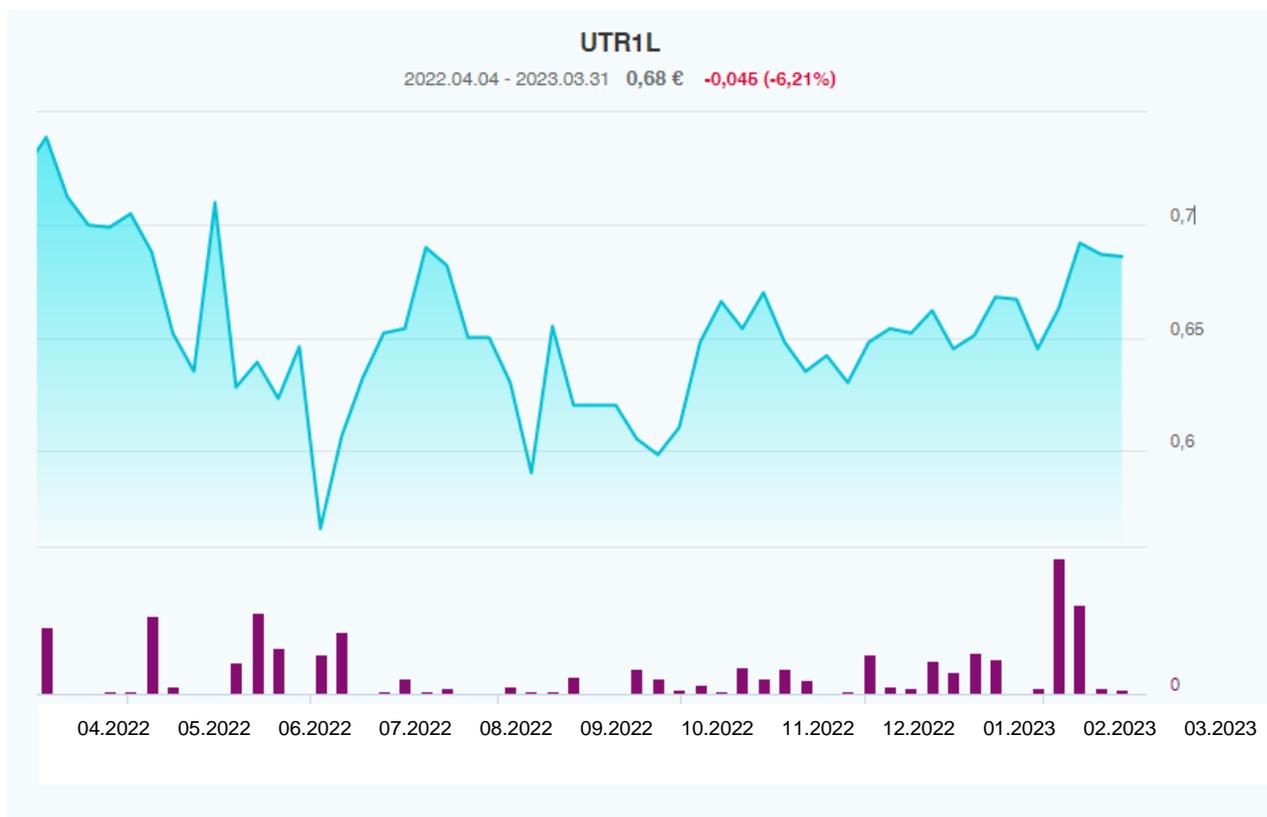
	Group			Company		
	2023 I Q	2022 I Q	Change p.p	2023 I Q	2022 I Q	Change p.p.
Return on capital employed (%)	(8,9)	(44,9)	36,0	(9,4)	(34,1)	24,6
Return on assets (%)	(1,6)	(7,4)	5,8	(1,7)	(5,8)	4,1
Return on shareholders' equity (%)	(6,9)	(30,7)	23,8	(6,5)	(22,0)	15,5
Debt ratio (%)	77,3	76,0	1,2	73,2	73,6	(0,4)
Debt-to-equity ratio (%)	339,6	317,2	22,4	272,5	278,5	(6,0)
Liquidity ratio (%)	142,0	142,6	(0,6)	146,1	147,2	(1,1)
Equity to assets ratio (%)	22,7	24,0	(1,2)	26,8	26,4	0,4

Ratios related with the share price

	2023 I Q	2022 I Q	Change
P/E	(26,14)	(5,51)	(20,63)
EPS	(0,03)	(0,13)	0,10
EV/EBITDA	544,26	(13,54)	557,80

Information regarding the price of shares and their dynamics

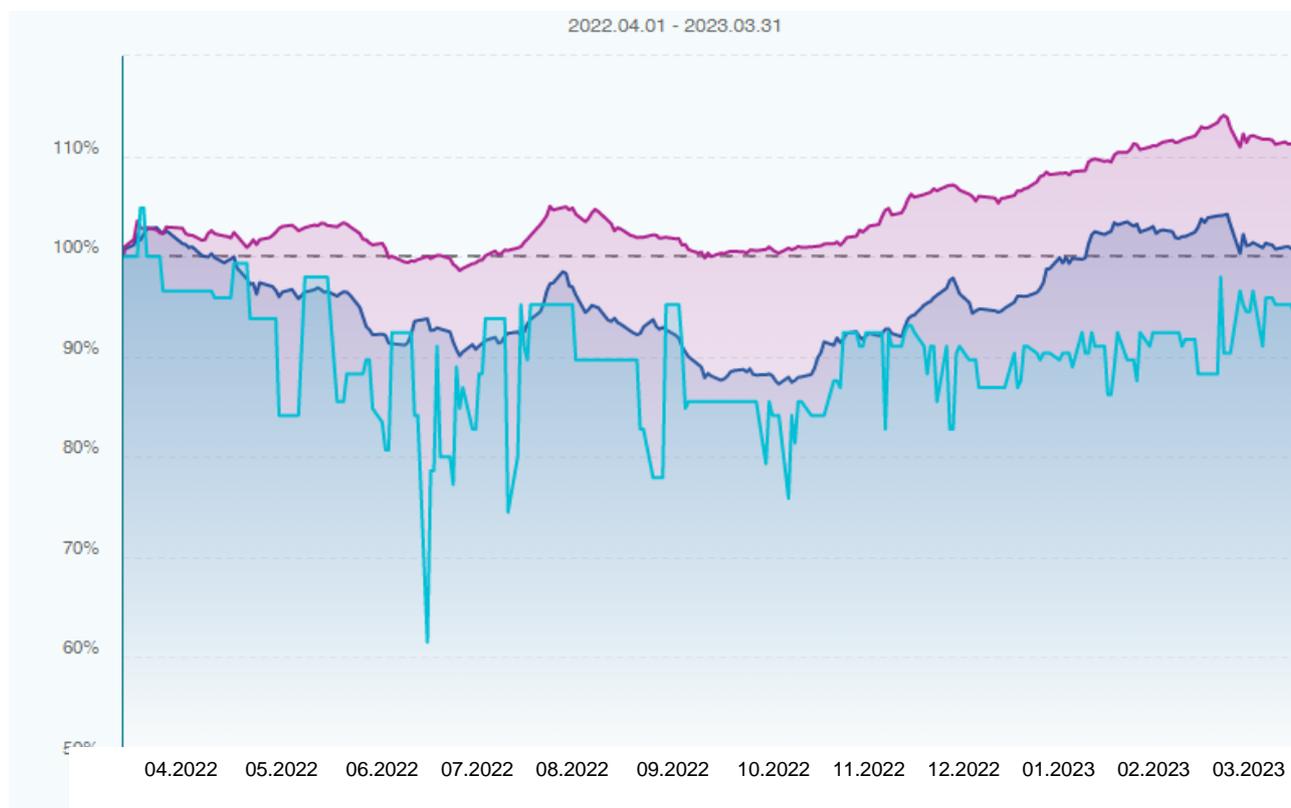
Utenos Trikotažas AB share price during 12 months period from 1 April 2022 to 31 March 2023:



Price ratios

	2023 I Q	2022 I Q
Open price, EUR	0,605	0,780
High price, EUR	0,740	0,795
Low price, EUR	0,600	0,510
Last price, EUR	0,680	0,700
Traded volume	14 821	32 320
Turnover, million EUR	0,010	0,020
Capitalisation, million EUR	6,460	6,650

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, during 12 months period from 1 April 2022 to 31 March 2023



Index/ Equity	2023.03.31	2022.03.31	2023.03.31/2022.03.31 change, %
—OMX Baltic Benchmark GI	1,472.75	1,460.04	+0.87
—OMX Vilnius	996.21	894.98	11.31
—UTR1L	0.68 EUR	0.72 EUR	(6.21)

Statements of Financial Position

		Group		Company	
		2023.03.31	2022.12.31	2023.03.31	2022.12.31
ASSETS					
Non-current assets					
Intangible assets	7	462	474	60	70
Property, plant and equipment	8	6,822	6,898	6,128	6,182
Right-of-use assets		338	355	211	227
Investment property		155	157	156	157
Investments into subsidiaries		-	-	1,490	1,490
Receivables from subsidiaries		-	-	15	-
Prepayments to subsidiaries				26	-
		<u>7,777</u>	<u>7,884</u>	<u>8,086</u>	<u>8,126</u>
Current assets					
Inventories	9	4,264	4,346	4,135	4,292
Trade receivables	10	1,445	1,997	1,118	1,623
Contract assets		1,181	1,900	1,084	1,801
Other current assets		475	315	447	280
Cash and cash equivalents	11	569	385	50	29
		<u>7,934</u>	<u>8,943</u>	<u>6,834</u>	<u>8,025</u>
Total assets		<u>15,711</u>	<u>16,827</u>	<u>14,920</u>	<u>16,151</u>

Statements of financial position (continued)

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
EQUITY AND LIABILITIES				
Equity attributable to the equity holders of the Company				
Share capital	2,756	2,756	2,756	2,756
Revaluation surplus	12 574	574	574	574
Legal reserve	12 2,343	2,361	2,057	2,071
Reserve for acquisition of own shares	12 1,090	1,090	1,000	1,000
Foreign currency translation reserve	12 822	1,023	-	-
Accumulated retained earnings/ (losses)	12 (4,199)	(3,959)	(2,380)	(2,134)
	3,386	3,845	4,007	4,267
Non-controlling interest	188	188	-	-
Total equity	3,574	4,033	4,007	4,267
LIABILITIES				
Non-current liabilities				
Borrowings	13 4,003	4,162	4,003	4,162
Non-current lease liabilities	636	685	106	126
Borrowings from subsidiaries	13 -	-	600	600
Borrowings from parent company	13 532	532	532	532
Deferred income tax liabilities	768	517	457	460
Provisions for employee benefits	231	231	157	157
Other non-current liabilities	381	394	381	394
	6,551	6,521	6,236	6,431
Current liabilities				
Current portion of non-current borrowings	13 637	637	637	637
Other current liabilities	13 -	320	-	320
Current lease liabilities	210	208	119	115
Trade payables	971	1,184	922	1,122
Payables to other related parties and subsidiaries	92	175	168	243
Contract liabilities	664	827	665	820
Accrued expenses and other current liabilities	14 3,012	2,922	2,166	2,196
Total current liabilities	5,586	6,273	4,677	5,453
Total liabilities	12,137	12,794	10,913	11,884
Total equity and liabilities	15,711	16,827	14,920	16,151

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		January-March		January-March	
		2023	2022	2023	2022
Revenue from contracts with customers	6,15	6,050	8,619	5,341	7,904
Cost of sales	16	(5,135)	(8,251)	(4,651)	(7,730)
Gross profit		915	368	690	174
Selling expenses	17	(405)	(706)	(390)	(583)
General and administrative expenses	17	(685)	(810)	(489)	(501)
Other operating income	18	41	57	14	18
Other operating expenses	18	(11)	(6)	(9)	(5)
Operating profit (losses)		(145)	(1,097)	(184)	(897)
Interest income	19			15	19
Finance income	19	209	33	47	9
Finance costs	19	(312)	(182)	(142)	(73)
Profit (losses) before tax		(248)	(1,246)	(264)	(942)
Income tax		3	8	3	3
Net profit (losses)		(245)	(1,238)	(261)	(939)
Net profit (losses) attributable to:					
Equity shareholders of the Company	20	(247)	(1,208)	(261)	(939)
Non-controlling interest		2	(30)	-	-
		(245)	(1,238)	(261)	(939)

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 31 March 2022	2,756	574	3,910	1,090	1,036	(3,313)	6,053	79	6,132
Net profit (loss) for the year	-	-	-	-	-	(708)	(708)	26	(682)
Other comprehensive income	-	-	(1,446)	-	(13)	63	(1,396)	(11)	(1,407)
Total comprehensive income (loss)	-	-	(1,446)	-	(13)	(645)	(2,104)	15	(2,089)
Transfer of revaluation surplus to retained earnings	-	-	(103)	-	-	103	-	-	-
Acquisition/disposal of non-controlling interest	-	-	-	-	-	(104)	(104)	94	(10)
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	-	-	-	-	-	(247)	(247)	2	(245)
Other comprehensive income	-	-	-	-	(201)	(11)	(212)	(2)	(214)
Total comprehensive income (loss)	-	-	-	-	(201)	(258)	(459)	-	(459)
Transfer of revaluation surplus to retained earnings	-	-	(18)	-	-	18	-	-	-
Balance as of 31 March 2023	2,756	574	2,343	1,090	822	(4,199)	3,386	188	3,574

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 31 March 2022	2,756	574	1,000	2,115	(446)	5,999
Net profit (loss) for the year	-	-	-	-	(1,796)	(1,796)
Other comprehensive income (loss)	-	-	-	-	64	64
Total comprehensive income (loss)	-	-	-	-	(1,732)	(1,732)
Transfer of revaluation surplus to retained earnings	-	-	-	(44)	44	-
Balance as of 31 December 2022	2,756	574	1,000	2,071	(2,134)	4,267
Net profit (loss) for the year	-	-	-	-	(260)	(260)
Other comprehensive income (loss)	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	(260)	(260)
Transfer of revaluation surplus to retained earnings	-	-	-	(14)	14	-
Balance as of 31 March 2023	2,756	574	1,000	2,057	(2,380)	4,007

STATEMENTS OF CASH FLOWS

	Group		Company	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
Cash flows from operating activities				
Profit (loss) for the period	(248)	(1,246)	(264)	(942)
Adjustments for non-cash items:				
Depreciation and amortization	165	258	142	196
(Gain) loss from disposal of property, plant and equipment and investment property	(5)	-	(5)	-
Impairment and write-off of inventories	(1)	(61)	(1)	(61)
Interest expense, net of interest income	89	64	82	47
Income tax (income) expense	(3)	(8)	(3)	(3)
Changes in working capital:				
(Increase) decrease in inventories	77	753	152	644
(Increase) decrease in trade receivables	556	(1,097)	511	(662)
(Increase)/decrease in contract asset	720	123	716	122
Decrease (increase) in receivables from subsidiaries	-	-	(41)	(102)
(Increase) decrease in other receivables and other current assets	(157)	138	(166)	110
Increase/(decrease) in contract liabilities	(164)	18	(155)	16
(Increase) decrease in trade and other accounts payable	(296)	564	(274)	582
Increase (decrease) in taxes payable and other current liabilities	110	129	(43)	(186)
Income tax (paid)	1	(36)	-	(35)
Net cash generated from operating activities	844	(401)	651	(274)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(50)	(8)	(50)	(8)
Proceeds from sale of property, plant and equipment	6	-	6	-
Interest received	-	-	15	19
Dividends received	-	-	-	-
Net cash flows generated from (to) investing activities	(44)	(8)	(29)	11
Cash flows from financing activities				
Proceeds from borrowings	-	1,800	-	1,800
Repayment of borrowings and financial lease payments	(479)	(1,450)	(479)	(1,450)
Interest paid	(89)	(64)	(97)	(66)
Lease payments	(47)	(65)	(24)	(57)
Net cash flows from financing activities	(615)	221	(600)	227
	185	(188)	22	(36)
Net increase in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	385	625	29	72
Cash and cash equivalents at the end of the period	570	437	51	36

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

	As of 31 March 2023		As of 31 December 2022	
	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
	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 31 March 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
		31 March 2023	31 December 2022	
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	100.00	100.00	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 2023 comprises EUR 31 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	30,538
Foreign currency translation reserve on other items, EUR	(231,746)
Other comprehensive income EUR, net	(201,208)

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 2023 and for the 3 months of 2022:

of 31 March 2023	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	5,355	695	-	6,050
Internal sales	130	-	(130)	-
Total revenue	5,485	695	(130)	6,050
Gross profit	771	144	-	915
EBITDA	(20)	39	-	19
Profit (loss)	(267)	22	-	(245)

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)	-
Total revenue	8,325	600	(306)	8,619
Gross profit	317	51	-	368
EBITDA	(804)	(37)	-	(841)
Profit (loss)	(1,176)	(62)	-	(1,238)

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 165 thousand as of 31 March 2023, EUR 111 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 2023 and 31 December 2022 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Inventories

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Raw materials	2,750	2,993	2,414	2,640
Work in progress	1,819	1,596	1,813	1,594
Finished goods	1,327	1,386	1,220	1,367
Goods for resale	3	6	-	3
	5,899	5,981	5,447	5,604
Write-down to net realisable value:				
Opening balance	(1,635)	(1,893)	(1,312)	(1,570)
Change	-	258	-	258
Closing balance	(1,635)	(1,635)	(1,312)	(1,312)
Opening balance	4,264	4,346	4,135	4,292

10. Trade receivables

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Trade receivables, gross	1,471	2,075	1,118	1,675
Impairment:				
Opening balance	(78)	(85)	(52)	(59)
Accrued over the year	-	-	-	-
Written-off	52	7	52	7
Closing balance	(26)	(78)	-	(52)
	1,445	1,997	1,118	1,623

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

11. Cash and cash equivalents

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Cash at bank and on hand	569	385	50	29
	569	385	50	29

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 2023 and 31 December 2022 were as follows:

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Revaluation surplus	2,343	2,361	2,057	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	822	1,023	-	-
Cash flow hedge reserve	(4,199)	(3,959)	(2,380)	(2,134)
	630	1,089	1,251	1,511

13. Borrowings

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Current				
Current portion of non-current bank borrowings	637	637	637	637
Other current borrowings	-	320	-	320
Non-current				
Borrowings from subsidiaries	-	-	600	600
Borrowings from parent company	532	532	532	532
Non-current borrowings	4,003	4,162	4,003	4,162
Total borrowings	5,172	5,651	5,772	6,251

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 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

In November in 2022 a tax loan agreement was signed with the State Tax Inspectorate. The total amount of the loan is 99 thousand. EUR with interest, the amount of which is determined by the order of the Minister of Finance. The loan repayment deadline is in September in 2024.

In November in 2022 the decision of the Board of the State Social Insurance Fund was adopted regarding 371 thousand EUR tax payment postponement with interest, the amount of which is determined by the order of the Minister of Finance. The payment repayment deadline is in October in 2027.

As at 31 March 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.

14. Accrued expenses and other current liabilities

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Accrual for vacation reserve	1,074	1,088	767	810
Wages, salaries and social security	768	653	596	549
Amounts payable for services and non-current assets	520	423	429	422
Taxes payable, except for income tax	130	258	182	224
Provisions for accrued bonuses	140	122	50	50
Provisions for employee benefits	81	81	58	58
Other liabilities	232	230	17	16
Loan granted by SoDra and Tax authorities	67	67	67	67
	3,012	2,922	2,166	2,196

15. Revenue

	Group		Company	
	January-March		January-March	
	2023	2022	2023	2022
Revenue from sales of goods and services	5,949	8,434	5,239	7,720
Revenue from sales of materials	101	185	102	184
	6,050	8,619	5,341	7,904

16. Cost of sales

	Group		Company	
	January-March		January-March	
	2023	2022	2023	2022
Materials	1,487	3,026	1,481	3,056
Wages and salaries and social security	2,428	3,014	1,854	2,397
Other overhead expenses	1,040	1,880	1,155	1,978
Depreciation and amortisation	111	122	90	90
Cost of materials sold	69	209	71	209
	5,135	8,251	4,651	7,730

17. Selling general and administrative expenses

	Group		Company	
	January-March		January-March	
	2023	2022	2023	2022
Selling expenses				
Wages and salaries and social security	170	269	156	216
Advertising and marketing costs	47	109	47	60
Other selling expenses	188	328	187	307
	405	706	390	583
General and administrative expenses				
Wages and salaries and social security	275	366	192	251
Communications and consulting services	117	178	103	105
Taxes other than income tax	45	55	16	31
Depreciation and amortization	39	40	35	25
Security	43	38	23	19
Vehicles exploitation expenses	24	18	14	14
Services of financial institutions	28	23	27	16
Premises exploitation expenses	15	15	13	13
Representation expenses	9	7	9	7
Impairment and write-off (reversal) of inventories	(1)	(61)	(1)	(61)
Other	91	131	58	81
	685	810	489	501
	1,090	1,516	879	1,084

18. Other income and expenses

	Group January-March		Company January-March	
	2023	2022	2023	2022
Gain on disposal of non-current assets	5	-	5	-
Rent income	6	6	6	7
Other income	30	51	3	11
Other income	41	57	14	18
Rent costs	(9)	(4)	(7)	(3)
Other expenses	(2)	(2)	(2)	(2)
Other expenses	(11)	(6)	(9)	(5)

19. Finance costs, net

	Group January-March		Company January-March	
	2023	2022	2023	2022
Foreign exchange gain (loss)	(15)	(86)	-	-
Interest expenses	(89)	(64)	(97)	(66)
Interest income	-	-	15	19
Other finance income	1	1	2	2
	(103)	(149)	(80)	(45)

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	
	2023	2022
Profit/ (loss) attributable to the equity holders of the Group	(247)	(1 208)
Weighted average number of shares in issue (thousand)	9,503	9,503
Basic/dilutive earnings per share (in EUR)	(0,03)	(0,13)

21. Subsequent events

There have been no significant subsequent events up to the date of approval of the financial statements that could have a material effect on the financial statements of the Company and the Group