



**UTENOS TRIKOTAŽAS AB**  
CONSOLIDATED INTERIM REPORT  
For 6 months period  
Ended 30 June 2023

## 1. Reporting period covered by the Annual Report

The Annual Report covers the period from 1 January 2023 to 30 June 2023

All amounts in the Annual Report presented as at 30 June 2023, unless otherwise stated. Further in this report Utenos Trikotažas AB can be referred to as the Company or the Issuer.

## 2. Issuer and its contact data

|  |  |
|--|--|
| 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>th</sup> December<br><br>1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 <sup>th</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 knitwear and textile articles  |
| Auditors                               | KPMG Baltics UAB   |

## 3. Nature of the Issuer's operations

Utenos Trikotažas AB operates in the field of textile industry. The Company's principal activity is production of knitwear and textile articles.

The Company's profile of activities:

- production of knitwear and textile articles;
- production of mass-consumption goods which is closely related to principal activities;
- retail and wholesale trade in own production and production of other companies in local and foreign markets;
- rendering of services to natural and legal persons.

## 4. Agreements with intermediaries of securities public turnover

On 25<sup>th</sup> September 2005, the Issuer concluded a service agreement with the Department of Safe Custody Services of SEB Bankas AB, address Konstitucijos pr. 24, LT-08105 Vilnius. Under this agreement the accounting of the Issuer's securities is handled in Šiaulių bankas AB.

On 25<sup>th</sup> April 2007, the Issuer concluded an agreement with OMX Exchanges Ltd. on the system of service provision, disclosure and communication of information.

## 5. Overview of the company's activities, uncertainties and risk factors

The sales of AB Utenos trikotažas (hereinafter referred to as the Group), the largest textile company group in Central and Eastern Europe, decreased in the first half of 2023 compared to the same period last year. The reason for this is the company's strategy of abandoning cheap and low profit products, but increasing the production and sales of products with higher added value. This strategy improves the Group's profitability indicators. The group's largest export regions remain Germany, Austria, Switzerland and Scandinavia.

The main risks associated with Utenos trikotažas AB activities are:

- The general economic status of the main export markets and Republic of Lithuania;
- The geopolitical situation in Europe and the world, ongoing hostilities in Ukraine;
- Price fluctuations of raw materials and energy resources (gas, electricity);
- Foreign exchange rate fluctuations;
- Amendment of laws and legal acts of the Republic of Lithuania;
- Changes in accounting and tax regulation.

### Economic factors.

The relatively rapid rise in market interest rates continues to have a negative impact on overall clothing demand and clothing production indices in Europe. According to Eurostat data, the first half of 2023 shows a significant decline in clothing production indices across Europe. However, such cycles are typical for the clothing sector, historically lasting from 6 to 12 months. It is expected that the growth of clothing production indices will take place already in the second half of 2023 or in 2024.

Due to the military conflict and other reasons, the Group is also faced with extremely sharp fluctuations in the prices of energy resources. The company intends to manage fluctuations in the prices of energy resources by bargaining fixed prices for the purchase of energy resources (gas).

**Social risk factors.** The Company focuses attention on improvement of working conditions, training of personnel, and qualification development.

**Technical and technological risk factors.** The condition of the Company's major facilities is good and does not pose any risk to operations. Utenos Trikotažas AB regularly invests in renovation of facilities and introduction of the latest technologies. In first half of 2023 the Group 's investments in production facilities and equipment amounted to 98 thousand EUR.

**Ecological risk factors.** The environment management system meeting the requirements of ISO 14001 has been introduced at the Company. Key environmental strategic objectives include:

- Reduction of environmental pollution through efficient and economical use of raw materials and energy resources;
- Reduction in waste volume, improvement of management of waste and chemical materials, reduction of use of dangerous chemical substances in the production process.

## 6. Key performance indicators of the Group, which consists of AB Utenos trikotažas, AB Šatrija, PAT MTF Mrija, UAB Gotija and UAB Aboutwear

### Trade

|   | Group         |               |               | Company       |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2023 I H      | 2022 I H      | Change %      | 2023 I H      | 2022 I H      | Change %      |
| Revenue (EUR '000)                                    |               |               |               |               |               |               |
| Products manufactured on demand of other clients      | 9 010         | 13 849        | (34,9)        | 8 970         | 13 849        | (35,2)        |
| Own brands (ABOUT, UTENOS)                            | 1 181         | 2 011         | (41,3)        | 1 173         | 1 891         | (38,0)        |
| Services of functional-technical garments manufacture | 1 384         | 1 393         | (0,6)         | -             | -             | -             |
|   | <b>11 575</b> | <b>17 253</b> | <b>(32,9)</b> | <b>10 143</b> | <b>15 740</b> | <b>(35,6)</b> |

Consolidate interim report for 6 months period ended 30 June 2023

| Revenue (EUR '000)                                    | Group        |              |               | Company      |              |               |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
|   | 2023 II Q    | 2022 II Q    | Change %      | 2023 II Q    | 2022 II Q    | Change %      |
| Products manufactured on demand of other clients      | 4 275        | 6 914        | (38,2)        | 4 249        | 6 914        | (38,5)        |
| Own brands (ABOUT, UTENOS)                            | 561          | 926          | (39,4)        | 553          | 922          | (40,0)        |
| Services of functional-technical garments manufacture | 689          | 794          | (13,2)        | -            | -            | -             |
|   | <b>5 525</b> | <b>8 634</b> | <b>(36,0)</b> | <b>4 802</b> | <b>7 836</b> | <b>(38,7)</b> |

### Sales by regions

| Revenue (EUR '000)                                    | Group         |               |               | Company       |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2023 I H      | 2022 I H      | Change %      | 2023 I H      | 2022 I H      | Change %      |
| Export  | 9 062         | 13 573        | (33,2)        | 7 645         | 12 252        | (37,6)        |
| <i>DACH (Germany, Austria, Switzerland)</i>           | 6 747         | 8 592         | (21,5)        | 6 104         | 8 300         | (26,5)        |
| <i>Scandinavia (Sweden, Norway, Denmark, Finland)</i> | 1 210         | 3 093         | (60,9)        | 1 131         | 2 749         | (58,9)        |
| <i>Other regions</i>                                  | 1 105         | 1 888         | (41,5)        | 410           | 1 203         | (65,9)        |
| Domestic  | 2 513         | 3 680         | (31,7)        | 2 498         | 3 488         | (28,4)        |
|   | <b>11 575</b> | <b>17 253</b> | <b>(32,9)</b> | <b>10 143</b> | <b>15 740</b> | <b>(35,6)</b> |

| Revenue (EUR '000)                                    | Group        |              |               | Company      |              |               |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
|   | 2023 II Q    | 2022 II Q    | Change %      | 2023 II Q    | 2022 II Q    | Change %      |
| Export  | 4 083        | 6 338        | (35,6)        | 3 365        | 5 602        | (39,9)        |
| <i>DACH (Germany, Austria, Switzerland)</i>           | 3 110        | 3 424        | (9,2)         | 2 624        | 3 306        | (20,6)        |
| <i>Scandinavia (Sweden, Norway, Denmark, Finland)</i> | 610          | 1 764        | (65,4)        | 531          | 1 515        | (65,0)        |
| <i>Other regions</i>                                  | 363          | 1 150        | (68,4)        | 210          | 781          | (73,1)        |
| Domestic  | 1 442        | 2 296        | (37,2)        | 1 437        | 2 234        | (35,7)        |
|   | <b>5 525</b> | <b>8 634</b> | <b>(36,0)</b> | <b>4 802</b> | <b>7 836</b> | <b>(38,7)</b> |

During the first six months of 2023, the company sold products and provided services for EUR 10,1 million. Trade volumes compared to 2022 decreased by 35,6 percent during the same period. The company's export sales reached 75.4 percent, in Lithuania sold 24.6 per cent of products.

In first half of 2023, the Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 11,6 million. The group exported 78.3 percent, sold in Lithuania 21.7 percent of total production.

In first half of 2023, the Group 's sales in Lithuania reached EUR 2,5 million, which is less by EUR 1,2 million as compared to the same period in 2022.

In first half of 2023, the Group 's production exports to Western Europe and other regions reached EUR 9,1 million, which is less by EUR 4,5 million compared to the same period of year 2022.

**Operating figures**

|                                  | Group    |          |          | Company  |          |          |
|----------------------------------|----------|----------|----------|----------|----------|----------|
|                                  | 2023 I H | 2022 I H | Change % | 2023 I H | 2022 I H | Change % |
| Manufactured items, (units '000) | 806      | 1 333    | (39,6)   | 750      | 1 281    | (41,5)   |
| Average number of employees      | 782      | 953      | (18,0)   | 536      | 694      | (22,8)   |

|                                  | Group     |           |          | Company   |           |          |
|----------------------------------|-----------|-----------|----------|-----------|-----------|----------|
|                                  | 2023 II Q | 2022 II Q | Change % | 2023 II Q | 2022 II Q | Change % |
| Manufactured items, (units '000) | 352       | 615       | (42,8)   | 328       | 593       | (44,7)   |
| Average number of employees      | 744       | 940       | (20,9)   | 501       | 681       | (26,4)   |

| Production (units '000) | Group      |              |               | Company    |            |               |
|-------------------------|------------|--------------|---------------|------------|------------|---------------|
|                         | 2023 I H   | 2022 I H     | Change %      | 2023 I H   | 2022 I H   | Change%       |
| Utenos trikotažas AB    | 750        | 1 281        | (41,5)        | 328        | 593        | (44,7)        |
| Šatrija AB              | 38         | 50           | (23,1)        | 11         | 20         | (46,5)        |
| MTF Mrija PAT           | 18         | 2            | -             | 13         | 2          | -             |
| Gotija UAB              | -          | -            | -             | -          | -          | -             |
| UAB Aboutwear           | -          | -            | -             | -          | -          | -             |
|                         | <b>806</b> | <b>1 333</b> | <b>(39,6)</b> | <b>352</b> | <b>615</b> | <b>(42,8)</b> |

**Financial ratios**

|   | Group    |          |         | Company  |          |         |
|---|----------|----------|---------|----------|----------|---------|
|   | 2023 I H | 2022 I H | Change  | 2023 I H | 2022 I H | Change  |
| Revenue (EUR'000)                         | 11 575   | 17 253   | (0,3)%  | 10 143   | 15 740   | (0,4)%  |
| Operating profit (loss) (EUR'000)         | (681)    | (1 541)  | (0,6)%  | (704)    | (1 322)  | (0,5)%  |
| Operating profit (loss) margin (%)        | (5,9)    | (8,9)    | 3,0 p.p | (6,9)    | (8,4)    | 1,5 p.p |
| EBITDA (EUR'000)                          | (355)    | (995)    | (0,6)%  | (424)    | (929)    | (0,5)%  |
| EBITDA margin (%)                         | (3,1)    | (5,8)    | 2,7 p.p | (4,2)    | (5,9)    | 1,7 p.p |
| Profit (loss) before tax (EUR'000)        | (911)    | (1 702)  | (0,5)%  | (898)    | (1 417)  | (0,4)%  |
| Profit (loss) before tax, margin (%)      | (7,9)    | (9,9)    | 2,0 p.p | (8,8)    | (9,0)    | 0,2 p.p |
| Net profit (loss) for the year (EUR'000)  | (905)    | (1 688)  | (0,5)%  | (893)    | (1 412)  | (0,4)%  |
| Net profit (loss) for the year margin (%) | (9,8)    | (9,8)    | 2,0 p.p | (8,8)    | (9,0)    | 0,2 p.p |
| Number of shares, (thousand)              | 9,503    | 9,503    | -       | 9,503    | 9,503    | -       |

|   | Group     |           |           | Company   |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
|   | 2023 II Q | 2022 II Q | Change    | 2023 II Q | 2022 II Q | Change    |
| Revenue (EUR'000)                         | 5 525     | 8 634     | (36,0) %  | 4 802     | 7 836     | (38,7) %  |
| Operating profit (loss) (EUR'000)         | (535)     | (442)     | 21,1%     | (520)     | (425)     | 22,5%     |
| Operating profit (loss) margin (%)        | (9,7)     | (5,1)     | (4,6) p.p | (10,8)    | (5,4)     | (5,4) p.p |
| EBITDA (EUR'000)                          | (374)     | (154)     | (143,1)%  | (382)     | (226)     | 68,8%     |
| EBITDA margin (%)                         | (6,8)     | (1,8)     | (5,0) p.p | (7,9)     | (2,9)     | (5,1) p.p |
| Profit (loss) before tax (EUR'000)        | (661)     | (455)     | 45,3%     | (633)     | (475)     | 33,2%     |
| Profit (loss) before tax, margin (%)      | (12,0)    | (5,3)     | (6,7) p.p | (13,2)    | (6,1)     | (7,1) p.p |
| Net profit (loss) for the year (EUR'000)  | (658)     | (449)     | 46,5%     | (630)     | (472)     | 33,6%     |
| Net profit (loss) for the year margin (%) | (11,9)    | (5,2)     | (6,7) p.p | (13,1)    | (6,0)     | (7,1) p.p |
| Number of shares, (thousand)              | 9 503     | 9 503     | -         | 9 503     | 9 503     | -         |

### Relative ratios

|                                    | Group    |          |            | Company  |          |             |
|------------------------------------|----------|----------|------------|----------|----------|-------------|
|                                    | 2023 I H | 2022 I H | Change p.p | 2023 I H | 2022 I H | Change p.p. |
| Return on capital employed (%)     | (32,8)   | (61,3)   | 28,5       | (32,4)   | (51,2)   | 18,8        |
| Return on assets (%)               | (6,1)    | (7,4)    | 1,3        | (6,3)    | (7,9)    | 1,6         |
| Return on shareholders' equity (%) | (28,1)   | (29,7)   | 1,6        | (26,6)   | (30,5)   | 3,9         |
| Debt ratio (%)                     | 78,3     | 75,0     | 3,3        | 76,4     | (73,9)   | 150,3       |
| Debt-to-equity ratio (%)           | 360,5    | 300,6    | 59,9       | 323,3    | 283,3    | 40,0        |
| Liquidity ratio (%)                | 125,0    | 119,6    | 5,4        | 124,1    | 120,3    | 3,8         |
| Equity to assets ratio (%)         | 21,7     | 25,0     | (3,3)      | 23,6     | 26,1     | (2,5)       |

### Ratios related with the share price

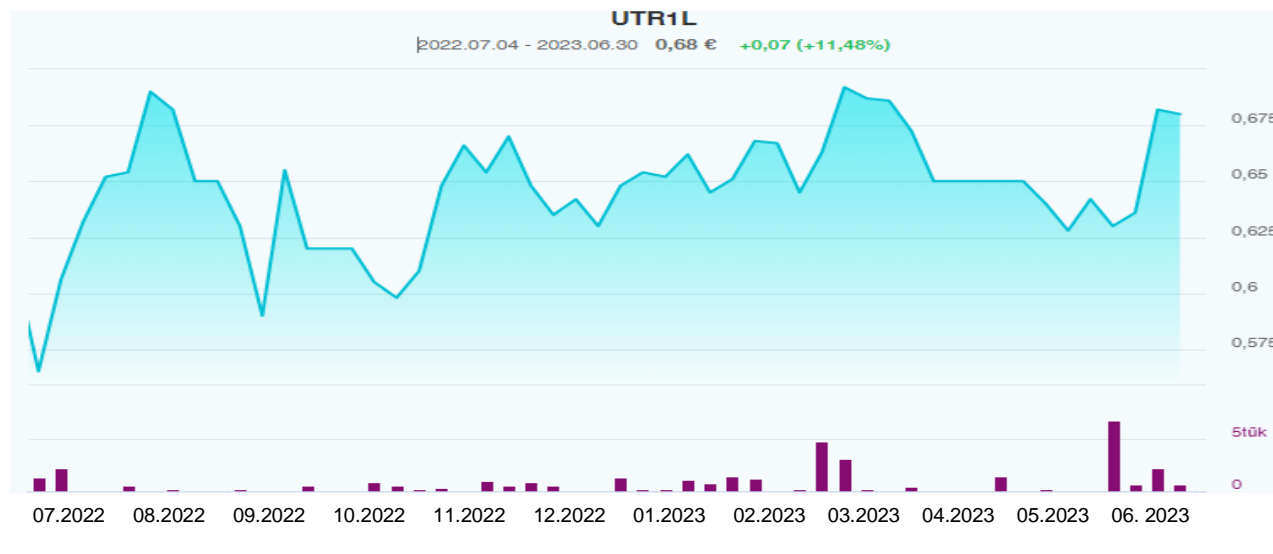
|           | 2023 I H | 2022 I H | change  |
|-----------|----------|----------|---------|
| P/E       | (6,71)   | (3,51)   | (3,20)  |
| EPS       | (0,10)   | (0,17)   | 0,08    |
| EV/EBITDA | (30,88)  | (5,18)   | (25,69) |

### 7. Information about trade in the Issuer's securities in regulated markets

The Company's shares are listed on the additional List of the National Stock Exchange, as well on the Baltic List of the Lithuanian, Latvian and Estonian stock market. 9 503 000 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is EUR 0.29.

## 8. Information regarding the price of shares and their dynamics

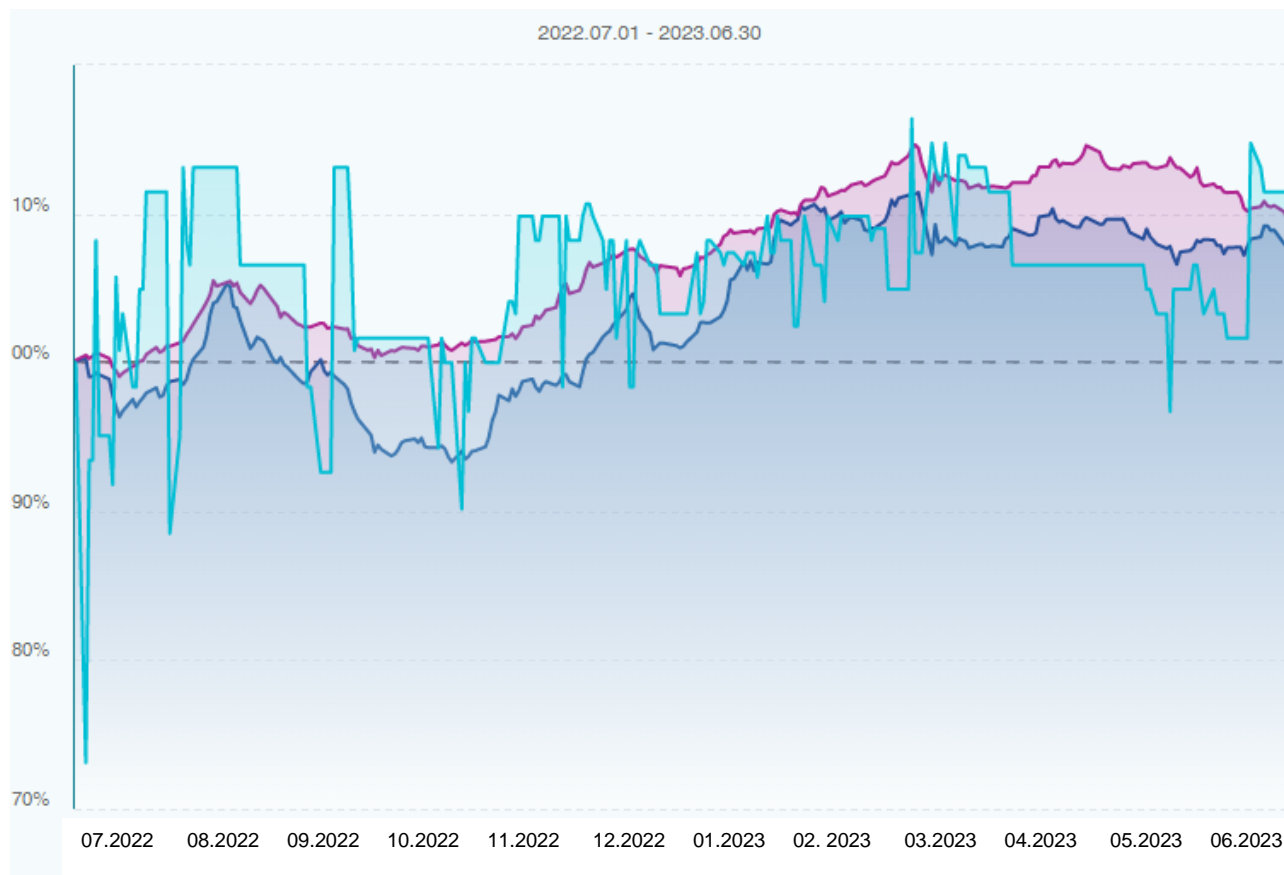
Utenos Trikotažas AB share price dynamics, for 12 months period from 1<sup>st</sup> of July 2022 to 30<sup>th</sup> of June 2023.



### Shares price ratios

|                             | 2023 I H | 2022 I H |
|-----------------------------|----------|----------|
| Open price, EUR             | 0,61     | 0,78     |
| High price, EUR             | 0,74     | 0,795    |
| Low price, EUR              | 0,51     | 0,51     |
| Last price, EUR             | 0,64     | 0,61     |
| Traded volume               | 27 520   | 41 118   |
| Turnover, million EUR       | 0,02     | 0,03     |
| Capitalisation, million EUR | 6,08     | 5,80     |

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics for 12 months period up to 30<sup>th</sup> June 2023**



| Index/ Equity            | 2023.06.30 | 2022.06.30 | 2023.06.30 /2022.06.30<br>Change, % |
|--------------------------|------------|------------|-------------------------------------|
| —OMX Baltic Benchmark GI | 1 475,36   | 1 365,37   | 8,06                                |
| —OMX Vilnius             | 980,31     | 890,60     | 10,07                               |
| —UTR1L                   | 0,68 EUR   | 0,61 EUR   | 11,48                               |

## 9. Dividend policy

The dividend distribution is determined by the General Meeting of Shareholders, based on the proposal of the Board.

## 10. References to and additional explanations of data presented in the financial statements

All first half year of 2023 and 2022 financial data presented in this Annual Report is calculated based on the financial information presented in the Group's financial statements for the first half 2023, prepared in accordance with the International Financial Reporting Standards as adopted by the EU.



## 11. Main features of the Group's internal control and risk management systems related to the preparation of the consolidated financial statements

The consolidated financial statements of Utenos Trikotažas Group are prepared according to International Financial Reporting Standards (IFRS) as adopted by the EU. The principles of internal control organisation and accounting are consistently applied to all companies of Utenos Trikotažas Group. In preparing the consolidated financial statements all inter-company transactions and balances are eliminated.

Internal controls in Utenos Trikotažas AB includes control procedures over processes related to sales, manufacturing of production, supply and financial reports preparation.

## 12. Social responsibility

Utenos Trikotažas AB in order to implement the development of corporate social responsibility in partnership with business, social and international partners was certified the international standard of social responsibility.

SA 8000 standard objectives:

- Ensure social welfare of workers and employees;
- Improve social responsibility not only inside the Company, but also encourage subcontractors;
- Demonstrate to the Western partners that Utenos Trikotažas AB managers of all levels treat their workers civilized and the Company had implemented core human rights conventions and directives.

Utenos Trikotažas AB management ensured that wages paid shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

Social responsibility (SA 8000) standard demands:

- The work for children under 16 years must not be practiced;
- Forced labor, verbal abuse or physical punishment must be avoided; working conditions must be healthy and safe;
- Discrimination based on nationality, race, religion, sex, sexual orientation, membership in organizations or political affiliation, age or disability must be prevented; employing, dismissing or retiring must not become a cause to work successfully, feel happy and needed.
- Equal pay for equal work and same opportunities for learning and promotions for men and women;
- People should work under well-defined working time schedules (work start, work end, lunch break and rest breaks); overtime work or work on rest days or holidays must be stated in the collective agreement or coordinated with workers' representatives – Council of Trade Unions.
- Payment and additions for work done must be clear to employees and all this must be harmonized in the collective agreement or with workers' representatives – Council of Trade Unions.

## 13. Information about the Company's own share acquisitions

No own shares were acquired by Company during the current accounting period.

## 14. Significant events subsequent to the end of the previous financial year

On 27 June 2023 Aurimas Likus sarts leading the Finance Department of Utenos Trikotažas

On 28 April 2023 Utenos trikotažas Group earned EUR 6.1 million in revenue in the first quarter of this year

On 27 April 2023 Resolutions of the Ordinary General Meeting of Shareholders to be held on 27 April 2023

On 27 April 2023 Utenos trikotažas AB annual information 2022

On 5 April 2023 Notice of the Annual General Meeting of AB Utenos trikotažas Shareholders

On 28 February 2023 Utenos trikotažas **Group** demonstrated growth in 2022: **EUR** 34.5 million in revenue

On 03 January 2023, Resolutions of the Extraordinary General Meeting of Shareholders

On 03 January 2023, Reporting dates in 2023

## 15. The Company's operating plans and objectives

In 2022, the company managed to achieve one of its strategic goals - to switch to the development of innovative materials and produce products with greater added value. This transformation reduces sales in 2023 compared to 2022, but improves profitability indicators. Increasing profitability is currently one of the company's highest priorities.

## 16. Structure of the Issuer's authorised share capital

As at 30<sup>th</sup> June 2023, the Company's authorised share capital was comprised of 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

Utenos Trikotažas AB authorised share capital according to types of shares:

| Type of shares             | Number of shares | Nominal value (EUR) | Total nominal value (EUR) | Percentage in the authorised share capital (%) |
|----------------------------|------------------|---------------------|---------------------------|--|
| Ordinary registered shares | 9 503 000        | 0.29                | 2 755 870                 | 100.00   |

All shares of Utenos Trikotažas AB are fully paid.

All shares of the Company are ordinary registered shares of one class granting equal rights to their holders (shareholders).

An ordinary registered share grants the following property rights to its holder (shareholder):

1. to receive a part of the Company's profit (dividend);
2. to receive a part of assets of the Company in liquidation;
3. to receive shares without payment if the authorised capital is increased out of the Company's funds, except in cases specified in the Law on Companies of the Republic of Lithuania;
4. to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting of Shareholders decides to withdraw the pre-emption right in the manner prescribed by the Lithuanian Law on Companies in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
5. to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from negotiating a higher interest rate;
6. to transfer all or part of the shares into the ownership of other persons;
7. to force other shareholders to sell their shares to them or to force other shareholders to buy their shares from them in cases and manner prescribed by the Law on the Law on Securities Market;
8. other property rights established by laws.

An ordinary registered share grants the following non-property rights to its holder (shareholder):

1. to attend the General Meetings of Shareholders;
2. to vote at General Meetings of Shareholders according to voting rights carried by their shares; One ordinary registered share carries one vote;
3. to receive information on the Company specified by laws;
4. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the company manager and Board members of their obligations prescribed by laws or these Articles of Association as well as in other cases laid down by laws;
5. other non-property rights established by laws.

## 17. Restrictions on disposal of securities

There are no restrictions.

## 18. Shareholders

As at 31<sup>st</sup> December 2022, the total number of shareholders of Utenos Trikotažas AB was 1 397

The table below indicates shareholders owning or holding more than 5 percent of the Issuer's authorised share capital as at 30<sup>th</sup> June 2023.

| Names of shareholders | Company codes | Registration address           | Number of ordinary registered shares held | Share in the authorised capital, (%) | Share of votes held, (%) |
|-----------------------|---------------|--------------------------------|---|--------------------------------------|--------------------------|
| UAB SBA Grupė         | 132206739     | Upės g. 21, Vilnius, Lithuania | 8 772                                     | 92.31                                | 92.31                    |
| Other shareholders    | -             | -                              | 731                                       | 7.69                                 | 7.69                     |

## 19. Shareholders holding special control rights and descriptions of these rights

There are no such shareholders.

## 20. All restrictions regarding voting rights

There are no restrictions.

## 21. All mutual agreements between shareholders of which the Issuer is aware and due to which restrictions on transfer of securities and/or voting rights may be imposed

There are no such agreements.

## 22. Management of the Group companies

| Company name         | Managers            |
|----------------------|---------------------|
| Utenos Trikotažas AB | Nomeda Kaučikienė   |
| Šatrija AB           | Giedrius Grondskis  |
| MTF Mrija PAT        | Tatjana Roshchina   |
| Gotija UAB           | Renata Varaneckienė |
| UAB Aboutwear        | Renata Varaneckienė |

## 23. Management incentives

Management incentives are assigned by the decision of the Board taking into account the objectives met as per Company's Executive Remuneration policy, approved by the General Meeting of Shareholders.

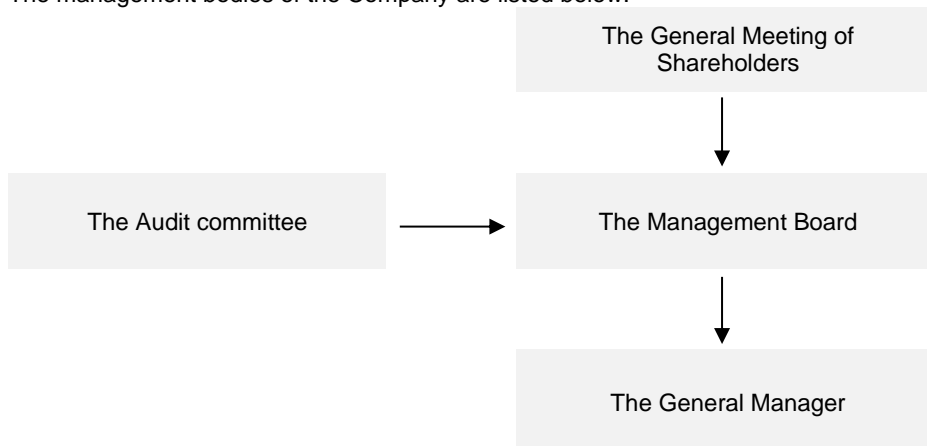
## 24. Amendment procedure of the Issuer's Articles of Association

The Articles of Association of the Company shall be amended by the decision of the General Meeting of Shareholders adopted in the manner prescribed by laws, except in cases specified in the Lithuanian Law on Companies. Following the decision by the General Meeting of Shareholders to amend the Company's Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting of Shareholders.

The Company's issued capital is equal to EUR 2 755.9 thousand and is divided into 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

## 25. Issuer's management bodies

The management bodies of the Company are listed below:



The Articles of Association of Utenos Trikotažas AB stipulate that the Company shall have the following bodies: the General Meeting of Shareholders, the Board and the General Manager. The Supervisory Board shall not be set up at the Company.

**The Company's Board** shall be granted all powers stipulated in the Company's Articles of Association including powers assigned to it by laws. The Board shall deal with deliberation of collegial issues and decision making.

The Board shall deliberate and approve the Company's operating strategy, management structure and job descriptions of employees. The Board shall elect and remove from office the Company Manager, fix his salary and set other terms of the employment contract. The Board shall specify information classified as the Company's commercial secret. The Board shall analyse and assess the Company's draft annual and consolidated financial statements and proposed profit (loss) appropriation and shall submit them to the General Meeting of Shareholders. The Board shall pass other decisions assigned within its powers by legal acts, by the Company's Articles of Association and by the decisions of the General Meeting of Shareholders. The Board shall have a responsibility of convening and arranging the General Meetings of Shareholders in due time. The Board of Utenos Trikotažas AB shall be composed of 6 members elected for the period of 4 years.

**The Audit committee** consists of 2 (two) independent members. The Audit committee members by the submission of the Board are being appointed and withdrawn by the General Meeting of Shareholders. The members of the Committee are elected for the term of 4 (four) years.

### Šarūnas Radavičius (born in 1968)

Independent member of the audit committee of Utenos Trikotažas AB since 30 November 2021 elected for the period of 4 years.

Education:

- Vilnius University, Accounting and control (1993), certified auditor of Lithuania;

Workplace:

- Director of Saluma, MB;

Participation in the management of other companies:

- Founder of Saluma, MB;
- Independent member of the audit committee of AKROPOLIS GROUP, UAB;
- Independent member of the audit committee of Klaipėdos nafta, AB

### Inga Kuktienė (born in 1980)

Independent member of the audit committee of Utenos Trikotažas AB since 30 November 2021 elected for the period of 4 years.

Education:

- Vilnius University (Master's degree), Service Management, and Stockholm University, Bachelor's degree in Economics and Management, certified auditor of Lithuania and risk management specialist;

Workplace:

- Head of risk management department of SME Bank, UAB;

**The Duties of the Audit Committee:**

1. To observe the process of preparation of the Company's financial reports;
2. To review the systems of internal control, risk management and internal audit, if it exists in the Company;
3. To observe the process of external audit;
4. To observe how the external auditor or audit company follows the principles of independence and objectivity;
5. To provide the Board of the Company with written recommendations regarding the selection, appointment and recall of an external audit company.
6. To immediately inform the Managing Director of the company about information provided by the audit company to audit committee about audit related problematic issues especially when significant control defects related to financial statements occur.

**Audit committee rights:**

- To get complete information and (or) documents (their copies) needed for the audit committee to perform their duties. On the audit committee request Administration of the Company must provide the information and (or) documents (their copies) to the Audit committee per 3 working days.
- To get complete information on details of accounting, financial and other operations of the company. On the audit committee request Administration of the Company as well as on its own initiative must inform the audit committee of the methods used to account for significant and (or) unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in off shores and (or) activities carried out through special purpose vehicles (organizations), for the purpose to clarify the justification of such operations.

Audit committee members may be remunerated for their operations. Remunerations and the payment terms are determined by the submission of the board by the General shareholders meeting.

**26. Members of the collegial bodies, the Company Manager, the Finance Manager**

As at 30<sup>th</sup> June 2023:

| Position  | Name, surname        | Number of the Issuer's shares held | Beginning of the term of office | End of the term of office |
|---|----------------------|------------------------------------|---------------------------------|---------------------------|
| <b>Board</b>  |                      |                                    |                                 |                           |
| Chairman of the Board   | Dovilė Tamoševičienė | -                                  | 2021.04.28                      | 2025.04.28                |
| Member of the Board   | Jelena Grišina       | -                                  | 2022.04.29                      | 2025.04.28                |
| Independent member of the Board                               | Artūras Užgalis      | -                                  | 2021.04.28                      | 2025.04.28                |
| Independent member of the Board                               | Neringa Vaitelytė    | -                                  | 2023.01.03                      | 2025.04.28                |
| Member of the Board   | Vytautas Vaškys      | -                                  | 2023.01.03                      | 2025.04.28                |
| <b>Head of Administration and the Chief Financial Officer</b> |                      |                                    |                                 |                           |
| General Manager   | Nomeda Kaučikienė    | -                                  | 2022.05.03                      | -                         |
| Finance Director  | Aurimas Likus        | -                                  | 2023.07.01                      | -                         |
| <b>The Audit committee</b>                                    |                      |                                    |                                 |                           |
| The independent auditor                                       | Šarūnas Radavičius   | -                                  | 2021.11.30                      | 2025.11.30                |
| The independent auditor                                       | Inga Kuktienė        | -                                  | 2021.11.30                      | 2025.11.30                |

**Information about board members:****Dovilė Tamoševičienė (b. 1978)**

## Education:

- Vilnius University Master's degree in Economics

## Working place:

- Business Control Director SBA Group, UAB

## Participation in the management of other companies:

- Kauno baldai AB the board member
- Šatrija AB chairman of the board
- SBA Competence and Service Center UAB the board member
- Robotex UAB chairman of the board
- Klaipėdos Baldai AB supervisory board member
- Šilutės baldai AB supervisory board member
- SBA Modular UAB the board member

**Jelena Grišina (b. 1979)**

## Education:

Vilnius University Master's degree in Finance

Klaipėda University Bachelor's degree in Maritime Economics

## Working place:

- Director of Organizational Development, SBA Grupė, UAB.

## Participation in the management of other companies:

- UAB "SBA Competence and Service Center", member of the board

**Vytautas Vaškys (b. 1967)**

## Education:

Kaunas University of Technology, Construction engineer - technologist master's degree

Kaunas University of Technology, Master's degree in International Management and Business Administration (EMBA)

## Working place:

## Chief Risk Officer, UAB SBA Grupė

- Director Landmor, UAB
- Director Sevenmor UAB
- Director Evenland UAB

## Participation in the management of other companies:

- AB Kauno baldai member of the board
- AB Šatrija valdybos member of the board UAB SBA Urban valdybos narys
- OOO PAT Mrija of the Supervisory Board
- UAB SBA Competence and Service Center member of the board
- UAB Robotex member of the board
- UAB SBA Modular member of the board

**Neringa Vaitelytė (b. 1979)**

## Education:

Vilnius University, Master of Economics

Klaipėda University, Bachelor of Economics

## Working place:

Chief Commercial Officer, UAB Barbora

## Participation in the management of other companies:

- None

**Artūras Užgalis (b. 1989)**

## Education

- Mykolas Romeris University, specialty: Leadership and Change Management, degree: Master
- Kaunas University of Technology, specialty: Food Technology and Engineering, bachelor's degree

## Workplace:

During the first half 2023, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration

**27. Information about significant agreements**

The Company has concluded no significant agreements in which the Company is a party to and which would come into effect, change or terminate as a result of the change in the control of the Company.

**28. Information about the compliance with the Governance Code**

Utenos Trikotažas AB confirms its substantial compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange for the companies listed on the regulated market.

**29. Data on publicly announced information**

The Company announces information on significant events (as well as other information required by laws) through the system of information disclosure and communication Globe Newswire. Publicly announced information is also available on the Company's website at [www.ut.lt](http://www.ut.lt) and on the website of the Vilnius Stock Exchange at [www.baltic.omxgroup.com](http://www.baltic.omxgroup.com).

**30. Company's auditor**

General Meeting of Shareholders Elect KPMG Baltics, UAB (identification code 111494971, the registered address: Lvovo st. 101, Vilnius) to be the auditor of AB Utenos trikotažas for the audit of the set of financial statements for the years 2021 – 2023 (with a possibility to extend a contract for the year 2024). An annual salary of EUR 33,300 (Thirty-three thousand three hundred euros) plus VAT has been determined for the provision of audit services.

**31. General information on the Group of companies**
**31.1. Companies that constitute the Group, their contact data and principal activities**

|                                 |  |
|---------------------------------|--|
| Company name                    | <b>Šatrija AB</b>  |
| Legal form                      | Public company   |
| Date and place of incorporation | 1955 m. Šatrijos g. 3, 4400 Raseiniai                              |
| Company code                    | 172285032  |
| Address                         | Šatrijos g. 3, 4400 Raseiniai                                      |
| Telephone                       | 8 (428) 70611  |
| Fax                             | 8 (428) 70611  |
| E-mail                          | <a href="mailto:raseiniai@satrija.lt">raseiniai@satrija.lt</a>     |
| Website                         | <a href="http://www.satrija.lt">www.satrija.lt</a>                 |
| Principal activities            | Sewing of clothes  |
| Company name                    | <b>Mukačevska Trikotažnaja Fabrika Mrija PAT</b>                   |
| Legal form                      | Open public company  |
| Date and place of incorporation | 1971 m. Tomas Masarik str.13, 89600 Mukačevo, Ukraine              |
| Company code                    | 307253   |
| Address                         | Tomas Masarik str. 13, 89600 Mukačevo, Ukraine                     |
| Telephone                       | + 380 (3131) 52780   |
| Fax                             | +380 (3131) 52780  |
| E-mail                          | <a href="mailto:mriya@mrija.ut.lt">mriya@mrija.ut.lt</a>           |
| Website                         | <a href="http://www.mriyamukachevo.com">www.mriyamukachevo.com</a> |
| Principal activities            | Production of knitwear articles                                    |

Consolidate interim report for 6 months period ended 30 June 2023
 

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|                                 |  |
|---------------------------------|--|
| Company name                    | <b>Gotija UAB</b>                              |
| Legal form                      | Private company                                |
| Date and place of incorporation | 1994 m. Laisvės al. 33, Kaunas                 |
| Company code                    | 134181619                                      |
| Address                         | Laisvės al. 33, Kaunas                         |
| Telephone                       | 8 (37) 205879                                  |
| Fax                             | 8 (37) 205879                                  |
| E-mail                          | <a href="mailto:gotija@ut.lt">gotija@ut.lt</a> |
| Website                         | None   |
| Principal activities            | Retail trade in clothes                        |

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|                                 |                               |
|---------------------------------|-------------------------------|
| Company name                    | <b>Aboutwear UAB</b>          |
| Legal form                      | Private company               |
| Date and place of incorporation | 2021 m. Laisvės pr. 3 Vilnius |
| Company code                    | 305758870                     |
| Address                         | Laisvės pr. 3 Vilnius         |
| Telephone                       | + 370 (610) 25063             |
| Website                         | None                          |
| Principal activities            | Wholesale and retail trade    |

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### 31.2. Trade in securities of the Group companies in regulated markets

Subsidiaries Šatrija AB, PAT MTF Mrija, Gotija UAB and Aboutwear UAB do not trade in securities in regulated markets.

### 32. Information on harmful transactions in which the issuer is a party.

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests, etc.) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between issuer's management's, controlling shareholders' or other related parties' obligations to the issuer and their private interests.

General Manager Nomeda Kaučikienė

31 July 2023