



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 12 months period ended 31 December 2022
(UNAUDITED)

INFORMATION ABOUT COMPANY

Company name	Utenos Trikotažas AB
Legal and organization 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
Authorized 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 12 months of 2022, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 34.5 million, which is by 13.4 per-cent more than in the previous year when the Group’s sales accounted for EUR 30.4 million. The Group exported 80.9 per-cent of products.

During the 12 months of 2022, the company Utenos trikotažas sold products and provided services for EUR 31.6 million. The sales volume, compared with the 12 months of 2021, increased by EUR 3.5 million, or 12.5 per-cent. The company’s export sales reached 80.5 per-cent.

The sales of the largest segment – on-demand knitwear – increased by 18.7 per-cent and reached EUR 28.2 million, private brands UTENOS and ABOUT decreased by 19.1 per-cent and reached EUR 3.6 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija increased by 21.6 per-cent.

As a result of military actions that started in Ukraine in February 2022 and the arising uncertainty regarding valuation of Group’s assets investments in this country, Group and Company made impairments for assets and investments in Ukraine in the reports for year 2022. Despite that, Group company Mrija in Ukraine is currently continuing its activities without major disruptions.

During the 12 months of 2022, the Group incurred EUR 1.876 thousand loss before tax. Excluding impairments for Group’s assets located in Ukraine, the Group incurred 1.151 thousand EUR loss before taxes, compared to 2.861 thousand EUR loss before tax in 2021. During the same period the company Utenos trikotažas incurred 2.702 thousand EUR loss before tax. Excluding the provisions related to investments in Ukraine, the company incurred 825 thousand EUR loss before taxes, when a year ago it incurred 2.756 thousand EUR loss before taxes.

The group’s EBITDA was negative at - 505 thousand EUR. The adjusted EBITDA of the Group (eliminating effects of Ukraine related impairments) was positive (220 thousand EUR) and was 2.139 thousand EUR better than in the same period in 2021. The company’s EBITDA was negative at - 666 thousand. EUR. Company’s adjusted EBITDA was positive (66 thousand EUR) and 1.376 thousand EUR better than 2021 the same period when the company’s EBITDA was negative at - 1.310 thousand. EUR.

Key performance indicators of the Group

Trade

Revenue (EUR '000)	Group			Company		
	2022 12 M	2021 12 M	Change %	2022 12 M	2021 12 M	Change %
Products manufactured on demand of business clients	28 151	23 714	18,7	28 014	23 639	18,5
Own brands (ABOUT, UTENOS)	3 623	4 480	(19,1)	3 619	4 482	(19,3)
Services of functional-technical garments manufacture	2 735	2 249	21,6	-	-	-
	34 509	30 443	13,4	31 633	28 121	12,5

Revenue (EUR '000)	Group			Company		
	2022 IV Q	2021 IV Q	Change %	2022 IV Q	2021 IV Q	Change %
Products manufactured on demand of business clients	6 657	7 308	(8,9)	6 520	7 039	(7,4)
Own brands (ABOUT, UTENOS)	726	1 165	(37,6)	845	1 220	(30,7)
Services of functional-technical garments manufacture	827	622	33,0	-	-	-
	8 210	9 095	(9,7)	7 365	8 259	(10,8)

Sales by regions

Revenue (EUR '000)	Group			Company		
	2022 12 M	2021 12 M	Change %	2022 12 M	2021 12 M	Change %
Export	27 924	24 943	12,0	25 452	23 175	9,8
<i>DACH (Germany, Austria, Switzerland)</i>	17 397	16 660	4,4	16 981	15 651	8,5
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	6 394	4 690	36,3	6 017	4 475	34,5
<i>Other regions</i>	4 133	3 593	15,0	2 454	3 049	(19,5)
Domestic	6 585	5 500	19,7	6 181	4 946	25,0
	34 509	30 443	13,4	31 633	28 121	12,5

Interim Consolidated Information for the 12 months of 2022 (All amounts are in EUR thousand, unless otherwise stated)

Revenue (EUR '000)	Group			Company		
	2022 IV Q	2021 IV Q	Change %	2022 IV Q	2021 IV Q	Change %
Export	6 204	7 368	(15,8)	5 492	7 033	(21,9)
<i>DACH (Germany, Austria, Switzerland)</i>	4 103	4 447	(7,7)	3 911	4 311	(9,3)
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1 540	1 505	2,3	1 513	1 491	1,5
<i>Other regions</i>	561	1 416	(60,4)	68	1 231	(94,5)
Domestic	2 006	1 727	16,1	1 873	1 226	52,7
	8 210	9 095	(9,7)	7 365	8 259	(10,8)

Operating figures

	Group			Company		
	2022 12 M	2021 12 M	Change %	2022 12 M	2021 12 M	Change %
Manufactured, items units	2 347	3 149	(25)	2 265	2 492	(9)
Average number of employees	919	1 094	(16)	662	797	(17)

Financial ratios

	Group			Company		
	2022	2021	Change	2022	2021	Change
Revenue (EUR'000)	34 509	30 443	13,4%	31 633	28 121	12,5%
Operating profit (loss) (EUR'000)	(1 464)	(2 828)	--	(1 331)	(1 966)	-
Operating profit (loss) margin (%)	(4,2)	(9,3)	5,0 p.p.	(4,2)	(7,0)	2,8 p.p.
EBITDA (EUR'000)	(505)	(1 919)	-	(666)	(1 310)	-
EBITDA margin (%)	(1,5)	(6,3)	4,8 p.p.	(2,1)	(4,7)	2,6 p.p.
Profit (loss) before tax (EUR'000)	(1 876)	(2 861)	-	(2 702)	(2 756)	-
Profit (loss) before tax, margin (%)	(5,4)	(9,4)	4,0 p.p.	(8,5)	(9,8)	1,3 p.p.
Net profit (loss) for the year (EUR'000)	(1 893)	(3 111)	-	(2 736)	(2 948)	-
Net profit (loss) for the year margin (%)	(5,5)	(10,2)	4,7 p.p.	(8,7)	(10,5)	1,8 p.p.
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

	Group			Company		
	2022 IV Q	2021 IV Q	Change	2022 IV Q	2021 IV Q	Change
Revenue (EUR'000)	8 210	9 095	(9,7) %	7 365	8 259	(10,8) %
Operating profit (loss) (EUR'000)	(219)	(976)	-	(358)	(650)	-
Operating profit (loss) margin (%)	(2,7)	(10,7)	8,1 p.p	(4,9)	(7,9)	3,0 p.p
EBITDA (EUR'000)	(52)	(796)	-	(260)	(527)	-
EBITDA margin (%)	(0,6)	(8,8)	8,1 p.p	(3,5)	(6,4)	2,8 p.p
Profit (loss) before tax (EUR'000)	(207)	(1 022)	-	(1 567)	(1 408)	-
Profit (loss) before tax, margin (%)	(2,5)	(11,2)	8,7 p.p	(21,3)	(17,0)	(4,2) p.p
Net profit (loss) for the year (EUR'000)	(245)	(1 336)	-	(1 609)	(1 674)	-
Net profit (loss) for the year margin (%)	(3,0)	(14,7)	11,7 p.p	(21,8)	(20,3)	(1,6) p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

Relative ratios

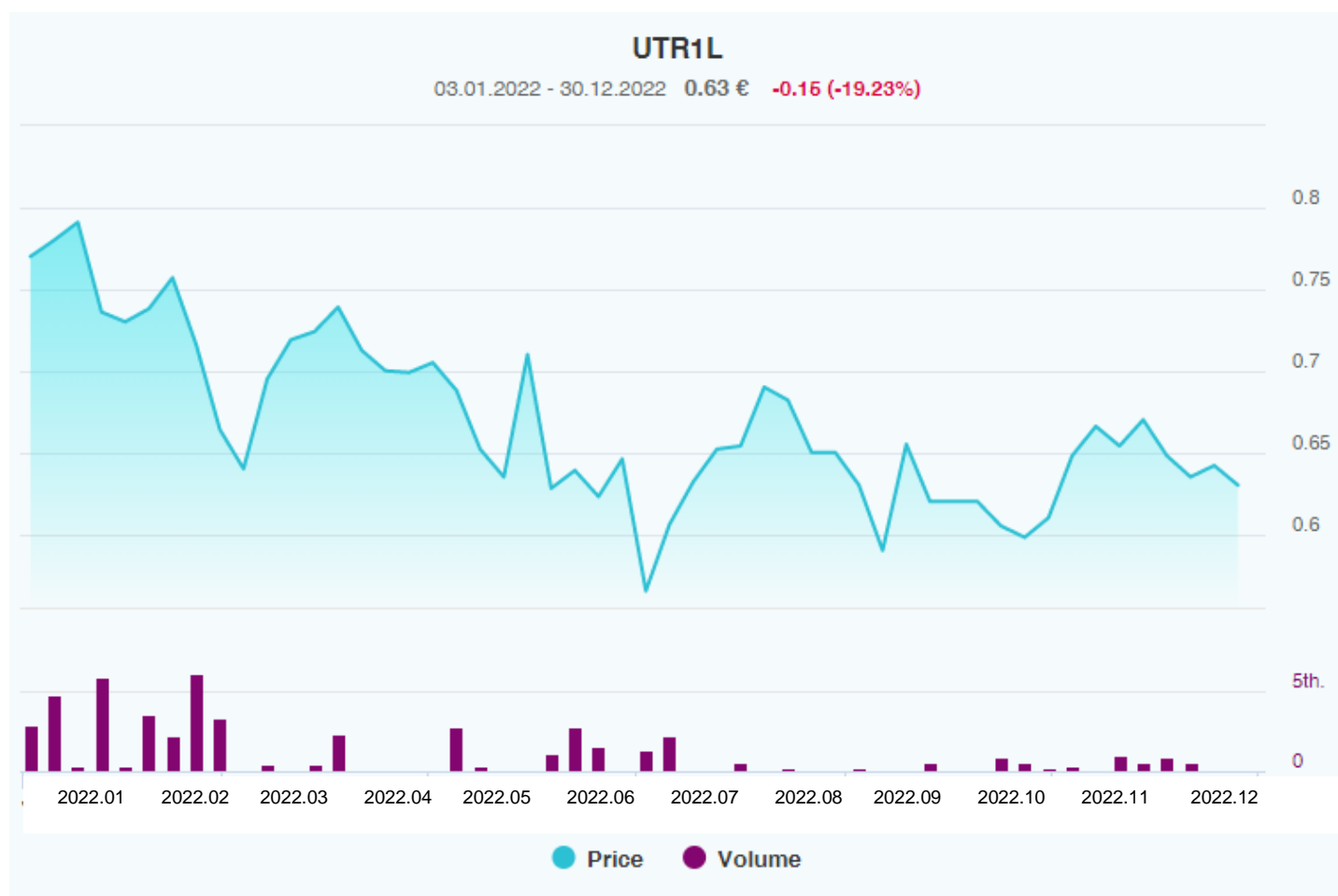
	Group			Company		
	2022 12 M	2021 12 M	Change %	2022 12 M	2021 12 M	Change %
Return on capital employed (%)	(68,7)	(112,9)	44,2	(99,3)	(107,0)	7,7
Return on assets (%)	(11,2)	(13,7)	2,5	(16,9)	(13,8)	(3,1)
Return on shareholders' equity (%)	(46,9)	(42,1)	(4,8)	(64,2)	(42,5)	(21,7)
Debt ratio (%)	76,0	67,4	8,6	73,6	67,5	6,1
Debt-to-equity ratio (%)	317,1	207,0	110,1	278,7	207,8	70,9
Liquidity ratio (%)	142,6	119,0	23,6	147,1	117,7	29,5
Equity to assets ratio (%)	24,0	32,6	(8,6)	26,4	32,5	(6,1)

Ratios related with the share price

	2022 12 M	2021 12 M	Changes
P/E	(3,17)	(2,31)	(0,86)
EPS	(0,20)	(0,33)	0,13
EV/EBITDA	(22,59)	(6,50)	(16,09)

Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, during 12 months period to 31 December 2022.



Price ratios

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

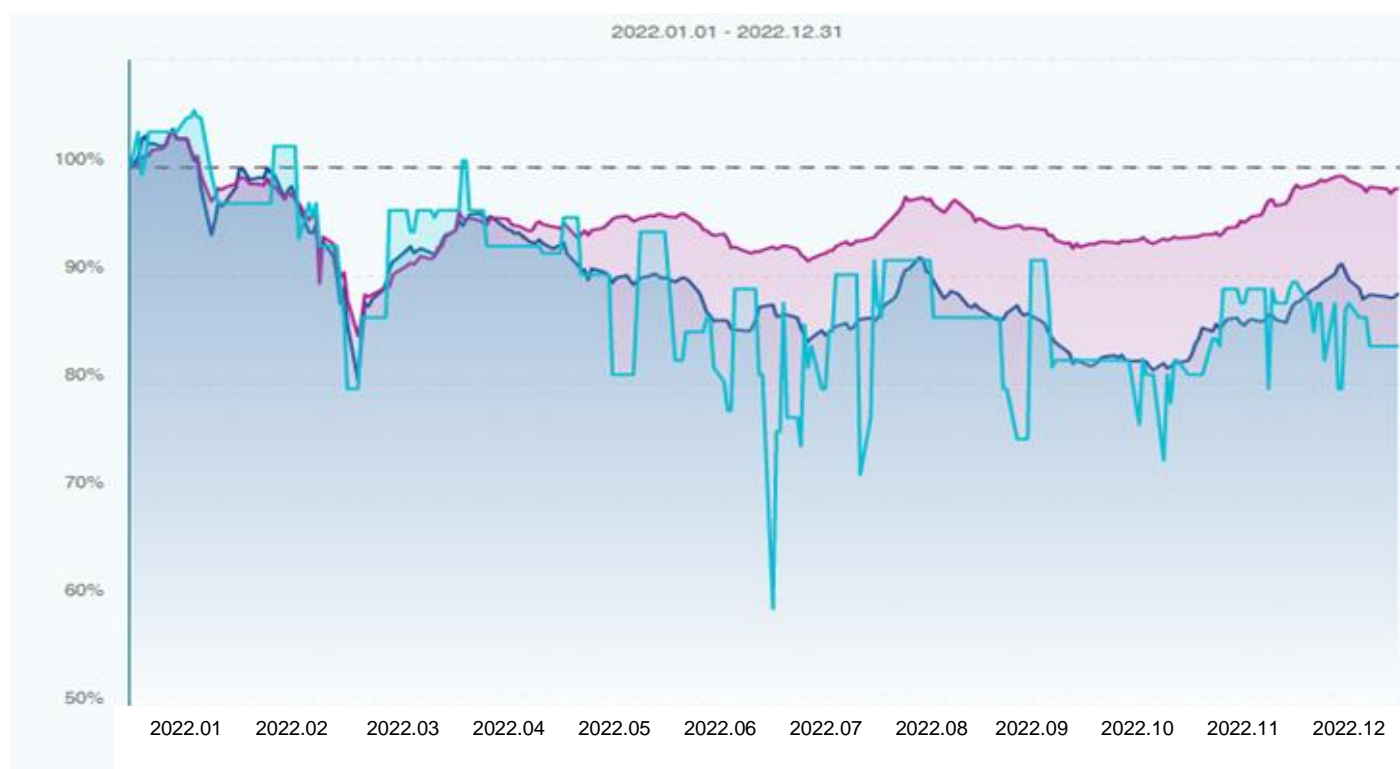
2022 12 M

0,780
 0,795
 0,446
 0,630
 51 808
 0,040
 5,990

2021 12 M

0,920
 0,975
 0,750
 0,755
 140 306
 0,120
 7,170

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period to 31 December 2022



Index/ Equity	2022.12.31	2021.12.31	2022.12.31 /2021.12.31 Change, %
—OMX Baltic Benchmark GI	1 384,42	1 568,82	(11,75)
—OMX Vilnius	947,14	966,13	(1,97)
—UTR1L	0,63 EUR	0,76 EUR	(16,56)

Statement of financial position

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
ASSETS				
Non-current assets				
Intangible assets	474	486	70	84
Property, plant and equipment	6 898	9 443	6 182	6 405
Right-of-use assets	355	578	227	238
Investment property	156	163	156	163
Investments into subsidiaries	-	-	1 490	1 490
Receivables from subsidiaries	-	-	-	1 104
Prepayments to subsidiaries	-	-	-	771
	7 883	10 670	8 125	10 255
Current assets				
Inventories	4 346	6 914	4 292	6 831
Trade receivables	1 997	1 182	1 623	1 065
Contract assets	1 990	2 748	1 801	2 673
Other current assets	315	534	280	463
Cash and cash equivalents	385	625	29	72
	8 943	12 003	8 025	11 104
Total assets	16 826	22 673	16 150	21 359

Statement of financial position (cont ')

EQUITY AND LIABILITIES	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Share capital	2 756	2 756	2 756	2 756
Legal reserve	574	574	574	574
Revaluation surplus	2 361	3 946	2 071	2 129
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 031	1 053	-	-
Accumulated retained earnings/ (losses)	(3 967)	(2 142)	(2 136)	480
	<u>3 845</u>	<u>7 277</u>	<u>4 265</u>	<u>6 939</u>
Non-controlling interest	188	109	-	-
Total equity	<u>4 033</u>	<u>7 386</u>	<u>4 265</u>	<u>6 939</u>
LIABILITIES				
Non-current liabilities				
Borrowings	4 162	2 999	4 162	2 999
Borrowings from parent company	532	532	532	532
Non-current lease liabilities	685	488	126	177
Borrowings from subsidiaries	-	-	600	600
Other long - term liabilities	394	-	394	-
Deferred income tax liabilities	517	825	460	425
Provisions for employee benefits	231	358	157	251
	<u>6 521</u>	<u>5 202</u>	<u>6 431</u>	<u>4 984</u>
Current liabilities				
Current portion of non-current borrowings	637	637	637	637
Short – term financial liabilities	320	1 801	320	1 801
Current lease liabilities	208	116	115	81
Trade payables	1 184	2 989	1 122	2 886
Payables to other related parties and subsidiaries	175	106	243	320
Contract liabilities	827	861	820	860
Accrued expenses and other current liabilities	2 921	3 575	2 197	2 851
	<u>6 272</u>	<u>10 085</u>	<u>5 454</u>	<u>9 436</u>
Total liabilities	<u>12 793</u>	<u>15 287</u>	<u>11 885</u>	<u>14 420</u>
Total equity and liabilities	<u>16 826</u>	<u>22 673</u>	<u>16 150</u>	<u>21 359</u>

Statement of comprehensive income

Group	January - December		October - December	
	2022	2021	2022	2021
Sales	34 509	30 443	8 210	9 095
Cost of sales	(30 679)	(26 321)	(6 791)	(8 103)
Gross profit	3 830	4 122	1 419	992
Selling expenses	(2 222)	(2 806)	(457)	(787)
General and administrative expenses	(3 174)	(4 264)	(1 220)	(1 219)
Other operating income	193	137	47	44
Other operating expenses	(91)	(17)	(8)	(6)
Operating profit (losses)	(1 464)	(2 828)	(219)	(976)
Finance income	334	227	94	(28)
Finance costs	(746)	(260)	(82)	(18)
Profit (losses) before tax	(1 876)	(2 861)	(207)	(1 022)
Income tax	(17)	(250)	(38)	(314)
Net profit (losses)	(1 893)	(3 111)	(245)	(1 336)
Net profit (losses) attributable to:				
Equity holders of the Company	(1 889)	(2 966)	(250)	(1 261)
Non-controlling interest	(4)	(145)	5	(75)
	(1 893)	(3 111)	(245)	(1 336)
Company	January - December		October - December	
	2022	2021	2022	2021
Sales	31 633	28 121	7 365	8 259
Cost of sales	(28 603)	(24 364)	(6 217)	(7 338)
Gross profit	3 030	3 757	1 148	921
Selling expenses	(2 014)	(2 503)	(442)	(627)
General and administrative expenses	(2 335)	(3 313)	(1 074)	(963)
Other operating income	73	106	17	23
Other operating expenses	(85)	(13)	(7)	(4)
Operating profit (losses)	(1 331)	(1 966)	(358)	(650)
Interest received	70	66	15	18
Finance income	243	68	93	17
Finance costs	(1 684)	(924)	(1 317)	(793)
Profit (losses) before tax	(2 702)	(2 756)	(1 567)	(1 408)
Income tax	(34)	(192)	(42)	(200)
Net profit (losses)	(2 736)	(2 948)	(1 609)	(1 608)

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 December 2020	2 756	574	4 085	1 090	92	739	10 166	244	10 410
Net profit (loss) for the year	-	-	-	-	-	(2 966)	(2 966)	(145)	(3 111)
Other comprehensive income	-	-	-	-	131	(54)	77	-	77
Total comprehensive income (loss)	-	-	-	-	131	(3 020)	(2 889)	(145)	(3034)
Other movements	-	-	-	-	-	-	-	10	10
Transfer of revolution surplus to retained earnings	-	-	(139)	-	-	139	-	-	-
Balance as of 31 December 2021	2 756	574	3 946	1 090	1 053	(2 142)	7 277	109	7 386
Net profit (loss) for the year	-	-	-	-	-	(1 889)	(1 889)	(4)	(1893)
Other comprehensive income	-	-	(1 449)	-	(22)	22	(1 449)	(11)	(1 460)
Total comprehensive income (loss)	-	-	(1 449)	-	(22)	(1 867)	(3 338)	(15)	(3 353)
Other movements	-	-	-	-	-	(94)	(94)	94	-
Transfer of revolution surplus to retained earnings	-	-	(136)	-	-	136	-	-	-
Balance as of 31 December 2022	2 756	574	2 361	1 090	1 031	(3 967)	3 845	188	4 033

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 31 December 2020	2 756	574	1 000	2 187	3 424	9 941
Net profit (loss) for the year	-	-	-	-	(2 948)	(2 948)
Other comprehensive income	-	-	-	-	(54)	(54)
Total comprehensive income (loss)	-	-	-	-	(3 002)	(3 002)
Transfer of revolution surplus to retained earnings	-	-	-	(58)	58	-
Balance as of 31 December 2021	2 756	574	1 000	2 129	480	6 939
Net profit (loss) for the year	-	-	-	-	(2 738)	(2 738)
Other comprehensive income	-	-	-	-	64	64
Total comprehensive income (loss)	-	-	-	-	(2 674)	(2 674)
Transfer of revolution surplus to retained earnings	-	-	-	(58)	58	-
Balance as of 31 December 2022	2 756	574	1 000	2 071	(2 136)	4 265

STATEMENTS OF CASH FLOWS

	Group		Company	
	31 December 2022	2021	31 December 2022	2021
Cash flows from operating activities				
Profit (loss) for the period	(1 876)	(2 861)	(2 702)	(2 756)
Adjustments for non-cash items:				
Depreciation and amortization	959	909	665	655
(Gain) on disposal of property, plant and equipment and investment property	55	(1)	55	(3)
Impairment and write-off of inventories and in trade receivables	(3)	(25)	1 874	675
Impairment of investments in subsidiaries	-	-	-	40
Impairment and write-off of fixed assets	71	158	(141)	158
Inventory impairment and write-offs	(235)	507	(236)	507
Elimination of financial (income cost)	308	(248)	233	(11)
Income tax (income) expense	17	250	34	192
Changes in working capital:				
(Increase) decrease in inventories	2 803	(1 993)	2 775	(1 954)
(Increase) decrease in trade receivables	(812)	277	(559)	215
Decrease in contract assets (increase)	848	(1 364)	872	(1 317)
Decrease (increase) in receivables from subsidiaries	-	-	1	47
(Increase) decrease in other receivables and other current assets	288	58	252	74
Increase (decrease) in contractual obligations	(34)	490	(40)	500
(Increase) decrease in trade and other accounts payable	(1 735)	817	(1 842)	937
Increase (decrease) in taxes payable and other current liabilities	298	(1 566)	(291)	(1 877)
Income tax (paid)	(68)	(198)	(69)	(186)
Net cash generated from operating activities	884	(4 790)	881	(4 104)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(196)	(620)	(188)	(604)
Proceeds from sale of property, plant and equipment	(13)	(20)	(13)	(20)
Income from the sale of fixed assets	22	1	22	4
Interest received	-	-	70	66
Investments in subsidiaries (acquisition)	-	-	-	(40)
Net cash flows generated from (to) investing activities	(187)	(639)	(109)	(594)
Cash flows from financing activities				
Proceeds from borrowings	1 800	3 351	1 800	3 351
Repayment of borrowings and financial lease payments	(2 133)	(795)	(2 133)	(795)
Loans granted to a subsidiary	-	-	-	(700)
Interest paid	(308)	(100)	(303)	(105)
Lease payments	(296)	(194)	(179)	(148)
Net cash flows from financing activities	(937)	2 262	(815)	1 603
Net increase in cash and cash equivalents	(240)	(3 167)	(43)	(3 095)
Cash and cash equivalents at the beginning of the period	625	3 792	72	3 167
Cash and cash equivalents at the end of the period	385	625	29	72

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is engaged in production of knit-wear and textile articles.

The shares of Utenos Trikotažas AB are listed on the additional List of the NASDAQ OMX Vilnius Stock Exchange.

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

	As of 31 December 2022		As of 31 December 2021	
	Number of shares held	Interest held(%)	Number of shares held	Interest held(%)
SBA Grupė UAB	8 771	92,31	8 771	92,31
Other shareholders	732	7,69	732	7,69
	9 503	100,00	9 503	100,00

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 31 December 2022 and 31 December 2021 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

		Group's share (%)		
	Registered address	31 December 2022	31 December 2021	Profile
Šatrija AB	Šatrijos str. 3, Raseiniai	89.78	89.78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	100.00	100.00	Retail trade
PAT MTF Mrija	Tomas Masarik Str. 13, Mukachev, Ukraine	98.95	98.95	Production of knitted articles
UAB Aboutwear	Laisvės pr. 3, Vilnius	100.00	80.00	Wholesale and retail trade

2. Form and contents of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

3. Change in the accounting method of the Companies' and the Group's Non-current assets Buildings group

In order to achieve a more accurate accounting of the financial results in March 31, 2013 the Non-current assets Buildings group accounting method was changed to the fair value method, as the book value of the Companies' and the Group's Non-current assets Buildings group, which was carried at historical cost, less subsequent accumulated depreciation, had not corresponded with the buildings market value.

4. Consolidation

The consolidated financial statements of the Group include Utenos trikotažas AB and its subsidiaries as well as associated companies. The financial statements of the subsidiaries are prepared for the same reporting year, using consistent accounting policies.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling interests are shown separately in the statement of financial position and the statement of comprehensive income.

5. Financial risk factors

Due to the geo-political situation in Ukraine and significant drop in the value of UAH against EUR, the Management of the Group and the Company re-designated loan granted, related interests and other long-term receivables as a part of net investment in Mrija PAT MTF. Accordingly gains (losses) arising from foreign exchange related to the monetary items considered to be part of net investment into foreign operation is accounted in Group's consolidated financial statements through other comprehensive income (loss).

The assigned net investment value is 1.385 million. EUR and from this amount during 2022 The 12-month negative currency exchange difference of EUR 22 thousand is accounted for in the Group's financial statements as 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	532 492
Foreign currency translation reserve on other items, EUR	(554 671)
Other comprehensive income EUR, net	(22 179)

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 12 months of 2022 and for the 12 months of 2021

of 31 December 2022	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	31 774	2 735	-	34 509
Internal sales	98	-	(98)	-
Total revenue	31 872	2 735	(98)	34 509
Gross profit	3 319	511	-	3 830
EBITDA	(588)	83	-	(505)
Profits (loss)	(1 989)	96	-	(1 893)

of 31 December 2021	Production and sale of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	28 194	2 249	-	30 443
Internal sales	870	-	(870)	-
Total revenue	29 064	2 249	(870)	30 443
Gross profit	4 022	100	-	4 122
EBITDA	(1 693)	(226)	-	(1 919)
Profit (loss)	(2 704)	(407)	-	(3 111)

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 959 thousand as of 31 December 2022, EUR 523 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 December 2022 and 31 December 2021 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Non-current financial assets

A subsidiary UAB Aboutwear was established on 07 May 2021. The main shareholder AB Utenos Trikotažas owns 400 or 80% of all shares in the company.

On 27 June 2022, Utenos trikotažas AB purchased 20 percent of the registered shares of Aboutwear UAB from G.Vilke.

In 31 December 2022 AB Utenos trikotažas owns 100 percent of the shares of Aboutwear UAB.

10. Inventories

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Raw materials	2 993	3 310	2 640	2 971
Work in progress	1 596	2 418	1 594	2 411
Finished goods	1 386	2 985	1 367	2 930
Goods for resale	6	94	3	89
	5 891	8 807	5 604	8 401
Write-down to net realizable value:				
Opening balance	(1 893)	(1 418)	(1 570)	(1 095)
Change	258	(475)	258	(475)
Closing balance	(1 635)	(1 893)	(1 312)	(1 570)
	4 346	6 914	4 292	6 831

11. Trade receivables

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Trade receivables, gross	2 075	1 267	1 675	1 124
Allowance for trade receivables:				
Opening balance	(85)	(107)	(59)	(81)
Additional allowance	-	-	-	-
Written-of	7	22	7	22
Closing balance	(78)	(85)	(52)	(59)
	1 997	1 182	1 623	1 065

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

12. Cash and cash equivalents

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Cash at bank and on hand	385	625	29	72
	385	625	29	72

13. Other reserves and retained earnings (deficit)

Revaluation surplus

Revaluation surplus reflects the result of the revaluation (net of deferred tax) of the property, plant and equipment.

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5 % of net profit of the Company calculated according to the Lithuanian Company's law, are compulsory until the reserve reaches 10 % of the share capital. Legal reserve is fully formed by the Company. The legal reserve cannot be distributed as dividends but can be used to cover cumulated losses.

Foreign currency translation reserve

The foreign currency translation reserve represents translation differences arising on consolidation of financial statements of foreign subsidiaries.

Reserve for acquisition of own shares

According to the decision of shareholders of AB Utenos trikotažas a reserve of 1 000 thousand EUR was formed for acquisition of own shares.

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 December 2022 and 31 December 2021 were as follows:

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Revaluation surplus	2 361	3 946	2 071	2 129
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 031	1 053	-	-
Accumulated retained earnings/ (losses)	(3 967)	(2 142)	(2 136)	480
	1 089	4 521	1 509	4 183

14. Borrowings

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Current				
Current portion of non-current bank borrowings	637	637	637	637
Other current liabilities	320	1 801	320	1 801
Non-current				
Borrowings from parent company	532	532	532	532
Borrowings from subsidiaries	-	-	600	600
Long-term bank borrowings	4 162	2 999	4 162	2 999
Total borrowings	5 651	5 969	6 251	6 569

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The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Šatrija AB, amounting EUR 600 thousand with maturity as at 31 December 2027 and variable interest rate 12 month Euribor + 2.2 %.

On 18 December 2020, the Company entered into the loan agreement with SBA Group UAB for EUR 532 thousand. The annual interest rate on the loan will be 2.2 %. The loan matures on 31 December 2027.

On 27 December 2021, bond subscription agreement and a loan agreement were concluded with manages the Business Assistance Fund, which provide that the Fund signs and acquires whereas the Company issues ordinary registered bonds of nominal value of up to EUR 2,300 thousand, and the Fund grants the Company a loan of up to EUR 500 thousand. The redemption date of the bonds and the repayment deadline of the loan – 15 December 2027. The liabilities are subject to an annual interest rate which is calculated at intervals of 12 (twelve) months - 7%. 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 December 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 December 2022 and at 31 December 2021 the bank borrowings were secured by property plant and equipment.

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

15. Accrued expenses and other current liabilities

	Group		Company	
	2022.12.31	2021.12.31	2022.12.31	2021.12.31
Accrual for vacation reserve	1 088	1 360	810	1 061
Wages, salaries and social security	668	792	564	635
Amounts payable for services and non-current assets	423	494	422	496
Taxes payable, except for income tax	310	466	276	414
Provisions for accrued bonuses	122	72	50	72
Provisions for employee benefits	81	93	58	76
Other liabilities	229	298	17	97
	2 921	3 575	2 197	2 851

16. Revenue

Group	January - December		October - December	
	2022	2021	2022	2021
Revenue from sales of goods and services	32 484	29 071	7 502	8 820
Revenue from sales of materials	2 025	1 372	708	275
	34 509	30 433	8 210	9 095

Company	January - December		October - December	
	2022	2021	2022	2021
Revenue from sales of goods and services	29 676	26 904	6 687	8 075
Revenue from sales of materials	1 957	1 217	678	184
	31 633	28 121	7 365	8 259

17. Cost of sales**Group**

	January - December		October - December	
	2022	2021	2022	2021
Materials	11 186	10 467	2 436	3 195
Wages and salaries and social security	11 105	9 954	2 615	2 805
Depreciation and amortization	6 586	4 454	1 347	1 774
Other overhead expenses*	523	586	129	94
Cost of materials sold	1 279	860	264	235
	30 679	26 321	6 791	8 103

Company

	January - December		October - December	
	2022	2021	2022	2021
Materials	11 090	10 353	2 366	3 073
Wages and salaries and social security	8 741	7 647	2 011	2 083
Depreciation and amortization	7 220	5 181	1 516	1 915
Other overhead expenses*	340	381	70	46
Cost of materials sold	1 212	802	254	221
	28 603	24 364	6 217	7 338

*The amount includes subsidies received. In 2022, the company (Utenos Trikotažas AB) was included in the list of especially impacted sectors according to the Temporary War Communicate by the European Commission and received a subsidy directed to the most energy crisis impacted companies amounting to 348 thousand EUR. The impact of the subsidies is reflected in the cost of sales in the period from January to December and October to December.

18. Selling general and administrative expenses**Group**

	January - December		October - December	
	2022	2021	2022	2021
Selling expenses				
Wages and salaries and social security	859	1 053	177	289
Advertising and marketing costs	302	737	67	209
Other selling expenses	1 061	1 016	213	289
	2 222	2 806	457	787
General and administrative expenses				
Wages and salaries and social security	1 164	1 477	482	285
Communications and consulting services	508	719	101	235
Taxes other than income tax	93	138	-	36
Depreciation and amortization	231	157	41	26
Security	151	139	37	36
Vehicles exploitation expenses	73	54	14	10
Services of financial institutions	79	95	20	33
Premises exploitation expenses	54	45	15	14
Business trip expenses	4	3	1	2
Representation expenses	26	29	7	9
Allowance (reversal) and write-off of trade receivables and inventories	487	482	768	88
Other	304	926	(266)	445
	3 174	4 264	1 220	1 219
	5 396	7 070	1 677	2 006

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Company	January - December		October - December	
	2022	2021	2022	2021
Selling expenses				
Wages and salaries and social security	755	927	165	231
Advertising and marketing costs	237	576	67	116
Other selling expenses	1 022	1 000	210	280
	2 014	2 503	442	627
General and administrative expenses				
Wages and salaries and social security	834	1 067	204	181
Communications and consulting services	377	476	84	157
Taxes other than income tax	76	124	(2)	26
Depreciation and amortization	120	108	10	17
Security	78	71	20	19
Vehicles exploitation expenses	57	46	14	15
Services of financial institutions	71	89	19	32
Premises exploitation expenses	51	43	14	15
Business trip expenses	2	2	1	1
Representation expenses	26	27	7	7
Allowance (reversal) and write-off of trade receivables and inventories	493	482	775	88
Other	150	778	(72)	405
	2 335	3 313	1 074	963
	4 349	5 816	1 516	1 590

19. Other income and expenses

Group	January - December		October - December	
	2022	2021	2022	2021
Gain from disposal of non-current assets	10	1	3	-
Rent income	25	26	7	8
Other income	158	110	37	36
Other income	193	137	47	44
Loss from disposal of non-current assets	(66)	(1)	-	-
Rent costs	(25)	(16)	(8)	(6)
Other expenses	-	-	-	-
Other expenses	(91)	(17)	(8)	(6)

Company	January - December		October - December	
	2022	2021	2022	2021
Gain from disposal of non-current assets	11	3	4	-
Rent income	27	24	8	8
Other income	35	79	5	15
Other income	73	106	17	23
Loss from disposal of non-current assets	(66)	(1)	-	-
Rent costs	(19)	(12)	(7)	(4)
Other expenses	-	-	-	-
Other expenses	(85)	(13)	(7)	(4)

20. Finance costs, net

Group	January - December		October - December	
	2022	2021	2022	2021
Foreign exchange gain (loss)	(108)	79	80	(8)
Interest expenses	(308)	(100)	(79)	(26)
Other	4	(12)	11	(12)
	(412)	(33)	12	(46)

Company	January - December		October - December	
	2022	2021	2022	2021
Foreign exchange gain (loss)	11	2	(3)	1
Interest expenses	(303)	(105)	(77)	(25)
Interest income	70	66	15	19
Other	(1 149)	(753)	(1 144)	(753)
	(1 371)	(790)	(1 209)	(758)

21. Basic/dilutive earnings per share

Profit (loss) per share reflect the Group's net profit/(loss), divided by the outstanding number of shares. Calculation of the profit/(loss) per share is presented below:

Group	January - December		October - December	
	2022	2021	2022	2021
Profit/ (loss) attributable to the equity holders of the Group	(1 889)	(2 966)	(250)	(1 261)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	(0,20)	(0,31)	(0,03)	(0,13)

22. Subsequent sheet events

There were no material subsequent sheet events, that could make a significant impact for the financial statement of the Group and the Company.