



**UTENOS TRIKOTAŽAS AB**  
**CONSOLIDATED INTERIM REPORT**  
For 6 months period  
Ended 30 June 2019

## 1. Reporting period covered by the Annual Report

The Annual Report covers the period from 1 January 2019 to 30 June 2019.

All amounts in the Annual Report presented as at 30 June 2019, 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>st</sup> December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 <sup>st</sup> September 1998.
Registration code	September 1998.
Code of the Register of Legal Entities	BJ 98-257
Authorised share capital	183709468
Address	EUR 2 755 870
Name of Register of Legal Entities	J.Basanavičiaus g.122, LT-28214, Utena, Lithuania
Telephone	Registru centras VĮ
Fax	+370 389 51445
E-mail	+370 389 69358
Website	<a href="mailto:utenos.trikotazas@ut.lt">utenos.trikotazas@ut.lt</a>
Main activities	<a href="http://www.ut.lt">www.ut.lt</a>
Auditors	production of knit-wear and textile articles ERNST&YOUNG BALTIC 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 knit-wear and textile articles.

The Company's profile of activities:

- production of knit-wear 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 September 2005, the Issuer concluded a service agreement with the Department of Safe Custody Services of SEB Vilniaus Bankas AB, address Gedimino pr. 12, LT-01103 Vilnius. Under this agreement the accounting of the Issuer's securities is handled in Šiaulių bankas AB.

On 25 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

Utenos trikotažas AB (hereinafter referred to as the Group), the largest group of textile companies in Central and Eastern Europe, sales continues to grow strongly in 2019. This was due to both the development of export market and cooperation with new costumers. The successful development of our brands, in particular the development of the UTENA brand in Lithuania, contributes to the growth.

2019 The Group's largest export regions remain in Scandinavia and the German-speaking countries of Germany, Austria and Switzerland.

The main risks associated with Utenos trikotažas AB activities are:

- The general economic status of the Republic of Lithuania;
- foreign exchange rate fluctuations;
- Amendment of laws and legal acts of the Republic of Lithuania;
- Changes in accounting and tax regulation

**Economic factors.** The Company's operations are dependent on state politics, political and economic developments in Lithuania and in the World (which effect Lithuania). The Company and the Group use instruments ensuring that production is sold to reliable customers. The Company's and the Group's policy focuses on maintaining adequate amount of cash and cash equivalents or maintaining funding by keeping adequate credit lines available with the purpose of implementing commitments provided for in their strategic plans.

The Company continues to improve the management system according to EN ISO 9001, EN ISO 14001, SA 8000 and other relevant requirements.

**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 2019 the Group's investments in production facilities and equipment amounted to EUR 655.0 thousand.

**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

### Trade

Revenue (EUR '000)	Group			Company		
	2019 I H	2018 I H	Change %	2019 I H	2018 I H	Change %
Products manufactured on demand of other clients	11 965	11 373	5.2	11 965	11 373	5.2
Own brands (ABOUT, UTENOS)	1 852	1 677	10.4	1 787	1 628	9.8
Services of functional-technical garments manufacture	1 913	1 514	26.4	-	-	-
	<b>15 730</b>	<b>14 564</b>	<b>8.0</b>	<b>13 752</b>	<b>13 001</b>	<b>5.8</b>

Revenue (EUR '000)	Group			Company		
	2019 II Q	2018 II Q	Change %	2019 II Q	2018 II Q	Change %
Products manufactured on demand of other clients	6 099	5 058	20.6	6 099	5 058	20.6
Own brands (ABOUT, UTENOS)	944	865	9.1	916	839	9.2
Services of functional-technical garments manufacture	961	646	46.8	-	-	-
	<b>8 004</b>	<b>6 569</b>	<b>21.8</b>	<b>7 015</b>	<b>5 897</b>	<b>19</b>

### Sales by regions

Revenue (EUR '000)	Group			Company		
	2019 I H	2018 I H	Change %	2019 I H	2018 I H	Change %
Export	12 523	12 048	3.9	11 289	11 019	2.5
DACH (Germany, Austria, Switzerland)	8 078	6 615	22.1	7 324	6 113	19.8
Scandinavia (Sweden, Norway, Denmark, Finland)	3 226	4 057	(20.5)	3 155	3 907	(19.2)
Other regions	1 219	1 376	(11.4)	810	999	(18.9)
Domestic	3 207	2 516	27.5	2 463	1 982	24.3
	<b>15 730</b>	<b>14 564</b>	<b>8.0</b>	<b>13 752</b>	<b>13 001</b>	<b>5.8</b>

Revenue (EUR '000)	Group			Company		
	2019 II Q	2018 II Q	Change %	2019 II Q	2018 II Q	Change %
Export	6 378	5 438	17.3	5 684	4 827	17.8
DACH (Germany, Austria, Switzerland)	3 666	2 668	37.4	3 235	2 324	39.2
Scandinavia (Sweden, Norway, Denmark, Finland)	1 917	2 221	(13.7)	1 862	2 140	(13.0)
Other regions	795	549	44.8	587	363	61.7
Domestic	1 626	1 131	43.8	1 331	1 070	24.4
	<b>8 004</b>	<b>6 569</b>	<b>21.8</b>	<b>7 015</b>	<b>5 897</b>	<b>19</b>

During the first six months of 2019, the company Utenos trikotažas sold products and provided services for EUR 13,8 million. The sales volume, compared with the first half of 2018, grew by 0,8 million 5.8 per cent. The company's export sales reached 82.1 per cent, in Lithuania sold 17.9 per cent of products.

In first half of 2019 year, the Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 15,7 million. The group exported 79.6 per cent, in Lithuania sold 20.4 per cent of total production.

In first half of 2019 year, the Group's sales in Lithuania amounted to EUR 3,2 million, which is more by EUR 0,7 million as compared to 2018 the same period.

In first half of 2019 year, the Group's exports to Western Europe and other regions amounted to EUR 12,5 million, which is more by EUR 0,5 million compared to 2018 year the same period.

### Operating figures

	Group			Company		
	2019 I H	2018 I H	Change %	2019 I H	2018 I H	Change %
Manufactured items units	1 529	1 702	(10.2)	1 460	1 644	(11.2)
Average number of employees	1 062	1 047	1.4	730	708	3.0

	Group			Company		
	2019 II Q	2018 II Q	Change %	2019 II Q	2018 II Q	Change %
Manufactured items units	837	815	3.7	802	792	1.3
Average number of employees	1 064	1 042	0.7	730	710	2.8

### Production (units '000)

	2019 I H	2018 I H	Change %	2019 II Q	2018 II Q	Change%
Utenos trikotažas AB	1 460	1 644	(11.2)	802	792	1.3
Šatrija AB	64	55	16.4	30	21	42.9
MTF Mrija PAT	5	3	66.7	5	2	150.0
Gotija UAB	-	-	-	-	-	-
	1 529	1 702	(10.2)	837	815	2.7

## Financial ratios

	Group			Company		
	2019 I H	2018 I H	Change	2019 I H	2018 I H	Change
Revenue (EUR'000)	15 730	14 564	8.0%	13 752	13 001	5.8%
Operating profit (loss) (EUR'000)	(37)	506	(107.3)%	(71)	427	(116.6)%
Operating profit (loss) margin (%)	(0,2)	3,5	(3.7) p.p	(0,5)	3,3	(3.8) p.p
EBITDA (EUR'000)	419	918	(54.3)%	251	746	(66.4)%
EBITDA margin (%)	2,7	6,3	(3.6) p.p	1,8	5,7	(3.9) p.p
Profit (loss) before tax (EUR'000)	(22)	567	(103.9)%	(64)	404	(115.9)%
Profit (loss) before tax, margin (%)	(0,1)	3,9	(4.0) p.p	(0,5)	3,1	(3.6) p.p
Net profit (loss) for the year (EUR'000)	1	563	(99.9)%	(48)	400	(112.0)%
Net profit (loss) for the year margin (%)	0,0	3,9	(3.9) p.p	(0,4)	3,1	(3.4) p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

	Group			Company		
	2019 II Q	2018 II Q	Change	2019 II Q	2018 II Q	Change
Revenue (EUR'000)	8 004	6 569	21.8%	7 015	5 897	19.0%
Operating profit (loss) (EUR'000)	(92)	50	(284)%	(110)	65	(269.2)%
Operating profit (loss) margin (%)	(1,1)	0,8	(1.9) p.p	(1,6)	1	(2.7) p.p
EBITDA (EUR'000)	147	260	(43.5)%	60	229	(73.8)%
EBITDA margin (%)	1,8	4,0	(2.1) p.p	0,9	3,9	(3.0) p.p
Profit (loss) before tax (EUR'000)	(80)	88	(190.9)%	(86)	54	(259.2)%
Profit (loss) before tax, margin (%)	(1)	1,3	(2.3) p.p	(1,2)	0,9	(2.1) p.p
Net profit (loss) for the year (EUR'000)	(62)	81	(176.5)%	(68)	48	(241.7)%
Net profit (loss) for the year margin (%)	(0,8)	1,2	(2.0) p.p	(1)	0,8	(1.8) p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

### Relative ratios

	Group			Company		
	2019 I H	2018 I H	Change p.p.	2019 I H	2018 I H	Change p.p.
Return on capital employed (%)	21.0	26.9	(5.9)	4.5	82.0	(77.5)
Return on assets (%)	2.6	3.9	(1.3)	0.6	11.5	(10.9)
Return on shareholders' equity (%)	5.7	9.3	(3.6)	1.5	27.9	(26.4)
Debt ratio (%)	55.1	58.5	(3.4)	60.5	58.8	1.7
Debt-to-equity ratio (%)	122.9	140.7	(17.8)	152.9	142.8	10.1
Liquidity ratio (%)	136.5	100.2	36.3	139.8	142.1	(2.3)
Equity to assets ratio (%)	44.9	41.5	3.4	39.5	41.2	(1.7)

### Ratios related with the share price

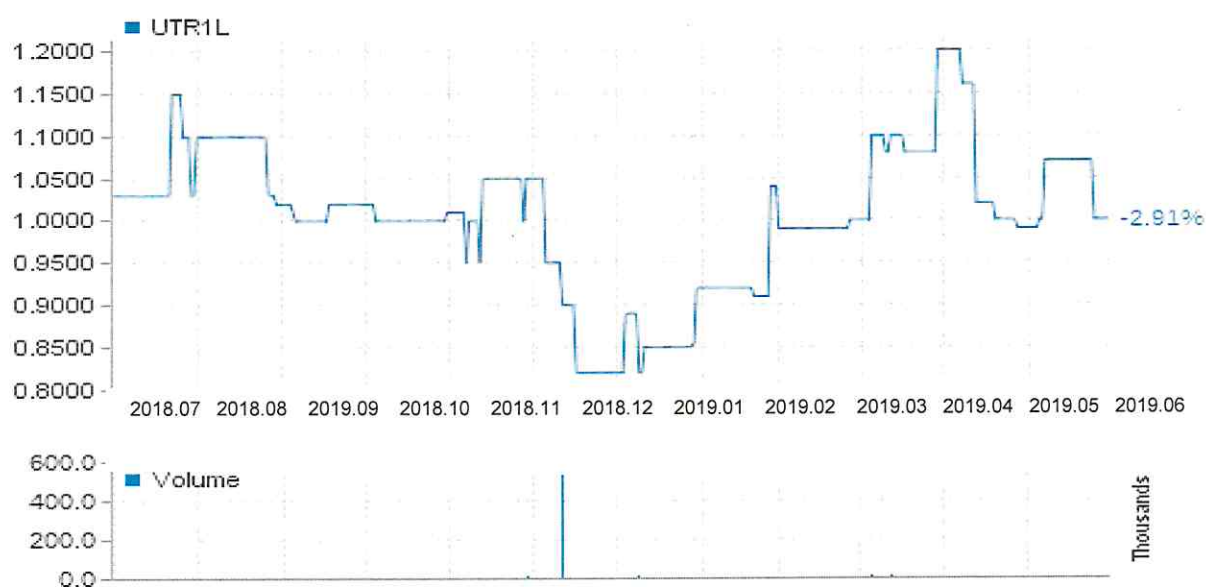
	2019 I H	2018 I H	changes
P/E	17.57	14.97	2.60
EPS	0.06	0.08	(0.02)
EV/EBITDA	8.34	9.04	(0.71)

### 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.

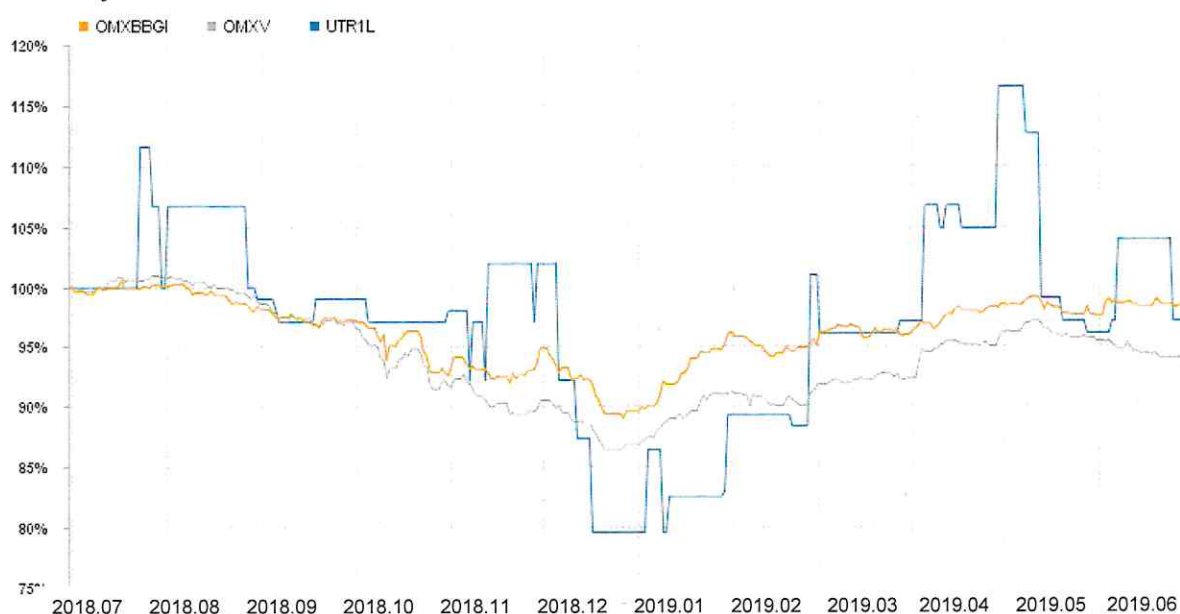
### 8. Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, during 12 months period from 1 July 2018 to 30 June 2019.



Price ratios	2019 I H	2018 I H
Open price, EUR	0.820	0.950
High price, EUR	1.200	1.250
Low price, EUR	0.810	0.900
Last price, EUR	1.000	1.150
Traded volume	50380.0	44170.0
Turnover, million EUR	0.05	0.040
Capitalisation, million EUR	9.50	10.930

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 July 2018 to 30 June 2019**



Index/ Equity	2019.06.30	2018.06.30	2019.06.30 /2018.06.30 Change, %
—OMX Baltic Benchmark GI	959.52	974.87	(1.57)
—OMX Vilnius	665.87	709.95	(6.21)
—UTR1L	1 EUR	1.03 EUR	(2.91)

## 9. Dividend policy

The dividend decision adopted by the General Meeting of Shareholders, based on the proposal of the Board.

2019 April At the General Meeting of Shareholders it was decided by the decision of the shareholders to pay dividends of 10 cents each. per share.



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

All first half year of 2019 and 2018 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 2019, prepared in accordance with the International Financial Reporting Standards as adopted by the EU. These financial statements were audited by the auditor assigned under established procedure.

## 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 and manufacturing of production, supply, 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 recertified the international standard of social responsibility SA 8000 on 01 May 2019. 28 May 2019 the subsidiary PAT MTF Mrija was granted the SA 8000 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 provided in the collective agreement or harmonized 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 28 February 2019 announcement of unaudited interim consolidated financial statements of 2018.

On 04 April 2019, the general meeting of shareholders of Utenos Trikotažas AB was convened. Draft decisions of the Annual General Meeting of Shareholders

On 29 April 2019, decisions of the general shareholder meeting were announced.

On 29 April 2019, annual information 2018.

On 29 April 2019, announcement of the performance results for the first quarter of 2019.

On 08 May 2019 Dividend payment ex-date of Utenos Trikotažas AB

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

The company plans to maintain two-digit sales growth in 2019. The creation and production of new and innovative materials will remain one of the company's key priorities. In addition, Utenos Trikotažas joined Greenpeace's Detox campaign in 2018, thus confirming its commitment to carrying out clean, eco-friendly production and eliminating raw materials which may have adverse effects on humans and the environment from all stages of production by 2020. The strengthening of environmentally-friendly production is one of the priority directions in the company's strategy.

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

As at 30 June 2019, 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 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 30 June 2019, the total number of shareholders of Utenos Trikotažas AB was 1 146.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2019.

Names of shareholders	Company codes	Registration address	Number of ordinary registered shares held	Share in the authorised capital, (%)	Share of votes held, (%)
Koncernas SBA UAB	132206739	Laisvės pr.3, Vilnius, Lithuania	7 822	82.31	82.31
Algirdas Šabūnas	-	Liepų g.3-2, Raistiniškių vs, Vilniaus raj., Lithuania	950	10.00	10.00
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

Utenos Trikotažas AB  
Šatrija AB  
MTF Mrija PAT  
Gotija UAB

Managers

Algirdas Šabūnas  
Giedrius Grondskis  
Tatjana Roshchina  
Kristina Šašilaite

## 23. Management incentives

Management incentives are assigned by the decision of the Board taking into account the objectives met.

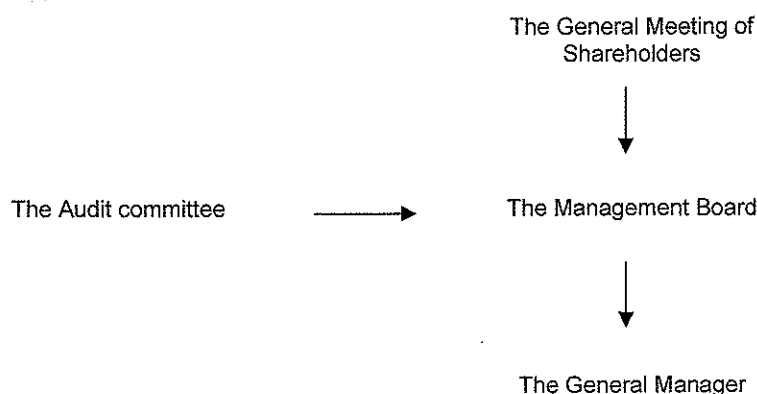
## 24. Amendment procedure of the Issuer's Articles of Association

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.

On the Company's Articles of Association 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 4 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.

### Genadijus Makušėvas (b. 1959)

Utenos Trikotažas AB independent auditor from 26 April 2017, re-elected for four years term.

#### Education:

- Vilnius University, Financial Accounting 1980.
- Ministry of Finance of the Republic of Lithuania, Certified Auditor, Certificate No. 000162, 1996;
- Various E&Y, ACCA, Grant Thornton, Mazars, Praxity International Accounting and Audit Standards, Audit Methodology and Management Professional Training Courses.

#### Workingplace:

- Grant Thornton Baltic UAB General Manager, auditor.

#### Participation in the management of other companies:

- Chairman of the Board of Grant Thornton Baltic UAB;
- Member of the Board of Association of Lithuanian accounting companies,
- Member of the Presidium of Lithuanian Chamber of Auditors.

### Arvydas Dalikas (b. 1954)

AB Utenos trikotažas has an independent auditor since 2017. April 26, for a four-year term.

## Education:

- Vilnius University, 1982, Financial Accounting
- Kaunas Polytechnic, technologist, 1972;
- Vilnius University Vocational Improvement Center, basics of audit profession 1994-1995;
- Ministry of Finance of the Republic of Lithuania, certified auditor, certificate Nr. 000052. 1996;
- Institute of Certified Public Accountants of Ireland, improvement courses, 2010;

## Workplace:

- MGI In salvo UAB audit company General Manager

## Participation in the management of other companies:

- Member of the international audit network "MGI Worldwide" UAB MGI In salvo since 2004;
- Member of the Lithuanian Audit Chamber's Quality Control Committee since 2009;
- Member of the Court of Auditors of the Republic of Lithuania, President 2009-2015;
- JSC "ADKF", general Manager, owner since 1991;
- Kaunas Construction Repair Trust, Restoration Board, Senior Accountant, Centralized Accounting, 1984-1992

## 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 June 2019:

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	Gintautas Rudis	28	2016.09.05	2021.04.30
Member of the Board	Algirdas Šabūnas	950 300	2016.09.05	2021.04.30
Member of the Board	Vytautas Vaškys	3	2013.04.30	2021.04.30
Member of the Board	Giedrius Gromskis	-	2017.04.26	2021.04.30
<b>Head of Administration and the Chief Financial Officer</b>				
General Manager	Algirdas Šabūnas	950 300	2016.09.06	-
Finance Director	Andrej Grobov	-	2015.02.03	-
<b>The Audit committee</b>				
The independent auditor	Genadijus Makušėvas	-	2013.04.30	2021.04.30
Member of the audit committee	Arvydas Dalikas	3	2017.04.26	2021.04.30

Company did not have information of any significant indirect share holdings during the reporting period.

During the whole practice of the Company no remunerations to the members of a collegial body (Members of the Board, Members of the audit committee) for their work and participation in the meetings of the collegial body were paid.

### Information about board members:

#### Gintautas Rudis (b. 1963)

Utenos trikotažas AB board member from 29 January 2008, re-elected for four years term on 26 April 2017. As the chairman of the Board was re-elected on 2 March 2017.

Education: Kaunas University of Technology, Master degree in Management.

#### Working place:

- Enteco Baltic UAB, CEO.
- Euromodus UAB, CEO.
- Association "Pramonės ir rinkodaros verslo centras" CEO
- Evenmor UAB, CEO.
- UAB Kaldera CEO
- UAB Preilos gūsis CEO
- UAB Linksmoji pakrantė CEO

#### Participation in the management of other companies:

- Utenos trikotažas AB the chairman of the board
- Koncernas SBA UAB, the board member
- Urban Inventors UAB, the board member
- Šatrija AB, the board member
- Kauno baldai AB, the chairman of the supervisory board
- Šilutės baldai AB, the supervisory board
- Euromodus UAB the chairman of the board
- Enteco Baltic UAB the general manager
- Euromodus UAB the general manager
- Association "Pramonės ir rinkodaros verslo centras" the general manager
- Kempingo slėnyje, UAB the chairman of the board

### **Algirdas Šabūnas (b. 1974)**

Member of the board of Utenos trikotažas AB is from 26 April 2017, for a four-year term.

Education:

- University of Vytautas Didysis, Master degree in Finance and Banking, doctoral degree in Social Sciences.

Working place:

- Utenos trikotažas AB, CEO

Participation in the management of other companies:

- Šatrija AB, the chairman of the board
- Koncernas SBA UAB, the board member
- Utenos trikotažas AB, the board member

### **Vytautas Vaškys (b. 1967)**

Utenos Trikotažas AB board member from 29 April 2009, re-elected for four years term on 26 April 2017.

Education:

- Kaunas University of technology, Master degree in International Management and Business Administration (EMBA).

Working place:

- Koncernas SBA UAB, business risks director.

Participation in the management of other companies:

- Enteco Baltic UAB, the chairman of the board
- Kauno baldai AB the chairman of the board
- Euromodus UAB, the board member
- Šatrija AB, the board member
- Urban Inventors UAB, the board member
- SBA Baldų Kompanija UAB, the board member
- Utenos Trikotažas AB, the board member
- MTF Mrija PAT, the supervisory board member
- Kempingo slėnyje, UAB the chairman of the board

### **Giedrius Grondskis (b. 1973)**

Member of the board of Utenos trikotažas AB from 26 April 2017, for a four-year term..

Education:

- Doctor of the KTU Social Sciences (Administration and Management).

Workplace:

- Šatrija AB, general manager

Participation in the management of other companies:

- Kauno Baldai UAB Member of the Board

During the first half 2019, 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

The Company concluded a contract for audit of the financial statements for 2018 and 2019 y. (with the possibility of extending the contract in 2020 and 2021 y) with ERNST & YOUNG BALTIC UAB (identification code 110878442, the registered address: Subačiaus str. 7, Vilnius). The annual remuneration for the audit services EUR is 23 000 (twenty three thousand euros) plus VAT.

## 31. General information on the Group of companies

### 31.1. Companies that constitute the Group, their contact data and principle 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. Matrosova 13, 89600 Mukačevo, Ukraine
Company code	00307253
Address	Matrosova 13, 89600 Mukačevo, Ukraine
Telephone	+ 380 (3131) 52780
Fax	+380 (3131) 52780
E-mail	<a href="mailto:mriya@mk.ukrtel.net">mriya@mk.ukrtel.net</a>
Website	<a href="http://www.mriyamukachevo.com">www.mriyamukachevo.com</a>
Principal activities	Production of knit-wear articles
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



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Principal activities

Retail trade in clothes

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

Subsidiaries Šatrija AB, PAT MTF Mrija, Gotija 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 Algirdas Šabūnas

31 July 2019