



## **UTENOS TRIKOTAŽAS, AB**

**CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS**  
for the 3 months period ended 31 March 2020  
(UNAUDITED)

## INFORMATION ABOUT COMPANY

Company name	Utenos Trikotažas AB
Legal and organisation form	Legal entity, public company
Date and place of incorporation	Registered with the Register of Legal Entities of Utena District on 6 <sup>st</sup> December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 <sup>st</sup> September 1998.
Registration code	BĮ 98-257
Code of the Register of Legal Entities	183709468
Authorised share capital	EUR 2 755 870
Address	J.Basanavičiaus g.122, LT-28214, Utena, Lithuania
Name of Register of Legal Entities	Registų centras VĮ
Telephone	+370 389 51445
Fax	+370 389 69358
E-mail	<a href="mailto:utenos.trikotazas@ut.lt">utenos.trikotazas@ut.lt</a>
Website	<a href="http://www.ut.lt">www.ut.lt</a>
Main activities	production of knit-wear and textile articles
Auditors	ERNST&YOUNG BALTIC UAB

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## REVIEW OF ACTIVITY OF THE GROUP COMPANIES

In the first quarter of 2020, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 7.5 million, which is by 3.5 per cent less than in the previous year when the Group’s sales accounted for EUR 7.7 million. The Group exported 77.8 per cent of products.

During the first three months of 2020, the company Utenos trikotažas sold products and provided services for EUR 6.7 million. The sales volume, compared with the first quarter of 2019, decreased by EUR 0.058 million, or 0.9 per cent. The company’s export sales reached 80 per cent.

The sales of the largest segment – on-demand knitwear –dropped by 8.3 per cent and reached EUR 5.4 million, private brands UTENOS and ABOUT dropped by 39 per cent and reached EUR 1.3 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija dropped by 14.7 per cent.

In the first three months of 2020, the Group incurred EUR 200 thousand loss before tax, compared with a profit of EUR 58 thousand in the first quarter of 2019. During the same period, the company Utenos trikotažas earned a pre-tax profit of EUR 76 thousand, whereas it recorded a profit of EUR 22 thousand a year ago.

The Group’s EBITDA amounted to EUR 320 thousand, which is less by 6.4 per cent than in the respective period of 2019. The Company’s EBITDA reached EUR 240 thousand, which is less of 14.6 per cent, compared with the first quarter of 2019, when the company’s EBITDA accounted for EUR 209 thousand.

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

Revenue (EUR '000)	Group			Company		
	2020 I Q	2019 I Q	Change %	2020 I Q	2019 I Q	Change %
Products manufactured on demand of other clients	5 380	5 866	(8.3)	5 380	5 866	(8.3)
Own brands (ABOUT, UTENOS)	1 262	908	39.0	1 299	871	49.1
Services of functional-technical garments manufacture	812	952	(14.7)	-	-	-
	<b>7 454</b>	<b>7 726</b>	<b>(3.5)</b>	<b>6 679</b>	<b>6 737</b>	<b>(0.9)</b>

**Sales by regions**

Revenue (EUR '000)	Group			Company		
	2020 I Q	2019 I Q	Change %	2020 I Q	2019 I Q	Change %
Export	5 800	6 145	(5.6)	5 337	5 605	(4.8)
<i>DACH (Germany, Austria, Switzerland)</i>	4 257	4 412	(3.5)	4 024	4 089	(1.6)
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	797	1 309	(39.1)	797	1 293	(38.3)
<i>Other regions</i>	746	424	76.0	516	223	131.4
Domestic	1 654	1 581	4.6	1 342	1 132	18.6
	<b>7 454</b>	<b>7 726</b>	<b>(3.5)</b>	<b>6 679</b>	<b>6 737</b>	<b>(0.9)</b>

**Operating figures**

	Group			Company		
	2020 I Q	2019 I Q	Change %	2020 I Q	2019 I Q	Change %
Manufactured items units	1 089	692	57.4	1 050	658	59.6
Average number of employees	1 049	1 062	(1.3)	719	729	(1.4)

## Financial ratios

	Group			Company		
	2020 I Q	2019 I Q	Change	2020 I Q	2019 I Q	Change
Revenue (EUR'000)	7 454	7 726	(3.5)%	6 679	6 737	(0.9)%
Operating profit (loss) (EUR'000)	54	55	(1.9)%	49	39	24.4%
Operating profit (loss) margin (%)	0.7%	0.7%	0.0 p.p	0.7%	0.6%	0.1 p.p
EBITDA (EUR'000)	320	301	6.4%	240	209	14.6%
EBITDA margin (%)	4.3%	3.9%	0.4 p.p	3.6%	3.1%	0.5 p.p
Profit (loss) before tax (EUR'000)	(200)	58	(445.2)%	76	22	244.3%
Profit (loss) before tax, margin (%)	(2.7)%	0.8%	(3.4) p.p	1%	0.3%	0.8 p.p
Net profit (loss) for the year (EUR'000)	(226)	63	(458.9)%	48	24	99.3%
Net profit (loss) for the year margin (%)	(3.0)%	0.8%	(3.8) p.p	0.7%	0.4%	0.4 p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

## Relative ratios

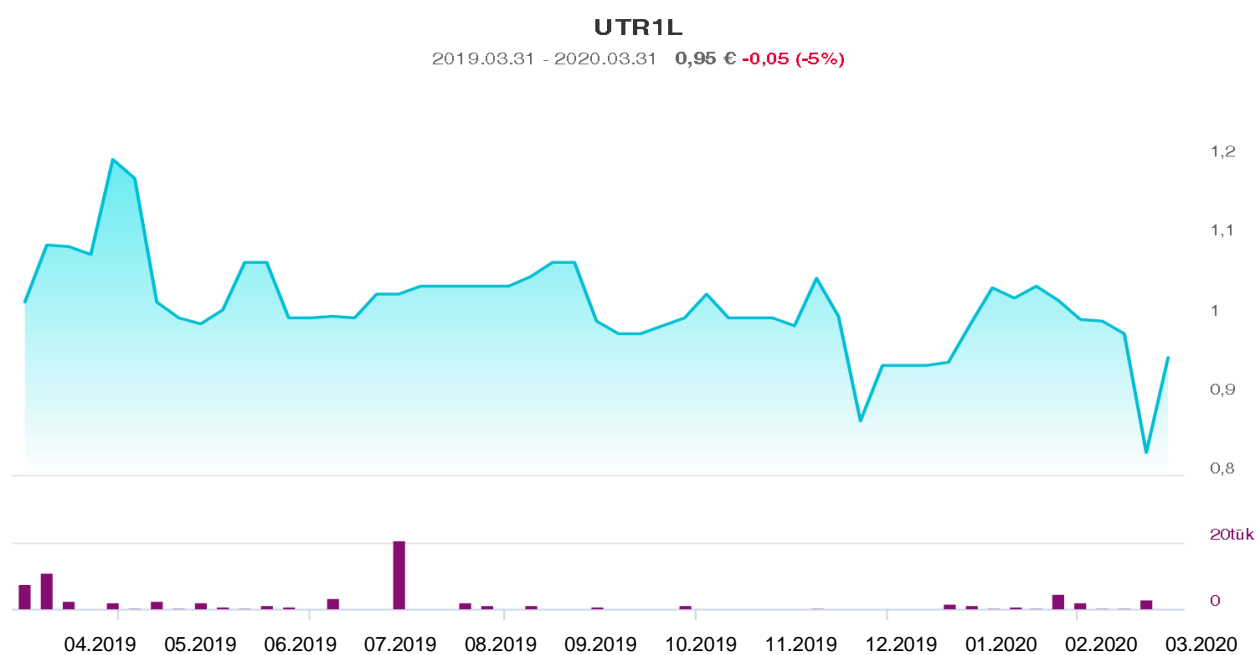
	Group			Company		
	2020 I Q	2019 I Q	Change p.p	2020 I Q	2019 I Q	Change p.p.
Return on capital employed (%)	16.5%	26.2%	(9.7)	19.2%	8.8%	10.4
Return on assets (%)	2.0%	3.1%	(1.1)	8.6%	1.2%	7.4
Return on shareholders' equity (%)	4.3%	6.5%	(2.2)	17.8%	2,6%	15.2
Debt ratio (%)	52.9%	51.4%	1.6	51.5%	55.1%	(3.6)
Debt-to-equity ratio (%)	112.4%	105.6%	6.8	106.1%	122.8%	(16.8)
Liquidity ratio (%)	142.9%	120.5%	22.5	148.7%	118.1%	30.6
Equity to assets ratio (%)	47.1%	48.6%	(1.6)	48.5%	44.9%	3.6

## Ratios related with the share price

	2020 I Q	2019 I Q	Change
P/E	20.41	14.97	5.44
EPS	0.05	0.07	(0.02)
EV/EBITDA	6.66	8.43	(1.77)

## Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price during 12 months period from 1 April 2019 to 31 March 2020:



### Price ratios

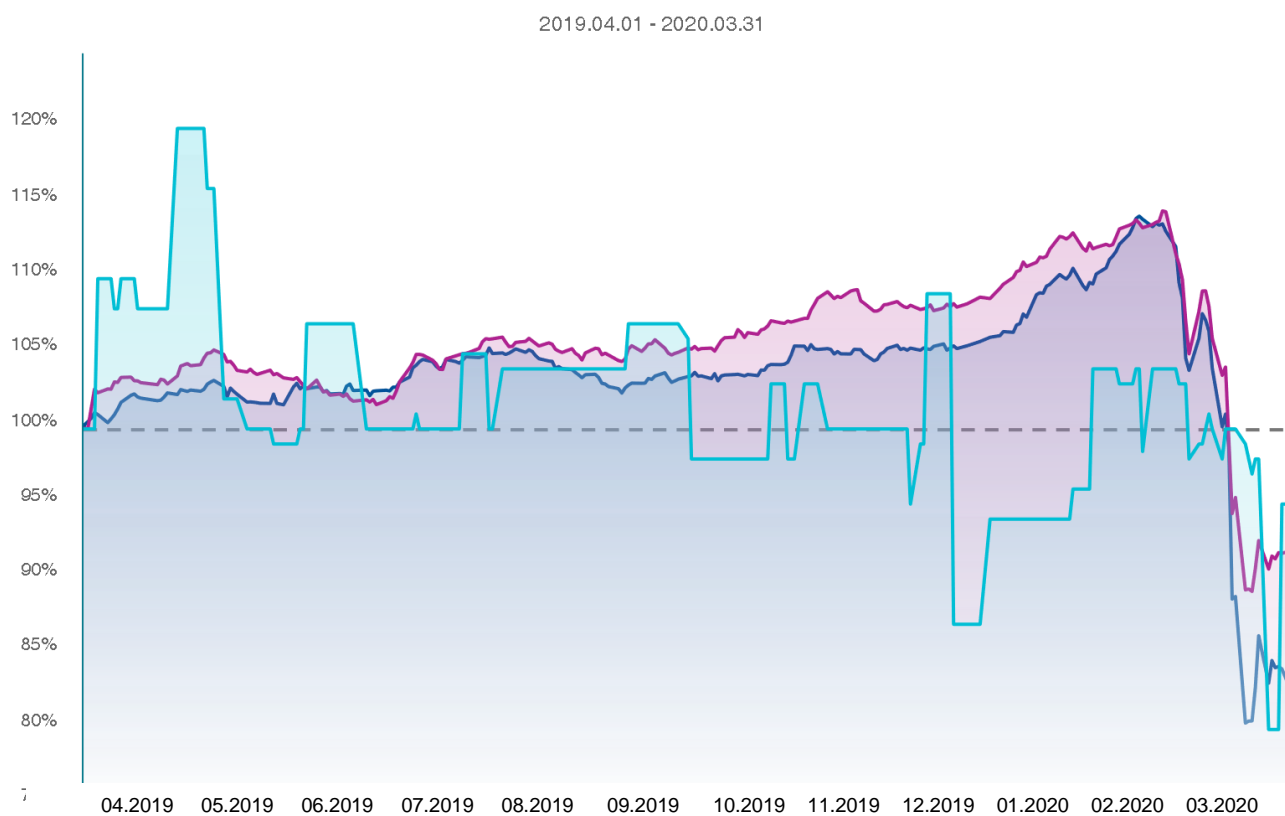
Open price, EUR  
High price, EUR  
Low price, EUR  
Last price, EUR  
Traded volume  
Turnover, million EUR  
Capitalisation, million EUR

### 2020 I Q

0.940  
1.040  
0.800  
0.975  
15 962  
0.020  
9.270

### 2019 I Q

0.820  
1.10  
0.810  
1.080  
36 308  
0.040  
10.260

**Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics, during 12 months period from 1 April 2019 to 31 March 2020**


Index/ Equity	2020.03.31	2019.03.31	2020.03.31/2019.03.31 change, %
—OMX Baltic Benchmark GI	777.91	935.79	(16.87)
—OMX Vilnius	604.56	655.28	(7.74)
—UTR1L	0.95 EUR	1.000 EUR	(5)



**Statements of Financial Position**

		<b>Group</b>		<b>Company</b>	
		<b>2020.03.31</b>	<b>2019.12.31</b>	<b>2020.03.31</b>	<b>2019.12.31</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	7	530	548	127	145
Property, plant and equipment	8	9 863	10 350	6 469	6 507
Right-of-use assets		744	802	314	365
Investment property		114	114	114	114
Investments into subsidiaries		-	-	1 553	1 553
Receivables from subsidiaries		-	-	1 144	1 126
Prepayments to subsidiaries		-	-	909	874
Deferred income tax asset		96	96	-	-
		<b>11 347</b>	<b>11 910</b>	<b>10 630</b>	<b>10 684</b>
<b>Current assets</b>					
Inventories	9	6 726	6 665	6 538	6 518
Trade receivables	10	1 211	1 234	908	966
Contract assets		1 639	2 007	1 636	1 970
Other current assets		184	224	146	177
Current financial assets		1512	895	1240	652
Cash and cash equivalents	11	<b>11 272</b>	<b>11 025</b>	<b>10 468</b>	<b>10 283</b>
<b>Total assets</b>		<b>22 619</b>	<b>22 935</b>	<b>21 098</b>	<b>20 967</b>

## Statements of financial position (continued)

		Group		Company	
		2020.03.31	2019.12.31	2020.03.31	2019.12.31
<b>EQUITY AND LIABILITIES</b>					
Share capital			2 756	2 756	2 756
Revaluation surplus	12	574	574	574	574
Legal reserve	12	4 194	4 215	2 230	2 245
Reserve for acquisition of own shares	12	1 090	1 090	1 000	1 000
Foreign currency translation reserve	12	1 034	1 085	-	-
Accumulated retained earnings/ (losses)	12	797	1 039	3 677	3 616
		<b>10 445</b>	<b>10 759</b>	<b>10 237</b>	<b>10 191</b>
<b>Non-controlling interest</b>		<b>206</b>	<b>211</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>10 651</b>	<b>10 970</b>	<b>10 237</b>	<b>10 191</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	13	2 456	2 597	2 456	2 597
Non-current lease liabilities		650	685	250	285
Borrowings from subsidiaries	13	-	-	600	
Deferred income tax liabilities		701	830	300	333
Provisions for employee benefits		276	276	212	212
		<b>4 083</b>	<b>4 388</b>	<b>3 818</b>	<b>3 427</b>
<b>Current liabilities</b>					
Current portion of non-current borrowings	13	567	567	567	567
Borrowings from subsidiaries		-	-	-	750
Other current liabilities		540	-	540	
Current lease liabilities		144	148	103	107
Trade payables		2 540	2 568	2 500	2 528
Payables to other related parties and subsidiaries		606	1 076	603	1 075
Contract liabilities		317	133	356	134
Income tax payable		45	13	44	16
Accrued expenses and other current liabilities	14	3 126	3 072	2 330	2 172
<b>Total current liabilities</b>		<b>7 885</b>	<b>7 577</b>	<b>7 043</b>	<b>7 349</b>
<b>Total liabilities</b>		<b>11 968</b>	<b>11 964</b>	<b>10 861</b>	<b>10 776</b>
<b>Total equity and liabilities</b>		<b>22 619</b>	<b>22 934</b>	<b>21 098</b>	<b>20 967</b>

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	Group January-March		Company January-March	
		2020	2019	2020	2019
Revenue from contracts with customers	6,15	7 454	7 726	6 679	6 737
Cost of sales	16	(5 993)	(6 429)	(5 391)	(5 652)
<b>Gross profit</b>		<b>1 461</b>	<b>1 297</b>	<b>1 288</b>	<b>1 085</b>
Selling expenses		(606)	(568)	(580)	(537)
General and administrative expenses	17	(827)	(697)	(664)	(513)
Other operating income	17	37	31	14	10
Other operating expenses	18	(11)	(8)	(9)	(6)
<b>Operating profit (losses)</b>	18	<b>54</b>	<b>55</b>	<b>49</b>	<b>39</b>
Finance income		51	61	58	20
Finance costs		(305)	(58)	(31)	(37)
<b>Profit (losses) before tax</b>	19	<b>(200)</b>	<b>58</b>	<b>76</b>	<b>22</b>
Income tax	19	(26)	5	(28)	2
<b>Net profit (losses)</b>		<b>(226)</b>	<b>63</b>	<b>48</b>	<b>24</b>
<b>Net profit (losses) attributable to:</b>					
Equity shareholders of the Company	20	(227)	53	48	24
Non-controlling interest		1	10	-	-
		<b>(226)</b>	<b>63</b>	<b>48</b>	<b>24</b>

## STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Legal reserve	Revaluation surplus	Reserve for acquisition of		Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
				own shares	foreign currency translation reserve				
<b>Balance as of 31 March 2019</b>	2 756	574	4 310	90	852	2 258	10 840	323	11 163
Net profit (loss) for the year	-	-	-	-	-	681	681	19	700
Other comprehensive income	-	-	-	-	233	(45)	188	8	196
<b>Total comprehensive income (loss)</b>	-	-	-	-	233	636	869	27	896
Reserve for acquisition of own shares	-	-	-	1 000	-	(1 000)	-	-	-
Transfer of revaluation surplus to retained earnings	-	-	(95)	-	-	95	-	-	-
Reduction of non-controlling interest	-	-	-	-	-	-	-	(139)	(139)
Dividends declared	-	-	-	-	-	(950)	(950)	-	(950)
<b>Balance as of 31 December 2019</b>	2 756	574	4 215	1 090	1 085	1 039	10 759	211	10 970
Net profit (loss) for the year	-	-	-	-	-	(227)	(227)	1	(226)
Other comprehensive income	-	-	-	-	(51)	(36)	(51)	(6)	(51)
<b>Total comprehensive income (loss)</b>	-	-	-	-	(51)	(263)	(314)	(5)	(319)
Transfer of revaluation surplus to retained earnings	-	-	(21)	-	-	21	-	-	-
<b>Balance as of 31 March 2020</b>	2 756	574	4 194	1 090	1 034	797	10 445	206	10 651

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Accumulated retained earnings/ (losses)		Total
				Revaluation surplus	(losses)	
<b>Balance as of 31 March 2019</b>	2 756	574	-	2 294	3 764	9 388
Net profit (loss) for the year	-	-	-	-	1 774	1 774
Other comprehensive income (loss)	-	-	-	-	(21)	(21)
<b>Total comprehensive income (loss)</b>	-	-	-	-	1 753	1 753
Transfer of revaluation surplus to retained earnings	-	-	-	(49)	49	-
Reserve for acquisition of own shares	-	-	1 000	-	(1 000)	-
Dividends declared	-	-	-	-	(950)	(950)
<b>Balance as of 31 December 2019</b>	2 756	574	1 000	2 245	3 616	10 191
Net profit (loss) for the year	-	-	-	-	48	48
Other comprehensive income (loss)	-	-	-	-	(2)	(2)
<b>Total comprehensive income (loss)</b>	-	-	-	-	46	46
Transfer of revaluation surplus to retained earnings	-	-	-	(15)	15	-
<b>Balance as of 31 March 2020</b>	2 756	574	1 000	2 230	3 677	10 237

## STATEMENTS OF CASH FLOWS

	Group		Company	
	31 March 2020	2019	31 March 2020	2019
<b>Cash flows from operating activities</b>				
Profit (loss) for the period	(226)	63	48	42
<b>Adjustments for non-cash items:</b>				
Depreciation and amortization	266	247	191	151
(Gain) on disposal of property, plant and equipment and investment property	-	-	-	(1)
Impairment and write-off accounts receivable	43	-	65	-
Interest expense, net of interest income	24	27	10	18
Income tax (income) expense	26	1	28	-
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	(105)	(505)	(85)	(459)
(Increase) decrease in trade receivables	390	36	402	192
Decrease (increase) in receivables from subsidiaries	-	-	(53)	(15)
(Increase) decrease in other receivables and other current assets	40	76	32	31
(Increase) decrease in trade and other accounts payable	(460)	208	(381)	239
Increase (decrease) in taxes payable and other current liabilities	414	298	211	188
Income tax (paid)	(15)	(6)	(11)	(6)
<b>Net cash generated from operating activities</b>	<b>397</b>	<b>445</b>	<b>457</b>	<b>380</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(129)	(212)	(122)	(156)
Proceeds from sale of property, plant and equipment	-	-	-	1
Interest received	-	-	15	15
	-	-	32	-
<b>Net cash flows generated from (to) investing activities</b>	<b>(129)</b>	<b>(212)</b>	<b>(75)</b>	<b>(140)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	540	1 688	540	1 688
Repayment of borrowings and financial lease payments	(142)	(1 485)	(292)	(1 485)
Interest paid	(24)	(27)	(25)	(33)
Lease payments	(25)	(29)	(17)	(19)
<b>Net cash flows from financing activities</b>	<b>349</b>	<b>147</b>	<b>206</b>	<b>151</b>
<b>Net increase in cash and cash equivalents</b>	<b>617</b>	<b>380</b>	<b>588</b>	<b>391</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>895</b>	<b>703</b>	<b>652</b>	<b>120</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 512</b>	<b>1 083</b>	<b>1 240</b>	<b>511</b>

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

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

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

As of 31 March 2020 and 31 December 2019 the shareholders of the Company were as follows:

	As of 31 March 2020		As of 31 December 2019	
	Number of shares held	Interest held (%)	Number of shares held	Interest held (%)
Koncernas SBA UAB	8 772	92.31	7 821	82.31
Algirdas Šabūnas	-	-	950	10.00
Other shareholders	731	7.69	732	7.69
	<b>9 503</b>	<b>100.00</b>	<b>9 503</b>	<b>100.00</b>

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 31 March 2020 and 31 December 2019 subsidiaries did not hold any shares of the Company. The Company did not hold its own shares within this period.

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

	Registered address	Group's share (%)		Profile
		31 March 2020	31 December 2019	
Šatrija AB	Satrijos str. 3, Raseiniai	89.78	89.78	Sewing of clothes
Gotija UAB	Laisvės Str. 33, Kaunas	100.00	100.00	Retail trade
PAT MTF Mrija	Matrosovo Str. 13, Mukachev, Ukraine	98.95	98.95	Production of knitted articles
Utenas trikotaža SIA	Cietokšņa st. 60, Daugavpils, Latvia	100.00	100.00	Retail

## 2. Form and contents of the financial statements

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

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

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

## 4. Consolidation

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

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

## 5. Financial risk factors

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

Amount of monetary items attributed to net investment amounts to EUR 3.5 million and foreign currency exchange difference related to this amount for the 3 months of 2020 comprises EUR 583 thousand, which is accounted in the Group's consolidated financial statements through other comprehensive income.

### **Other comprehensive income (loss) from foreign currency translation included in the consolidated statements of changes in equity in other comprehensive income attributable to the equity holders of the Company:**

Foreign currency exchange difference on monetary intems attributed to net investments, EUR	583 347
Foreign currency translation reserve on other items, EUR	(634 347)
<b>Other comprehensive income EUR, net</b>	<b>(51 000)</b>

## 6. Segment information

The Group has two main business segments: production of knitted articles and production of functional-technical garments.

In assessing operational performance of segments the Group's Board takes into account the sales revenue, gross profit, EBITDA (earnings before financial activity result, taxes, depreciation and amortization), profit (loss) ratios, therefore the report on the Group's segments discloses these items in respect of each segment. As the Board also assesses other items of the statement of comprehensive income by each segment, these items are presented in the report on the Group's segments. Inter-segment transactions are eliminated on consolidation.

Below, there is a summary of major indicators for the main business segments of the Group included in the statement of comprehensive income for the 3 months of 2020 and for the 3 months of 2019:

of 31 March 2020	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	6 642	812	-	7 454
Internal sales	303		(303)	-
<b>Total revenue</b>	<b>6 945</b>	<b>812</b>	<b>(303)</b>	<b>7 454</b>
<b>Gross profit</b>	<b>1 316</b>	<b>145</b>	<b>-</b>	<b>1461</b>
<b>EBITDA</b>	<b>264</b>	<b>56</b>	<b>-</b>	<b>320</b>
<b>Profit (loss)</b>	<b>(246)</b>	<b>20</b>	<b>-</b>	<b>(226)</b>

of 31 March 2019	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	6 774	952	-	7 726
Internal sales	260		(260)	-
<b>Total revenue</b>	<b>7 034</b>	<b>952</b>	<b>(260)</b>	<b>7 726</b>
<b>Gross profit</b>	<b>1 130</b>	<b>167</b>	<b>-</b>	<b>1 297</b>
<b>EBITDA</b>	<b>227</b>	<b>74</b>	<b>-</b>	<b>301</b>
<b>Profit (loss)</b>	<b>20</b>	<b>43</b>	<b>-</b>	<b>63</b>

## 7. Non-current intangible assets

Amortization expenses of intangible assets are included within general and administrative expenses in profit and loss statement.



## 8. Non-current tangible assets

Depreciation of non-current tangible property amounted to EUR 266 thousand as of 31 March 2020, EUR 186 thousand are included into cost of sales in the Group's Profit (loss) statement. The remaining amounts were included in general and administrative expenses and inventories in the statement of financial position.

As of 31 March 2020 and 31 December 2019 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

## 9. Inventories

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Raw materials	2 749	3 059	2 409	2 711
Work in progress	2 078	1 862	2 036	1 853
Finished goods	2 736	2 552	2 660	2 521
Goods for resale	53	82	-	-
	<b>7 616</b>	<b>7 555</b>	<b>7 105</b>	<b>7 085</b>
Write-down to net realisable value:				
Opening balance				
Change	(890)	(894)	(567)	(571)
Closing balance	-	4	-	4
	<b>(890)</b>	<b>(890)</b>	<b>(567)</b>	<b>(567)</b>
	<b>6 726</b>	<b>6 665</b>	<b>6 538</b>	<b>6 518</b>

## 10. Trade receivables

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Trade receivables, gross	1 537	1 508	1 208	1 214
Impairment:				
Opening balance	(274)	(197)	(248)	(170)
Accrued over the year	(52)	(77)	(52)	(76)
Written-off	-	-	-	-
Closing balance	<b>(326)</b>	<b>(274)</b>	<b>(300)</b>	<b>(248)</b>
	<b>1 211</b>	<b>1 234</b>	<b>908</b>	<b>966</b>

Changes in impairment allowance for doubtful trade receivables as of 31 March 2020 and 31 December 2019 were recorded within the Group's and Company's general and administrative expenses.

## 11. Cash and cash equivalents

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Cash at bank and on hand	1 512	895	1 240	652
	<b>1 512</b>	<b>895</b>	<b>1 240</b>	<b>652</b>

## 12. Other reserves and retained earnings (deficit)

### Revaluation surplus

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

### Legal reserve

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

### Foreign currency translation reserve

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

### Reserve for acquisition of own shares

According to the decision of the shareholders of Šatrija AB in 2019, the reserve for acquisition of own shares amounted to EUR 100 thousand (including that attributable non-controlling interest)

In 2019, a decision of the shareholders of AB Utenos Trikotažas was passed to build up a reserve of EUR 1,000 thousand 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 March 2020 and 31 December 2019 were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020.03.31</b>	<b>2019.12.31</b>	<b>2020.03.31</b>	<b>2019.12.31</b>
Revaluation surplus	4 194	4 215	2 230	2 245
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 034	1 085	-	-
Cash flow hedge reserve	797	1 039	3 677	3 616
	<b>7 689</b>	<b>8 003</b>	<b>7 481</b>	<b>7 435</b>

### 13. Borrowings

	<b>Group</b>		<b>Company</b>	
	<b>2020.03.31</b>	<b>2019.12.31</b>	<b>2020.03.31</b>	<b>2019.12.31</b>
<b>Current</b>				
Current portion of non-current bank borrowings	567	567	567	567
Borrowings from subsidiaries	-	-	-	750
Other current liabilities	540	-	540	-
<b>Non-current</b>				
Borrowings from subsidiaries	-	-	600	-
Non-current bank borrowings	2 456	2 597	2 456	2 597
<b>Total borrowings</b>	<b>3 563</b>	<b>3 164</b>	<b>4 163</b>	<b>3 914</b>

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Satrija AB, amounting EUR 600 thousand with maturity as at 31 December 2022 and variable interest rate 12 month Euribor + 2.2 %.

As at 28 March 2019, the Company has signed a long-term credit agreement and an overdraft agreement with OP Corporate Bank plc Lithuania. The main purpose of these loans of EUR 5 000 thousand is to refinance the Company's liabilities to AB Luminor bank. The amount of the long-term credit is EUR 3 400 thousand with the maturity term effective until 29 February 2024.

As at 31 March 2020, overdraft agreement amounting EUR 540 thousand.

As at 31 March 2020 and at 31 December 2019 the bank borrowings were secured by property plant and equipment.

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

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

	Group		Company	
	2020.03.31	2019.12.31	2020.03.31	2019.12.31
Accrual for vacation reserve	1 315	1 249	950	865
Wages, salaries and social security	757	646	589	491
Amounts payable for services and non-current assets	359	525	384	522
Taxes payable, except for income tax	286	269	241	203
Prepayments received	179	87	152	78
Other liabilities	230	296	14	13
	<b>3 126</b>	<b>3 072</b>	<b>2 330</b>	<b>2 172</b>

**15. Revenue**

	Group		Company	
	January-March		January-March	
	2020	2019	2020	2019
Revenue from sales of goods and services	7 266	7 585	6 522	6 561
Revenue from sales of materials	188	141	157	176
	<b>7 454</b>	<b>7 726</b>	<b>6 679</b>	<b>6 737</b>

**16. Cost of sales**

	Group		Company	
	January-March		January-March	
	2020	2019	2020	2019
Wages and salaries and social security	2 124	2 566	2 047	2 455
Materials	2 706	2 614	2 053	1 873
Other overhead expenses	926	983	1 067	1 160
Cost of materials sold	186	179	125	118
Depreciation and amortisation	51	87	99	46
	<b>5 993</b>	<b>6 429</b>	<b>5 391</b>	<b>5 652</b>

**17. Selling general and administrative expenses**

	Group January-March		Company January-March	
	2020	2019	2020	2019
<b>Selling expenses</b>				
Wages and salaries and social security	230	227	211	207
Advertising and marketing costs	118	103	118	102
Other selling expenses	258	238	251	228
	<b>606</b>	<b>568</b>	<b>580</b>	<b>537</b>
<b>General and administrative expenses</b>				
Wages and salaries and social security	393	300	308	225
Communications and consulting services	110	123	96	108
Taxes other than income tax	22	21	20	18
Depreciation and amortization	43	35	32	22
Security	36	31	17	15
Vehicles exploitation expenses	4	17	4	13
Services of financial institutions	20	27	19	25
Premises exploitation expenses	13	11	11	9
Travel expenses	4	5	4	5
Representation expenses	7	10	7	9
Impairment and write-off (reversal) of inventories	43	-	65	-
Other	132	117	81	64
	<b>827</b>	<b>697</b>	<b>664</b>	<b>513</b>
	<b>1 433</b>	<b>1 265</b>	<b>1 244</b>	<b>1 050</b>

**18. Other income and expenses**

	Group January-March		Company January-March	
	2020	2019	2020	2019
Gain from disposal of non-current assets	-	-	-	1
Rent income	6	5	5	4
Other income	31	26	9	5
<b>Other income</b>	<b>37</b>	<b>31</b>	<b>14</b>	<b>10</b>
Rent costs	(11)	(6)	(9)	(5)
Other expenses	-	(2)	-	(1)
<b>Other expenses</b>	<b>(11)</b>	<b>(8)</b>	<b>(9)</b>	<b>(6)</b>

**19. Finance costs, net**

	<b>Group January-March</b>		<b>Company January-March</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Foreign exchange gain (loss)	(234)	30	-	1
Interest expenses	(24)	(27)	(25)	(33)
Interest income	-	-	15	15
Dividends income	-	-	33	-
Other finance income	4	-	4	-
	<b>(254)</b>	<b>3</b>	<b>27</b>	<b>(17)</b>

**20. Basic/dilutive earnings per share**

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

	<b>Group January-March</b>	
	<b>2020</b>	<b>2019</b>
Profit/ (loss) attributable to the equity holders of the Group	(227)	53
Weighted average number of shares in issue (thousand)	9 503	9 503
<b>Basic/dilutive earnings per share (in EUR)</b>	<b>(0.02)</b>	<b>0.01</b>

**21. Subsequent sheet events**

In 15 April 2020 an amendment to the Credit Agreement was signed with the Lithuanian branch of OP Corporate bank in accordance with which the bank extended the loan repayment deadline until 31 August 2024 by postponing planned loan repayments of April-September 2020