



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 9 months period ended 30 september 2019
(UNAUDITED)

INFORMATION ABOUT COMPANY

Company name	Utenos Trikotažas AB
Legal and organisation form	Legal entity, public company
Date and place of incorporation	Registered with the Register of Legal Entities of Utena District on 6 st December 1994; reregistered with the Ministry of Economy of the Republic of Lithuania on 18 st September 1998.
Registration code	September 1998.
Code of the Register of Legal Entities	BĮ 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	utenos.trikotazas@ut.lt
Main activities	www.ut.lt
Auditors	production of knit-wear and textile articles ERNST&YOUNG BALTIC UAB

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REVIEW OF ACTIVITY OF THE GROUP COMPANIES

In the 9 months of 2019, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 23.66 million, which is by 0.1 per cent less than in the previous year when the Group's sales accounted for EUR 23.67 million. The Group exported 80.4 per cent of products.

During the nine months of 2019, the company Utenos trikotažas sold products and provided services for EUR 20.79 million. The sales volume, compared with the 9 months of 2018, decreased by EUR 0.361 million, or 1.7 per cent. The company's export sales reached 83.1 per cent.

The sales of the largest segment – on-demand knitwear –dropped by 3.1 per cent and reached EUR 18 million, private brands UTENOS and ABOUT grew by 9.3 per cent and reached EUR 2.8 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija grew by 13.5 per cent.

In the 9 months of 2019, the Group earned a pre-tax profit of EUR 575 thousand, compared with a profit of EUR 1 183 thousand in the 9 months of 2018. During the same period, the company Utenos trikotažas earned a pre-tax profit of EUR 1596 thousand, whereas it recorded a profit of EUR 1 068 thousand a year ago.

The Group's EBITDA amounted to EUR 1 116 thousand, which is less by 40.3 per cent than in the respective period of 2018. The Company's EBITDA reached EUR 879 thousand, which is less of 44.6 per cent, compared with the first quarter of 2018, when the company's EBITDA accounted for EUR 1 587 thousand.

Key performance indicators of the Group
Trade

Revenue (EUR '000)	Group			Company		
	2019	2018	Change	2019	2018	Change
	9M	9M	%	9M	9M	%
Products manufactured on demand of other clients	18 038	18 624	(3.1)	18 038	18 624	(3.1)
Own brands (ABOUT, UTENOS)	2 849	2 607	9.3	2 752	2 527	8.9
Services of functional-technical garments manufacture	2 772	2 442	13.5	-	-	-
	23 659	23 673	(0.1)	20 790	21 151	(1.7)

Revenue (EUR '000)	Group			Company		
	2019	2018	Change	2019	2018	Change
	III Q	III Q	%	III Q	III Q	%
Products manufactured on demand of other clients	6 073	7 251	(16.2)	6 073	7 251	(16.2)
Own brands (ABOUT, UTENOS)	997	930	7.2	965	899	7.3
Services of functional-technical garments manufacture	859	928	(7.4)	-	-	-
	7 929	9 109	(13.0)	7 038	8 150	(13.6)

Sales by regions

Revenue (EUR '000)	Group			Company		
	2019	2018	Change	2019	2018	Change
	9M	9M	%	9M	9M	%
Export	19 014	19 738	(3.7)	17 271	18 257	(5.4)
<i>DACH (Germany, Austria, Switzerland)</i>	12 392	10 633	16.5	11 395	9 965	14.4
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	4 474	6 611	(32.3)	4 403	6 430	(31.5)
<i>Other regions</i>	2 148	2 494	(13.9)	1 473	1 862	(20.8)
Domestic	4 645	3 935	18.0	3 519	2 894	21.6
	23 659	23 673	(0.1)	20 790	21 151	(1.7)

Revenue (EUR '000)	Group			Company		
	2019 III Q	2018 III Q	Change %	2019 III Q	2018 III Q	Change %
Export	6 491	7 690	(15.6)	5 982	7 238	(17.4)
DACH (Germany, Austria, Switzerland)	4 314	4 018	7.4	4 071	3 852	5.7
Scandinavia (Sweden, Norway, Denmark, Finland)	1 248	2 554	(51.2)	1 248	2 523	(50.6)
Other regions	929	1 118	(16.9)	663	863	(23.2)
Domestic	1 438	1 419	1.4	1 056	912	15.8
	7 929	9 109	(13.0)	7 038	8 150	(13.6)

Operating figures

	Group			Company		
	2019 9M	2018 9M	Change %	2019 9M	2018 9M	Change %
Manufactured items units .	2 219	2 455	(9.6)	2 119	2 364	(10.4)
Average number of employees	1 057	1 047	0.1	722	710	1.7

Financial ratio

	Group			Company		
	2019 9M	2018 9M	Change	2019 9M	2018 9M	Change
Revenue (EUR'000)	23 659	23 673	(0.1)%	20 790	21 151	(1.7)%
Operating profit (loss) (EUR'000)	417	1 247	(66.5)%	384	1 108	(65.3)%
Operating profit (loss) margin (%)	1.8	5.3	(3.5) p.p	1.8	5.2	(3.4) p.p
EBITDA (EUR'000)	1 116	1 870	(40.3)%	879	1 587	(44.6)%
EBITDA margin (%)	4.7	7.9	(3.2) p.p	4.2	7.5	(3.3) p.p
Profit (loss) before tax (EUR'000)	575	1 183	(51.4)%	1 596	1 068	49.4%
Profit (loss) before tax, margin (%)	2.4	5.0	(2.6) p.p	8.0	5.0	2.6 p.p
Net profit (loss) for the year (EUR'000)	603	1 157	(47.9)%	1 615	1 041	55.1%
Net profit (loss) for the year margin (%)	2.5	4.9	(2.3) p.p	7.8	4.9	2.8 p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

Interim Consolidated Information for the 9 months of 2019 (All amounts are in EUR thousand, unless otherwise stated)

	Group			Company		
	2019	2018	Change	2019	2018	Change
	III Q	III Q		III Q	III Q	
Revenue (EUR'000)	7 929	9 109	(13.0)%	7 038	8 150	(13.6)%
Operating profit (loss) (EUR'000)	453	741	(38.8)%	456	681	(33.0)%
Operating profit (loss) margin (%)	5.7	8.1	(2.4) p.p	6.5	8.4	(1.9) p.p
EBITDA (EUR'000)	844	952	(11.4)%	879	841	4.5%
EBITDA margin (%)	11	10	0.2 p.p	12,5	10,3	2.2 p.p
Profit (loss) before tax (EUR'000)	597	616	(3.1)%	1 661	664	150.1%
Profit (loss) before tax, margin (%)	7.5	6.8	0.8 p.p	23.6	8.1	15.4 p.p
Net profit (loss) for the year (EUR'000)	602	594	1.3%	1 664	641	159.6%
Net profit (loss) for the year margin (%)	7.6	6.5	1.1 p.p	23.6	7.9	15.8 p.p
Number of shares, (thousand)	9 503	9 503	-	9 503	9 503	-

Relative ratios

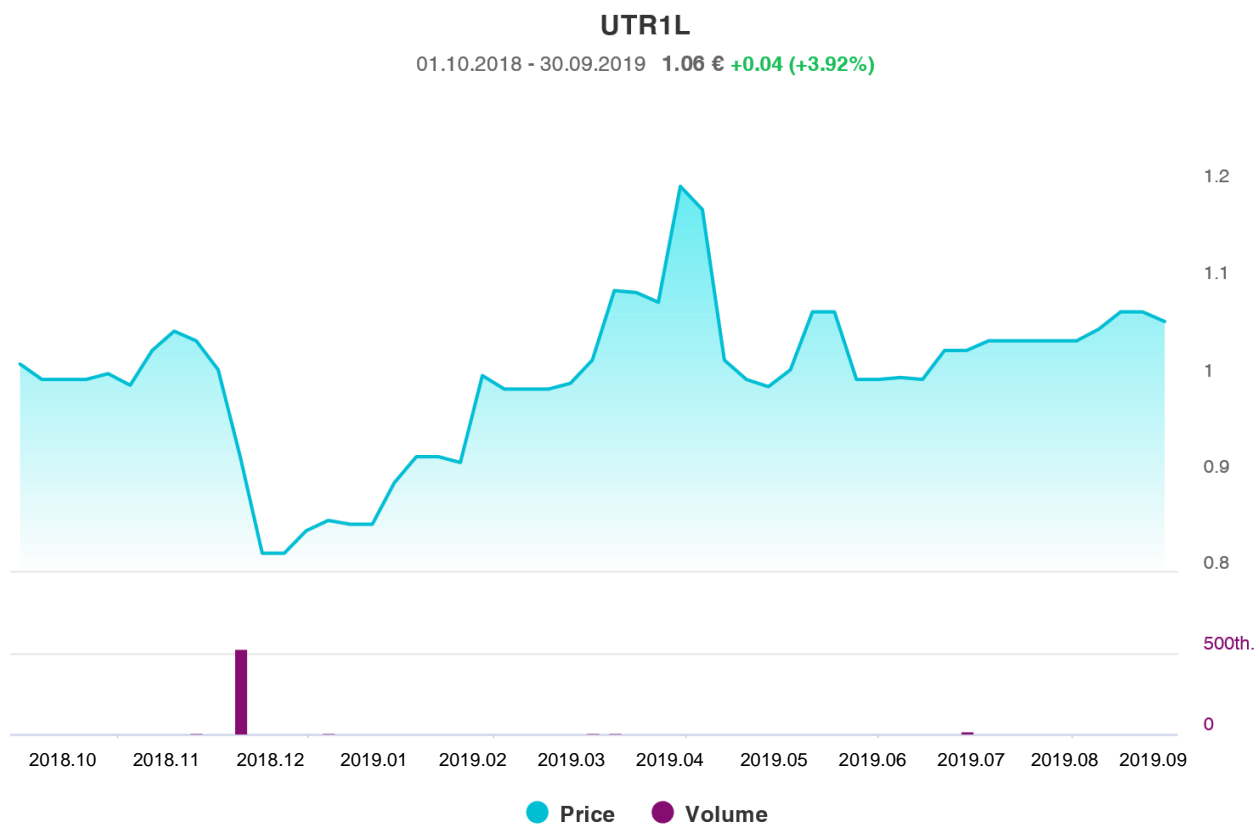
	Group			Company		
	2019	2018	Change	2019	2018	Change
9M	9M	p.p		9M	9M	
Return on capital employed (%)	21.3	39.8	(18.5)	41.5	75.4	(33.9)
Return on assets (%)	2.6	6.0	(3.4)	5.5	11.2	(5.7)
Return on shareholders' equity (%)	5.5	13.1	(7.6)	11.4	23.7	(12.3)
Debt ratio (%)	52.5	52.8	(0.3)	51.5	52.8	(1.3)
Debt-to-equity ratio (%)	110.5	111.8	(1.3)	106.0	112.0	(6.0)
Liquidity ratio (%)	141.8	107.7	34.1	146.4	94.1	52.3
Equity to assets ratio (%)	47.5	47.2	0.3	48.5	47.2	1.3

Ratios related with the share price

	2019	2018	Change
	9M	9M	
P/E	16.92	8.79	12.01
EPS	0.06	0.11	(0.15)
EV/EBITDA	9.91	6.15	2.43

Information regarding the price of shares and their dynamics

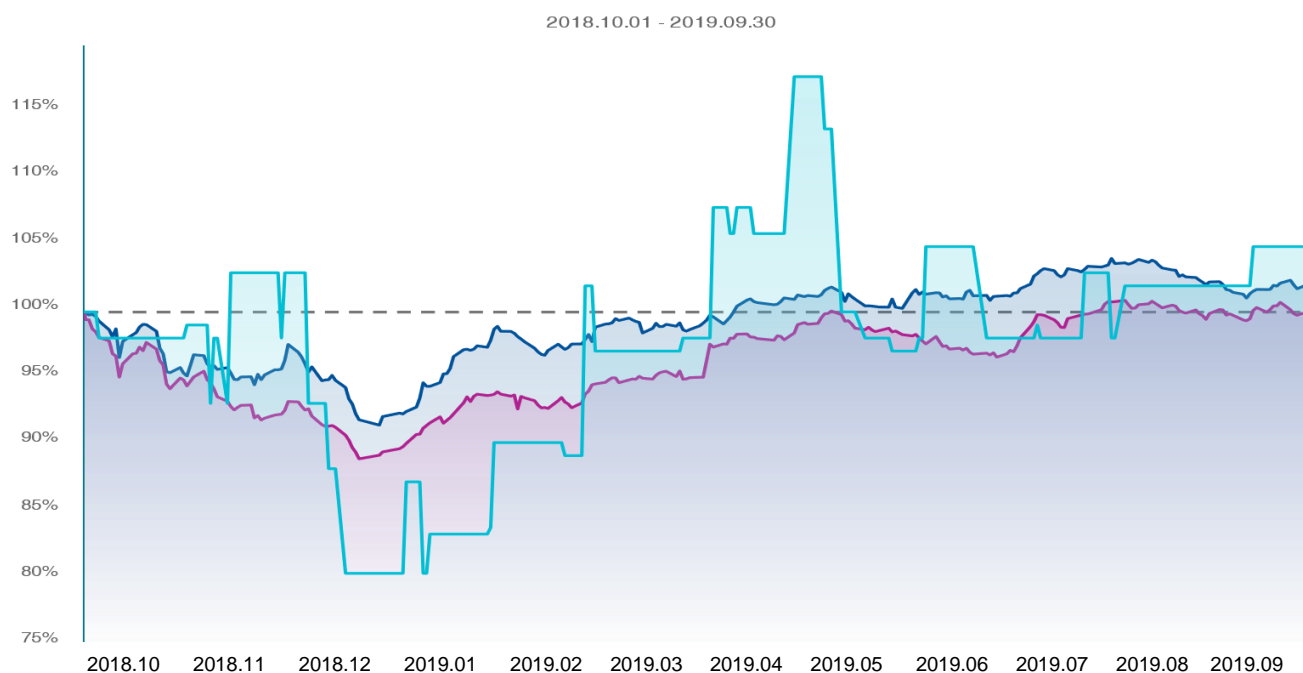
Utenos Trikotažas AB share price dynamics, during 12 months period from 1 October 2018 to 30 September 2019



Price ratios

	2019 9M	2018 9 M
Open price, EUR	0.820	0.950
High price, EUR	1.200	1.250
Low price, EUR	0.810	0.900
Last price, EUR	0.980	1.000
Traded volume	77 186	59 955
Turnover, million EUR	0.08	0.06
Capitalisation, million EUR	9.31	9.50

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



Index/ Equity	2019.09.30	2018.09.30	2019.09.30 /2018.09.30 Change, %
—OMX Baltic Benchmark GI	968.47	948.29	2.13
—OMX Vilnius	690.62	689.27	0.2
—UTR1L	1.06 EUR	1.02 EUR	3.92

BALANCE SHEET

	Notes	Group		Company	
		2019.09.30	2018.12.31	2019.09.30	2018.12.31
ASSETS					
Non-current assets					
Intangible assets	7	532	655	128	249
Property, plant and equipment	8	10 368	9 661	6 579	6 130
Investment property		88	90	88	90
Investments into subsidiaries		-	-	1 550	1 550
Trade and other receivables		-	-	-	-
Receivables from subsidiaries		-	-	1 929	1 788
Deferred income tax asset		104	104	-	-
		11 092	10 510	10 274	9 807
Current assets					
Inventories	9	6 349	5 827	6 171	5 678
Trade receivables	10	4 352	4 835	3 863	4 408
Other current assets		215	339	220	277
Current financial assets		-	-	-	-
Cash and cash equivalents	11	562	703	123	120
		11 478	11 704	10 377	10 484
Total assets		22 570	22 214	20 651	20 291
EQUITY AND LIABILITIES					
Equity attributable to the shareholders of the Company					
Share capital		2 756	2 756	2 756	2 756
Revaluation surplus	12	574	574	574	574
Legal reserve	12	4 237	4 340	2 259	2 303
Reserve for acquisition of own shares	12	1 090	90	1 000	-
Foreign currency translation reserve	12	981	936	-	-
Cash flow hedge reserve	12	5	(4)	5	(4)
Accumulated retained earnings/ (losses)	12	878	2 150	3 431	3 731
		10 521	10 842	10 025	9 360
Non-controlling interest		201	319	-	-
Total equity		10 722	11 161	10 025	9 360
LIABILITIES					
Non-current liabilities					
Borrowings	13	2 433	379	2 433	379
Borrowings from subsidiaries	13	-	-	350	1 200
Deferred income tax liabilities		871	822	356	374
Non-Current financial liabilities	13	185	-	185	-
Provisions for employee benefits		264	240	212	188
		3 753	1 441	3 536	2 141
Current liabilities					
Current portion of non-current borrowings	13	567	2 871	567	2 871
Current financial liabilities	13	731	1 239	731	1 240
Current portion of derivative financial instruments		3	13	3	13
Trade payables		2 646	2 577	2 576	2 498
Payables to other related parties and subsidiaries		950	36	938	57
Income tax payable		-	4	-	-
Accrued expenses and other current liabilities	14	3 198	2 872	2 275	2 111
		8 095	9 612	7 090	8 790
Total liabilities		11 848	11 053	10 626	10 931
Total equity and liabilities		22 570	22 214	20 651	20 291

STATEMENT OF COMPREHENSIVE INCOME

Group	Notes	January-September		July-September	
		2019	2018	2019	2018
Sales	6,15	23 659	23 673	7 929	9 109
Cost of sales	16	(19 469)	(18 997)	(6 270)	(7 190)
Gross profit		4 190	4 676	1 659	1 919
Selling expenses	17	(1 654)	(1 521)	(531)	(555)
General and administrative expenses	17	(2 206)	(1 999)	(714)	(649)
Other operating income	18	101	103	41	31
Other operating expenses	18	(14)	(12)	(2)	(5)
Operating profit (losses)		417	1 247	453	741
Finance income	19	279	186	185	8
Finance costs	19	(121)	(250)	(41)	(133)
Profit (losses) before tax		575	1 183	597	616
Income tax		28	(26)	5	(22)
Net profit (losses)		603	1 157	602	594
Net profit (losses) attributable to:					
Equity shareholders of the Company	20	584	1 141	595	586
Non-controlling interest		19	16	7	8
		603	1 157	602	594
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Foreign currency translation gain (loss)		45	(20)	44	30
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		45	(20)	44	30
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods					
Other comprehensive income (loss)		(137)	32	(99)	16
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		(137)	32	(99)	46
Other comprehensive income (loss)		(92)	12	(55)	46
Total comprehensive income (loss) for the period		511	1 169	547	640
Basic/dilutive earnings per share	20	0,062	0,12	0,063	0,06

Statements of comprehensive income (cont'd)

Company

	Notes	January-September		July-September	
		2019	2018	2019	2018
Sales	15	20 790	21 151	7 038	8 150
Cost of sales	16	(17 245)	(17 115)	(5 576)	(6 463)
Gross profit		3 545	4 036	1 462	1 687
Selling expenses	17	(1 561)	(1 432)	(501)	(524)
General and administrative expenses	17	(1 629)	(1 531)	(524)	(490)
Other operating income	18	39	42	20	10
Other operating expenses	18	(10)	(7)	(1)	(2)
Operating profit (losses)		384	1 108	456	681
Finance income	19	1 337	80	1 247	25
Finance costs	19	(125)	(120)	(42)	(42)
Profit (losses) before tax		1 596	1 068	1 661	664
Income tax		19	(27)	3	(23)
Net profit	20	1 615	1 041	1 664	641

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Foreign currency translation reserve	Reserve for acquisition of own shares	Other reserve	Legal reserve	Revaluation surplus	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	
									terest	Total equity
Balance as of 30 september 2018	2 756	122	90	(8)	574	3 058	1 748	8 340	279	8 619
Net profit (loss) for the year	-	-	-	-	-	-	(16)	(16)	(1)	(17)
Other comprehensive income	-	814	-	4	-	1 304	396	2 518	41	2 559
Total comprehensive income (loss)	-	814	-	4	-	1 304	380	2 502	40	2 542
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(22)	(22)	-	-	-
Balance as of 31 December 2018	2 756	936	90	(4)	574	4 340	2 150	10 842	319	11 161
Net profit (loss) for the year	-	-	-	-	-	-	584	584	19	603
Other comprehensive income	-	45	-	9	-	-	(9)	45	(137)	(92)
Total comprehensive income (loss)	-	45	-	9	-	-	575	629	(118)	511
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	(103)	103	-	-	-
Reserve for acquisition of own shares	-	-	1 000	-	-	-	(1 000)	-	-	-
Dividends paid	-	-	-	-	-	-	(950)	(950)	-	(950)
Balance as of 30 September 2019	2 756	981	1 090	5	574	4 237	878	10 521	201	10 722

Company	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Others reserve	Accumulated retained earnings/ (losses)	Total
Balance as of 30 september 2018	2 756	574	-	1 678	(8)	3 771	8 771
Net profit (loss) for the year	-	-	-	-	-	(470)	(470)
Other comprehensive income (loss)	-	-	-	638	4	417	1059
Total comprehensive income (loss)	-	-	-	638	4	(53)	589
Transfer of revaluation surplus to retained earnings	-	-	-	(13)	-	13	-
Balance as of 31 December 2018	2 756	574	-	2 303	(4)	3 731	9 360
Net profit (loss) for the year	-	-	-	-	-	1 615	1 615
Other comprehensive income (loss)	-	-	-	-	9	(9)	-
Total comprehensive income (loss)	-	-	-	-	9	1 606	1 615
Transfer of revaluation surplus to retained earnings	-	-	-	(44)	-	44	-
Reserve for acquisition of own shares	-	-	1 000	-	-	(1 000)	-
Dividends paid	-	-	-	-	-	(950)	(950)
Balance as of 30 September 2019	2 756	574	1 000	2 259	(4)	3 431	10 025

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 September 2019	2018	30 September 2019	2018
Cash flows from operating activities				
Profit (loss) for the period	604	1 157	1 614	1 041
Adjustments for non-cash items:				
Depreciation and amortization	698	623	495	478
(Gain) on disposal of property, plant and equipment and investment property	(10)	2	(11)	-
Impairment and write-off of i accounts receivable and inventories	67	119	67	120
Interest expense, net of interest income	85	84	57	55
Income tax (income) expense	(28)	26	(19)	27
Changes in working capital:	(545)	(377)	(515)	(346)
(Increase) decrease in inventories	439	(542)	502	(374)
(Increase) decrease in trade receivables	-	-	(141)	(140)
(Increase) decrease in other receivables and other current assets	125	191	57	105
(Increase) decrease in trade and other accounts payable	307	(1 645)	90	(1 425)
Increase (decrease) in taxes payable and other current liabilities	(121)	465	134	504
Income tax (paid)	(12)	(19)	(12)	(19)
Net cash generated from operating activities	1 609	84	2 318	26
Cash flows from investing activities				
Acquisition of property, plant and equipment	(893)	(571)	(822)	(524)
Acquisition of intangible assets	(11)	(15)	(11)	(15)
Proceeds from sale of property, plant and equipment	10	(2)	11	-
Dividends received	-	-	46	13
Interest received	-	-	45	45
Net cash flows generated from (to) investing activities	(894)	(588)	(731)	(481)
Cash flows from financing activities				
Proceeds from borrowings	4 917	1 302	5 367	1 502
Repayment of borrowings and financial lease payments	(5 492)	(759)	(6 792)	(959)
Share capital reduction income	(139)	-	-	-
Dividends paid	(57)	-	(57)	-
Interest paid	(85)	(84)	(102)	(101)
Net cash flows from financing activities	(856)	459	(1 584)	442
Net increase in cash and cash equivalents	(141)	(45)	3	(13)
Cash and cash equivalents at the beginning of the period	703	675	120	205
Cash and cash equivalents at the end of the period	562	630	123	192

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 30 September 2019 and 31 December 2018 the shareholders of the Company were as follows:

	As of 30 September 2019		As of 31 December 2018	
	Number of shares held	Interest held(%)	Number of shares held	Interest held(%)
Koncernas SBA UAB	7 822	82.31	7 822	82.31
Algirdas Šabūnas	950	10.00	950	10.00
Other shareholders	731	7.69	731	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 30 September 2019 and 31 December 2018 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
		30 September 2019	31 December 2018	
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	Matrosovo Str. 13, Mukachev, Ukraine	98.95	98.95	Production of knitted articles

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 9 months of 2019 comprises EUR 44 thousand, which is accounted in the Group's consolidated financial statements through other comprehensive income.

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

Foreign currency exchange difference on monetary items attributed to net investments, EUR	(627 372)
Foreign currency translation reserve on other items, EUR	671 742
Other comprehensive income EUR, net	44 370

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 9 months of 2019 and for the 9 months of 2018:

of 30 September 2019	Production of knitted articles	Production of functional- technical garments	Eliminations	Total
External sales	20 887	2 772	-	23 659
Internal sales	766	-	(766)	-
Total revenue	21 653	2 772	(766)	23 659
Gross profit	3 623	567	-	4 190
EBITDA	836	280	-	1 116
Profit (loss)	408	195	-	603

of 30 September 2018	Production of knitted articles	Production of functional- technical garments	Eliminations	Total
External sales	21 231	2 442	-	23 673
Internal sales	711	-	(711)	-
Total revenue	21 942	2 442	(711)	23 673
Gross profit	4 162	514	-	4 676
EBITDA	1 572	298	-	1 870
Profit (loss)	949	208	-	1 157

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 698 thousand as of 30 September 2019, EUR 551 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 30 September 2019 and 31 December 2018 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Inventories

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Raw materials	3 994	3 243	3 615	3 240
Work in progress	1 027	1 535	1 020	1 161
Finished goods	2 149	1 885	2 107	1 848
Goods for resale	73	58	-	-
	7 243	6 721	6 742	6 249
Write-down to net realisable value:				
Opening balance	(894)	(795)	(571)	(471)
Change	-	(99)	-	(100)
Closing balance	(894)	(894)	(571)	(571)
	6 349	5 827	6 171	5 678

10. Trade receivables

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Trade receivables, gross	4 569	5 032	4 053	4 578
Allowance for trade receivables:				
Opening balance	(197)	(193)	(170)	(166)
Change	(20)	(4)	(20)	(4)
Closing balance	(217)	(197)	(190)	(170)
	4 352	4 835	3 863	4 408

Changes in impairment allowance for doubtful trade receivables as of 30 September 2019 and 31 December 2018 were recorded within the Group's and Company's general and administrative expenses.

11. Cash and cash equivalents

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Cash at bank and on hand	562	703	123	120
	562	703	123	120

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

2019 m. april according to the shareholders of AB Utenos trikotažas a reserve of 1 000 thousand EUR was formed for acquisition of own shares.

Cash flow hedge reserve

The Company's loan with DNB Bankas AB is with floating interest rate that is linked to EURIBOR. On 26 November 2014 the Company signed interest rate swap contract with DNB Bankas AB in order to avoid the interest rate fluctuations. The agreement is valid until 25 November 2019. The fair value of interest rate swap contract used for interest rate risk hedging was EUR 3 thousand as of 30 September 2019 and EUR 13 thousand as of 31 December 2018 accounted under non-current.

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.

The balances of other reserves as of 30 September 2019 and 31 December 2018 were as follows:

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Revaluation surplus	4 237	4 340	2 259	2 303
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	90	1 000	-
Foreign currency translation reserve	981	936	-	-
Cash flow hedge reserve	5	(4)	5	(4)
Accumulated retained earnings/ (losses)	878	2 150	3 431	3 731
	7 765	8 086	7 269	6 604

13. Borrowings

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Current				
Current portion of non-current bank borrowings	567	2 871	567	2 871
Other current liabilities	731	1 239	731	1 240
	1 298	4 110	1 298	4 111
Non-current				
Borrowings from subsidiaries	-	-	350	1 200
Long-term bank borrowings	2 433	379	2 433	379
Other current liabilities	185	-	185	-
	2 618	379	2 968	1 579
Total borrowings	3 916	4 489	4 266	5 690

The Company's borrowings from subsidiaries consist of the loan granted by subsidiary Satrija AB, amounting EUR 350 thousand with maturity as at 26 November 2021 and variable interest rate 12 month Euribor + 1.9 %.

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 2 433 thousand with the maturity term effective until 29 February 2024.

As at 30 September 2019, overdraft agreement amounting EUR 693 thousand.

As at 30 September 2019 and at 31 December 2018 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.

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14. Accrued expenses and other current liabilities

	Group		Company	
	2019.09.30	2018.12.31	2019.09.30	2018.12.31
Accrual for vacation reserve	1 130	1 235	745	778
Wages, salaries and social security	658	634	464	553
Amounts payable for services and non-current assets	487	368	475	367
Taxes payable, except for income tax	270	204	236	176
Prepayments received	87	94	86	115
Other liabilities	566	337	269	122
	3 198	2 872	2 275	2 111

15. Revenue

	Group			Company		
	2019 9M	2018 9M	Change %	2019 9M	2018 9M	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	18 038	18 624	(3,1)	18 038	18 624	(3,1)
Own brands (ABOUT, UTENOS)	2 849	2 607	9,3	2 752	2 527	8,9
Services of functional-technical garments manufacture	2 772	2 442	13,5	-	-	-
	23 659	23 673	(0,1)	20 790	21 151	(1,7)

	Group			Company		
	2019 III Q	2018 III Q	Change %	2019 III Q	2018 III Q	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	6 073	7 251	(16,2)	6 073	7 251	(16,2)
Own brands (ABOUT, UTENOS)	997	930	7,2	965	899	7,3
Services of functional-technical garments manufacture	859	928	(7,4)	-	-	-
	7 929	9 109	(13,0)	7 038	8 150	(13,6)

16. Cost of sales

Group	January-September		July-September	
	2019	2018	2019	2018
Wages and salaries and social security	7 739	7 149	2 539	2 874
Materials	8 124	8 661	2 585	3 114
Other overhead expenses	3 055	2 702	967	1 040
Depreciation and amortisation	551	485	179	162
	19 469	18 997	6 270	7 190

Company	January-September		July-September	
	2019	2018	2019	2018
Wages and salaries and social security	5 598	5 268	1 859	2 047
Materials	7 769	8 325	2 489	3 075
Other overhead expenses	3 496	3 157	1 098	1 220
Depreciation and amortisation	382	365	130	121
	17 245	17 115	5 576	6 463

18. Other income and expenses
Group

	January-September		July-September	
	2019	2018	2019	2018
Gain from disposal of non-current assets	10	-	10	-
Rent income	15	13	5	4
Other income	76	90	26	27
Other income	101	103	41	31
Rent costs	(12)	(9)	(2)	(3)
Other expenses	(2)	(3)	-	(2)
Other expenses	(14)	(12)	(2)	(5)

Company

	January-September		July-September	
	2019	2018	2019	2018
Gain from disposal of non-current assets	11	-	10	-
Rent income	11	10	4	3
Other income	17	32	6	7
Other income	39	42	20	10
Rent costs	(10)	(6)	(1)	(2)
Other expenses	-	(1)	-	-
Other expenses	(10)	(7)	(1)	(2)

19. Finance costs, net
Group

	January-September		July-September	
	2019	2018	2019	2018
Foreign exchange gain (loss)	243	20	177	(85)
Interest expenses	(85)	(84)	(33)	(30)
Interest income	-	-	-	(10)
	158	(64)	144	(125)

Company

	January-September		July-September	
	2019	2018	2019	2018
Foreign exchange gain (loss)	-	6	(2)	5
Interest expenses	(102)	(101)	(31)	(37)
Interest income	45	45	15	15
Dividends	1 269	10	1 223	-
Share capital reduction income	-	-	-	-
	1 212	(40)	1 205	(17)

20. Basic/dilutive earnings per share

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

Group	January-September		July-September	
	2019	2018	2019	2018
Profit/ (loss) attributable to the equity holders of the Group	584	1 141	595	586
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	0.06	0.12	0.06	0.06

21. Post balance sheet events

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