



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 9 months period ended 30 september 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 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 2020, Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 20.89 million, which is by 11.7 per cent less than in the previous year when the Group’s sales accounted for EUR 23.66 million. The Group exported 74.5 per cent of products.

During the nine months of 2020, the company Utenos trikotažas sold products and provided services for EUR 18.32 million. The sales volume, compared with the 9 months of 2019, decreased by EUR 2.5 million, or 11.9 per cent. The company’s export sales reached 74.9 per cent.

The sales of the largest segment – on-demand knitwear –dropped by 21 per cent and reached EUR 14.3 million, private brands UTENOS and ABOUT grew by 45.3 per cent and reached EUR 4.1 million, whereas the sales of functional-technical garments produced by its subsidiary Šatrija grew by 10 per cent.

In the 9 months of 2020, the Group earned a pre-tax profit of EUR 446 thousand, compared with a profit of EUR 575 thousand in the 9 months of 2019. During the same period, the company Utenos trikotažas earned a pre-tax profit of EUR 257 thousand, whereas it recorded a profit of EUR 1 596 thousand a year ago.

The Group’s EBITDA amounted to EUR 744 thousand, which is less by 37.6 per cent than in the respective period of 2019. The Company’s EBITDA reached EUR 331 thousand, which is less of 62.3 per cent than during 2019. the same period when the company’s EBITDA was 879 thousand. Eur

Key performance indicators of the Group
Trade

	Group			Company		
	2020	2019	Change	2020	2019	Change
Revenue (EUR '000)	9M	9M	%	9M	9M	%
Products manufactured on demand of other clients	14,255	18,038	(21)	14,255	18,038	(21)
Own brands (ABOUT, UTENOS)	4,139	2,849	45.3	4,061	2,752	47.6
Services of functional-technical garments manufacture	2,493	2,772	(10.1)	-	-	-
	20,887	23,659	(11.7)	18,316	20,790	(11.9)

	Group			Company		
	2020	2019	Change	2020	2019	Change
Revenue (EUR '000)	III Q	III Q	%	III Q	III Q	%
Products manufactured on demand of other clients	4,637	6,073	(23.7)	4,637	6,073	(23.7)
Own brands (ABOUT, UTENOS)	1,235	997	23.9	1,198	965	24.4
Services of functional-technical garments manufacture	764	859	(11.1)	-	-	-
	6,636	7,929	(16.3)	5,835	7,038	(17.1)

Sales by regions

	Group			Company		
	2020	2019	Change	2020	2019	Change
Revenue (EUR '000)	9M	9M	%	9M	9M	%
Export	15,552	19,014	(18.2)	13,719	17,271	(20.6)
<i>DACH (Germany, Austria, Switzerland)</i>	11,582	12,392	(6.5)	10,214	11,395	(10.4)
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1,860	4,474	(58.4)	1,860	4,403	(57.8)
<i>Other regions</i>	2,110	2,148	(1.8)	1,645	1,473	11.7
Domestic	5,335	4,645	14.9	4,597	3,519	30.6
	20,887	23,659	(11.7)	18,316	20,790	(11.9)

Revenue (EUR '000)	Group			Company		
	2020 III Q	2019 III Q	Change %	2020 III Q	2019 III Q	Change %
Export	5,176	6,491	(20.3)	4,377	5,982	(26.8)
DACH (Germany, Austria, Switzerland)	3,950	4,314	(8.4)	3,266	4,071	(19.8)
Scandinavia (Sweden, Norway, Denmark, Finland)	486	1,248	(61.1)	486	1,248	(61.1)
Other regions	740	929	(20.3)	625	663	(5.7)
Domestic	1,461	1,438	1.6	1,457	1,056	38
	6,637	7,929	(16.3)	5,834	7,038	(17.1)

Operating figures

	Group			Company		
	2020 9M	2019 9M	Change %	2020 9M	2019 9M	Change %
Manufactured items units .	2,418	2,219	9.0	2,272	2,119	7.2
Average number of employees	954	1,057	(9.7)	657	722	(9.0)

Financial ratio

	Group			Company		
	2020 9M	2019 9M	Change %	2020 9M	2019 9M	Change %
Revenue (EUR'000)	20,887	23,659	(11.7)	18,316	20,790	(11.9)
Operating profit (loss) (EUR'000)	(53)	417	(112.7)	(254)	384	(166.1)
Operating profit (loss) margin (%)	(0.3)	1.8	(2.1) p.p	(1.4)	1.8	(3.2) p.p
EBITDA (EUR'000)	744	1,193	(37.6)	331	879	(62.3)
EBITDA margin (%)	3.6	5.0	(1.4) p.p	1.8	4.2	(2.4) p.p
Profit (loss) before tax (EUR'000)	(446)	575	(177.5)	(257)	1,596	(116.1)
Profit (loss) before tax, margin (%)	(2.1)	2.4	(4.5) p.p	(1)	7.7	(8.7) p.p
Net profit (loss) for the year (EUR'000)	(458)	603	(176.0)	(279)	1,615	(117.3)
Net profit (loss) for the year margin (%)	(2.2)	2.5	(4.7) p.p	(1.5)	7.8	(9.3) p.p
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

Interim Consolidated Information for the 9 months of 2020 (All amounts are in EUR thousand, unless otherwise stated)

	Group			Company		
	2020	2019	Change	2020	2019	Change
	III Q	III Q	%	III Q	III Q	%
Revenue (EUR'000)	6,636	7,929	(16.3)	5,835	7,038	(17.1)
Operating profit (loss) (EUR'000)	987	453	117.9	842	456	84.6
Operating profit (loss) margin (%)	14.9	5.7	9.2 p.p	14.4	6.5	7.9 p.p
EBITDA (EUR'000)	1 253	844	48.5	1,041	879	18.4
EBITDA margin (%)	18.9	10.6	8.3 p.p	17.8	12.5	5.3 p.p
Profit (loss) before tax (EUR'000)	839	597	40.5	817	1,661	(50.8)
Profit (loss) before tax, margin (%)	12.6	7.5	5.1 p.p	14.0	23.6	(9.6) p.p
Net profit (loss) for the year (EUR'000)	846	602	40.5	819	1,664	(50.8)
Net profit (loss) for the year margin (%)	12.7	7.6	5.1 p.p	14.0	23.6	(9.6) p.p
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

Relative ratios

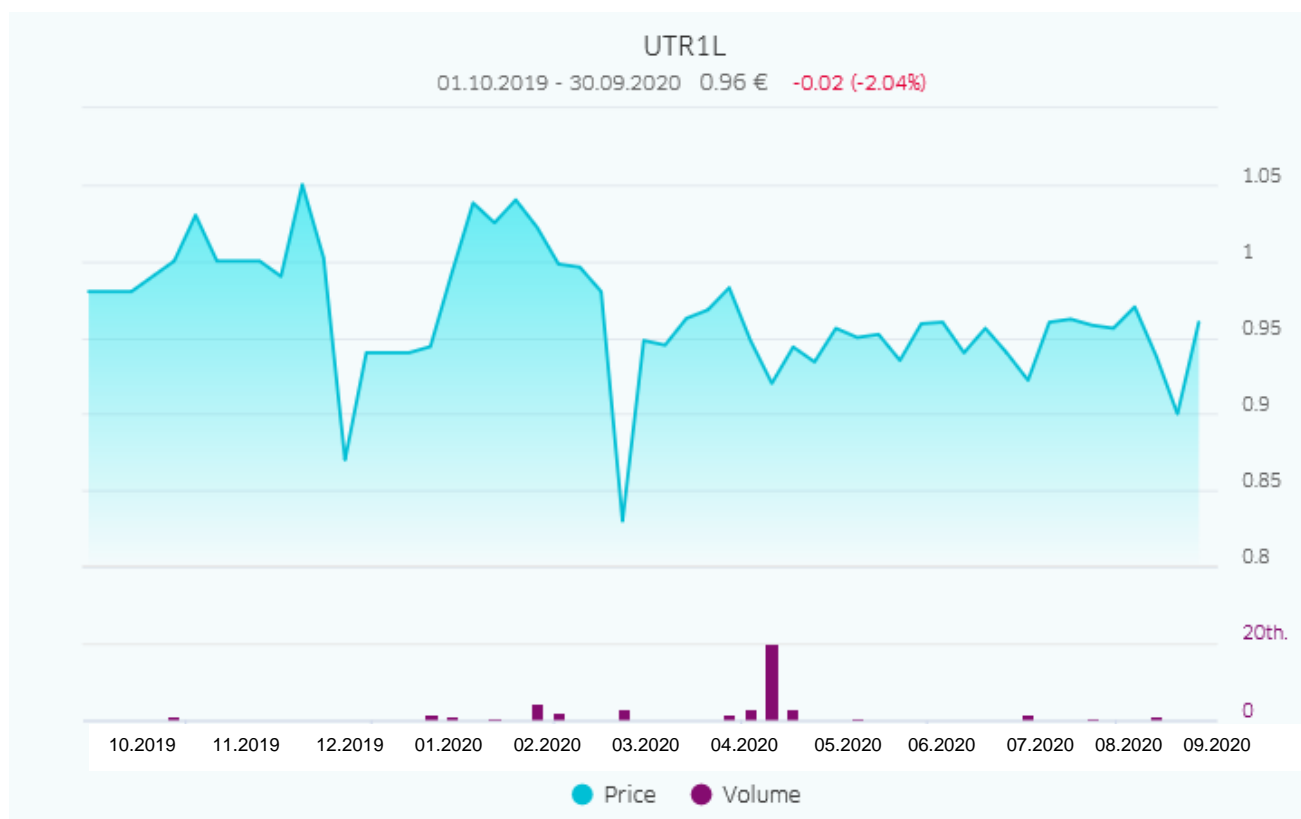
	Group			Company		
	2020	2019	Change	2020	2019	Change
	9M	9M	p.p	9M	9M	p.p
Return on capital employed (%)	(12.1)	21.3	(33.4)	(1.0)	41.5	(42.5)
Return on assets (%)	(1.5)	2.6	(4.1)	(0.5)	5.5	(6.0)
Return on shareholders' equity (%)	(3.2)	5.5	(8.7)	(1.0)	11.4	(12.4)
Debt ratio (%)	53.7	52.5	1.2	52.9	51.5	1.4
Debt-to-equity ratio (%)	116.1	110.5	5.6	112.2	106.0	6.2
Liquidity ratio (%)	143.7	141.8	1.9	144.5	146.4	(1.9)
Equity to assets ratio (%)	46.3	47.5	(1.2)	47.1	48.5	(1.4)

Ratios related with the share price

	2020	2019	Change
	9M	9M	
P/E	(26.99)	16.02	(43.01)
EPS	(0.04)	0.06	(0.10)
EV/EBITDA	7.73	9.91	(2.18)

Information regarding the price of shares and their dynamics

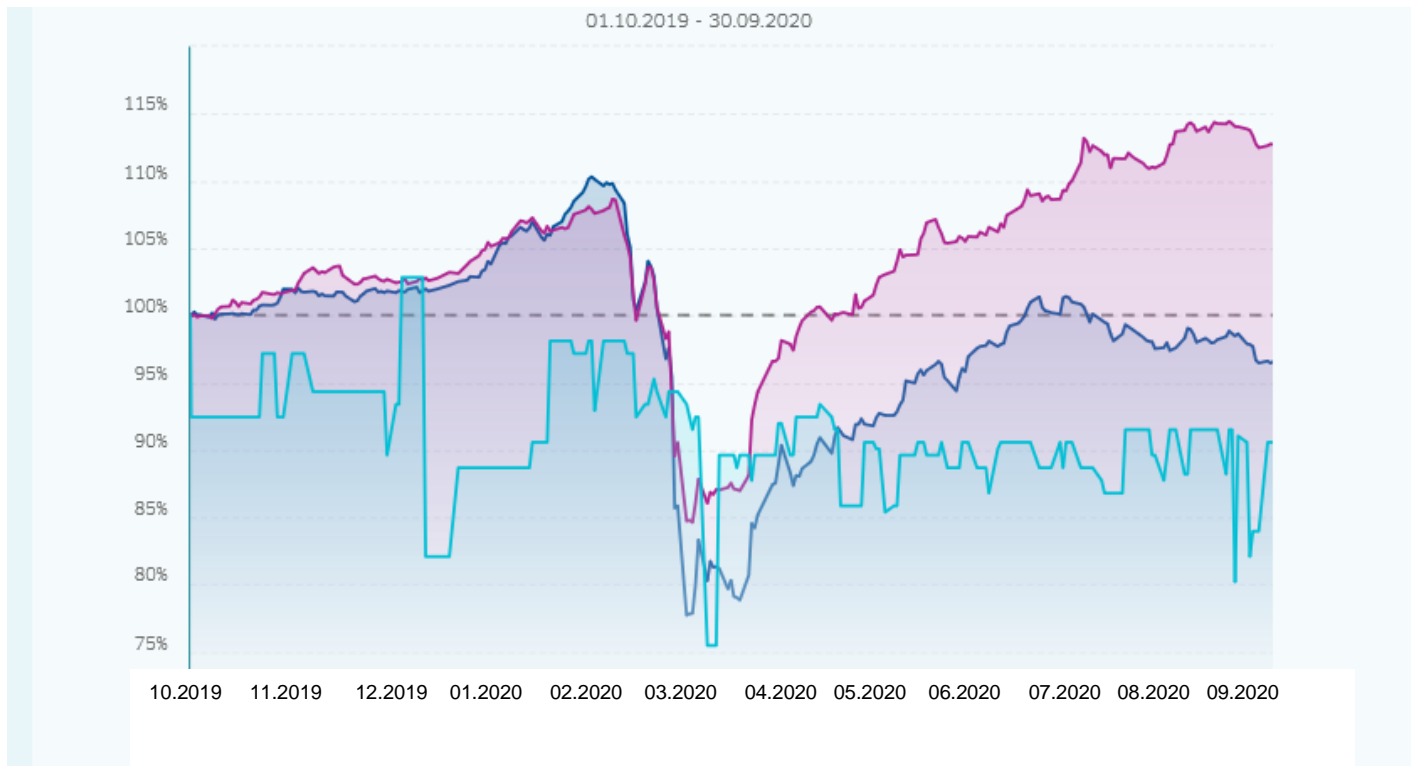
Utenos Trikotažas AB share price dynamics, during 12 months period from 1 October 2019 to 30 September 2020



Price ratios

	2020 9M	2019 9 M
Open price, EUR	0.940	0.820
High price, EUR	1.040	1.200
Low price, EUR	0.800	0.810
Last price, EUR	0.950	0.980
Traded volume	52,676	77,186
Turnover, million EUR	0.05	0.08
Capitalisation, million EUR	9.03	9.31

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 October 2019 to 30 September 2020



Index/ Equity	2020.09.30	2019.09.30	2020.09.30 /2019.09.30 Change, %
—OMX Baltic Benchmark GI	935,42	968,47	(3..1)
—OMX Vilnius	778,37	690,62	12.71
—UTR1L	0,96 EUR	1,06 EUR	(9.43)

Statements of Financial Position

	Group		Company	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
ASSETS				
Non-current assets				
Intangible assets	498	548	95	145
Property, plant and equipment	9,477	10,350	6,347	6,507
Right-of-use assets	583	802	251	365
Investment property	126	114	126	114
Investments into subsidiaries	-	-	1,550	1,553
Trade and other receivables	-	-	1,156	1,126
Prepayments to subsidiaries	-	-	933	874
Deferred income tax asset	96	96	-	-
	10,780	11,910	10,458	10,684
Current assets				
Inventories	4,593	6,665	4,463	6,518
Trade receivables	1,355	1,234	780	966
Contract assets	1,922	2,007	1,919	1,970
Other current assets	774	224	720	177
Cash and cash equivalents	2,913	895	2,617	652
	11,557	11,025	10,499	10,283
Total assets	22,337	22,935	20,957	20,967

**Statements of financial position
(continued)**

	Group		Company	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
EQUITY AND LIABILITIES				
Equity attributable to the shareholders of the Company				
Share capital	2,756	2,756	2,756	2,756
Legal Reserve	574	574	574	574
Revaluation surplus	4,124	4,215	2,202	2,245
Reserve for acquisition of own shares	1,090	1,090	1,000	1,000
Foreign currency translation reserve	935	1,085	-	-
Accumulated retained earnings/ (losses)	627	1,039	3,343	3,616
	10,106	10,759	9,875	10,191
Non-controlling interest	230	211	-	-
Total equity	10,336	10,970	9,875	10,191
LIABILITIES				
Non-current liabilities				
Borrowings	2,455	2,597	2,455	2,597
Non-current lease liabilities	467	685	166	285
Borrowings from subsidiaries	-	-	600	-
Deferred income tax liability	691	830	313	333
Provisions for employee benefits	345	276	281	212
	3,958	4,388	3,815	3,427
Current liabilities				
Current portion of non-current borrowings	567	567	567	567
Borrowings from subsidiaries	-	-	-	750
Current lease liabilities	137	148	103	107
Trade payables	1,574	2,568	1,544	2,528
Payables to other related parties and subsidiaries	598	1,076	650	1,075
Contract liabilities	399	133	375	134
Income tax payable	49	13	48	16
Accrued expenses and other current liabilities	4,719	3,072	3,980	2,172
	8,043	7,577	7,267	7,349
Total liabilities	12,001	11,965	11,082	10,776
Total equity and liabilities	22,337	22,935	20,957	20,967

STATEMENT OF COMPREHENSIVE INCOME

Group

	Notes	January-September		July-September	
		2020	2019	2020	2019
Sales	6,15	20,887	23,659	6,636	7,929
Cost of sales	16	(16,311)	(19,469)	(4,526)	(6,270)
Gross profit		4,576	4,190	2,110	1,659
Selling expenses	17	(1,482)	(1,654)	(418)	(531)
General and administrative expenses	17	(3,242)	(2,206)	(740)	(714)
Other operating income	18	107	101	36	41
Other operating expenses	18	(12)	(14)	(1)	(2)
Operating profit (losses)		(53)	417	987	453
Finance income	19	103	279	8	185
Finance costs	19	(496)	(121)	(156)	(41)
Profit (losses) before tax		(446)	575	839	597
Income tax		(12)	28	7	5
Net profit (losses)		(458)	603	846	602
Net profit (losses) attributable to:					
Equity shareholders of the Company	20	(485)	584	830	595
Non-controlling interest		27	19	16	7
		(458)	603	846	602

Statements of comprehensive income (cont'd)

Company	Notes	January-September		July-September	
		2020	2019	2020	2019
Sales	6,15	18,316	20,790	5,835	7,038
Cost of sales	16	(14,434)	(17,245)	(4,030)	(5,576)
Gross profit		3,882	3,545	1,805	1,462
Selling expenses	17	(1,429)	(1,561)	(407)	(501)
General and administrative expenses	17	(2,726)	(1,629)	(561)	(524)
Other operating income	18	29	39	5	20
Other operating expenses	18	(10)	(10)	-	(1)
Operating profit (losses)		(254)	384	842	456
Finance income	19	122	1,337	35	1 247
Finance costs	19	(125)	(125)	(60)	(42)
Profit (losses) before tax		(257)	1,596	817	1,661
Income tax		(23)	19	2	3
Net profit (losses)	20	(280)	1,615	819	1,664

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Legal reserve	Revaluation surplus	Reserve for acquisition of own shares	Foreign currency translation reserve	Other reserve	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Balance as of 30 september 2019	2,756	574	4,237	1,090	981	5	878	10,521	201	10,722
Net profit (loss) for the year	-	-	-	-	-	-	150	150	8	158
Other comprehensive income	-	-	-	-	104	(5)	(11)	88	2	90
Total comprehensive income (loss)	-	-	-	-	104	(5)	139	238	10	248
Transfer of revaluation surplus to retained earnings	-	-	(22)	-	-	-	22	-	-	-
Balance as of 31 December 2019	2,756	574	4,215	1,090	1,085	-	1,039	10,759	211	10,970
Net profit (loss) for the year	-	-	-	-	-	-	(485)	(485)	27	(458)
Other comprehensive income	-	-	-	-	(150)	-	(18)	(168)	(8)	(176)
Total comprehensive income (loss)	-	-	-	-	(150)	-	(503)	(653)	19	(634)
Transfer of revaluation surplus to retained earnings	-	-	(91)	-	-	-	91	-	-	-
Balance as of 30 September 2020	2,756	574	4,124	1,090	935	-	627	10,106	230	10,336

Company	Share capital	Legal reserve	Revaluation surplus	Reserve for acquisition of own shares	Others reserve	Accumulated retained earnings/ (losses)	Total
Balance as of 30 september 2019	2,756	574	2,259	1,000	5	3,431	10,025
Net profit (loss) for the year	-	-	-	-	-	183	183
Other comprehensive income (loss)	-	-	-	-	(5)	(12)	(17)
Total comprehensive income (loss)	-	-	-	-	(5)	171	166
Transfer of revaluation surplus to retained earnings	-	-	(14)	-	-	14	-
Balance as of 31 December 2019	2,756	574	2,245	1,000	-	3,616	10,191
Net profit (loss) for the year	-	-	-	-	-	(280)	(280)
Other comprehensive income (loss)	-	-	-	-	-	(36)	(36)
Total comprehensive income (loss)	-	-	-	-	-	(316)	(316)
Transfer of revaluation surplus to retained earnings	-	-	(43)	-	-	43	-
Balance as of 30 September 2020	2,756	574	2,202	1,000	-	3,343	9,875

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 September	2019	30 September	2019
	2020	2019	2020	2019
Cash flows from operating activities				
Profit (loss) for the period	(458)	604	(280)	1,614
Adjustments for non-cash items:				
Depreciation and amortization	798	698	585	495
(Gain) on disposal of property, plant and equipment and investment property	(7)	(10)	-	(11)
Impairment and write-off of i accounts receivable and inventories	1,112	67	1,116	67
Interest expense, net of interest income	64	85	25	57
Income tax (income) expense	12	(28)	23	(19)
Changes in working capital:				
(Increase) decrease in inventories	1,055	(545)	1,034	(515)
(Increase) decrease in trade receivables	(131)	439	142	502
(Increase)/decrease in non-current receivables from subsidiaries	-	-	(89)	(141)
(Increase) decrease in other receivables and other current assets	(549)	125	(560)	57
(Increase) decrease in trade and other accounts payable	(348)	307	(442)	90
Increase (decrease) in taxes payable and other current liabilities	1,248	(121)	1,134	134
Income tax (paid)	(15)	(12)	(11)	(12)
Net cash generated from operating activities	2,781	1,609	2,677	2,318
Cash flows from investing activities				
Acquisition of property, plant and equipment	(342)	(893)	(303)	(822)
Acquisition of intangible assets	-	(11)	-	(11)
Proceeds from sale of property, plant and equipment	13	10	6	11
(Acquisition) disposal of investments in subsidiaries	-	-	(16)	-
Dividends received	-	-	32	46
Interest received	-	-	45	45
Net cash flows generated from (to) investing activities	(329)	(894)	(236)	(731)
Cash flows from financing activities				
Proceeds from borrowings	-	4,917	-	5,367
Repayment of borrowings and financial lease payments	(142)	(5,492)	(292)	(6,792)
Share capital reduction income	-	(139)	-	-
Dividends paid	-	(57)	-	(57)
Interest paid	(64)	(85)	(70)	(102)
Lease payments	(228)	-	(114)	-
Net cash flows from financing activities	(434)	(856)	(476)	(1,584)
Net increase in cash and cash equivalents	2,018	(141)	1,965	3
Cash and cash equivalents at the beginning of the period	895	703	652	120
Cash and cash equivalents at the end of the period	2,913	562	2,617	123

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

	As of 30 September 2020		As of 31 December 2019	
	Number of shares held	Interest held(%)	Number of shares held	Interest held(%)
Koncernas SBA UAB	8,772	82.31	7,822	82.31
Algirdas Šabūnas	-	-	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 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 (%)		
		30 September 2020	31 December 2019	
Šatrija AB	Šatrijos st. 3, Raseiniai	89.78	89.78	Manufacture of wearing apparel
Gotija UAB	Laisvės ave. 33, Kaunas	100	100	Retail
PAT MTF Mrija	Tomas Masarik 13, Mukachevo, Ukraine	98.95	98.95	Production of knitted articles
Utenas trikotaža SIA	Cietokšņa st. 60, Daugavpils, Latvia	-	100	Retail

July of 2020 AB Utenos trikotažas sold its Latvian subsidiary Utenas trikotaža SIA

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 2020 comprises EUR (150) 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	833,216
Foreign currency translation reserve on other items, EUR	(983,216)
Other comprehensive income EUR, net	150,000

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 2020 and for the 9 months of 2019:

of 30 September 2020	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
External sales	18,394	2,493	-	20,887
Internal sales	813	-	(813)	-
Total revenue	19,207	2,493	(813)	20,887
Gross profit	4,372	204	-	4,576
EBITDA	371	373	-	744
Profit (loss)	(737)	279	-	(458)

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	909	284	-	1,193
Profit (loss)	408	195	-	603

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 798 thousand as of 30 September 2020, EUR 525 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 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	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Raw materials	2,780	3,059	2,442	2,711
Work in progress	812	1,862	806	1,853
Finished goods	2,728	2,552	2,623	2,521
Goods for resale	5	82	-	-
	6,325	7,555	5,871	7,085
Write-down to net realisable value:				
Opening balance	(890)	(894)	(567)	(571)
Change	(842)	4	(841)	4
Closing balance	(1,732)	(890)	(1,408)	(567)
	4,593	6,665	4,463	6,518

10. Trade receivables

	Group		Company	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Trade receivables, gross	1,463	1,508	862	1,214
Allowance for trade receivables:				
Opening balance	(274)	(197)	(248)	(170)
Accrued over the year	(91)	(77)	(91)	(78)
Written-off	257	-	257	-
Closing balance	(108)	(274)	(82)	(248)
	1,355	1,234	780	966

Changes in impairment allowance for doubtful trade receivables as of 30 September 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	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Cash at bank and on hand	2,913	895	2,617	652
	<u>2,913</u>	<u>895</u>	<u>2,617</u>	<u>652</u>

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.

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	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Revaluation surplus	4,124	4,215	2,202	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	935	1,085	-	-
Accumulated retained earnings/ (losses)	627	1,039	3,343	3,616
	7,350	8,003	7,119	7,435

13. Borrowings

	Group		Company	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Current				
Current portion of non-current bank borrowings	567	567	567	567
Borrowings from subsidiaries	-	-	-	750
Non-current				
Borrowings from subsidiaries	-	-	600	-
Long-term bank borrowings	2,455	2,597	2,455	2,597
Total borrowings	3,022	3,164	3,622	3,914

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 3 022 thousand with the maturity term effective until 29 February 2024.

On 15 April 2020, an extension of the credit agreement was signed, with a pre-existing repayment term from February 2024. By August 2024, the deferring the contributions provided for in the Treaty until 31 October 2020.

April 2020 the overdraft contract has been extended until March 30, 2021 d.ir increase the limit to EUR 1 900 thousand – and interest rate +1.85 %.

As of 30 September 2020, the Company did not have an overdraft contract

As at 30 September 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.

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	
	2020.09.30	2019.12.31	2020.09.30	2019.12.31
Accrual for vacation reserve	1,014	1,249	728	865
Wages, salaries and social security	1,653	646	1,487	491
Amounts payable for services and non-current assets	287	525	307	522
Taxes payable, except for income tax	1,147	269	1,115	203
Prepayments received	387	87	331	78
Other liabilities	231	296	12	13
	4,719	3,072	3,980	2,172

15. Revenue

	Group			Company		
	2020 9M	2019 9M	Change %	2020 9M	2019 9M	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	14,255	18,038	(21)	14,255	18,038	(21)
Own brands (ABOUT, UTENOS)	4,139	2,849	45.3	4,061	2,752	47.6
Services of functional-technical garments manufacture	2,493	2,772	(10.1)	-	-	-
	20,887	23,659	(11.7)	18,316	20,790	(11.9)

	Group			Company		
	2020 III Q	2019 III Q	Change %	2020 III Q	2019 III Q	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	4,637	6,073	(23.6)	4,637	6,073	(23.6)
Own brands (ABOUT, UTENOS)	1,235	997	23.9	1,198	965	24.1
Services of functional-technical garments manufacture	764	859	(11.1)	-	-	-
	6,636	7,929	(16.3)	5,835	7,038	(17.1)

16. Cost of sales

Group	January-September		July-September	
	2020	2019	2020	2019
Materials	5,816	7,562	1,810	2,367
Wages and salaries and social security	6,737	7,739	1,586	2,580
Other overhead expenses	2,659	3,055	731	918
Depreciation and amortisation	525	551	169	179
Cost of materials sold	574	562	230	226
	16,311	19,469	4,526	6,270

Company	January-September		July-September	
	2020	2019	2020	2019
Materials	5,680	7,285	1,795	2,051
Wages and salaries and social security	4,891	5,598	1,058	1,859
Other overhead expenses	2,975	3,496	845	1,098
Depreciation and amortisation	351	382	117	130
Cost of materials sold	537	484	215	438
	14,434	17,245	4,030	5,576

During 2020 the company (AB Utenos trikotažas) was included into a list of taxpayers that are eligible to tax assistance due to impact of Covid-19 prepared by State Tax Inspectorate; as a result, along with the reveland law, the company has received subsidies for employers during downtime and subsidies for employers after downtime and to those which were affected by Covid-19. Subsidies were accounted for as expense decrease in wages and salaries and had effect on January-September and July-September figures.

17. Selling general and administrative expenses

Group	January-September		July-September	
	2020	2019	2020	2019
Selling expenses				
Wages and salaries and social security	526	627	86	194
Advertising and marketing costs	309	289	117	87
Other selling expenses	647	738	215	250
	1,482	1,654	418	531
General and administrative expenses				
Wages and salaries and social security	947	838	214	253
Communications and consulting services	339	411	109	140
Taxes other than income tax	94	94	31	33
Depreciation and amortization	183	148	93	76
Security	103	98	33	34
Vehicles exploitation expenses	33	84	9	38
Services of financial institutions	73	93	21	17
Premises exploitation expenses	48	29	26	11
Travel expenses	5	20	-	9
Representation expenses	15	37	5	9
Impairment and write-off (reversal) of inventories	1,112	67	175	54
Other	290	287	24	40
	3,242	2,206	740	714
	4,724	3,860	1,158	1,245
Company				
Selling expenses				
Wages and salaries and social security	485	567	76	176
Advertising and marketing costs	308	285	117	86
Other selling expenses	636	709	214	239
	1,429	1,561	407	501
General and administrative expenses				
Wages and salaries and social security	710	611	143	182
Communications and consulting services	295	334	92	111
Taxes other than income tax	88	85	13	31
Depreciation and amortization	152	111	66	60
Security	50	47	16	16
Vehicles exploitation expenses	27	70	14	29
Services of financial institutions	70	89	20	16
Premises exploitation expenses	39	27	19	10
Travel expenses	4	10	-	3
Representation expenses	14	35	5	8
Impairment and write-off (reversal) of inventories	1,116	67	158	54
Other	161	143	15	4
	2,726	1,629	561	524
	4,155	3,190	968	1,025

18. Other income and expenses**Group**

	January-September		July-September	
	2020	2019	2020	2019
Gain from disposal of non-current assets	7	10	7	10
Rent income	17	15	6	5
Other income	83	76	23	26
Other income	107	101	36	41
Rent costs	(12)	(12)	(1)	(2)
Other expenses	-	(2)	-	-
Other expenses	(12)	(14)	(1)	(2)

Company

	January-September		July-September	
	2020	2019	2020	2019
Gain from disposal of non-current assets	-	11	-	10
Rent income	13	11	4	4
Other income	16	17	1	6
Other income	29	39	5	20
Rent costs	(10)	(10)	-	(1)
Other expenses	-	-	-	-
Other expenses	(10)	(10)	-	(1)

19. Finance costs, net**Group**

	January-September		July-September	
	2020	2019	2020	2019
Foreign exchange gain (loss)	(318)	243	(112)	177
Interest expenses	(64)	(85)	(19)	(33)
Interest income	(11)	-	(17)	-
	(393)	158	(148)	144

Company

	January-September		July-September	
	2020	2019	2020	2019
Foreign exchange gain (loss)	-	-	(1)	2
Interest expenses	(70)	(102)	(22)	(35)
Interest income	45	45	15	15
Dividends	33	1,269	-	1,223
Share capital reduction income	(11)	-	(17)	-
	(3)	1.212	(25)	1,205

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	
	2020	2019	2020	2019
Profit/ (loss) attributable to the equity holders of the Group	(485)	584	830	595
Weighted average number of shares in issue (thousand)	9,503	9,503	9,503	9,503
Basic/dilutive earnings per share (in EUR)	(0,05)	0,06	0,09	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.