

CONFIRMATION OF RESPONSIBLE PERSONS

Following Article 22 of the Law on Securities of the Republic of Lithuania, Periodic and Additional Information of Preparation and Submission rules of Lithuanian Bank Board, we, Petras Jašinskas, Managing Director of Utenos trikotazas, AB, and Živilė Jonaitytė, Chief Financial Officer of Utenos trikotazas, AB, hereby confirm that, to the best of our knowledge, the unaudited consolidated financial statements of Utenos trikotazas, AB for the 6 months of 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of Utenos trikotazas, AB and the Group of undertakings.

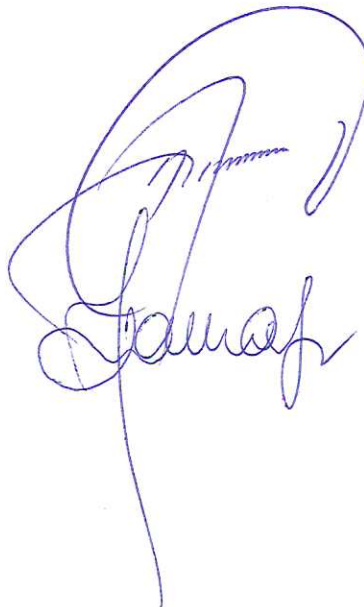
ENCLOSURE: Unaudited consolidated financial statements for the 6 months of 2021 of Utenos trikotazas AB.

Managing Director

Petras Jašinskas

Chief Financial Officer

Živilė Jonaitytė



Utena, 30 July 2021



UTENOS TRIKOTAŽAS AB
CONSOLIDATED INTERIM REPORT
For 6 months period
Ended 30 June 2021

1. Reporting period covered by the Annual Report

The Annual Report covers the period from 1 January 2020 to 30 June 2021

All amounts in the Annual Report presented as at 30 June 2021, unless otherwise stated. Further in this report Utenos Trikotažas AB can be referred to as the Company or the Issuer.

2. Issuer and its contact data

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

3. Nature of the Issuer's operations

Utenos Trikotažas AB operates in the field of textile industry. The Company's principal activity is production of knit-wear and textile articles.

The Company's profile of activities:

- production of knit-wear and textile articles;
- production of mass-consumption goods which is closely related to principal activities;
- retail and wholesale trade in own production and production of other companies in local and foreign markets;
- rendering of services to natural and legal persons.

4. Agreements with intermediaries of securities' public turnover

On 25 September 2005, the Issuer concluded a service agreement with the Department of Safe Custody Services of SEB Vilniaus Bankas AB, address Gedimino pr. 12, LT-01103 Vilnius. Under this agreement the accounting of the Issuer's securities is handled in Šiaulių bankas AB.

On 25 April 2007, the Issuer concluded an agreement with OMX Exchanges Ltd. on the system of service provision, disclosure and communication of information.

5. Overview of the company's activities, uncertainties and risk factors

Sales of Utenos trikotažas AB (hereinafter referred to as the Group), the largest group of textile companies in Central and Eastern Europe, dropped in H1 2020. The main reason of this decline is COVID-19 and related restrictions on brand sales in Lithuania as well as the drop of income from services of functional-technical garments manufacture. In 2021 The Group's largest export regions remain the German-speaking countries of Germany, Austria and Switzerland and Scandinavia.

The main risks associated with Utenos trikotažas AB activities are:

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

Economic factors.

The coronavirus (COVID 19) pandemic and the announcement of quarantine in Lithuania and other export markets have affected the performance of the Company and the Group. As the full impact of the coronavirus on the economy of the country and major sales markets is yet unknown, the management is unable to fully assess the impact on the Group's operations and results in 2021. It is expected that sales trends in H3 2021 will remain similar to those in H2 2021

Potential risks caused by the COVID 19 on the Company's performance and going concern:

- Decline in retail and wholesale trade, channel redistribution
- production disruption
- Settlement risk
- Liquidity risk
- Supply risks, disruptions in movement of goods
- Business suspension in the framework of an epidemic
- Funding risk

To control the situation, the management of the Company takes measures to optimize the Company's costs, working capital and to manage cash flows as appropriate. The management of the company prepares action plans for a different time and circumstance scenarios. If faced with decline in orders received, the production and administrative work time reduction as well as not necessary costs reduction may be implemented.

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

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

Social risk factors. The Company focuses attention on improvement of working conditions, training of personnel, and qualification development.

Technical and technological risk factors. The condition of the Company's major facilities is good and does not pose any risk to operations. Utenos Trikotažas AB regularly invests in renovation of facilities and introduction of the latest technologies. In first half of 2020 the Group's investments in production facilities and equipment amounted to EUR 220.0 thousand.

Ecological risk factors. The environment management system meeting the requirements of ISO 14001 has been introduced at the Company. Key environmental strategic objectives include:

- Reduction of environmental pollution through efficient and economical use of raw materials and energy resources;
- Reduction in waste volume, improvement of management of waste and chemical materials, reduction of use of dangerous chemical substances in the production process.

6. Key performance indicators of the Group
Trade

	Group			Company		
	2021 I H	2020 I H	Change %	2021 I H	2020 I H	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	10,367	9,618	7.8	10,367	9,618	7.8
Own brands (ABOUT, UTENOS)	2,017	2,904	(30.6)	2,111	2,863	(26.3)
Services of functional-technical garments manufacture	1,036	1,729	(40.1)	-	-	-
	13,420	14,251	(5.8)	12,478	12,481	0.0

	Group			Company		
	2021 II Q	2020 II Q	Change %	2021 II Q	2020 II Q	Change %
Revenue (EUR '000)						
Products manufactured on demand of other clients	5,389	4,238	27.2	5,389	4,238	27.2
Own brands (ABOUT, UTENOS)	1,177	1,642	(28.4)	1,271	1,564	(18.8)
Services of functional-technical garments manufacture	415	917	(54.7)	-	-	-
	6,981	6,797	2.7	6,660	5,802	14.8

Sales by regions

	Group			Company		
	2021 I H	2020 I H	Change %	2021 I H	2020 I H	Change %
Revenue (EUR '000)						
Export	10,927	10,377	5.3	10,101	9,341	8.1
<i>DACH (Germany, Austria, Switzerland)</i>	8,047	7,633	5.4	7,409	6,947	6.7
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1,875	1,374	36.4	1,794	1,374	30.5
<i>Other regions</i>	1,005	1,370	(26.6)	898	1,020	(12.0)
Domestic	2,493	3,874	(35.6)	2,377	3,140	(24.3)
	13,420	14,251	(5.8)	12,478	12,481	0.0

Group
Company

Revenue (EUR '000)	2021 II Q			2020 II Q			Change %
	2021 II Q	2020 II Q	Change %	2021 II Q	2020 II Q	Change %	
Export	5,473	4,577	19.6	5,224	4,004	30.5	
<i>DACH (Germany, Austria, Switzerland)</i>	3,769	3,376	11.6	3,652	2,923	24.9	
<i>Scandinavia (Sweden, Norway, Denmark, Finland)</i>	1,069	577	85.2	1,001	577	73.4	
<i>Other regions</i>	635	624	1.7	571	504	13.3	
Domestic	1,508	2,220	(32.1)	1,436	1,798	(20.1)	
	6,981	6,797	27.1	6,660	5,802	14.8	

During the first six months of 2021, the company Utenos trikotažas sold products and provided services for EUR 12,5 million. Trade volumes compared to 2020 remained at the same level during the same period. The company's export sales reached 74.8 per cent, in Lithuania sold 25.2 per cent of products.

In first half of 2021 year, the Utenos trikotažas AB group of companies (hereinafter „the Group“) sold products and provided services for EUR 13,4 million, The group exported 81.4 per cent, in Lithuania sold 18.6 per cent of total production.

In first half of 2021 year, the Group's sales in Lithuania amounted to EUR 2,5 million, which is more by EUR 1,4 million as compared to 2020 the same period.

In first half of 2021 year, the Group's exports to Western Europe and other regions amounted to EUR 10,9 million, which is less by EUR 0,6 million compared to 2020 year the same period.

Operating figures

	Group			Company		
	2021 I H	2020 I H	Change %	2021 I H	2020 I H	Change %
Manufactured, items units	1,292	1,926	(33)	1,240	1,797	(31)
Average number of employees	1,006	977	3	717	663	8

	Group			Company		
	2021 II Q	2020 II Q	Change %	2021 II Q	2020 II Q	Change %
Manufactured, items units	645	837	(23)	626	747	(16)
Average number of employees	1,049	919	14	763	615	24

Production (units '000)

	2021 I H			2020 I H			Change %
	2021 I H	2020 I H	Change %	2021 II Q	2020 II Q	Change %	
Utenos trikotažas AB	1,240	1,797	(31)	626	747	(16)	
Šatrija AB	49	61	(20)	17	31	(45)	
MTF Mrija PAT	3	68	(96)	2	59	(97)	
Gotija UAB	-	-	-	-	-	-	
UAB Aboutwear	-	-	-	-	-	-	
	1,292	1,926	(33)	645	837	(23)	

Financial ratios

	Group			Company		
	2021 I H	2020 I H	Change	2021 I H	2020 I H	Change
Revenue (EUR'000)	13,420	14,251	(5.8)%	12,478	12,481	0.0%
Operating profit (loss) (EUR'000)	(1,138)	(1,040)	(9.5)%	(839)	(1,096)	23.5%
Operating profit (loss) margin (%)	(8,5)	(7,3)	(1.2)p.p.	(6,7)	(8,8)	2.1p.p.
EBITDA (EUR'000)	(658)	(509)	(29.3)%	(489)	(709)	31.1%
EBITDA margin (%)	(4,9)	(3,6)	(1.3)p.p.	(3,9)	(5,7)	1.8p.p.
Profit (loss) before tax (EUR'000)	(1,098)	(1,285)	14.6%	(858)	(1,074)	20.1%
Profit (loss) before tax, margin (%)	(8,2)	(9)	0.8p.p.	(6,9)	(8,6)	1.7p.p.
Net profit (loss) for the year (EUR'000)	(1,083)	(1,304)	16.9%	(853)	(1,099)	22.4%
Net profit (loss) for the year margin (%)	(8,1)	(9,2)	1.1p.p.	(6,8)	(8,8)	2.0p.p.
Number of shares, (thousand)	9,503	9,503	-	9,503	9,503	-

	Group			Company		
	2021 II Q	2020 II Q	Change	2021 II Q	2020 II Q	Change
Revenue (EUR'000)	6,981	6,797	2.7%	6,66	5,802	14.8%
Operating profit (loss) (EUR'000)	(445)	(1,094)	59.3%	(160)	(1,145)	86.0%
Operating profit (loss) margin (%)	(6,40)	(16,10)	9.7p.p.	(2,40)	(19,70)	17.3p.p.
EBITDA (EUR'000)	(202)	(829)	75.6%	18	(949)	101.9%
EBITDA margin (%)	(2,9)	(12,2)	9.3p.p.	0,3	(16,4)	16.6p.p.
Profit (loss) before tax (EUR'000)	(456)	(1,085)	58.0%	(170)	(1,15)	85.2%
Profit (loss) before tax, margin (%)	(6,5)	(16)	9.4p.p.	(2,6)	(19,8)	17.3p.p.
Net profit (loss) for the year (EUR'000)	(449)	(1,078)	58.5%	(168)	(1,147)	85.3%
Net profit (loss) for the year margin (%)	(6,4)	(15,9)	9.4p.p.	(2,5)	(19,8)	17.2p.p.
Number of shares, (thousand)	6,981	6,797	2.7%	6,66	5,802	14.8%

Relative ratios

	Group			Company		
	2021 I H	2020 I H	Change p.p.	2021 I H	2020 I H	Change p.p.
Return on capital employed (%)	(7.4)	(20.7)	13.3	(1.0)	7.8	(8.8)
Return on assets (%)	(0.9)	(2.7)	1.8	(0.1)	3.8	(3.9)
Return on shareholders' equity (%)	(2.2)	(5.9)	3.7	(0.3)	8.2	(8.5)
Debt ratio (%)	57.2	55.2	2.0	56.2	54.1	2.1
Debt-to-equity ratio (%)	133.7	123.2	10.5	128.1	118.0	10.1
Liquidity ratio (%)	121.6	135.3	(13.7)	119.4	138.9	(19.5)
Equity to assets ratio (%)	42.8	44.8	(2.0)	43.8	45.9	(2.1)

Ratios related with the share price

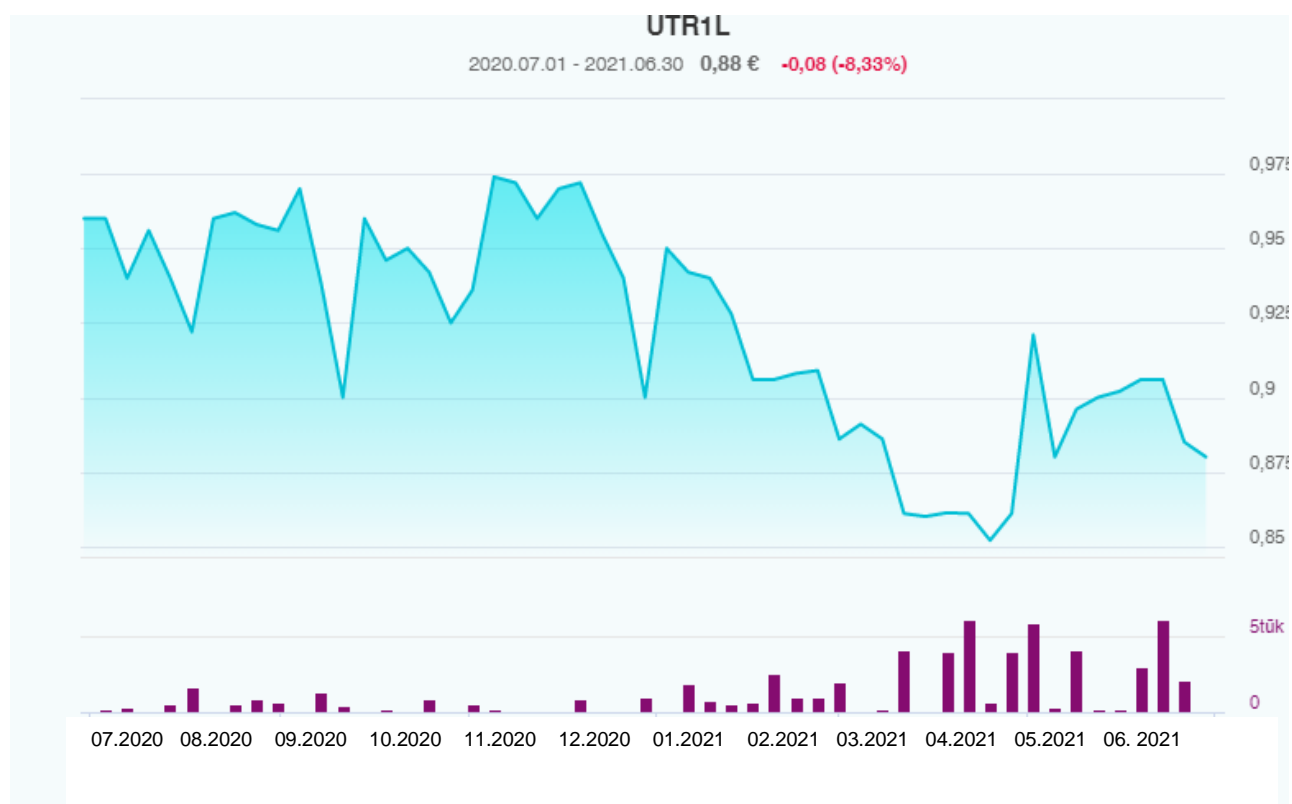
	2021 I H	2020 I H	changes
P/E	(8,02)	(16,00)	7.98
EPS	(0,11)	(0,06)	(0.05)
EV/EBITDA	(16,23)	12,47	(28.70)

7. Information about trade in the Issuer's securities in regulated markets

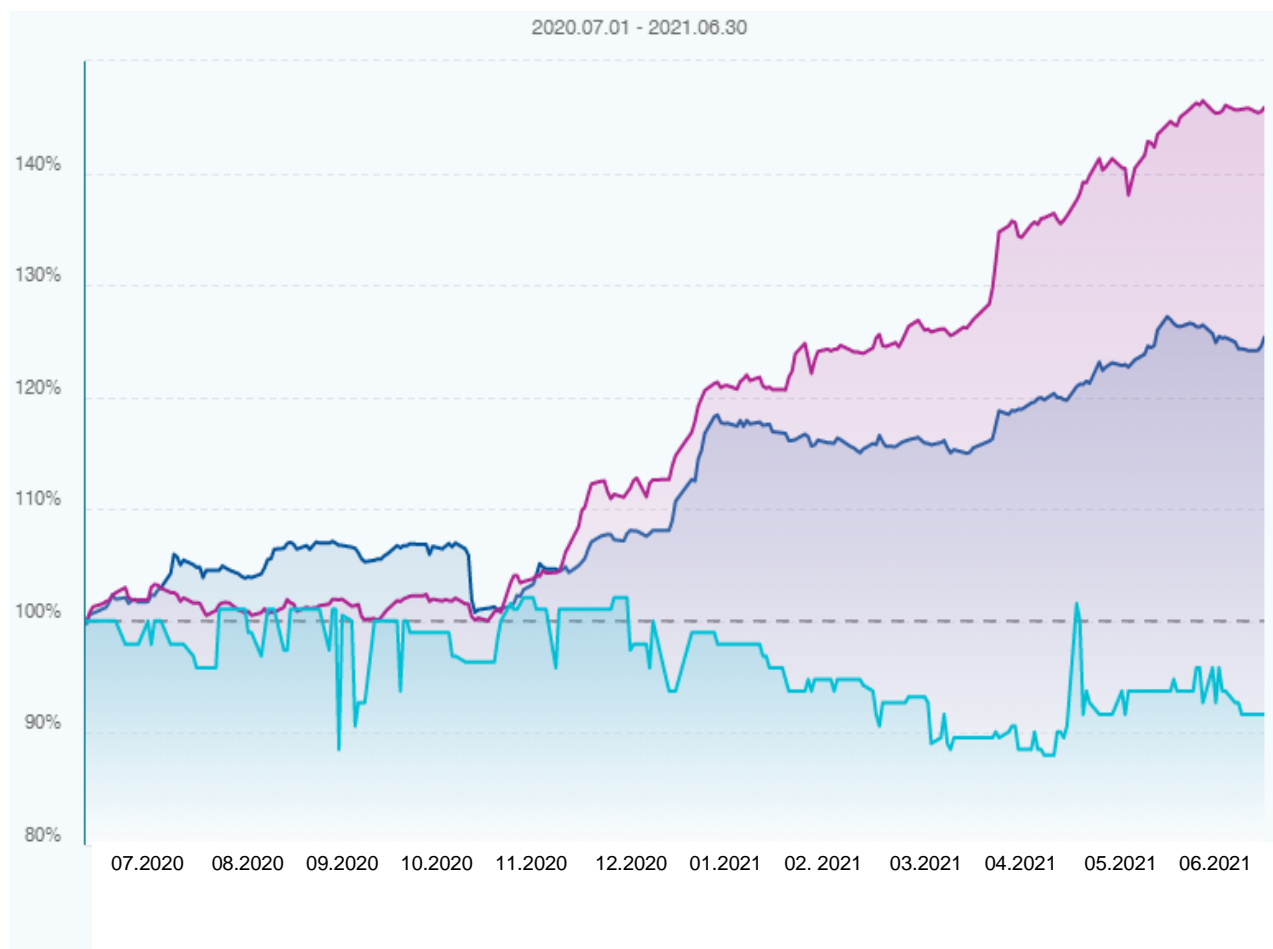
The Company's shares are listed on the additional List of the National Stock Exchange, as well on the Baltic List of the Lithuanian, Latvian and Estonian stock market. 9 503 000 of ordinary registered shares have been registered for public turnover of securities. A nominal value of one share is EUR 0.29.

8. Information regarding the price of shares and their dynamics

Utenos Trikotažas AB share price dynamics, during 12 months period from 1 July 2020 to 30 June 2021.


Price ratios

	2021 I H	2020 I H
Open price, EUR	0.90	0.94
High price, EUR	0.98	1.04
Low price, EUR	0.81	0.80
Last price, EUR	0.88	0.96
Traded volume	52 404	46 345
Turnover, million EUR	0.05	0.04
Capitalisation, million EUR	8.55	9.12

Utenos Trikotažas AB, OMX Baltic Benchmark GI and OMX Vilnius Index dynamics during 12 months period from 1 July 2020 to 30 June 2021


Index/ Equity	2021.06.30	2020.06.30	2021.06.30 /2020.06.30 Change, %
—OMX Baltic Benchmark GI	924.4	737.71	25.31
—OMX Vilnius	1 293.81	887.11	45.85
—UTR1L	0.88 EUR	0.96 EUR	(8.00)

9. Dividend policy

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

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

All first half year of 2021 and 2020 financial data presented in this Annual Report is calculated based on the financial information presented in the Group's financial statements for the first half 2020, prepared in accordance with the International Financial Reporting Standards as adopted by the EU. These financial statements were audited by the auditor assigned under established procedure.

11. Main features of the Group's internal control and risk management systems related to the preparation of the consolidated financial statements

The consolidated financial statements of Utenos Trikotažas Group are prepared according to International Financial Reporting Standards (IFRS) as adopted by the EU. The principles of internal control organisation and accounting are consistently applied to all companies of Utenos Trikotažas Group. In preparing the consolidated financial statements all inter-company transactions and balances are eliminated.

Internal controls in Utenos Trikotažas AB includes control procedures over processes related to sales and manufacturing of production, supply, financial reports preparation.

12. Social responsibility

Utenos Trikotažas AB in order to implement the development of corporate social responsibility in partnership with business, social and international partners was recertified the international standard of social responsibility.

SA 8000 standard objectives:

- Ensure social welfare of workers and employees;
- Improve social responsibility not only inside the Company, but also encourage subcontractors;
- Demonstrate to the Western partners that Utenos Trikotažas AB managers of all levels treat their workers civilized and the Company had implemented core human rights conventions and directives.

Utenos Trikotažas AB management ensured that wages paid shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

Social responsibility (SA 8000) standard demands:

- The work for children under 16 years must not be practiced;
- Forced labor, verbal abuse or physical punishment must be avoided; working conditions must be healthy and safe;
- Discrimination based on nationality, race, religion, sex, sexual orientation, membership in organizations or political affiliation, age or disability must be prevented; employing, dismissing or retiring must not become a cause to work successfully, feel happy and needed.
- Equal pay for equal work and same opportunities for learning and promotions for men and women;
- People should work under well-defined working time schedules (work start, work end, lunch break and rest breaks); overtime work or work on rest days or holidays must be provided in the collective agreement or harmonized with workers' representatives – Council of Trade Unions.
- Payment and additions for work done must be clear to employees and all this must be harmonized in the collective agreement or with workers' representatives – Council of Trade Unions.

13. Information about the Company's own share acquisitions

No own shares were acquired by Company during the current accounting period.

14. Significant events subsequent to the end of the previous financial year

On 05 January 2021 Reporting dates in 2021

On 08 January 2021 Resolutions of the Extraordinary General Meeting of "UTENOS TRIKOTAŽAS" shareholders

On 28 February 2021, announcement of unaudited interim consolidated financial statements of Utenos Trikotažas AB of 2020

On 02 April 2021, the general meeting of shareholders of Utenos Trikotažas AB was convened. Draft decisions of the Annual General Meeting of Shareholders

On 16 April 2021 Draft decisions of The Annual General Meeting of Shareholders to be held on 28 April 2021

On 28 April 2021, annual information 2020

On 28 April 2021, decisions of the general shareholder meeting were announced.

On 29 April 2021, Utenos Trikotazas to establish a subsidiary for the development of the About brand

On 30 April 2021, announcement of the performance results for the first quarter of 2021.

On 03 May 2021, Utenos trikotazas board to be headed by D.Tamoševičienė, independent members joining

15. The Company's operating plans and objectives

2021 sales as expected to increase in the second half of the year compared to the first half of the year, but operations in Lithuania and abroad may be affected by COVID-19 pandemic.

The creation and production of new and innovative materials will remain one of the company's key priorities.

In 2021, the development of company owned brand sales channels will be continued with a strong focus on e-commerce.

16. Structure of the Issuer's authorised share capital

As at 30 June 2021, the Company's authorised share capital was comprised of 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

Utenos Trikotažas AB authorised share capital according to types of shares:

Type of shares	Number of shares	Nominal value (EUR)	Total nominal value (EUR)	Percentage in the authorised share capital (%)
Ordinary registered shares	9 503 000	0.29	2 755 870	100.00

All shares of Utenos Trikotažas AB are fully paid.

All shares of the Company are ordinary registered shares of one class granting equal rights to their holders (shareholders).

An ordinary registered share grants the following property rights to its holder (shareholder):

1. to receive a part of the Company's profit (dividend);
2. to receive a part of assets of the Company in liquidation;
3. to receive shares without payment if the authorised capital is increased out of the Company's funds, except in cases specified in the Law on Companies of the Republic of Lithuania;
4. to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting of Shareholders decides to withdraw the pre-emption right in the manner prescribed by the Lithuanian Law on Companies in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
5. to lend to the Company in the manner prescribed by law; however, when borrowing from its shareholders, the Company may not pledge its assets to the shareholders. When the Company borrows from a shareholder, the interest may not be higher than the average interest rate offered by commercial banks of the locality where the lender has his place of residence or business, which was in effect on the day of conclusion of the loan agreement. In such a case the Company and shareholders shall be prohibited from negotiating a higher interest rate;
6. to transfer all or part of the shares into the ownership of other persons;
7. to force other shareholders to sell their shares to them or to force other shareholders to buy their shares from them in cases and manner prescribed by the Law on the Law on Securities Market;
8. other property rights established by laws.

An ordinary registered share grants the following non-property rights to its holder (shareholder):

1. to attend the General Meetings of Shareholders;
2. to vote at General Meetings of Shareholders according to voting rights carried by their shares; One ordinary registered share carries one vote;
3. to receive information on the Company specified by laws;
4. to file a claim with the court for reparation of damage resulting from nonfeasance or malfeasance by the company manager and Board members of their obligations prescribed by laws or these Articles of Association as well as in other cases laid down by laws;
5. other non-property rights established by laws.

17. Restrictions on disposal of securities

There are no restrictions.

18. Shareholders

As at 30 June 2021, the total number of shareholders of Utenos Trikotažas AB was 915.

The table below indicates shareholders owning or holding more than 5 per cent of the Issuer's authorised share capital as at 30 June 2021.

Names of shareholders	Company codes	Registration address	Number of ordinary registered shares held	Share in the authorised capital, (%)	Share of votes held, (%)
UAB SBA Grupė	132206739	Laisvės pr.3, Vilnius, Lithuania	8 772	92.31	92.31
Other shareholders	-	-	731	7.69	7.69

19. Shareholders holding special control rights and descriptions of these rights

There are no such shareholders.

20. All restrictions regarding voting rights

There are no restrictions.

21. All mutual agreements between shareholders of which the Issuer is aware and due to which restrictions on transfer of securities and/or voting rights may be imposed

There are no such agreements.

22. Management of the Group companies

Company name	Managers
Utenos Trikotažas AB	Petras Jašinskas
Šatrija AB	Giedrius Grondskis
MTF Mrija PAT	Tatjana Roshchina
Gotija UAB	Marijus Kriščiūnas
UAB Aboutwear	Giedrė Vilké

23. Management incentives

Management incentives are assigned by the decision of the Board taking into account the objectives met as per Company's Executive Remuneration policy, approved by the General Meeting of Shareholders.

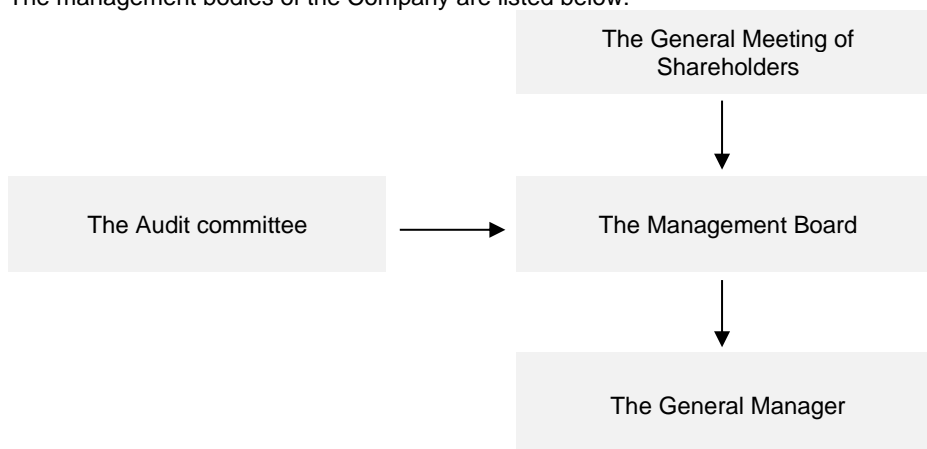
24. Amendment procedure of the Issuer's Articles of Association

The Articles of Association of the Company shall be amended by the decision of the General Meeting of Shareholders adopted in the manner prescribed by laws, except in cases specified in the Lithuanian Law on Companies. Following the decision by the General Meeting of Shareholders to amend the Company's Articles of Association, the full text of the amended Articles of Association shall be drawn up and signed by the person authorised by the General Meeting of Shareholders.

On the Company's Articles of Association is equal to EUR 2 755.9 thousand and is divided into 9 503 000 ordinary registered shares with a nominal value of EUR 0.29 each.

25. Issuer's management bodies

The management bodies of the Company are listed below:



The Articles of Association of Utenos Trikotažas AB stipulate that the Company shall have the following bodies: the General Meeting of Shareholders, the Board and the General Manager. The Supervisory Board shall not be set up at the Company.

The Company's Board shall be granted all powers stipulated in the Company's Articles of Association including powers assigned to it by laws. The Board shall deal with deliberation of collegial issues and decision making.

The Board shall deliberate and approve the Company's operating strategy, management structure and job descriptions of employees. The Board shall elect and remove from office the Company Manager, fix his salary and set other terms of the employment contract. The Board shall specify information classified as the Company's commercial secret. The Board shall analyse and assess the Company's draft annual and consolidated financial statements and proposed profit (loss) appropriation and shall submit them to the General Meeting of Shareholders. The Board shall pass other decisions assigned within its powers by legal acts, by the Company's Articles of Association and by the decisions of the General Meeting of Shareholders. The Board shall have a responsibility of convening and arranging the General Meetings of Shareholders in due time. The Board of Utenos Trikotažas AB shall be composed of 6 members elected for the period of 4 years.

The Audit committee consists of 2 (two) independent members. The Audit committee members by the submission of the Board are being appointed and withdrawn by the General Meeting of Shareholders. The members of the Committee are elected for the term of 4 (four) years.

Genadijus Makušėvas (b. 1959)

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

Education:

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

Workingplace:

- Grant Thornton Baltic UAB General Manager, auditor.
- Renovacija, UAB General Manager

Participation in the management of other companies:

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

Arvydas Dalikas (b. 1954)

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

Education:

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

Workplace:

- MGI In salvo UAB audit company , partner

Participation in the management of other companies:

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

The Duties of the Audit Committee:

1. To observe the process of preparation of the Company's financial reports;
2. To review the systems of internal control, risk management and internal audit, if it exists in the Company;
3. To observe the process of external audit;
4. To observe how the external auditor or audit company follows the principles of independence and objectivity;
5. To provide the Board of the Company with written recommendations regarding the selection, appointment and recall of an external audit company.
6. To immediately inform the Managing Director of the company about information provided by the audit company to audit committee about audit related problematic issues especially when significant control defects related to financial statements occur.

Audit committee rights:

- To get complete information and (or) documents (their copies) needed for the audit committee to perform their duties. On the audit committee request Administration of the Company must provide the information and (or) documents (their copies) to the Audit committee per 3 working days.
- To get complete information on details of accounting, financial and other operations of the company. On the audit committee request Administration of the Company as well as on its own initiative must inform the audit committee of the methods used to account for significant and (or) unusual transactions where the accounting treatment may be open to different approaches. In such case a special consideration should be given to company's operations in off shores and (or) activities carried out through special purpose vehicles (organizations), for the purpose to clarify the justification of such operations.

Audit committee members may be remunerated for their operations. Remunerations and the payment terms are determined by the submission of the board by the General shareholders meeting.

26. Members of the collegial bodies, the Company Manager, the Finance Manager

As at 30 June 2021:

Position	Name, surname	Number of the Issuer's shares held	Beginning of the term of office	End of the term of office
Board				
Chairman of the Board	Dovilė Tamoševičienė	-	2021.04.28	2025.04.28
Member of the Board	Auksė Žukauskienė	-	2021.04.28	2025.04.28
Member of the Board	Vytautas Vaškys	3	2021.04.28	2025.04.28
Independent member of the Board	Artūras Užgalis	-	2021.04.28	2025.04.28
Independent member of the Board	Nortautas Luopas	-	2021.04.28	2025.04.28
Head of Administration and the Chief Financial Officer				
General Manager	Petras Jašinskas	-	2020.01.07	-
Finance Director	Živilė Jonaitytė	-	2020.03.02	-
The Audit committee				
The independent auditor	Genadijus Makušėvas	-	2013.04.30	2021.12.31
Member of the audit committee	Arvydas Dalikas	-	2017.04.26	2021.12.31

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

Information about board members:

Dovilė Tamoševičienė (b. 1978)

Education:

- Vilnius University Master's degree in Economics

Working place:

- Business Control Director SBA Group, UAB

Participation in the management of other companies:

- Kauno baldai, AB the board member
- Šatrija AB, the board member
- SBA Competence and Service Center UAB the board member
- Robotex UAB the board member
- Klaipėdos Baldai, AB supervisory board member

Vytautas Vaškys (b. 1967)

Education:

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

Working place:

- SBA Group UAB, business risks director.

Participation in the management of other companies:

- Kauno baldai AB the board member
- Šatrija AB, the board member
- SBA Urban UAB, the board member
- SBA Home UAB, the board member
- MTF Mrija PAT, the chairman of supervisory board
- SBA Competence and Service Center, UAB the board member

Auksė Žukauskienė (b. 1975)

Education:

- Klaipeda University, Master's degree in Business Management, Maritime Economics (2000)
- Klaipeda University, Bachelor's degree in Maritime Economics, (1998)
- Management Center Europe, Personnel Management Certificate (2005)

Workplace

- Personnel Director, SBA Grupė, UAB

Artūras Užgalis (b. 1989)

Education

- Mykolas Romeris University, specialty: Leadership and Change Management, degree: Master
- Kaunas University of Technology, specialty: Food Technology and Engineering, bachelor's degree

Workplace:

- UAB Dealia , Director

Nortautas Luopas

Education

- Executive MBA, Baltic management institute
- Klaipeda University, Bachelor of Applied Mathematics and IT

Workplace

- Head of B2C & CDO, Telia Lietuva, AB

During the first half 2021, no loans, guarantees, sponsorships were issued and no assets were disposed to members of the Company's Board and Administration

27. Information about significant agreements

The Company has concluded no significant agreements in which the Company is a party to and which would come into effect, change or terminate as a result of the change in the control of the Company.

28. Information about the compliance with the Governance Code

Utenos Trikotažas AB confirms its substantial compliance with the principles of the Governance Code approved by the Vilnius Stock Exchange for the companies listed on the regulated market.

29. Data on publicly announced information

The Company announces information on significant events (as well as other information required by laws) through the system of information disclosure and communication Globe Newswire. Publicly announced information is also available on the Company's website at www.ut.lt and on the website of the Vilnius Stock Exchange at www.baltic.omxgroup.com.

30. Company's auditor

General Meeting of Shareholders Elect KPMG Baltics, UAB (identification code 111494971, the registered address: Lvovo st. 101 , Vilnius) to be the auditor of AB Utenos trikotažas for the audit of the set of financial statements for the years 2021 – 2023 (with a possibility to extend a contract for the year 2024). Determine that the remuneration for the audit is as follows: in the first year - EUR 33,300 plus VAT, in the second year - EUR 34,800 plus VAT, in the third year - EUR 35,500 plus VAT, in the fourth year (if the contract is extended) - EUR 35,500 plus VAT.

31. General information on the Group of companies
31.1. Companies that constitute the Group, their contact data and principle activities

Company name	Šatrija AB
Legal form	Public company
Date and place of incorporation	1955 m. Šatrijos g. 3, 4400 Raseiniai
Company code	172285032
Address	Šatrijos g. 3, 4400 Raseiniai
Telephone	8 (428) 70611
Fax	8 (428) 70611
E-mail	raseiniai@satrija.lt

Website	www.satrija.lt
Principal activities	Sewing of clothes
<hr/>	
Company name	Mukačevska Trikotažnaja Fabrika Mrija PAT
Legal form	Open public company
Date and place of incorporation	1971 m. Matrosova 13, 89600 Mukačevo, Ukraine
Company code	307253
Address	Matrosova 13, 89600 Mukačevo, Ukraine
Telephone	+ 380 (3131) 52780
Fax	+380 (3131) 52780
E-mail	mriya@mrija.ut.lt
Website	www.mriyamukachevo.com
Principal activities	Production of knit-wear articles
<hr/>	
Company name	Gotija UAB
Legal form	Private company
Date and place of incorporation	1994 m. Laisvės al. 33, Kaunas
Company code	134181619
Address	Laisvės al. 33, Kaunas
Telephone	8 (37) 205879
Fax	8 (37) 205879
E-mail	gotija@ut.lt
Website	None
Principal activities	Retail trade in clothes
<hr/>	
Company name	Aboutwear UAB
Legal form	Private company
Date and place of incorporation	2021 m. Laisvės pr. 3 Vilnius
Company code	305758870
Address	Laisvės pr. 3 Vilnius
Telephone	+ 370 (678) 79878
Website	http://aboutwear.com
Principal activities	Wholesale and retail trade

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

Subsidiaries Šatrija AB, PAT MTF Mrija, Gotija UAB and Aboutwear UAB do not trade in securities in regulated markets.

32. Information on harmful transactions in which the issuer is a party.

There were no harmful transactions (those that are not in line with issuer's goals, not under usual market terms, harmful to the shareholders' or stakeholders' interests, etc.) made in the name of the issuer that had or potentially could have negative effects in the future on the issuer's activities or business results. There were also no transactions where a conflict of interest was present between issuer's management's, controlling shareholders' or other related parties' obligations to the issuer and their private interests.



UTENOS TRIKOTAŽAS, AB

CONSOLIDATED AND COMPANY'S INTERIM FINANCIAL STATEMENTS
for the 6 months period ended 30 June 2021
(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	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	Registru centras VĮ
Telephone	+370 389 51445
Fax	+370 389 69358
E-mail	utenos.trikotazas@ut.lt
Website	www.ut.lt
Main activities	production of knit-wear and textile articles
Auditors	KPMG BALTICS UAB

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Statement of financial position

	Notes	Group		Company	
		2021.06.30	2020.12.31	2021.06.30	2020.12.31
ASSETS					
Non-current assets					
Intangible assets	7	491	517	89	115
Property, plant and equipment	8	9 495	9 448	6 456	6 463
Right-of-use assets		682	629	362	304
Investment property		191	125	191	125
Investments into subsidiaries	9	-	-	1 530	1 490
Receivables from subsidiaries		-	-	1 371	1 039
Prepayments to subsidiaries		-	-	818	883
Deferred income tax asset		77	77	-	-
		<u>10 936</u>	<u>10 796</u>	<u>10 817</u>	<u>10 419</u>
Current assets					
Inventories	10	7 180	5 428	6 947	5 384
Trade receivables	11	1 118	1 433	942	1 255
Contract assets		1 582	1 382	1 583	1 356
Other current assets		265	397	176	351
Cash and cash equivalents	12	809	3 792	148	3 167
		<u>10 954</u>	<u>12 432</u>	<u>9 796</u>	<u>11 513</u>
Total assets		<u>21 890</u>	<u>23 228</u>	<u>20 613</u>	<u>21 932</u>

Statement of financial position (cont ')

EQUITY AND LIABILITIES	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Share capital		2 756	2 756	2 756
Legal reserve	13	574	574	574
Revaluation surplus	13	4 029	2 158	2 187
Reserve for acquisition of own shares	13	1 090	1 000	1 000
Foreign currency translation reserve	13	1 006	-	-
Accumulated retained earnings/ (losses)	13	(302)	2 549	3 424
		<u>9 153</u>	<u>10 166</u>	<u>9 037</u>
Non-controlling interest		<u>213</u>	<u>244</u>	<u>-</u>
Total equity		<u>9 366</u>	<u>10 410</u>	<u>9 037</u>
LIABILITIES				
Non-current liabilities				
Borrowings	14	2 031	2 031	2 314
Non-current lease liabilities		542	256	227
Borrowings from subsidiaries	14	-	600	600
Deferred income tax liabilities		600	228	233
Provisions for employee benefits		340	258	193
		<u>3 513</u>	<u>3 730</u>	<u>3 373</u>
Current liabilities				
Current portion of non-current borrowings	14	567	567	567
Borrowings from parent company	14	532	532	532
Current lease liabilities		158	125	96
Trade payables		2 992	2 943	2 106
Payables to other related parties and subsidiaries		68	61	157
Contract liabilities		507	521	366
Income tax payable		-	-	73
Accrued expenses and other current liabilities	15	4 187	3 454	4 527
		<u>9 011</u>	<u>9 088</u>	<u>8 203</u>
Total liabilities		<u>12 524</u>	<u>12 818</u>	<u>11 576</u>
Total equity and liabilities		<u>21 890</u>	<u>23 228</u>	<u>20 613</u>

Statement of comprehensive income

Group	Notes	January-June		April-June	
		2021	2020	2021	2020
Sales	6,16	13 420	14 251	6 981	6 797
Cost of sales	17	(11 470)	(11 785)	(5 870)	(5 792)
Gross profit		1 950	2 466	1 111	1 005
Selling expenses	18	(1 314)	(1 064)	(677)	(458)
General and administrative expenses	18	(1 831)	(2 502)	(910)	(1 675)
Other operating income	19	63	71	34	34
Other operating expenses	19	(6)	(11)	(3)	-
Operating profit (losses)		(1 138)	(1 040)	(445)	(1 094)
Finance income	20	244	95	39	44
Finance costs	20	(204)	(340)	(50)	(35)
Profit (losses) before tax		(1 098)	(1 285)	(456)	(1 085)
Income tax		15	(19)	7	7
Net profit (losses)		(1 083)	(1 304)	(449)	(1 078)
Net profit (losses) attributable to:					
Equity holders of the Company	21	(1 042)	(1 315)	(410)	(1 088)
Non-controlling interest		(41)	11	(39)	10
		(1 083)	(1 304)	(449)	(1 078)
Company					
	Notes	January-June		April-June	
		2021	2020	2021	2020
Sales	6,16	12 478	12 481	6 660	5 802
Cost of sales	17	(10 709)	(10 404)	(5 591)	(5 013)
Gross profit		1 769	2 077	1 069	789
Selling expenses	18	(1 249)	(1 022)	(627)	(442)
General and administrative expenses	18	(1 417)	(2 165)	(656)	(1 501)
Other operating income	19	62	24	56	10
Other operating expenses	19	(4)	(10)	(2)	(1)
Operating profit (losses)		(839)	(1 096)	(160)	(1 145)
Interest received	20	30	30	15	15
Finance income	20	35	57	20	14
Finance costs	20	(84)	(65)	(45)	(34)
Profit (losses) before tax		(858)	(1 074)	(170)	(1 150)
Income tax		5	(25)	2	3
Net profit (losses)		(853)	(1 099)	(168)	(1 147)

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital	Legal reserve	Revaluation surplus	Reserve for acquisition of own shares	Foreign currency translation reserve	Accumulated retained earnings/ (losses)	Total	Non-controlling interest	Total equity
Balance as of 30 June 2020	2 756	574	4 157	1 090	1 055	(246)	9 386	217	9 603
Net profit (loss) for the year	-	-	-	-	-	862	862	20	882
Other comprehensive income	-	-	-	-	(133)	51	(82)	7	(75)
Total comprehensive income (loss)	-	-	-	-	(133)	913	780	27	807
Transfer of revaluation surplus to retained earnings	-	-	(72)	-	-	72	-	-	-
Balance as of 31 December 2020	2 756	574	4 085	1 090	922	739	10 166	244	10 410
Net profit (loss) for the year	-	-	-	-	-	(1 042)	(1 042)	(41)	(1 083)
Other comprehensive income	-	-	-	-	84	(55)	29	10	39
Total comprehensive income (loss)	-	-	-	-	84	(1 097)	(1 013)	(31)	(1 044)
Transfer of revaluation surplus to retained earnings	-	-	(56)	-	-	56	-	-	-
Balance as of 30 June 2021	2 756	574	4 029	1 090	1 006	(302)	9 153	213	9 366

Company

	Share capital	Legal reserve	Reserve for acquisition of own shares	Revaluation surplus	Accumulated retained earnings/ (losses)	Total
Balance as of 30 June 2020	2 756	574	1 000	2 216	2 510	9 056
Net profit (loss) for the year	-	-	-	-	826	826
Other comprehensive income	-	-	-	-	59	59
Total comprehensive income (loss)	-	-	-	-	885	885
Transfer of revaluation surplus to retained earnings	-	-	-	(29)	29	-
Balance as of 31 December 2020	2 756	574	1 000	2 187	3 424	9 941
Net profit (loss) for the year	-	-	-	-	(853)	(853)
Other comprehensive income	-	-	-	-	(51)	(51)
Total comprehensive income (loss)	-	-	-	-	(904)	(904)
Transfer of revaluation surplus to retained earnings	-	-	-	(29)	29	-
Balance as of 30 June 2021	2 756	574	1 000	2 158	2 549	9 037

STATEMENTS OF CASH FLOWS

	Group		Company	
	30 June		30 June	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) for the period	(1 083)	(1 304)	(854)	(1 099)
Adjustments for non-cash items:				
Depreciation and amortization	480	532	351	387
(Gain) on disposal of property, plant and equipment and investment property	-	-	-	(1)
Impairment and write-off of inventories and in trade receivables	78	936	78	958
Interest expense, net of interest income	46	45	20	18
Income tax (income) expense	(14)	19	(5)	25
Changes in working capital:				
(Increase) decrease in inventories	(1 859)	636	(1 670)	588
(Increase) decrease in trade receivables	144	(174)	115	(27)
Decrease (increase) in receivables from subsidiaries	-	-	33	(93)
(Increase) decrease in other receivables and other current assets	132	218	174	163
(Increase) decrease in trade and other accounts payable	919	(574)	897	(544)
Increase (decrease) in taxes payable and other current liabilities	(1 033)	873	(1 117)	713
Income tax (paid)	(52)	(15)	(11)	(11)
Net cash generated from operating activities	(2 242)	1 192	(1 989)	1 077
Cash flows from investing activities				
Acquisition of property, plant and equipment	(338)	(240)	(335)	(179)
Proceeds from sale of property, plant and equipment	-	-	30	30
Interest received	-	-	(40)	-
Dividends	-	-	-	32
Net cash flows generated from (to) investing activities	(338)	(240)	(345)	(117)
Cash flows from financing activities				
Loans repaid	(283)	(142)	(283)	(292)
Loans granted to a subsidiary	-	-	(300)	-
Interest paid	(46)	(45)	(49)	(48)
Lease payments	(74)	-	(53)	-
Net cash flows from financing activities	(403)	(187)	(685)	(340)
Net increase in cash and cash equivalents	(2 983)	765	(3 019)	620
Cash and cash equivalents at the beginning of the period	3792	895	3167	652
Cash and cash equivalents at the end of the period	809	1 660	148	1 272

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 June 2021 and 31 December 2020 the shareholders of the Company were as follows:

	As of 30 June 2021		As of 31 December 2020	
	Number of shares held	Interest held(%)	Number of shares held	Interest held(%)
SBA Grupė UAB	8 771	92,31	8 771	92,31
Other shareholders	732	7,69	732	7,69
	9 503	100,00	9 503	100,00

All the shares are registered ordinary shares with a par value of EUR 0.29 each. As of 30 June 2021 and 31 December 2020 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 June 2021	31 December 2020	
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
UAB Aboutwear	Laisvės pr. 3, Vilnius	80.00	-	Wholesale and retail trade

2. Form and contents of the financial statements

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

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

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

4. Consolidation

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

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and 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).

The assigned net investment value is LTL 1.385 million. EUR and from this amount during 2021. The 6-month negative currency exchange difference of EUR 98 thousand is accounted for in the Group's financial statements as other comprehensive income.

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

Foreign currency exchange difference on monetary items attributed to net investments, EUR	(98 096)
Foreign currency translation reserve on other items, EUR	181 682
Other comprehensive income EUR, net	83 586

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 6 months of 2021 and for the 6 months of 2020

	Production of functional-technical garments			
	Production of knitted articles	Production of functional-technical garments	Eliminations	Total
of 30 June 2021				
External sales	12 384	1 036	-	13 420
Internal sales	465	-	(465)	-
Total revenue	12 849	1 036	(465)	13 420
Gross profit	1 887	63	-	1 950
EBITDA	(560)	(98)	-	(658)
Profit (loss)	(933)	(150)	-	(1 083)
of 30 June 2020				
External sales	12 522	1 729	-	14 251
Internal sales	320	-	(320)	-
Total revenue	12 842	1 729	(320)	14 251
Gross profit	2 089	377	-	2 466
EBITDA	(697)	188	-	(509)
Profit (loss)	(1 427)	123	-	(1 304)

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 480 thousand as of 30 June 2021, EUR 313 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 June 2021 and 31 December 2020 the Companies' and the Group's Non-current assets Buildings group is recognized at fair value.

9. Non-current financial assets

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

10. Inventories

	Group		Company	
	2021.06.30	2021.12.31	2021.06.30	2020.12.31
Raw materials	3 376	3 017	3 037	2 684
Work in progress	2 220	1 485	2 213	1 481
Finished goods	3 048	2 340	2 843	2 314
Goods for resale	34	4	29	-
	<u>8 678</u>	<u>6 846</u>	<u>8 122</u>	<u>6 479</u>
Write-down to net realisable value:				
Opening balance	(1 418)	(890)	(1 095)	(567)
Change	(80)	(528)	(80)	(528)
Closing balance	<u>(1 498)</u>	<u>(1 418)</u>	<u>(1 175)</u>	<u>(1 095)</u>
	<u>7 180</u>	<u>5 428</u>	<u>6 947</u>	<u>5 384</u>

11. Trade receivables

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Trade receivables, gross	1 225	1 540	1 023	1 336
Allowance for trade receivables:				
Opening balance	(107)	(274)	(81)	(248)
Additional allowance	-	(81)	-	(81)
Written-of	-	248	-	248
Closing balance	<u>(107)</u>	<u>(107)</u>	<u>(81)</u>	<u>(81)</u>
	<u>1 118</u>	<u>1 433</u>	<u>942</u>	<u>1 255</u>

Changes in impairment allowance for doubtful trade receivables as of 30 June 2021 and 31 December 2020 were recorded within the Group's and Company's general and administrative expenses.

12. Cash and cash equivalents

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Cash at bank and on hand	809	3 792	148	3 167
	<u>809</u>	<u>3 792</u>	<u>148</u>	<u>3 167</u>

13. Other reserves and retained earnings (deficit)

Revaluation surplus

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

Legal reserve

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

Foreign currency translation reserve

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

Reserve for acquisition of own shares

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

Accumulated retained earnings (losses)

Pursuant to the provisions of the Law on Limited Liability Companies of the Republic of Lithuania, if the total of retained earnings at the beginning of the financial year and net profit (loss) for the year is negative, the General Shareholders' Meeting has to make a decision to cover these losses. Transfers to distributable results should be made in the following sequence:

transfer from reserves not used in the reporting financial year;
 transfer from the compulsory legal reserve;
 transfer from the share premium.

At the date of these financial statements the Company was not informed about any actions of the shareholders of the Co. regarding retained deficit.

The balances of other reserves as of 30 June 2021 and 31 December 2020 were as follows:

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Revaluation surplus	4 029	4 085	2 158	2 187
Legal reserve	574	574	574	574
Reserve for acquisition of own shares	1 090	1 090	1 000	1 000
Foreign currency translation reserve	1 006	922	-	-
Accumulated retained earnings/ (losses)	(302)	739	2 549	3 424
	6 397	7 410	6 281	7 185

14. Borrowings

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Current				
Current portion of non-current bank borrowings	567	567	567	567
Borrowings from parent company	532	532	532	532
Non-current				
Borrowings from subsidiaries	-	-	600	600
Long-term bank borrowings	2 031	2 314	2 031	2 314
Total borrowings	3 130	3 413	3 730	4 013

Interim Consolidated Information for the 6 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

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 %.

On 18 December 2020, the Company entered into the loan agreement with SBA Group UAB for EUR 532 thousand. The annual interest rate on the loan will be 2.2 %. The loan matures on 31 December 2021.

2021 June 28 a loan agreement was signed between AB Utenos Trikotažas and its subsidiary UAB Aboutwear, the maximum amount of which is not more than EUR 700,000. The loan must be repaid by 2024. June 27.

The loan granted will bear interest at a variable interest rate calculated on the basis of 6 months. EURIBOR plus 2.2%. June 30, 2021 the loan amount is EUR 300,000.

As at 30 June 2021 and at 31 December 2020 the bank borrowings were secured by property plant and equipment

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

15. Accrued expenses and other current liabilities

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Accrual for vacation reserve	1357	1 059	1 051	840
Wages, salaries and social security	1 214	1 557	1 040	1 462
Amounts payable for services and non-current assets	315	328	367	353
Taxes payable, except for income tax	793	1 466	748	1 442
Provisions for employee benefits	284	502	239	420
Other liabilities	224	227	9	10
	4 187	5 139	3 454	4 527

16. Revenue

Group	January-June		April-June	
	2021	2020	2021	2020
Revenue from sales of goods and services	12 654	13 645	6 530	6 379
Revenue from sales of materials	766	606	451	418
	13 420	14 251	6 981	6 797

Company	January-June		April-June	
	2021	2020	2021	2020
Revenue from sales of goods and services	11 756	11 957	6 233	5 435
Revenue from sales of materials	722	524	427	367
	12 478	12 481	6 660	5 802

17. Cost of sales**Group**

	January-June		April-June	
	2021	2020	2021	2020
Materials	4 456	4 006	2 428	1 882
Wages and salaries and social security	4 575	5 151	2 127	2 445
Depreciation and amortisation	1 661	1 928	844	1 002
Other overhead expenses	313	356	169	170
Cost of materials sold	465	344	302	293
	11 470	11 785	5 870	5 792

Company

	January-June		April-June	
	2020	2019	2020	2019
Materials	4 544	3 885	2 557	1 838
Wages and salaries and social security	3 487	3 833	1 566	1 780
Depreciation and amortisation	2 019	2 130	1 071	1 063
Other overhead expenses	226	234	113	109
Cost of materials sold	433	322	284	223
	10 709	10 404	5 591	4 013

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

	January-June		April-June	
	2021	2020	2021	2020
Selling expenses				
Wages and salaries and social security	522	440	278	210
Advertising and marketing costs	325	192	161	74
Other selling expenses	467	432	238	174
	1 314	1 064	677	458
General and administrative expenses				
Wages and salaries and social security	807	733	414	340
Communications and consulting services	317	230	188	120
Taxes other than income tax	70	63	34	41
Depreciation and amortization	82	90	41	47
Security	68	70	34	34
Vehicles exploitation expenses	25	24	17	20
Services of financial institutions	44	52	18	32
Premises exploitation expenses	20	22	8	9
Travel expenses	-	5	-	1
Representation expenses	13	10	8	3
Allowance (reversal) and write-off of trade receivables and inventories	78	936	(24)	893
Other	307	267	172	135
	1 831	2 502	910	1 675
	3 145	3 566	1 587	2 133

Interim Consolidated Information for the 6 months of 2021 (All amounts are in EUR thousand, unless otherwise stated)

Company	January-June		April-June	
	2021	2020	2021	2020
Selling expenses				
Wages and salaries and social security	491	409	259	198
Advertising and marketing costs	296	191	132	73
Other selling expenses	462	422	236	171
	1 249	1 022	627	442
General and administrative expenses				
Wages and salaries and social security	619	567	304	259
Communications and consulting services	218	192	109	96
Taxes other than income tax	64	75	31	55
Depreciation and amortization	61	66	31	34
Security	35	34	18	17
Vehicles exploitation expenses	18	13	12	9
Services of financial institutions	42	50	17	31
Premises exploitation expenses	19	20	8	9
Travel expenses	-	4	-	-
Representation expenses	13	9	8	2
Allowance (reversal) and write-off of trade receivables and inventories	78	958	(24)	893
Other	250	177	142	96
	1 417	2 165	656	1 501
	2 666	3 187	1 283	1 943

19. Other income and expenses

Group	January-June		April-June	
	2021	2020	2021	2020
Rent income	12	11	6	5
Other income	51	60	28	29
Other income	63	71	34	34
Rent costs	(6)	(11)	(3)	-
Other expenses	-	-	-	-
Other expenses	(6)	(11)	(3)	-

Company	January-June		April-June	
	2021	2020	2021	2020
Rent income	10	9	5	4
Other income	52	15	51	6
Other income	62	24	56	10
Rent costs	(4)	(10)	(2)	(1)
Other expenses	-	-	-	-
Other expenses	(4)	(10)	(2)	(1)

20. Finance costs, net**Group**

	January-June		April -June	
	2021	2020	2021	2020
Foreign exchange gain (loss)	86	(206)	11	28
Interest expenses	(46)	(45)	(22)	(21)
Other	-	6	-	2
	40	(245)	(11)	9

Company

	January-June		April -June	
	2021	2020	2021	2020
Foreign exchange gain (loss)	1	1	-	1
Interest expenses	(50)	(48)	(25)	(23)
Interest income	30	30	15	15
Dividends	-	33	-	-
Other	-	6	-	2
	(19)	22	(10)	(5)

21. Basic/dilutive earnings per share

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

Group

	January-June		April - June	
	2021	2020	2021	2020
Profit/ (loss) attributable to the equity holders of the Group	(1 042)	(1 315)	(410)	(1 088)
Weighted average number of shares in issue (thousand)	9 503	9 503	9 503	9 503
Basic/dilutive earnings per share (in EUR)	(0,11)	(0,14)	(0,04)	(0,11)

22. Subsequent sheet events

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