SBA FURNITURE GROUP BOND ISSUE

Investment memorandum

June 2024

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THE INFORMATION WITH RESPECT TO ANY PROJECTIONS PRESENTED HEREIN IS BASED ON A NUMBER OF ASSUMPTIONS ABOUT FUTURE EVENTS AND IS SUBJECT TO SIGNIFICANT ECONOMIC AND COMPETITIVE UNCERTAINTY AND OTHER CONTINGENCIES, NONE OF WHICH CAN BE PREDICTED WITH ANY CERTAINTY AND SOME OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. THERE CAN BE NO ASSURANCES THAT THE PROJECTIONS WILL BE REALISED, AND ACTUAL RESULTS MAY BE HIGHER OR LOWER THAN THOSE INDICATED. NONE OF THE COMPANY NOR ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, LEAD MANAGER, ADVISORS OR AFFILIATES, OR ANY REPRESENTATIVES OR AFFILIATES OF THE FOREGOING, ASSUMES RESPONSIBILITY FOR THE ACCURACY OF THE PROJECTIONS PRESENTED HEREIN.

sba home

Executive summary

UAB SBA Furniture Group (the "Group", "Company"), a subsidiary of UAB SBA Group, is looking to raise up to EUR 8m through a bond issue (the "Bonds") to refinance existing debt liabilities. The Group aims to diversify its lending sources and gradually alter its debt financing structure.

SBA Furniture Group, the largest group of furniture companies in Lithuania, has been active in the sector for over 20 years. The Group operates in two furniture manufacturing businesses:

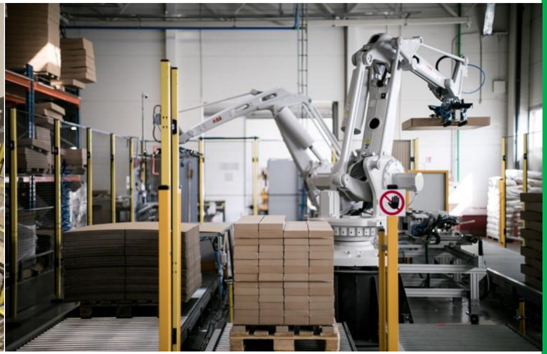
1. factories producing for IKEA under the brand "SBA Home";
2. factory producing non-IKEA furniture.

In addition, the Group operates a logistics centre and a manufacturing industry robotisation company.

SBA Furniture Group places a strong emphasis on business development and enhancing production processes. Over the past few years, the Group has allocated more than EUR 100m towards investments in robotics, automation, and other cutting-edge manufacturing innovations, along with modernising its factories.

Over 95% of the Group's production is exported to more than 50 countries.

REVENUE, 2023	EBITDA, 2023	YEARS OF EXPERIENCE
EUR 334m	EUR 35m	20+



Source: Company's information

Summary of the terms

Issuer	UAB SBA Furniture Group
Type of security	Unsecured bonds
Interest rate	8% p.a.
Interest payments	Quarterly
Issue size	Up to EUR 8,000,000
2nd tranche	Up to EUR 5,300,000
Type of placement	Public offering in Lithuania and Latvia, private placement in Estonia
Subscription period	11 June 2024 – 25 June 2024
Issue date	1 July 2024
Maturity date	29 March 2026
Trustee	Audifina
Lead Manager	Redgate Capital AS
Legal adviser	Ellex Valiūnas

Key investment highlights

Decades of industry expertise

SBA Furniture Group has **20+ years of experience** in the furniture manufacturing sector across different economic conditions. Having successfully managed both favourable and challenging periods, the Group has demonstrated its resilience and strength. SBA Home has formed a **lasting strategic partnership with IKEA**, the renowned Swedish furniture retailer.

Investing in automation and modernisation

The Group continuously focuses on **innovative production solutions, robotisation and automation**. Today, there are **over 100 robots** in factories, with the majority installed by the intra-group robotics company Robotex. Recent investments include EUR 65m into the Inno Line factory (the most robotised and automated furniture factory in the region), and EUR 30m into the **modernisation** of the Kauno Baldai factory. In 2023, the Group invested over EUR 11m in robotics, automation and other manufacturing innovations.

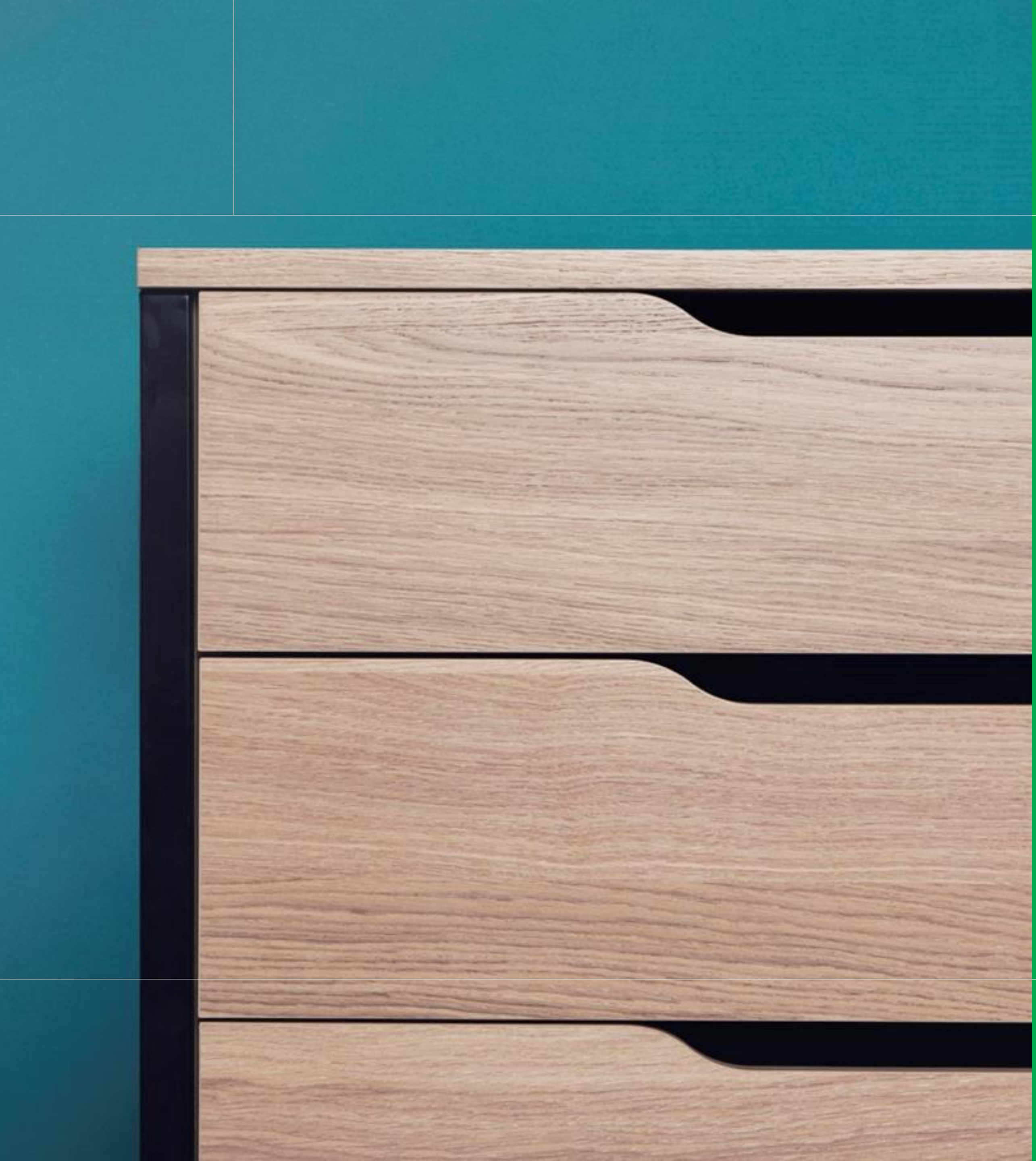
EUR 4 billion lifetime turnover

The Group has demonstrated strong and consistent growth, as evidenced by **CAGR of 7.8%** over 18 years. In 2023, the Group's revenue reached EUR 334 million and EBITDA EUR 35 million. The total revenue earned by the Group throughout its operational history exceeds **EUR 4 billion**.

Well-known group operating in various sectors

The parent company of the Group, SBA Group ("SBA"), is a **trusted and well-known** Lithuanian-capital enterprise investing in state-of-the-art innovations. SBA unites over 50 enterprises operating in the furniture, textile, real estate and investment management sectors. Over 90% of group's production is exported to 50 countries worldwide. SBA's consolidated revenue exceeded **EUR 440m in 2022**.

Source: Company's information



SBA Furniture Group

SBA started operating in the furniture manufacturing sector as early as 1990. SBA Furniture Group connects five furniture factories, a logistics centre and a robotisation company Robotex. Additionally, they operate an Industry Innovation Valley.

The furniture manufacturing business can be divided into two:

1. factories producing for IKEA under brand “SBA Home” (factories: Klaipedos baldai, Inno Line, Šilutės baldai, Visagino linija);
2. factory producing non-IKEA furniture (factory: Kauno baldai).

SBA Furniture Group lets its **20-years of work** speak for itself. The Group constantly improves production processes and finds new solutions. A large part of the investments are made into increasing efficiency and robotics solutions.

The Group exports over 95% of its production **worldwide, from America to ASIA and European countries,** and is a **priority partner of IKEA.**

Key financials, EUR k	**2019**	**2020**	**2021**	**2022**	**2023[1]**
Revenue	318,335	304,079	360,740	388,967	333,528
Gross profit	40,946	44,823	27,425	25,908	37,072
Gross margin, %	*13%*	*15%*	*8%*	*7%*	*11%*
EBITDA	33,183	39,469	22,123	26,733[2]	35,492
EBITDA margin, %	*10%*	*13%*	*6%*	*7%*	*11%*
Net profit	16,230	19,395	322	6,568[2]	8,064
Net margin, %	*5%*	*6%*	*0%*	*2%*	*2%*
Total assets	182,281	235,838	280,955	286,383	264,761
Total liabilities	118,369	152,634	209,660	234,288	206,104
Total equity	63,912	83,204	71,295	52,095	58,657

COMPANIES
8

COUNTRIES OF EXPORT
50+

ROBOTS
100+

PRODUCT RANGE
800+

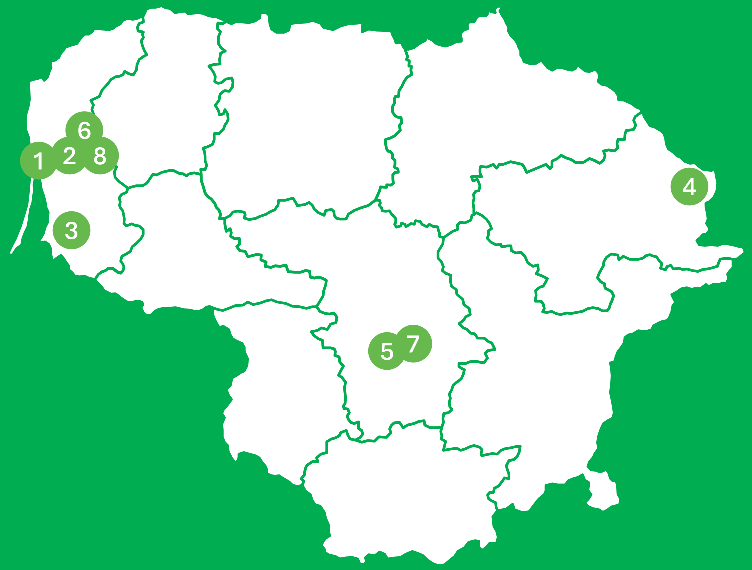
EMPLOYEES
2,000+

MANUFACTURING AREA, m^2
140,000+

Source: Company’s information
[1] Unaudited
[2] At the end of 2022, the EUR 35m investment in the Belarusian manufacturing company MEBELAIN was fully written off. Since it is a non-monetary event, its impact on EBITDA and net profit is eliminated.

Overview of operations

Facilities of SBA Furniture Group



1 Klaipedos baldai
2 Inno Line
3 Šilutės baldai
4 Visagino linija
5 Kauno baldai
6 Innovo logistika
7 Robotex
8 Industry Innovation Valley

The Group unites five furniture factories, a logistics centre, a robotisation company and an industry innovation valley.

UAB SBA Home is responsible for the strategic management, procurement, sales, production efficiency, development, expansion, and investment of the four IKEA-related furniture factories and the logistics operating under SBA Home brand. Meanwhile, each furniture factory has its own independent local manager responsible for day-to-day operations.

Kauno baldai and Robotex are non-IKEA companies and direct subsidiaries of SBA Furniture Group.

Furniture factory	Est.	Type of furniture	Main products	Prod. area	Staff	Sales 2023
Klaipėdos baldai by sba home	1954	Natural wood veneer-covered plywood furniture	Chest of drawers	20,600 m^2	500+	EUR 98.8m
Inno Line by sba home	2022	Foil wrapped furniture	Beds, wardrobes, chest of drawers, cabinets	49,900 m^2	400+	EUR 133.2m
Šilutės baldai by sba home	1890	Corpus furniture made from solid wood or plywood	Tables, shelves, cupboards, beds	29,000 m^2	350+	EUR 35.2m
Visagino linija by sba home	2006	Panel furniture made from veneer and pigment finishing wooden chipboards	Tables, cupboards, chest of drawers	24,500 m^2	500+	EUR 66.5m
Kauno baldai by sba home	1880	Upholstered furniture	Sofas, armchairs, beds	18,000 m^2	400+	EUR 26.1m

Innovo logistika is a full service 3PL provider, offering a digital flat-line furniture storage, assembly, cargo-handling and customs brokerage services.

Robotex develops and implements innovative robotics and automation solutions to simplify daily routines. Robotex offers its services both within the Group and externally.

SBA Industry Innovation Valley, consists of Inno Line and Innovo logistika. The valley will become a hub for developing innovative, sustainable wood products and exclusive, patentable technologies.

Source: Company's information

Key milestones

1990

Klaipedos baldai,
founded in 1954, was acquired by the Group in 1990. Klaipedos baldai produces more than 2.5 million pieces of furniture per year and exports all of its production abroad. Its main partner is IKEA.

1992

Šilutės baldai,
founded in 1890, was acquired by the Group in 1992. The company exports 96% of its products to Europe, the USA, Asia, and Australia.

1998

Kauno baldai,
founded in 1880, was acquired by the Group in 1998. The upholstered collections created by Kauno baldai are presented at the most renowned international exhibitions.

2003

SBA Home
was created to bring factories producing for IKEA under one roof. SBA Home is responsible for the management, sales, production efficiency, development of those factories.

2006

Visagino linija
furniture company was established in 2006. The company started operations in a record one-year time. Visagino linija became IKEA's strategic partner in 2008.

2019

Robotex
was acquired in 2019, to increase efficiency through robotisation and automation.

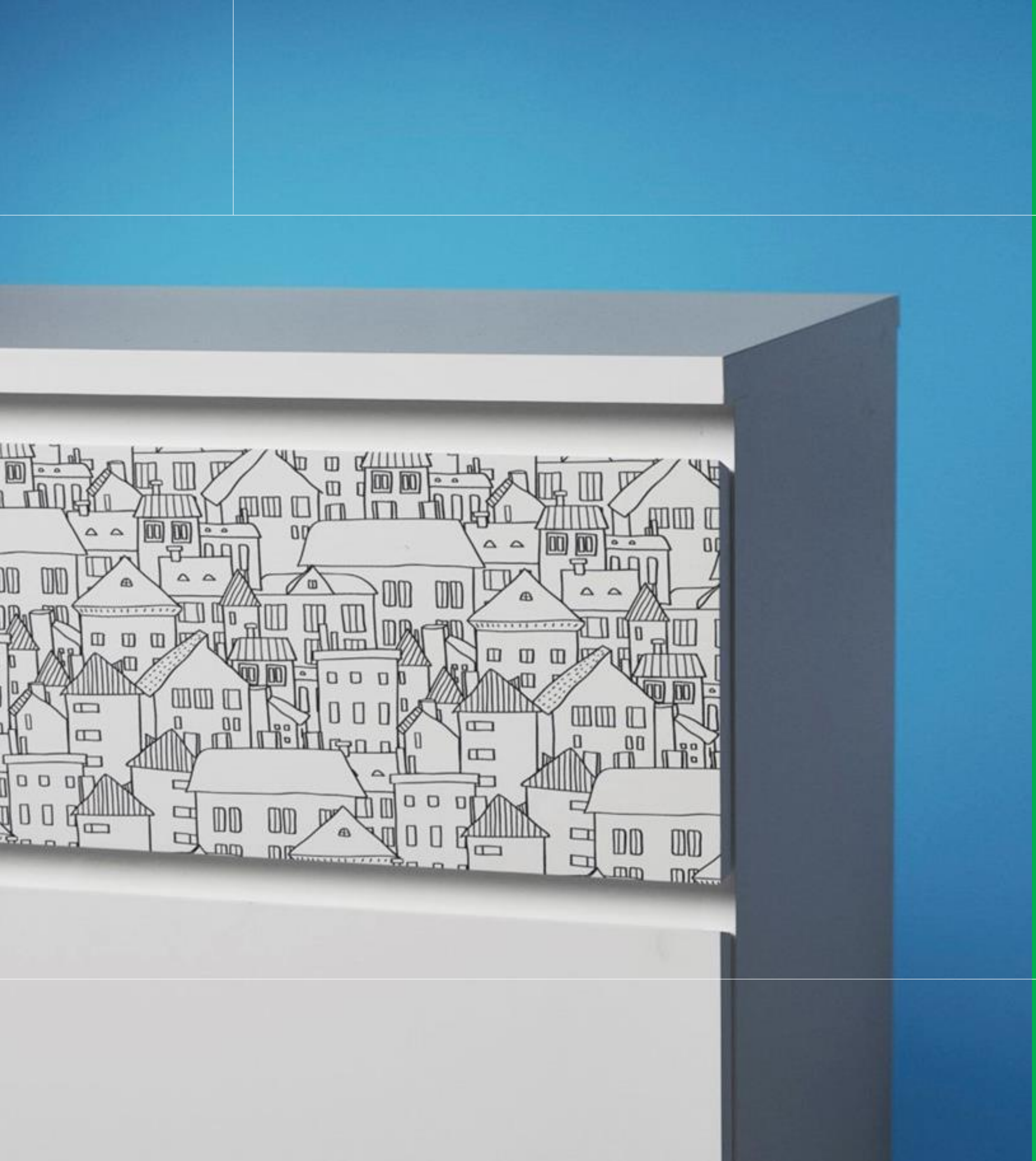
2020

Innovo logistika
logistics centre was opened in 2020. Located in the SBA Industrial Innovation Valley, the centre was built to manage quality from furniture parts to logistics.

2022

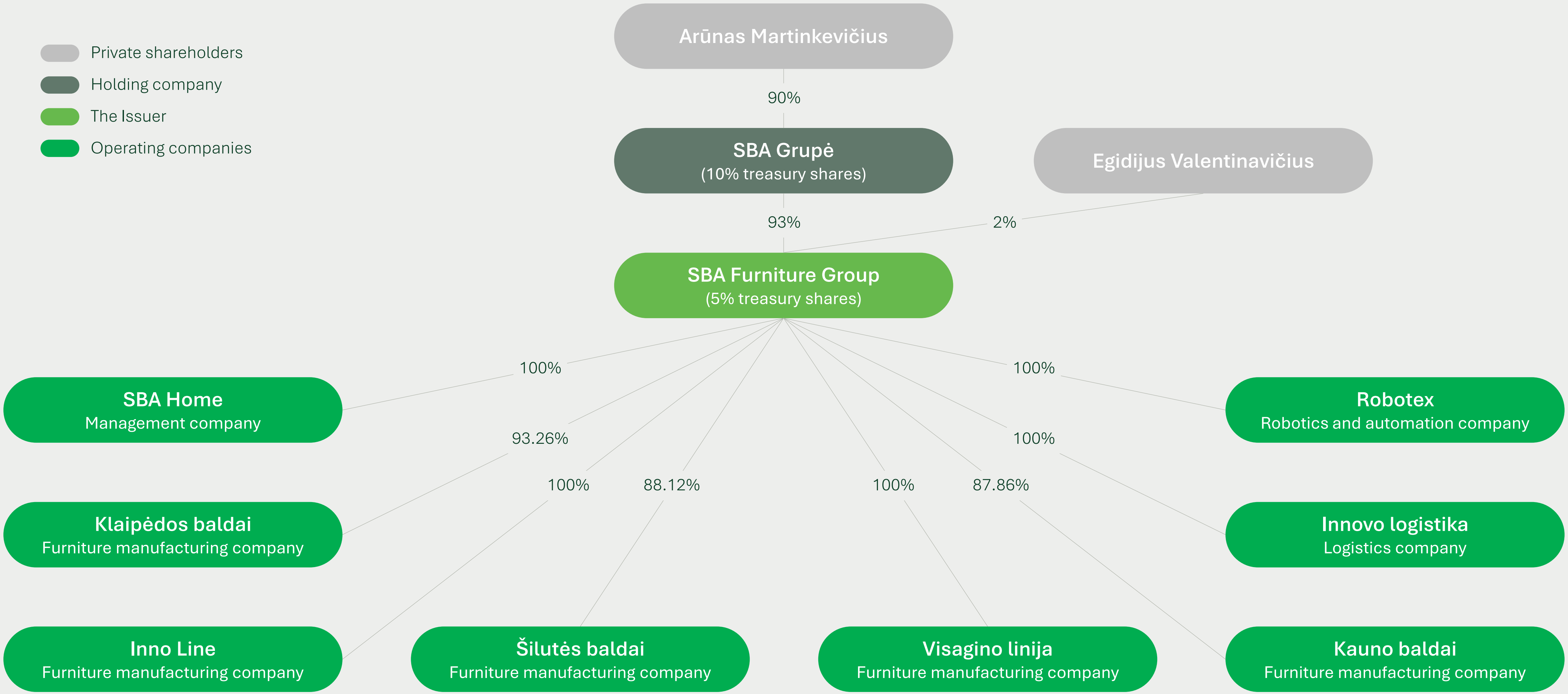
Inno Line
furniture factory was opened in 2022. Located in the SBA Industry Innovation Valley near Klaipeda, Inno Line is the region's newest and most robotised furniture factory.

Source: Company's information



sba home

Legal structure



Source: Company's information

Key personnel

Egidijus Valentinavičius

SBA Group Vice President

E. Valentinavičius has been working in the SBA group for almost 30 years. He started as marketing director in energy department and currently CEO and board member of SBA Home and SBA Group. Egidijus makes significant contributions to SBA Furniture Group by developing manufacturing facilities and factories, as well as developing new products.

Master's degree in science, Energy management, Norwegian School of Management (BI).

Jolanta Grašienė

SBA Group Vice President

J. Grašienė has been working in the SBA group for 20 years. For a long time, she headed the finance and business control departments, and since 2018 she is the vice president of the SBA Group. She also works on the boards of SBA Group, SBA Home, real estate development, investment management and other SBA businesses, and since 2019 chairs the board of the SBA Competence and Service Center.

EMBA in Baltic Management Institute, MBA in Vytautas Magnus University.

Nerijus Aukščiunas

SBA Group Head of Treasury

20+ years of experience in debt financing and structuring, corporate relationship management, and executive management in Baltic and Nordic banking sector. Previously Head of Branch Lithuania and Latvia at Nordea Sweden, and Member of the Credit Committee at Nordea Lithuania. Early career experience in DNB bank.

MBA in Vilnius University International Business School.

Jurgita Radzevičė

SBA Home CEO

20+ years of experience in corporate governance, strategy building, HR management and development, process improvement and project management. Successfully leading enterprise-wide business transformation projects both domestically and internationally – Scandagra Eesti (owned by Lantmannen and DLG) and Vikonda corporatives.

MBA in finance and economy, Vilnius University; PhD in social sciences, Kaunas University of Technology.

Mindaugas Norkus

SBA Home CFO

Before joining SBA in the spring of 2016, Mindaugas worked for a large international corporation. In SBA, he started as SBA Home financial analyst and soon joined the SBA Young Leaders Development Program. Demonstrating his value, he was entrusted with the position of SBA Home financial control manager and finally, the position of SBA Home CFO.

B.Sc. in economics and business, Stockholm School of Economics in Riga.

Source: Company's information

Main terms and conditions

General information

Issuer	UAB SBA Furniture Group
Incorporation country, co. reg. no.	Lithuania, 300103836
Webpage	https://www.sba.lt/en/industries/furniture-group
Type of security	Unsecured bonds
Type of placement	Public offering in Lithuania and Latvia, private placement in Estonia
Nominal	EUR 1,000
Minimum investment	EUR 5,000 (5 bonds)
Issue size	Up to EUR 8,000,000 (multiple tranches)
Interest rate	8.00% p.a., 30E/360
Interest payments	Quarterly
Maturity date	29 March 2026
Early redemption	Full or partial call: • Before 29 March 2025: 0.75% premium • On or after 29 March 2025: no premium
Covenants	• Corporate status • Change of control • Limited dividend payments • Disposal of the assets • Net debt / EBITDA ratio (at the end of 2024 not higher than 5 and at the end of 2025 not higher than 4) • Reporting obligations
Use of proceeds	To refinance existing debt liabilities

Source: Company's information

Main terms of the 2nd tranche

Size of the 2nd tranche	Up to EUR 5,300,000
Subscription period	11 June 2024 – 25 June 2024, 16:00 Lithuanian time
Issue yield	8.00% p.a., 30E/360
Issue price of 1 Bond	EUR 1,000
Issue date	1 July 2024

Legal & administrative

Lead Manager	AS Redgate Capital
Legal adviser	Ellex Valiūnas
Trustee	Audifina
Registrar	Nasdaq CSD SE Lithuanian branch

Target market description

Manufacturer target market (MIFID II product governance), for whom the product is intended for is eligible counterparties, professional clients and retail clients (execution with appropriateness). All distribution channels can be used. Investors should: have at least average understanding of relevant financial instruments (have several investment holdings, frequent investment/trading activity); be able to bear high losses on the capital invested; have a moderate risk tolerance; have a time horizon and an investment objective that meets the terms of the bonds.

No negative target market has been assigned for this product.

No PRIIPs key information document (KID) has been prepared.

Overview of the risks (1/2)

sba home

Liquidity risk

Liquidity risk is the risk that the Issuer is unable to maintain a sufficient reserve of cash and other liquid financial assets that can be used to meet its payment obligations as they fall due and to redeem the Bonds. The availability of liquidity for business activities and the ability to access long-term financing are necessary to enable the Issuer to meet its payment obligations in cash, whether scheduled or unscheduled. Although the Issuer and the main shareholder monitor their liquidity position and follows procedures to manage liquidity risk, a reduction in the shareholders' and consequently in the Issuer's liquidity position could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects, as well as ability to redeem the Bonds at their maturity.

Interest rate risk

The operations of the Group/Issuer are inherently exposed to interest rate risk. Considerable increases in interest rates (including EURIBOR) at which funding is available to the Group/Issuer may negatively impact the profitability of the Group. Interest rates are affected by numerous factors beyond the control of the Group companies/Issuer, which may not be estimated adequately. Such factors include the changes in the overall economic environment, level of inflation, monetary policies of the central banks, etc. Further, the ongoing war in Ukraine may also further increase the inflationary pressure and market volatility and therefore also contribute to rising interest rate levels. Therefore, interest rate risk may have a material adverse effect on the Group's and Issuer's business, financial condition, and results of operations.

Inflation

Lithuania and other European economies have faced an excessive inflation in year 2023. Though expected to subside in the upcoming years, in 2024 inflation still could be significantly higher than historic average levels. Relevant expenses of the Group, e. g., investment to equipment and workforce, are closely related to the general price level. Though historically the Group has successfully managed inflation related risks, growing inflation in the future may prevent the Group from changing the prices of its services respectively to preserve the existing profit margin or may lead to higher losses. Thus, the Group's expenditures would increase considerably due to inflation and the Issuer would have to cover its increased costs from internal resources, unless the Issuer manages to increase its prices. Thus, strong inflation may have a considerable adverse influence on the Issuer's financial situation and business results.

Sub-holding company risk

The Issuer is the sub-holding company of the Group. The principal assets of the Issuer are the equity interests it directly or indirectly holds in its operating subsidiaries and loan balances receivable from Group entities. As a result, the Issuer is largely dependent on loans, interest, dividends, and other payments from its subsidiaries to generate the funds necessary to meet its financial obligations, including the payment of interest and principal to its creditors, including the holders of the Bonds. The ability of the Issuer's subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. Consequently, if amounts that the Issuer receives from its subsidiaries are not sufficient, the Issuer may not be able to service its obligations under the Bonds.

Single customer risk

The success of the Group depends on its customers. The Group has formed a lasting strategic partnership with IKEA, the renowned Swedish furniture retailer, ensuring the vast majority of the cashflow, meaning that cashflow risk is not sufficiently diversified between multiple large customers, and the profits of the Group highly depend on the purchases that this single customer decides to make. In case the single customer terminates the contract or fails to meet its financial obligations to the Group, the Issuer's ability to redeem the bonds could be adversely affected. Additionally, any contractual default by either side of the contract may result in litigation the outcome of which cannot be predicted. Failure to find new customers with the same contractually agreed production levels in a short time period may be difficult, therefor the loss of the single customer could have significant negative effect on the Issuer's ability to redeem bonds at their maturity.

Counterparty risk

Counterparty risk is inherent to all business activities the Group is engaged in. Counterparty risk may result in financial losses (including, but not limited to, revenues not being received from customers, funds deposited at banks, money not being received under the Group's commercial agreements, partners in long term projects failing to perform their obligations etc.) to the Group. Default of a Group counterparty may affect the completion of the Group's commenced investment projects, the quality of services provided by the Group or harm the Group's reputation. Although, the Group monitors and manages its counterparty risk, the occurrence of any of the mentioned counterparty risks may have an adverse impact on the Group's business and financial position.

Management and human resources risk

The Issuer's results largely depend on the Issuer's and Group's employees, including the key executives, and their decisions, and on the competence and experience of the team members.

The Issuer success and its ability to manage growth initiatives depend on qualified key executives and other employees having special expertise in the Issuer's and Group's operations, development, financing, operation and maintenance of investment and/or other projects. Given their expertise in the industry, their knowledge of the Issuer's and Group's business processes and their relationships with the business partners, the loss of one or more of these individuals could have a material adverse effect on the Issuer's (Group's) business, financial condition, results of operations or prospects.

Additionally, from time to time, the key executives and/or other employees with technical or industry expertise may leave the Issuer. The Issuer's failure to promptly appoint qualified and effective successors for such individuals or inability to effectively manage temporary gaps in expertise or other disruption created by such departures, could have a material adverse effect on the Issuer's business, financial condition, results of operations or prospects.

**The risks presented on these slides outline some of the key risks related to the Issuers' business and the bond issue. The list of the risks is not exhaustive and other risks may adversely affect the Issuer, its financial position and the investment to the bonds. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer.*

Overview of the risks (2/2)

Inflation risk

Inflation reduces the purchasing power of a Bond's future interest and principal. Inflation may lead to higher interest rates which could negatively affect the Bond price in the secondary market. In addition to that, currently high inflation is viewed globally as one of the main macroeconomic factors posing significant risk to global economic growth and consequentially to the value of both equity and debt securities.

Credit and default risk

Bondholders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Bonds.

The worse the creditworthiness of the Issuer, the higher the risk of loss. A materialization of the credit risk may result in partial or total failure of the Issuer to make interest and/or redemption payments.

The Issuer is not guaranteeing that no default will occur until the final maturity date, therefore the investors shall independently assess the Issuer's creditworthiness before investing into the Bonds.

Early redemption risk

According to the terms of the offering, the Bonds may be redeemed prematurely on the initiative of the Issuer. If the early redemption right is exercised by the Issuer, the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor. Moreover, there is no guarantee by the Issuer that extraordinary early redemption event will not occur, therefore in case of the occurrence of the extraordinary early redemption event the Bonds have to be redeemed by the Issuer in accordance with the procedure established in the information document and the rate of return from an investment into the Bonds may be lower than initially anticipated by the investor.

Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources at a particular time may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Issuer's operations, financial condition, earnings and on the bondholders' recovery under the Bonds.

Liquidity, listing and inactive secondary market risk

The Bonds constitute a new issue of securities by the Issuer. There is no public market for the Bonds and other securities of the Issuer. The bondholders might bear a loss due to not being able to sell the Bond or having to sell them at an unfavourable price.

Bonds may not be appropriate to some investors

The Bonds may be not an appropriate investment to some investors. Each potential investor should assess appropriateness of the investment taking into account all relevant personal circumstances, reserve of sufficient financial resources and liquidity to bear all the risks of investing in the Bonds or holding the Bonds to maturity, including losing all or a substantial amount of the capital invested. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in the information document or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The potential investor shall be aware, that the Issuer itself is not obliged and will not carry out the assessment, whether the Bonds are a suitable financial product for the investor (although such assessments will be performed by the Lead Manager, in any case such assessment(s) may have a different scope and produce a different result), therefore subscription of the Bonds through the Issuer directly may lead to the fact that lack of knowledge or assessment of the appropriateness by the investor itself will lead into not appropriate investment.

Cancelation of the offering

This offering is subject to the sole discretion of the Issuer. The Issuer reserves the right to cancel the offering of any tranche carried out under the respective final terms at any time prior to the issue date of that tranche, for any reason, and without any permissions of the investors and/or trustee. Prospective investors should be aware that the decision to cancel the offering of any tranche conducted under the respective final terms may be influenced by various factors, including market conditions, regulatory considerations, or other unforeseen circumstances. In the event of the cancellation of the offering of a particular tranche, placed subscription orders will be disregarded, and any payments made in respect of the submitted subscription orders will be returned without interest or any other compensation to the investors. Moreover, if the offering of a tranche is cancelled, the Issuer shall not be liable for any costs, damages, or losses incurred by prospective investors, including but not limited to expenses related to due diligence, legal, or other professional fees.

**The risks presented on these slides outline some of the key risks related to the Issuers' business and the bond issue. The list of the risks is not exhaustive and other risks may adversely affect the Issuer, its financial position and the investment to the bonds. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer.*

Contact information

sba home

For additional information about the offering please contact Redgate Capital, Lead Manager for the offering

Redgate Capital AS, started its operations in 2008, is the leading investment banking company in the Baltics having advised more than 3 billion euros worth of debt, real estate, M&A, and equity raising transactions.

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Appendix 1. SBA Furniture Group financials

Consolidated balance sheet, EUR k	2021	2022	2023[1]
Intangible assets	1,033	1,785	2,116
Tangible assets	163,769	171,494	162,577
Other long-term assets	27,549	28,376	26,563
Long-term assets	**192,351**	**201,655**	**191,256**
Inventories	65,863	61,920	44,371
Trade receivables	9,282	4,987	8,353
Other short-term assets	10,505	13,434	15,448
Cash and cash equivalents	2,954	4,387	5,333
Short-term assets	**88,604**	**84,728**	**73,505**
ASSETS	**280,955**	**286,383**	**264,761**
Share capital	11,002	11,002	11,002
Own shares	-1,547	-1,547	-1,547
Reserves	8,073	8,151	8,327
Retained earnings	48,391	29,046	35,520
Non-controlling interest	5,376	5,443	5,355
EQUITY	**71,295**	**52,095**	**58,657**
Long-term interest-bearing liabilities	81,779	124,918	115,310
Other long-term liabilities	5,743	7,125	6,415
Long-term liabilities	**87,522**	**132,043**	**121,725**
Short-term interest-bearing liabilities	59,466	53,048	43,778
Trade payables	45,592	34,506	26,179
Other short-term liabilities	17,080	14,691	14,422
Short-term liabilities	**122,138**	**102,245**	**84,379**
EQUITY AND LIABILITIES	**280,955**	**286,383**	**264,761**

Consolidated income statement, EUR k	2021	2022	2023[1]
Revenue from contracts with customers	360,740	388,967	333,528
Cost of sales	-333,315	-363,059	-296,456
Gross profit	**27,425**	**25,908**	**37,072**
Operating expenses	-25,616	-51,316	-23,200
Reversal of impairment loss on financial assets	22	-15	0
Other operating income	900	458	2,957
Other operating expenses	-200	-317	-246
Operating profit (loss)	**2,531**	**-25,282**	**16,583**
Financial income	353	9,298	135
Financial expenses	-3,071	-4,503	-8,590
Profit (loss) before tax	**-187**	**-20,487**	**8,128**
Income tax	509	1,291	112
Net profit (loss) from continuing operations	**322**	**-19,196**	**8,240**
Net loss from discontinued operations	0	0	-176
Net profit (loss)	**322**	**-19,196**	**8,064**

Comment on the net profit of 2022

At the end of the year, the EUR 35m investment in the Belarusian manufacturing company MEBELAIN was fully written off. Since it is a non-monetary event, its influence on the result should be eliminated to see the real picture.

Source: Company's information
[1] Unaudited