



**AB "ROKIŠKIO SŪRIS"
CONSOLIDATED INTERIM REPORT
AND CONSOLIDATED FINANCIAL
STATEMENTS**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024



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GENERAL INFORMATION

1. Reporting period for which the half-yearly consolidated report and consolidated financial statements are prepared

The half-yearly consolidated report and the consolidated financial statements are prepared for the first six months of 2024.

2. Key data on the issuer:

Name of the issuer:	Joint Stock Company "Rokiškio sūris" (hereinafter referred to as the Company)
Legal form:	Public limited liability company
Date and place of registration:	28 February 1992. State Enterprise Registru centras
Company code:	173057512
Address:	Pramonės str. 3, LT 42150 Rokiškis, Republic of Lithuania
Keeper of the register of legal persons:	State Enterprise Registru centras
Telephone number:	+370 458 55200
Fax number:	+370 458 55300
Email address:	rokiskio.suris@rokiskio.com
Website address:	www.rokiskio.com
ISIN code:	LT0000100372
LEI (Legal Entity Identifier) code:	48510000PW42N5W74S87
Trading code AB Nasdaq Vilnius	RSU1L

3. Information on the Company's group of companies

As at 30 June 2024, the Rokiškio sūris Group (the "Group") consists of the parent company Rokiškio sūris AB and five subsidiaries. (30/06/2023: parent company and five subsidiaries).

Parent company:

Rokiškio sūris, AB (registration number 173057512, Pramonės g. 3, LT-42150 Rokiškis).

Subsidiaries of Rokiškio sūris, AB:

Rokiškio pienas, UAB, address of the registered office Pramonės g. 8, LT-28216 Utena. Registration number: 300561844. Rokiškio sūris, AB is the founder and the sole shareholder of Rokiškio pienas, UAB, holding 100% of shares and votes.

Rokiškio pieno gamyba, UAB, address of the registered office Pramonės st. 8, LT-28216 Utena. Registration number: 303055649. Rokiškio sūris, AB is the founder and the sole shareholder of Rokiškio, UAB, pieno gamyba, holding 100% of shares and votes.

Latvian company SIA Jekabpils piena kombinats (registration number 45402008851, address of the registered office Akmenu iela 1, Jekabpils, Latvia LV-5201). Rokiškio sūris, AB holds 100% of shares and votes in the company.

Latvian company SIA Kaunata (registration number 240300369, address of the registered office Rogs, Kaunata pag., Rezeknes nov., Latvia). Rokiškio sūris, AB holds 40 percent of member shares in the company, whereas Rokiškio pienas, UAB, holds 20 percent of member shares in the company.

DairyHub.LT, UAB (company code 305831304, registered office address Kauno str. 65, LT-20118 Ukmergė). Rokiškio sūris, AB is the founder and sole shareholder of DairyHub.LT, UAB, holding 100 % of shares and votes.

4. Types of main activities of the Company and the Company group

Main activities of Rokiškio sūris, AB group:

- **Operation of dairies and cheese making (NACE 10.51)**

Rokiškio sūris, AB:

The main activity of Rokiškio sūris, AB is production and sale of fermented cheeses, whey products, skimmed milk powder.

Subsidiaries:

The main activity of UAB Rokiškio pienas is sale of fresh milk products and fermented cheeses.

The main activity of UAB Rokiškio pieno gamyba is production of fresh milk products (milk, kefir, sour milk, butter, curd, curd cheese, sour cream, glazed curd cheese bars, desserts).

The activity of SIA Jekabpils piena kombinats is purchase of raw milk.

The activity of SIA Kaunata is purchase of raw milk.

UAB "DairyHub.LT" - preparation and sale of hard cheeses to the final consumer in different parts of the world.

5. Strategy and objectives of the Group

In order to ensure that all members of the Company's governing bodies have a clear understanding of the Company's goals, directions and objectives, the Company's strategy is being developed to set out long-term strategic goals and objectives.

The Rokiškio sūris Group is guided in its activities by a 3-year strategic plan approved by the Board, the main provisions of which are set out below:

MISSION:

AB "Rokiškio sūris" = Trusted Dairy Professionals

VISION:

Sustainable processing more than 1 million tonnes of raw milk per year, as Lithuania turns into Baltland.

GOALS:

- Leadership in the dairy sector in the region
- Flexible production of premium quality products and sales that exceed customer expectations

- To be the most attractive and reliable partner for dairy farmers
- To continuously increase value for shareholders
- Achieving sustainability objectives along the entire chain of operations

WE SEEK OUR GOALS BY:

- Increasing the volume of purchased and processed milk by 5 percent annually.
- Aiming at 3 percent annual net profit rate.
- By continuously reducing gas emissions, energy and water consumption and the use of non-recyclable packaging in the production processed.

6. Key events in the reporting period

- Ordinary General Meeting of Shareholders of AB "Rokiškio sūris" held on **30 April 2024**:
 1. Agreed to the Audit Committee's report;
 2. Approved the audited consolidated and Company financial statements for 2023;
 3. Approved the allocation of profit/loss for 2023:

Title	k EUR
1. Non-distributed profit (loss) at beginning of year	84 4876
2. Approved by shareholders dividends related to the year 2022	(5 251)
3. Transfers from other reserves	1 167
4. Other comprehensive income during the year	(33)
5. Non-distributed profit (loss) at beginning of year after dividend payout and transfer to reserves	80 369
6. Net profit (loss) of the Company of fiscal year	1 800
7. Distributable profit (loss) of the Company	82 169
8. Profit share for mandatory reserve	-
9. Share of profit allocated to the reserve for the acquisition of own shares	(6 300)
10. Profit share for other reserves	-
11. Profit share for dividend payout *	(5 251)
12. <i>Profit share for annual payments (tantiemes) to the Board of Directors, employee bonuses and other as accounted by Profit (loss) statement</i>	(30)
13. Non-distributed profit (loss) at end of year transferred to the next fiscal year	70 588

It will be allocated 0.15 EUR per ordinary registered share. In total to the dividends payout EUR 5,251,004.40

4. Approved the company's remuneration report;
5. Decided in regards with the acquisition of own shares:

To acquire treasury shares in the Company at the following conditions:

5.1 The purpose of the acquisition of own shares is to reduce the Company's authorised capital by cancelling treasury shares. Following a change in the priorities of the Company's strategic investor, this investor's expressed wish to sell its shares to the Company, which had issued the shares in the first place, and to ensure that all interested shareholders are able to sell their shares;

5.2 The maximum number of shares that may be acquired - the total nominal value of the Company's treasury shares may not exceed 1/10 of the Company's share capital.

5.3 The period within which the Company may acquire its own shares is 18 months from the date of adoption of this Decision;

5.4. Maximum and minimum acquisition price of shares - the maximum acquisition price of one share shall be EUR 2.94 per ordinary registered share of AB "Rokiškio sūris". The minimum acquisition price per share shall be EUR 1,98 per ordinary registered share of AB Rokiškio sūris;

5.5 Procedure for the sale of treasury shares and minimum sale price - treasury shares will not be sold, but will be cancelled by a decision of the General Meeting of Shareholders to reduce the Company's authorised capital;

5.6 To instruct the Management Board of the Company, in accordance with the conditions set out in this Decision and the requirements of the Law on Joint Stock Companies of the Republic of Lithuania, to take decisions on the acquisition of the Company's own shares, to organise the purchase and sale of own shares, to determine the procedure for the purchase of the shares, the granting of the shares and the sale of the shares, the timing, the number of the shares and the price of the shares and to carry out any other action related to the purchase and sale of the own shares.

The Company had a reserve of EUR 10,850 thousand for the acquisition of its own shares in accordance with the previous decisions of the General Meeting of Shareholders. The draft resolution proposed at this General Meeting of Shareholders increases the reserve for the acquisition of treasury shares to EUR 17 150 thousand.

As from the date of adoption of this decision, the decision of the General Meeting of Shareholders of 28 April 2023 on the acquisition of treasury shares shall expire.

6. The updated Remuneration Policy of AB "Rokiškio sūris" is approved.

7. Reserve for the acquisition of own shares is increased to EUR 17 150 thousand (seventeen million one hundred and fifty thousand euro).

- **Strategic investor Fonterra has decided to withdraw from the capital of AB Rokiškio sūris**

The strategic investor Fonterra has decided to exit its minority interest in AB Rokiškio sūris as part of a long-term strategic investment review. The cooperation in dairy processing and product marketing will continue on mutually acceptable and beneficial terms.

The major shareholders of the Company have agreed that the exit will be carried out by Fonterra (Europe) Coöperatie U.A. by selling its 3,586,797 shares to the Company. The expected share price is EUR 2,2 per share.

AB Rokiškio sūris plans to repurchase its shares through the official offering market of AB Nasdaq Vilnius Stock Exchange. All shareholders of the company may submit orders to sell shares. The number of shares to be bought back will be calculated in proportion to the number of shares submitted.

The share repurchase is planned for May 2024. If the shares are repurchased up to 1/10 of the Company's share capital, the shares will be cancelled. A further public buyback will then be announced at the same price (EUR 2.2 per share). This procedure will be repeated until Fonterra (Europe) Coöperatie U.A. has sold to the Company all of its 3,586,797 shares.

- **On the acquisition of own shares in AB "Rokiškio sūris"**

The Management Board of Rokiškio sūris AB, in accordance with the decision of the Ordinary General Meeting of Shareholders of Rokiškio sūris AB held on 30 April 2024, decided on 16 May 2024 to repurchase the ordinary registered shares of Rokiškio sūris AB with a nominal value of EUR 0.29 (twenty-nine euro cents). A reserve of EUR 17 150 thousand has been created for the acquisition of own shares. The shares will be repurchased through the Nasdaq Vilnius Stock Exchange's official bidding market.

Put orders are accumulated over the lifetime of the share purchase. If the supply of shares exceeds the number of shares to be acquired, all sellers of shares will have their number of shares reduced proportionately.

Acquisition terms:

Start date: 20 May 2024

Closing date: 24 May 2024

Maximum number of shares to be acquired: 2 725 523 units.

Total maximum acquisition price: EUR 5 996 150,60.

Acquisition price: EUR 2,20 per share.

- **AB Rokiškio sūris repurchased 10% of its own shares**

AB Rokiškio sūris has completed the repurchase of its own shares through the Nasdaq Vilnius Stock Exchange's official offering market. During the repurchase period from 20 May 2024 to 24 May 2024, the Company purchased the full maximum number of shares to be repurchased, i.e. 2,725,523 units.

The total amount of the share purchase transaction is EUR 5,996,150.60.

The shares will be settled on 28 May 2024.

Together with the previously acquired treasury shares, the Company will hold 3,586,797 treasury shares amounting to 10% of the Company's share capital.

- **Information on the shares issued by AB "Rokiškio sūris" and the votes granted**

Following the acquisition of 10% of its own shares by AB Rokiškio sūris (hereinafter referred to as Company), in accordance with Article 19(2) of the Law on Securities of the Republic of Lithuania, the Company shall provide the information on the total number of voting rights attached to all of the issued shares of the Company and the amount of the authorised capital, the number of the shares and the nominal value of the shares as at 28 May 2024:

Share class	Ordinary registered shares
ISIN code	LT0000100372
Number of shares, units.	35,867,970
Nominal value of 1 share, EUR	0.29
Company's authorised capital, EUR	10,401,711.30
Number of own shares, units.	3,586,797
Number of votes attached to the total number of shares in issue, pcs.	35,867,970
Number of votes for calculating the quorum for the General Meeting of Shareholders	32,281,173

- **27 June 2024** Decisions made by the Extraordinary General Meeting of Shareholders of AB "Rokiškio sūris":

1. Reduction of the Company's authorised capital by cancelling the Company's repurchased shares.

Decision:

To reduce the authorised capital of AB "Rokiškio sūris" by EUR 1 040 171,13 (one million forty thousand one hundred and seventy-one euro and 13 cents) by cancelling the Company's 3 586 797 (three million five hundred and eighty-six thousand seven hundred and ninety-seven) ordinary registered shares with a nominal value of EUR 0.29 each.

After cancellation of its own repurchased shares, the authorised capital of Rokiškio sūris AB shall amount to EUR 9 361 540,17 (nine million three hundred and sixty-one thousand five hundred and forty euros and 17 cents) divided into 32 281 173 (thirty-two million two hundred and eighty-one thousand one hundred and seventy-three) ordinary registered shares, with a nominal value of EUR 0,29 per share.

2. Approval of the new version of the Company's Articles of Association.

Decision:

2.1 To approve the new version of the Articles of Association of the Company.

2.2. To authorise the Director of AB "Rokiškio sūris", Dalius Trumpas, to sign the new version of the Articles of Association of AB "Rokiškio sūris".

3. Acquisition of the Company's own shares.

3.1 The purpose of the acquisition of own shares is to reduce the Company's authorised capital by cancelling treasury shares. Following a change in the priorities of the Company's strategic investor, this investor's expressed wish to sell its shares to the Company, which had issued the shares in the first place, and to ensure that all interested shareholders are able to sell their shares;

3.2 The maximum number of shares that may be acquired - the total nominal value of the Company's treasury shares may not exceed 1/10 of the Company's share capital.

3.3 The period within which the Company may acquire its own shares is 18 months from the date of adoption of this Decision;

3.4 Maximum and minimum acquisition price of shares - the maximum acquisition price of one share shall be EUR 2.94 per ordinary registered share of AB "Rokiškio sūris". The minimum acquisition price per share shall be EUR 1,98 per ordinary registered share of AB Rokiškio sūris;

3.5 Procedure for the sale of treasury shares and minimum sale price - treasury shares will not be sold, but will be cancelled by a decision of the General Meeting of Shareholders to reduce the Company's authorised capital;

3.6 To instruct the Management Board of the Company, in accordance with the conditions set out in this Decision and the requirements of the Law on Joint Stock Companies of the Republic of Lithuania, to take decisions on the acquisition of the Company's own shares, to organise the purchase and sale of own shares, to determine the procedure for the purchase of the shares, the granting of the shares and the sale of the shares, the timing, the number of the shares and the price of the shares and to carry out any other action related to the purchase and sale of the own shares.

The Company has an unused reserve of EUR 9 943 thousand for the acquisition of own shares.

7. Significant events after the end of the financial year

There have been no significant events in the Company and the Group after the end of the reporting period (30.06.2024).

Data on publicly available information

In accordance with the procedure established by the laws of the Republic of Lithuania, all material events related to the Company's activities and information on the time and place of the General Meeting of Shareholders shall be published on the Company's website at www.rokiskio.com and on the stock exchange AB Nasdaq Vilnius <http://www.nasdaqbaltic.com>

INFORMATION ON THE ACTIVITIES OF THE COMPANY AND THE GROUP

8. Group operating environment

Basic provisions

Who we are:

- We process more than 500,000 tonnes of milk in three dairies.
- We produce and sell more than 35,000 tonnes of different cheeses.
- About two-thirds of our production is exported outside Lithuania.
- We are a responsible employer of more than 1 100 employees.

The Group's activities include the purchase of raw milk, the production of various dairy products and their sale on the Lithuanian and export markets.

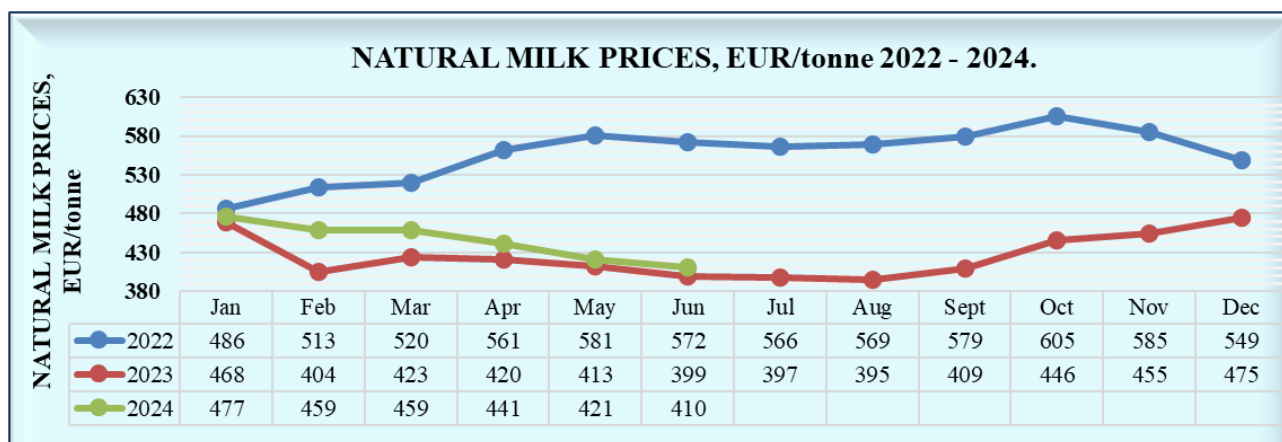


Purchase of raw milk

In Lithuania, according to the preliminary data of the LDCs, in January-June 2024, approved milk buying companies bought 676,954 thousand tonnes of milk with an average fat content of 4.21% and a protein content of 3.43% from 10,849 milk producers. Compared to January-June 2023, milk purchases increased by 6.85% or 43.4 thousand t. Compared to the same month in 2023, milk purchases were higher in all months of 2024. Overall, the number of cows and the number of farms

selling milk in Lithuania continues to decrease. In June 2024, 210,507 thousand dairy cows were registered, i.e. 6.1% or 13.6 thousand less dairy farmers compared to the same period in 2023. Although the number of cows in Lithuania is decreasing, milk production is increasing. The growth is driven by the increase in the size of dairy farms and the increase in cow productivity.

Here is a comparison of the buying-in prices for natural milk of the Rokiskio suris AB group for 2022-2023-2024, for milk bought in from milk producers of European size, selling more than 40 t of milk per month:



The graph shows that the buying-in price for raw milk in 2024 decreased slightly between January and June, but remained above the buying-in price for the same period in 2023. The fall in buying-in milk prices is not only limited to Lithuania, but also to other European Union countries. According to the European Commission's (EC) Agricultural Market Output Report for the first quarter of 2024, milk prices fell by an average of 12% across the EU. Milk prices are dictated by global markets. However, we have the distinctive feature in the Baltic markets that we are, first of all, a small market. Therefore, these fluctuations happen very quickly, maybe not going up so quickly, but going down quickly. However, the EC forecasts a 4-6% increase in milk purchase prices in the second half of 2024.

Production of Dairy Products

The production of dairy products in the Rokiškio sūris Group is carried out in the cities of Rokiškis (AB Rokiškio sūris), Utena (UAB Rokiškio pieno gamyba) and Ukmergė (UAB DairyHub).

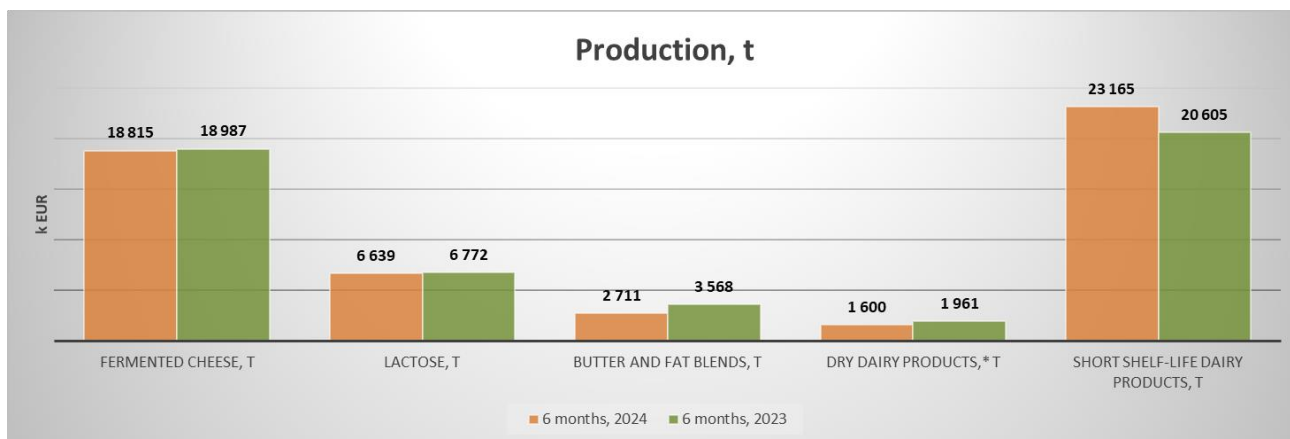
- AB Rokiškio sūris (Rokiškis) specialises in the production of fermented cheeses and whey products. It also produces processed and processed smoked cheeses.
- UAB "Rokiškio pieno gamyba" (Utena) specialises in the production of fresh dairy products, whey protein concentrate, milk flour, and butter and butterfat blends.
- UAB "DairyHub" (Ukmergė) specialises in cutting and packaging of hard cheese "Grand" produced by AB "Rokiškio sūris" (Rokiškis).

The products of the Rokiškio sūris Group are well-known not only in the local but also in the export markets. This is due to the high quality of the products, which can compete with dairy products from all over the world.

Comparison of production volumes of AB ROKIŠKIO SŪRIS (tonnes)

Production / Year	6 months 2024	6 months 2023	Change, %
Fermented cheese, t	18,815	18,987	4.2
Lactose, t	6,639	6,772	6.7
Butter and fat blends, t	2,711	3,568	0.5
Dry dairy products,* t	1,600	1,961	29.1
Short shelf-life dairy products, t	23,165	20,605	-5.7

* - Whey protein concentrate, skim milk powder, buttermilk powder.



Comparing the first half of 2024 with the same period in 2023, the volume of milk processed in the Group decreased by 4.9%. The production of fresh dairy products increased by 12.4% in the first half of 2024, resulting in a decrease in the production of fermented cheeses.

The production of fermented cheeses decreased by 0.9% in the first half of 2024 compared to the first half of 2023. The volume of hard cheeses is 51.1% lower than in the same period of 2023. Semi-hard cheese production is 5.9% higher, while fresh cheese production increased by 44.2%. The changes in the range are driven by market demand and price changes.

Milk sugar production in the first half of 2024 is 2% lower than in the same period in 2023. The volume of dry dairy products (whey protein concentrate, skimmed milk flour, buttermilk flour) is decreased by 18.4% compared to the same period last year.

The production of butter and spreadable fat mixtures decreased by 24%.

The development of Rokiškio GRAND hard cheese has received the most attention and the search for a unique taste, and the responsible preparation of the cheese has taken probably the longest time in the history of Lithuanian cheese. Maturing the largest cheese head in Lithuania - ~35 kg - brings out the best qualities of hard cheese. One head of Rokiškio GRAND cheese uses half a tonne of the highest quality milk, which, after careful work and attentive maturation, produces a head of cheese of this size. And this is just one of the unique features of this special cheese. The essential ingredients for a truly great cheese are: knowledge and experience, people, quality raw materials and the right ripening conditions. "The taste of Rokiškio GRAND cheese is irresistible even to the most discerning gourmets of the world. For the third time, the International Taste Institute in Brussels has awarded this Lithuanian hard cheese gold stars in the prestigious Superior Taste Award 2022! Made in Rokiškis - recognised worldwide! Rokiškio GRAND hard cheese with a subtle, elegant taste.



In order to compete successfully and expand outlets and improve processes, the food safety system was re-certified in 2024 to the *International Food Standard* (IFS) and reassessed with Higher Level certification. This rating confirms that dairy products are produced in accordance with the highest food safety and quality standards.

9. Group sales

The consolidated unaudited sales of AB Rokiškio sūris Group for the period from January to June 2024 amounted to EUR 174,808 thousand, i.e. an increase of 18.03% compared to the same period of the previous year. Consolidated sales for the same period in 2023 amounted to EUR 148 106 thousand.

Most of the company's production is exported. AB Rokiškio sūris exports its production to 46 countries worldwide (2023: 32 countries). Italy continues to be the main and largest buyer of production. As in every year, in 2024 the company's production was exported mainly to Western European countries and, compared to the first half of 2023, sales to European countries increased by 35% across all product groups.

The main reasons for the increase in sales to European countries were the increase in the prices of fermented cheeses, fresh cheeses compared to the first half of 2023, and the very strong increase in the market price of milk proteins. Almost all of the company's milk proteins are sold in European Union countries.

Sales to the US continue to decline by 15% in 2024 compared to 2023, driven by the fact that many existing customers have started to buy domestically produced hard cheese, which is not comparable to its European counterpart in terms of selling price and is sold at a significantly lower value.

Compared to 2023, the company has reduced butter sales to the Middle East market by 18%. This significant decrease is due to the fact that in the first half of the year it was more profitable for the company to sell cream than to produce butter, as the price of cream was higher when converted into butter per unit of fat.

As in the past, the Group continued to sell its usual products - milk and buttermilk flours and additional products from the cheese-making process, such as IBK and lactose - on export markets. In the first half of 2024, prices for whey flour concentrate recovered strongly, while demand for this product increased.

The main export destinations for Grand cheese in the first half of 2024 are Greece, Italy, UAE and Ukraine. One of the Rokiškio sūris Group's biggest goals remains the further penetration of hard cheeses, in particular Grand, into the European retail/Horeca market, i.e. to increase the sales of value-added cheeses, which is currently being worked on intensively and is already showing good results. The rapidly rising raw material prices dictate that we sell as much value-added as possible and gradually reduce the production and sales of raw cheese.

Sales on the local market

January - June 2024 the turnover of the Rokiškio sūris Group in the local market amounted to EUR 57.506 million, whilst in the first half of 2023 it was equal to EUR 52.800 million.

The domestic market accounts for ~33% of the company's sales portfolio.

The domestic market showed moderate growth in the first half of 2024, with a 9% increase in production turnover and a similar increase in production volumes of around 4200 tonnes per month. The strongest gains were achieved in the sour cream and cottage cheese categories (more than a third compared to the first half of 2023).

Output prices have been on a slight downward trend, which is expected to level off in the second half of the year.

The company's products and brands (Rokiškio; Rokiškio Naminis; Rokiškio GRAND; BiFi Active and others) are widely known and appreciated by Lithuanian consumers, and the company's future goals are to maintain/increase the share of the domestic market. Rokiškio Grupė's strongest positions

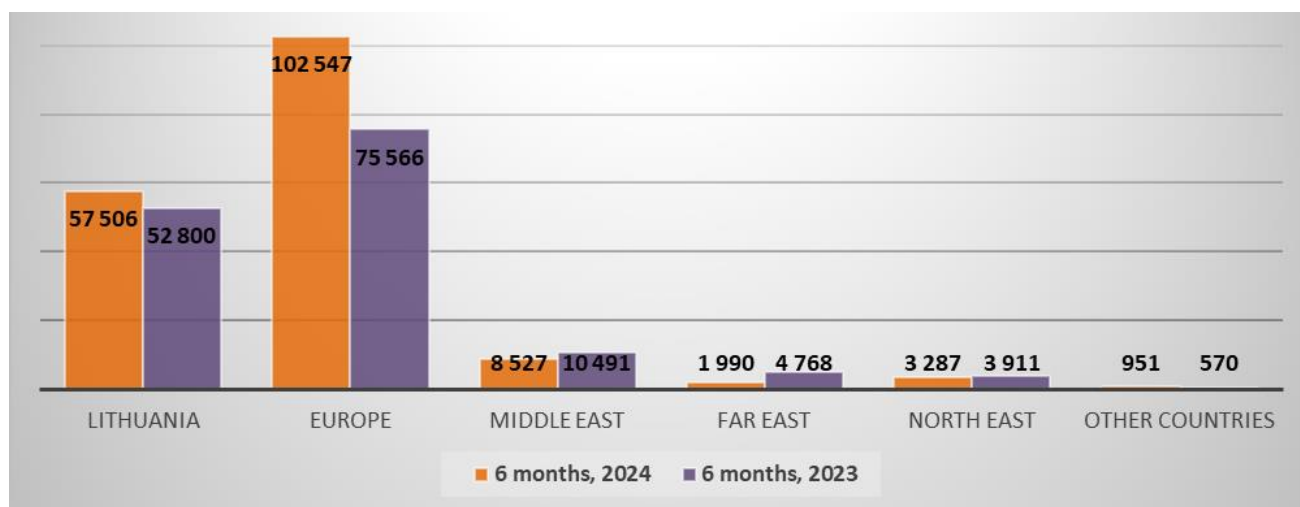
are in the categories of sour dairy products (kefir, buttermilk), cheese, processed cheese, sour cream and butter. In recent years, the curd line has been substantially modernised in the Utena production unit, allowing the most efficient technology and the highest quality product on the market.

Another notable trend is the increasing share of private labels in the portfolio of supermarkets, which has risen to several tens of percent in some categories. In response to the needs of its partners, the company is also present in this segment.

Accordingly, the number of private label SKUs on the shelves is decreasing, with the number of SKUs in the company's portfolio dropping from 160 to 125 over the years. In line with the trend, the company is trying to manage its retail portfolio efficiently, with a view to eliminating shrinking segments while maintaining mass production, and is looking for opportunities to achieve shelf-life periods that are attractive to retailers.

Group Sales by Market

Countries	Sold				
	Jan-Jun 2024		Jan-Jun 2023		Change %
	kEUR	%	kEUR	%	
Lithuania	57 506	32.90	52 800	35.65	+8.91
Europe	102 547	58.66	75 566	51.02	+35.70
Middle East	8 527	4.88	10 491	7.08	-18.72
Far East	1 990	1.14	4 768	3.22	-58.26
North America	3 287	1.88	3 911	2.64	-15.95
Other countries	951	0.54	570	0.38	+66.84
TOTAL:	174 808		148 106		+18.02



10. Products, brands and achievements

1st half of 2024 AB ROKIŠKIO SŪRIS Group has received a high rating from the **EcoVadis** sustainability system. It scored 62 points. We are proud of the high environmental score (80 points), but we still need to improve in other areas. Excellent results.



According to an independent study conducted by SB Insight, a research company based in Sweden, AB ROKIŠKIO SŪRIS was ranked among the top 20 most sustainable brands for the fourth consecutive year.

According to the researchers, the Sustainable Brand Index reveals how consumers perceive a brand through the lens of sustainability, in line with the United Nations Sustainable Development Goals (SDGs).

Keeping traditions alive is what we do best!

In March 2024, sour cream in a bag was added to the Rokiškis "Naminis" line. Sour cream fits perfectly in a line with high quality and deep traditions of Lithuanian dairy production.



Spring also saw the launch of the cheeriest and sweetest new product from Rokiškis Pienas - Bifi Creamy yoghurts with granola. The yoghurts come in three unique flavours: with mango and passion fruit, with cherry and with strawberry. ROKIŠKIS Bifi Creamy double-layered creamy yoghurts with granola will leave you indifferent with their pleasantly smooth texture and the taste of ripe berries or exotic fruits, while the granola will add crunch and richness to this unique tasting dessert. ROKIŠKIO Bifi Creamy is a dollop of creamy dream!

Another spring new product is Rokiškis GRAND grated hard cheese with chips. Perfect for pasta, soups and salads. It is the ideal choice for both professional chefs and home cooks. At the same time, the packaging of Rokiškis GRAND cheese, the pride of AB Rokiškis sūris, has been renewed, with a visible and clear accent on the name and an update of other design details.



11. Risk factors and risk management

Risk is understood as the impediment to the achievement of objectives due to potential events and their potential impact on the business. The Company's objectives include both long-term strategic goals and specific actions related to operations. The Company's Board is responsible for managing the Company's risks and assessing the adverse impact on the objectives and results. The identification and management of specific risks is assigned to the relevant functions within the Company. The level of risk is assessed in both strategic and operational decision-making, taking into account the external and internal environment. Risk management is integrated into the Company's business processes, so that potential risks are continuously monitored and analysed.

The group's principal activity is milk processing. The dairy processing business is linked to raw material suppliers, competition in the raw milk market and fluctuations in raw milk prices. Shortages of raw milk, which lead to continuous volatility in milk prices, may affect the Issuer's results of operations.

Specialisation in the production of fermented cheeses accounts for the bulk of revenues. The cheese maturation process is rather long, which makes it difficult to react quickly to market changes and may affect the company's performance. In addition, there is strong competition for dairy products on the domestic and export markets, cheaper Polish products and the Russian market ban limits sales.

The Group's credit risk relates to receivables. The risk of default by counterparties is controlled. The Group has credit insurance cover for its customers. For customers with higher financial risks, a prepayment system is in place.

The Group's activities are subject to regular food safety, environmental and social responsibility audits. Food safety systems are in place and operational in the Group.

The company's products have specific Halal and Kosher quality certificates. Organic products are produced and labelled with additional information.

The Group's management aims to produce safe and quality dairy products with the lowest possible environmental impact.

The Group is constantly looking for opportunities to optimise production, reduce costs and minimise and manage risks.

Risk factors:

Risk factor	Source of risk	Risk management.
Economic factors: Supply of raw materials	Small farms; Seasonality; Competition; Lack of a long-term public regulatory framework. The evolution of raw milk prices during the winter and summer periods. Significant movements in milk prices on world markets.	To mitigate potential risks and their impact, milk producers are paid milk price premiums for long-term cooperation, higher milk quality, loyalty and balancing seasonality in milk production. The risk is managed by additional imports of milk from other countries (Estonia, Latvia) and by diversifying the purchase of raw milk from different sized suppliers in Lithuania.
Sales of products	The group's principal activity is milk processing. Its main product is rennet cheese. Revenue from the sale of cheese accounts for the majority of revenue. The company's revenue, profit and cash flow may be adversely affected by changes in demand and prices for	Finding alternatives to imports. Increasing the range of products. Finding new markets. Working with business partners. Risk assessment for each client.

	<p>cheese and other products such as milk sugar, butter, WPC on the markets. The production of long-ripened hard cheese is a lengthy technological process that lasts between 9 and 24 months. This lengthy process may adversely affect the company's cash flow and results of operations. Internal competition between local producers. Cheaper Polish production on the Lithuanian market. Increase in the volume and range of cheaper products from other EU countries.</p>	
<p>Environmental factors</p>	<p>Our activities consume large amounts of energy and natural resources. This poses a risk of environmental pollution directly and/or indirectly, as well as air pollution from technological installations.</p> <hr/> <p>Use of chemicals. This poses risks to workers, products and the environment.</p> <hr/> <p>Physical environmental pollution: noise, smell, light</p> <hr/> <p>Treatment of industrial and surface wastewater. Discharge of pollutants with industrial and surface wastewater.</p> <hr/> <p>Improper management of waste from operations poses a threat to the environment</p> <hr/> <p>Regulation and compliance. Risks are manifested in the high volume of regulation and change in legislation.</p> <hr/> <p>Environmental concerns of residents, neighbouring businesses and local authorities. The company is located in an industrial area of the city and is adjacent to both other businesses and residential areas.</p>	<p>Vehicle replacement, maintenance, control of operating conditions. Choosing energy suppliers. Resource saving, accounting and control measures. Process control, automation, modernisation. Monitoring the use and impact of natural resources.</p> <hr/> <p>Employee training, personal protective equipment. Accounting and control. Process automation.</p> <hr/> <p>Control measurements and assessment. Deploying technical tools. Focus on design.</p> <hr/> <p>Maintenance, operating conditions, process control. Pollutant concentration studies, emission accounting. Use of reserves at a municipal wastewater treatment plant. Cleaning and maintenance of sand oil traps and sewers.</p> <hr/> <p>Waste sorting and accounting. Ensuring proper storage conditions. Process management, staff training. Transfer to legitimate processors.</p> <hr/> <p>Certified management system compliant with ISO 14001:2015 Environmental Management Systems. Requirements and guidelines for use. Continuous evaluation of legislation and developments. Reporting, evaluation of established reports.</p> <hr/> <p>Disseminating information about company news in the local press and on the internet. Active cooperation with local authorities, residents and business communities. Assessment of the impact of planned activities in accordance with the</p>

		<p>established procedures</p> <p>In the production areas, climate control systems are installed, which not only maintain the set temperature and humidity parameters, but also work in a recuperative mode.</p>
<p>Energy risks</p>	<p>We consume a lot of electricity, heat and water in our operations. All production and non-production equipment relies on electricity to operate. This poses a risk to the uninterrupted supply of electricity. Electricity, heat (steam) and water supply influence the production and technological processes.</p>	<p>Electricity is supplied by an independent energy supplier under the terms of a contract. Distribution is provided by the Energy Distribution Operator.</p> <p>Medium-voltage switchgear is fed from two independent sources, which feed the power transformers. If one substation loses voltage, the other is immediately energised.</p> <p>We have installed 90 MW of solar power plants.</p> <p>Heat energy is supplied by centralised urban heating networks using biofuels (wood) in Rokiškis and Utena. We also produce our own heat with two boiler plants in Utena and Ukmergė which use natural gas.</p> <p>Strict contractual conditions for the supply of thermal energy (steam), defining maximum requirements for pressure and temperature. Installed steam metering to control and ensure consumption and demand of the respective workshops. Boilers for hot water production.</p> <p>The heat pumps recover some of the heat from the environment and reduce the amount of heat energy purchased.</p> <p>Rokiškis receives most of its water supply from its own waterworks and treats wastewater in its own plants.</p> <p>The technological operation of wastewater treatment plants is strictly controlled, and monitoring is carried out and reports are submitted and made public in accordance with the established procedures. Part of the water is purchased from the city's waterworks and part of the wastewater is managed by the city's water management company. The water supply and wastewater treatment services for companies in Utena and Ukmergė are provided by the urban water management companies.</p>
<p>Food safety and quality</p>	<p>In order to achieve one of the most important objectives of Rokiskio suris AB - to ensure food safety and quality and to avoid product recalls, the existing and potentially dangerous risk factors (biological, chemical, physical) have been identified, and the</p>	<p>Based on the level of risk identified and the methodology approved by the <i>Codex Alimentarius</i> Commission, categories of control measures are identified and control measures are defined.</p>

	<p>favourable conditions for their occurrence and increase have been analysed. The risk assessment consists of an evaluation of the likelihood of the risk factor occurring and the severity of the consequences.</p> <p>Risk assessment covers the entire production chain, from the purchase of raw materials to delivery to the customer.</p>	<p>Identification of key control measures for the main risk factors at play;</p> <p>Assessing the effectiveness of operational controls to reduce risks to an acceptable level;</p> <p>Developing the necessary action plans to improve the control system;</p> <p>Regular risk management and monitoring of targets.</p>
<p>Information security</p>	<p>IT risks relate to the use of illegal software, lost and unrecoverable data, and data vulnerabilities.</p>	<p>Only legal, licensed IT software is used to avoid potential threats.</p> <p>A configurable firewall is used to protect against unauthorised access to the company from outside.</p> <p>Unauthorised access to data is limited to those rights and roles that are necessary for their work.</p> <p>A test environment is used to test changes to applications. Data loss is prevented by backing up data.</p> <p>All company computers have anti-virus software installed.</p> <p>Old computer equipment is replaced by new equipment with supported software versions.</p>
<p>Occupational risk factors: Physical factors:</p>	<p>Inadequate workplace design;</p> <p>Non-compliance with the general minimum requirements for work equipment;</p> <p>Mobile self-propelled, non-self-propelled work equipment;</p> <p>Potentially hazardous installations;</p> <p>Stability and robustness of structures;</p> <p>Escape routes and exits;</p> <p>Fire detection and extinguishing;</p> <p>Electric current;</p> <p>Activities of other companies in the provision of services and other work for the company.</p>	<p>Workplaces and work equipment are maintained. Any deficiencies that may affect workers' health and safety are corrected.</p> <p>Controls for work equipment shall be clearly visible, identifiable and labelled. The work equipment shall have a control system that allows it to be brought to a complete and safe stop. Emergency stop devices shall be provided for this purpose. Where there is a risk of injury to a worker as a result of mechanical contact with moving parts of the work equipment, such parts shall be covered by guards and protective devices shall be fitted to prevent access to dangerous areas.</p> <p>Work equipment shall bear the necessary safety and health signs to ensure the safety of workers. Workers shall receive appropriate information on the use of work equipment, on-the-job training and instruction, i.e. they shall be made aware of the hazards they may encounter from work equipment.</p> <p>Mobile work equipment shall be so arranged and constructed as to expose the worker to minimum risk. Such equipment is subject to regular maintenance, training and periodic health checks.</p>

	<p>Potentially hazardous installations are operated in accordance with the Law on the Maintenance of Potentially Hazardous Installations. Maintenance of potentially hazardous installations is carried out. Employees working with potentially hazardous equipment are trained, periodically checked for their knowledge and periodically checked for their health.</p> <p>To ensure the stability and robustness of buildings, maintenance is carried out in accordance with the technical building regulations.</p> <p>Evacuation routes are maintained and signposted.</p> <p>Fire extinguishing equipment and fire safety engineering systems are appropriate for the size and purpose of the buildings, the equipment in the buildings, the nature of the materials stored in the buildings, and the number of employees in the workplaces. Fire extinguishers and fire safety engineering systems are subject to maintenance testing. Fire extinguishing equipment is labelled. Workplaces are equipped with a ventilation system. Ventilation equipment is maintained and updated. Fire safety training and drills are organised for staff.</p> <p>Hazardous areas in workplaces are marked.</p> <p>Workstations have strong, stable floors. Workers are provided with special footwear that is slip-resistant. Electrical installations shall be installed in such a way as to avoid the risk of fire or explosion and to protect workers from direct or indirect contact with electrical installations. Periodic resistance measurements of electrical installations shall be carried out in accordance with the procedures laid down by law.</p> <p>In order to ensure the safety and health of workers, avoiding risks arising from the activities of another undertaking and risks to their workers from the activities of the company, a description of the procedures for cooperation and coordination shall be drawn up and coordinating persons shall be appointed.</p>
<p>Physical: Noise</p>	<p>Work equipment Use of personal protective equipment, compulsory health checks for noise, training for workers.</p>

Lighting	Inadequate or poorly installed and maintained lighting in workplaces is a major occupational risk factor, affecting workers' emotional stress, reducing productivity and increasing the number of accidents.	Occupational risk assessments measure lighting in workplaces. If the lighting does not meet the hygiene standards, the luminaires are replaced with new LED luminaires. The advantages are lower energy consumption, longer lifetime and higher efficiency.
Chemical factors:	Use of chemicals in laboratory testing, cleaning of work equipment and facilities.	High-pressure washing stations are installed to fully control the doses of chemicals needed for cleaning and disinfecting rooms and to improve staff conditions. Occupational risk assessments are carried out in workplaces where chemicals are used. Mandatory health checks. Information and training for workers. Use of personal protective equipment where hazardous chemical agents are likely. Artificial ventilation system in place.
Ergonomic factors:	Manual work exists in many workplaces	An occupational risk assessment is carried out. An ergonomic risk assessment to prevent musculoskeletal disorders. Compulsory health screening. Manual and electric wheelchairs are used to reduce ergonomic risks. Lifts are also used. The company has introduced robotic technology to avoid heavy lifting. Job rotation is implemented.
Social factors:	Finding and recruiting staff.	Search for workers at the labour exchange. Cooperation with educational institutions. Recommendations from in-house staff. Attracting young professionals through special programmes. Adaptation programmes for new employees. Internal resources (to encourage employees to develop, retrain and upgrade their skills).
	Staff development, and integrating staff into work processes.	The company has a performance appraisal and development system. Staff development plans are drawn up annually, covering both internal and external training. Staff development plans are drawn up each year. Training is organised both by sending employees to external seminars organised by suppliers and internally. The company strives to build a stable workforce by fostering good relations, providing opportunities for development, growth, participation in

<p>Retaining staff and reducing turnover.</p>	<p>decision-making, and employee benefits under the Collective Agreement.</p> <p>These social factors do not depend solely on the actions of the company. The company may be forced to increase investment in robotic production processes, i.e. replacing manual labour with robots.</p> <p>The Collective Agreement is updated in 2023 to include more benefits for the company's employees. Employee engagement is promoted through social actions and various events that increase the sense of community and pride in the company.</p>
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12. Information on financial risk management objectives and hedging instruments used

The Company and the Group are exposed to various financial risks in the course of their business. The Group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to mitigate any potential negative impact on the Group's financial performance.

The Group is insured against general civil liability arising from its operations and damage to the Group's products or services. The insurance policy is valid worldwide.

Risk management is carried out by the Company's management. There are no written principles for the management of general risks.

13. Key features of internal control and risk management systems relevant to the preparation of the consolidated financial statements

The preparation of the Company's consolidated financial statements, internal control and financial risk management systems, and compliance with the legislation governing the preparation of the consolidated financial statements are supervised by the Audit Committee.

The consolidated financial statements of Rokiškio sūris AB and the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union.

The Audit Committee monitors the process of preparation of the Company's and Subsidiaries' financial statements, reviews IFRS to ensure that all changes in IFRS are implemented in the financial statements in a timely manner, analyses transactions material to the Company's and Subsidiaries' operations, ensures the collection of information from the Group's entities and the timely and accurate processing and preparation of that information for the purpose of the financial statements and informs the Company's Board of Directors of material internal control weaknesses in the financial statements identified by the external and internal audits, and makes recommendations for their correction.

The preparation of financial statements in conformity with IFRS involves making estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's knowledge of

current conditions and actions. The financial statements comprise the consolidated financial statements of the Group and the separate financial statements of the Company.

Subsidiaries (including special purpose entities) are entities in which the Group has control over the financial and operating policies. Such control is generally obtained by holding more than half of the voting shares. The existence and effect of any existing or convertible potential voting shares are taken into account in assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which the Group obtains control of those entities and are deconsolidated from the date on which control is lost.

The Audit Committee makes recommendations to the Board on the selection of the external audit firm and monitors the external auditor's and the audit firm's compliance with the principles of independence and objectivity.

14. Environment protection

The environmental policy of Rokiškio sūris AB is to strive for the efficient use of energy and natural resources, to reduce the negative impact on the environment, to implement pollution prevention measures, and to take care of the environment we live in. The Food Safety, Quality and Environmental Policy was updated on 14.01.2022 to promote a culture of sustainability among employees.

A Scope 1-2-3 assessment of the Group's greenhouse gas emissions for the year 2023 has been carried out in accordance with the GHG Protocol (GHG-greenhouse gases) and the Intergovernmental Panel on Climate Change (IPCC) guidelines.

All direct Scope 1 emissions are related to the Group's controlled activities: vehicle emissions, heat generation emissions, gas leakage. "Scope 2 emissions are indirect operational emissions generated by our energy suppliers (electricity and heat). We have included CO₂, CH₄, N₂O and fluorinated greenhouse gases (HFCs and PFCs) in the calculations, expressed as carbon dioxide equivalent.

Scope 3 assesses the areas that are most relevant to our work: 1. Purchased goods and services, 3. Fuel and energy related activities, 4. Upstream transport and distribution, 5. Waste generated in operations, 9. Transportation and downstream distribution.

With the extension of the Scope 3 calculations to Scope 2: Major Equipment, the calculations have been updated for the previous period in 2022 for the sake of comparability.

The 2023 Annual Financial Report is accompanied by a Corporate Social Responsibility and Sustainability Report for 2021. The latter has been prepared in accordance with the GRI standard (GRI-Global Reporting Initiative).

Our activities contribute mainly to the 10 Sustainable Development Goals, while in the environmental field we focus on 4 goals: 6 Clean Water and Sanitation, 7 Affordable and Clean Energy, 12 Responsible Consumption and Production, 13 Combating Climate Change.

We are committed to reducing Scope 1 and 2 greenhouse gas emissions by a quarter by 2025, and to becoming a neutral market player by 2050.

Internal environmental procedures govern the organisation's environmental and energy performance accounting activities. In accordance with these procedures, the data is analysed and presented to the management. Proposals are made to achieve targets and improve processes, improvement plans are drawn up and investments are made to implement the plans. We are committed to the Paris Agreement to keep temperature rise below 2°C and to work towards keeping global warming below 1.5°C. This is a science-based long-term goal.

The company has four environmental monitoring programmes to monitor and analyse potential environmental impacts. No adverse environmental impacts have been identified and reports are submitted to the Environmental Protection Agency.

A long-term strategic action plan is being developed to meet climate change targets. The company's customers are more and more interested in the actions of the company towards reduction of CO₂ emissions in its procedures, and this makes to put more effort.

More detailed information about the sustainability practices and figures are provided with the annual Social Responsibility and Sustainability Report.

15. FINANCIAL RESULTS OF THE OPERATIONS

Financial indices		2024 06 30	2023 06 30	Change	
				+/-	%
Sales revenue	thou. eur	174,808	148,106	+26,702	+18.03
Gross profit	thou. eur	20,248	13,227	+7,021	+53.08
EBITDA	thou. eur	13,710	6,615	+7,095	+107.26
EBIT	thou. eur	8,482	1,759	+6,723	+382.21
Operating profit	thou. eur	7,485	1,174	+6,311	+527.56
Profit before tax (EBT)	thou. eur	6,429	1,794	+4,635	+258.36
Fixed assets	thou. eur	91,870	87,621	+4,249	+4.85
Current assets	thou. eur	153,717	134,703	+19,014	+14.12
Total assets	thou. eur	245,587	222,324	+ 23,263	+10.46
Shareholders' equity	thou. eur	156,389	147,964	+8,425	+5.69
Profitability (%)					
Return on assets [ROA]	%	3.49	0.79	+2,70 p.p.	-
Return on equity [ROE]	%	4.05	1.20	+2.85 p.p.	-
Gross profit margin	%	11.58	8,93	+2.65 p.p.	-
EBITDA margin	%	7.84	4.47	+3.37 p.p.	-
EBIT margin	%	4.85	1.19	+3.66 p.p.	-
Return on constant capital employed [ROCE]	%	4.28	0.79	+3.49 p.p.	-
Profitability ratio	%	3.68	1.21	+2.47 p.p.	-
Financial structure					
Liabilities/equity ratio	coef.	0.57	0.50	+0.07	-
Equity to assets ratio	coef.	0.64	0.67	-0.03	-
Debt to equity ratio	coef.	1.89	2.14	-0.25	-
Market value indicators					
Number of ordinary registered shares	thout.	35,868	35,868	-	-
Price per share at end of period	eur	3.18	2.94	+0.24	+8.16
Market capitalisation at end of period	thou. eur	114,060	105,452	+8,608	+8.16
Share price to earnings per share ratio [P/E ratio]	coef.	15,90	58,80	-	-
Net earnings per share		0.20	0.05	-0.15	-

Ratio	Method of calculation	Meaning of ratio
EBITDA	Earnings before Interest, Tax, Depretiation and Amoritization	EBITDA – Operating profit before depreciation of fixed assets, amortization and impairment costs helps investors to assess the potential for profit before investing in fixed assets.
EBITDA margin	EBITDA / Income	EBITDA - the relationship with income shows the effectiveness of company performance
EBIT	Profit before tax and interest, i.e. net profit + income tax + financial activity costs.	EBIT – operational profit. EBIT is a very important indicator, as all liabilities to creditors are paid from the operational profit. This indicator well reflects the company's ability to generate cash flow.
EBT	Profit before tax, i.e. net profit + profit tax.	Profit before deduction of income tax and investing and financing activities at net value
Return on assets [ROA]	The ratio of EBIT for the past 12 months to the average of the total assets over the past 12 months.	This indicator shows how much the company's assets are effectively managed, i.e. share of net profit to every euro of the company's assets, which is one of the most popular valuation rates
Return on equity [ROE]	The ratio of the net profit of the last 12 months to the average equity of the last 12 months.	The return on equity shows how much euros of net profit is attributable to one euro of equity. This indicator is important for the shareholders, taking into account their past return on investment.
Returned on Capital Employed [ROCE]	The ratio of operating profit (EBIT) to operating income over the last 12 months and the average capital employed over the past 12 months.	The ROCE Profitability Index evaluates the recoverability of funds required by the firm for its regular operations. It is often compared to the loan rates on the market of that year. ROCE is considered to be above the cost of borrowed capital at that time.
Liability to equity ratio	Liability/Equity capital	The ratio of liabilities to equity shows what the total amount of long-term and short-term liabilities of the company is per euro of equity.
Debt-to-assets ratio	Financial debts (long-term + short-term) / Assets	Its a financial indicator comparing company's financial debts with its entire assets. The coefficient shows what part of the company's assets is financed by borrowed funds.
Debt-to-equity ratio	Financial debts (long-term + short-term) / Equity	This is one of the key financial leverage indicators. The debt-to-equity ratio shows how many euros of short-term and long-term debt are per euro of equity. In calculating debts, all liabilities of the company related to interest payment are assessed.
Debt ratio	Net Debt / Equity	The ratio of net financial debt to equity shows how many long-term and short-term financial debts related to interest payments minus available cash and other highly liquid short-term financial assets are attributable to one equity euro
General liquidity ratio	The ratio of current assets to current liabilities	The current liquidity ratio shows the ability of the company to settle short-term liabilities using its current assets.
Price/earnings ratio (P/E ratio)	Share price at end of period / (Net profit / Number of shares)	The share price/earnings ratio reflects how much investor pays for one euro of net profit earned by the company in the past

Net earnings per share	Net profit / Number of shares	period. Earnings per share show how much of the net profit earned by the company is attributable to one share in circulation.
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Profit/(loss) statement

As at 30 June 2024, the sales revenues of the Rokiškio sūris Group amounted to EUR 174 808 thousand. The main part of the revenue is 99% from sales of cheese and all other dairy products. The Group's sales revenue increased by 18% compared to 6 months 2023.

In the first half of this year, sales of fermented cheeses increased by 28% to EUR 19 560 000.

The increase in sales was mainly driven by a 24% increase in the selling price of fresh cheeses, while prices of Grand fermented cheeses increased by more than 5%.

Due to the changing global dairy market situation, cheese production in the first half of the year was more focused on fresh fermented cheeses. Hard cheese sales remained almost at the same level as in 2023.

Sales of milk sugar and other whey products were made under contracts, but at lower prices than in 2023. Other whey products were sold at higher prices than in 2023. The increase in sales volumes was therefore also influenced by. Sales prices of butter and export cream increased but did not have a significant impact on sales growth.

On the market for fresh dairy products, there were no significant changes in sales volumes, with a small increase of EUR 3 760 000 due to changes in prices and product mix.



Costs:

In the first half of 2024, the Group incurred costs of EUR 154 560 thousand, an increase of 14.5% compared to the same period in 2023 (EUR 134 879 thousand).

The main contributors to the change in costs were the increase in sales volumes and the increase in raw milk prices, as well as the increase in service prices.



AB Rokiškio sūris Group generated consolidated unaudited net profit of EUR 6 429 thousand in the first 6 months of 2024. In the first 6 months of 2023, the Group generated a consolidated net profit of EUR 1 794 thousand.

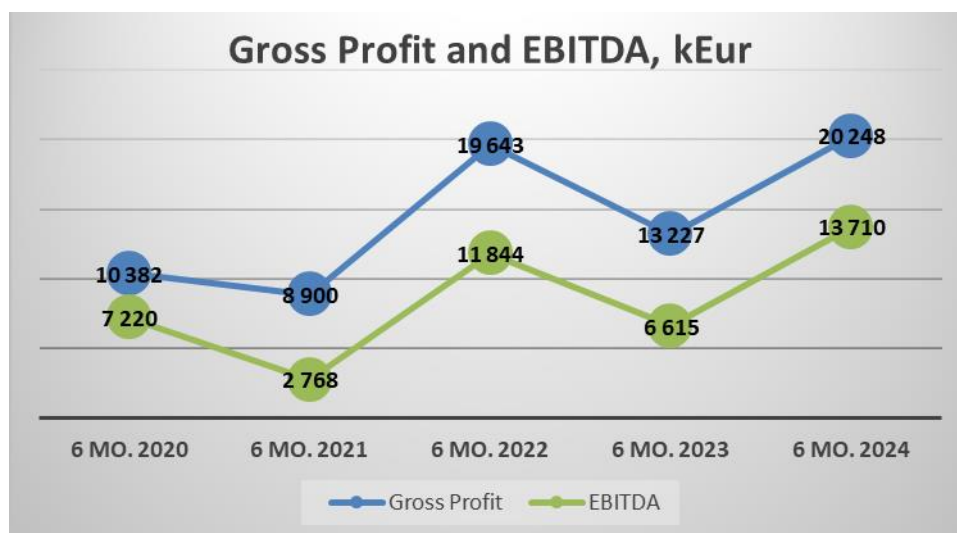
The Group's outperformance is due to a significant increase in the prices of fresh and grand-fermented cheeses and other whey products, as well as of fats (butter, cream) in the first half of 2024. Long-ripened hard cheeses were sold out of surplus but their production, when carried out at very high prices for raw materials, consumables and energy inputs, was sold during 2023 and therefore had a positive impact on the results for the first half of the year.



The operating profit margin for 6 months 2024 is 4.85%, while the operating profit margin for 6 months 2023 was – 1.19%.

EBITDA for the first half of 2024 amounted to EUR 13,710 thousand, i.e. 107.26% more than in the first half of 2023: (EUR 6 615 thousand).

The EBITDA margin for the first half of 2024 was 7.84% (first half year 2023: 4.47%).



16. Group business plans forecasts and investments 2024

The investment objective of AB Rokiškio sūris is to continue to increase the efficiency of production, focusing on production units, modernisation, repair and renewal of their equipment, as well as on energy resources (steam, electricity, compressed air), water distribution and preparation for production activities.

As every year, a lot of investment is being made in sustainability. The company continues to pursue its sustainability policy and business decisions towards sustainability are a long-term investment in the future. Sustainability remains an important criterion for the company. It also drives the direction of investment and change, which is why we are valued by our partners and customers.

This includes investments in heat pump efficiency improvements and digital process control modules.

The value of investments made by the Rokiškio sūris Group in the first half of 2024 is EUR 9 million.

The main and largest investments in the first half of the year, amounting to EUR 3.6 million, are the completion of the construction works at AB Rokiškio sūris: the construction of the Grand Cheese Warehouse was completed in the marketing department, the construction of the security post was completed, and the general renovation of the premises was finished.

The cheese ripening rooms have been renovated, the soft water preparation station has been reconstructed, the dairy scales have been installed with an automatic control system, and the control system of the cheese makers has been modernised by integrating them into a common control system.

In the first half of 2024 EUR 0.9 million were invested in the purchase of transport.

In the subsidiary UAB Rokiškio Pieno Gamyba, investments have been made in the modernisation of the yoghurt production and the butter production apparatus department.

Rokiškio sūris AB is a well-known professional in the dairy industry, which is pursuing key long-term development and sustainability goals, constantly looking for new innovative solutions. The Group's main and daily task is to increase its competitiveness in the region and in the international market, to develop new products that meet the highest safety and quality requirements.

Plans for sales markets

The most important and key challenge for the Company in 2024 is to launch and expand sales of Grand cheese in the retail and foodservice markets in the EU and the US. On the Lithuanian market, the Company plans to maintain sales at least at the current level (market share in Lithuania ~ 22%), by purifying the most valuable segments and aiming at reducing the total number of assortment, which is a common market trend (shelf SKUs are planned to be reduced by supermarket chains).

One of the priority sales areas is to strengthen sales of fresh produce and fermented cheeses in the neighbouring Baltic countries.

INFORMATION ON THE COMPANY'S SHAREHOLDERS AND SHARES

17. Information on the Company's share capital

As at 30 June 2024, the authorised capital of Rokiškio sūris AB consisted of:

Type of shares	Quantity of shares (pcs)	Nominal value (EUR)	Total nominal value (EUR)	Share of authorised capital (%)
Ordinary registered shares	35 867 970	0.29	10,401,711.30	100

18. Company contracts with brokerage firms

AB "Rokiškio sūris" has concluded an agreement with UAB FMĮ "Orion securities" (A. Tumėno st. 4, LT-01109 Vilnius, tel. (8-5) 231 38 33, info@orion.lt) for the management of accounting of securities issued by the Company and provision of investment services.

19. Data on trading in the issuer's securities on regulated markets

35 867 970 ordinary registered shares of AB "Rokiškio sūris" are listed on the **Nasdaq Vilnius Baltic Official List**. (symbol RSU1L). Nominal value per share EUR 0.29.

The Nasdaq Vilnius Stock Exchange is the only trading market for the Company's shares. The Company has been listed since 25 July 1995. The Company's shares are included in the OMX Baltic Benchmark Index.

The Company has not issued any debt securities to the public.

There are no debt securities registered and issued for non-public circulation.

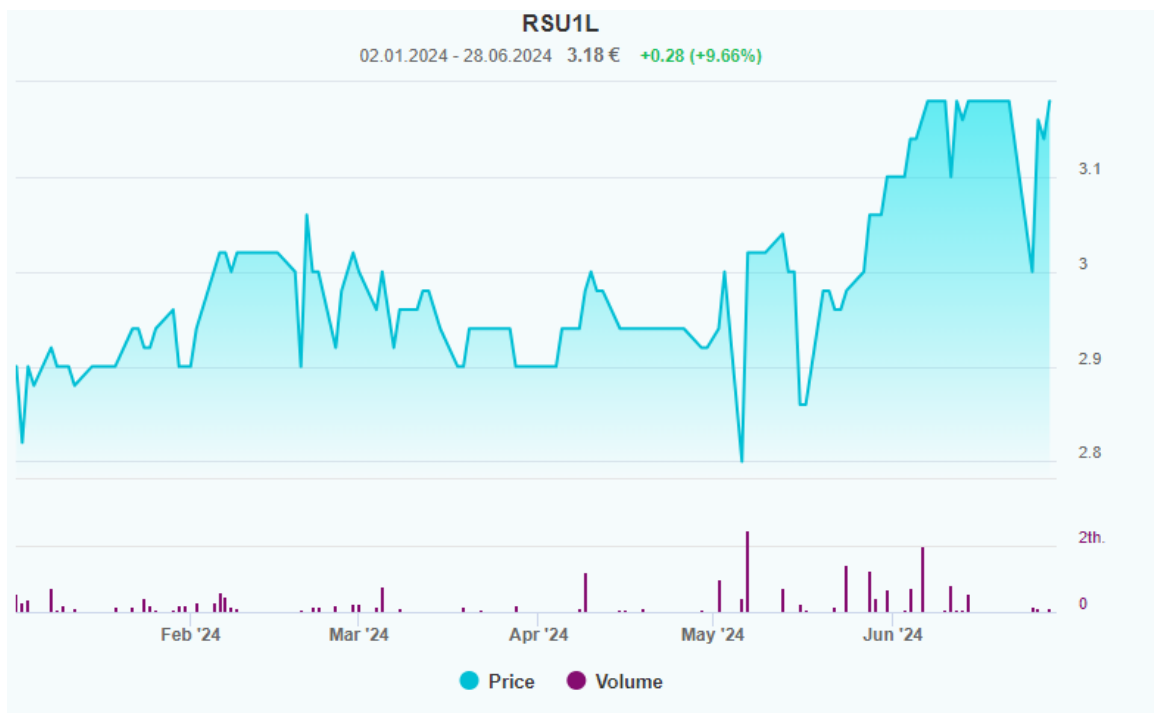
There are no securities which do not represent a participation in the authorised capital but whose circulation is regulated by the Securities Law of the Republic of Lithuania.

No trading on other stock exchanges and other organised markets.

Company's share trading statistics:

	6 months 2024	6 months 2023	6 months 2022
Last trading session price, EUR	3.18	2.94	3.00
Maximum price, Eur	3.18	3.06	3.10
Lowest price, Eur	2.80	2.84	2.58
Turnover, pcs.	25,178	48,502	150,341
Turnover, thousand EUR	75	142	435
Capitalisation, EUR, thousands. EUR	114,060	105,452	107,604

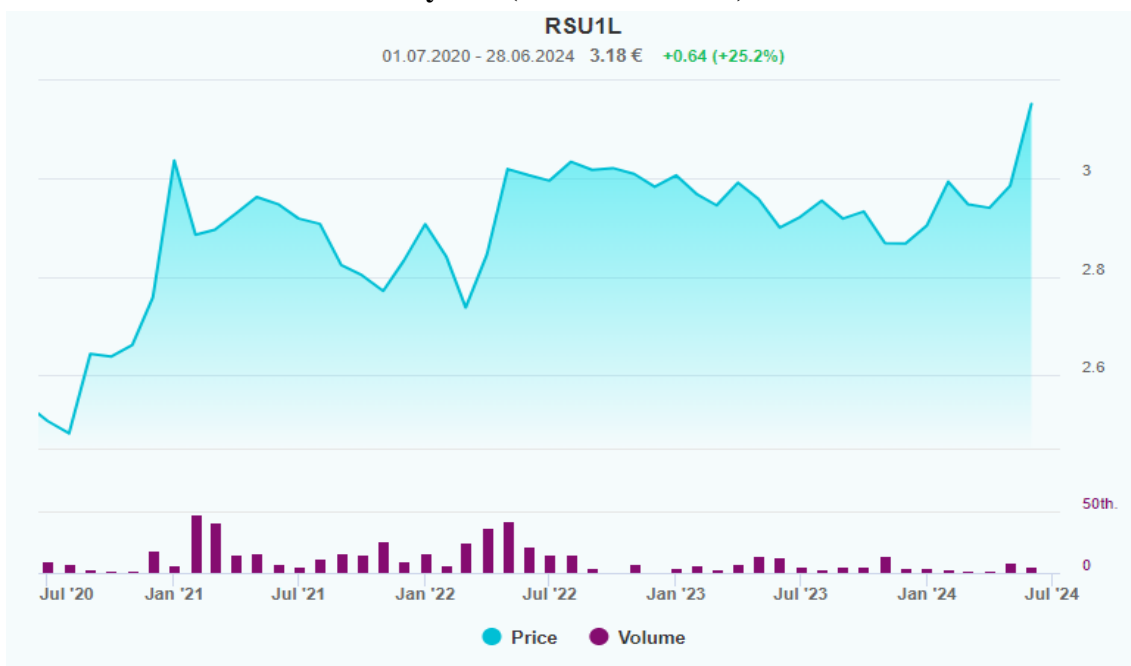
Dynamics of the Company's share price and turnover on the stock exchange Nasdaq Vilnius 01/01/2024-30/06/2024



Price – EUR

Source – AB Nasdaq Vilnius website: [Rokiškio sūris | Trading — Nasdaq Baltic](https://www.rokisbio.lt/en/trading)

Dynamics of the company's share price and turnover on the stock exchange Nasdaq Vilnius over 4 years (2020.06-2024.06)



Price – EUR

Source – AB Nasdaq Vilnius website: [Rokiškio sūris | Trading — Nasdaq Baltic](#)

Dynamics of the company's shares (RSU1L), OMX Baltic Benchmark GI and OMX Baltic GI indices, 6 months 2024



Source – AB Nasdaq Vilnius website: [Baltic market indexes — Nasdaq Baltic](#)

20. Restrictions on transfer of securities

There are no restrictions on holdings of securities or requirements to obtain the approval of the company or other security holders.

21. Procedure for amending the company's articles of association

The Articles of Association of the Company shall be amended in accordance with the procedure provided for by the laws of the Republic of Lithuania and the Articles of Association of the Company. The decision to amend the Company's Articles of Association shall be taken by the General Meeting of Shareholders of the Company by a qualified majority of 2/3 of the votes cast by the shareholders present at the meeting, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania.

If the General Meeting of Shareholders adopts a decision to amend the Articles of Association of the Company, a new version of the Articles of Association shall be drawn up and signed by a person authorised by the General Meeting of Shareholders.

All amendments and additions to the Articles of Association of the Company shall enter into force only upon their registration in accordance with the procedure established by the legislation of the Republic of Lithuania.

22. Information on the Company's shareholders

The total number of shareholders of AB Rokiškio sūris on 28 June 2024 was 5,580. (30 June 2023: 5,548)

Shareholding held by a group of shareholders (28/06/2024):

Name, surname Name of company Company code	Address	Ownership of		With persons acting jointly
		Number of ordinary registered shares	Share of capital and votes %	Share of capital and votes %
Pieno pramonės investicijų valdymas, UAB Company code 173748857	Pramonės st. 3, Rokiškis Lithuania	9 758 312	27.21	75.59*
SIA RSU Holding, reg. No. 40103739795	Elizabetes iela 45/47, LV-1010 Riga	8 953 883	24.96	
Antanas Trumpa Company's Board Chairman		2 378 755	6.63	
Andrius Trumpa		2 760 247	7.70	
Rita Trumpaitė-Vanagienė		2 399 120	6.69	
Fonterra (Europe) Coöperatie U.A., CCI 50122541	Barbara Strozilaan 356-360, EurBld2, 3e verdieping, 1083HN Amsterdam, Netherlands	861 274	2.40	
SB Asset Management, UAB (investment and pension funds)	Gynėjų st.14, Vilnius Lithuania	2 086 583	5.82	
Treasury shares		3 586 797	10.00	

*The group of persons acting jointly consists of UAB Pieno Industrių Invest valdymas (27.21% of the Company's authorised capital and votes), SIA RSU Holding (24.96% of the Company's authorised capital and votes), the strategic investor Fonterra (Europe) Coöperatie U.A. (2.40% of the Company's authorised capital and votes), members of the family of Antanas Trumpa (21.02% of the Company's authorised capital and votes).

The basis for the group of persons acting together is the shareholders' agreement signed on 13.10.2017. The purpose of this agreement is:

- to regulate, where appropriate, the relationship between the shareholders, the strategic investor and the Company;
- ensure joint action in the development of the Company;
- agree on specific conditions and restrictions on the disposal of the Company's shares;

- enable the shareholders and the strategic investor to protect their interests in relation to their investment in the Company.

23. Shareholders' rights

Shareholders have the following non-proprietary rights:

- 1) attend general meetings of shareholders;
- 2) to submit to the company in advance any questions relating to the agenda of general meetings of shareholders;
- 3) vote at general meetings of shareholders in accordance with the rights attached to the shares;
- 4) to receive the information about the company referred to in Article 18(1) of the Law on Joint Stock Companies of the Republic of Lithuania;
- 5) to file a lawsuit with the court, requesting to compensate the company for damages incurred as a result of non-performance or improper performance of the duties of the company's manager and members of the Management Board, as set out in the Law on Companies of the Republic of Lithuania and other laws, as well as the company's Articles of Association, and in any other cases provided for by law;
- 6) to obtain the information referred to in Article 89(6) of the Law on Markets in Financial Instruments on a public limited liability company whose shares are admitted to trading on a regulated market;
- 7) other non-property rights established by the laws of the Republic of Lithuania.

Shareholders have the following property rights:

- 1) receive a share of the company's profits (dividend);
- 2) to receive company funds when the company's share capital is reduced in order to pay out company funds to shareholders;
- 3) to receive shares free of charge when the authorised capital is increased from the company's funds, except for the exception provided for in Article 42(3) of the Law on Joint Stock Companies of the Republic of Lithuania, and in the case provided for in Article 471 of the Law on Joint Stock Companies of the Republic of Lithuania;
- 4) the right of first refusal to acquire shares or convertible bonds issued by the company, except in the event that the General Meeting of Shareholders decides to waive the right of first refusal for all shareholders in accordance with the procedure set out in the Law on Companies of the Republic of Lithuania;
- 5) to lend to the company in the manner prescribed by law, but the company shall not be entitled to pledge its assets to the shareholders when borrowing from its shareholders. When a company borrows from a shareholder, the interest shall not exceed the average interest rate of commercial banks in the place of residence or business of the lender at the time of the conclusion of the loan agreement. In such a case, the company and the shareholders are prohibited from agreeing on a higher interest rate;
- 6) to receive a share of the assets of the company in liquidation;
- 7) to have other property rights provided for by the laws of the Republic of Lithuania.

The rights referred to in paragraphs 1, 2, 3 and 4 shall be vested in the persons who were shareholders of the company at the end of the tenth business day following the date of the general meeting which adopted the relevant resolution.

24. Shareholders with special control rights and descriptions of those rights

No shareholders with special control rights.

25. Information on any restrictions on voting rights

No shares with restrictions on voting rights.

26. Details of repurchases of the issuer's own shares

In line with the 30 April 2024 Rokiškio sūris AB Ordinary General Meeting of Shareholders, the Company bought back 2 725 523 of its own shares during 20-24 May 2024. The purchase price per share was EUR 2.20. The total price of the shares purchased was EUR 5 996 150.60.

With previously acquired own shares at 30 June 2024 The Company has acquired 3 586 797 own shares for a total purchase price of EUR 8 247 436.62. The total nominal value of the acquired own shares amounts to 1/10 of the Company's share capital.

On 27 June 2024, the Extraordinary Meeting of Shareholders of AB Rokiškio sūris adopted a decision to cancel the 3 586 797 treasury shares and to reduce the authorised capital of the Company.

27. Dividends

The General Meeting of Shareholders decides on the allocation and payment of dividends when distributing the company's distributable profit.

The Ordinary General Meeting of Shareholders of AB Rokiškio sūris, held on 30 April 2024, approved the audited consolidated financial statements and the Company's financial statements for 2023 and the distribution of the Company's profit for 2023. Dividends were distributed in the amount of EUR 5 251 004.40 or EUR 0.15 per ordinary registered share.

Below are the details of the dividends declared and paid over the last 10 years:

Year	Dividends, EUR	Dividend per share, EUR
2013	1,015,578.08	0.0290
2014	Dividends were not paid	
2015	2,341,737.37	0.0700
2016	3,228,117.30	0.1000
2017	3,586,797.00	0.1000
2018	3,506,165.30	0.1000
2019	3,500,669.60	0.1000
2020	3,500,669.60	0.1000
2021	3,500,669.60	0.1000
2022	5,251,004.40	0.1500
2023	5,251,004.30	0.1500

AB Rokiškio sūris has a Dividend Policy approved by the General Meeting of Shareholders on 27 April 2018. In accordance with this Dividend Policy, the Company's Board of Directors, when proposing to the General Meeting of Shareholders to allocate dividends, will be guided by the signed Shareholders' Agreement, according to which 100% of the Company's profit for the financial period, less the Company's funds earmarked by the Board for CAPEX, working capital and/or other purposes, will be allocated to the dividends. In the event that the Company's Board of Directors

foresees a significant amount of investments, which would result in the Company's profit for the financial period being insufficient to pay dividends in accordance with the dividend provisions described above, the Board of Directors of the Company will endeavour to maintain the continuity of the payment of the dividends for the previous financial periods, taking into account the Company's financial situation and the trend in the global dairy industry market.

The General Meeting of Shareholders may not resolve to declare and pay dividends if any of the following conditions are met:

- (1) the company has outstanding obligations which have fallen due before the decision is taken;
- (2) the amount of the distributable profit (loss) for the financial year under review is negative (loss);
- (3) the company's equity is less than, or would become less if dividends were paid, than the sum of the company's share capital, statutory reserve, revaluation reserve and reserve for the acquisition of own shares.

A company that fails to pay its statutory taxes by the due dates cannot pay dividends, annual bonuses to board members and bonuses to employees.

Dividends shall be payable to those persons who, at the close of business on the record date for the rights of the General Meeting of Shareholders which declared the dividend (the close of business on the tenth business day following the date of the General Meeting of Shareholders which made the decision), were shareholders in the company or otherwise legally entitled to receive the dividend.

The company shall pay the dividend within 1 month from the date of the decision to distribute profits. The dividend may be in respect of a financial year or a period of less than a financial year.

Dividends for a period shorter than the financial year shall be granted by a decision of the general meeting of shareholders. Shareholders holding at least 1/3 of the total number of votes shall have the right of initiative in respect of dividends for periods of less than one financial year. A general meeting of shareholders whose agenda shall include the question of the granting of dividends for a period shorter than a financial year shall be held within 3 months of the end of the period for which the dividends are proposed to be granted, but no earlier than the approval of the set of annual accounts and the distribution of the company's profit (loss) for the preceding financial year, and no later than the end of the financial year.

Dividends for periods shorter than a financial year may be granted if all the following conditions are met:

- 1) the set of interim financial statements for the period of less than one financial year is approved;
- 2) the amount of profit or loss for the period of less than one financial year is positive (no loss);
- 3) the amount of the dividend payment does not exceed the amount of the profit (loss) for the period shorter than the financial year, the amount of the retained earnings (loss) for the previous financial year carried forward to the current financial year, less any part of the profit for the period shorter than the financial year which is required to be allocated to the reserves in accordance with the Law on Public Limited Companies of the Republic of Lithuania or the Articles of Association of the Company;
- 4) the company has no outstanding obligations which have fallen due before the decision is taken and, after payment of the dividend, would be in a position to meet its obligations in respect of the current financial year.

After the payment of a dividend for a period shorter than a financial year, the payment of a dividend for a period shorter than a financial year may not be made earlier than within 3 months.

COMPANY MANAGEMENT

28. The company's governing bodies

The Articles of Association of AB Rokiškio sūris, registered in the Register of Legal Entities, provide for the following governing bodies of the Company:

- The General Meeting of Shareholders,
- The Board of Directors,
- The Chief Executive Officer of the Company (Director).

The Company does not have a Supervisory Board.

29. Corporate governance and organisational structure of the Company Group

The management structure of the Rokiškio sūris Group (hereinafter referred to as the Group) is organised according to the main functions, i.e. sales and marketing, production, financial management, milk purchasing, logistics and vindication. The functional directors formulate and develop the Group's strategy, tactics and objectives in accordance with their assigned functions.



30. Information on the competence and procedure for convening the General Meeting of Shareholders

The competence and convening procedure of the General Meeting of Shareholders shall not differ from the competence and convening procedure of the General Meeting of Shareholders set out in the Law on Companies of the Republic of Lithuania.

The right of initiative to convene the General Meeting of Shareholders of Rokiškio sūris AB shall be vested in the Management Board and the shareholders whose shares carry at least 1/10 of the total number of votes at the General Meeting of Shareholders.

The notice of the General Meeting of Shareholders of the Company to be convened shall be made public in the Republic of Lithuania and in all other Member States of the European Union, as well as in the countries belonging to the European Economic Area, at least 21 days before the General Meeting of Shareholders, in accordance with the procedure established by the Securities Law. The notice of convening the General Meeting of Shareholders shall be additionally published in the electronic publication "Public Notices of Legal Entities" published by the State Enterprise Centre of Registers in the source specified in the Articles of Association.

Persons who were shareholders of the company at the end of the record date of the meeting shall be entitled to attend and vote at the General Meeting of Shareholders or at a repeated General Meeting of Shareholders, in person, except for the exceptions provided for by law, or by proxy, or by a person with whom a contract of assignment of voting rights has been concluded. A shareholder's right to participate in a general meeting shall also include the right to speak and to ask questions. The record date of a meeting of a public limited liability company shall be the fifth business day preceding the general meeting or the fifth business day preceding a reconvened general meeting of shareholders.

A shareholder may vote in writing by completing a general ballot paper. The form of the General Ballot Form is available on the Company's website www.rokiskio.com in the Investors section and is also available with the draft resolutions submitted by the Company via the Central Regulated Information Submission Database. The completed General Ballot Form must be signed by the shareholder or his/her authorised person. The completed and signed by the shareholder or other person entitled to vote general ballot paper and the document confirming the right to vote shall be submitted to the Company in writing not later than on the last business day before the meeting, by registered mail to Pramonės st. 3, LT- 42150, Rokiškis, or by hand delivery to the Company during business days at the Company's registered office.

The Company does not offer the possibility to attend and vote at the meeting by electronic means.

A general meeting of shareholders may pass resolutions and shall be deemed to have been held when the shareholders holding more than ½ of the total number of votes are present. If a quorum is established, it shall be deemed to be present for the entire meeting. If a quorum is not present, the general meeting shall be deemed not to have been held and a reconvened general meeting shall be convened, which shall have the right to take decisions only on the agenda of the meeting that was not held and shall not be subject to the quorum requirement. The reconvening of the General Meeting of Shareholders shall be convened not earlier than 14 days and not later than 21 days after the date of the failed General Meeting of Shareholders. The shareholders shall be notified of the reconvened general meeting in the manner provided for in Article 261(3) of the Law on Companies no later than 14 days before the reconvened general meeting.

An ordinary general meeting of shareholders must be held annually at the latest within 4 months after the end of the financial year.

Shareholders holding shares carrying at least 1/20 of the total votes shall have the right to propose items to be added to the agenda. The proposal shall be accompanied by draft resolutions on the proposed items or, where no resolutions are required, explanations of each proposed item on the agenda of the General Meeting of Shareholders. The proposal to supplement the agenda shall be submitted in writing by registered mail to AB "Rokiškio sūris" at the address Pramonės st. 3, LT-42150 Rokiškis, or by e-mail at rokiskio.suris@rokiskio.com. The agenda shall be supplemented if the proposal is received not later than 14 days prior to the date of the General Meeting of Shareholders.

Shareholders holding shares representing at least 1/20 of the total votes shall have the right to propose new draft resolutions on the issues included in the agenda of the meeting. The draft resolutions shall be submitted in writing by registered mail to AB "Rokiškio sūris", Pramonės st. 3, LT-42150 Rokiškis, or by e-mail to rokiskio.suris@rokiskio.com. The shareholders shall also have the right to propose draft resolutions on the items on the agenda of the Meeting in writing during the Meeting.

Shareholders attending the General Meeting of Shareholders shall be registered in the shareholders registration list. This list shall indicate the number of votes that each shareholder holds.

A person attending a general meeting of shareholders and entitled to vote shall produce proof of identity. A person who is not a shareholder shall, in addition to this document, produce a document certifying that he is entitled to vote at the General Meeting. The requirement to produce proof of identity shall not apply to voting by written ballot in the form of a single ballot paper. The form of the general voting form is available on the Company's website at www.rokiskio.com under "Investors".

If a shareholder so requests, the Company shall, not later than 10 days before the General Meeting of Shareholders, send the General Ballot Paper by registered mail free of charge, or deliver it by hand and by signature. The completed postal ballot paper shall be signed by the shareholder or his/her authorised representative. The completed and signed blank ballot paper and the document confirming the right to vote shall be submitted to the company in writing not later than on the last working day before the meeting, by registered post to Pramonės st. 3, LT-42150 Rokiškis, or by hand delivery to the company at the registered office of the company at the above address on working days.

Only fully paid-up shares confer the right to vote at other General Meetings. Each share carries one vote at a general meeting of shareholders.

The General Meeting of Shareholders shall have the exclusive right to:

- 1) amend the company's statutes;
- 2) change the registered office of the company;
- 3) elect the members of the Supervisory Board, or, in the absence of a Supervisory Board, the members of the Management Board, or, in the absence of a Supervisory Board or a Management Board, the Chief Executive Officer;
- 4) to dismiss the Supervisory Board or its members, as well as the Management Board or its members elected by the General Meeting of Shareholders and the Chief Executive Officer;
- 5) to elect and dismiss the auditor or audit firm for the audit of the annual financial statements, and to determine the terms of remuneration for audit services;
- 6) to decide on the approval of the remuneration policy of public limited liability companies whose shares are admitted to trading on a regulated market;
- 7) determine the class, number, nominal value and minimum issue price of the shares to be issued by the company;
- 8) to decide on the conversion of shares of one class of the company into shares of another class, and to approve the description of the procedure for the conversion of shares;
- 9) to decide to change the number of shares of the same class issued by the company and the nominal value per share without changing the amount of the share capital;
- 10) to approve the set of annual accounts;
- 11) to decide on the appropriation of profits (losses);

- 12) to decide on the creation, use, reduction and elimination of reserves;
- 13) to approve the interim financial statements drawn up for the purpose of deciding on the distribution of dividends for a period of less than a financial year;
- 14) to decide on the distribution of dividends for a period of less than a financial year;
- 15) to decide on the issue of convertible bonds;
- 16) to decide to revoke the pre-emptive right of all shareholders to acquire shares or convertible bonds of a particular issue of the company;
- 17) to decide to increase the share capital;
- 18) to decide to reduce the authorised capital, except for the exceptions provided for in the Companies Act;
- 19) to decide on the acquisition by the company of its own shares;
- 20) to decide on the allotment of Shares to employees and/or members of organs,
- 21) to approve the rules for the granting of Shares;
- 22) to decide on the reorganisation or demerger of the company and to approve the terms of the reorganisation or demerger;
- 23) decide on the restructuring of the Company;
- 24) to decide on the restructuring of the Company in the cases provided for by the Law on Corporate Restructuring;
- 25) to take a decision to liquidate a company, to cancel the liquidation of a company, except for the exceptions provided for in the Companies Act;
- 26) to elect and dismiss the company's liquidator, except for the exceptions provided for in the Companies Act.

The General Meeting of Shareholders may also decide on other matters falling within its competence under the company's Articles of Association, provided that, in accordance with the Companies Act, such matters do not fall within the competence of other organs of the company and are not essentially functions of the management bodies.

A decision of the General Meeting of Shareholders shall be deemed to be adopted when more shareholders vote in favour of it than against it, with the exception of items 1, 6, 7, 8, 9, 11, 12, 14, 15, 17, 18, 21, 22, 23, 24, 25 above, which shall be adopted by a 2/3 (two-thirds) vote of the total number of shares of all the shareholders present at the Meeting, and for item 16, the decision shall require 3/4 (three-quarters) of the votes of all the shares of the shareholders present at the General Meeting of Shareholders and entitled to vote on the matter.

31. Board of Directors of the Company

The Board of Directors is the collegiate management body of the Company, consisting of 6 (six) members. The members of the Board shall be elected and recalled by the General Meeting of Shareholders in accordance with the procedure established by the Companies Law. The members of the Board shall elect the Chairman of the Board. The number of terms of office of a member of the Board shall be unlimited. Only a natural person may be elected as a member of the Board. A member of the Supervisory Board of the Company (if the Company has a Supervisory Board) and a person who is not entitled to hold such office under the law shall not be a member of the Board. The powers of the members of the Board are defined in the Companies Act and the Articles of Association of the Company.

If the Board is recalled, resigns or otherwise ceases to hold office before the expiry of its term of office, a new Board shall be appointed for a new term of office. If individual members of the Board are elected, they shall be elected only until the end of the term of office of the existing Board.

The Board may take decisions and a meeting of the Board shall be deemed to have taken place when 2/3 or more of the members of the Board are present. Members of the Board who have voted in advance shall be deemed to be present at the meeting. A decision of the Board shall be adopted by a greater number of votes in favour than against.

The members of the Board are paid bonuses for their work on the Board in accordance with the procedure set out in Article 59 of the Companies Law. The amount of royalties depends on the Company's performance. The General Meeting of Shareholders shall decide on the payment of bonuses.

The General Meeting of Shareholders of AB Rokiškio sūris, held on 30 April 2024, granted bonuses of EUR 30 thousand to the members of the Board of Directors.

No other additional payments are foreseen for the Chairman of the Board in relation to the incentive scheme.

The members of the Board have not delegated any authority to other persons to carry out the functions falling within the competence of the Board.

Board Members of Rokiškio sūris, AB:

(Elected at the Extraordinary General Meeting of the Company on 10.12.2021)

Antanas Trumpa – the Company's Board Chairman (as from 13.12.2017)

Work experience	AB Rokiškio sūris has been operating since 1966. 1971 - 2017 Head of the Company (Director).
Education	1966 Kaunas Polytechnic Institute, specialist in food industry machinery and apparatus, qualified as a mechanical engineer. In 1979, at Kaunas Polytechnic Institute, he defended his thesis as a candidate of technical sciences entitled "Organisation of the work of vacuum apparatus", for which he was awarded a PhD in mechanical engineering on 12 October 1994. The doctorate degree was awarded by the Lithuanian Science Council on 1994.
Shares in AB "Rokiškio sūris"	Directly owns 2,378,755 shares (6.63 % of the authorised capital and votes) Together with related parties 27,111,591 shares (75.59 % of the authorised capital and votes).
Participation in the activities of other companies	Chairman of the Board of Rokiškio pienas UAB (company code 300561844, registered office address Pramonės st. 8, Utena) and Rokiškio pieno gamyba UAB (company code 303055649, registered office address Pramonės st. 8, Utena). A shareholder of UAB Pieno pramonės investicijų valdymas (company code 173748857, adr. Pramonės st. 3, Rokiškis), holding 5,621 units, i.e. 55.76 % of the shares and votes of UAB Pieno pramonės investi valdymas.

Darius Norkus – Member of the company's board. Deputy Chairman of the Board.
Member of the Board since 2008 (re-elected for a new 4-year term of office at the Company's
General Meeting of Shareholders on 10.12.2021).

Work experience	Since 2001 Sales and Marketing Director of AB "Rokiškio sūris" (company code 173057512, address Pramonės st.3, Rokiškis).
Education	Kaunas University of Technology, graduated engineer (1993). Baltic Management Institute, Master's degree in Business Administration (EMBA programme, 2000).
Shares in AB "Rokiškio sūris"	No shares.
Participation in the activities of other companies	Shareholder of UAB Pieno pramonės investicijų valdymas (company code 173748857, adr., Pramonės st. 3, Rokiškis), owns 4,07 % of the shares and votes of UAB Pieno pramonės investicijų valdymas. Director of UAB "DairyHub.LT" (company code 305831304, address Kauno st. 65, Ukmergė). He has no shares in this company.

Paul M Campbell - Independent member of the Company's Board.

Work experience	Director and owner of Osmotics Consulting Ltd. Osmotics Consulting provides dairy and other agricultural companies with strategic, M&A, management and financial advice. Paul has over 35 years of experience in general management, setting up and managing international joint ventures, marketing, engineering and finance. Worldwide, Paul has worked in Australia, USA, Japan, Latin America, Russia, China, India, Europe and North Africa. Paul M. Campbell currently lives in London.
Education	University of Canterbury, New Zealand, Chemical and Industrial Engineering. Massey University, New Zealand, Diploma in Dairy Science and Technology.
Shares in AB "Rokiškio sūris"	No shares
Participation in the activities of other companies	Not involved in other companies.

Ramūnas Vanagas – Member of the company's board.
Member of the Board since 2006 (re-elected for a new 4-year term of office on 10.12.2021 at the
Company's Extraordinary General Meeting of Shareholders)

Work experience	Since 2005 Development Director of AB "Rokiškio sūris" (company code 173057512, address Pramonės st.3, Rokiškis). Since 2020 Director of Milk Purchasing at AB Rokiškio sūris (company code 173057512, address Pramonės st.3, Rokiškis).
Education	Lithuanian Academy of Agriculture, specialisation in economics and organisation.

Shares in AB "Rokiškio sūris"	No shares.
Participation in the activities of other companies	Shareholder of UAB Pieno pramonės investicijų valdymas, holds 4,07 % of shares and votes in UAB Pieno pramonės investicijų valdymas (company code 173748857, adr., Pramonės st.3, Rokiškis); Member of the Management Board of the Latvian company SIA Jekabpils piena kombinats (company code 45402008851, registered office address Akmenu iela 1, Jekabpils, Latvia), no shares.

Jonas Vaičaitis – Independent member of the Company's Board.

Work experience	1992-2018 m. Head of Branch, AB SEB Bank, Senior Project Manager, Client Department.
Education	Higher engineering degree, Kyiv Polytechnic Institute.
Shares in AB "Rokiškio sūris"	No shares.
Participation in the activities of other companies	Not involved in other companies.

Thomas Jan de Bruijn – Member of the company's board.

(until the end of the current term of office (10.12.2025), elected on 07.10.2022 at the Extraordinary General Meeting of the Company).

Work experience	M&A consultant at Deloitte (2011-2017) Head of M&A at Fonterra Europe (2017-2019) Head of Sourcing Fonterra Europe (2019-2021) Commercial and Partnerships Director Fonterra Europe (2021)
Education	Master's degree in Strategic Management (Rotterdam RSM University)
Shares in AB "Rokiškio sūris"	No shares.
Participation in the activities of other companies	No information available on participation in other companies.

Company manager (director):

The Company is managed by the Chief Executive Officer (Director). The Chief Executive Officer (Director) of the Company is the Company's sole management body, which organises the day-to-day business activities of the Company, considers and decides on the Company's long-term strategic plan and business plan. In the Company's relations with other persons, the Director shall act on behalf of the Company with sole authority.

The Chief Executive Officer attends all General Meetings of Shareholders, including those held during the period under review.

The duties and powers of the Director are defined in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company.

Details of the Company's Chief Executive Officer (Director):

Dalius Trumpa - Company's Chief Executive Officer (Director)

(Appointed by the Board of Directors of the Company as of 01.01.2018)

Work experience	AB Rokiškio sūris (company code 173057512, address Pramonės st.3, Rokiškis) has been operating since 1991. 2002-2006 Production Director of AB Rokiškio sūris. 2007-2017 Deputy Director of Rokiškio sūris AB. Since 2018.01.01.01 Director of AB Rokiškio sūris. Since 02.01.2007 Director of the subsidiary UAB Rokiškio pienas (company code 300561844, registered office address Pramonės st.8, Utena). Since 29.04.2013 Director of the subsidiary UAB "Rokiškio pieno gamyba" (company code 303055649, registered office address Pramonės st.8, Utena).
Education	Kaunas University of Technology, Food Industry Machinery and Apparatus, Mechanical Engineer.
Shares in AB "Rokiškio sūris"	No shares.
Participation in the activities of other companies	Shareholder of UAB Rokvalda (company code 300059165, address Basanavičiaus g.16A-125, Vilnius), holding 100% of shares and votes. Since 2010 Chairman of the Board of the Latvian company SIA Kaunata (company code 240300369, registered office address Rogs, Kaunata pag., Rezeknes nov., Latvia). He does not own shares in this company. Since 11 December 2013 Director of SIA "RSU Holding" (company code 40103739795, business address Elizabetes iela 45/47, Riga). He holds 92 % of the shares of SIA RSU Holding. The shareholder of UAB "Pieno pramonės investicijų valdymas" (company code 173748857, address Pramonės g.3, Rokiškis) holds 27.97 % of the shares and votes of UAB "Pieno pramonės investicijų valdymas";

32. Committees within the Company

Audit Committee of AB Rokiškio sūris:

The Company's Audit Committee is composed of 3 members, 2 of whom are independent. The term of office of the members of the Audit Committee is 4 years. The members of the Audit Committee shall be elected by the General Meeting of Shareholders on the recommendation of the Board of Directors of the Company.

1. Kęstutis Gataveckas - Director of UAB Perlas Finance (independent member). Does not hold any shares in Rokiškio sūris AB.
2. Vilmantas Pečiūra - Director of Virenda UAB (independent member). Does not hold any shares in Rokiškio sūris AB.
3. Rasa Žukauskaitė - (Employee of the Finance Department of Rokiškio sūris AB). Has 2 shares in AB "Rokiškio sūris".

The term of office of the members of the Audit Committee expires on 30 April 2025.

The Audit Committee is a collegiate body, which takes its decisions at meetings. The Audit Committee may take decisions and a meeting of the Audit Committee shall be deemed to have taken

place when at least two (2) members of the Committee are present. A decision shall be adopted by the affirmative vote of at least two (2) members of the Audit Committee present at the meeting.

The functions, rights and duties of the Audit Committee shall be regulated by the Regulations on the Establishment and Activities of the Audit Committee of AB Rokiškio sūris, approved by the General Meeting of Shareholders of the Company, as well as by other documents regulating the activities of the Audit Committee.

Main functions of the Audit Committee:

1. Monitor the process of preparing the financial statements of the Company and its Subsidiaries;
2. Monitor the effectiveness of the Company's internal control, risk management and internal audit systems;
3. To make recommendations to the Board of Directors of the Company in relation to the selection of the external audit firm and to monitor the audit process;
4. To monitor the independence and objectivity of the external auditor and the audit firm;
5. To inform the Board of Directors of the Company of significant deficiencies in internal control over the financial statements identified by the external and internal auditors and to make recommendations for their correction;
6. Act honestly and responsibly for the benefit and welfare of the Company and its shareholders.

There are no other committees in the company.

33. Management of the company

Members of the company's management

Position	Name, surname	In office since
Director	Dalius Trumpa	2018-01-01
Director of Finance	Antanas Kavaliauskas	2002-05-01
Director of Milk Purchasing	Ramūnas Vanagas	2020-01-01
Director of Logistics	Ramūnas Kubilius	2024-06-01
Sales and Marketing Director	Darius Norkus	2001-07-18

Management bonus system:

Members of the Company's management receive a salary and variable components depending on the Company's performance, market conditions and other factors. The Group does not have any management bonus schemes in place.

Executive remuneration policy:

30 April 2024 The Company's General Meeting of Shareholders approved updated the Company's Executive Remuneration Policy. The Remuneration Policy defines the procedure for determining the remuneration to be paid to the Company's Director, members of the Board of Directors, establishes the forms of monetary remuneration for the activities of the members of the Company's collegiate management and supervisory bodies, the grounds for awarding and the procedure for payment of such remuneration, and governs other matters relating to the payment of remuneration to members of bodies. The Remuneration Policy shall apply to the Managers (the Company's Director and the members of the Management Board). The Remuneration Policy is drawn up for a period of four years. The Company does not have a Remuneration Committee.

The Company's Remuneration Policy is publicly available on the Company's website www.rokiskio.com under "For Investors".

34. Employees

The average number of employees in the Rokiškio sūris Group in the first six months of 2024 is 1,183, a decrease of 2.31% or 28 employees compared to the first half of 2023. The average number of employees in 6 months 2023 was 1,211. The decrease in the number of employees is due to the Company's ongoing reorganisation changes and optimisation of works, as well as seasonal fluctuations in the number of employees.

In the first 6 months of 2024, labourers represent 77.3% (H1 2023: 77.5) of the Company's total workforce; professionals represent 22.1% (H1 2023: 22.0%); Management staff consists of 6 managers (H1 2023: 6 managers).

Employees of the Group by category

Group of employees	Average number of employees		Change (%)
	30/06/2024	30/06/2023	
Directors*	6	6	0
Specialists	262	266	-1.50
Workers	915	939	-2.56
Total:	1 183	1 211	-2.31

*Functional directors are assigned to the company's senior management.

The company employs highly qualified staff, including:

- 25.19% (11.81% in the first half of 2023) with university degree;
- 37.70 % with college degree (51.53 % in the first half of 2023);
- secondary education: 35.67% (36.42% in the first half of 2023);
- incomplete upper secondary education: 1.44% (0.24% in the first half of 2023).

Remuneration system

The company has an efficient and fair remuneration system to attract, retain and motivate staff. All employment contracts with the Company's employees, including managers, are concluded in accordance with the requirements of the Labour Code of the Republic of Lithuania. Employees are recruited and dismissed in accordance with the requirements of the Labour Code.

Average monthly earnings of Rokiškio sūris Group by employee group

Group of employees	Average monthly salary (bruto) EUR		Change (%)
	30/06/2024	30/06/2023	
Managers	3 431	3 421	+0.29
Specialists	2 211	1 836	+20.42
Workers	2 039	1 751	+16.45
Average	2 084	1 778	+17,21

The average monthly salary is calculated in accordance with Government Resolution No 496, 21.06.2017.

The salary paid to the employees of AB "Rokiškio sūris" Group consists of:

- 1) fixed remuneration for the work performed - monthly salary stipulated in the contract;
- 2) piece rate remuneration: for employees on the production floor, for the sales department, for the sales manager, for the sales assistant, for the sales assistant, for the sales assistant, for the sales assistant, for the sales assistant. For production workers, the wages are based on the quantity of actual work performed and on approved rates;
- 3) variable remuneration: in accordance with the provisions of the incentive fund approved in the collective agreement.

From 2018 to the present, the Company has applied a remuneration system based on variable remuneration components established by the Company, depending on the Company's performance, market situation and other factors. The variable remuneration components are allocated to each division in accordance with the approved functional management system. These remuneration arrangements shall be approved by the Chief Executive Officer of the Company.

Each production department or division of the Company has an approved procedure for the allocation of the incentive pool, which includes performance evaluation criteria and incentives for all employees. Performance appraisal is one of the most important tasks of the Company in order to organise work as efficiently as possible, to achieve the objectives set, to foster positive relations between managers and their subordinates, and to increase the motivation of employees.

Employees of Group companies have the right to participate in trade union activities. The companies have a trade union committee which defends the labour, economic and social rights and interests of its members, defends the right to employment and social security of its members, takes care of the development of professional qualifications, develops professional ethics, and seeks to increase the wages and other incomes of workers in the food industry.

The Collective Agreement was approved in August 2022 and updated in December 2023, improving the guarantees already in place for employees. The purpose of this Collective Agreement is to create conditions for the harmonious functioning of the collective, to guarantee a level of work, remuneration, health and safety and other working conditions for the various categories of employees that is better than that provided for by the laws of the Republic of Lithuania, governmental decrees and regulations, and to provide better labour and social guarantees for the Company's employees.

35. Information on agreements between the Company and the members of its organs, the members of the committees it has set up, or its employees, which provide for compensation in the event of their resignation or dismissal without just cause, or in the event of the termination of their employment as a result of a change of control of the issuer

There are no agreements between the Company and the members of the Board of Directors or employees providing for compensation in the event of their resignation or dismissal without just cause, or in the event of termination of their employment as a result of a change of control of the Company. All employment contracts with the Company's employees, including members of the Company's management, are concluded in accordance with the requirements of the Labour Code of the Republic of Lithuania. Nor does the Company provide for any additional share-based payments.

INFORMATION ON RELATED PARTY TRANSACTIONS AND SIGNIFICANT ARRANGEMENTS

36. Transactions with related parties

Transactions with interested persons/related parties are disclosed in Note 7 of the Notes to the Company's Consolidated Financial Statements for the six months ended 30 June 2024.

There were no related party transactions entered into by the Company during the six months ended 30 June 2024 that were on an arm's length basis and/or were not in the ordinary course of the Company's business and/or had a material effect on the Company, its finances, assets or liabilities.

37. Information on harmful transactions entered into on behalf of the issuer

During the reporting period, there were no harmful transactions that were inconsistent with the Company's objectives, were not in line with normal market conditions, were prejudicial to the interests of the shareholders or other groups of persons and had or may in the future have an adverse effect on the Company's business or results of operations. There were also no transactions resulting from conflicts of interest between the duties of the Company's directors, controlling shareholders or other related parties to the Company and their private interests and/or duties.



AB "ROKIŠKIO SŪRIS" 2024 SIX MONTHS CONSOLIDATED INTERIM SET OF FINANCIAL STATEMENTS



**AB „ROKIŠKIO SŪRIS“
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Company code 173057512, address: Pramonės g. 3, LT-42150 Rokiškis, Lithuania

(All tabular amounts are in EUR '000 unless otherwise stated)

38. Consolidated Statement of comprehensive income

	<u>January - June</u>	
	2024	2023
Sales	174,808	148,106
Cost of sales	(154,560)	(134,879)
Gross profit	20,248	13,227
Selling and marketing expenses	(11,766)	(11,468)
Operating profit (loss)	8,482	1,759
Finance costs	(997)	(585)
Profit before tax	7,485	1,174
Income tax	(1,056)	620
Operating activity income (loss)	6,429	1,794
Net profit (loss)	6,429	1,794
Other comprehensive income	-	-
Total comprehensive income for the year	6,429	1,794

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39. Consolidated Balance sheet

	June 30, 2024	December 31, 2023	June 30, 2023
PROPERTY			
Long-term tangible assets	80,170	82,600	84,273
Intangible assets	58	93	130
Investments	169	169	169
Other non-current receivables and loans granted	11,473	2,339	3,049
	<u>91,870</u>	<u>85,201</u>	<u>87,621</u>
Current assets			
Inventories	87,004	94,397	75,125
Receivables and advance payments	60,245	54,466	55,344
Loans granted	2,528	1,539	2,422
Prepaid income tax	943	766	-
Cash and cash equivalents	2,997	3,896	1,812
	<u>153,717</u>	<u>155,064</u>	<u>134,703</u>
Total assets	<u>245,587</u>	<u>240,265</u>	<u>222,324</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shares	10,402	10,402	10,402
Share premium	18,073	18,073	18,073
Reserve for acquisition of treasury shares	17,150	10,850	10,850
Treasury shares	(8,247)	(2,251)	(2,251)
Other reserves	24,038	24,729	25,430
Retained earnings	94,973	99,438	85,460
	<u>156,389</u>	<u>161,241</u>	<u>147,964</u>
Non-current liabilities			
Borrowings	2,800	3,850	4,900
Deferred income tax liability	1,859	2,068	508
Accounts payable	-	1,896	2,011
Non-current provisions	1,621	1,421	1,421
Deferred income	1,792	2,060	2,478
	<u>8,072</u>	<u>11,295</u>	<u>11,318</u>
Current liabilities			
Trade and other payables	34,348	25,616	27,090
Tax liabilities	1,063	2,172	290
Deferred income	494	500	326
Current provisions	314	314	314
Borrowings	44,907	39,127	35,022
	<u>81,126</u>	<u>67,729</u>	<u>35,022</u>
Total liabilities:	<u>89,198</u>	<u>79,024</u>	<u>74,360</u>
Total equity and liabilities	<u>245,587</u>	<u>240,265</u>	<u>222,324</u>

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40. Consolidated cash flow statement

	January-June	
	2024	2023
Operating activities		
Profit before tax and minority interest	7,485	1,174
<i>Corrections:</i>		
– depreciation	5,194	4,825
– amortisation (negative prestige not included)	34	31
– profit loss on disposal of property, plant and equipment	(101)	(15)
– interest expense	997	585
– interest income	(462)	(195)
– amortization of government grants received		
– inventory write-down to net realizable value	(249)	(141)
<i>Circulating capital changes:</i>		
- inventories	7,477	(2,726)
- amounts payable	5,771	(3,807)
- amounts receivable and prepayments	(16,318)	1,594
Cash flows from operating activities	9,828	1,325
Interest paid	(997)	(585)
Income tax paid	(1,513)	-
Net cash generated from operating activities	7,318	740
Investing activities		
Purchase of property, plant and equipment	(2,855)	(6,265)
Purchase of intangible assets	-	-
Loans granted to farmers and employees	-	(940)
Proceeds from sale of property, plant and equipment	193	88
Other loans granted	-	-
Interest received	462	195
Other loan repayments received	500	312
Net cash generated from investing activities	(1,700)	(6,610)
Financing activities		
Loans received	5,780	10,582
Repayments of borrowings	(1,050)	(1,050)
Acquisition of own shares	(5,996)	-
Dividends paid	(5,251)	(5,251)
Net cash generated from financing activities	(6,517)	4,281
Net increase in cash and cash equivalents	(899)	(1,589)
Cash and cash equivalents at the beginning of the period	3,896	3,401
Cash and cash equivalents at the end of the period	2,997	1,812

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(All tabular amounts are in EUR '000 unless otherwise stated)

41. Consolidated Own Capital Change Statement

	Share capital	Share premium	Reserve for acquisition of treasury shares	Treasury shares	Other reserves	Retained earnings	Total
Balance at December 31st 2023	10,402	18,073	10,850	(2,251)	25,922	88,453	151,449
Comprehensive income							
Profit (loss) of the year						1,794	1,794
Transfer to reserves (tantiemes)						(28)	(28)
Dividends relating to 2022						(5,251)	(5,251)
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(492)	492	-
Balance at June 30st 2023	10,402	18,073	10,850	(2,251)	25,430	85,460	147,964
Comprehensive income							
Profit (loss) of the year						13,279	13,279
Transfer to reserves (tantiemes)						(2)	(2)
Acquisition of treasury shares							
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(701)	701	-
Balance at December 31st 2023	10,402	18,073	10,850	(2,251)	24,729	99,438	161,241
Comprehensive income							
Profit (loss) of the year						6,429	6,429
Transfer to reserves (tantiemes)						(34)	(34)
Reserve for purchasing own shares			6,300			(6,300)	-
Dividends relating to 2023						(5,251)	(5,251)
Acquisition of own shares				(5,996)			(5,996)
Transfer to retained earnings (transfer of depreciation, net of deferred income tax)					(691)	691	-
Balance at June 30st 2024	10,402	18,073	17,150	(8,247)	24,038	94,973	156,389

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42. Commentary on the Report

1. General information

The Public Limited Liability Company Rokiškio sūris (hereinafter – the company) is a public listed company incorporated in Rokiskis.

The shares of AB Rokiskio Suris are traded on the Baltic Main List of the Nasdaq Vilnius (symbol – RSU1L).

The Consolidated Group (hereinafter – the Group) consists of the Company and five subsidiaries. (2023: Company and four subsidiaries). The subsidiaries that comprise consolidated Group are indicated below:

	Year of acquisition	Main activity	Group’s ownership interest (%) as at 30 June	
			2024	2023
Subsidiaries				
Rokiškio Pienas UAB	2006	Distribution of dairy products	100.00	100.00
Rokiškio Pieno Gamyba UAB	2013	Production of dairy products	100.00	100.00
Jekabpils Piena Kombinats SIA	2005-2011	Raw milk collection	100.00	100.00
<i>Kaunata SIA</i> *	2010	Raw milk collection	60.00	60.00
DairyHub.LT UAB	2021	Production of dairy products	100.00	-

* These subsidiaries were not consolidated due to their insignificance.

All above subsidiaries are incorporated in Lithuania, except for SIA Jekabpils Piena Kombinats and SIA Kaunata which are incorporated in Latvia.

The Group’s main line of business is the production of fermented cheese and a wide range of other dairy products.

As of 30st June 2024, the average number of the Group’s employees was equal to 1,183 (compared to 1,211 employees as at 30st June 2023).

2. Accounting Principles

These consolidated financial statements have been prepared according to International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial statements have been prepared under the historical cost convention, as modified for available-for-sale financial assets measured at fair value and property, plant and equipment measured at revalued amount.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Subsidiaries are the entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The group treats transactions with non-controlling interest as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The items shown in the financial statements of the Company and each entity of the Group are valued by the currency of the original economic environment wherein a specific company operates (hereinafter the “functional currency”). These financial statements have been presented in euros (EUR), which is the Company’s (and the Group’s each entity’s) functional and presentation currency.

Property, plant and equipment is shown at revalued amount, based on periodic valuations of assets, less subsequent accumulated depreciation and impairment.

Subsequent costs are included into the asset’s carrying amount or recognized as separate assets, as appropriate, only when it is likely that in future the Group will receive economic benefits associated with the item and the cost of the item will be measured accordingly. All other repairs and maintenance expenses are charged to the income statement during the financial period in which they have been incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, at the Group:

Buildings	15 – 75 years
Plant & machinery	5 - 50 years
Motor vehicles	4 - 15 years
Equipment and other property, plant and equipment	4 - 25 years

The asset residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

Software assets expected to provide economic benefit to the Company and the Group in future periods are valued at acquisition cost less subsequent amortisation. Software is amortised on the straight-line basis over the useful life of 1 to 5 years.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as ‘trade and other receivables’ in the balance sheet.

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are initially recorded at fair value. Held-to-maturity financial assets are subsequently measured at amortised cost using the effective interest method less any recognised impairment losses which reflect irrecoverable amounts.

Proceeds from held-to-maturity financial assets are recognised through profit or loss using the effective interest method.

Inventories are subsequently carried at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related indirect production overheads, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. In half year 2024 financial statement it was made 1.3 million Eur adjustment when evaluating the stocks at net realizable value, in year 2023 financial statements it was made 0.8 million Eur adjustment.

Loans granted and amounts receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less the amount of impairment loss. A provision for impairment of amounts receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The impairment amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income within 'general and administrative expenses'. Bad debts are written off during the year in which they are identified as irrecoverable.

Cash and cash equivalents are carried at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and bank overdrafts. Bank overdrafts are included in borrowings in current liabilities on the balance sheet.

Ordinary shares are stated at their par value. Consideration received for the shares sold in excess over their nominal value is shown as share premium. Incremental external costs directly attributable to the issue of new shares are accounted for as a deduction from share premium.

Where the Company or its subsidiaries purchase the Company's equity share capital, the consideration paid including any attributed incremental external costs is deducted from shareholders' equity as treasury shares until they are sold, reissued, or cancelled. No gain or loss is recognised in the statement of comprehensive income on the sale, issuance, or cancellation of treasury shares. Where such shares are subsequently sold or reissued, any consideration received is presented in the consolidated financial statements as a change in shareholders' equity.

Other reserves are established upon the decision of annual general meeting of shareholders on profit appropriation. This reserve may be used only for the purposes approved by annual general meeting of shareholders.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount at initial recognition and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Profit is taxable at a rate of 15 % (2023: 15 %) in accordance with the Lithuanian regulatory legislation on taxation.

The Group pays social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. Social security contributions are recognised as expenses on an accrual basis and are included in payroll expenses.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminated sales within the Group. Revenue from sales of goods is recognised only when all significant risks and benefits arising from ownership of goods is transferred to the customer.

Interest income is recognised on a time-proportion basis using the effective interest method.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Basic earnings per share are calculated by dividing net profit attributed to the shareholders from average weighted number of ordinary registered shares in issue, excluding ordinary registered shares purchased by the Company and the Group and held as treasury shares.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors that make strategic decisions. The Group's management identified the following operating segments within the Group: hard cheese, semi hard cheese, butter, milk, cream, sour cream, sour milk, yogurt, curds, curd cheese and other. These operating segments were aggregated into two main reportable segments, based on similar nature of products, production process, type of customers and method of distribution.

Government grants are recognised at fair value where there is sufficient evidence that the grant will be received and the Group and the Company will comply with all attached conditions.

Government grants received to finance acquisition of property, plant and equipment are included in non-current deferred income in the balance sheet. They are recognised as income on a straight-line basis over the useful life of property, plant and equipment concerned.

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specified to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

The valuation of property, plant and equipment, except for motor vehicles, at the Group and the Company as at 31 December 2020 was conducted by independent property valuer Ober-Haus UAB. The fair value estimation was based on the comparable sales price method. The valuation of other categories of assets was based on the replacement cost method. The valuation of motor vehicles was conducted by the Company's experts who established the fair value using the comparable sales price method. Assets that were evaluated using the replacement cost method were tested for impairment as a result of which no indications for possible impairment were identified.

The Company's management believes the values of property, plant and equipment adjusted under these methods as of 30 June 2024 and 2023 approximated the fair value.

3. Financial risk management

The Group's and the Company's activities expose them to a variety of financial risks. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects of the financial performance of the Group.

Risk management is carried out by the Company's management. There are no written principles for overall risk management in place.

The Group operate internationally, however, their exposure to foreign exchange risk is set at minimum level, since sales outside Lithuania are performed mostly in the euros.

The Group's interest rate risk arises from interest-bearing loans and borrowings. Borrowings with variable interest rates expose the Group to cash flow interest rate risk. Borrowings with fixed interest rates expose the Group to fair value interest rate risk. In 2024 and 2023, loans granted by the Group with fixed interest rate were denominated in the euros. In 2024 and 2023, the Group's borrowings were with variable interest rate and they were denominated in the euros.

Credit risk arises from cash at bank, loans granted, and trade receivables.

As at 30 June 2024, the Company's and the Group's all cash balances were held at banks that had external credit ratings from 'A+' to 'BBB', as set by the rating agency Fitch Ratings (30 June 2023: from 'A+' to 'BBB').

The table below summarises the Group's credit risk exposures relating to on-balance sheet items. Maximum exposure to credit risk before collateral held or other credit enhancements as at 30 June:

	2024 06 30	2023 06 30
Cash and cash equivalents at banks	2,997	1,812
Trade receivables	60,245	55,344
Loans granted	14,001	5,471
	77,243	62,627

The Group does not classify amounts receivable and other financial assets exposed to credit risk according to credit quality. Credit risk is managed through established credit limits for a major customers and monitoring of overdue receivables and loans. Credit limits and overdue receivables are continuously monitored by the Company's and the Group's management.

	2024 06 30		2023 06 30	
		Amount		Amount
	Credit limit	receivable	Credit limit	receivable
Customer A	6,000	5,711	6,500	6,455
Customer B	4,800	4,296	5,500	4,060
Customer C	5,000	3,245	4,345	3,411
Customer D	3,600	2,524	2,500	2,303
Customer E	2,960	2,414	2,250	2,243

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group define their capital as equity and debt less cash and cash equivalents.

As at 30 June, the Group's capital structure was as follows:

	2024 06 30	2023 06 30
Borrowings	47,707	39,922
Less: cash and cash equivalents	(2,997)	(1,812)
Net debt	44,710	38,110
Shareholders' equity	156,389	147,964
Total capital	201,099	186,074

Pursuant to the Lithuanian Law on Companies the authorised share capital of a public company must be not less than EUR 25 thousand (the authorised share capital of a private company must not be less than EUR 1 thousand) and the shareholders' equity should not be lower than 50% of the company's registered share capital. As at 30 June 2024 and 30 June 2023, the Company and its subsidiaries registered in Lithuania complied with these requirements.

4. Information on segments

Operating segments and reportable segments

The Group's management has distinguished the following operating segments of the Group: hard cheese, semi-hard cheese, butter milk, cream, sour cream, sour milk, yogurt, curd, curd cheese and other. These segments were combined into two main reportable segments based on the similar nature of products, production process, types of customers and the method of distribution. The main two reportable business segments of the Group are as follows:

- Fresh milk products
- Cheese and other dairy products.

Other operations of the Group comprise of raw milk collection. Transactions between the business segments are on normal commercial terms and conditions.

Geographical information

Analysis of the Group's income from sales according to markets is as follows:

	2024 06 30	2023 06 30
Lithuania	57,506	52,800
European Union member states	102,547	75,566
Near East	8,527	10,491
North America	3,287	4,768
Far East	1,990	3,911
Other countries	951	570
Total	174,808	148,106

The breakdown of the Group's revenue by category:

	2024 06 30	2023 06 30
Product Sales	174,295	146,674
Provided services	513	1,432
Total	174,808	148,106

5. Long-term tangible assets

In the income statement the depreciation charge of long-term tangible assets is reported in the following entries: selling and marketing expenses, general and administrative expenses and cost of sales, as well as in production in progress and ready production entries.

Software and intangible asset depreciation charge are accounted in the entry of general and administrative expenses.

6. Inventories

As at 30st June 2024, the Group's inventories were made of:

	2024 06 30	2023 06 30
Raw materials	3,141	3,228
Work in progress	11,574	13,443
Finished products	69,733	56,610
Other inventories	2,556	1,844
Total	87,004	75,125

7. Related-party transactions

Main shareholders of Company:

	2024 06 30	2023 06 30
Members of the family of Antanas Trumpa (Chairman of the Board of the Company)	21.02%	19.76%
„Pieno pramonės investicijų valdymas” UAB (established in Lithuania) *	27.21%	27.21%
SIA „RSU Holding“ (established in Latvia) *	24.96%	24.96%
Fonterra (Europe) Coöperatie U.A	2.40%	10.00%
Other shareholders (legal entities and natural persons)	14.41%	15.67%
Rokiškio sūris AB (treasury shares)	10.00%	2.40%

* Pieno Pramonės Investicijų Valdymas UAB is controlled by Mr Antanas Trumpa (as a principal shareholder holding 55.76% of the share capital and votes of Pieno Pramonės Investicijų Valdymas UAB). RSU Holding SIA is controlled by Mr Dalius Trumpa (as a single shareholder holding 92% of the share capital and votes of RSU Holding SIA). The group of persons acting in concert holds in total 75.59% (2023 06 30: 81.93%) of the Company's share capital and votes*.

Members of the Board of Directors of Pieno Pramonės Investicijų Valdymas UAB, RSU Holding SIA, Fonterra (Europe) Coöperatie U.A., and Rokiškio Sūris AB and their family members are treated as related parties.

Certain cooperative societies engaged in the production of milk are treated as related parties of the Company because the Company can exercise a significant influence over daily activities of these cooperative societies through close family members of its directors and certain employees.

The following transactions were carried out with related parties:

	2024 06 30	2023 06 30
Purchase of raw milk from other related parties	2,168	1,785
Purchase of non-current assets	-	-
Purchases of services	162	167
Sales of production and other inventories	5,629	9,340
Interest charges on credit facility	5	5

Seeking to disclose more accurately the internal turnovers for Rokiškio Sūris AB and Rokiškio Pienas and for Rokiškio Pieno Gamyba UAB, the Group's management decided that all purchases of raw materials used for the manufacturing of products exported by Rokiškio Sūris AB should be made at zero price, and all sales of products produced by Rokiškio Pienas UAB and by Rokiškio Pieno Gamyba UAB should be treated as sales of services, i.e. excluding the value of raw material. Purchases and sales of milk, property plant & equipment and inventory is organised at arm's length conditions between related parties.

Year-end balances arising from transactions with related parties:

	2024 06 30	2023 06 30
Non-interest bearing loans granted to directors (and their family members)	0	2
Loan receivable from Dzūkijos Pienas KB	298	298
Loan payable to Fonterra (Europe) Coöperatie U.A.	2,069	2,241
Trade payables to other related parties	90	415
Trade receivables from other related parties	529	2,370

Based on Resolution No 15 of the shareholder of Rokiškio Pieno Gamyba UAB made on 30 April 2024 it was decided to approve the proposed appropriation of profit for 2023 for Rokiškio Pieno Gamyba UAB and allocate EUR 5,499,891 for the payment of dividends. Based on Resolution No 34 of the shareholder of Rokiškio Pienas UAB made on 30 April 2024 it was decided to approve the proposed appropriation of profit for 2023 for Rokiškio Pienas UAB and allocate EUR 4,130,646 for the payment of dividends. Dividends were paid out to Rokiškio Sūris AB in May 2024.

8. Financial ratios

The Group's financial ratios:	2024 06 30	2023 06 30	2022 06 30
Revenue (EUR thousand)	174,808	148,106	168,217
EBITDA (EUR thousand)	13,710	6,615	11,844
EBITDA margin (%)	7.84	4.47	7.04
Operations profit (EUR thousand)	8,482	1,759	7,298
Margin of operations profit (%)	4.85	1.19	4.34
Profit per share (EUR)	0.20	0.05	0.17
Number of shares (units)	35,867,970	35,867,970	35,867,970

9. Information on the audit

The audit according to the International Accounting Standards will be made for the full year 2024 by audit company UAB BDO auditas ir apskaita.

10. Information on material events and transactions

On 29 February 2024, amendments to the Credit Agreement were signed with AB SEB bankas, whereby the Borrower (AB Rokiškio sūris) increased the amount of the Overdraft Limit up to a total maximum amount of EUR 55 million and a new 15 million credit with a repayment term until 30 April 2026. The maturity of this Overdraft Limit has been extended until 30 April 2025. It also extended the pledge to the bank of all the Company's current and future funds in circulation and increased the pledge on the property complex.



ENDORSEMENT BY THE RESPONSIBLE PERSONS

30/08/2024

In accordance with the Securities Law of the Republic of Lithuania and the Information Disclosure Rules of the Bank of Lithuania, we, Dalius Trumpa, CEO of Rokiskio suris AB, and Antanas Kavaliauskas, CFO of Rokiskio suris AB, hereby confirm that to our knowledge the half year 2024 consolidated non-audited financial statements are formed in accordance with the applicable accounting standards, they are true and show fair assets, obligations, financial state, profit (loss) and cash flows of the Company and total consolidated group. Also, to our best knowledge the Company's consolidated half year report makes fair overview of the operations and business development, current state of the company overall group of Rokiskio suris AB, including description of the main risks and uncertainties.

CEO Dalius Trumpa

CFO Antanas Kavaliauskas