



**ŽEMAITIJOS PIENAS, AB  
SET OF CONSOLIDATED  
AND  
SEPARATE UNAUDITED FINANCIAL STATEMENTS  
FOR 1<sup>st</sup> HALF OF 2022**

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## I. STATEMENTS OF FINANCIAL POSITION

ASSETS	Notes	The Group		The Company	
		30-06-2022	31-12-2021	30-06-2022	31-12-2021
<b>Fixed assets</b>					
Intangible assets	4	155	199	155	199
Tangible assets	4	59.076	58.853	52.563	52.373
Investments for sale	5	2.586	2.832	2.501	2.746
Right-of-use-asset	6	630	945	630	945
Investments into subsidiaries		-	-	3.150	3.150
Loans granted, long receivables	8	2.173	1.636	2.173	1.636
Others fin., invest. assets		142	160	143	160
Deferred profit tax assets	7	-	-	-	-
<b>Total amount of fixed assets</b>		<b>64.762</b>	<b>64.625</b>	<b>61.315</b>	<b>61.209</b>
<b>Current assets</b>					
Stock	9	58.550	42.871	56.202	41.056
Advance payments		338	293	316	272
Receivables from the buyers	10	24.684	19.674	24.142	19.484
Other receivables	11	3.293	2.372	3.157	2.337
Cash and cash equivalents	12	2.489	3.756	2.404	3.398
<b>Total amount of current assets</b>		<b>89.354</b>	<b>68.966</b>	<b>86.221</b>	<b>66.547</b>
<b>ASSETS IN TOTAL</b>		<b>154.116</b>	<b>133.591</b>	<b>147.536</b>	<b>127.756</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	13	13.449	13.449	13.449	13.449
Own shares (-)		(8.151)	(8.151)	(8.151)	(8.151)
Required reserve		1.403	1.403	1.403	1.403
Other reserves		11.600	14.250	11.600	14.250
Undistributed profit		80.410	76.440	74.555	69.895
<b>Equity of the shareholders of the parent company</b>		<b>98.711</b>	<b>97.391</b>	<b>92.856</b>	<b>90.846</b>
Minority interest		1.485	1.590	-	-
<b>Equity in total</b>		<b>100.196</b>	<b>98.981</b>	<b>92.856</b>	<b>90.846</b>
<b>Long-term liabilities</b>					
Support received		2.885	3.033	2.555	2.683
Loans	14	9.250	2.500	9.250	2.500
Liabilities arising from the financial lease	15	424	392	425	392
Liabilities arising from the deferred profit tax		133	181	292	340
Other long-term liabilities		3.427	3.427	3.232	3.232
<b>Total amount of long-term liabilities</b>		<b>16.119</b>	<b>9.533</b>	<b>15.754</b>	<b>9.147</b>
<b>Short-term liabilities</b>					
Loans	14	10.697	2.000	10.697	2.000
Liabilities arising from the financial lease	15	547	834	547	834
Trade debts	16	20.420	15.756	22.172	19.104
Payable profit tax		-	66	-	66
Other payable amounts	17	6.137	6.421	5.510	5.759
<b>Total amount of short-term liabilities</b>		<b>37.801</b>	<b>25.077</b>	<b>38.926</b>	<b>27.763</b>
<b>Liabilities in total</b>		<b>53.920</b>	<b>34.610</b>	<b>54.680</b>	<b>36.910</b>
<b>EQUITY AND LIABILITIES IN TOTAL</b>		<b>154.116</b>	<b>133.591</b>	<b>147.536</b>	<b>127.756</b>

## II. STATEMENTS OF COMPREHENSIVE INCOME

### The Group

Notes	Jan-Jun 2022	Jan-Jun 2021
Sales	<b>122.675</b>	<b>93.254</b>
Cost of sales	(103.126)	(73.544)
<b>GROSS PROFIT</b>	<b>19.549</b>	<b>19.710</b>
Operating expenses	(18.107)	(15.737)
Other operating income and expenses	242	149
<b>(LOSS) PROFIT FROM OPERATIONS</b>	<b>1.684</b>	<b>4.122</b>
Finance costs	(58)	(45)
Other financial income and expenses	106	191
<b>(LOSS) PROFIT BEFORE TAX</b>	<b>1.732</b>	<b>4.269</b>
Income tax (benefit) expense	(518)	(114)
<b>TOTAL INCOME FOR THE PERIOD</b>	<b>1.214</b>	<b>4.155</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Company	1.319	4.219
Minority interest	(105)	(64)
	<b>1.214</b>	<b>4.155</b>
<b>Basic and diluted earnings per share (EUR)</b>	<b>0,03</b>	<b>0,09</b>

### The Company

	Jan-Jun 2022	Jan-Jun 2021
Sales	<b>122.464</b>	<b>92.790</b>
Cost of sales	(102.652)	(73.102)
<b>GROSS PROFIT</b>	<b>19.812</b>	<b>19.688</b>
Operating expenses	(17.566)	(15.254)
Other operating income and expenses	234	139
<b>(LOSS) PROFIT FROM OPERATIONS</b>	<b>2.480</b>	<b>4.573</b>
Finance costs	(58)	(45)
Other financial income and expenses	106	191
<b>(LOSS) PROFIT BEFORE TAX</b>	<b>2.528</b>	<b>4.719</b>
Income tax (benefit) expense	(518)	(114)
<b>TOTAL INCOME FOR THE PERIOD</b>	<b>2.010</b>	<b>4.605</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the Company	2.010	4.605
Minority interest		
	<b>2.010</b>	<b>4.605</b>
<b>Basic and diluted earnings per share (EUR)</b>	<b>0,05</b>	<b>0,10</b>

### III. STATEMENT OF CHANGES IN EQUITY

<b>The Group</b>	<b>Share capital</b>	<b>Own shares (-)</b>	<b>Legal reserve</b>	<b>Reserves for own shares</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Equity</b>	<b>Minority interest</b>	<b>Total</b>
<b>Balance as of</b>									
<b>31 December 2020</b>	<b>14.029</b>	<b>(3.914)</b>	<b>1.403</b>	<b>10.000</b>	<b>2.350</b>	<b>70.832</b>	<b>94.700</b>	<b>1.615</b>	<b>96.315</b>
Dividends	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	1.900	(1.900)	-	-	-
Reserves used	-	-	-	-	-	-	-	-	-
<b>Net profit</b>	-	-	-	-	-	<b>4.219</b>	<b>4.219</b>	<b>(64)</b>	<b>4.155</b>
<b>Balance as of</b>									
<b>30 June 2021</b>	<b>14.029</b>	<b>(3.914)</b>	<b>1.403</b>	<b>10.000</b>	<b>4.250</b>	<b>73.152</b>	<b>98.920</b>	<b>1.551</b>	<b>100.471</b>
<b>Balance as of</b>									
<b>31 December 2021</b>	<b>13.449</b>	<b>(8.151)</b>	<b>1.403</b>	<b>10.000</b>	<b>4.250</b>	<b>76.440</b>	<b>97.391</b>	<b>1.590</b>	<b>98.981</b>
Dividends	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	1.600	(1.600)	-	-	-
Reserves used	-	-	-	-	(4.250)	4.250	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
<b>Net profit</b>	-	-	-	-	-	<b>1.319</b>	<b>1.319</b>	<b>(105)</b>	<b>1.214</b>
<b>Balance as of</b>									
<b>30 June 2022</b>	<b>13.449</b>	<b>(8.151)</b>	<b>1.403</b>	<b>10.000</b>	<b>1.600</b>	<b>80.409</b>	<b>98.711</b>	<b>1.485</b>	<b>100.196</b>

<b>The Company</b>	<b>Share capital</b>	<b>Own shares (-)</b>	<b>Legal reserve</b>	<b>Reserves for own shares</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance as of</b>							
<b>31 December 2020</b>	<b>14.029</b>	<b>(3.914)</b>	<b>1.403</b>	<b>10.000</b>	<b>2.350</b>	<b>64.263</b>	<b>88.131</b>
Dividends	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	1.900	(1.900)	-
Reserves used	-	-	-	-	-	-	-
<b>Net profit</b>	-	-	-	-	-	<b>4.605</b>	<b>4.605</b>
<b>Balance as of</b>							
<b>30 June 2021</b>	<b>14.029</b>	<b>(3.914)</b>	<b>1.403</b>	<b>10.000</b>	<b>4.250</b>	<b>66.968</b>	<b>92.736</b>
<b>Balance as of</b>							
<b>31 December 2021</b>	<b>13.449</b>	<b>(8.151)</b>	<b>1.403</b>	<b>10.000</b>	<b>4.250</b>	<b>69.895</b>	<b>90.846</b>
Dividends	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	1.600	(1.600)	-
Reserves used	-	-	-	-	(4.250)	4.250	-
Other transfers	-	-	-	-	-	-	-
<b>Net profit</b>	-	-	-	-	-	<b>2.010</b>	<b>2.010</b>
<b>Balance as of</b>							
<b>30 June 2022</b>	<b>13.449</b>	<b>(8.151)</b>	<b>1.403</b>	<b>10.000</b>	<b>1.600</b>	<b>74.555</b>	<b>92.856</b>

## IV. CASH FLOW STATEMENTS

	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Cash flow from operating activities</b>				
Profit (loss) for the period	<b>1.214</b>	<b>4.155</b>	<b>2.010</b>	<b>4.605</b>
<b>Adjustments:</b>				
Depreciation and amortization	3.271	3.025	3.026	2.772
Amortization of grants received	(149)	(156)	(127)	(127)
Gain (loss) on disposal of non-current assets	(27)	(12)	(44)	(18)
Corporate income tax expenses	(48)	114	(48)	114
Impairment of accounts receivable	35	(269)	35	(269)
Impairment of property, plant and equipment	-	-	-	-
Impairment of inventories to net realizable value	67	14	67	14
Net financial expenses (income)	(11)	129	29	128
Elimination of non-cash items	-	-	-	-
Loss from liquidation of subsidiaries	-	-	-	-
Net cash flows from ordinary activities before changes in working capital	<b>4.352</b>	<b>7.000</b>	<b>4.948</b>	<b>7.219</b>
<b>Changes in working capital:</b>				
(Increase) decrease in inventories	(15.745)	(1.525)	(15.214)	(1.068)
(Increase) decrease in trade receivables	(5.047)	323	(4.704)	388
(Increase) decrease in prepayments	(44)	(129)	(44)	(135)
(Increase) decrease in other receivables	(1.245)	(1.377)	(1.172)	(1.368)
(Decrease) increase in trade payables	4.664	458	3.068	1.525
(Decrease) increase other accounts payable	(171)	133	(137)	270
Corporate income tax paid	(66)	(1.132)	(66)	(1.132)
	-	-	-	-
<b>Net cash flows from operating activities</b>	<b>(13.302)</b>	<b>3.751</b>	<b>(13.321)</b>	<b>5.699</b>
<b>Cash flows from (to) investing activities</b>				
Acquisition of intangible assets and property, plant and equipment.	(3.114)	(7.620)	(2.800)	(7.454)
Proceeds on sale of property, plant and equipment	302	90	294	85
Acquisition of subsidiaries	-	-	-	-
Acquisition of others investments	(26)	18	(26)	17
Repayment of loans granted	498	434	498	434
Loans granted	(708)	(285)	(708)	(285)
Interest received	48	41	48	41
<b>Net cash flows (to) investing activities</b>	<b>(3.000)</b>	<b>(7.322)</b>	<b>(2.694)</b>	<b>(7.162)</b>



IV. CASH FLOW STATEMENTS <i>- continue</i>	The Group		The Company	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>Cash flows from (to) financing activities</b>				
Dividends paid	-	-	-	-
Acquisition of own shares	-	-	-	-
Grants received (-)	39	255	26	-
Loans received (-)	16.447	-	16.447	-
Repayment of loans	(1.000)	(500)	(1.000)	(500)
Financial lease payments	(373)	(422)	(373)	(422)
Interest paid	(58)	(45)	(58)	(45)
Other financial (income) and expenses	(20)	(124)	(21)	(125)
<b>Net cash flows from financial activities</b>	<b>15.035</b>	<b>(836)</b>	<b>15.021</b>	<b>(1.092)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1.267)</b>	<b>(4.407)</b>	<b>(994)</b>	<b>(2.555)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.756</b>	<b>16.093</b>	<b>3.398</b>	<b>11.606</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2.489</b>	<b>11.686</b>	<b>2.404</b>	<b>9.051</b>

## V. EXPLANATORY NOTES

### 1. GENERAL INFORMATION

Žemaitijos pienas, AB (hereinafter referred to as the Company) is a public limited liability company registered in the Republic of Lithuania. Its registered office is situated at the address Sedos st. 35, Telšiai, Lithuania.

The Company produces dairy products and sells them on the Lithuanian and foreign markets. The Company has a number of wholesale units with warehouses and vehicles in the biggest cities of Lithuania. The Company commenced its operations in the year 1984.

On 30 June 2021 the Company's share capital was 14 029 thousand of EUR composed of 48.375.000 ordinary registered shares with a nominal value of 0,29 EUR per share.

On 2 August 2021, the Extraordinary General Meeting of Shareholders of the Company resolved to reduce the authorised capital of the Company by EUR 580,000 (five hundred and eighty thousand euro) by cancelling (part of) 2,000,000 (two million) ordinary registered shares of the Company with a nominal value of EUR 0.29 per share. The purpose of the reduction of the share capital is the cancellation of part of the treasury shares purchased and owned by the Company. The method of the reduction of share capital is cancellation of (part of) the shares.

Following the cancellation of 2,000,000 treasury shares, the Company's authorised capital as at 31.12.2021 and 30.06.2022 amounts to EUR 13,448,750 divided into 46,375,000 ordinary registered shares with a nominal value per share of EUR 0.29.

On 15 April 2022, the Ordinary General Meeting of Shareholders resolved to reduce the Company's share capital in order to cancel the 4,637,500 ordinary registered shares acquired by the Company through share buy-back processes. The Company's share capital is reduced from EUR 13 448 750 to EUR 12 103 875 by cancelling and by publishing the cancellation of the 4,637,500 ordinary registered shares of the Company acquired by the Company, each with a nominal value of EUR 0.29. Following the registration of the new version of the Company's Articles of Association in the Register of Legal Entities, the Company's share capital will be EUR 12,103,875. The Company's capital will be divided into 41 737 500 ordinary registered shares with a nominal value of EUR 0.29 each.

All shares have been issued, subscribed and paid up.

As at 30 June 2021 and 30 June 2022, the subsidiaries held no shares in the Company. The Company's shares are traded on the Baltic Additional List of the Vilnius Stock Exchange. As at 30 June 2021, the balance of the Company's treasury shares amounted to 3,491,501 units or 7.22% of the Company's total shares for an amount of EUR 3.914 thousand.

From this period until 30 June 2022 the Company acquired an additional 3,145,999 shares for EUR 5,517 thousand.

As at 30 June 2022 the Company had purchased 4,637,500 treasury shares or 10% of the Company's total shares for EUR 8.151 thousand.

On 30 June 2022, the Group was composed of Žemaitijos pienas, AB and its subsidiaries (hereinafter - the Group):

<u>Subsidiary</u>	<u>Registered office of the Company</u>	<u>Interest of the Group's shares</u>	<u>Consolidated interest</u>	<u>Investments (cost price) 30 June 2022</u>	<u>Net assets 30 June 2022</u>	<u>Main activities</u>
Šilutės Rambynas, ABF	Klaipėdos st. 3, Šilutė, Lithuania	87.82 %	87.82 %	3.150	12.194	Production and sale of cheese

On 30 June 2022, the Company had 1.311 employees, and the Group had 1.476 employees (on 30 June 2021 – 1.201 employees in the Company and 1.369 employees in the Group).

### 2. ACCOUNTING PRINCIPLES

The consolidated interim financial statements for the six months' period ending 30 June 2022 are prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2021 year.



The presentation currency is euro. The financial statements are presented in thousands of euro, unless indicated otherwise. The financial statements are prepared under the historical cost convention.

Financial statements for the period ended 30 June 2022 are not audited. Financial statements for the year ended 31 December 2021 are audited by the external auditor Grant Thornton Baltic, UAB

### 3. INFORMATION ABOUT THE SEGMENTS

For managerial purposes the activities of the Group and the Company are organized as a single main segment – the production and sale of dairy and cheese products (primary segment). Other products as addition (primary) segment consist of sales of milk, butter, milk whey and other.

The Group	Sales, EUR thousand		Variation in % as comparing 01-06 2022 with 01-06 2021
	Jan-Jun 2022	Jan-Jun 2021	
	Cheese and cheese products	43.758	
Fresh dairy products	39.829	28.951	37,57%
Other products	39.088	22.673	72,4%
<b>Total:</b>	<b>122.675</b>	<b>93.254</b>	<b>31,55%</b>

The Group	Gross profit, EUR thousand		Variation in % as comparing 01-06 2022 with 01-06 2021
	Jan-Jun 2022	Jan-Jun 2021	
	Cheese and cheese products	7.751	
Fresh dairy products	8.390	8.578	(2,19) %
Other products	3.408	2.899	17,56 %
<b>Total:</b>	<b>19.549</b>	<b>19.710</b>	<b>(0,82) %</b>

The Company	Sales, EUR thousand		Variation in % as comparing 01-06 2022 with 01-06 2021
	Jan-Jun 2022	Jan-Jun 2021	
	Cheese and cheese products	46.790	
Fresh dairy products	41.400	28.792	43,79 %
Other products	34.274	23.996	42,83 %
<b>Total:</b>	<b>122.464</b>	<b>92.790</b>	<b>31,98 %</b>

The Company	Gross profit, EUR thousand		Variation in % as comparing 01-06 2022 with 01-06 2021
	Jan-Jun 2022	Jan-Jun 2021	
	Cheese and cheese products	8.261	
Fresh dairy products	8.373	8.508	(1,59) %
Other products	3.178	2.559	24,19 %
<b>Total:</b>	<b>19.812</b>	<b>19.688</b>	<b>0,63 %</b>

During 2022 January-June increased prices and sales of cream, whey and skimmed milk flour and butter, which led to significant gross profit increasement of “Other products” segment.  
 The sales of the Group and the Company according to the geographical segments (secondary segment) are provided hereunder:

<b>The Group</b>	<b>Jan-Jun 2022</b>	<b>Jan-Jun 2021</b>
<b>Sales, EUR thousand</b>		
Lithuania	66.786	46.659
EU countries	40.462	29.847
Other	15.427	16.748
<b>In total</b>	<b>122.675</b>	<b>93.254</b>

  

<b>The Company</b>	<b>Jan-Jun 2022</b>	<b>Jan-Jun 2021</b>
<b>Sales, EUR thousand</b>		
Lithuania	67.380	47.670
EU countries	39.972	28.629
Other	15.112	16.491
<b>Total, EUR thousand:</b>	<b>122.464</b>	<b>92.790</b>

#### 4. INTANGIBLE AND TANGIBLE NON-CURRENT ASSETS

Changes in **intangible assets of the Group** as of 30 June 2022

<b>The Group</b>	<b>Acquired rights</b>	<b>Computer software</b>	<b>Licenses, patents</b>	<b>Total</b>
<b>Acquisition cost</b>				
<b>As of 31 December 2021</b>	<b>279</b>	<b>142</b>	<b>631</b>	<b>1.052</b>
- acquisition	30	1	1	32
- adding value				
- sold or written-off assets				
- transfers between accounts				
<b>As of 30 June 2022</b>	<b>309</b>	<b>143</b>	<b>632</b>	<b>1.084</b>
<b>Accumulated depreciation</b>				
<b>As of 31 December 2021</b>	<b>198</b>	<b>131</b>	<b>524</b>	<b>853</b>
- amortization	24	4	48	76
- transfers between accounts				
- amortization of transferred and written-off assets				
<b>As of 30 June 2022</b>	<b>222</b>	<b>135</b>	<b>572</b>	<b>929</b>
<b>Net book value:</b>				
<b>As of 31 December 2021</b>	<b>81</b>	<b>11</b>	<b>107</b>	<b>199</b>
<b>As of 30 June 2022</b>	<b>87</b>	<b>8</b>	<b>60</b>	<b>155</b>

Changes in **intangible assets of the Company** as of 30 June 2022

The Company	Acquired rights	Computer software	Licenses, patents	Total
<b>Acquisition cost</b>				
<b>As of 31 December 2021</b>	<b>279</b>	<b>121</b>	<b>631</b>	<b>1.031</b>
-acquisition	30	-	2	32
-adding value				
-sold or written-off assets				
-transfers between accounts				
<b>As of 30 June 2022</b>	<b>309</b>	<b>121</b>	<b>633</b>	<b>1.063</b>
<b>Accumulated depreciation</b>				
<b>As of 31 December 2021</b>	<b>198</b>	<b>110</b>	<b>524</b>	<b>832</b>
-amortization	24	3	49	76
-amortization of transferred and written-off assets	-	-	-	-
-transfers between accounts	-	-	-	-
<b>As of 30 June 2022</b>	<b>222</b>	<b>113</b>	<b>573</b>	<b>908</b>
<b>Net book value:</b>				
<b>As of 31 December 2021</b>	<b>81</b>	<b>11</b>	<b>107</b>	<b>199</b>
<b>As of 30 June 2022</b>	<b>87</b>	<b>8</b>	<b>60</b>	<b>155</b>

In the period January-June 2022 amortization of non-current intangible assets of the Group and the Company amounts to EUR 76 thousand and EUR 76 thousand respectively.

Investments in the purchase of non-current intangible assets made by the Group and the Company in the period January - June 2022 amount to EUR 32 thousand and EUR 32 thousand respectively. As all the assets of the Group and the Company are located in Lithuania, all the investments were made in the Lithuanian geographic segment.

Changes in **property, plant and equipment of the Group** as of 30 June 2022

The Group	Land, buildings and constructions	Machinery and equipment	Vehicles	Other property, plant and equipment	Constructions in progress and prepayments	Total
<b>Acquisition cost</b>						
<b>As of 31 December 2021</b>	<b>27.363</b>	<b>93.740</b>	<b>12.103</b>	<b>5.261</b>	<b>1.141</b>	<b>139.608</b>
-acquisition	126	802	439	62	1.464	2.893
-sold or written-off assets	(115)	(13)	(127)	(35)	-	(290)
-transfers to investing assets						
-transfers from investing assets						
-reclassification		572	19	1	(592)	-
-adding value	-	188	-	-	-	188
<b>As of 30 June 2022</b>	<b>27.374</b>	<b>95.289</b>	<b>12.434</b>	<b>5.289</b>	<b>2.013</b>	<b>142.399</b>
<b>Accumulated depreciation</b>						
<b>As of 31 December 2021</b>	<b>9.864</b>	<b>58.598</b>	<b>8.995</b>	<b>3.298</b>	<b>-</b>	<b>80.755</b>
-depreciation	336	1.892	287	209	-	2.724
-depreciation of written-off and sold assets	(19)	(6)	(97)	(34)	-	(156)
-transfers to investing assets						
-transfers from investing assets						
-transfers between accounts						

As of 30 June 2022	10.181	60.484	9.185	3.473	-	83.323
<b>Accumulated impairment losses</b>						
As of 31 December 2021	-	-	-	-	-	-
-impairment losses	-	-	-	-	-	-
-reversal of impairment	-	-	-	-	-	-
-transfers to investing assets	-	-	-	-	-	-
As of 30 June 2022	-	-	-	-	-	-
<b>Net book value:</b>						
As of 31 December 2021	17.499	35.142	3.108	1.963	1.141	58.853
As of 30 June 2022	17.193	34.805	3.249	1.816	2.013	59.076

Changes in **property, plant and equipment of the Company** as of 30 June 2022:

The Company	Land, buildings and constructions	Machinery and equipment	Vehicles	Other property, plant and equipment	Constructi on in progress and prepaymen ts	Total
<b>Acquisition cost</b>						
As of 31 December 2021	24.543	84.035	10.605	4.753	354	124.290
-acquisition	126	774	449	51	1.191	2.591
-sold or written-off assets	(116)	(11)	(48)	(35)	-	(210)
-adding value		188				188
-reclassification	1	278	19	1	(299)	-
-transfers to accounts investing assets						
As of 30 June 2022	24.554	85.264	11.025	4.770	1.246	126.859
<b>Accumulated depreciation</b>						
As of 31 December 2021	8.652	52.824	7.505	2.936	-	71.917
-depreciation	312	1.681	290	196	-	2.479
-depreciation of written-off and sold assets	(18)	(4)	(44)	(34)	-	(100)
-reclassification	-	-	-	-	-	-
-transfers to investing assets	-	-	-	-	-	-
As of 30 June 2022	8.946	54.501	7.751	3.098	-	74.296
<b>Accumulated impairment losses</b>						
As of 31 December 2021	-	-	-	-	-	-
-impairment losses	-	-	-	-	-	-
-reversal of impairment	-	-	-	-	-	-
As of 30 June 2022	-	-	-	-	-	-
<b>Net book value</b>						
As of 31 December 2021	15.891	31.211	3.100	1.817	354	52.373
As of 30 June 2022	15.608	30.763	3.274	1.672	1.246	52.563

For the period ending at 30 June 2022 the depreciation costs of the Group's and the Company's property, plant and equipment amounts to EUR 2.724 thousand and EUR 2.479 thousand respectively.

Investments in the the acquiring of non-current tangible and intangible assets made by the Group and the Company in January-June 2022 amounted to EUR 3.081 thousand and EUR 2.779 thousand. All the acquisitions above relate to the geographic segment of Lithuania.

## 5. INVESTMENT PROPERTY

Changes in the investment assets as of 30 June 2022:

	<u>The Group</u>	<u>The Company</u>
<b>Acquisition cost</b>		
<b>As of 31 December 2021</b>	<b>4.449</b>	<b>3.712</b>
- acquisition	-	-
- transfers from long-term assets	-	-
- transfers to long-term assets	-	-
- sold or written-off assets	(198)	(198)
- reversal records	-	-
<b>As of 30 June 2022</b>	<b>4.251</b>	<b>3.514</b>
<b>Accumulated depreciation</b>		
<b>As of 31 December 2021</b>	<b>1.617</b>	<b>966</b>
- depreciation	105	104
- transfers to long-term assets	-	-
- sold or written-off assets	(57)	(57)
- reversal records	-	-
<b>As of 30 June 2022</b>	<b>1.665</b>	<b>1.013</b>
<b>Accumulated impairment losses</b>		
<b>As of 31 December 2021</b>	-	-
-impairment losses	-	-
-reversal of impairment	-	-
<b>As of 30 June 2022</b>	-	-
<b>Net book value, Eur thousand:</b>		
<b>As of 31 December 2021</b>	<b>2.832</b>	<b>2.746</b>
<b>As of 30 June 2022</b>	<b>2.586</b>	<b>2.501</b>

The fair value of investment assets approximates its book value.

The Group's and Company's depreciation of the investment assets in the period January-June 2022 amounted to EUR 105 thousand and EUR 104 thousand respectively.

The Company's investment assets in 2022 and 2021 represents rented assets to ABF Šilutės Rambynas and UAB Čia Market and other companies.

All rent contracts are easily cancellable with a few months prior notice made by the lessee or the lessor.

## 6. RIGHT-OF-USE-ASSET

According to the new IFRS 16 "Leases" effective as of January 1, 2019 the right-of use asset account to the following:

<b>The Group</b>	<b>Land, buildings and constructions</b>	<b>Movable property</b>	<b>Vehicles</b>	<b>Total</b>
<b>Acquisition cost</b>				
<b>31 December 2021</b>	<b>2.412</b>	<b>507</b>	<b>103</b>	<b>3.022</b>
-acquisition	50	0	-	51
-reclassification	-	-	-	-
-the end of contract	(34)	-	-	(34)
<b>Acquisition cost</b>				
<b>30 June 2022</b>	<b>2.428</b>	<b>508</b>	<b>103</b>	<b>3.039</b>
<b>Accumulated depreciation</b>				
<b>31 December 2021</b>	<b>1.549</b>	<b>414</b>	<b>83</b>	<b>2.046</b>
-depreciation	305	51	8	364
-reclassification	-	-	2	2
-the end of contract	(27)	-	-	(27)
<b>Accumulated depreciation</b>				
<b>31 June 2022</b>	<b>1.827</b>	<b>465</b>	<b>93</b>	<b>2.385</b>

<b>Accumulated impairment losses</b>				
<b>As of 31 December 2021</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>31</b>
-impairment losses				
-reversal of impairment	(3)	(4)	(0)	(7)
<b>Accumulated impairment losses</b>	<b>28</b>	<b>(4)</b>	<b>(0)</b>	<b>24</b>
<b>As of 31 December 2022</b>				
<b>Net book value</b>				
<b>31 December 2021</b>	<b>832</b>	<b>93</b>	<b>20</b>	<b>945</b>
<b>Net book value</b>				
<b>30 June 2022</b>	<b>573</b>	<b>47</b>	<b>10</b>	<b>630</b>
<b>The Company</b>	<b>Land, buildings and constructions</b>	<b>Movable property</b>	<b>Vehicles</b>	<b>Total</b>
<b>Acquisition cost</b>	<b>2.412</b>	<b>507</b>	<b>103</b>	<b>3.022</b>
<b>31 December 2021</b>				
-acquisition	50	0	-	51
-reclassification				
-the end of contract	(34)	-	-	(34)
<b>Acquisition cost</b>	<b>2.428</b>	<b>508</b>	<b>103</b>	<b>3.039</b>
<b>30 June 2022</b>				
<b>Accumulated depreciation</b>	<b>1.549</b>	<b>414</b>	<b>83</b>	<b>2.046</b>
<b>31 December 2021</b>				
-depreciation	305	51	8	364
-reclassification	-	-	2	2
-the end of contract	(27)	-	-	(27)
<b>Accumulated depreciation</b>	<b>1.827</b>	<b>465</b>	<b>93</b>	<b>2.385</b>
<b>31 June 2022</b>				
<b>Accumulated impairment losses</b>				
<b>As of 31 December 2021</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>31</b>
-impairment losses				
-reversal of impairment	(3)	(4)	(0)	(7)
<b>Accumulated impairment losses</b>	<b>28</b>	<b>(4)</b>	<b>(0)</b>	<b>24</b>
<b>As of 31 December 2022</b>				
<b>Net book value</b>				
<b>31 December 2021</b>	<b>832</b>	<b>93</b>	<b>20</b>	<b>945</b>
<b>Net book value</b>				
<b>30 June 2022</b>	<b>573</b>	<b>47</b>	<b>10</b>	<b>630</b>

## 7. DEFERRED INCOME TAX ASSET

	The Group		The Company	
	Jan-Jun 2022	Jan-Dec 2021	Jan-Jun 2022	Jan-Dec 2021
<b>Deferred income tax asset</b>				
Accounts receivable	20	15	20	15
Inventories	93	83	47	37
Accrued vacation reserve	237	203	236	203
Other accrued expenses	638	639	589	589
Investment incentiv	273	273	-	-
Tax loss	-	-	-	-
<b>Total deferred income tax asset, EUR thousand</b>	<b>1.261</b>	<b>1.213</b>	<b>892</b>	<b>844</b>

Deferred income tax asset realization allowance	-	-	-	-
<b>Deferred income tax asset (realization allowance)</b>	<b>1.261</b>	<b>1.213</b>	<b>892</b>	<b>844</b>
<b>Deferred income tax liability</b>				
Difference in property, plant and equipment depreciation rates	(1.394)	(1.394)	(1.184)	(1.184)
<b>Total deferred income tax liability, EUR thousand</b>	<b>(1.394)</b>	<b>(1.394)</b>	<b>(1.184)</b>	<b>(1.184)</b>
<b>Deferred income tax asset, net EUR thousand</b>	<b>(133)</b>	<b>(181)</b>	<b>(292)</b>	<b>(340)</b>

## 8. LOANS GRANTED

The Group's and the Company's granted loans consisted of the following:

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
<b>Loans granted</b>	<b>2.698</b>	<b>2.488</b>	<b>2.698</b>	<b>2.488</b>
in a number of loans to related parties	467	521	467	521
in number of loans to not related parties	15	30	15	30
in a number of loans to farmers	2.114	1.861	2.114	1.861
in a number of loans to employees	102	76	102	76
<i>Less: current portion of loans granted</i>	<i>(525)</i>	<i>(852)</i>	<i>(525)</i>	<i>(852)</i>
<b>Non- current loans granted, EUR thousand</b>	<b>2.173</b>	<b>1.636</b>	<b>2.173</b>	<b>1.636</b>

All granted loans are in EUR. The repayment term is from 1 to 9 years. 16 company's employees had a loan balance as of 30/06/2022. The average annual loan interest rate: 3%.

Loans have been granted to the employees as a motivating tool based on the Regulations for Provision of Loans to employees. A limit of the fund intended for provision of loans to the employees makes up EUR 232 thousand. On all occasion loans are being granted to a borrower after he/she undertakes to secure repayment of a loan by pledging his/her or another person's real property assets or using other means of security of repayment of a loan acceptable to the company (a credit institution guarantee or other). Upon assessment of a possible risk, liquidity of real estate assets being pledged and etc. a value of the real estate assets being pledged makes up from 100% to 200% of an amount being borrowed.

72 farmers had a loan balance as of 30/06/2022. Loans in the amount of EUR 659 thousand had been granted to farmers within the period from 01/01/2021 to 30/06/2021. The average interest rate on loans granted: 1 month EURIBOR + 3,50%. All long-term loans have been granted with collateral (land have been pledged at market prices).

As of 30/06/2022 the associated company owed EUR 466,5 thousand to Klaipėdos pienas, AB. The loan has been granted with a variable/floating annual interest rate; a loan repayment period – the year 2029; the shares of Žemaitijos pienas, AB were pledged.

## 9. STOCK

The Group's and the Company's stock consisted of the following:

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
Raw materials	6.126	5.270	5.307	4.449
Finished goods and work in process	52.640	37.758	50.801	36.455

Goods for resale	406	398	406	398
	<b>59.172</b>	<b>43.426</b>	<b>56.514</b>	<b>41.302</b>
Less: write off to net realizable value	(622)	(555)	(312)	(246)
<b>Total, EUR thousand:</b>	<b>58.550</b>	<b>42.871</b>	<b>56.202</b>	<b>41.056</b>

## 10. RECEIVABLES FROM THE BUYERS

Receivables of the Group and the Company from the buyers consisted of the following:

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
Trade accounts receivable	21.862	17.581	21.826	17.440
Accounts receivable from related parties	2.945	2.182	2.439	2.133
	<b>24.807</b>	<b>19.763</b>	<b>24.265</b>	<b>19.573</b>
Impairment allowance for bad debts of not related parties	(123)	(89)	(123)	(89)
Impairment allowance for bad debts of related parties				
<b>Net trade receivables:</b>	<b>24.684</b>	<b>19.674</b>	<b>24.142</b>	<b>19.484</b>

Changes in the impairment of doubtful receivables from the buyers are included in the profit (loss) statement as operating expenses.

Receivables from the buyers are free of interest and their term is usually from 30 to 90 days. The accounts receivable from the customer are recognized as impairment allowance for bad debts and are accounted in operating expense in the total income statement.

## 11. OTHER RECEIVABLES

Other receivables of the Group and the Company consisted of the following:

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
Income tax receivables	-	-	-	-
Current portion of long-term loans granted	525	852	525	852
VAT receivable	2.638	1.485	2.503	1.451
Other receivables	130	35	129	34
<b>Total:</b>	<b>3.293</b>	<b>2.372</b>	<b>3.157</b>	<b>2.337</b>

## 12. CASH AND CASH EQUIVALENTS

The Group's and the Company's cash and cash equivalents consisted of the following:

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
Cash at bank	2.478	3.755	2.393	3.397
Cash on hand	11	1	11	1
<b>Total:</b>	<b>2.489</b>	<b>3.756</b>	<b>2.404</b>	<b>3.398</b>



### 13. EQUITY

As at 30 June 2022 and at 31 December 2021 the share capital amounted to 46.375.000 ordinary registered shares with a nominal value of 0.29 Eur.

As at 30 June 2022 and on 31 December 2021, all the shares were fully paid. *More about the Company's own capital and own shares in the 1. General information part of the Explanatory Letter - page 7.*

The required reserve is mandatory under legal acts of the Republic of Lithuania. It is necessary to transfer not less than 5 percent of the net profit each year until the reserve reaches 10 percent of the share capital. The Company's required reserve was fully formed. The required reserve may not be distributed to the shareholders. In April 2020 the shareholders adjusted the amount of the required reserve to 1.403 thousand. Eur.

Other reserves are formed according to the decision of the annual meeting of shareholders to distribute the profit and the Company's articles of association. These reserves can only be used for the purposes determined by the general meeting of shareholders. Following the valid Law on Companies, the Company's reserves other than required reserves must be restored to the distributable profit and redistributed if they have not been used or they are not planned to be used.

### 14. LOANS RECEIVED

The loans of the Company and the Group as at 30<sup>st</sup> June 2022 (EUR thousand):

Creditor	Date of agreement	Loan maturity date	Currency	2022.06.30	2021.12.31
AB SEB bank	2018-06-11/2019-07-16	2024-03-30	EUR	3.500	4.500
AB SEB bank	2018-06-11/2022-06-11	2027-05-23	EUR	7.500	
AB SEB bank	2018-06-11/2022-06-08	2024-06-30	EUR	8.947	
<b>Total: thousand EUR</b>				<b>19.947</b>	<b>4.500</b>

In July 2019, the Company concluded an amendment to the 2018-06-11 credit agreement with SEB Bankas, AB on the basis of which a new business credit amounting to EUR 6 million was granted to the Company. The credit bears fluctuating annual interest rate. Its repayment date: March 2024. The additional collateral includes industrial building in Telšiai (with all the equipment). In addition to the credit agreement, the Company concluded an agreement on financial indicators and other liabilities with SEB Bankas, AB. The financial indicators and non-financial liabilities set down in the agreement are being carried out.

In accordance with the additional amendments to this credit agreement, SEB Bank granted the Company a credit facility of EUR 7.5 million in June 2022.

In June 2022, the Company signed an addendum to the aforementioned credit agreement of June 2018 with AB SEB Bank for an increased "Account overdraft limit I" in the amount of EUR 10 million overdraft limit. The collateral for the fulfilment of the obligations under the credit agreement is the Company's current account with AB SEB Bank and the immovable and movable property located at Klaipėdos g. 3, Šilutė.

During the January-June 2022 the credit of 2018-06-11/2019-07-16 agreement was repaid EUR 1 million.

As at 30 June 2022, the balance of the Group and the Company's loans amounted to EUR 19.947 thousand.

### 15. LIABILITIES UNDER THE FINANCIAL LEASE CONTRACT

As at 30 June 2022, finance lease liabilities of the Group and the Company included liabilities from lease contracts concluded with the leasing companies and liabilities for the right-of-use assets.

The Group	30 06 2022	31 12 2021
Within one year	547	834

In the second to fifth years	424	392
<b>Total: liabilities arising from financial lease</b>	<b>971</b>	<b>1.226</b>
<b>The Company</b>	<b>30 06 2022</b>	<b>31 12 2021</b>
Within one year	547	834
In the second to fifth years	424	392
<b>Total: liabilities arising from financial lease</b>	<b>971</b>	<b>1.226</b>

## 16. PAYABLE AMOUNTS

Here are the terms of financial liabilities:

- Trade debts are free from interest and are usually repaid within a period of 30 days.
- Payable interest is usually paid on a monthly basis over the entire financial year.

	<u>The Group</u>		<u>The Company</u>	
	<u>30 06 2022</u>	<u>31 12 2021</u>	<u>30 06 2022</u>	<u>31 12 2021</u>
Payables to suppliers	18.303	14.101	17.183	13.260
Payables to related parties	1.446	878	4.330	5.143
Prepayments	671	777	659	701
<b>Total:</b>	<b>20.420</b>	<b>15.756</b>	<b>22.172</b>	<b>19.104</b>

## 17. OTHER PAYABLE AMOUNTS

Other payable amounts consisted of the following:

	<u>The Group</u>		<u>The Company</u>	
	<u>30 06 2022</u>	<u>31 12 2021</u>	<u>30 06 2022</u>	<u>31 12 2021</u>
Vacation reserve	1.795	1.572	1.574	1.351
Bonuses for employees				
Wages and salaries payable	1.513	1.322	1.363	1.171
Social security payable	602	867	538	787
Dividends payable	820	833	820	833
Payables based on defined obligations to employees	826	826	692	692
Accrued expenses	-	380	-	380
Taxes payable, other than income tax	566	604	518	539
Other short-term liabilities	15	17	5	6
<b>Total:</b>	<b>6.137</b>	<b>6.421</b>	<b>5.510</b>	<b>5.759</b>

Outstanding balances at the end are unsecured and interest free for them.

Other payable amounts are free from interest and have approximately a repayment term of one month.

## 18. RELATED PARTY TRANSACTIONS

Related parties of the Group and the Company are:

- the parties that control, are controlled by or are under common control with the Company;

- the parties that can have material impact on the activities of the Company;
- the parties that are management members of the Company or its parent company;
- the companies that are under control or material impact of the aforesaid persons.

**The main related parties of the Group and the Company are:**

Item No.	Company Name	Company Details	Nature of Main Activities
1.	Šilutės Rambynas, ABF	Company code: 277141670; address: Klaipėdos g. 3, Šilutė, LT-99115	Dairy activities and cheese making
2.	Žemaitijos pieno investicija, AB	Company code: 300041701; address: Sedos g. 35, Telšiai, LT-87101	Renting and operating own and rented real estate
3.	Klaipėdos pienas, AB	Company code: 240026930; address: Šilutės pl. 33, Klaipėda, LT-91107	Ice-cream production
4.	Čia Market, UAB	Company code: 141354683, address: Sedos g. 35A, Telšiai LT-87101	Retail trade in non-specialized stores.
5.	Muižas piens, SIA	Company code: 40003786632, address: Bauskas iela 58a-8, 5stavs room 507, Riga, LV-1004, Latvia	Wholesale trade in food products, marketing
6.	Samogitija, UAB	Company code: 302501454, address: Narutavičių g. 4, Telšiai, LT-87101	Production, transportation, storage, distribution, etc. of dairy and other food products.
7.	S.A.R. Dziugas France	Company code: 751860669, address: 149 avenue du Maine, Paris	Production and sale of dairy products
8.	Dziugas USA L.L.C.	Company code: 0400754292, address: Five greentree centre, ste. 104, 525 Route 73 North Marlon, NJ08053,	Wholesale import, marketing of dairy products
9.	Dziugas Eesti OU	Company code: 14324189, address: Punane 56, Tallinn, Estonia	Wholesale import, sales and marketing of dairy products
10.	Dziugas Poland Spolk	Company code: 368496450, address: ul. Luki Wielke 5, Warsaw, Poland	Activities of agents trading in food and beverages
11.	Baltic Holding, UAB	Company code: 302688114, address: Įgulos g. 18B -4, Klaipėda	IT services
12.	Nepriklausoma tyrimų laboratorija, UAB	Company code: 110824551, address: Narutavičių g. 4, Telšiai	Laboratory and other tests of materials and analysis services
13.	Dziugas Deutschland GmbH	Company code: HRB 154342, address: Chilehaus A, Fischertwiete 2 20095 Hamburg, Germany	Marketing and product sales
14.	Dziugas Hungary Kft	Company code: 01-09-325932, address: H-1132 Budapest, Váci út 22-24. VII. em., Hungary	Wholesale import, sales and marketing of dairy products
15.	Dziugas UK Ltd	Company code: 11405400; address: 10 Bloomsbury Way, London WC1A 2SL, United Kingdom	Activities of agents trading in food and beverages
16.	Danutė Pažemeckienė	Virvytės 36, Telšiai	Rent of premises

**Sales to and purchases from related parties (EUR thousand):**

	The Group		The Company	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>1) Sales</b>				
<b>Sales of goods</b>				
<i>To the Group</i>				
Šilutės Rambynas ABF	-	-	1.895	1.434
	<b>-</b>	<b>-</b>	<b>1.895</b>	<b>1.434</b>
<i>To Related parties</i>				
Klaipėdos pienas AB	1.193	844	737	748
Čia Market UAB	2.604	2.330	2.604	2.330
Muižas piens SIA	415	315	415	315
Dziugas Hungary Kft	74	42	74	42
Dziugas Eesti OU	2	2	2	2
Dziugas Deutschland GmbH	10	-	10	-
Dziugas Poland Spolk	400	219	400	219
Dziugas UK Ltd	94	41	94	41
UAB Nepriklausoma tyrimų laboratorija	8	9	6	7
Dziugas USA LLC	-	-	-	-
	<b>4.800</b>	<b>3.802</b>	<b>4.342</b>	<b>3.704</b>
<b>Sales of inventory and services</b>				
<i>To the Group</i>				
Šilutės Rambynas ABF	-	-	13	29
	<b>-</b>	<b>-</b>	<b>13</b>	<b>29</b>



*To Related parties*

Klaipėdos pienas AB	240	229	237	229
Žemaitijos pieno investicija AB	298	22	298	220
Samogitija UAB	0	0	0	0
Čia Market UAB	184	153	180	151
Muizas piens SIA	2	4	2	4
UAB Nepriklausoma tyrimų laboratorija	43	34	24	16
Dziugas Deutschland GmbH	8	14	8	12
Dziugas Hungary Kft	7	2	7	2
Dziugas Eesti OU	3	3	3	3
Dziugas UK Ltd	0	0	0	0
S.A.R. Dziugas France	1	0	1	0
Dziugas Poland Spolk	15	11	15	11
	<b>801</b>	<b>472</b>	<b>776</b>	<b>451</b>
<b>Total Sales:</b>	<b>5.601</b>	<b>4.274</b>	<b>7.026</b>	<b>5.618</b>

	The Group		The Company	
	Jan-Jun 2022	Jan-Jun 2021	Jan-Jun 2022	Jan-Jun 2021
<b>2) Purchases</b>				
<i>From the Group</i>				
Šilutės Rambynas ABF	-	-	3.891	3.233
	-	-	<b>3.891</b>	<b>3.233</b>
<i>From Related parties</i>				
Klaipėdos pienas AB	46	37	46	37
Žemaitijos pieno investicija AB	463	457	463	457
Čia Market UAB	1.246	1.286	1.243	1.286
Muizas piens SIA	248	293	248	293
UAB Nepriklausoma tyrimų laboratorija	736	802	580	613
UAB Samogitija	3	13	3	13
Dziugas Poland Spolk	318	223	318	223
Dziugas UK Ltd	113	96	113	96
Dziugas Deuthland GmbH	282	320	282	320
Dziugas Hungary Kft	160	77	160	77
Dziugas Eesti OU	146	147	146	147
Dziugas USA LLC	-	8	-	8
S.A.R. Dziugas France	178	129	178	129
Danutė Pažemeckienė	46	46	46	46
	<b>3.985</b>	<b>3.934</b>	<b>3.826</b>	<b>3.745</b>
<b>Total Purchases:</b>	<b>3.985</b>	<b>3.934</b>	<b>7.717</b>	<b>6.978</b>

**Balances outstanding with related parties**

	The Group		The Company	
	30 06 2022	31 12 2021	30 06 2022	31 12 2021
<b>3) Accounts receivable and financial debts</b>				
<i>From Group</i>				
Šilutės Rambynas ABF	-	-	-	-
	-	-	-	-
<i>From Related parties</i>				
Klaipėdos pienas AB ( and loan – 602 Eur thousand)	2.387	1.762	1.882	1.726
Čia Market AB	795	1.457	793	1.454
Muizas piens SIA	90	84	90	84
Dziugas France S.A.R.	0	0	0	0
Dziugas Hungary Kft	32	10	32	10
Dziugas Deutshland GmbH	2	3	2	3
Dziugas Eesti OU	1	1	1	1
Dziugas Poland Spolk	59	81	59	81
Dziugas UK Ltd	47	35	47	35

	<u>3.413</u>	<u>3.434</u>	<u>2.906</u>	<u>3.394</u>
<b>Total balances of payables:</b>	<u>3.413</u>	<u>3.434</u>	<u>2.906</u>	<u>3.394</u>

  

	<u>The Group</u>		<u>The Company</u>	
	<u>30 06 2022</u>	<u>31 12 2021</u>	<u>30 06 2022</u>	<u>31 12 2021</u>
<b>4) Balances of payables</b>				
<i>To Group</i>				
-	-	-	-	-
Šilutės Rambynas ABF	-	-	<u>2.912</u>	<u>1.970</u>
	-	-	<u>2.912</u>	<u>1.970</u>
<i>To Related parties</i>				
Žemaitijos pieno investicija UAB	673	10	673	10
UAB Čia Market	-	0	-	0
Klaipėdos pienas AB	-	-	-	-
Muizas piens SIA	36	44	36	44
Dziugas Poland Spolk	50	37	50	37
UAB Samogitija	30	15	30	15
Dziugas Eesti OU	24	23	24	23
UAB Nepriklausoma tyrimų laboratorija	609	163	580	132
Dziugas UK Ltd	15	18	15	18
S.A.R. Dziugas France	10	21	10	21
Dziugas USA LLC	-	-	-	-
	<u>1.447</u>	<u>331</u>	<u>1.418</u>	<u>300</u>
<b>Total balances of payables:</b>	<u>1.447</u>	<u>331</u>	<u>4.330</u>	<u>2.270</u>

On 30 June 2022-2021 The company did not account for the decrease in realizable value - for the receivables of the related party UAB "Čia Market". In 06.30.2022 UAB Čia Market's arrears did not reach 30 overdue payment term.

The assessment of these doubtful debts is reviewed each financial year by checking the financial position of the party concerned, the market in which the party concerned is operating to forward looking factors (as described in Note 3 – Impairment of financial assets in financial statements for 2021).

The Company and the Group have concluded a number of transactions with related parties (AB “Žemaitijos pieno investicija” group companies) and the Group's profit and sales are significantly affected by transactions with AB “Žemaitijos pieno investicija” group. Transactions include the leasing of fixed assets, the sale of raw materials and the purchase of manufactured products (cheese) from ABF “Šilutės Rambynas”, the sale of the finished products to UAB “Čia Market”, and the sale of raw materials, production and services to AB "Klaipėdos Pienas”.

## 19. EVENTS AFTER THE REPORTING PERIOD

On 15 April 2022, the Ordinary General Meeting of Shareholders resolved to reduce the Company's share capital from EUR 13,448,750 to EUR 12,103,875 in order to annul and declare void the 4,637,500 ordinary registered shares, each with a nominal value of EUR 0.29, acquired by the Company through share buy-back processes.

Following the registration of the new version of the Company's Articles of Association in the Register of Legal Entities, the Company's authorised capital will be EUR 12,103,875. The Company's capital will be divided into 41,737,500 ordinary registered shares, each with a nominal value of EUR 0.29.

Following the registration of the new version of the Articles of Association of ŽEMAITIJOS PIENAS AB (hereinafter - the "Company") in the Register of Legal Entities on 4 July 2022, the procedure of reduction of the Company's authorised capital, which resulted in cancellation of 4,637,500 Company's own ordinary registered shares acquired by the Company in the course of the share buy-back processes, representing 10% of the total number of shares in issue of the Company, was completed.

**ŽEMAITIJOS PIENAS, AB**

**Company code 180240752, Sedos str. 35, Telšiai, Lithuania**

**Set of consolidated and separate financial statements for 1<sup>st</sup> half of 2022**

(All amounts are indicated in thousands of EUR unless provided otherwise)

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