

Vilnius, November 2024

AB „Pieno žvaigždės“ confirmation of the Management

Interim financial statements for the 9 months of 2024

We, Aleksandr Smagin, Chief Executive Officer, and Laimonas Vaškevičius, Chief Financial Officer, hereby confirm that, to the best of our knowledge, Interim Financial Statements for the nine months of 2024 prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB “Pieno žvaigždės”.



Chief Executive Officer / Aleksandr Smagin



Chief Financial Officer / Laimonas Vaškevičius



PIENO ŽVAIGŽDĒS

Interim financial
statements

For the 9 months of 2024



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1. Statement of financial position (Thousand EUR)

Prepared according to IFRS, not audited

	2024 09 30	2023 12 31
Assets		
Property, plant and equipment	46 377	44 263
Intangible assets	78	54
Investments available for sale	22	22
Long-term receivables	461	5
Deferred tax	367	367
Total non-current assets	47 304	44 710
Inventories	16 261	15 939
Receivables	11 533	9 261
Cash and cash equivalents	2 427	1 584
Total current assets	30 221	26 783
Total assets	77 525	71 493
Equity		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	18 873	13 729
Total equity	41 423	36 279
Liabilities		
Government grants	1 953	1 700
Interest-bearing loans and borrowings	11 659	3 760
Deferred tax	1 619	1 619
Total non-current liabilities	15 231	7 080
Provisions		
Interest-bearing loans and borrowings	1 120	8 562
Income tax payable	-	-
Trade and other amounts payable	19 751	19 572
Total current liabilities	20 871	28 134
Total liabilities	36 102	35 214
Total equity and liabilities	77 525	71 493



2. Statement of comprehensive income (Thousand EUR)

Prepared according to IFRS, not audited

	2024 01 01 - 2024 09 30	2023 01 01 - 2023 09 30
Revenue	159 234	153 010
Cost of sales	(119 095)	(113 999)
Gross profit	40 139	39 011
Other operating income, net	92	122
Sales and administrative expenses	(27 617)	(25 124)
Operating profit before finance costs	12 615	14 009
Finance income	28	26
Finance expenses	(1 180)	(1 458)
Finance income/expenses, net	(1 152)	(1 432)
Profit before tax	11 463	12 577
Corporate income tax	-	-
Profit for the year	11 463	12 577
Earnings per share (EUR)	0,25	0,28

	2024 07 01 - 2024 09 30	2023 07 01 - 2023 09 30
Revenue	57 293	54 879
Cost of sales	(42 639)	(40 558)
Gross profit	14 654	14 321
Other operating income, net	32	25
Sales and administrative expenses	(9 033)	(8 759)
Operating profit before finance costs	5 652	5 588
Finance income	10	10
Finance expenses	(439)	(492)
Finance income/expenses, net	(428)	(482)
Profit before tax	5 224	5 106
Corporate income tax	-	-
Profit for the year	5 224	5 106
Earnings per share (EUR)	0,12	0,11



3. Statement of cash flows (Thousand EUR)

Prepared according to IFRS, not audited

	2024 09 30	2023 09 30
Cash flows from operating activities		
Net profit	11 463	12 577
Adjustments:		
Depreciation and amortization	4 202	4 310
Amortisation of government grants	(138)	(126)
Result of disposal of property, plant and equipment	(23)	(48)
Change in financial instruments	-	-
Change in vacation reserve	-	361
Change in an impairment loss of inventories	-	(400)
Interest income/expenses, net	972	1 288
Income tax	-	-
Cash flows from ordinary activities before changes in the working capital	16 476	17 962
Change in inventories	(322)	5 801
Change in receivables	(2 554)	(2 065)
Change in other short term assets	(504)	-
Change in trade and other payable amounts	559	(590)
Cash flows from operating activities	13 655	21 108
Interest paid	(1 000)	(1 311)
Income tax paid	-	-
Net cash flow from operating activities	12 655	19 797
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4 140)	(2 143)
Acquisition of intangible assets	(50)	(29)
Proceeds on sale of property, plant and equipment	25	52
Acquisition of rental rights	-	-
Granted / recovered loans	5	5
Interest received	28	23
Net cash flow used in investing activities	(4 132)	(2 092)
Cash flows from financing activities		
Loans received	11 701	-
Repayment of borrowings	(12 537)	(12 336)
Dividends paid	(6 270)	(1)
Payment of finance lease liabilities	(964)	(963)
Government grants received	391	-
Net cash from/(used in) financing activities	(7 679)	(13 300)
Change in cash and cash equivalents	844	4 405
Beginning cash	1 584	272
Ending cash	2 428	4 677



4. Statement on change in equity

Prepared according to IFRS, not audited

(Thousand EUR)	Share capital	Share premium	Own shares	Compulsory reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
As of 1 January 2023	13 089	7 891	0	1 570	0	0	474	23 024
Profit allocation								0
Dividends								0
Change of share capital								0
Own shares buyback								0
Depreciation of revaluated part								0
Other income								0
Net profit for 9 months Of 2023							12 577	13 255
As of 30 September 2023	13 089	7 891	0	1 570	0	0	13 051	35 601
As of 1 October 2023	13 089	7 891	0	1 570	0	0	13 051	35 601
Profit allocation								
Dividends								
Change of share capital								
Own shares buyback								
Depreciation of revaluated part								
Other income								
Net profit for the 4-th quarter of 2023							678	678
As of 31 December 2023	13 089	7 891	0	1 570	0	0	13 729	36 279
As of 1 January 2024	13 089	7 891	0	1 570	0	0	13 729	36 279
Profit allocation								0
Dividends							(6 319)	(6 319)
Change of share capital								0
Own shares buyback								0
Depreciation of revaluated part								0
Other income								0
Net profit for 9 months of 2024							11 463	11 463
As of 30 September 2024	13 089	7 891	0	1 570	0	0	18 873	41 423



5. Notes to the financial statements

AB Pieno Žvaigždės was established by way of the merger of stock companies Mažeikių Pieninė, Pasvalio Sūrinė, Kauno Pienas and Panevėžio pienas. The main office of the Company is located in Vilnius and the branches – in Mažeikiai, Pasvalys, Kaunas and Panevėžys.

Ordinary shares of the Company are quoted in the NASDAQ Vilnius Stock Exchange.

The Company is engaged in producing and selling milk products to retail stores directly and through distributors.

Statement of compliance

These are the financial statements of a separate company AB Pieno Žvaigždės, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Main indicators of the Company's performance

	2024 01 01 – 2024 09 30	2023 01 01 – 2023 09 30
Sales, Thousand EUR	159 234	153 010
Gross profit, Thousand EUR	40 139	39 011
EBITDA, Thousand EUR	16 678	18 193
Current ratio (at the end of the period)	1,45	1,17
Book value per share (at the end of the period), EUR	0,92	0,79
Net profit per share	0,25	0,28

	2024 07 01 – 2024 09 30	2023 07 01 – 2023 09 30
Sales, Thousand EUR	57 293	54 879
Gross profit, Thousand EUR	14 654	14 321
EBITDA, Thousand EUR	7 005	6 987
Current ratio (at the end of the period)	1,45	1,17
Book value per share (at the end of the period), EUR	0,92	0,79
Net profit per share	0,12	0,11



Inventories

Inventories are stated at the lower cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In manufacturing inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Inventories, Thousand EUR	2024 09 30	2023 12 31
Raw materials	7 324	6 934
Stored production	8 846	8 929
Goods for resale	91	76
Total:	16 261	15 939

Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other segments. Company sales production mainly in the domestic market and EU.

Sales by geographical markets, Thousand EUR	2024 01 01 – 2024 09 30	2023 01 01 – 2023 09 30
Lithuania	92 520	92 238
Other EU countries	39 354	34 569
Other non-EU countries	27 360	26 203
Total:	159 234	153 010

Sales by products groups, Thousand EUR	2024 01 01 – 2024 09 30	2023 01 01 – 2023 09 30
Fresh milk products	116 317	109 611
Dry milk products	6 977	8 552
Cheese	16 877	16 980
Other products	19 064	17 867
Total:	159 234	153 010



Sales by geographical markets, Thousand EUR	2024 07 01 – 2024 09 30	2023 07 01 – 2023 09 30
Lithuania	33 820	33 340
Other EU countries	14 402	13 322
Other non-EU countries	9 070	8 217
Total:	57 293	54 879

Sales by products groups, Thousand EUR	2024 07 01 – 2024 09 30	2023 07 01 – 2023 09 30
Fresh milk products	40 778	37 305
Dry milk products	2 090	3 852
Cheese	6 056	5 833
Other products	8 369	7 889
Total:	57 293	54 879

Post balance sheet events

There were no other significant events after the balance sheet date.

