



**ŽEMAITIJOS PIENAS, AB 2025 CONSOLIDATED HALF-YEAR  
MANAGEMENT REPORT**

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## GENERAL INFORMATION

### Reporting Period Covered by the Report

The consolidated half-year report has been prepared and submitted for the period from January to June 2025 (hereinafter – the Reporting Period). It also includes significant facts and data that occurred after the end of the Reporting Period. In this document, ŽEMAITIJOS PIENAS, AB (hereinafter – the Company or the Issuer), Šilutės Rambynas, ABF (hereinafter – the Group Company or the Subsidiary), and, in cases where facts and/or data concerning both companies together are described or indicated, they are referred to collectively as the Group Companies.

### Brief History of the Company

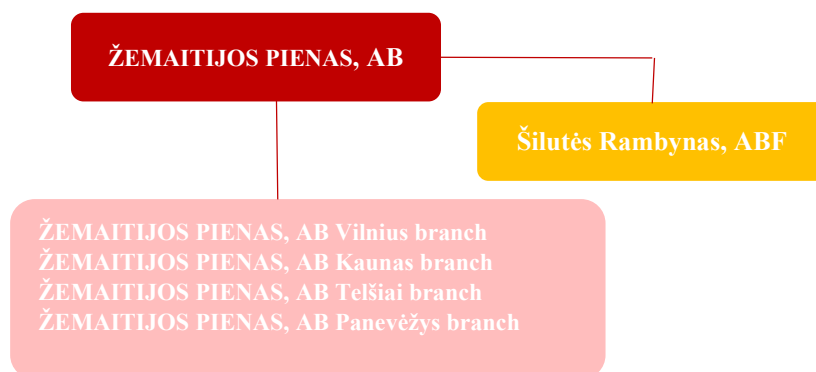
The beginnings of the activities of ŽEMAITIJOS PIENAS, AB started back in 1924, when the Telšiai dairy was established, the capacity of which at that time was considered really large. At the end of 1984, the Telšiai dairy began its activities in new premises and operated until the opening of one of the largest cheese factories in Telšiai in the Baltic States and its privatization. In the Register of Legal Entities ŽEMAITIJOS PIENAS, AB was registered on 23 June 1993 in the Telšiai District Board, re-registered on 16 October 1998 in the Ministry of Economy of the Republic of Lithuania. On 1 May 2004, by resolution of the General Meeting of Shareholders, it was reorganized by way of division, separating part of the assets, rights and obligations and establishing Žemaitijos pieno investicija, AB. On 18 December 2019, by resolution of the General Meeting of Shareholders, the Company was reorganized by merging with the private limited liability company Baltijos mineralinių vandenų kompanija, which after the merger on 10 January 2020 was deregistered from the Register of Legal Entities.

### Information about the Company and contact details

Company name:	Public limited liability company ŽEMAITIJOS PIENAS
Legal form:	Public limited liability company
Company code:	180240752
VAT payer code:	LT802407515
Registered office address:	Sedos g. 35, Telšiai, Lithuania
Telephone:	+ 370 444 22201
Fax:	+ 370 444 74897
E-mail:	<a href="mailto:info@zpienas.lt">info@zpienas.lt</a>
Website address:	<a href="http://www.zpienas.lt">www.zpienas.lt</a>
Share trading code:	ZMP1L
ISIN code:	LT0000121865
LEI code:	5299005U9E85Y55OHK45

The data about ŽEMAITIJOS PIENAS, AB are collected and stored in the State Enterprise Centre of Registers in the Register of Legal Entities.

## GROUP STRUCTURE



### ŽEMAITIJOS PIENAS, AB branches:

Name of the branch	Data
Vilnius branch	code: 123809154, address: Algirdo g. 40, Vilnius
Kaunas branch	code: 134853981, address: Europos pr. 36, Kaunas
Telšiai branch	code: 110893017, address: Sedos g. 35, Telšiai
Panevėžys branch	code: 148133399, address: J. Janonio g. 9, Panevėžys

The Company's branches perform the functions of selling goods (dairy products) in the designated territory of the branch's activities and carry out other actions or assignments of the Company.

The Company has not established representative offices.

### Subsidiary company – Šilutės Rambynas, ABF

Name of the company:	Public limited liability company (firm) Šilutės Rambynas
Legal form:	Public limited liability company (firm)
Company code:	277141670
VAT payer code:	LT714167015
Authorised capital:	EUR 2,493,028.50
Registered office address:	Klaipėdos g. 3, Šilutė, Lithuania
Telephone:	+ 370 441 77442
Fax:	+ 370 441 77443
E-mail:	<a href="mailto:info@rambynas.lt">info@rambynas.lt</a>

### Subsidiary company – Šilutės Rambynas, ABF

The main activity of Šilutės Rambynas, ABF is the production and sale of fermented cheeses and cheese products, production and sale of pasteurized cream, pasteurized whey and concentrated whey (NACE, group 10.5 “Manufacture of dairy products”, class 10.51 “Dairy activities and cheese production”). In addition, the company provides rental, transportation, warehousing, milk collection point servicing and other services.

Šilutės Rambynas, ABF has not established any branches or representative offices.

### Main objectives and nature of economic activity

The main activity of ŽEMAITIJOS PIENAS, AB is the development, production (NACE, group 10.5 “Manufacture of dairy products”, class 10.51 “Dairy activities and cheese production”) and sale on Lithuanian and foreign markets of dairy products (fermented cheeses and cheese products, packed cheeses and cheese products, processed cheeses and cheese products, creams, curd creams, butter dairy spreads, mixed spreads, milk fats, pasteurized cream, buttermilk, whey, dried dairy products, fresh dairy products (milk, cream, curd, curd products, yoghurts, desserts, curd snacks, glazed curd snacks, fermented dairy products)).

According to the ICB (Industry Classification Benchmark) widely used international company activity classification standard, ŽEMAITIJOS PIENAS, AB is assigned to the companies – consumer staples – food, beverages and tobacco.

### INFORMATION ABOUT THE ISSUER'S TRADING IN SECURITIES ON A REGULATED MARKET

On 16 July 2004, ŽEMAITIJOS PIENAS AB concluded an agreement with Šiaulių bankas AB, under which the administration of the accounts of securities issued by the company was transferred, as of 23 July 2004, to the competence of Šiaulių bankas AB. The securities register (accounting) of Šilutės Rambynas ABF has also been administered by Šiaulių bankas AB in 2004.

#### Shares of ŽEMAITIJOS PIENAS, AB as of 30 June 2025

ISIN code:	LT0000121865
Ticker / symbol:	ZMP1L
List / segment:	Baltic Secondary List
Nominal value:	EUR 0,29
Type of securities :	Ordinary registered shares
Issue size (units) :	41,737,500
Number of listed securities :	41,737,500
Shares with voting rights :	41,737,500
Listing start date :	1997-10-13
Shares listed on the Secondary Trading List	1997-10-13
Authorised capital:	EUR 12,103,875

Only the shares issued by the Company (symbol – ZMP1L) are listed on the Additional List of the NASDAQ OMX Vilnius Stock Exchange (hereinafter – the Vilnius Stock Exchange). The securities of ŽEMAITIJOS PIENAS AB have been listed since 13 October 1997. The ISIN code of the securities (ZMP1L) is LT0000121865.

Below is the chart of public trading in the Company's securities on the stock exchange, which shows that in the period from 2 January 2025 to 30 June 2025 the share price increased significantly, with the change at the end of the reporting period amounting to (+ EUR 0.7 or + 30.97 percent). The turnover of trading in the Company's shares during the first half of 2025 amounted to EUR 832,206.56, with 279,032 shares transferred in concluded transactions. The average (weighted) sale price of one share was EUR 2.879.

During the reporting period, the volumes of share sales and the dynamics of prices are presented in the chart (see below).



#### Dynamics of share prices on NASDAQ Vilnius in the first half of 2024

Opening price, EUR 2025-01-02	Highest share price, EUR 2025-02-19	Lowest share price, EUR 2025-01-09	Closing price, EUR 2025-06-30
2.26	3.68	2.22	2.92

Trading in the issuer's securities on other exchanges and in other organised regulated markets was not carried out.

## Šilutės Rambynas ABF securities (shares)

### Šilutės Rambynas ABF shares

ISIN code:	LT LT0000109217 LT 0000118945 LT 0000125668
Nominal value:	EUR 2.90
Type of securities:	Ordinary registered shares
Issue size (units):	859,665
Number of listed securities:	Unlisted
Shares with voting rights:	859,665

Shares of Šilutės Rambynas ABF are not traded on the Vilnius Stock Exchange or in other organised regulated markets.

ŽEMAITIJOS PIENAS AB holds 87.82% of the ordinary registered shares of Šilutės Rambynas ABF (possessing both property and non-property rights without any restrictions), while Šilutės Rambynas ABF does not hold any shares of ŽEMAITIJOS PIENAS AB. Neither company holds shares of the other on the basis of orders or other contractual grounds.

### Dividends, other profit distributions

On 29 April 2025, the Annual General Meeting of Shareholders of ŽEMAITIJOS PIENAS AB decided to allocate part of the profit for employee bonuses in the amount of EUR 200,000. The shareholders of Šilutės Rambynas ABF did not allocate dividends, and the shareholders of both companies also decided not to pay tantièmes.

### Authorised capital

As of 30 June 2025, the authorised capital of ŽEMAITIJOS PIENAS AB consisted of:

Class, type of shares	Number of shares (units)	Nominal value (EUR)	Total nominal value (EUR)	Part of authorised capital (%)
Ordinary registered shares	41,737,500	0.29	12,103,875	100

All the Company's shares are fully paid, and during the reporting period no restrictions on the transfer of securities were applied to them. The Issuer is not aware of any separate agreements between shareholders that may restrict the transfer of securities and/or voting rights. According to the Company's data, there are no shareholders with special control rights.

As of 30 June 2025, the authorised capital of Šilutės Rambynas ABF consisted of:

Class, type of shares	Number of shares (units)	Nominal value (EUR)	Total nominal value (EUR)	Part of authorised capital (%)
Ordinary registered shares	859,665	2.90	2,493,028.5	100

All the shares of Šilutės Rambynas ABF are fully paid, and no restrictions on the transfer of securities apply to them. The issuer is also not aware of any separate agreements between shareholders that may restrict the transfer of securities and/or voting rights. To the Company's knowledge, there are no shareholders with special control rights.

### **Repurchase and transfer of own shares, reduction of authorised capital**

During the reporting period, the Company did not transfer its 222,020 own shares and did not conclude any other transactions, e.g. the shares were not pledged or otherwise encumbered, no other restrictions or limitations apply to them, and there are no disputes or claims regarding these shares.

Šilutės Rambynas ABF has not repurchased its own shares, does not hold own shares on any other basis, has no subsidiaries, and does not repurchase own shares.

## **REVIEW OF THE GROUP COMPANIES' BUSINESS ACTIVITIES, RISKS AND PROSPECTS**

### **Product safety and international recognition**

During the reporting period, ŽEMAITIJOS PIENAS AB invested in the renewal and modernisation of equipment in individual production units in order to: optimise production processes and ensure the effective management of risk factors related to food safety. Therefore, in the first half of 2025, the Company continued to be assessed in accordance with the requirements of international food safety and quality management standards:

- On 24–26 February 2025, Bureau Veritas UAB carried out an assessment of the production processes of dry dairy products at ŽEMAITIJOS PIENAS AB in accordance with FSSC requirements;
- On 28 March 2025, CB Certification carried out an assessment of compliance with the requirements of the Rainforest Alliance and the possible use of the label on product packaging;
- On 28 May 2025, a representative of OU-D Kosher carried out a quarterly inspection to assess the compliance of the processes of certifiable products in the company with Kosher requirements.

Audit conclusion: The Company complies with the requirements of the above-mentioned international food safety standards, which are recognised by the Global Food Safety Initiative (GFSI).

ŽEMAITIJOS PIENAS AB keeps up with global trends in sustainability, environmental protection, and circular production:

- optimisation of the amount of packaging and wrapping materials used is being implemented;
- opportunities are being assessed to reduce the amount of plastic used for product packaging without affecting the safety and quality of the product itself;
- tests are being carried out to replace multi-component plastic marked “7Other” with single-component (more easily recyclable) plastic;
- having assessed and ensured the logistical features for product packaging, corrugated cardboard boxes made from 100% recycled cardboard are used, or part of the corrugated cardboard is replaced with recycled material;
- by changing the design of corrugated cardboard boxes, product packaging has been facilitated and adhesive tape has been eliminated. These changes were made in order to reduce the amount of corrugated cardboard, ease employees' work, optimise existing packaging materials, and at the same time meet the requirements of retail chains' shelves;
- in the first half of 2025, the project continued under which corrugated cardboard containers for internal production needs (transport between production units) are being replaced by returnable containers.



In order to meet the requirements of export retail chains, the following is planned for the second half of 2025:

1. To continue certifications in accordance with the current BRC and IFS food safety standards requirements.
2. To comply with the food safety and product quality requirements set by specific EU and other country markets (by accepting evaluators/auditors at the company).
3. To comply with the packaging and product requirements set by specific EU retail chains.
4. To optimise internal company processes in order to reduce manual labour and save energy resources.

Great attention is paid to the Company's employees by raising their qualifications and enabling participation in international exhibitions and conferences where innovations in equipment and innovative technologies related to environmental protection and sustainability (waste recycling and circular production trends) are presented. Cooperation is maintained with scientific institutions, scientific research and feasibility studies are carried out in the search for product functionality and added value.

In the first half of 2025, the main investment objective of the Company, as in previous years, was to increase the Company's competitiveness, to seek and create measures that would address and improve product quality as well as employees' working conditions and safety. Numerous small-scale operational, repair and programming works were carried out, which improved occupational safety, the technical level of equipment, and reduced pollution and energy costs.

Cooperation with scientific institutions continues, with scientific research being carried out in search of added value for products. Close cooperation between business and science allows the creation of future solutions that meet both market needs and ecological and sustainability challenges. Therefore, various feasibility studies are currently being carried out to assess "the food of the future" and related products. Consultations are held with nutritionists and dieticians in the development of products adapted to specific consumer groups. Scientific and technological progress has a significant impact on the Company's activities: many technological and technical innovations emerge, which are applied and implemented in modern production. Therefore, innovative technologies are sought that allow for the modernisation or even replacement of existing "classic" technological equipment, which use less energy resources (steam, water) and are more sustainable in terms of CO<sub>2</sub>.

The main investment directions, as in 2024, were focused on the renewal of equipment in production units:

1. The glazed curd snacks line was renewed – replaced with a new, more efficient line.
2. The installation works of new and innovative drying and evaporation equipment were completed, with only adjustment and testing works remaining.
3. The adjustment and commissioning procedures of the wind power plants were completed. The wind power plants were put into operation.
4. The installation works of milk residue concentration equipment were completed.
5. The capacity of cheese drying equipment was expanded by installing additional cheese drying equipment.
6. The mineral water and syrup cooling equipment was renewed, which will improve and ensure quality indicators.
7. The air compressor station was expanded by restructuring the control and power networks and purchasing a new air compressor.
8. Installation of cooling equipment in the processed cheese division premises.

## Products and brands

Taking into account consumer expectations and needs, in the first half of 2025 new products were developed which successfully “established themselves” on the market:

- Dried grated hard cheese Džiugas, 40% fat in dry matter, 80 g
- Dried grated cheese with cream and onion flavour, 35% fat in dry matter, 80 g
- Dried grated cheese with caramelised onion flavour, 35% fat in dry matter, 80 g
- Dried grated cheese with tomato flavour, 35% fat in dry matter, 80 g
- Demineralised dry dairy products

In 2025, ŽEMAITIJOS PIENAS AB actively engaged in various projects covering international representation, community initiatives, social projects, and sports events. The Company’s activities contributed to fostering togetherness, promoting a healthy lifestyle, and building a sustainable future.

In the spring, the hard cheese Džiugas, which has become a symbol of distinctive taste and values, was presented at international events. Previously organised only in Lithuania, the celebration dedicated to Džiugas Name Day and the start of the cheese production season has grown into a broad initiative in foreign markets. “Džiugas Days” events took place in Lithuania, the Baltic States, and other markets – Ukraine, Uzbekistan, Hungary, the Czech Republic, Croatia, Germany, the United Kingdom, the Netherlands, Poland, Latvia, and Estonia. During the events, the Džiugas philosophy, tastings, ageing characteristics, and the wider assortment of the Company’s products were presented. Cooperation was carried out with partners and Lithuanian embassies. In Italy, a country renowned for its hard cheese traditions, awareness of Džiugas is also steadily growing. During tastings, the Džiugas legend was told, ageing characteristics and pairing possibilities were presented, and guests were introduced to a wider range of the Company’s products.

In the summer, the Company participated in the Cold Beetroot Soup Festival held in Vilnius, where it presented its products, organised interactive activities, and strengthened ties with consumers. The tradition continued for the second year, consolidating the Company’s participation in popular local initiatives.

The “Pik-Nik pasiplėšom!” championships also continued in Latvia, Estonia, and Poland, bringing together participants of all ages. The events were marked by excitement and active consumer involvement. In the second half of the year, these championships are planned to be held in Lithuania, Spain, and Hungary.

In 2025, the Company implemented the social project “The Future Begins with Kindness,” dedicated to children with oncological diseases. The project took place in Lithuania, Latvia, and Estonia. The funds raised will be used to update the equipment of children’s oncology departments in hospitals in these countries. In Lithuania, the initiative was carried out in cooperation with different brands (“Dobilas”, “Pik-Nik”, “Magija”, “Tichė”, and “Žemaitijos long-standing traditions”).

ŽEMAITIJOS PIENAS AB also continued its activities in sports, supporting the School Basketball League and youth 3x3 championships. Together with the brand “Tichė”, the Company sponsored the basketball club “Šiauliai”. “Tichė” became the main sponsor of the 12th World Lithuanian Sports Games, held in Palanga on 3–6 July 2025, ensuring participants were supplied with water and soft drinks. Cooperation was carried out with the National Sports Agency.

## Results of the Group companies’ activities

The Company has chosen the main standard financial indicators that many companies use in practice when analysing financial data. The main financial performance indicators reflecting the activities of the Group and the Company for the first half of 2025–2024 are as follows:

Financial indicators	Group		Company	
	2025 H1	2024 H1	2025 H1	2024 H1
Revenue, thousand EUR	163,664	147,547	163,434	146,924
Gross profitability, %	19.96	21.48	19.77	20.43
Net profitability, %	5.43	8.04	5.64	7.30
EBITDA, thousand EUR	14,623	16,135	14,660	14,751
EBITDA margin, %	8.93	10.94	8.97	10.04
ROE profitability, %	5.72	8.88	6.39	8.65
ROA profitability, %	4.31	6.56	4.69	6.28
General liquidity ratio	3.63	3.59	3.29	3.39
Quick coverage ratio	1.76	1.96	1.61	1.82
Debt-to-equity ratio	0.33	0.35	0.36	0.38
Debt ratio	0.25	0.26	0.27	0.27
Amount of investments in non-current assets, thousand EUR	9,279	9,094	9,020	8,914

The formulas for calculating the above financial indicators and the description of the indicator values are presented on page 13 of the financial information of the 2024 consolidated management report. The Company's operating expenses in the first half of 2025 amounted to EUR 20.1 million and accounted for 12.3% of turnover, compared to EUR 19.4 million (13.2% of turnover) in the first half of 2024. The Group's operating expenses in the first half of 2025 amounted to EUR 20.7 million, or 12.64% of turnover, compared to EUR 19.95 million, or 13.52% of turnover, in the first half of 2024.

Both the Company's and the Group's revenues grew by more than 10%, while operating expenses increased by just over 3%.

The cost of sales increased significantly due to higher raw milk purchase prices and rising employee wages. Due to these factors, the gross and net profitability of the Company and the Group decreased compared to the same period of the previous year. The increase in sales prices did not offset the increase in costs.

### Raw milk purchasing results

For many years, ŽEMAITIJOS PIENAS AB has been paying farmers a competitive price for high-quality milk. In the first half of 2025, the average volume of purchased recalculated milk amounted to 238 thousand tonnes, which is 3.48% more than in the first half of 2024 (230 thousand tonnes).

The average price of purchased recalculated milk in the first half of 2025 was EUR 423/t, i.e. 27.79% higher compared to the first half of 2024 (EUR 331/t).

*Comparison of raw milk purchase volumes and prices of ŽEMAITIJOS PIENAS AB in the first half of 2025 and the first half of 2024*

Raw milk purchasing (recalculated to basic indicators*)	2025 H1	2024 H1	Change comparing 2025 H1 with 2024 H1, %
Purchased milk volume, thousand tonnes	238	230	3.48 %
Purchase price of milk, EUR/t	423	331	27.79 %

\* The purchased milk is recalculated to the basic level using a certain coefficient, calculated taking into account the fat and protein content.

The subsidiary Šilutės Rambynas ABF does not purchase raw milk directly from milk producers; raw milk is sold to it by ŽEMAITIJOS PIENAS AB.

ŽEMAITIJOS PIENAS AB bases its activities with milk producers on fair and long-term partnership, encouraging the best-performing milk producers to continue improving and sharing their experience. The Raw Materials Department provides consultations to all farms on improving milk quality and analyses the qualitative and quantitative parameters of raw milk.

#### Group sales and their distribution by geographical segments

In the first half of 2025, the sales of ŽEMAITIJOS PIENAS AB amounted to EUR 163.4 million, which is 11.24% more than in the first half of 2024 (EUR 146.9 million). Group sales during the same period reached EUR 163.7 million and were 10.92% higher compared to the first half of 2024 (EUR 147.5 million).

The largest share of the Company's revenue was traditionally obtained in Lithuania – 47.22% of all sales (50.45% in the first half of 2024). The European Union countries accounted for 37.11% (34.23% in the first half of 2024), while other countries accounted for 15.67% (15.32% in the first half of 2024).

Among the European Union markets, the largest turnover in the first half of 2025 was generated by Poland, Latvia, Italy, Germany, and Estonia. Among other countries, the most important markets were the United Kingdom, Kazakhstan, and Ukraine.

The products of ŽEMAITIJOS PIENAS AB remain well-known and valued not only in Lithuania but also in international markets, and the consistently growing sales results confirm the Company's competitiveness and strong position in both local and foreign markets.

*Table 1. Sales of ŽEMAITIJOS PIENAS AB by geographical segments, thousand EUR:*

No.	Sales by geographical segments, thousand EUR	2025 H1	% of total revenue 2025 H1	2024 H1	% of total revenue 2024 H1	Change comparing 2025 H1 with 2024 H1
1	Lithuania	77,166	47.22%	74,128	50.45%	4.10%
2	EU countries	60,658	37.11%	50,290	34.23%	20.61%
3	Other countries	25,610	15.67%	22,506	15.32%	13.79%
4	<b>Total</b>	<b>163,434</b>	<b>100%</b>	<b>146,924</b>	<b>100%</b>	<b>11.24%</b>

Table 2. Sales of the Group companies by geographical segments, thousand EUR:

No.	Sales by geographical segments, thousand EUR	2025 H1	% of total revenue 2025 H1	2024 H1	% of total revenue 2024 H1	Change comparing 2025 H1 with 2024 H1
1	Lithuania	76,591	46.80%	74,003	50.16%	3.50%
2	EU countries	61,147	37.36%	50,732	34.38%	20.53%
3	Other countries	25,926	15.84%	22,812	15.46%	13.64%
4	<b>Total</b>	<b>163 664</b>	<b>100%</b>	<b>147 547</b>	<b>100%</b>	<b>10.92%</b>

The Company's and the Group's sales by product groups are presented below in Tables 3–4.

Table 3. Sales of ŽEMAITIJOS PIENAS AB by product groups, thousand EUR:

No.	Sales by product groups, thousand EUR	2025 H1	% of total revenue 2025 H1	2024 H1	% of total revenue 2024 H1	Change comparing 2025 H1 with 2024 H1
1	Fermented and processed cheeses	67,594	41.36%	61,431	41.81%	10.03%
2	Fresh dairy products	51,747	31.66%	49,051	33.39%	5.50%
3	Butter and spreadable fat blends	19,892	12.17%	17,252	11.74%	15.30%
4	Dry dairy products	11,601	7.10%	11,506	7.83%	0.82%
5	Other	12,600	7.71%	7,684	5.23%	63.97%
6	<b>Total</b>	<b>163,434</b>	<b>100%</b>	<b>146,924</b>	<b>100%</b>	<b>11.24%</b>

Table 4. Sales of the Group by product groups, thousand EUR:

No.	Sales by product groups, thousand EUR	2025 H1	% of total revenue 2025 H1	2024 H1	% of total revenue 2024 H1	Change comparing 2025 H1 with 2024 H1
1	Fermented and processed cheeses	68,066	41.59%	62,779	42.55%	8.42%
2	Fresh dairy products	52,097	31.83%	49,298	33.41%	5.67%
3	Butter and spreadable blends	19,892	12.15%	17,252	11.69%	15.30%
4	Dry dairy products	11,601	7.09%	11,506	7.80%	0.83%

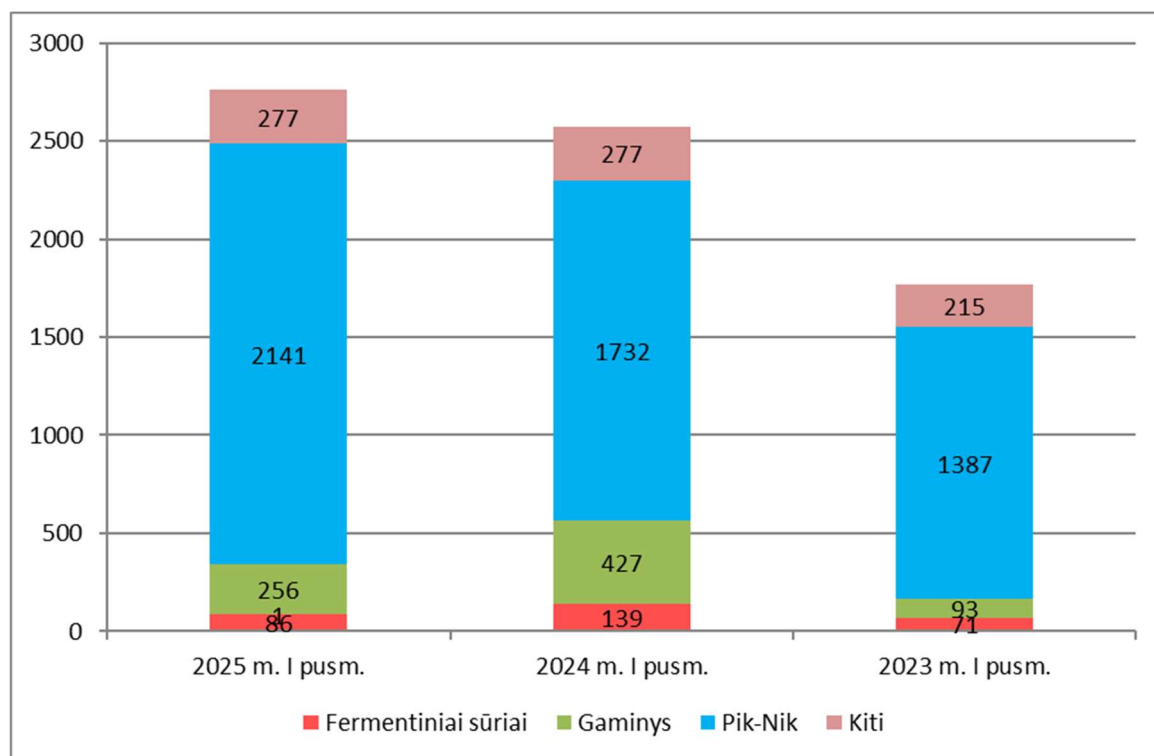
5	Other	12,008	7.34%	6,712	4.55%	78.90%
6	<b>Total</b>	<b>163 664</b>	<b>100%</b>	<b>147 547</b>	<b>100%</b>	<b>10.92%</b>

Comparing the first half of 2025 with the first half of 2024, the largest turnover growth was recorded in the “other products” group, whose sales increased by 63.97%. This group consists of raw cream, raw milk, water products, kastinys, and other products. The main factor influencing the growth was the increase in the average sales price of raw cream – 22% (in the first half of 2025 compared to the first half of 2024).

The turnover of fermented and processed cheeses increased by 10.03%, while butter and spreadable fat blends increased by 15.30%. The growth of these groups was also driven by the increase in average sales prices.

### Šilutės Rambynas ABF activity review

The Group company specialises in cheese production. The production volumes (in tonnes) for the first halves of 2023–2025 are shown in the histogram below:

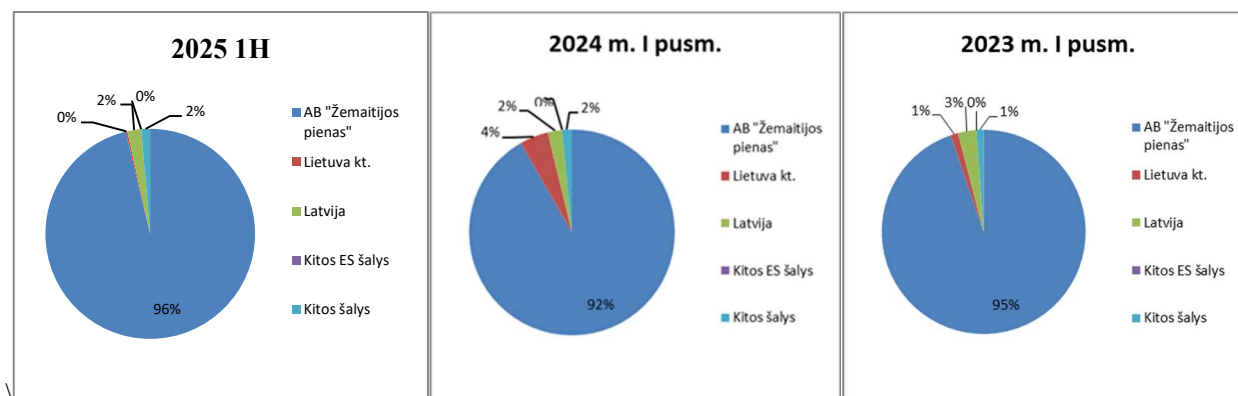


In the first half of 2025, 2,760 t of cheese were produced – 185 t (7.2%) more than in the first half of 2024. The growth in production volumes was mainly driven by the increasing demand for Pik-Nik string cheese snacks.

Meanwhile, the production of fermented cheeses and fermented cheese products with vegetable fats continued to decline. In 2025, 342 t were produced compared to 566 t in the first half of 2024 (a decrease of 39.6%).

The production of string cheese snacks during the reporting period increased by 409 t (23.6%), while the production volumes of other cheeses remained stable – at 277 t.

The majority of the products manufactured by the company are sold through the parent company – ŽEMAITIJOS PIENAS AB. The sales structure by markets is illustrated graphically:



In the first half of 2025, products worth EUR 22,956 thousand were sold – EUR 2,760 thousand (16.4%) more than in the same period of 2024, when sales amounted to EUR 19,722 thousand.

The growth in sales was mainly driven by the increased sales volumes of Pik-Nik string cheese snacks.

For the same reason, as most sales are carried out through the parent Company, the company does not directly face significant risks related to market uncertainty and customer reliability. To manage the risk of direct sales, an advance payment system for products is applied to customers, or deferred payment is used, but transactions are insured within the set insurance limit at the trade credit insurance company Coface.

### Risk management (risk factors)

Financial and other risks, their management, hedging measures, and other financial aspects are disclosed in detail on pages 30–35 of the 2024 audited annual consolidated management report. There were no significant changes in these matters during the first half of 2025.

The Company and other Group companies are insured with general liability insurance for their activities, as well as insurance for the products they manufacture; the insurance policy is valid worldwide. Risk management is carried out by the Company's management.

### Impact of the war in Ukraine on business and influence on financial statements

The war between Russia and Ukraine, which began on 24 February 2022, disrupted plans to increase sales to Ukraine and Belarus. In the first half of 2025, sales of ŽEMAITIJOS PIENAS AB to Ukraine accounted for about 2.43% of total sales. The Group companies carried out sales to this country safely, i.e. products were supplied only with advance payment or within Credit insurance limits. As of 30 June 2025, the Company and the Group companies had no receivables from customers in those countries, and therefore there is no impairment of receivables.

With export markets such as Belarus, China, and Russia closed (only lactose could be exported), sales were redirected to other markets.

ŽEMAITIJOS PIENAS AB did not have any real estate or business in Ukraine or Belarus, and therefore does not recognise any impairment of non-current assets.

The Group's management continuously monitors the situation in Ukraine and assesses the potential financial impact for future periods, but due to significant uncertainties, as well as expected spikes in energy prices, it is not possible to reliably assess the impact. The current situation does not affect the Group's ongoing operations and ability to continue as a going concern.

### Plans of the Group companies' activities

The main objective of the Company is to ensure that the products manufactured by the Company and the Group reach the shelves of strategic foreign markets under their own brands. The aim is for the products to be of the highest



quality in their segment, to meet consumer expectations, and to provide the opportunity to choose healthy and organic food. The Company's products, presented in various countries around the world, promote Lithuania and the Žemaitija region.

The Company seeks to preserve the created value, to look for new solutions, and to exploit the rapid growth opportunities that open up in a competitive environment.

The long-term goals of the Group companies are to remain strong, competitive, technically modern, and reliable companies attractive to investors, ensuring high returns for shareholders. Priority in sales expansion is given to nearby markets, as well as Germany, France, England, and Hungary. The aim is to make maximum use of existing production capacities, constantly study consumer needs, carry out tastings, and use the expertise of scientists and new methods in developing and improving products.

An important goal of the Group is to get even closer to consumers by ensuring the possibility of direct product supply and sales.

The Company's operational priorities remain as follows:

- purchasing raw milk under market conditions, ensuring that the price is not higher than that paid by other market participants in Lithuania, and purchasing only high-quality milk;
- encouraging farmers and providing assistance in improving milk quality;
- increasing sales at prices favourable to the Company;
- expanding sales of higher value-added products in export markets.

Given the shortage of qualified labour, special attention is paid to human resources – strengthening the employee team, developing competence and qualifications, forming specific skills, and reviewing and improving motivation systems.

The constantly changing and dynamic market of dairy product sales and raw milk purchasing, characterised by high competition, means that the Group does not publish turnover and profit forecasts for future periods.

With unstable product prices, Šilutės Rambynas plans to devote increasing attention to the search for new export markets and strengthening its position in existing ones. Šilutės Rambynas will prioritise further modernisation, reduction of energy, material, and labour resources, optimisation of operations, and production of profitable products.

Priority will be given to increasing the production and improving the quality of Pik-Nik string cheese snacks, as well as the search for new markets.

### **Group companies' activities in the field of environmental protection**

ŽEMAITIJOS PIENAS AB is a dairy production and sales company operating in Lithuania, holding an Integrated Pollution Prevention and Control (IPPC) permit. The environmental requirements set out in the permit ensure that the company controls and reduces its impact on the environment.

The Company implements various measures to conserve natural resources, reduce pollution, and promote sustainable activities:

- **Monitoring and measurement of operational indicators** – allows for the evaluation of environmental performance and identification of areas for improvement.
- **Implementation of technologies** – energy-saving equipment is used, environmentally friendly materials are applied, and processes are optimised.
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- **Conservation of natural resources** – recycling solutions are applied, and the circular economy is promoted.
- **Waste management** – waste is sorted, pressed, and handed over to licensed handlers, and the GPAIS system is used.
- **Packaging optimisation** – efforts are made to reduce the amount of packaging waste, and recyclable materials are used.

The Company's development is carried out responsibly – before upgrading technologies or increasing capacities, an environmental impact assessment is carried out, and activities are monitored according to approved monitoring programmes.

### **Commitments to climate change**

ŽEMAITIJOS PIENAS AB bases its activities on the principles of a sustainable value chain and seeks to contribute to the EU's goal of achieving climate neutrality by 2050. The Group companies continuously:

- monitor climate change trends and related legal regulations,
- assess risks related to climate change,
- integrate climate change issues into the risk management system.

The main directions are investments in environmentally friendly technologies, the development of renewable resources, improving energy efficiency, introducing more sustainable forms of transport, and applying environmental criteria in public procurement.

By implementing these measures, the Company reduces its impact on the environment, strengthens its competitiveness, and contributes to long-term sustainable activities.

### **Human resource management and personnel aspects of the Group companies**

In the first half of 2025, great attention was paid to the development of the Management Reserve. In this training academy, 18 employees participated, deepening and improving their knowledge in management competence and working on developmental tasks. During this period, 5 training modules were held, and participants went on an introductory excursion to a manufacturing company located near Klaipėda.

During the reporting period, Open Days were organised at Žemaitijos pienas (a total of 6). Participants included: school students from Telšiai – more than 100 participants, from Tirkšliai (Mažeikiai district) – 18 participants, and teachers from various foreign countries (Estonia, Finland, Sweden, Latvia, Denmark) – 23 participants. Guests were introduced to the professions at Žemaitijos pienas, the company itself and its production were presented, and specialists' success stories were shared. Ten students from vocational training centres, colleges, and universities were accepted to complete internships in various company departments/divisions.

On 11 April 2025, at a camp organised by the Telšiai STEAM Centre for teachers, representatives of Žemaitijos pienas presented their company and answered questions about the products manufactured, the opportunity to visit the company, and the introduction to professions.

In May 2025, the traditional hike – a wellness festival – took place, where company employees could participate with their family members. A total of 122 hikers completed the 14 km route in Kretinga. Participants not only had the opportunity to walk but also to rediscover the cultural and natural heritage of Kretinga and get to know colleagues differently – not only in the work environment or during meetings.

On 2 June 2025, representatives of Žemaitijos pienas participated in a conference in the Parliament of the Republic of Lithuania titled “What Added Value Do Colleges Create”. About 50 participants attended this conference:

politicians, representatives of colleges, and student unions. Employees of Žemaitijos pienas delivered a presentation titled “Business as a Partner in Science, Studies, and Careers”. The purpose of this conference was to look for bridges between colleges, business, and the state, so that all three go in one direction – because when the direction is clear, results follow.

At the beginning of June, an event for employees’ children, “Žemaitijos pieno vaikai 2025”, was organised, attended by children of various ages – 102 in total. This event not only enriches children’s leisure time but also strengthens the connection between family and the work environment, allows children to better understand where their parents work, and to experience the joy of togetherness. With the start of summer holidays, a camp was organised for employees’ children, attended by 16 children.

As every year, in June the process of employing children for the summer period was started, and the company also participated in the traditional community picnic organised by Telšiai town.

### ŽEMAITIJOS PIENAS, AB

As of 30 June 2025, the actual number of employees at ŽEMAITIJOS PIENAS AB was 1,312.

As of 30 June 2024, the actual number of employees at ŽEMAITIJOS PIENAS AB was 1,282.

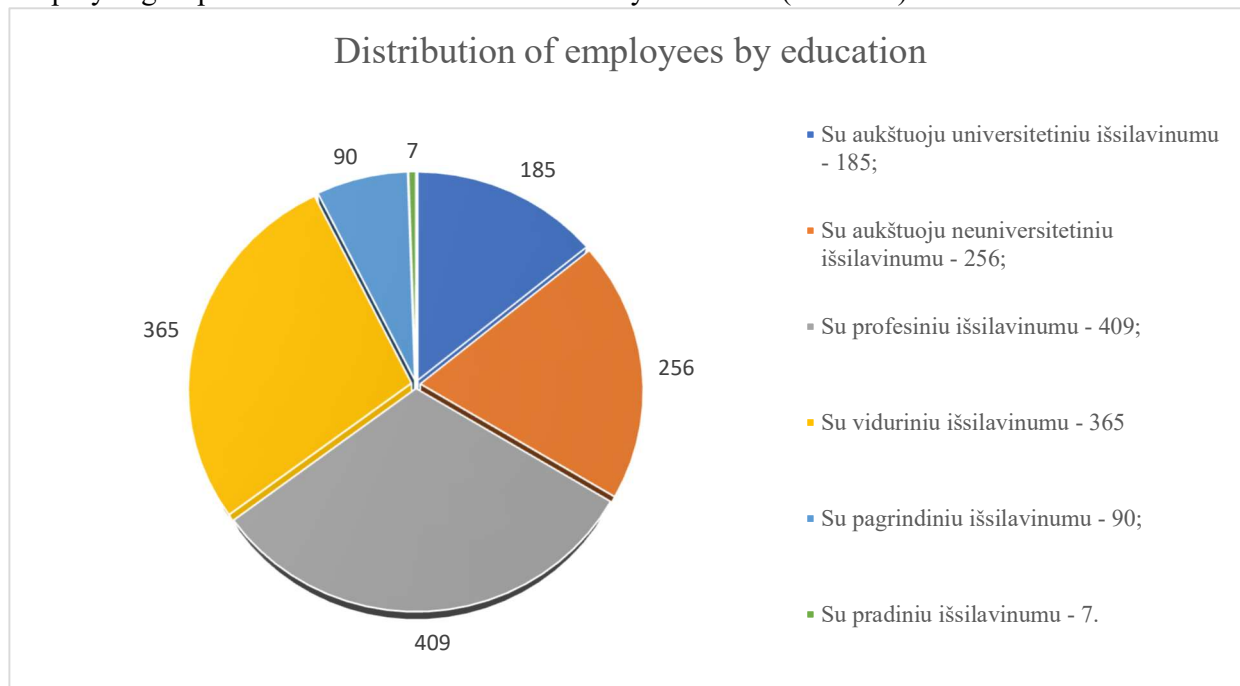
As of 30 June 2023, the actual number of employees at ŽEMAITIJOS PIENAS AB was 1,258.

Comparing the reporting half-year with 2024, the actual number of employees increased by about 2 percent.

Employee groups of ŽEMAITIJOS PIENAS AB by education (2023, 2024, 2025 H1):

Number of employees	2023-06-30	2024-06-30	2025-06-30
With university higher education	181	178	185
With non-university higher education	276	267	256
With vocational education	384	388	409
With secondary education	335	362	365
With incomplete secondary education	82	87	97
<b>Total:</b>	<b>1258</b>	<b>1282</b>	<b>1312</b>

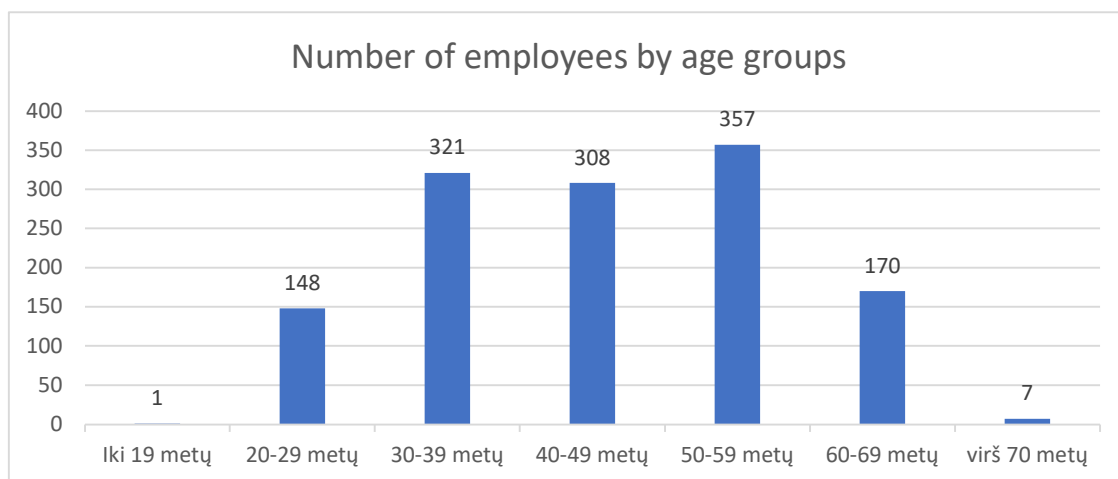
Employee groups of ŽEMAITIJOS PIENAS AB by education (2025 H1):



The number of employees of ŽEMAITIJOS PIENAS AB by respective groups and their average salary by respective employee work groups in euros is as follows:

Number of employees	2024-06-30		2024-12-31		2025-06-30	
	Employees	Average salary	Employees	Average salary	Employees	Average salary
Managers	7	7587	6	7516	7	7598
Specialists	312	3075	307	3054	311	3275
Workers	963	1962	1003	2051	994	2192
In total:	<b>1282</b>		<b>1316</b>		<b>1312</b>	

Number of employees by age groups At the end of the period:



## Šilutės Rambynas ABF

At the end of the period, the company employed 168 employees. This is 7 employees (4.3%) more than in the same period of 2024.

Distribution of employees by education:

Employees' education	2025-06-30	2024-06-30	2023-06-30
With a Master's degree	5	5	8
With higher education	20	20	24
With advanced education	38	37	23
With vocational education	59	56	55
With secondary education	35	33	34
With incomplete secondary education	11	10	14
<b>Iš viso:</b>	<b>168</b>	<b>161</b>	<b>158</b>

The average salary in the first half of 2025 was EUR 2,218/month, i.e. 20.0% higher than in 2024. Changes in salaries by employee groups are presented in the table.

Number of employees by employee groups	2025-06-30		2024-06-30		2023-06-30	
	Employees	Average salary, EUR/month	Employees	Average salary, EUR/month	Employees	Average salary, EUR/month
Managers	6	4039	6	3812	6	3915
Specialists	24	2673	24	2425	19	2388
Workers	138	2060	131	1651	133	1620
<b>Iš viso:</b>	<b>168</b>	<b>2218</b>	<b>161</b>	<b>1847</b>	<b>158</b>	<b>1800</b>

The Group company seeks to build and foster long-term relationships with employees, especially in the difficult labour market situation where there is a shortage of highly qualified specialists. Therefore, great attention is paid to employees' professional development. The company provides opportunities to improve qualifications by participating in seminars and courses. Training programmes have also been prepared under which specialists in various fields are trained and certified: production workers, machinists, operators, fitters, foremen, and masters.

## OTHER INFORMATION

### Transactions with related parties

Transactions with related parties carried out during the first six months of the current financial year that had a significant impact on the financial position or performance of the company and/or the Group for that period, including the amounts of such transactions, are presented in Note 18 of the explanatory notes to the first half of 2025.

### Legal disputes

- On 10 April 2025, the Lithuanian Court of Appeal dismissed the appeal of AB Compensa Vienna Insurance Group and upheld the decision of the Vilnius Regional Court of 16 October 2024, which had fully satisfied the claim of ŽEMAITIJOS PIENAS AB regarding the insurance payout – the Company was awarded the amount of EUR 248,028.62. The defendant did not file a cassation appeal, the decision entered into force and has already been executed.
- There are currently no other cases in which the Company is a party to civil, criminal, or administrative proceedings that could in any way materially affect the Company's financial position.

### Publicly disclosed regulated information of the Company

During the reporting period, the Company announced 8 (eight) notifications through the information system of the Vilnius Stock Exchange (AB NASDAQ OMX Vilnius) (on the website). All facts (events) are stored in the Central Regulated Information Database and this information is also available on the Company's website [www.zpienas.lt](http://www.zpienas.lt).

Public notifications must be published in accordance with the procedure established by legal acts and are provided in the electronic publication of the administrator of the Register of Legal Entities. Notifications about the convening of the Company's General Meeting of Shareholders and other material events are published in accordance with the procedure established by the Law on Securities in the Central Regulated Information Database [www.crib.lt](http://www.crib.lt) and on the Company's website [www.zpienas.lt](http://www.zpienas.lt).

The most important events of the reporting period published during the first half of 2025:

Date	The most important notifications of the reporting period
2025-06-16	<a href="#"><u>Regarding the recall of the Member of the Board</u></a>
2025-06-04	<a href="#"><u>NOTIFICATION OF TRANSACTIONS BY A PERSON IN A MANAGERIAL POSITION</u></a>
2025-04-29	<a href="#"><u>Annual information of ŽEMAITIJOS PIENAS, AB</u></a>
2025-04-29	<a href="#"><u>Decisions of the Ordinary General Meeting of Shareholders of ŽEMAITIJOS PIENAS, AB</u></a>
2025-04-11	<a href="#"><u>Regarding the decision of the Lithuanian Court of Appeal in the insurance compensation case</u></a>
2025-04-07	<a href="#"><u>Supplemented: Notice on the Convening of the Annual General Meeting of Shareholders</u></a>
2025-04-04	<a href="#"><u>NOTICE ON CONVENING THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF ŽEMAITIJOS PIENAS, AB</u></a>
2025-03-18	<a href="#"><u>The results of business activity of ŽEMAITIJOS PIENAS, AB group in 2024, excluding audit</u></a>

### **Post-reporting most important events**

Until 19 September 2025 the Company announced 3 (three) material events and other information prescribed by legal acts to be mandatorily disclosed<sup>1</sup>.

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<sup>1</sup><https://view.news.eu.nasdaq.com/view?id=1315758&lang=en>  
<https://view.news.eu.nasdaq.com/view?id=1385584&lang=en>  
<https://view.news.eu.nasdaq.com/view?id=1385891&lang=en>