

Vilnius, May 2023

AB „Pieno žvaigždės“ confirmation of the Management

Interim financial statements for the 3 months of 2023

We, Aleksandr Smagin, Chief Executive Officer and Audrius Statulevičius, Chief Financial Officer, hereby confirm that, to the best of our knowledge, Interim Financial Statements of the 3 months of 2023 prepared in accordance with IFRS, give 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 / Audrius Statulevičius



PIENO ŽVAIGŽDĒS

Interim financial
statements

For the 3 months of 2023



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1. Statement of financial position (Thousand EUR)

Prepared according to IFRS, not audited

	2023 03 31	2022 12 31
Assets		
Property, plant and equipment	44 502	45 411
Intangible assets	57	51
Investments available for sale	22	22
Long-term receivables	411	411
Deferred tax	2 337	2 336
Total non-current assets	47 329	48 231
Inventories	18 808	19 650
Receivables	7 810	7 526
Cash and cash equivalents	242	272
Total current assets	26 860	27 448
Total assets	74 189	75 679
Equity		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	3 251	474
Total equity	25 801	23 024
Liabilities		
Government grants	1 299	1 007
Interest-bearing loans and borrowings	11 998	638
Deferred tax	1 495	1 495
Total non-current liabilities	14 792	3 140
Provisions		
Interest-bearing loans and borrowings	14 475	29 546
Income tax payable	-	-
Trade and other amounts payable	19 121	19 969
Total current liabilities	33 596	49 515
Total liabilities	48 388	52 655
Total equity and liabilities	74 189	75 679



2. Statement of comprehensive income (Thousand EUR)

Prepared according to IFRS, not audited

	2023 01 01 – 2023 03 31	2022 01 01 – 2022 03 31
Revenue	45 674	46 965
Cost of sales	(35 153)	(41 675)
Gross profit	10 521	5 290
Other operating income, net	38	84
Sales and administrative expenses	(7 331)	(7 613)
Operating profit before finance costs	3 228	(2 239)
Finance income	7	9
Finance expenses	(458)	(233)
Finance income/expenses, net	(451)	(224)
Profit before tax	2 777	(2 463)
Corporate income tax	-	-
Net profit	2 777	(2 463)
Earnings per share (EUR)	0,06	(0,05)



3. Statement of cash flows (Thousand EUR)

Prepared according to IFRS, not audited

	2023 03 31	2022 03 31
Cash flows from operating activities		
Net profit	2 777	(2 463)
Adjustments:		
Depreciation and amortisation	1 428	1 442
Amortisation of government grants	(42)	(40)
Result of disposal of property, plant and equipment	3	(20)
Change in financial instruments	-	-
Change in vacation reserve	-	235
Change in impairment loss of inventories	(400)	-
Interest income/expenses, net	412	187
Income tax	-	-
Cash flows from ordinary activities before changes in the working capital	4 178	(659)
Change in inventories	1 241	(1 824)
Change in receivables	(238)	(3 611)
Change in trade and other payable amounts	(574)	1 002
Cash flows from operating activities	4 607	(5 092)
Interest paid	(419)	(196)
Income tax paid	-	-
Net cash flow from operating activities	4 188	(5 288)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(510)	(777)
Acquisition of intangible assets	(14)	(1)
Proceeds on sale of property, plant and equipment	10	48
Acquisition of rental rights	(2)	-
Granted / recovered loans	2	-
Interest received	7	11
Net cash flow used in investing activities	(507)	(719)
Cash flows from financing activities		
Loans received	-	7 000
Repayment of borrowings	(3 407)	(1 230)
Dividends paid	-	-
Payment of finance lease liabilities	(304)	(299)
Government grants received	-	-
Net cash from/(used in) financing activities	(3 711)	5 471
Change in cash and cash equivalents	(30)	(536)
Beginning cash	272	1 736
Ending cash	242	1 200



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 at 1 January 2022	13 089	7 891	0	1 570	0	0	5 794	28 344
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 2022 1Q							(2 464)	(2 464)
As at 31 March 2022	13 089	7 891	0	1 570	0	0	3 330	25 880
As at 1 April 2022	13 089	7 891	0	1 570	0	0	3 330	25 880
Profit allocation								
Dividends								
Change of share capital								
Own shares buyback								
Depreciation of revaluated part								
Other income								
Net profit for 2022 2Q-4Q							(2 856)	(2 856)
As at 31 December 2022	13 089	7 891	0	1 570	0	0	474	23 024
As at 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								
Other income								
Net profit for 2023 1Q							2 777	2 777
As at 31 March 2023	13 089	7 891	0	1 570	0	0	3 251	25 801



5. Notes to the financial statements

AB Pieno Žvaigždės was established by way of 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 production and sales of 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

	2023 01 01 – 2023 03 31	2022 01 01 – 2022 03 31
Sales, Thousand EUR	45 674	46 965
Gross profit, Thousand EUR	10 520	5 290
EBITDA, Thousand EUR	4 614	(836)
Current ratio (at the end of period)	0,80	0,86
Book value per share (at the end of period), EUR	0,57	0,57
Net profit per share	0,06	(0,05)

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable 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 the case of manufactured inventories and work in progress,



cost includes an appropriate share of overheads based on normal operating capacity.

Inventories, Thousand EUR	2023 03 31	2022 12 31
Raw materials	7 621	8 398
Stored production	11 138	11 232
Goods for resale	49	20
Total:	18 808	19 650

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 domestic market, and EU.

Sales by geographical markets, Thousand EUR	2023 01 01 – 2023 03 31	2022 01 01 – 2022 03 31
Lithuania	28 407	25 430
Other EU countries	8 403	11 188
Other non EU countries	8 864	10 348
Total:	45 674	46 966

Sales by products groups, Thousand EUR	2023 01 01 – 2023 03 31	2022 01 01 – 2022 03 31
Fresh milk products	36 404	35 278
Dry milk products	1 862	4 186
Cheese	5 076	5 430
Other products	2 332	2 072
Total:	45 674	46 966

Post balance sheet events

There are no material post-statement events.

