

Vilnius, February 2024

AB „Pieno žvaigždės“ confirmation of the Management

Interim financial statements for the 12 months 2023

We, Aleksandr Smagin, Chief Executive Officer and Laimonas Vaškevičius, Chief Financial Officer, hereby confirm that, to the best of our knowledge, Interim Financial Statements of the 12 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 / Laimonas Vaškevičius



PIENO ŽVAIGŽDĒS

Interim financial
statements

For the 12 months 2023



Table of content

1. Statement of financial position	4
2. Statement of comprehensive income	5
3. Statement of cash flows	6
4. Statement on change in equity	7
5. Notes to the financial statements	8



1. Statement of financial position (Thousand EUR)

Prepared according to IFRS, not audited

	2023 12 31	2022 12 31
Assets		
Property, plant and equipment	44 263	45 411
Intangible assets	54	51
Investments available for sale	22	22
Long-term receivables	5	411
Deferred tax	530	2 336
Total non-current assets	44 873	48 231
Inventories	15 939	19 651
Receivables	9 261	7 526
Cash and cash equivalents	1 584	272
Total current assets	26 783	27 449
Total assets	71 656	75 680
Equity		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	13 729	4 74
Total equity	36 279	23 024
Liabilities		
Government grants	1 700	1 007
Interest-bearing loans and borrowings	3 760	638
Deferred tax	1 619	1 495
Total non-current liabilities	7 080	3 140
Provisions		
Interest-bearing loans and borrowings	8 562	29 546
Income tax payable	-	-
Trade and other amounts payable	19 735	19 969
Total current liabilities	28 298	49 515
Total liabilities	35 377	52 655
Total equity and liabilities	71 656	75 679



2. Statement of comprehensive income (Thousand EUR)

Prepared according to IFRS, not audited

	2023 01 01 – 2023 12 31	2022 01 01 – 2022 12 31
Revenue	201 114	204 553
Cost of sales	(151 188)	(175 930)
Gross profit	49 926	28 623
Other operating income, net	149	1 473
Sales and administrative expenses	(32 617)	(35 202)
Operating profit before finance costs	17 458	(5 107)
Finance income	33	39
Finance expenses	(1 871)	(1 135)
Finance income/expenses, net	(1 838)	(1 095)
Profit before tax	15 621	(6 202)
Corporate income tax	(2 366)	883
Net profit	13 255	(5 320)
Earnings per share (EUR)	0,29	(0,12)

	2023 10 01 – 2023 12 31	2022 10 01 – 2022 12 31
Revenue	48 104	47 387
Cost of sales	(37 189)	(39 532)
Gross profit	10 915	7 854
Other operating income, net	28	(410)
Sales and administrative expenses	(7 493)	(10 018)
Operating profit before finance costs	3 449	(2 575)
Finance income	7	11
Finance expenses	(413)	(368)
Finance income/expenses, net	(405)	(357)
Profit before tax	3 044	(2 932)
Corporate income tax	(2366)	882
Net profit	678	(2 050)
Earnings per share (EUR)	0,02	(0,06)



3. Statement of cash flows (Thousand EUR)

Prepared according to IFRS, not audited

	2023 12 31	2022 12 31
Cash flows from operating activities		
Net profit	15 621	(6 203)
Adjustments:		
Depreciation and amortisation	5 738	5 786
Amortisation of government grants	(170)	(167)
Result of disposal of property, plant and equipment	(41)	(1 599)
Change in financial instruments	-	-
Change in vacation reserve	(127)	578
Change in provision	1	38
Change in impairment loss of inventories	(2 476)	2 944
Interest income/expenses, net	1 626	859
Income tax	(559)	-
Cash flows from ordinary activities before changes in the working capital	20 318	1 531
Change in inventories	6 186	(5 555)
Change in receivables	(1 328)	(930)
Change in trade and other payable amounts	(351)	(2 555)
Cash flows from operating activities	24 825	(7 509)
Interest paid	(1 658)	(952)
Income tax paid	-	-
Net cash flow from operating activities	(23 167)	(8 461)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4 105)	(2 033)
Acquisition of intangible assets	(38)	(22)
Proceeds on sale of property, plant and equipment	53	2 829
Acquisition of rental rights	-	-
Granted / recovered loans	6	6
Interest received	30	37
Net cash flow used in investing activities	(4 054)	817
Cash flows from financing activities		
Loans received	0	12 146
Repayment of borrowings	(17 066)	(4 920)
Dividends paid	(2)	(2)
Payment of finance lease liabilities	(1 261)	(1 364)
Government grants received	528	320
Net cash from/(used in) financing activities	(17 801)	6 180
Change in cash and cash equivalents	1 312	(1 464)
Beginning cash	272	1 736
Ending cash	1 584	272



4. Statement on change in equity

Prepared according to IFRS, not audited

(Thousand EUR)	Share capital	Share premium	Compulsory reserve	Retained earnings	Total equity
As of 1 January 2022	13 089	7 891	1 570	5 794	28 344
Dividends					0
Net profit for 9 months Of 2022				(2 621)	(2 621)
As of 30 September 2022	13 089	7 891	1 570	3 173	25 723
As of 1 October 2022	13 089	7 891	1 570	3 173	25 723
Dividends					0
Net profit for the 4-th quarter of 2022				(2 699)	(2 699)
As of 31 December 2022	13 089	7 891	1 570	474	23 024
As of 1 January 2023	13 089	7 891	1 570	474	23 024
Dividends					0
Net profit for 9 months of 2023				12577	12577
As of 30 September 2023	13 089	7 891	1 570	13 051	35 601
As of 1 October 2023	13 089	7 891	1 570	13 051	35 601
Dividends					0
Net profit for the 4-th quarter of 2023				678	678
As of 31 December 2023	13 089	7 891	1 570	13 729	36 279



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 12 31	2022 01 01 – 2022 12 31
Sales, Thousand EUR	201 114	204 553
Gross profit, Thousand EUR	49 926	28 623
EBITDA, Thousand EUR	23 026	511
Current ratio (at the end of period)	0,95	0,55
Book value per share (at the end of period), EUR	0,80	0,51
Net profit per share	0,29	(0,12)
	2023 10 01 – 2023 12 31	2022 10 01 – 2022 12 31
Sales, Thousand EUR	48 104	47 387
Gross profit, Thousand EUR	10 915	7 854
EBITDA, Thousand EUR	4 833	(1 886)
Current ratio (at the end of period)	0,95	0,55
Book value per share (at the end of period), EUR	0,80	0,51
Net profit per share	0,02	(0,06)



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 12 31	2022 12 31
Raw materials	6 934	8 398
Stored production	8 929	11 232
Goods for resale	76	20
Total:	15 939	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 12 31	2022 01 01 – 2022 12 31
Lithuania	120 489	113 493
Other EU countries	45 121	50 717
Other non EU countries	35 503	40 343
Total:	201 114	204 553

Sales by products groups, Thousand EUR	2023 01 01 – 2023 12 31	2022 01 01 – 2022 12 31
Fresh milk products	140 825	131 868
Dry milk products	11 681	13 477
Cheese	23 173	25 775
Other products	25 435	33 433
Total:	201 114	204 553



Sales by geographical markets, Thousand EUR	2023 10 01 – 2023 12 31	2022 10 01 – 2022 12 31
Lithuania	28 252	26 722
Other EU countries	10 557	7 428
Other non EU countries	9 295	13 273
Total:	48 104	47 387

Sales by products groups, Thousand EUR	2023 10 01 – 2023 12 31	2022 10 01 – 2022 12 31
Fresh milk products	35 071	33 397
Dry milk products	3 129	2 177
Cheese	6 193	7 322
Other products	3 711	4 490
Total:	48 104	47 387

Post balance sheet events

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

