

Vilnius, February 2022

AB „Pieno žvaigždės“ confirmation of the Management

Interim financial statements for the 12 months 2021

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 12 months of 2021 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 12 months 2021



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1. Statement of financial position (Thousand EUR)

Prepared according to IFRS, not audited

	2021 12 31	2020 12 31
Assets		
Property, plant and equipment	49 367	47 834
Intangible assets	68	86
Investments available for sale	22	22
Long-term receivables	317	404
Deferred tax	1 449	1 209
Total non-current assets	51 223	49 555
Inventories	17 038	13 277
Receivables	6 893	6 525
Cash and cash equivalents	1 736	3 553
Total current assets	25 667	23 355
Total assets	76 890	72 910
Equity		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	5 823	10 890
Total equity	28 373	33 440
Liabilities		
Government grants	1 189	1 336
Interest-bearing loans and borrowings	18 540	17 689
Deferred tax	-	-
Total non-current liabilities	19 729	19 025
Provisions		
Interest-bearing loans and borrowings	5 908	4 914
Income tax payable	-	-
Trade and other amounts payable	22 880	15 531
Total current liabilities	28 788	20 445
Total liabilities	48 517	39 470
Total equity and liabilities	76 890	72 910



2. Statement of comprehensive income (Thousand EUR)

Prepared according to IFRS, not audited

	2021 01 01 – 2021 12 31	2020 01 01 – 2020 12 31
Revenue	176 692	171 061
Cost of sales	(144 485)	(132 575)
Gross profit	32 207	38 485
Other operating income, net	649	525
Sales and administrative expenses	(30 942)	(30 016)
Operating profit before finance costs	1 914	8 995
Finance income	73	173
Finance expenses	(976)	(1 154)
Finance income/expenses, net	(903)	(981)
Profit before tax	1 011	8 014
Corporate income tax	240	(302)
Net profit	1 251	7 712
Earnings per share (EUR)	0,03	0,17
	2021 10 01 – 2021 12 31	2020 10 01 – 2020 12 31
Revenue	43 790	40 159
Cost of sales	(37 274)	(32 022)
Gross profit	6 516	8 137
Other operating income, net	129	126
Sales and administrative expenses	(7 890)	(7 036)
Operating profit before finance costs	(1 245)	1 227
Finance income	21	25
Finance expenses	(249)	(248)
Finance income/expenses, net	(228)	(222)
Profit before tax	(1 473)	1 004
Corporate income tax	240	418
Net profit	(1 232)	1 422
Earnings per share (EUR)	(0,03)	0,03



3. Statement of cash flows (Thousand EUR)

Prepared according to IFRS, not audited

	2021 12 31	2020 12 31
Cash flows from operating activities		
Net profit	1 011	7 712
Adjustments:		
Depreciation and amortisation	5 504	5 486
Amortisation of government grants	(159)	(144)
Result of disposal of property, plant and equipment	(189)	(31)
Change in financial instruments	-	(99)
Change in vacation reserve	305	417
Change in provision	127	245
Change in impairment loss of inventories	51	18
Interest income/expenses, net	709	787
Income tax	-	302
Cash flows from ordinary activities before changes in the working capital	7 477	14 575
Change in inventories	(3 812)	(1 907)
Change in receivables	(646)	3 116
Change in trade and other payable amounts	7 046	(2 077)
Cash flows from operating activities	10 065	13 707
Interest paid	(783)	(942)
Income tax paid	-	-
Net cash flow from operating activities	9 282	12 765
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7 045)	(5 246)
Acquisition of intangible assets	(43)	(29)
Proceeds on sale of property, plant and equipment	577	43
Acquisition of rental rights	-	-
Granted / recovered loans	77	216
Interest received	74	69
Net cash flow used in investing activities	(6 360)	(4 947)
Cash flows from financing activities		
Loans received	16 000	9 000
Repayment of borrowings	(13 420)	(12 920)
Dividends paid	(6 270)	(3 140)
Payment of finance lease liabilities	(1 061)	(1 280)
Government grants received	12	476
Net cash from/(used in) financing activities	(4 739)	(7 864)
Change in cash and cash equivalents	(1 817)	(46)
Beginning cash	3 553	3 599
Ending cash	1 736	3 553



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 2020	13 089	7 891	0	1 570	0	0	6 337	28 887
Profit allocation								0
Dividends							(3 159)	(3 159)
Change of share capital								0
Own shares buyback								0
Depreciation of revaluated part								0
Other income								0
Net profit for 2020							7 712	7 712
As at 31 December 2020	13 089	7 891	0	1 570	0	0	10 890	33 440
As at 1 January 2021	13 089	7 891	0	1 570	0	0	10 890	33 440
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 2021							1 251	1 251
As at 31 December 2021	13 089	7 891	0	1 570	0	0	5 822	28 372



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

	2021 01 01 – 2021 12 31	2020 01 01 – 2020 12 31
Sales, Thousand EUR	176 692	171 061
Gross profit, Thousand EUR	32 207	38 485
EBITDA, Thousand EUR	7 259	14 337
Current ratio (at the end of period)	0,89	1,14
Book value per share (at the end of period), EUR	0,63	0,74
Net profit per share	0,03	0,17
	2021 10 01 – 2021 12 31	2020 10 01 – 2020 12 31
Sales, Thousand EUR	43 790	40 159
Gross profit, Thousand EUR	6 516	8 137
EBITDA, Thousand EUR	133	2 550
Current ratio (at the end of period)	0,89	1,14
Book value per share (at the end of period), EUR	0,63	0,74
Net profit per share	(0,03)	0,03



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	2021 12 31	2020 12 31
Raw materials	7 556	5 303
Stored production	9 442	7 917
Goods for resale	40	57
Total:	17 038	13 277

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	2021 01 01 – 2021 12 31	2020 01 01 – 2020 12 31
Lithuania	107 012	102 643
Other EU countries	35 024	36 242
Other non EU countries	34 656	32 176
Total:	176 692	171 061

Sales by products groups, Thousand EUR	2021 01 01 – 2021 12 31	2020 01 01 – 2020 12 31
Fresh milk products	128 467	126 066
Dry milk products	8 852	6 701
Cheese	23 098	25 584
Other products	16 276	12 711
Total:	176 692	171 061



Sales by geographical markets, Thousand EUR	2021 10 01 – 2021 12 31	2020 10 01 – 2020 12 31
Lithuania	26 246	24 557
Other EU countries	8 330	7 264
Other non EU countries	9 214	8 337
Total:	43 790	40 159

Sales by products groups, Thousand EUR	2021 10 01 – 2021 12 31	2020 10 01 – 2020 12 31
Fresh milk products	32 510	31 339
Dry milk products	2 834	2 126
Cheese	6 873	5 274
Other products	1 573	1 419
Total:	43 790	40 159

Post balance sheet events

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

