



**Pieno Žvaigždės, AB  
Confirmation of the Management**

Vilnius, September 2019

**Financial statements and the Report for the 6 months 2019**

We, Aleksandr Smagin, Chief Executive Officer and Audrius Statulevičius, Chief Financial Officer, hereby confirm that, to the best of our knowledge, Interim Report for the six months of 2019 includes a fair review of the development and performance of the business.

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 six months of 2019 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”.

Pieno Žvaigždės, AB  
CEO

Aleksandr Smagin

Pieno Žvaigždės, AB  
CFO

Audrius Statulevičius



# **PIENO ŽVAIGŽDĖS, AB**

## **INTERIM FINANCIAL STATEMENTS**

**And**

## **INTERIM REPORT**

**For the 6 months 2019**

**VILNIUS, SEPTEMBER 2019**

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## 1. Accounting Period for which the present Report has been Prepared

The present Report has been prepared for the 6 months 2019

## 2. Key Data on the Issuer

Company name	Public Limited Liability Company "Pieno žvaigždės"
Registration date and time	The company was reregistered on 23 December 1998
Company code	124665536
VAT payer code	LT246655314
Authorized capital	13,088,981.51 Euro, divided into 45,134,419 0,29 euro nominal value shares.
Address	Perkūnkiemio str. 3, LT-12127 Vilnius, Lithuania
Telephone	(+370 5) 246 14 14
Fax	(+370 5) 246 14 15
E-mail	<a href="mailto:info@pienzvaigzdes.lt">info@pienzvaigzdes.lt</a>
Internet website	<a href="http://www.pienozvaigzdes.lt">www.pienozvaigzdes.lt</a>

## 3. Type of the Issuer's main activities

The Company's main activity is manufacturing of Milk products.

## 4. Agreements with intermediaries of public trading in securities

Joint-Stock Company Siauliu Bankas (company code 12025254, registered address Šiaulių m. Sav. Šiauliai. Tilžės g. 149, tel. 1813 e-mail: [info@sb.lt](mailto:info@sb.lt)) is accountant of AB Pieno Zvaigzdes shares.

## 5. The Issuer's authorized capital

The authorized capital registered in the Register Centre is 13,088,981.51 EUR. The authorized capital divided into 45 134 419 ordinary shares (nominal value 0.29 EUR). All ordinary registered shares of AB Pieno Zvaigzdes are fully paid up.

## 6. Securities admitted to the trading lists of the stock exchanges

6.1. The ordinary registered shares of AB Pieno Zvaigzdes were admitted to the Official List of the NASDAQ OMX Vilnius Stock Exchange.

Type of shares – Ordinary registered shares;

Number of shares – 45 134 419;

Total nominal value – 13 088 981.51 EUR;

ISIN code – LT0000111676;



All information about Pieno zvaigzdes, AB securities trading available on [Nasdaq Vilnius](#) stock exchange site.

6.2. Currently the Company has no debt securities issues.

6.3. Currently the Company has no own shares.

## **7. The objective review of the Company's state, activity performance and development; the description of the main risk types and uncertainties encountered by the enterprise**

Pieno Žvaigždės, AB was established on 23 December 1998 after merger of independent milk processing companies operating in Lithuania: AB Mažeikių Pieninė and AB Pasvalio Sūrinė. Later, AB Kauno Pienas and in 2004 AB Panevėžio Pienas were also merged into Pieno Žvaigždės, AB. The current structure of the Company enables to specialise production in separate branches and reach the highest efficiency as well as even distribution of raw milk collection capacities in the country.

Pieno Žvaigždės, AB is the largest milk processing company in Lithuania, which currently produces more than 500 different products. The Company operates not only in the local market but also exports production to the countries of the European Union, CIS, and Asia. Different types of ferment cheese, whey flour and fresh milk products produced by Pieno Žvaigždės, AB are the main products produced for export which are well known for their irreproachable quality. The products are awarded with quality certificates.

The main activity of the Issuer is processing of milk. The mentioned business is risky due to eventual changes in product and raw materials markets, competition as well as eventual legal, political, technological and social changes, which are directly or indirectly related to the Issuer's business and may have a negative influence on the Issuer's cash flows and operating results.

The main raw material used by the Issuer is milk, the sales quota for processing of which to the EU milk processing companies is limited by national milk quota. Limitations put on supply of raw milk may result in lack of raw milk and an increase in prices for raw milk. These changes may have a negative influence on the cash flows and operating results of the Issuer.

The Issuer's business (especially collection and transportation of milk) is a labour consuming activity. The lack of human resources and an increase in salary costs may negatively affect the operating results of the Issuer.

Information on financial risks is presented in the annual financial statements (note 21 of the explanatory information).

Pieno Žvaigždės, AB has integrated the quality and environment management system as to the requirements of ISO 9001:2008 and ISO 14001:2004. As of March 2012 the Company is implementing the food safety management system as to ISO 22000:2005, which will be integrated into the existing management system. In December 2013, the affiliate Pasvalio Sūrinė received the certificate confirming the implementation of food safety management system complying with requirement of FSSC 22000. Other three affiliates of Pieno Žvaigždės, AB have finalised the implementation of the food management system and received certificate according to the requirements of FSSC 22000 at the beginning of the year 2015.



Assurance of the quality of dairy products, especially of their safety, i.e. harmlessness to consumers, is one of the major tasks of the Company. The functioning food safety system allows to monitor risk factors and important control points that are related to milk production processes, transportation, consumption and improves the quality control. The Company has prepared, implemented and operate the programs which provide for conditions, measures and behaviour rules to prevent biological, chemical, allergic and physical contamination and ensure high quality and safety of the dairy products.

During the years 1998–2002 the State Food and Veterinarian Office assigned the affiliates of Pieno Žvaigždės, AB with certificates for export to EU, which allow exporting dairy products bearing identification marks to the EU countries. Furthermore, all the branches of the Company are approved for export to Russia and Belarus.

A primary certification of the quality management system in the Company's affiliates was performed in 2002. The granted certificates proved that the establishment, documentation and maintenance of the quality management system complied with the ISO 9001 standard. The certification audit in the affiliates and issuance of the certificates was performed by an international certification firm TUV CERT. During 2005–2006, the environment management system complying with the requirements of ISO 14001 standards was integrated into the quality management system, and in February 2007 Pieno Žvaigždės, AB received the certificate confirming the integrated quality and environment management system complying with the requirements of ISO 9001 and ISO 14001 standards operates in the Company. Every year, the certifying firm performs supervision audits of the Company, and every 3 years the recertification takes place. Pieno Žvaigždės, AB aims to continuous improvement and better efficiency of its operations and processes, thus, for the purpose of more efficient use of external audit results for company improvement, in 2013, Pieno Žvaigždės, AB changed the certification firm. As of 2013, external audit of management systems is performed by certifying firm DNV.

In order to further improve the quality control, in September 2016, the branch Pasvalio Sūrinė and in September 2017, the branch Mažeikių Pieninė were certified as to the IFS Food Standard requirements. This International Food Standard (IFS) was introduced by the retail trade association IFS Food of Germany, France and Italy to meet the requirements of private retailers in Germany, France, Italy, the Benelux and other countries. A company that complies with the IFS requirements ensures that it can manage the risks throughout all the stages of food production process, can produce a safe and high-quality product. The greatest attention is paid to the products that must meet the expectations of the ultimate customer and, most importantly, the consumer.

Meanwhile, in April 2017, the branch Kauno Pienas was granted a BRC certificate (Global Standard for Food Safety). In 1998, the British Retail Consortium (BRC) established and implemented the BRC food technical standard, which is used for evaluation of foodstuff manufacturers. The purpose of the standard is to assist the food processing companies in the production and supply of safe and high quality foodstuff. This ensures consumer confidence in the company's food safety. Due to clarity and versatility of the BRC standard requirements and control, they are acknowledged globally.

The Company's affiliates Kauno Pienas an Panevezio Pienas are certified for production of ecological products (ecological yogurts, ecological sour cream, ecological curd and cottage cheese). After each annual review, a public company Ekoagros issues a new certificate on the Company's compliance with the requirements. Production of ecological dairy products requires



adhering to strict requirements set not only for production processes but also for their compound parts. The certified ecological products are marked with the following additional information: certification mark of ecological products, code of the certifying firm, and reference to the growth place of agricultural goods used for production.

Certain products of the Company are assigned with specific quality certificates HALAL (whey powder and cream) and KOSHER (whey powder).

The Company's management has undertaken to produce safe and high-quality dairy products that satisfy the clients' needs and expectations, with low impact on environment to the maximum extent, all being defined in the Company's policy on the safety and quality of food and environment protection.

**8. Analysis of financial and non-financial activity results, information related to environment and personnel issues**

	2019 06 30	2018 06 30
<b>Key figures, million EUR</b>		
Turnover	84,1	86,5
Gross profit	15,7	15,7
Profit before tax, interest and depreciation (EBITDA)	4,4,	5,4
Investment in property, plant and equipment	4,6	2,8

**Main quality management and environmental principles:**

- The quality management system is oriented towards a customer, thus a lot of attention is devoted to fulfilling customers' needs and expectations;
- Principles of cleaner production must be adhered to; the aspects that significantly influence the environment must be identified and managed, and proper preparation for emergency situation must be insured.
- Management of the Company sets united aims and goals. Heads of the Company create environment where all employees take part in order to achieve aims.
- Employees of all levels are involved in Company's work.
- All activities of the Company, as well as the recourses related to them are managed as a process.
- Interconnected processes are defined, understood and managed as a system, and this increases Company's capacity and efficiency.
- Company's target is constant improvement. Improvement activities are integrated with Company's strategy and every worker seeks improvement of a product, process and systems.
- High-scoring solutions are based on data and information analysis.
- A lot of attention is devoted to connections with suppliers.

Enjoyment of the ISO 9001 and ISO 14001 certificates proves that the structure, duties and responsibilities are strictly defined in the Company, processes and procedures set out, major documents controlled and constantly renewed, checked and that management activities are carried out regularly, while the non-conforming ones are identified, analysed and corrected, even more, the prevention of environmental is ensured.

The Company's top management annually reviews and confirms food safety, quality and environmental policies

**9. The number of the own shares acquired and transferred during the reporting period, where they are acquired or transferred against payment**

Through the 6 months of 2019 the Company did not purchase or sell any own shares.

**10. Information about branches and representative offices**

Pieno Žvaigždės, AB comprises four production branches:

- ✓ Branch Kauno Pienas, Taikos pr. 90, LT-51181 Kaunas;
- ✓ Branch Mažeikių Pieninė, Skuodo St. 4, LT-89100 Mažeikiai;
- ✓ Branch Pasvalio Sūrinė, Mūšos St. 14, LT-39104 Pasvalys;
- ✓ Branch Panevėžio Pienas, Tinklų St. 9, LT-35115 Panevėžys.



### 11. Significant events occurred after the end of the six months of year

No significant events have occurred after the end of six months of the financial year.

### 12. Information about research and development activity

The Company continuously makes investments and searches for new ways how to ensure a constant and better efficiency growth of its activity.

### 13. Shareholders

Based on the latest data available (May 13, 2019) the Company had 3 729 shareholders.

The shareholders holding by the right of ownership or in trust more than 5 percent of the Company's authorized capital:

Names of shareholders	Number shares, units	Share of the capital %	Share of votes % / Share of votes with related persons %
ŽŪKB „SMILGELĖ“ J.TUMO VAIŽGANTO 8/27-3. VILNIUS, ĮM.K. 2490652	6 677 200	14.79	14.79
UAB „AGROLITAS IMEKS LESMA“ LAISVĖS PR.125, VILNIUS, ĮM.K. 2191855	6 228 459	13.80	13.80
SEB ESTONIA AS CUSTODIAN FOR BANK AUSTRIA EEEU002 TORNIMAE 2 15010, TALLINN	5 122 022	11.35	11.35
Kvaraciejus Julius	7 085 907	15.70	15.70 / 32.36
Kvaraciejienė Regina	2 126 959	4.71	4.71 / 32.36
Klovas Voldemaras	3 142 567	6.96	6.96 / 32.36
Klovienė Danutė	878 328	1.95	1.95 / 32.36
Smagin Aleksandr	1 323 536	2.93	2.93 / 32.36
Gžegož Rogoža	46 150	0.10	0.10 / 32.36

### 14. Staff

	2019 06 30	2018 06 30
<b>Average number of employees</b>	<b>1 660</b>	<b>1 653</b>
With university education	379	378
With further education	348	347
With secondary education	785	790
With not completed secondary education	148	138
	<b>2019 06 30</b>	<b>2018 06 30</b>
<b>Average number of employees</b>	<b>1 660</b>	<b>1 653</b>
Managers	62	61
Specialists	383	384
Workers	1 215	1 208



	2019 06 30	2018 06 30
<b>Average payroll, EUR</b>		
Managers	2 536	2 086
Specialists	1 427	961
Workers	986	726

## 15. Change of the issuer's Articles of Association

Pursuing the Articles of Association of the Company, the Articles may be exclusively changed by the general meeting of shareholders, according to the Law of the Republic of Lithuania.

## 16. Management:

The managing bodies of the company are as follows: General shareholders' meeting, the Management Board and the Chief Executive Officer.

The Management Board is a collegial management body comprised of 7 (seven) members. The Board members are elected for the 4 years period.

The competence and procedure of announcement of the shareholders' meeting complies with the competence and procedure of announcement of the shareholders' meeting established by the Law on Joint Stock Companies.

### Management Board

Name, surname	Official duties	Number shares, units	Share of the capital %	From	Until
Julius Kvaraciejus	chairman	7 085 907	15.70	2018 04 26	2022 04 25
Voldemaras Klovas	member	3 142 567	6.96	2018 04 26	2022 04 25
Aleksandr Smagin	member	1 323 536	2.93	2018 04 26	2022 04 25
Gžegož Rogoža	member	46 150	0.10	2018 04 26	2022 04 25
Regina Kvaraciejienė	member	2 126 959	4.71	2018 04 26	2022 04 25
Artiom Smagin	member	-	-	2018 04 26	2022 04 25
Vitalis Paškevičius	member	-	-	2018 04 26	2022 04 25

**Administration**

Name, surname	Official duties	Number shares, units	Share of the capital %
Aleksandr Smagin	CEO	1 323 536	2.93
Audrius Statulevičius	CFO	-	-

Positions held by the board members and the head of administration in Pieno Žvaigždės AB and other companies:

Name, surname	Position held in Pieno Žvaigždės AB	Position held in other companies
Aleksandr Smagin	General Director, member of the board	None
Julius Kvaraciejus	Member of the board, Director for Business Development	None
Regina Kvaraciejienė	Member of the board, consultant	None
Voldemaras Klovas	Member of the board, Deputy General Director	None
Gžegož Rogoža	Member of the board, Executive Director	None
Artiom Smagin	Member of the board, Marketing Project Manager	None
Vitalis Paškevičius	Member of the board; Logistics Director	Director of UAB Bobketa (company code 302808827, Kelpių 25-1, Tarandė, Vilnius r.)

**17. Additional notes about financial statements**

The financial statements prepared according to the IFRS. Financial statements for the 6 months 2019 are not audited. All additional information about financial statements is presented in the notes to the financial statements.

**18. Information on the major related parties' transactions**

No significant or unrepresentative agreements or transactions were concluded between related parties in the first 6 months of 2019.

**19. Significant up-to-date developments in the issuer's performance**

All the publicly disclosed information available on the company's web site [www.pienozvaigzdes.com](http://www.pienozvaigzdes.com)

<b>Date</b>	<b>Subject</b>
24 Sep	<u>Pieno zvaigzdes AB, not audited financial results for the first six months of 2019</u>
30 May	<u>Pieno zvaigzdes AB, not audited financial results for the first three months of 2019</u>
21 May	<u>The Board of the Bank of Lithuania imposed a fine to the Chairman of the Board of the company</u>
9 May	<u>Dividend payment ex-date of Pieno zvaigzdes AB</u>
26 Apr	<u>Resolutions of Annual General Shareholders' Meeting of Pieno Zvaigzdes AB</u>
26 Apr	<u>Pieno Zvaigzdes AB, Financial statements for the year 2018</u>
16 Apr	<u>Annual General Shareholders' Meeting of Pieno Zvaigzdes AB (updated)</u>
3 Apr	<u>Annual General Shareholders' Meeting of Pieno Zvaigzdes AB</u>
28 Feb	<u>Pieno zvaigzdes AB, not audited financial statements for the twelve months of 2018</u>
21 Feb	<u>Pieno zvaigzdes AB, not audited financial results for the year 2018</u>

**20. Future plans**

The company did not change its plans and forecasts for the year 2019.

**21. Financial statements**

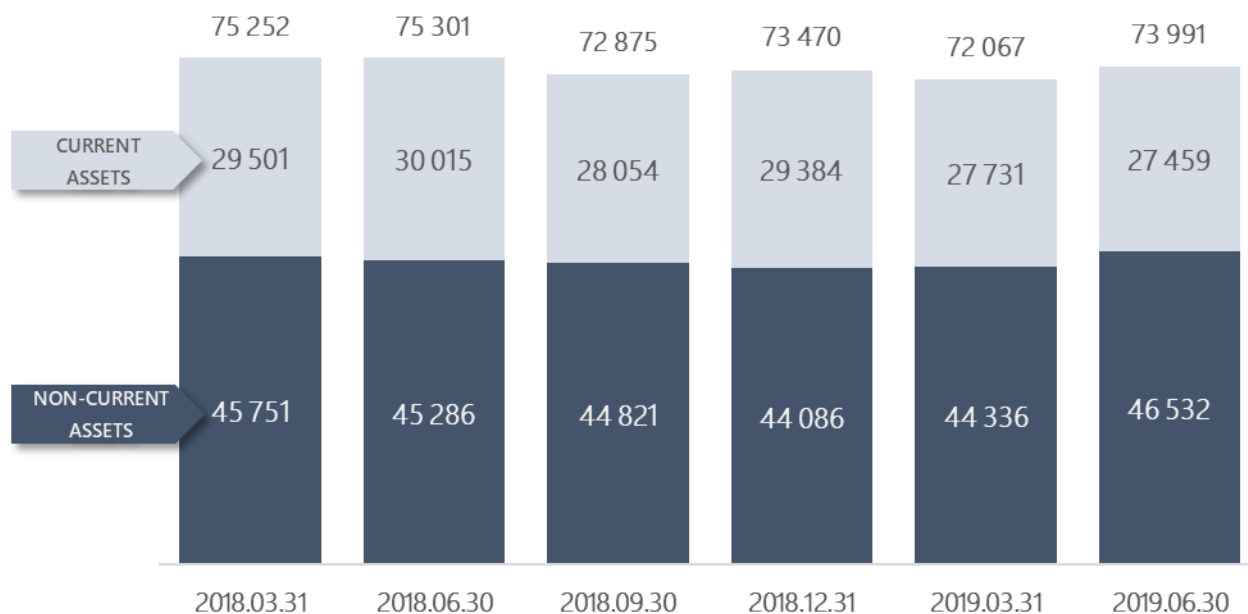
*Prepared according to IFRS, not audited*

**21.1. Statement of financial position**

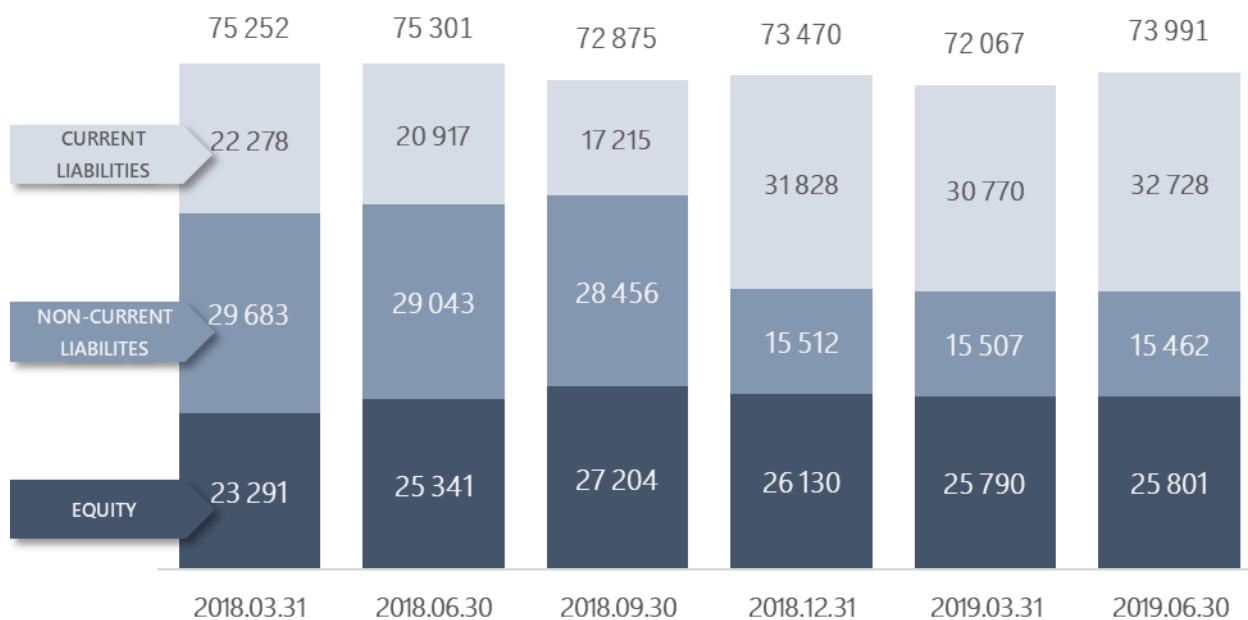
Thousand EUR	<b>2019.06.30</b>	<b>2018.12.31</b>
<b>Assets</b>		
Property, plant and equipment	44 495	42 098
Intangible assets	140	136
Investments available for sale	22	22
Long-term receivables	728	683
Deferred tax	1 147	1 147
<b>Total non-current assets</b>	<b>46 532</b>	<b>44 086</b>
Inventories	11 486	13 423
Receivables	15 025	11 166
Cash and cash equivalents	948	4 795
<b>Total current assets</b>	<b>27 459</b>	<b>29 384</b>
<b>Total assets</b>	<b>73 991</b>	<b>73 470</b>
<b>Equity</b>		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	2 200
Retained earnings	3 251	2 950
<b>Total equity</b>	<b>25 801</b>	<b>26 130</b>
<b>Liabilities</b>		
Government grants	1 079	1 129
Interest-bearing loans and borrowings	13 500	13 500
Deferred tax	883	883
<b>Total non-current liabilities</b>	<b>15 462</b>	<b>15 512</b>
Provisions		
Interest-bearing loans and borrowings	11 044	13 217
Income tax payable	-	-
Trade and other amounts payable	21 684	18 611
<b>Total current liabilities</b>	<b>32 728</b>	<b>31 828</b>
<b>Total liabilities</b>	<b>48 190</b>	<b>47 340</b>
<b>Total equity and liabilities</b>	<b>73 991</b>	<b>73 470</b>



AB „Pieno Žvaigždės“ assets structure, thousand Eur



AB „Pieno Žvaigždės“ liabilities and equity, thousand Eur.



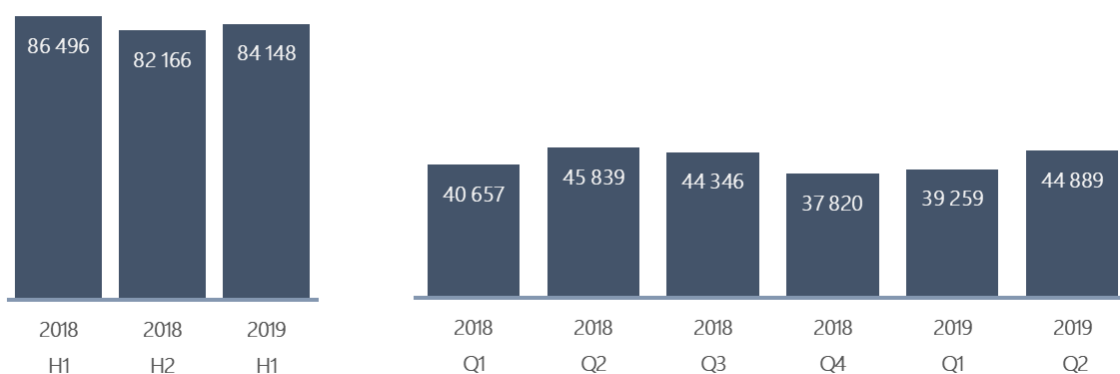
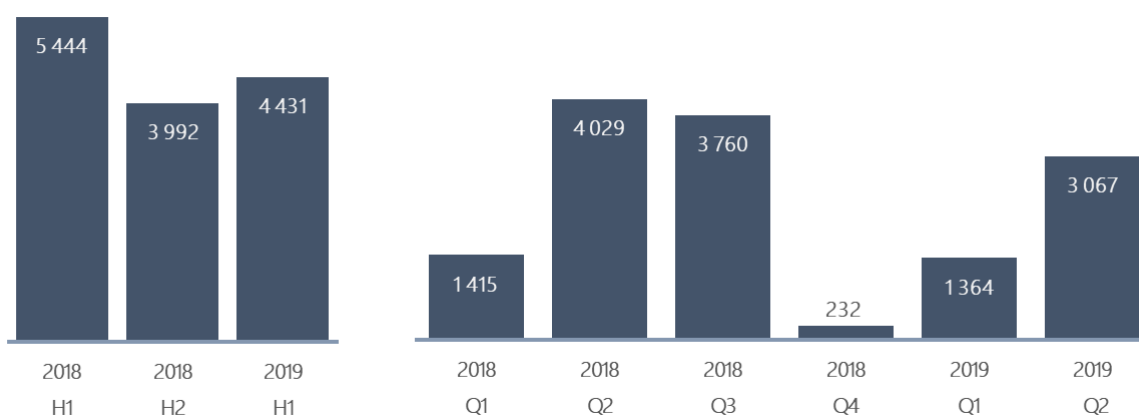
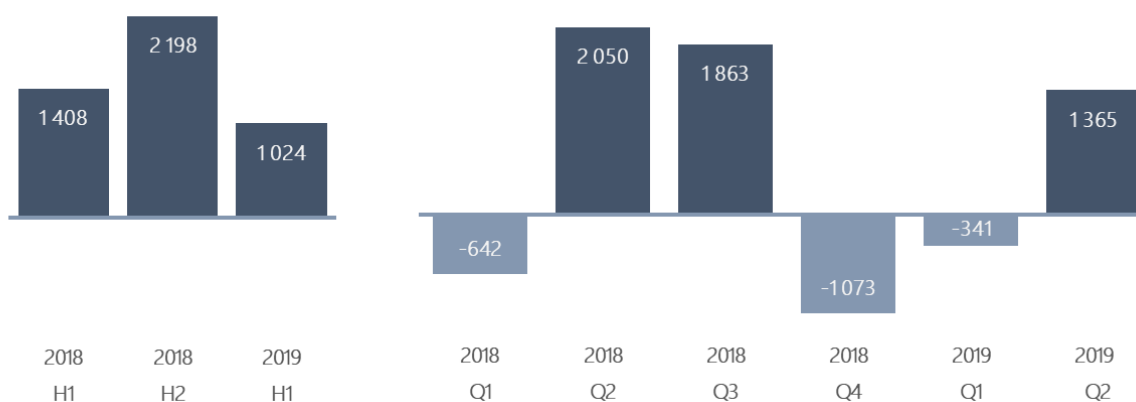
**21.2. Statement of comprehensive income**

Thousand EUR

	<b>2019.01.01 - 2019.06.30</b>	<b>2018.01.01 - 2018.06.30</b>
Revenue	84 148	86 496
Cost of sales	(68 446)	(70 836)
<b>Gross profit</b>	<b>15 702</b>	<b>15 660</b>
Other operating income, net	289	256
Sales and administrative expenses	(14 512)	(13 990)
<b>Operating profit before finance costs</b>	<b>1 479</b>	<b>1 926</b>
Finance income	70	84
Finance expenses	( 525)	( 602)
<b>Finance income/expenses, net</b>	<b>( 455)</b>	<b>( 518)</b>
<b>Profit before tax</b>	<b>1 024</b>	<b>1 408</b>
Corporate income tax		
<b>Profit for the year</b>	<b>1 024</b>	<b>1 408</b>
Earnings per share (EUR)	0,02	0,03

Thousand EUR

	<b>2019.04.01 - 2019.06.30</b>	<b>2018.04.01 - 2018.06.30</b>
Revenue	44 889	45 839
Cost of sales	(35 690)	(36 674)
<b>Gross profit</b>	<b>9 199</b>	<b>9 165</b>
Other operating income, net	184	121
Sales and administrative expenses	(7 784)	(6 996)
<b>Operating profit before finance costs</b>	<b>1 599</b>	<b>2 290</b>
Finance income	25	44
Finance expenses	( 259)	( 284)
<b>Finance income/expenses, net</b>	<b>( 234)</b>	<b>( 240)</b>
<b>Profit before tax</b>	<b>1 365</b>	<b>2 050</b>
Corporate income tax	0	0
<b>Profit for the year</b>	<b>1 365</b>	<b>2 050</b>
Earnings per share (EUR)	0,03	0,05

**Revenue, thousand Eur.**

**EBITDA, thousand Eur.**

**Net profit (loss), thousand Eur.**






## 21.3. Statement of cash flows

Thousand EUR	2019.06.30	2018.06.30
<b>Cash flows from operating activities</b>		
Net profit	1 024	1 408
Adjustments:		
Depreciation and amortisation	3 044	3 577
Amortisation of government grants	(92)	(59)
Result of disposal of property, plant and equipment	(155)	(50)
Change in financial instruments	(7)	(2)
Change in vacation reserve	323	249
Change in impairment loss of inventories	177	(1 232)
Interest income/expenses, net	370	480
Income tax	-	-
<b>Cash flows from ordinary activities before changes in the working capital</b>	<b>4 684</b>	<b>4 371</b>
Change in inventories	1 759	4 195
Change in receivables	(3 892)	(3 503)
Change in trade and other payable amounts	2 795	207
<b>Cash flows from operating activities</b>	<b>5 346</b>	<b>5 270</b>
Interest paid	(401)	(502)
Income tax paid	0	0
<b>Net cash flow from operating activities</b>	<b>4 945</b>	<b>4 768</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4 565)	(2 820)
Acquisition of intangible assets	(39)	(31)
Proceeds on sale of property, plant and equipment	118	95
Interest received	31	22
<b>Net cash flow used in investing activities</b>	<b>(4 455)</b>	<b>(2 734)</b>
<b>Cash flows from financing activities</b>		
Loans received	-	3 922
Repayment of borrowings	(3 037)	(5 702)
Dividends paid	(1 342)	-
Government grants received	42	-
<b>Net cash from/(used in) financing activities</b>	<b>(4 337)</b>	<b>(1 780)</b>
Change in cash and cash equivalents	(3 847)	254
Beginning cash	4 795	256
<b>Ending cash</b>	<b>948</b>	<b>510</b>



## 21.4. Statement on changes in equity

000 EUR	Share capital	Share premium	Own shares	Compulsory reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
As at 1 January 2018	13 089	7 891	0	1 570	0	630	752	23 932
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 2018							1 409	1 409
As at 30 June 2018	13 089	7 891	0	1 570	0	630	2 161	25 341
As at 1 July 2018	13 089	7 891	0	1 570	0	630	2 161	25 341
Profit allocation								0
Dividends								0
Change of share capital								0
Revaluation of fixed assets								0
Depreciation of revaluated part								0
Other income								0
Net profit for 2018							789	789
As at 31 December 2018	13 089	7 891	0	1 570	0	630	2 950	26 130
As at 1 January 2019	13 089	7 891	0	1 570	0	630	2 950	26 130
Profit allocation						( 630)	630	0
Dividends							(1 353)	(1 353)
Change of share capital								0
Own shares buyback								0
Revaluation of asstes								0
Other income								0
Net profit for 2019							1 024	1 024
As at 30 June 2019	13 089	7 891	0	1 570	0	0	3 251	25 801

## 21.5. 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

<b>Ratios</b>	<b>2019.01.01 - 2019.06.30</b>	<b>2018.01.01 - 2018.06.30</b>
Sales, Thousand EUR	84 148	86 496
Gross profit, Thousand EUR	15 702	15 660
EBITDA, Thousand EUR	4 431	5 444
Current ratio (at the end of period)	0,84	1,38
Book value per share (at the end of period), EUR	0,57	0,56
Net profit per share	0,02	0,03

<b>Ratios</b>	<b>2019.04.01 - 2019.06.30</b>	<b>2018.04.01 - 2018.06.30</b>
Sales, Thousand EUR	44 889	45 839
Gross profit, Thousand EUR	9 199	9 165
EBITDA, Thousand EUR	3 067	4 029
Current ratio (at the end of period)	0,84	1,38
Book value per share (at the end of period), EUR	0,57	0,56
Net profit per share	0,03	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.

<b>Inventories, Thousand EUR</b>	<b>2019.06.30</b>	<b>2018.12.31</b>
Raw materials	5 051	4 707
Stored production	6 377	8 707
Goods for resale	58	9
<b>Total:</b>	<b>11 523</b>	<b>13 423</b>

## 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.

<b>Sales by geographical markets, Thousand EUR</b>	<b>2019.01.01 - 2019.06.30</b>	<b>2018.01.01 - 2018.06.30</b>
Lithuania	48 635	46 474
Other EU countries	26 154	28 422
Other non EU countries	9 359	11 600
<b>Total:</b>	<b>84 148</b>	<b>86 496</b>

<b>Sales by products groups, Thousand EUR</b>	<b>2019.01.01 - 2019.06.30</b>	<b>2018.01.01 - 2018.06.30</b>
Fresh milk products	58 313	58 154
Dry milk products	2 117	3 679
Cheese	17 252	19 448
Other products	6 465	5 215
<b>Total:</b>	<b>84 148</b>	<b>86 496</b>

**Sales by geographical markets, Thousand EUR**

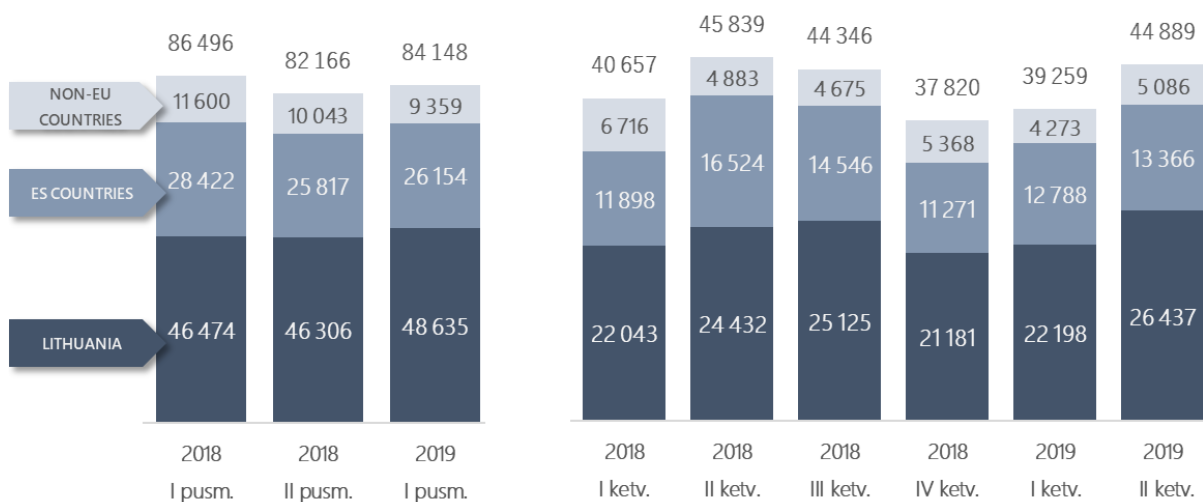
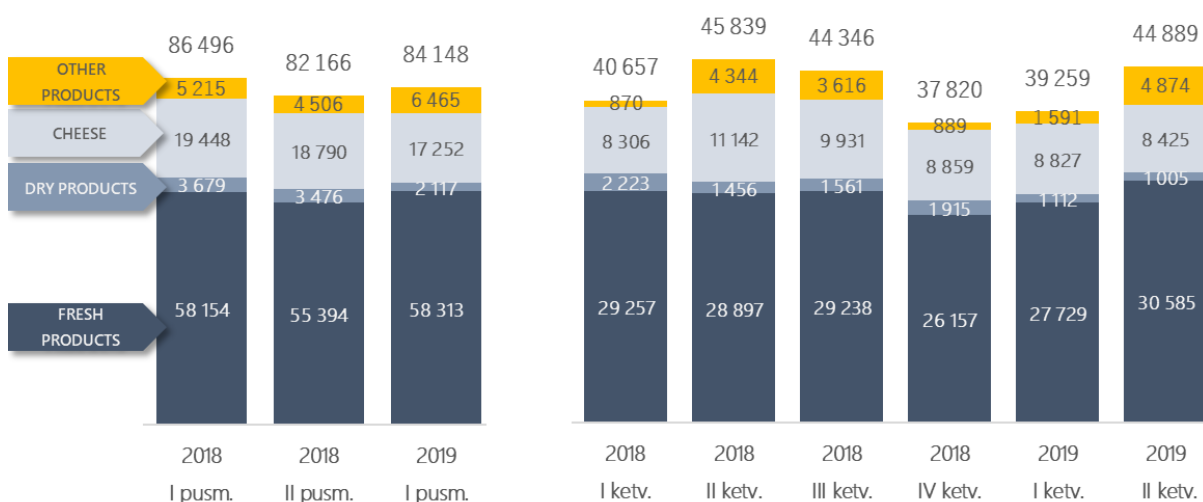
Lithuania  
Other EU countries  
Other non EU countries  
Total:

2019.04.01 - 2019.06.30	2018.04.01 - 2018.06.30
26 437	24 432
13 366	16 524
5 086	4 883
<b>44 889</b>	<b>45 839</b>

**Sales by product groups, Thousand EUR**

Fresh milk products  
Dry milk products  
Cheese  
Other products  
Total:

2019.04.01 - 2019.06.30	2018.04.01 - 2018.06.30
30 585	28 897
1 005	1 456
8 425	11 142
4 874	4 344
<b>44 889</b>	<b>45 839</b>

**Revenue by geographical markets, Thousand Eur.**

**Revenue by product groups, thousand Eur.**




**Post balance sheet events**

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