Vilnius, November 2020 AB "Pieno žvaigždės" confirmation of the Management

# Interim financial statements for the 9 monts of 2020

We, Aleksandr Smagin, Chief Executive Officer and Audrius Statulevičius, Chief Financial Officer, hereby confirm that, to the best of our knowledge, Interim Financial Statements for the nine months of 2020 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 ŽVAIGŽDĖS

# Interim financial statements

For the 9 monts of 2020



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# Statement of financial position (Thousand EUR)

	2020 09 30	2019 12 31
Assets		
Property, plant and equipment	47 743	47 222
Intangible assets	93	120
Investments available for sale	22	22
Long-term receivables	578	38
Deferred tax	1 511	1 511
Total non-current assets	49 947	48 913
Inventories	12 199	11 388
Receivables	10 435	10 110
Cash and cash equivalents	2 752	3 599
Total current assets	25 386	25 097
Total assets	75 333	74 010
Equity		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	9 584	6 337
Total equity	32134	28 887
Liabilities		
Government grants	1 376	1004
Interest-bearing loans and borrowings	18 620	18 620
Deferred tax	3 455	3 042
Total non-current liabilities	23 451	22 666
Provisions		
Interest-bearing loans and borrowings	1990	4 019
Income tax payable	720	_
Trade and other amounts payable	17 038	18 438
Total current liabilities	19 748	22 457
Total liabilities	43 199	45 123
Total equity and liabilities	75 333	74 010



# 2. Statement of comprehensive income (Thousand EUR)

	2020 01 01 -	2019 01 01 -
_	2020 09 30	2019 09 30
Revenue	130 902	128 878
Cost of sales	(100 554)	(103 685)
Gross profit	30 349	25 193
Other operating income, net	399	437
Sales and administrative expenses	(22 979)	(21 039)
Operating profit before finance costs	7 768	4 592
Finance income	148	117
Finance expenses	(906)	(800)
Finance income/expenses, net	(758)	(683)
Profit before tax	7 010	3 909
Corporate income tax	(720)	-
Profit for the year	6 290	3 909
Earnings per share (EUR)	0,14	0,09
	2020 07 01 -	2019 07 01 -
	2020 07 01 - 2020 09 30	2019 07 01 - 2019 09 30
Revenue	<b>2020 09 30</b> 45 970	<b>2019 09 30</b> 44 731
Revenue Cost of sales	2020 09 30	2019 09 30
	<b>2020 09 30</b> 45 970	<b>2019 09 30</b> 44 731
Cost of sales	<b>2020 09 30</b> 45 970 (35 155)	2019 09 30 44 731 (35 240)
Cost of sales  Gross profit	2020 09 30 45 970 (35 155) 10 815	2019 09 30 44 731 (35 240) 9 491
Cost of sales  Gross profit  Other operating income, net	2020 09 30 45 970 (35 155) 10 815	2019 09 30 44 731 (35 240) 9 491 149
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses	2020 09 30 45 970 (35 155) 10 815 158 (7 035)	2019 09 30 44 731 (35 240) 9 491 149 (6 527)
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses  Operating profit before finance costs	2020 09 30 45 970 (35 155) 10 815 158 (7 035) 3 939	2019 09 30 44 731 (35 240) 9 491 149 (6 527) 3 113
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses  Operating profit before finance costs  Finance income	2020 09 30 45 970 (35 155) 10 815 158 (7 035) 3 939 50	2019 09 30 44 731 (35 240) 9 491 149 (6 527) 3 113
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses  Operating profit before finance costs  Finance income  Finance expenses	2020 09 30 45 970 (35 155) 10 815 158 (7 035) 3 939 50 (303)	2019 09 30 44 731 (35 240) 9 491 149 (6 527) 3 113 47 (275)
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses  Operating profit before finance costs  Finance income Finance expenses  Finance income/expenses, net	2020 09 30 45 970 (35 155) 10 815 158 (7 035) 3 939 50 (303) (254)	2019 09 30 44 731 (35 240) 9 491 149 (6 527) 3 113 47 (275) (228)
Cost of sales  Gross profit  Other operating income, net Sales and administrative expenses  Operating profit before finance costs  Finance income Finance expenses  Finance income/expenses, net  Profit before tax	2020 09 30 45 970 (35 155) 10 815 158 (7 035) 3 939 50 (303) (254) 3 685	2019 09 30 44 731 (35 240) 9 491 149 (6 527) 3 113 47 (275) (228)



## 3. Statement of cash flows (Thousand EUR)

Cash flows from operating activities         A 6 290         3 909           Adjustments:         Depreciation and amortization         4 123         4 370           Amortiscation of government grants         (104)         (130)           Result of disposal of property, plant and equipment         -         (112)           Change in financial instruments         (89)         (25)           Change in vacation reserve         32         (23)           Change in provision         1 220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes in the working capital         12943         8 337           Change in inventories         (875)         1818           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9 980         6 280           Interest paid         (739)         (630)           Income tax paid         -         -           Acquisition of property, plant and equipment         (4 036)         (6 34)           Acquisition of intangible assets         (2)		2020 09 30	2019 09 30
Adjustments: Depreciation and amortization 4 123 4 370 Amortisation of government grants (104) (130) Result of disposal of property, plant and equipment - (112) Change in financial instruments (89) (25) Change in vacation reserve 32 (23) Change in provision 1220 - Change in impairment loss of inventories 64 (234) Interest income/expenses, net 687 582 Income tax 720 - Cash flows from ordinary activities before changes 12 943 8 337 in the working capital Change in receivables (1545) (2 580) Change in receivables (1545) (2 580) Change in receivables (1543) (1315) Cash flows from operating activities 9 980 6 260  Interest paid (739) (830) Income tax paid 7- Net cash flow from operating activities Acquisition of property, plant and equipment (4 036) (6 341) Acquisition of property, plant and equipment 39 184 Acquisition of rental rights (561) - 7 Proceeds on sale of property, plant and equipment 39 184 Acquisition of rental rights (561) - 7 Interest received 52 48 Net cash flow sfrom financing activities (4 527) (6 160)  Cash flows from financing activities (9 940) (33 517) Dividends paid (3 134) (1 345) Payment of finance lease liabilities (963) - 600 Covernment grants received 476 42 Net cash from/(used in) financing activities (5561) 680 Change in cash and cash equivalents (847) 150 Beginning cash 4 795	Cash flows from operating activities		
Depreciation and amortization Amortisation of government grants (104) (130) Result of disposal of property, plant and equipment Change in financial instruments (89) (25) Change in provision 1220 - Change in impairment loss of inventories Cash flows from ordinary activities before changes Interest paid Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of property, plant and equipment Acquisition of rontal rights Interest received Ret cash flow sfrom financing activities Loans received Repayment of borrowings Cash flows from financing activities Cash flows from investing activities Loans received Repayment of borrowings Cash flows from financing activities Cash flow strom financing activities Cash flows from financing activities Cash from/(used in) financing activities Change in a 1220 Cash flows from flows from f	Net profit	6 290	3 909
Amortisation of government grants         (104)         (130)           Result of disposal of property, plant and equipment         -         (112)           Change in financial instruments         (89)         (25)           Change in provision         1220         -           Change in provision         1220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes         12 943         8 337           in the working capital         8 337         188           Change in inventories         (876)         1818           Change in receivables         (1545)         (2 580)           Change in receivables         (1545)         (2 580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Acquisition of property, plant and equipment         (4 036)         (6 34)           Acquisition of intangible assets	Adjustments:		
Result of disposal of property, plant and equipment         -         (112)           Change in financial instruments         (89)         (25)           Change in vacation reserve         32         (23)           Change in provision         1220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes         12 943         8 337           in the working capital         (875)         1818           Change in inventories         (875)         1818           Change in receivables         (1545)         (2 580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -	Depreciation and amortization	4 123	4 370
Change in financial instruments         (89)         (25)           Change in vacation reserve         32         (23)           Change in provision         1220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes         12 943         8 337           in the working capital         8         8 337           Change in inventories         (875)         1 818           Change in receivables         (1 545)         (2 580)           Change in trade and other payable amounts         (543)         (1 315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         9 241         5 630           Cash flows from investing activities         (2 1)         (5 1)           Acquisition of intangible assets         (2 1)         (5 1)           Proceeds on sale of property, plant and e	Amortisation of government grants	(104)	(130)
Change in vacation reserve         32         (23)           Change in provision         1220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes in the working capital         12 943         8 337           Change in inventories         (875)         1818           Change in inventories         (1545)         (2 580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         9 241         5 630           Cash flows from investing activities         (4 036)         (6 341)           Acquisition of property, plant and equipment         (4 036)         (6 341)           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow	Result of disposal of property, plant and equipment	-	(112)
Change in provision         1220         -           Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes in the working capital         12 943         8 337           Change in inventories         (875)         1818           Change in receivables         (1545)         (2 580)           Change in trade and other payable amounts         (543)         (1315)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         9 241         5 630           Cash flows from investing activities         (20)         (51)           Proceeds on sale of property, plant and equipment         (4 036)         (6 34)           Acquisition of rental rights         (561)         52         48           Net cash flow used in investing activities         (4 527)<	Change in financial instruments	(89)	(25)
Change in impairment loss of inventories         64         (234)           Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes in the working capital         12 943         8 337           Change in inventories         (875)         1 818           Change in receivables         (1 545)         (2 580)           Change in trade and other payable amounts         (543)         (1 315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         3 241         5 630           Cash flows from investing activities         (4 036)         (6 34)           Acquisition of property, plant and equipment         (4 036)         (6 34)           Acquisition of rental rights         (56)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 57)	Change in vacation reserve	32	(23)
Interest income/expenses, net         687         582           Income tax         720         -           Cash flows from ordinary activities before changes in the working capital         12 943         8 337           Change in inventories         (875)         1 818           Change in receivables         (1 545)         (2 580)           Change in trade and other payable amounts         (543)         (1 315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         8         241         5 630           Cash flows from investing activities         4 036)         (6 341)         4 634)           Acquisition of property, plant and equipment         (4 036)         (6 341)         4 641           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Dividends paid </td <td>Change in provision</td> <td>1 220</td> <td>-</td>	Change in provision	1 220	-
Income tax	Change in impairment loss of inventories	64	(234)
Cash flows from ordinary activities before changes in the working capital         12 943         8 337 in the working capital           Change in inventories         (875)         1 818 (2 580)           Change in receivables         (1 545)         (2 580)           Change in trade and other payable amounts         (543)         (1 315)           Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         241         5 630           Cash flows from investing activities         (4 036)         (6 341)           Acquisition of property, plant and equipment         (4 036)         (6 341)           Acquisition of intangible assets         (21)         (51)           Proceeds on sale of property, plant and equipment         39         184           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Divid	Interest income/expenses, net	687	582
In the working capital         (875)         1818           Change in inventories         (1545)         (2580)           Change in receivables         (1545)         (2580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9980         6260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9241         5630           Cash flows from investing activities         8         400         (634)           Acquisition of property, plant and equipment         (4 036)         (6 341)         (6 341)           Acquisition of intangible assets         (21)         (51)         -           Proceeds on sale of property, plant and equipment         39         184           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Dividends paid         (3 134)         (1 345)           Payment of finance lease liabilities <td< td=""><td>Income tax</td><td>720</td><td>-</td></td<>	Income tax	720	-
Change in receivables         (1545)         (2580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9980         6260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9241         5630           Cash flows from investing activities         5241         5630           Cash flows from investing activities         (21)         (51)           Acquisition of property, plant and equipment         39         184           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Dividends paid         (3 134)         (1 345)           Payment of finance lease liabilities         (963)         -           Government grants received         476         42           Net cash from/(used in) financing activities         (5 561)         680           Change in cash and cash equivalents         (847)         150		12 943	8 337
Change in receivables         (1545)         (2580)           Change in trade and other payable amounts         (543)         (1315)           Cash flows from operating activities         9980         6260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9241         5630           Cash flows from investing activities         5241         5630           Cash flows from investing activities         (21)         (51)           Acquisition of property, plant and equipment         39         184           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Dividends paid         (3 134)         (1 345)           Payment of finance lease liabilities         (963)         -           Government grants received         476         42           Net cash from/(used in) financing activities         (5 561)         680           Change in cash and cash equivalents         (847)         150	- '	(875)	1 818
Change in trade and other payable amounts  Cash flows from operating activities  P980  6260  Interest paid  Income tax paid  Cash flow from operating activities  Net cash flow from operating activities  Cash flows from investing activities  Acquisition of property, plant and equipment  Acquisition of intangible assets  (21)  Proceeds on sale of property, plant and equipment  Acquisition of rental rights  (561)  Interest received  Net cash flow used in investing activities  Loans received  Repayment of borrowings  Dividends paid  Payment of finance lease liabilities  Government grants received  Net cash from/(used in) financing activities  Change in cash and cash equivalents  Reginning cash  (847)  150  Beginning cash	•	` ,	
Cash flows from operating activities         9 980         6 260           Interest paid         (739)         (630)           Income tax paid         -         -           Net cash flow from operating activities         9 241         5 630           Cash flows from investing activities         -         -           Acquisition of property, plant and equipment         (4 036)         (6 341)           Acquisition of intangible assets         (21)         (51)           Proceeds on sale of property, plant and equipment         39         184           Acquisition of rental rights         (561)         -           Interest received         52         48           Net cash flow used in investing activities         (4 527)         (6 160)           Cash flows from financing activities         (2 940)         (33 517)           Dividends paid         (3 134)         (1 345)           Payment of finance lease liabilities         (963)         -           Government grants received         476         42           Net cash from/(used in) financing activities         (5 561)         680           Change in cash and cash equivalents         (847)         150           Beginning cash         4 795	3	, ,	` '
Income tax paid Net cash flow from operating activities 9241 5630  Cash flows from investing activities  Acquisition of property, plant and equipment (4 036) (6 341) Acquisition of intangible assets (21) (51) Proceeds on sale of property, plant and equipment 39 184 Acquisition of rental rights (561) Interest received 52 48 Net cash flow used in investing activities (4 527) (6 160)  Cash flows from financing activities  Loans received 1000 35 500 Repayment of borrowings (2 940) (33 517) Dividends paid (3 134) (1 345) Payment of finance lease liabilities (963) - Government grants received 476 42 Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150 Beginning cash		` '	, ,
Income tax paid Net cash flow from operating activities 9 241 5 630  Cash flows from investing activities  Acquisition of property, plant and equipment (4 036) (6 341) Acquisition of intangible assets (21) (51) Proceeds on sale of property, plant and equipment 39 184 Acquisition of rental rights (561) Interest received 52 48 Net cash flow used in investing activities (4 527) (6 160)  Cash flows from financing activities  Loans received 1000 35 500 Repayment of borrowings (2 940) (33 517) Dividends paid (3 134) (1 345) Payment of finance lease liabilities (963) - Government grants received 476 42 Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150 Beginning cash	Interest paid	(739)	(630)
Net cash flow from operating activities9 2415 630Cash flows from investing activities5 6306 341)Acquisition of property, plant and equipment(4 036)(6 341)Acquisition of intangible assets(21)(51)Proceeds on sale of property, plant and equipment39184Acquisition of rental rights(561)-Interest received5248Net cash flow used in investing activities(4 527)(6 160)Cash flows from financing activities2 940)(33 517)Loans received1 00035 500Repayment of borrowings(2 940)(33 517)Dividends paid(3 134)(1 345)Payment of finance lease liabilities(963)-Government grants received47642Net cash from/(used in) financing activities(5 561)680Change in cash and cash equivalents(847)150Beginning cash3 5994 795	•	-	-
Acquisition of property, plant and equipment (4 036) (6 341) Acquisition of intangible assets (21) (51) Proceeds on sale of property, plant and equipment 39 184 Acquisition of rental rights (561) - Interest received 52 48 Net cash flow used in investing activities (4 527) (6 160)  Cash flows from financing activities  Loans received 1000 35 500 Repayment of borrowings (2 940) (33 517) Dividends paid (3 134) (1 345) Payment of finance lease liabilities (963) - Government grants received 476 42 Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150 Beginning cash	•	9 241	5 630
Acquisition of intangible assets Proceeds on sale of property, plant and equipment 39 184 Acquisition of rental rights (561) Interest received 52 48 Net cash flow used in investing activities (4 527) (6 160)  Cash flows from financing activities Loans received 1 000 Repayment of borrowings (2 940) (33 517) Dividends paid (3 134) Payment of finance lease liabilities (963) Government grants received 476 42 Net cash from/(used in) financing activities (847) Beginning cash 3 599 4 795	Cash flows from investing activities		
Proceeds on sale of property, plant and equipment Acquisition of rental rights Interest received Sequence (4 527)  Cash flow used in investing activities  Cash flows from financing activities  Loans received 1000 Repayment of borrowings (2 940) Cish flows paid (3 134) Cish payment of finance lease liabilities (963) Government grants received Are 42  Net cash from/(used in) financing activities  Change in cash and cash equivalents  Reginning cash Acquisition and equipment (4 527)  A 520  A 5500  A 5500  A 5500  A 5500  A 5500  A 6800  Change in cash and cash equivalents A 760  A 760  A 760  B 6800  Change in cash and cash equivalents A 760  B 6800  Change in cash and cash equivalents A 760  A 795	Acquisition of property, plant and equipment	(4 036)	(6 341)
Acquisition of rental rights Interest received S2 A8 Net cash flow used in investing activities  Cash flows from financing activities  Loans received 1000 Repayment of borrowings (2 940) Dividends paid (3 134) Payment of finance lease liabilities  Government grants received A76 A2 Net cash from/(used in) financing activities  Change in cash and cash equivalents Beginning cash A8 Beginning cash C6 160  C	Acquisition of intangible assets	(21)	(51)
Interest received 52 48  Net cash flow used in investing activities (4 527) (6 160)  Cash flows from financing activities  Loans received 1000 35 500  Repayment of borrowings (2 940) (33 517)  Dividends paid (3 134) (1 345)  Payment of finance lease liabilities (963) -  Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash 3 599 4 795	Proceeds on sale of property, plant and equipment	39	184
Net cash flow used in investing activities(4 527)(6 160)Cash flows from financing activitiesLoans received1 00035 500Repayment of borrowings(2 940)(33 517)Dividends paid(3 134)(1 345)Payment of finance lease liabilities(963)-Government grants received47642Net cash from/(used in) financing activities(5 561)680Change in cash and cash equivalents(847)150Beginning cash3 5994 795	Acquisition of rental rights	(561)	-
Cash flows from financing activities  Loans received 1000 35 500 Repayment of borrowings (2 940) (33 517)  Dividends paid (3 134) (1 345)  Payment of finance lease liabilities (963) - Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash	Interest received	52	48
Loans received1 00035 500Repayment of borrowings(2 940)(33 517)Dividends paid(3 134)(1 345)Payment of finance lease liabilities(963)-Government grants received47642Net cash from/(used in) financing activities(5 561)680Change in cash and cash equivalents(847)150Beginning cash3 5994 795	Net cash flow used in investing activities	(4 527)	(6 160)
Repayment of borrowings (2 940) (33 517)  Dividends paid (3 134) (1 345)  Payment of finance lease liabilities (963) -  Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash 3 599 4 795	Cash flows from financing activities		
Dividends paid (3 134) (1 345)  Payment of finance lease liabilities (963) -  Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash 3 599 4 795	Loans received		35 500
Payment of finance lease liabilities (963) – Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash 3 599 4 795	Repayment of borrowings	` ,	, ,
Government grants received 476 42  Net cash from/(used in) financing activities (5 561) 680  Change in cash and cash equivalents (847) 150  Beginning cash 3 599 4 795	Dividends paid	` '	(1 345)
Net cash from/(used in) financing activities(5 561)680Change in cash and cash equivalents(847)150Beginning cash3 5994 795	Payment of finance lease liabilities	(963)	-
Change in cash and cash equivalents (847) 150 Beginning cash 3 599 4 795	-		42
Beginning cash 3 599 4 795	Net cash from/(used in) financing activities	(5 561)	680
	Change in cash and cash equivalents	(847)	150
Ending cash 2752 4945	Beginning cash	3 599	4 795
	Ending cash	2 752	4 945



## 4. Statement on change in equity

(Thousand EUR)	Share capital	Share premium	Own shares	Compulsory reserve	Revaluation reserve	Other reserves	Retained earnings	Total equity
As at 1 January 2019	13 089	7 891	0	1 570	0	630	2 950	26 130
Profit allocation						(630)	630	0
Dividends							(1353)	(1353)
Change of share capital								0
Own shares buyback								0
Depreciation of revaluated part Other income								0
Net profit for 9 months Of 2019							3 909	3 909
As at 30 September 2019	13 089	7 891	0	1 570	0	0	6 136	28 686
As at 1 October 2019	13 089	7 891	0	1 570	0	0	6 136	28 686
Profit allocation								0
Dividends								0
Change of share capital								0
Own shares buyback								0
Depreciation of revaluated part Other income								0
Net profit for the 4-th							201	201
quarter of 2019 As at 31 December 2019	13 089	7 891	0	1 570	0	0	6 337	28 887
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							116	116
Net profit for 9 months of 2020							6 290	6 290
As at 30 September 2020	13 089	7 891	0	1 570	0	0	9 584	32 134



## 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

	2020 01 01 -	2019 01 01 -
	2020 09 30	2019 09 30
Sales, Thousand EUR	130 902	128 878
Gross profit, Thousand EUR	30 349	25 193
EBITDA, Thousand EUR	11 787	8 832
Current ratio (at the end of period)	1,29	1,29
Book value per share (at the end of period), EUR	0,71	0,64
Net profit per share	0,14	0,09
	2020 07 01 -	2019 07 01 -
	2020 09 30	2019 09 30
Sales, Thousand EUR	45 970	44 731
Gross profit, Thousand EUR	10 815	9 491
EBITDA, Thousand EUR	5 113	4 401
Current ratio (at the end of period)	1,29	1,29
Book value per share (at the end of period), EUR	0,71	0,64
Net profit per share	0,07	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.

Total:	12 199	11 388
Goods for resale	83	40
Stored production	6 832	6 042
Raw materials	5 284	5 306
Inventories, Thousand EUR	2020 09 30	2019 12 31

### 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	2020 01 01 - 2020 09 30	2019 01 01 - 2019 09 30
Lithuania	78 086	73 859
Other EU countries	28 974	35 503
Other non EU countries	23 842	19 517
Total:	130 902	128 878
Sales by products groups, Thousand EUR	2020 01 01 - 2020 09 30	2019 01 01 - 2019 09 30
Fresh milk products	94 727	88 700
Dry milk products	4 575	4 552
Cheese	20 310	24 996
Other products	11 291	10 630
Total:	130 902	128 878



Sales by geographical markets, Thousand EUR	2020 07 01 - 2020 09 30	2019 07 01 - 2019 09 30
Lithuania	27 471	25 224
Other EU countries	9 425	11 338
Other non EU countries	9 074	8 169
Total:	45 970	44 731
Sales by products groups, Thousand EUR	2020 07 01 - 2020 09 30	2019 07 01 - 2019 09 30
Fresh milk products	32 438	30 387
Dry milk products	2 179	2 435
Cheese	6 739	7 744
Other products	4 614	4 165
Viso:	45 970	44 731

## Post balance sheet events

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

