

Vilnius, February 2023

AB „Pieno žvaigždės“ confirmation of the Management

# Interim financial statements for the 12 months 2022

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 2022 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 2022



# 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

	2022 12 31	2021 12 31
<b>Assets</b>		
Property, plant and equipment	45 411	49 367
Intangible assets	51	68
Investments available for sale	22	22
Long-term receivables	411	317
Deferred tax	2 336	1 454
<b>Total non-current assets</b>	<b>48 231</b>	<b>51 228</b>
Inventories	19 651	17 038
Receivables	7 526	6 619
Cash and cash equivalents	272	1 736
<b>Total current assets</b>	<b>27 449</b>	<b>25 393</b>
<b>Total assets</b>	<b>75 680</b>	<b>76 621</b>
<b>Equity</b>		
Share capital	13 089	13 089
Share premium	7 891	7 891
Own shares	-	-
Reserves	1 570	1 570
Retained earnings	4 74	5 794
<b>Total equity</b>	<b>23 024</b>	<b>28 344</b>
<b>Liabilities</b>		
Government grants	1 342	1 189
Interest-bearing loans and borrowings	11 998	17 361
Deferred tax	1 495	1 212
<b>Total non-current liabilities</b>	<b>14 835</b>	<b>19 762</b>
Provisions		
Interest-bearing loans and borrowings	18 186	5 907
Income tax payable	-	-
Trade and other amounts payable	19 635	22 608
<b>Total current liabilities</b>	<b>37 821</b>	<b>28 515</b>
<b>Total liabilities</b>	<b>52 656</b>	<b>48 277</b>
<b>Total equity and liabilities</b>	<b>75 680</b>	<b>76 621</b>



## 2. Statement of comprehensive income (Thousand EUR)

Prepared according to IFRS, not audited

	2022 01 01 – 2022 12 31	2021 01 01 – 2021 12 31
Revenue	204 553	176 692
Cost of sales	(175 928)	(144 485)
<b>Gross profit</b>	<b>28 625</b>	<b>32 207</b>
Other operating income, net	1 473	649
Sales and administrative expenses	(35 205)	(30 942)
<b>Operating profit before finance costs</b>	<b>(5 108)</b>	<b>1 914</b>
Finance income	39	73
Finance expenses	(1 135)	(976)
<b>Finance income/expenses, net</b>	<b>(1 095)</b>	<b>(903)</b>
<b>Profit before tax</b>	<b>(6 203)</b>	<b>1 011</b>
Corporate income tax	883	240
<b>Net profit</b>	<b>(5 320)</b>	<b>1 251</b>
Earnings per share (EUR)	(0,12)	0,03
	<b>2022 10 01 – 2022 12 31</b>	<b>2021 10 01 – 2021 12 31</b>
Revenue	47 387	43 790
Cost of sales	(39 532)	(37 274)
<b>Gross profit</b>	<b>7 854</b>	<b>6 516</b>
Other operating income, net	(410)	129
Sales and administrative expenses	(10 668)	(7 890)
<b>Operating profit before finance costs</b>	<b>(3 225)</b>	<b>(1 245)</b>
Finance income	11	21
Finance expenses	(368)	(249)
<b>Finance income/expenses, net</b>	<b>(357)</b>	<b>(228)</b>
<b>Profit before tax</b>	<b>(3 582)</b>	<b>(1 473)</b>
Corporate income tax	883	240
<b>Net profit</b>	<b>(2 699)</b>	<b>(1 232)</b>
Earnings per share (EUR)	(0,06)	(0,03)



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

Prepared according to IFRS, not audited

	2022 12 31	2021 12 31
<b>Cash flows from operating activities</b>		
Net profit	(6 203)	978
Adjustments:		
Depreciation and amortisation	5 786	5 504
Amortisation of government grants	(167)	(159)
Result of disposal of property, plant and equipment	(1 533)	(189)
Change in financial instruments	-	-
Change in vacation reserve	(127)	304
Change in provision	39	(291)
Change in impairment loss of inventories	2944	51
Interest income/expenses, net	915	644
Income tax	-	-
<b>Cash flows from ordinary activities before changes in the working capital</b>	<b>1 654</b>	<b>6 842</b>
Change in inventories	(5 555)	(3 812)
Change in receivables	(984)	368
Change in trade and other payable amounts	(2 624)	6 665
<b>Cash flows from operating activities</b>	<b>(7 509)</b>	<b>10 063</b>
Interest paid	(952)	(781)
Income tax paid	-	-
<b>Net cash flow from operating activities</b>	<b>(8 461)</b>	<b>9 282</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2 033)	(7 044)
Acquisition of intangible assets	(22)	(43)
Proceeds on sale of property, plant and equipment	2 829	577
Acquisition of rental rights	-	-
Granted / recovered loans	6	77
Interest received	37	73
<b>Net cash flow used in investing activities</b>	<b>817</b>	<b>(6 360)</b>
<b>Cash flows from financing activities</b>		
Loans received	12 146	16 000
Repayment of borrowings	(4 920)	(13 420)
Dividends paid	(2)	(6 270)
Payment of finance lease liabilities	(1 364)	(1 061)
Government grants received	320	12
<b>Net cash from/(used in) financing activities</b>	<b>6 180</b>	<b>(4 739)</b>
Change in cash and cash equivalents	(1 464)	(1 817)
Beginning cash	1 736	3 553
<b>Ending cash</b>	<b>272</b>	<b>1 736</b>



## 4. Statement on change in equity

Prepared according to IFRS, not audited

(Thousand EUR)	Share capital	Share premium	Compulsory reserve	Retained earnings	Total equity
<b>As of 1 January 2021</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>10 890</b>	<b>33 440</b>
Dividends				(6 318)	(6 318)
Net profit for 9 months Of 2021				2 483	2 483
<b>As of 30 September 2021</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>7 055</b>	<b>29 605</b>
<b>As of 1 October 2021</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>7 055</b>	<b>29 605</b>
Dividends				(1)	(1)
Net profit for the 4-th quarter of 2021				(1 260)	(1 260)
<b>As of 31 December 2021</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>5 794</b>	<b>28 344</b>
<b>As of 1 January 2022</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>5 794</b>	<b>28 344</b>
Dividends					0
Net profit for 9 months of 2021				(2 621)	(2 621)
<b>As of 30 September 2022</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>3 173</b>	<b>25 723</b>
<b>As of 1 October 2022</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>3 173</b>	<b>25 723</b>
Dividends					
Net profit for the 4-th quarter of 2021				(2 699)	(2 699)
<b>As of 31 December 2022</b>	<b>13 089</b>	<b>7 891</b>	<b>1 570</b>	<b>474</b>	<b>23 024</b>



## 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>2022 01 01 – 2022 12 31</b>	<b>2021 01 01 – 2021 12 31</b>
Sales, Thousand EUR	204 553	176 692
Gross profit, Thousand EUR	28 625	32 207
EBITDA, Thousand EUR	511	7 259
Current ratio (at the end of period)	0,73	0,89
Book value per share (at the end of period), EUR	0,51	0,63
Net profit per share	(0,12)	0,03
	<b>2022 10 01 – 2022 12 31</b>	<b>2021 10 01 – 2021 12 31</b>
Sales, Thousand EUR	47 387	43 790
Gross profit, Thousand EUR	7 854	6 516
EBITDA, Thousand EUR	(1 886)	133
Current ratio (at the end of period)	0,73	0,89
Book value per share (at the end of period), EUR	0,51	0,63
Net profit per share	(0,06)	(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.

<b>Inventories, Thousand EUR</b>	<b>2022 12 31</b>	<b>2021 12 31</b>
Raw materials	8 399	7 556
Stored production	11 232	9 442
Goods for resale	20	40
<b>Total:</b>	<b>19 651</b>	<b>17 038</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>2022 01 01 – 2022 12 31</b>	<b>2021 01 01 – 2021 12 31</b>
Lithuania	113 493	107 012
Other EU countries	50 717	35 024
Other non EU countries	40 343	34 656
<b>Total:</b>	<b>204 553</b>	<b>176 692</b>

<b>Sales by products groups, Thousand EUR</b>	<b>2022 01 01 – 2022 12 31</b>	<b>2021 01 01 – 2021 12 31</b>
Fresh milk products	149 122	128 467
Dry milk products	13 477	8 852
Cheese	25 775	23 098
Other products	16 179	16 276
<b>Total:</b>	<b>204 553</b>	<b>176 692</b>



Sales by geographical markets, Thousand EUR	2022 10 01 – 2022 12 31	2021 10 01 – 2021 12 31
Lithuania	26 722	26 246
Other EU countries	7 428	8 330
Other non EU countries	13 273	9 214
<b>Total:</b>	<b>47 387</b>	<b>43 790</b>

Sales by products groups, Thousand EUR	2022 10 01 – 2022 12 31	2021 10 01 – 2021 12 31
Fresh milk products	36 310	32 510
Dry milk products	2 177	2 834
Cheese	7 322	6 873
Other products	1 577	1 573
<b>Total:</b>	<b>47 387</b>	<b>43 790</b>

## Post balance sheet events

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

