



VILVI GROUP

THE RESULTS OF 12 MONTHS OF 2022



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12 MONTHS OF 2022



EBITDA

19.6^{*}
MEUR

**THE BEST „VILVI
GROUP“
RESULT IN IT'S
HISTORY!**

* unaudited data



1. MAIN EVENTS DURING 12 MONTHS OF 2022

Achievements:

- According to a “Sprinter” survey conducted in January 2022, Vilkyškių yoghurts are the most popular in Lithuania. They are loved by both men and women, mostly young people aged 18-35, and residents of large cities.
- AB Kelmės pieninė was recognized as one of the Lithuanian business leaders after evaluating the company's business growth, operational efficiency, employee benefits and transparency. In the ranking of Verslo žinios, "Lithuanian Business Leaders 500" took the 97th place.
- In Europe's largest independent brand study "Sustainable Brand Index" Vilkyškių pieninė brand fell among the most sustainable brands in Lithuania – ranked honorable 12th, while in the food and drink category is 2th. A total of 85 brands were involved in the investigation, selected on the basis of market share, turnover and brand awareness.
- According to a “Verslo žinios” survey presented in July, AB Vilkyškių pieninė inters the top fifty of Lithuanian Companies (46th place).
- At the international food exhibition SIAL PARIS 2022 two SIAL INNOVATION SELECTION awards have been gained: Vilkyškių cream cheese with hemp and onions won an award in the taste category. MILIKO line won an award for the packaging in the marketing category.
- In November, The NAPA BALTIC Packaging Design Awards took place in Vilnius. MILIKO product line won the bronze at the category of fresh food.
- Even two „Vilvi group“ companies have fallen into TOP 10 of companies of food industry (selected by “ Verslo žinios“ in December) – AB Vilkyškių pieninė and AB „Modest“.



SOCIAL RESPONSIBILITY

In order to develop Social responsibility, the following policies have been approved in Vilvi group during 2022:

- ✓ ***Human Rights Policy***
- ✓ ***Code of Ethical Employment***
- ✓ ***Code of Ethics***
- ✓ ***Environmental Policy.***

It is intended that not only the employees of the Group, but also the entire supply chain follow the provisions of these policies.

PRODUCT NEWS

„Vilkyškių“ LESS SUGAR line of glazed curd cheese bars has been complemented by new product – **cream raspberry flavor** glazed curd cheese bar. New curd cheese bar contains even **42 % less sugar**, comparing with similar ones in Lithuania.



New Murr curd cheese bar – chocolate cherry flavor

The line of milk products with vegetable fats has been complemented by **classic and picante** flavor spreads.



New cream cheese with **hemp and onions** has also been introduced into the market





EXTENDED/ISSUED CERTIFICATES

Kosher certificate has been renewed for Kelmės pieninė, AB;

Halal certificates have been renewed for Kelmės pieninė AB, „Modest“ AB and Vilkyškių pieninė AB.

On June 9, 2022 IFS Food Version 7 standard has been established in UAB „Kelmės pienas“. The assessment of auditors of RINA, international audit company in - Higher Level (97.1 percent), confirms the compliance with the highest requirements of safety and quality on food products and production. Food producing companies having IFS obtain wide opportunities to expand their business on new markets, gaining higher competitive advantage and consumer confidence; business productivity and brand image get improved.

In August 2022 Kelmės pieninė AB was excellently evaluated in social audit SMETA (SEDEX Members Ethical Trade Audits). During the audit, the company's responsibility towards nature and society was investigated (practices in the fields of human rights, ethical employment, business transparency and environmental protection).



Exhibitions

Whey/milk powder, mozzarella cheese and cheese products were introduced:

On 13-17th February in the international exhibition of food industry "Gulfood 2022" in Dubai, The United Arab Emirates.

On 8-10th November in the largest exhibition of food industry, equipment, packaging and logistics „Gulfood Manufacturing" in Dubai.

On 6-8th December in the international exhibition of food ingredients „Food Ingredients Europe“ in Paris, France.

2. MAIN FINANCIAL INDICATORS

	2018	2019	2020	2021	2022
Revenue (Thousands EUR)	103,162	114,581	120,873	156,045	234,083
EBITDA (Thousands EUR)	3,140	3,698	8,271	14,273	19,648
EBITDA margin (%)	3.0%	3.2%	6.8%	9.1%	8.4%
Net profit (loss) (Thousands EUR)	-1,186	-446	3,872	8,510	12,698
Profit (loss) margin (%)	-1.1%	-0.4%	3.2%	5.5%	5.4%
Quantity of purchased milk, t	267,785	268,555	287,370	309,474	327,493
Profit (loss) per share (EUR)	-0.10	-0.04	0.32	0.71	1.06
Net financial debt (Thousands EUR)	27,824	26,940	17,968	21,582	22,308

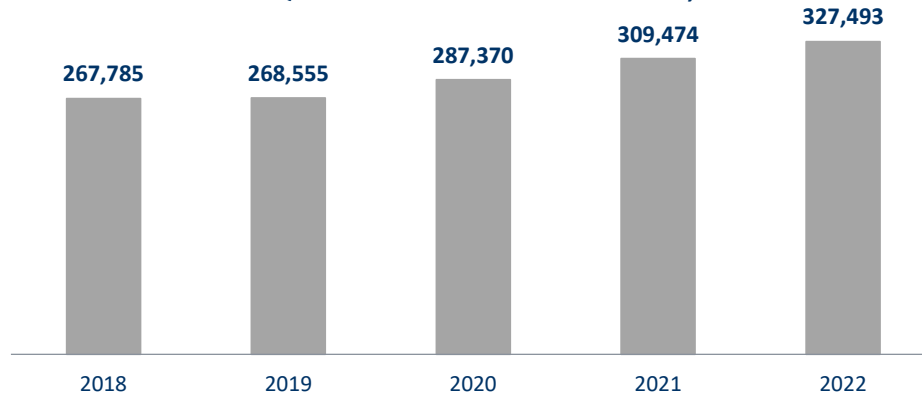
During 12 months of 2022 **sales revenue** increased by 50.0 %, comparing with the same period last year and amounted to 234 MEUR.

EBITDA reached 19.6 MEUR (increased by 37.7 % comparing with last year).

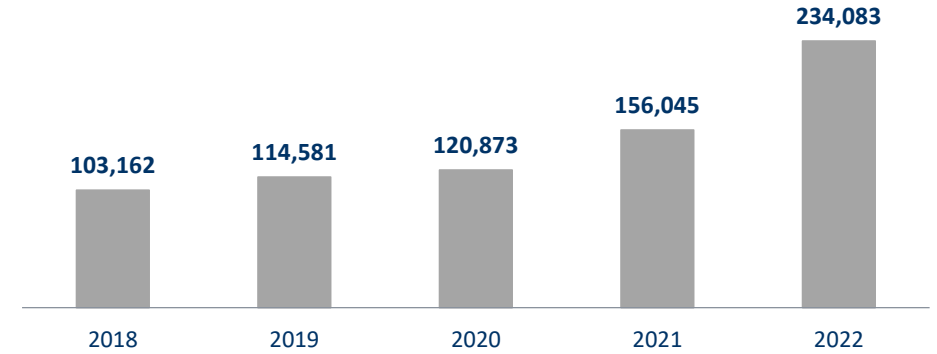
During 2022 **net profit** of the group came to 12.7 MEur and was 49.2 % more than last year.

During 2022 a total of 327 tho tones of basic indicators milk was purchased (increased by 5.8 % comparing 2021).

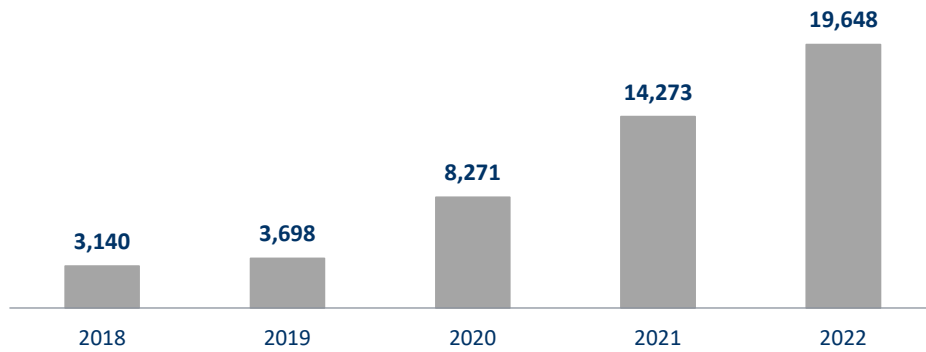
QUANTITY OF PUCHASED MILK, T



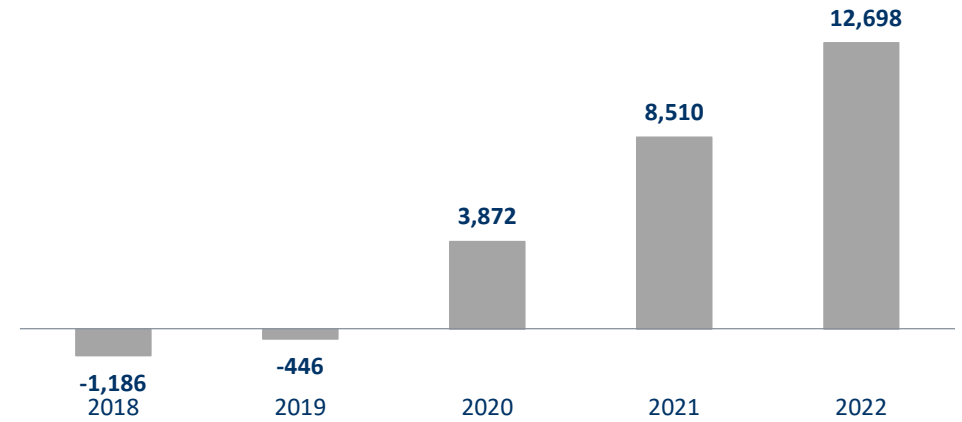
REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR

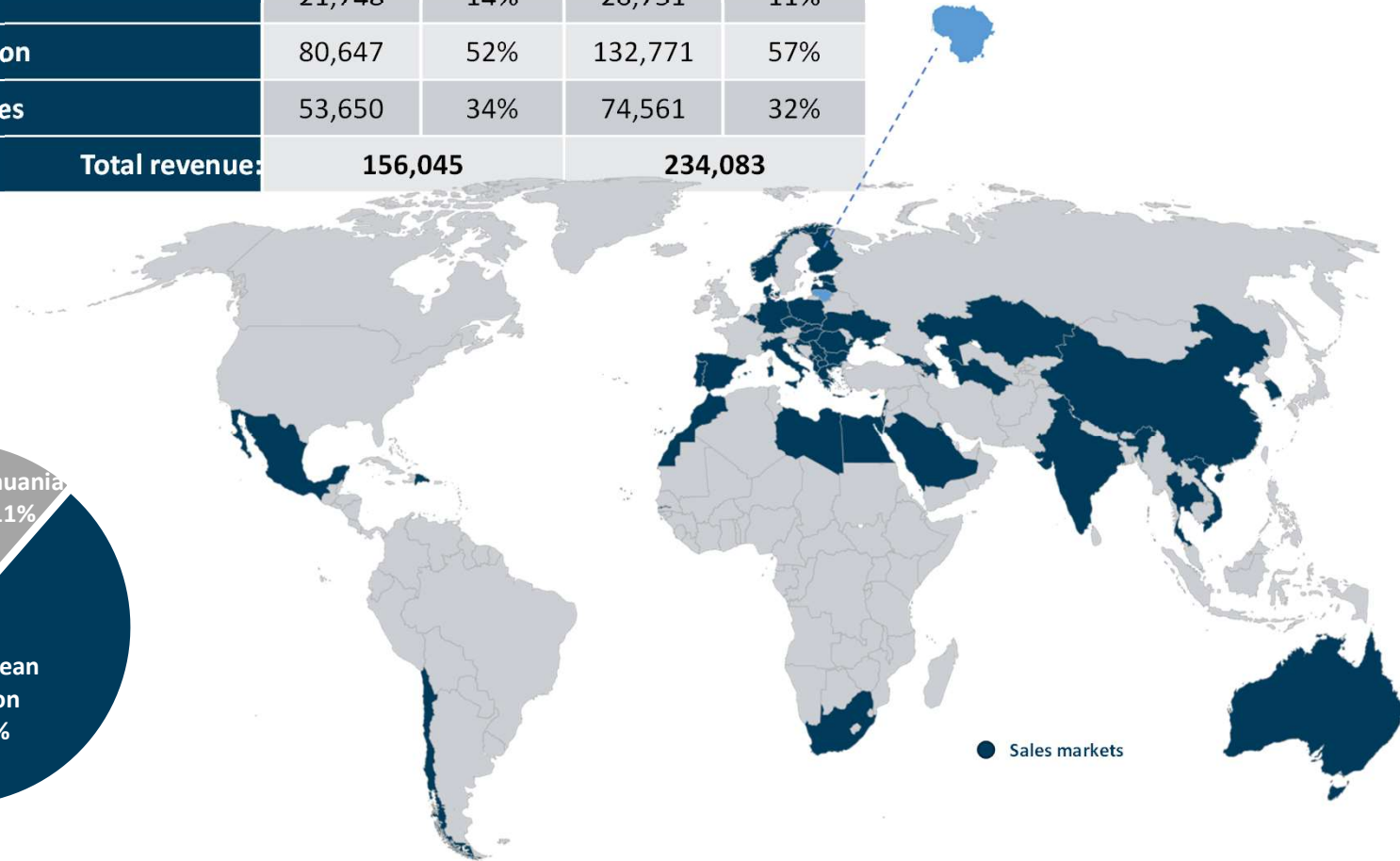
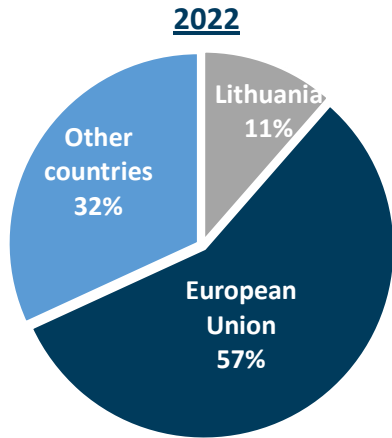
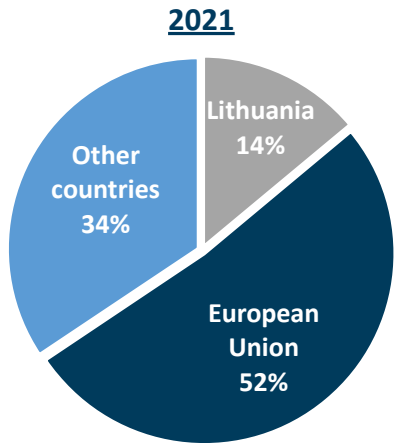


NET PROFIT (LOSS), THOUSANDS EUR



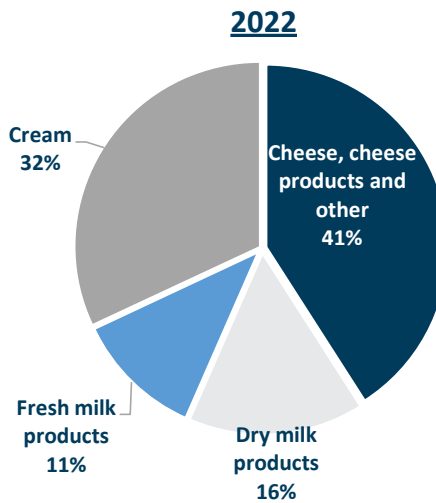
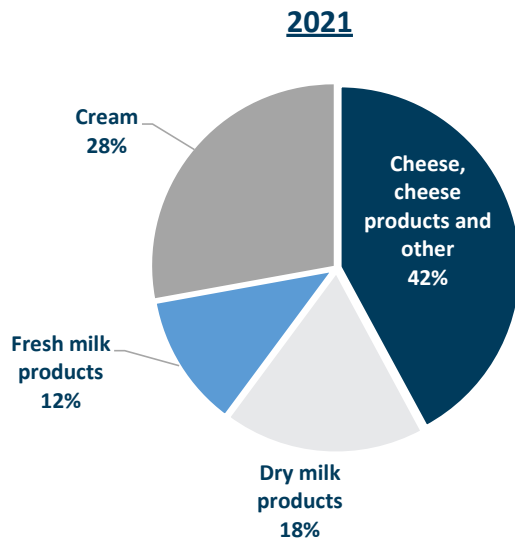
3. SALES REVENUE BY MARKETS

(Thousand EUR)	2021		2022	
Lithuania	21,748	14%	26,751	11%
European Union	80,647	52%	132,771	57%
Other countries	53,650	34%	74,561	32%
Total revenue:	156,045		234,083	



4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	2021		2022	
Cheese, cheese products and other	65,731	42%	95,791	41%
Dry milk products	28,136	18%	36,630	16%
Fresh milk products	18,710	12%	26,864	11%
Cream	43,468	28%	74,798	32%
Total:	156,045		234,083	



THE SEGMENT COMPRISES:

- **Cheese, cheese products and other.** Cheese, cheese products and other products produced by the subsidiary and Parent company;
- **Dry milk products.** WPC, MPC, skimmed-milk, permeate, whey and GSO (galacto-oligosaccharides) powder produced by the subsidiaries;
- **Fresh milk products.** Fresh milk products produced by the subsidiary (kephir, yoghurt, sour milk, butter, curd products);
- **Cream.** Industrial cream produced by the subsidiary and Parent company.

5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2022.12.31	2021.12.31
ASSETS		
Property, plant and equipment	48,365	48,771
Right-of-use assets	1,082	1,108
Intangible assets	4,174	4,186
Non-current amounts receivable	111	288
Deferred income tax assets	-	304
Non-current assets	53,732	54,657
Inventories	25,493	17,625
Trade and other receivables	17,875	14,271
Prepayments	741	622
Cash and cash equivalents	622	799
Current assets	44,731	33,317
Total assets	98,463	87,974
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,069	2,174
Retained earnings	40,749	30,510
Total equity attributable to owners of the Company	49,582	39,448
Non-controlling interest	321	133
Total equity	49,903	39,581
Borrowings	12,978	17,050
Lease liabilities	399	403
Government grants	3,743	4,125
Trade and other payables	42	53
Deferred income tax liability	790	-
Non-current liabilities	17,952	21,631
Borrowings	9,238	6,420
Lease liabilities	314	290
Income tax payable	344	179
Trade and other payables	20,712	19,873
Current liabilities	30,608	26,762
Total liabilities	48,560	48,393
Total equity and liabilities	98,463	87,974

6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Revenue	234,083	156,045
Cost of sales	-209,809	-138,849
Gross profit (loss)	24,274	17,196
Other operating income	367	228
Distribution expenses	-4,149	-3,167
Administrative expenses	-5,427	-4,301
Impairment of goodwill	-	2,749
Other operating expenses	-179	-118
Other gain (loss) - net	34	45
Results of operating activities	14,920	7,134
Finance income	127	209
Finance costs	-868	-1,187
Finance costs, net	-741	-978
Profit (loss) before income tax	14,179	6,156
Income tax expenses	-1,481	-656
Profit (loss) for the period	12,698	5,500
Attributable to:		
Shareholders of the Company	12,510	5,536
Non-controlling interest	188	-36
Profit (loss) for the period	12,698	5,500
Basic and diluted earnings per share (in EUR)	1.06	0.46

7. CONCOLIDATED STATEMENT OF CASH FLOWS

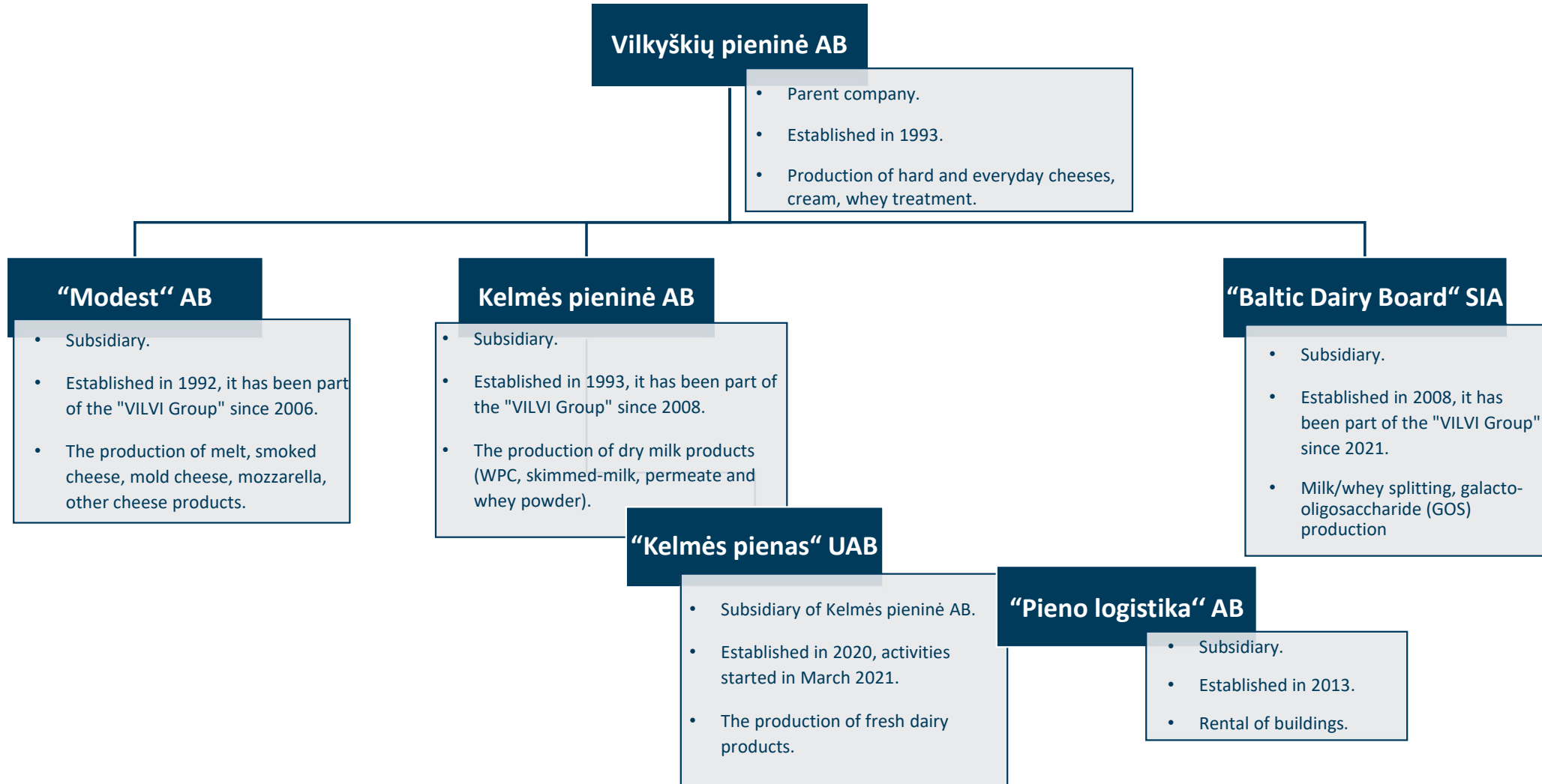
Thousand EUR	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Profit (loss) for the period	12,698	5,500
Depreciation of property, plant and equipment	5,110	4,813
Amortization of intangible assets	12	16
Amortization and write-off of grants	-394	-590
Change in inventory write-down allowance	2,593	37
Impairment of good will	-	2,749
Loss (gain) from disposal of property, plant and equipment	-28	-11
Income tax expenses	1,481	656
Finance costs, net	741	978
	22,213	14,148
Change in inventories	-10,460	-5,755
Change in non-current amounts receivable	177	-62
Change in trade and other receivables and prepayments	-4,157	-3,396
Change in trade and other payables	83	2,794
	7,856	7,729
Interest paid	-182	-687
Income tax paid	-222	-
Net cash flows generated from operating activities	7,452	7,042
Payments for acquisition of property, plant and equipment	-4,257	-1,472
Payments for acquisition of intangible assets	-	-17
Proceeds from sale of property, plant and equipment	83	400
Loans granted	-800	-2,125
Government grants received	12	51
Loans recovered	1,361	1,044
Change in cash flows from investing activities due to a business combination	-	-271
Net cash flows generated from (used in) investing activities	-3,601	-2,392
Proceeds from borrowings	6,911	4,475
Repayments of borrowings	-8,165	-7,058
Lease payments	-385	-535
Dividends paid out	-2,389	-914
Net cash flows generated from (used in) financing activities	-4,028	-4,032
Net increase (decrease) in cash and cash equivalents	-177	618
Cash and cash equivalents at 1 January	799	181
Cash and cash equivalents at 31 December	622	799

ADDITIONAL INFORMATION

8. ABOUT “VILVI GROUP”

- ✓ Company was established in 1993.
 - ✓ Company's share capital amounts to 3.5 million EUR.
 - ✓ The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.
 - ✓ The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.
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- ✓ On the 31th of December there were a total of 884 employees in the Group;
 - ✓ The production of dairy products is the core of Group business.
 - ✓ Standards: ISO 22000 and FSSC 22000. (Vilkyškių pieninė AB, Kelmės pieninė AB and „Modest“ AB; IFS Food Version 7 („Kelmės pienas“ UAB).

9. STRUCTURE OF "VILVI GROUP"



10. BOARD

Gintaras Bertašius,
Chair of the Board,
CEO of Vilkyškių
pieninė AB

Vilija Milaševičiutė,
Member of the
Board, Chief
Economics and
Financial Officer at
Vilkyškių pieninė
AB

Rimantas Jancevičius,
Member of the
Board, Chief
Purchasing Officer
at Vilkyškių
pieninė AB

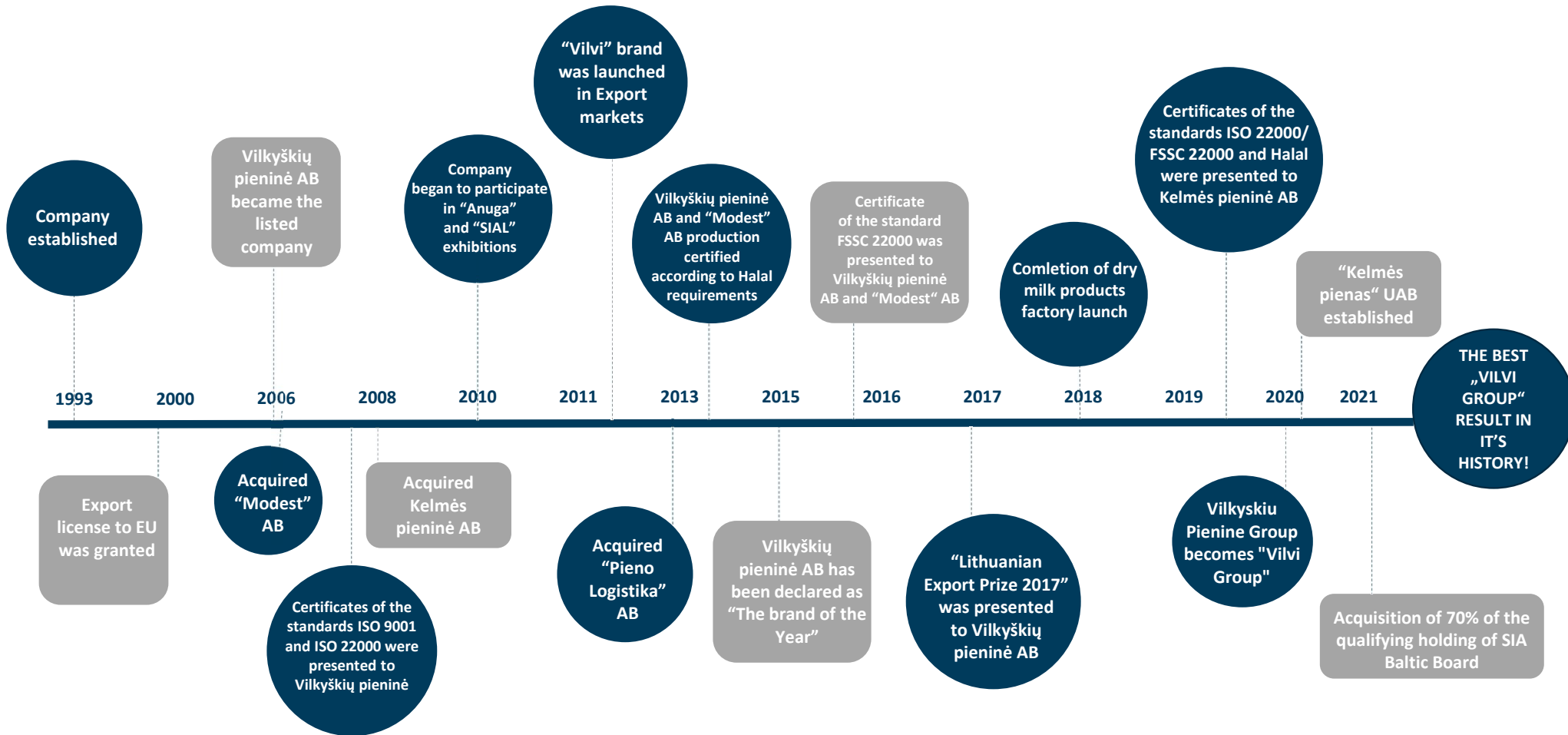
Sigitas Trijonis, Member
of the Board,
Chief Technology
Officer at
Vilkyškių pieninė
AB

Linas Strėlis,
Independent
member of the
Board

Andrej Cyba,
Independent
member of the
Board

Board members re-elected for a four-year term on 29 April 2022.

11. SHORT HISTORY OF "VILVI GROUP"



12. SHARE PRICE DATA. MAIN SHAREHOLDERS

Comparison of Vilkyškių pieninė AB share price and OMX Vilnius indexes



Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6,994,316	59%*
Multi Asset Selection Fund	2,035,729	17%
Other shareholders	2,912,955	24%
Capital in total:	11,943,000	100%

* Swisspartners Versicherung AG Zweigniederlassung Österreich has granted G. Bertašius (CEO at Vilkyškių pieninė AB) permission to exercise all the non-property rights of the shareholder, including the right to vote at the issuer's shareholders' meetings.

13. CONTACTS:

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Economics and Finance Director

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