



VILVI GROUP

THE RESULTS OF 9 MONTHS OF 2021



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1. MAIN EVENTS DURING 9 MONTHS 2021

- In 2021, a part of the fresh milk products business was transferred to AB Kelmės pieninės subsidiary UAB " Kelmės pienas" as a complex with the aim to continue economic activities. The decision regarding the spin-off activities was made in order to restructure the operations of the Group companies, ensure efficiency, optimization and diversification of operations. Following the transfer of business, Kelmės Pieninė AB will continue its activities of production of dry milk products.
- On 01/04/2021, Vilkyškių pieninė AB, has completed the procurement of 70% of the qualifying holding of SIA Baltic Dairy Board. Investing into SIA Baltic Dairy Board, Vilkyškių pieninė AB aims to strengthen and develop the assortment of the group's high value-added dairy ingredients. SIA Baltic Dairy Board is a Latvian company, specialising in producing and selling high value-added dairy ingredients, milk and whey separation. Also develops and manufactures products for the production of baby food (galactooligosaccharide products).

ACHIEVEMENTS:

- In Europe's largest independent brand study "Sustainable Brand Index" Vilkyškių pieninė brand fell among the most sustainable brands in Lithuania – ranked honorable 10th, while in the food category is **3th**. A total of 50 brands were involved in the investigation, selected on the basis of market share, turnover and brand awareness. As many as 1200 respondents rated the environmental and social responsibility of enterprises in the study.

PRODUCT NEWS:

- **GymON** product line has been complemented by a new product balanced for women – **GymON FITWAY**. It is a raspberry and white chocolate flavor, a special technology-dressed lactose-free protein with L-carnitine and dietary fiber. The product is designed for women who seek to balance nutrition or control body weight, as well as those who want to maintain their physical shape and recover faster after a workout.
- The line of “Vilkyškių” curd cream has been supplemented with a new one - pizza flavour curd cream. An important feature of Vilkyškių cream is the large amount of curd, and in the new pizza flavour curd cream - even 98% curd!
- We have updated the packaging of **VILVI MOZZARELLA**, **VILVI MASCARPONE**, “**Vilkyškių**” curd creams and melted **Memel blue** cheeses. New packaging of melted cheese is more attractive to consumers due to the consumption situations identified on them and the clearly identified taste (classic, tender, spicy) that facilitates the choice.



EXHIBITIONS:

- In February, Vilkyškių pieninė AB traditionally took part in the international exhibition of food industry “Gulfood 2021” in Dubai, The United Arab Emirates. The main focus was on mozzarella cheese and milk/whey powder.

EXTENDED/ISSUED CERTIFICATES DURING Q3 2021:

- Kosher certificate for the production of dry milk products of Kelmės pieninė AB was renewed;
- HALAL certificates have been renewed for Kelmės pieninė AB, “Modest“ AB and Vilkyškių pieninė AB;
- All of Vilvi Group companies have re-certification audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme.



MARKETS:

- The Group's sales in 2021 were positively impacted by the recovering HoReCa sector, as well as increased demand and price for industrial cream. In 2021 Q3 industrial cream price growth is associated with seasonality and a general rise in dairy prices.
- In 2021 the structure of the markets remained stable and sufficiently diversified. And although we stopped export to China in the third quarter due to economic/political factors, the Group's result was not significantly affected, because we quickly diverted sales to other markets.
- The biggest change compared to 9 months of 2020-2021 observed in sales of products with fats. Products were produced 66% more than in the same period last year and generating 42% more revenue.
- In 9 months of 2021 sales of cheeses and cheese products remained very similar in terms of volume remained very similar compared to the same period in 2020, but revenue grew 4 percent. This was driven by overall market growth and recovery from the Covid-19 pandemic.
- This year, due to rising market prices, sales revenue of dry milk products increased by 23% compared to 9 months of 2020. Sales remained at the same level.

2. MAIN FINANCIAL INDICATORS

	9 months of 2017	9 months of 2018	9 months of 2019	9 months of 2020	9 months of 2021
Revenue (Thousands EUR)	87,075	76,165	82,262	88,476	106,831
EBITDA (Thousands EUR)	9,488	3,898	2,586	6,348	7,724
EBITDA margin (%)	10.9%	5.1%	3.1%	7.2%	7.2%
Net profit (loss) (Thousands EUR)	6,276	513	-421	3,107	3,968
Net profit margin (%)	7.2%	0.7%	-0.5%	3.5%	3.7%
Quantity of purchased basic indicators milk, t	188,764	199,062	195,798	206,432	226,070
Profit per share (EUR)	0.53	0.04	-0.04	0.26	0.33
Net financial debt (Thousands EUR)	29,167	31,599	29,283	21,848	24,924

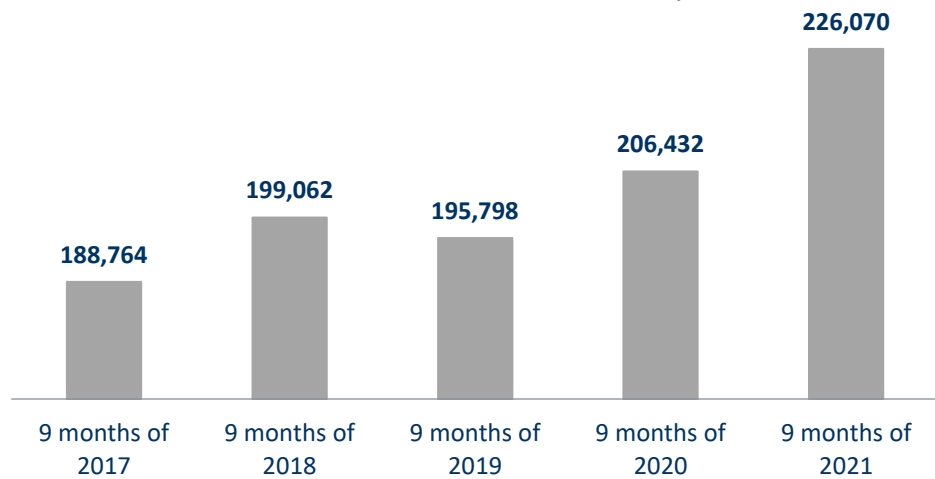
At first nine months of 2021, **sales revenue** came to 106.8 MEUR or 20.7 percent more than in 9 months of 2020.

At reporting period **EBITDA** was 7.7 MEUR or 21.7 % more than in previous year same period.

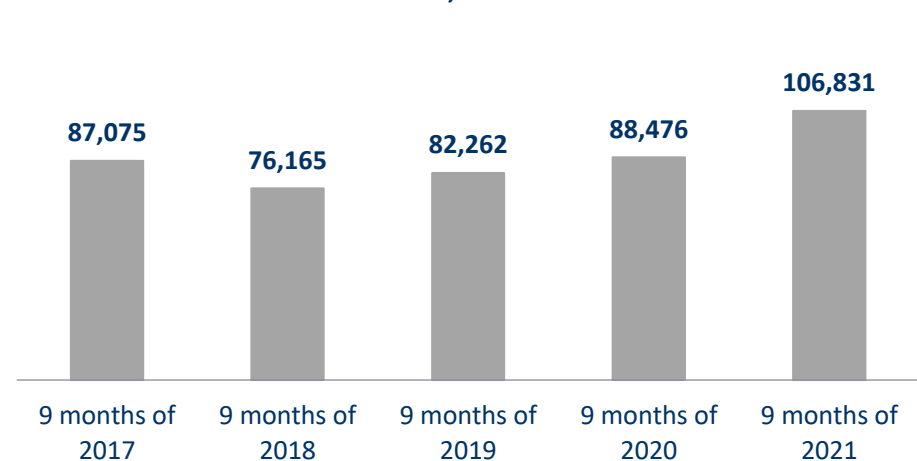
In 9 months of 2021 **net profit** was 3.97 (at the same period of 2020 net profit was 3.1 MEUR).

In 9 months of 2021, a total of 226 tho tones of basic indicators milk was purchased, and increase by 9.5 percent as compared with 9 months of 2020.

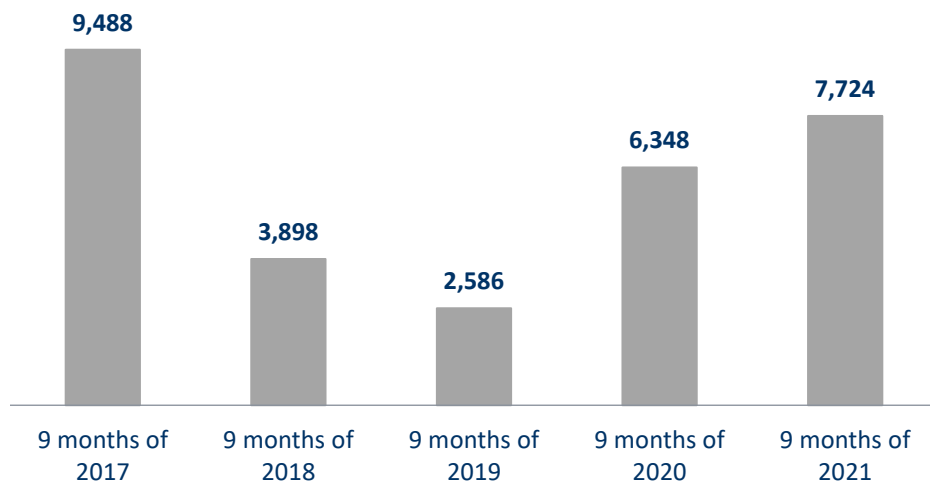
QUANTITY OF PURCHASED MILK, T



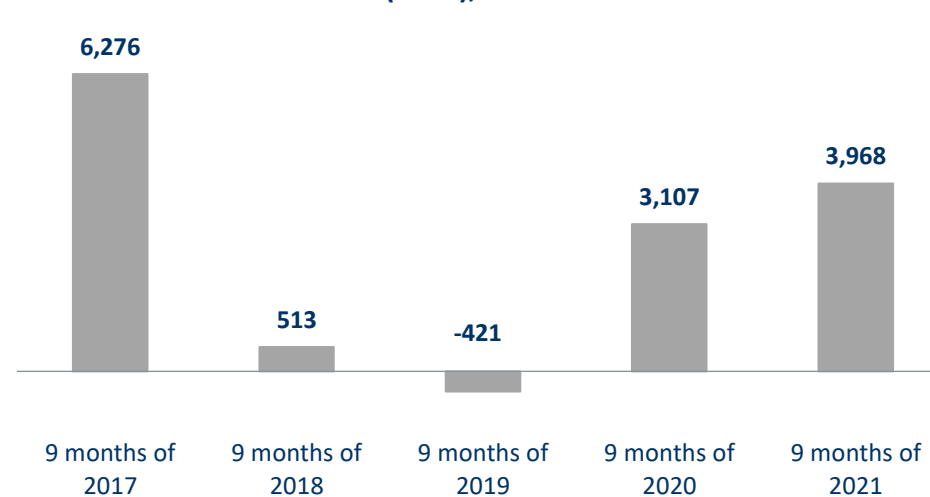
REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR



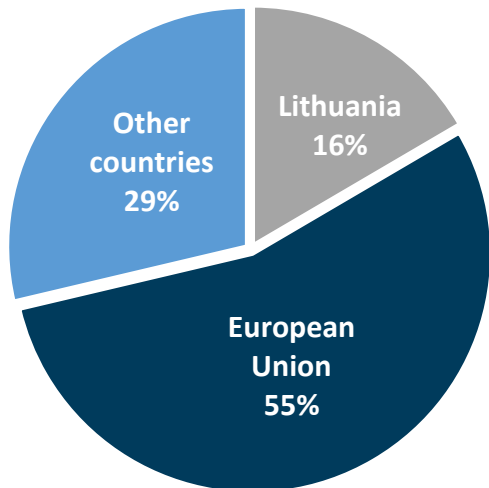
NET PROFIT (LOSS), THOUSANDS EUR



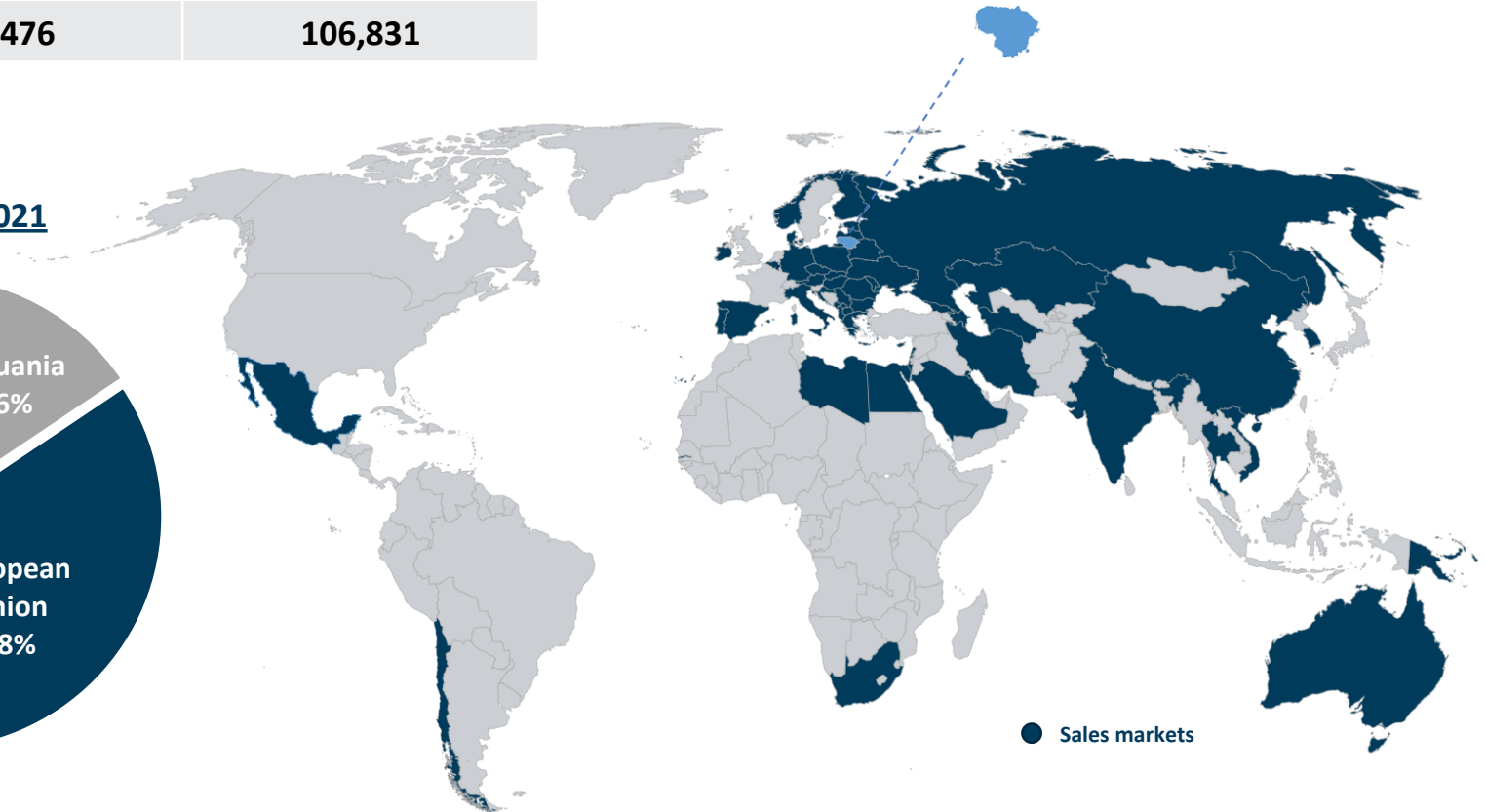
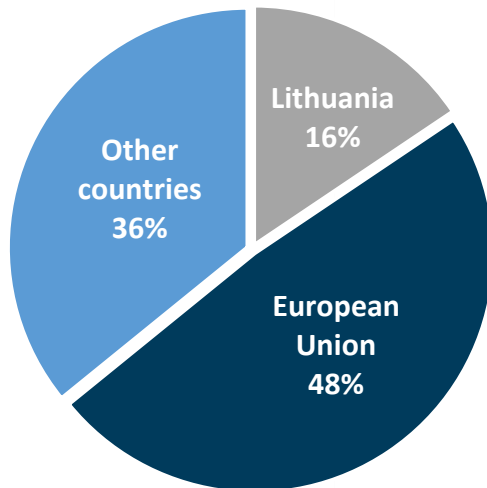
3. SALES REVENUE BY MARKETS

(Thousand EUR)	9 months of 2020		9 months of 2021	
Lithuania	14,655	16%	16,646	16%
European Union	48,436	55%	51,882	48%
Other countries	25,385	29%	38,303	36%
Total revenue:	88,476		106,831	

9 months of 2020



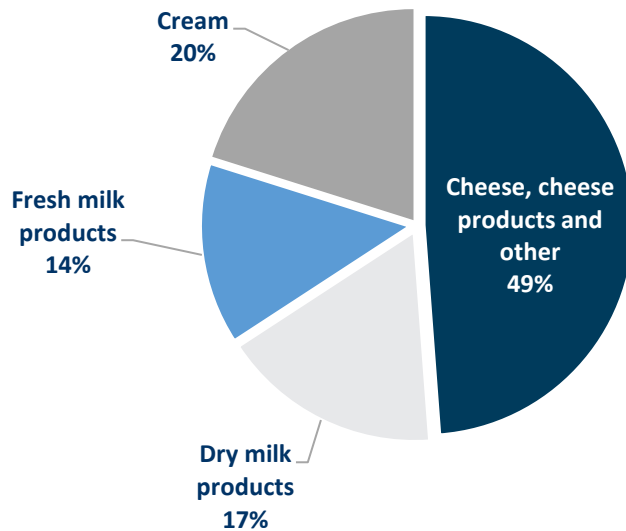
9 months of 2021



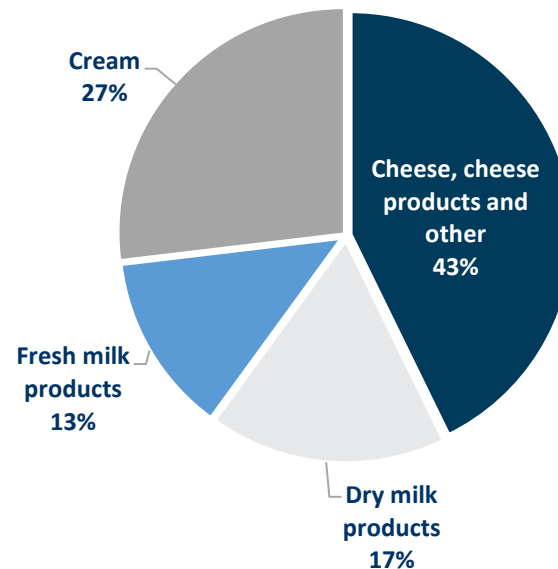
4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	9 months of 2020		9 months of 2021	
Cheese, cheese products and other	43,188	49%	45,685	43%
Dry milk products	15,031	17%	18,436	17%
Fresh milk products	12,436	14%	13,988	13%
Cream	17,821	20%	28,722	27%
Total:	88,476		106,831	

9 months of 2020



9 months of 2021



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, skimmed-milk, permeate and whey powder produced by the subsidiary;
- **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	2021.09.30	2020.12.31
ASSETS		
Property, plant and equipment	50,892	46,207
Right-of-use assets	1,070	968
Intangible assets	6,939	6,935
Non-current amounts receivable	128	226
Deferred income tax assets	870	890
Non-current assets	59,899	55,226
Inventories	15,767	11,693
Trade and other receivables	12,891	9,062
Prepayments	615	736
Cash and cash equivalents	487	181
Current assets	29,760	21,672
Total assets	89,659	76,898
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,199	2,347
Retained earnings	28,964	25,809
Total equity attributable to owners of the Company	37,927	34,920
Non-controlling interest	263	53
Total equity	38,190	34,973
Borrowings	7,567	2,951
Lease liabilities	396	323
Government grants	5,468	4,664
Non-current liabilities	13,431	7,938
Borrowings	17,844	18,083
Lease liabilities	315	303
Income tax payable	-	1
Trade and other payables	19,879	15,600
Current liabilities	38,038	33,987
Total liabilities	51,469	41,925
Total equity and liabilities	89,659	76,898

6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2021.01.01- 2021.09.30	2020.01.01- 2020.09.30	2021.07.01- 2021.09.30	2020.07.01- 2020.09.30
Revenue	106,831	88,476	38,996	32,692
Cost of sales	-97,588	-79,529	-34,734	-28,644
Gross profit (loss)	9,243	8,947	4,262	4,048
Other operating income	511	226	145	134
Distribution expenses	-2,511	-3,275	-734	-1,197
Administrative expenses	-2,596	-2,295	-934	-797
Other operating expenses	-75	-205	-35	-154
Results of operating activities	4,572	3,398	2,704	2,034
Finance income	38	24	11	4
Finance costs	-623	-874	-240	-269
Finance costs, net	-585	-850	-229	-265
Profit (loss) before income tax	3,987	2,548	2,475	1,769
Income tax expenses	-19	559	-51	106
Profit (loss) for the period	3,968	3,107	2,424	1,875
Attributable to:				
Shareholders of the Company	3,961	3,106	2,430	1,873
Non-controlling interest	7	1	-6	2
Profit (loss) for the period	3,968	3,107	2,424	1,875
Basic and diluted earnings per share (in EUR)	0.33	0.26	0.20	0.16

7. CONSOLIDATED STATEMENT OF CASH FLOWS

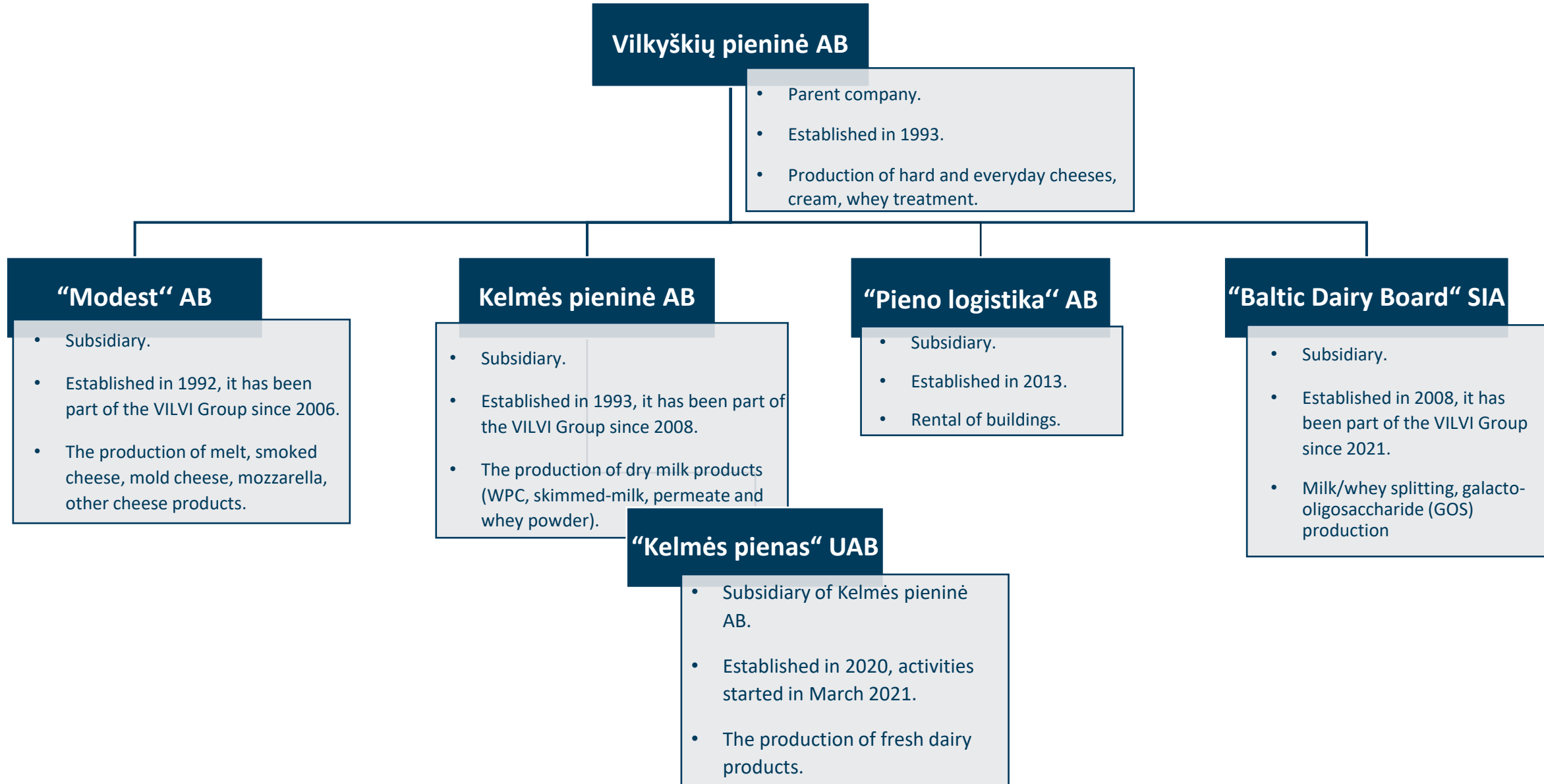
Thousand EUR	2021.01.01-2021.09.30	2020.01.01-2020.09.30
Profit (loss) for the period	3,968	3,107
Depreciation of property, plant and equipment	3,679	3,373
Amortization of intangible assets	12	10
Amortization and write-off of grants	-539	-433
Change in impairment of inventories	-	19
Loss (gain) from disposal of property, plant and equipment	40	14
Income tax expenses	19	-559
Finance costs, net	585	850
	7,764	6,381
Change in inventories	-4,075	868
Change in non-current amounts receivable	98	101
Change in trade and other receivables and prepayments	-3,920	-1,203
Change in trade and other payables	4,528	999
	4,395	7,146
Interest paid	-483	-739
Income tax paid	-	-
Net cash flows generated from operating activities	3,912	6,407
Payments for acquisition of property, plant and equipment	-1,750	1,724
Payments for acquisition of intangible assets	-16	-12
Proceeds from sale of property, plant and equipment	492	2
Acquisition of shares of the subsidiary	-271	-
Loans granted	-	-150
Government grants received	99	-
Loans recovered	250	70
Change in cash flows from investing activities due to a business combination	-650	-
Net cash flows generated from (used in) investing activities	-1,846	1,814
Proceeds from borrowings	4,487	2,067
Repayments of borrowings	-4,902	-5,730
Lease payments	-390	-290
Dividends paid out	-955	-
Net cash flows generated from (used in) financing activities	-1,760	-3,953
Net increase (decrease) in cash and cash equivalents	306	640
Cash and cash equivalents at 1 January	181	298
Cash and cash equivalents at 30 June	487	938

ADDITIONAL INFORMATION

8. ABOUT THE COMPANY

- ✓ Company was established in 1993.
- ✓ On the 30th of September 2021 the Group had 858 employees.
- ✓ The production of dairy products is the core of Group business.
- ✓ 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.
- ✓ Standards: ISO 22000:2005 and FSSC 22000.

9. STRUCTURE OF VILVI GROUP



10. BOARD

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

Vilija Milaševičiutė,
Member of the board, Chief Economics and Financial Officer

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

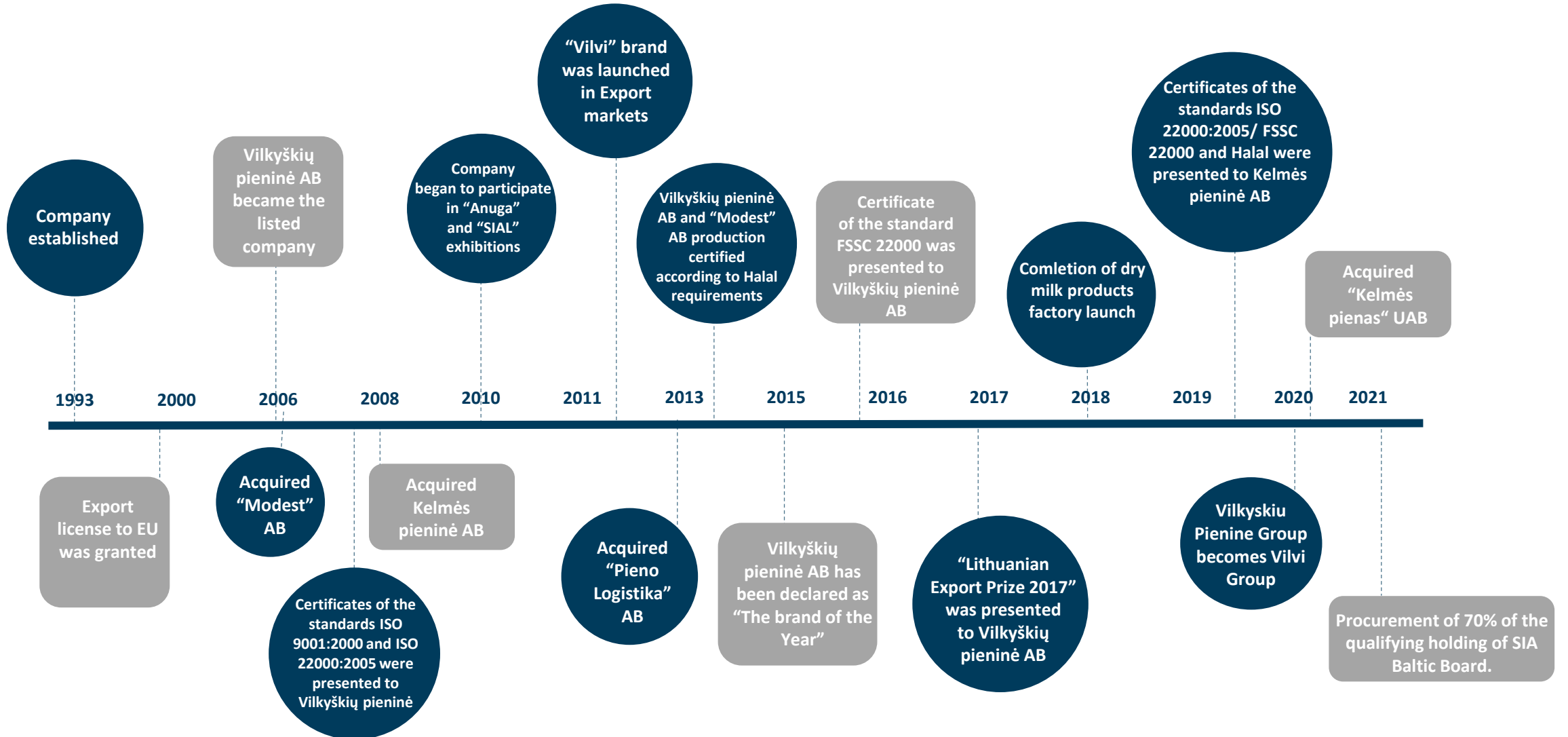
Sigitas Trijonis,
Member of the board, Chief Technology Officer of Vilkyškių pieninė AB

Linas Strėlis,
Independent member of the Board

Andrej Cyba,
Independent member of the Board

Board members re-elected for a four-year term on 27 April 2018

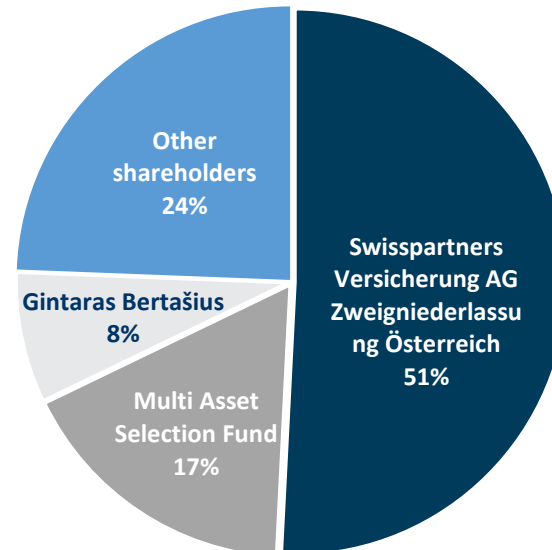
10. SHORT HISTORY OF THE COMPANY



11. SHAREHOLDERS

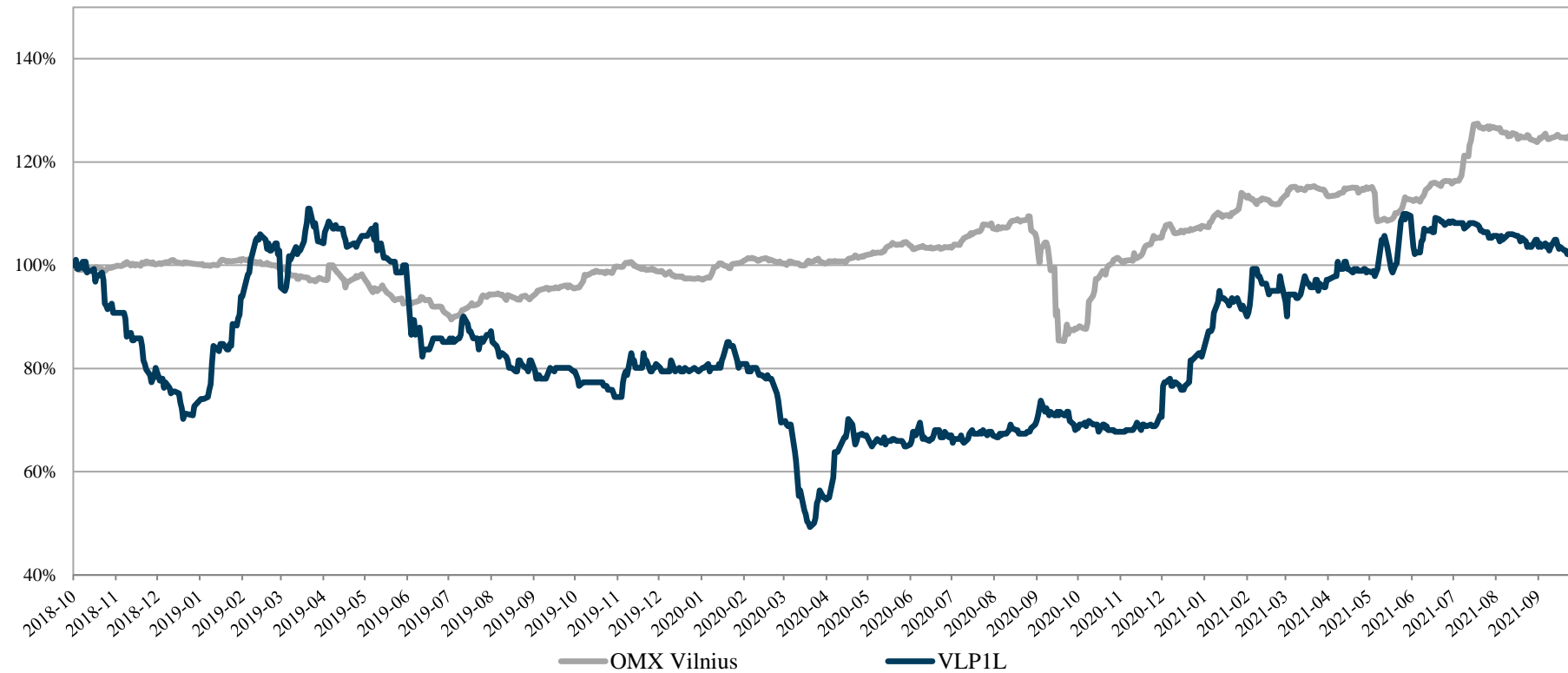
Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6.067.206	51%*
Multi Asset Selection Fund	2.035.729	17%
Gintaras Bertašius	927.110	8%
Other shareholders	2.912.955	24%
Capital in total:	11.943.000	100%

*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.



12. SHARE PRICE DATA

Vilkyškių pieninė AB share price and OMX Vilnius indexes comparison **2018 October**
– **2021 September**.



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