



# Vilkyškių pieninė AB

Interim consolidated unaudited financial  
statements for the 6 months of 2023

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## Confirmation of Responsible Persons

Following the Article No. 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Gintaras Bertašius, General Director of Vilkyškių pieninė AB and Vilija Milaseviciute, Economic and Finance Director of Vilkyškių pieninė AB hereby confirm that, unaudited interim consolidated financial statements for the six months of 2023, prepared in accordance with International Financial Reporting Standards of the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of “Vilvi Group”. We confirm that review of business development and results is correctly indicated in the consolidated financial statements.

General Director

Gintaras Bertašius

Economics and Finance Director

Vilija Milaševičiūtė



The financial statements were approved and signed by the Management on 31 August 2023.

## **Company details**

### **Vilkyškių pieninė AB**

Telephone: +370 441 55330  
Telefax number: +370 441 55242  
Company code: 277160980  
Registered office: LT-99254 P. Lukosaicio str. 14 Vilkyškiai, Pagegiai  
municipality, Lithuania

### **Board**

Gintaras Bertašius (Chairman)  
Sigitas Trijonis  
Rimantas Jancevičius  
Vilija Milaševičiūtė  
Andrej Cyba  
Linas Strėlis

### **Management**

Gintaras Bertašius, General Manager  
Vaidotas Juškys, Executive Director  
Sigitas Trijonis, Director for Investment Projects  
Rimantas Jancevičius, Director for Purchasing Raw Materials  
Arvydas Zaranka, Production Director  
Vilija Milaševičiūtė, Director for Economic and Financial Affairs  
Rita Juodikienė, Director for Corporate Governance and Quality  
Paulinas Stanaitis, Director for Transport and Logistics

### **Banks**

SEB Bankas AB  
Swedbank AB  
Luminor Bank AB  
Šiaulių Bankas AB  
OP Corporate Bank plc Lithuania branch  
AS "Citadele banka" Lithuania branch  
SC "Citadele bank"

## Consolidated statement of financial position

Thousand EUR	Note	2023 06 30	2022 12 31
<b>Assets</b>			
Property, plant and equipment		48,119	48,365
Right-of-use assets		944	1,082
Intangible assets		4,170	4,175
Non-current amounts receivable	5	321	111
Deferred income tax assets		-	-
<b>Non-current assets</b>		<b>53,554</b>	<b>53,733</b>
Inventories	6	14,177	25,493
Trade and other amount receivables	7	15,956	17,875
Prepayments	8	682	741
Cash and cash equivalents	9	7,246	621
<b>Current assets</b>		<b>38,061</b>	<b>44,730</b>
<b>Total assets</b>		<b>91,615</b>	<b>98,463</b>
<b>Equity</b>			
Share capital	10	3,463	3,463
Share premium		3,301	3,301
Reserves		1,926	2,068
Retained earnings		42,541	40,749
<b>Equity attributable to owners of the Company</b>		<b>51,231</b>	<b>49,581</b>
<b>Non-controlling interest</b>		<b>16</b>	<b>321</b>
<b>Equity</b>		<b>51,247</b>	<b>49,902</b>
<b>Liabilities</b>			
Borrowings	11	11,860	12,978
Lease liabilities	11	408	399
Government grants	12	3,533	3,743
Trade and other payables		42	42
Deferred income tax liability		774	790
<b>Non-current liabilities</b>		<b>16,617</b>	<b>17,952</b>
Borrowings	11	6,752	9,238
Lease liabilities	11	282	314
Income tax payable		-	344
Trade and other payables	13	16,717	20,713
<b>Current liabilities</b>		<b>23,751</b>	<b>30,609</b>
<b>Liabilities</b>		<b>40,368</b>	<b>48,561</b>
<b>Total equity and liabilities</b>		<b>91,615</b>	<b>98,463</b>

## Consolidated income statement

Thousand EUR	Note	<u>01 01 2023- 30 06 2023</u>	<u>01 01 2022- 30 06 2022</u>	<u>01 04 2023- 30 06 2023</u>	<u>01 04 2022- 30 06 2022</u>
Revenue	1	103,720	112,824	50,054	62,377
Cost of sales	1	-93,593	-99,115	-44,107	-54,092
<b>Gross profit</b>	1	<b>10,127</b>	<b>13,709</b>	<b>5,947</b>	<b>8,285</b>
Other operating income		111	151	55	65
Distribution expenses		-2,308	-2,278	-1,011	-1,261
Administrative expenses		-2,371	-2,145	-1,134	-1,145
Other operating expenses		-111	-83	-56	-41
Other gain (loss) – net		122	73	26	70
<b>Results of operating activities</b>		<b>5,570</b>	<b>9,427</b>	<b>3,827</b>	<b>5,973</b>
Finance income		15	225	7	165
Finance costs		-695	-396	-308	-181
<b>Finance costs, net</b>		<b>-680</b>	<b>-171</b>	<b>-301</b>	<b>-16</b>
<b>Profit (loss) before income tax</b>		<b>4,890</b>	<b>9,256</b>	<b>3,526</b>	<b>5,957</b>
Income tax		19	-936	-111	-681
<b>Profit (loss) for the period</b>		<b>4,909</b>	<b>8,320</b>	<b>3,415</b>	<b>5,276</b>
Attributable to:					
Shareholders of the Company		4,912	8,250	3,374	5,219
Non-controlling interest		-3	70	41	57
<b>Profit (loss) for the period</b>		<b>4,909</b>	<b>8,320</b>	<b>3,415</b>	<b>5,276</b>
Basic and diluted earnings per share (in EUR)	2	0.41	0.70	0.29	0.44

## Consolidated statement of comprehensive income

Thousand EUR	Note	<u>01 01 2023- 30 06 2023</u>	<u>01 01 2022- 30 06 2022</u>	<u>01 04 2023- 30 06 2023</u>	<u>01 04 2022- 30 06 2022</u>
<b>Profit (loss) for the period</b>		<b>4,909</b>	<b>8,320</b>	<b>3,415</b>	<b>5,276</b>
<b>Other comprehensive income</b>					
Change in fair value of hedging instruments		-	-	-	-
Effect of income tax		-	-	-	-
<b>Other comprehensive income for the period, net of income tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>4,909</b>	<b>8,320</b>	<b>3,415</b>	<b>5,276</b>
Attributable to:					
Shareholders of the Company		4,912	8,250	3,373	5,219
Non-controlling interest		-3	70	41	57
<b>Total comprehensive income</b>		<b>4,909</b>	<b>8,320</b>	<b>3,415</b>	<b>5,276</b>

## Consolidated statement of changes in equity

Thousand EUR	Note	Equity attributable to owners of the Company							Total	Non-controlling interest	Total equity
		Share capital	Share premium	Revaluation reserve	Hedging reserve	Reserve for acquisition of own shares	Legal reserve	Retained earnings			
AT 1 January 2022		3,463	3,301	1,828	-	-	346	30,510	39,448	133	39,581
<b>Comprehensive income for the period</b>											
Profit (loss) for the period		-	-	-	-	-	-	8,250	8,250	70	8,320
<b>Other comprehensive income</b>											
Depreciation, write-off of revalued assets		-	-	-39	-	-	-	39	-	-	-
<b>Total other comprehensive income</b>		-	-	-39	-	-	-	39	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-39	-	-	-	8,289	8,250	70	8,320
<b>Contributions by and distributions to owners:</b>											
Transfers to Required reserve		-	-	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-2,389	-2,389	-	-2,389
<b>Total contributions by and distributions to owners</b>		-	-	-	-	-	-	-2,389	-2,389	-	-2,389
<b>Changes in the Group not resulting in a loss of control</b>											
Change (decrease) in minority interest		-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-	-	-2,389	-2,389	-	-2,389
At 30 June 2022	10	3,463	3,301	1,789	-	-	346	36,410	45,309	203	45,512

*(continued)*

## Consolidated statement of changes in equity (continued)

Thousand EUR	Note	Equity attributable to owners of the Company							Total	Non-controlling interest	Total equity
		Share capital	Share premium	Revaluation reserve	Hedging reserve	Reserve for acquisition of own shares	Legal reserve	Retained earnings			
At 1 July 2022		3,463	3,301	1,789	-	-	346	36,410	45,309	203	45,512
<b>Comprehensive income for the period</b>											
Profit (loss) for the period		-	-	-	-	-	-	4,261	4,261	118	4,379
<b>Other comprehensive income</b>											
Depreciation, write-off of revalued assets		-	-	-67	-	-	-	67	-	-	-
<b>Total other comprehensive income</b>		-	-	-67	-	-	-	67	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-67	-	-	-	4,328	4,261	118	4,379
<b>Contributions by and distributions to owners:</b>											
Transfers to legal reserve		-	-	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares		-	-	-	-	-	-	-	-	-	-
Change in fair value of put option		-	-	-	-	-	-	11	11	-	11
Dividends		-	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners		-	-	-	-	-	-	11	11	-	11
<b>Changes in the Group not resulting in a loss of control</b>											
Change (decrease) in minority interest		-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-	-	11	11	-	11
At 31 December 2022	10	3,463	3,301	1,722	-	-	346	40,749	49,581	321	49,902

*(continued)*

## Consolidated statement of changes in equity (continued)

Thousand EUR	Note	Equity attributable to owners of the Company							Non-controlling interest	Total equity	
		Share capital	Share premium	Revaluation reserve	Hedging reserve	Reserve for acquisition of own shares	Legal reserve	Retained earnings			Total
At 1 January 2023		3,463	3,301	1,722	-	-	346	40,749	49,581	321	49,902
<b>Comprehensive income for the period</b>											
Profit (loss) for the period		-	-	-	-	-	-	4,912	4,912	-3	4,909
Depreciation, write-off of revalued assets		-	-	-142	-	-	-	142	-	-	-
<b>Total other comprehensive income</b>		-	-	-142	-	-	-	142	-	-	-
<b>Total comprehensive income for the period</b>		-	-	-142	-	-	-	5,054	4,912	-3	4,909
<b>Contributions by and distributions to owners:</b>											
Transfers to legal reserve		-	-	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-3,164	-3,164	-	-3,164
Total contributions by and distributions to owners		-	-	-	-	-	-	-3,164	-3,164	-	-3,164
<b>Changes in the Group not resulting in a loss of control</b>											
Change (decrease) in minority interest		-	-	-	-	-	-	-98	-98	-302	-400
Total transactions with shareholders		-	-	-	-	-	-	-3,262	-3,262	-302	-3,564
At 30 June 2023	10	3,463	3,301	1,580	-	-	346	42,541	51,231	16	51,247

## Consolidated statement of cash flows

Thousand EUR	Note	2023 01 01- 2023 06 30	2022 01 01- 2022 06 30
<b>Cash flows from operating activities</b>			
Profit (loss) for the period		4,909	8,320
Adjustments for:			
Depreciation of property, plant and equipment	3	2,311	2,301
Amortization of intangible assets	4	4	7
Amortization and write-off of grants	12	-211	-167
Change in inventory depreciation		-2,010	-
Loss (gain) from disposal of property, plant and equipment		-100	-58
Income tax expenses		-19	936
Finance costs, net		680	171
		<b>5,564</b>	<b>11,510</b>
Change in inventories		13,326	608
Change in non-current amounts receivable		-210	4
Change in trade and other receivables and prepayments		1,939	-8,365
Change in trade and other payables		-4,488	908
		<b>16,131</b>	<b>4,665</b>
Interest paid		-242	-330
Income tax paid		-237	-
<b>Net cash flows generated from operating activities</b>		<b>15,652</b>	<b>4,335</b>
<b>Cash flows from investing activities</b>			
Payments for acquisition of property, plant and equipment		-1,969	-573
Payments for acquisition of intangible assets		1	-
Proceeds from sale of property, plant and equipment		300	65
Acquisition of shares of the subsidiary		-400	-
Loans granted		-170	-
Government grants received		1	8
Loans recovered		200	1,359
Change in cash flows from investing activities due to a business combination		-	-
<b>Net cash flows generated from (used in) investing activities</b>		<b>-2,037</b>	<b>859</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		377	6,100
Repayments of borrowings		-3,981	-8,128
Lease payments		-222	-172
Dividends paid out		-3,164	-2,389
<b>Net cash flows generated from (used in) financing activities</b>		<b>-6,990</b>	<b>-4,589</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>6,625</b>	<b>605</b>
Cash and cash equivalents at 1 January	9	621	799
<b>Cash and cash equivalents at 30 June</b>	9	<b>7,246</b>	<b>1,404</b>

## Notes to the consolidated financial statements

### General information

Vilkyškių pieninė AB was established in 1993. Company's core line of business is production and sale of different types of cheese, whey products and cream. Business activities are conducted in the main production buildings located in Vilkyškiai, Pagėgiai region municipality.

The Parent Company has no branches or representative offices.

“Vilvi Group” consists of the following companies (hereinafter “the Group”):

The companies	Company's address	Part of shares owned by the Company (%)		Main business activities
		2023 06 30	2022 12 31	
“Modest” AB	Gaurės st. 23, Tauragė	99,7	99,7	Milk processing and production of milk products
Kelmės pieninė AB	Gaurės g. 23, Tauragė	100	100	Milk processing and production of milk products
“Kelmės pienas” UAB	Raseinių g. 2, Kelmė	100	100	Milk processing and production of milk products
“Pieno logistika” AB	Pagojo st. , Pagojo village, Kelmės district.	58,9	58,9	Lease of buildings
“Baltic Dairy Board” SIA	Stacijas str. 1, Bauska, Latvia	100	70	Recycling of milk / whey and production of dairy ingredients

At 30 June 2023 the Group had 902 employees (31 December 2022 - 884).

Vilkyškių pieninė AB is a Lithuanian company listed on AB Nasdaq OMX Vilnius Stock Exchange. As at 30 June 2023, the Company's shareholder structure was as follows:

Shareholder	Shares	Nominal value in EUR	Total value EUR
Swisspartners Versicherung AG Zweigniederlassung Österreich	7,213,680	0.29	2,091,968
Multi Asset Selection Fund	2,035,729	0.29	590,361
Other minority shareholders	2,693,591	0.29	781,141
<b>Total capital</b>	<b>11,943,000</b>	<b>0.29</b>	<b>3,463,470</b>

As from April 2018, Mr Gintaras Bertašius, the main shareholder of Vilkyškių Pieninė AB, together with related persons concluded a joint life insurance policy with Swisspartners Versicherung AG Zweigniederlassung Österreich, by contributing in total 7,213,680 (60,4 %) of ordinary registered shares held in Vilkyškių Pieninė AB. The insurance company had irrevocably granted powers to exercise all non-property rights of a shareholder, including the right to vote at the meeting of shareholders of the issuer, to Mr Gintaras Bertašius and the related persons for the entire validity period of the insurance policy.

The Company's ultimate controlling party is Mr Gintaras Bertašius and persons related to him (R. Bertašienė, G. Jozūnienė, M. Bertašius).

## **Basis for preparation**

### **Statement of compliance**

These are interim consolidated financial statements (hereinafter - financial statements or consolidated financial statements) of “Vilvi Group”, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the consolidated annual financial statements for the year 2022. There have been no other significant IFRS changes that could have impact on financial statements of the Group.

A detailed description of the accounting policies presented in the consolidated financial statements for the year ended 2022 December 31.

The interim consolidated financial statements for the 6 months 2023 are unaudited.

### **Measurement basis**

The financial statements have been prepared on a historical cost basis except for:

- buildings that are a part of property, plant and equipment and measured at fair value, less any subsequent accumulated depreciation and impairment losses;
- buildings that a part of investment property and measures at fair value.

### **Functional and presentation currency**

All amounts in these financial statements are presented in the euros (EUR) and they have been rounded to the nearest thousand.

### **Foreign currency transactions**

Foreign currency transactions are translated into the euros using the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated in the euros using the exchange rate prevailing at the date of the preparation of the statement of financial position. All foreign currency transactions have been translated in accordance with the provisions of the Law on Accounting using the exchange rate of the euro against the foreign currency prevailing at the date of the transaction.

Foreign exchange differences arising from the settlement of such transactions are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the euros using the official exchange rate prevailing at the date of the transaction.

### **Consolidation**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the Group’s consolidated financial statements from the date on which the Group obtains control, and continue to be included until the date that such control ceases.

All intra-group transactions and balances are eliminated for the purpose of the consolidated financial statements.

## Summary of significant accounting policies

### 1 Segment information

The Group has several operating segments which are as described below.

The segments represent different product groups, which are managed separately because they require different technology and marketing strategies. The Board and the General Manager review internal management reports prepared for each product group on a monthly basis.

The following summary describes the products in each operating segment of the Group:

- *Cheese, cheese products and other.* The segment comprises cheese, cheese products, industrial cream and liquid whey which remains during the cheese-making process;
- *Dry milk products.* The segment comprises WPC, skimmed-milk, permeate and whey powder produced by the subsidiaries;
- *Fresh milk products.* The segment comprises fresh milk products produced by the subsidiaries (kefir, yoghurt, sour milk, butter, curd products);

Results of operations of the operating segments as at 30 June 2023:

Thousand EUR	Cheese, cheese products and other	Dry milk products	Fresh milk products	Total
Sales	65,587	20,205	17,928	103,720
Cost of sales	-64,272	-15,743	-13,578	-93,593
Gross profit	1,315	4,462	4,350	10,127

Results of operations of the operating segments as at 30 June 2022:

Thousand EUR	Cheese, cheese products and other	Dry milk products	Fresh milk products	Total
Sales	82,049	19,059	11,716	112,824
Cost of sales	-72,672	-15,537	-10,906	-99,115
Gross profit	9,377	3,522	810	13,709

Disclosure by geographical location:

Thousand EUR	<b>01 01 2023- 30 06 2023</b>	<b>01 01 2022- 30 06 2022</b>
Lithuania	17,076	11,966
European Union, except for Lithuania	49,104	69,286
Other countries	37,540	31,542
	<b>103,720</b>	<b>112,824</b>

## 2 Earnings per share

	<b>01 01 2023- 30 06 2023</b>	<b>01 01 2022- 30 06 2022</b>
Number of issued shares calculated based on the weighted average unit cost method, in thousands	11,943	11,943
Net profit (loss) attributable to holders of ordinary shares of the Parent Company in thousand EUR	4,909	8,320
Basic earnings (loss) per share (in EUR)	<u>0.41</u>	<u>0.70</u>

## 3 Property, plant and equipment

Depreciation is recognized in production, distribution, administrative and other operating expenses of profit (loss) statement.

On 30 June 2023 depreciation amounted to 2,311 thousand EUR (on 30 June 2022 – 2,301 thousand EUR).

## 4 Intangible assets

Amortization is calculated in administrative expenses of profit (loss) statement.

On 30 June 2023 amortization amounted to 4 thousand EUR (on 30 June 2022 - 7 thousand EUR).

## 5 Non-current amounts receivable

Thousand EUR	<b>30 06 2023</b>	<b>31 12 2022</b>
<b>Financial instruments</b>	<u>          </u>	<u>          </u>
<b>Non-financial assets</b>		
Non-current amounts receivable from farmers (a)*	321	111
	<u><b>321</b></u>	<u><b>111</b></u>

(a)\* Non-current amounts receivable from farmers comprise prepayments made to milk suppliers for milk. These prepayments are subject to an administration fee.

## 6 Inventories

Thousand EUR	<b>30 06 2023</b>	<b>31 12 2022</b>
Finished products	9,767	21,063
	<u><b>9,767</b></u>	<u><b>21,063</b></u>
Raw materials	286	449
Consumables	3,843	3,661
Work in progress	281	320
	<u><b>14,177</b></u>	<u><b>25,493</b></u>

Raw materials include milk and other materials used in the production.

As at 30 June 2023, the Group's inventories with the net book amount of up to EUR 14,177 thousand (31 December 2022: up to EUR 25,493 thousand) have been pledged to financial institutions.

## 7 Trade and other receivables

Thousand EUR		30 06 2023	31 12 2022
	Note		
Trade receivables		13,377	14,133
Impairment losses		-99	-99
Trade receivables from related parties		-	30
Loans granted to related parties, including interest charged and administration fee		600	928
Other loans, including interest charged and administration fee		170	-
<b>Financial assets</b>		<b>14,048</b>	<b>14,992</b>
Taxes receivable (other than income tax)		1,907	2,764
Other receivables		-	119
<b>Total trade and other receivables</b>		<b>15,956</b>	<b>17,875</b>

Taxes receivable mostly consist of VAT receivable.

Trade and other receivables are non-interest bearing and are settled with the term of 30 days.

Trade receivables with the carrying amount of not less than EUR 50 thousand have been pledged to Luminor Bank AB. As at 30 June 2023, the amount receivable pledged was equal to thousand EUR 202 (30 June 2022: EUR 182 thousand).

## 8 Prepayments

Thousand EUR		30 06 2023	31 12 2022
Prepayments (a)		682	544
Prepayments to related parties		-	197
		<b>682</b>	<b>741</b>

(a) Prepayments consist of prepayments made to the companies for goods and services and to farmers for milk.

## 9 Cash and cash equivalents

Thousand EUR		30 06 2023	31 12 2022
Cash at bank		7,209	596
Cash on hand		37	25
		<b>7,246</b>	<b>621</b>

Cash inflows into bank accounts were pledged to secure repayment of bank borrowings.

## 10 Capital

As at 30 June 2023, the Parent Company's authorised share capital was divided into 11,943,000 ordinary shares with the nominal value of EUR 0.29 each. All the shares are fully paid.

Pursuant to the Law on Companies, the holders of ordinary shares have one vote per share at the Company's shareholders' meeting, the right to receive dividends, and the right to receive payments in the event of liquidation of the company.

## 11 Borrowings and lease liabilities

Thousand EUR	30 06 2023	31 12 2022
Non-current borrowings	12,268	13,377
Current borrowings and lease liabilities	7,034	9,552
<b>Total borrowings</b>	<b>19,302</b>	<b>22,929</b>

During the first half of this year, the term of the factoring agreement has been extended with “Luminor lizingas” UAB, “Swedbank lizingas” UAB and “Citadele Factoring” UAB.

## 12 Government grants

Thousand EUR	30 06 2023	31 12 2022
Opening net book amount	3,681	4,125
Grants received	1	13
Amortisation recognised in profit or loss and write-off of grants	-204	-456
Write-off of grants upon disposal of assets	55	61
Closing net book amount	<b>3,533</b>	<b>3,743</b>

## 13 Trade and other payable amounts

Thousand EUR	30 06 2023	31 12 2022
<b>Financial instruments</b>		
Trade payables	10,630	14,328
Trade payables to related parties	-	8
	<b>10,630</b>	<b>14,336</b>
<b>Non-financial instruments</b>		
Employment-related liabilities (a)	3,438	3,319
Advance amounts received	275	302
Dividends payable	75	74
Taxes payable (other than income tax)	2,265	2,560
Accrued expenses and provisions	34	122
	<b>6,087</b>	<b>6,377</b>
	<b>16,717</b>	<b>20,713</b>

(a,b) Obligations relating to an employment relationship consist of salaries, fees payable, holiday reserves and payable VAT taxes.

## 14 Subsequent events

No significant events have occurred.

# **“Vilvi Group” Consolidated interim report for the 6 months of the year 2023**

## **I. ISSUER OVERVIEW**

### **1. Accounting period for which the interim report has been prepared**

The report has been prepared for 6 months of the year 2023.

### **2. Issuer Information and Contact Details**

Name of Issuer	Vilkyškių pieninė AB (hereinafter – Company or Issuer)
Legal Form	Public limited company (Lith. Akcinė bendrovė)
Date and place of registration	18 May 1993, VĮ Registrų centras
Date and place of re-registration	30 December 2005, VĮ Registrų centras
Head office address	P.Lukošaičio str. 14, Vilkyškiai, LT-99254, Pagegiai municipality
Registration No.	060018
Company Register Code	277160980
Telephone	+370 441 55330
E-mail	<a href="mailto:info@vilvi.eu">info@vilvi.eu</a>
Website	<a href="http://www.vilvigroup.lt">www.vilvigroup.lt</a>

### **3. Subsidiary Company Data and Contact Details:**

#### **“Modest” AB**

Name of subsidiary	“Modest” AB (hereinafter – “Modest” AB)
Legal form	Public limited company
Date of registration	25 March 1992
Date of re-registration	31 December 2009, VĮ Registrų centras
Registration No.	017745
Company register code	121313693
Head office	Gaurės str. 23, LT-72340 Tauragė
Telephone	+370 446 72693
E-mail	<a href="mailto:modest@vilvi.eu">modest@vilvi.eu</a>
Website	<a href="http://www.vilvigroup.lt">www.vilvigroup.lt</a>

#### **AB Kelmės pieninė**

Name of subsidiary	Kelmės pieninė AB (hereinafter – Kelmės pieninė AB)
Legal form	Public limited company
Date of registration	3 August 1993, VĮ Registrų centras
Date of re-registration	4 July 2007
Head office	Gaurės g. 23, LT-72340 Tauragė
Registration No.	110109
Company register code	162403450
Telephone	+370 427 61246
E-mail	<a href="mailto:kelmespienine@vilvi.eu">kelmespienine@vilvi.eu</a>
Website	<a href="http://www.vilvigroup.lt">www.vilvigroup.lt</a>

**“Kelmės pienas” UAB**

Name of Kelmės pieninė AB subsidiary	“Kelmės pienas” UAB (hereinafter – “Kelmės pienas” UAB)
Legal form	Limited liability company
Date of registration	17 November 2020, VĮ Registrų centras
Head office	Raseinių str. 2, LT-86160 Kelmė
Company register code	305658215
Telephone	+370 427 61246
E-mail	kelmespienas@vilvi.eu
Website	<a href="http://www.vilvigroup.lt">www.vilvigroup.lt</a>

**“Pieno logistika” AB**

Name of “Kelmės pienas” UAB subsidiary	“Pieno logistika” AB (hereinafter – “Pieno logistika” AB)
Legal form	Public limited company
Data and place of registration	10 December 2013, Šiauliai Division of VĮ Registrų centras
Head office	Pagojo str. 1, Pagojo km., Kelmės raj.
Company register code	303203457
Telephone	+370 427 61246
E-mail	pienologistika@vilvi.eu
Website	<a href="http://www.vilvigroup.lt">www.vilvigroup.lt</a>

**“Baltic Dairy Board” SIA**

Name of subsidiary	“Baltic Dairy Board” SIA (hereinafter – “Baltic Dairy Board” SIA)
Legal form	Limited liability company
Data and place of registration	21 July 2008, Commercial Registry of Republic of Latvia
Head office	Stacijas str. 1, Bauska, LV-3901, Latvia
Company register code	43603036823
Telephone	+371 63026899
E-mail	info@bdb.lv
Website	<a href="http://www.bdb.lv/">http://www.bdb.lv/</a>

**4. Main Types of Activity**

The main business activity of “Vilvi Group” is production and sale of dairy products (EVRK 10.51).

The main business activity of Vilkyškių pieninė AB is production and sale of fermented cheese, cream and whey products.

Subsidiary company “Modest” AB makes mozzarella cheese, mould cheese, smoked, melt cheese and other cheese products.

Subsidiary company Kelmės pieninė AB produces dry milk products – WPC, SMP, permeate and whey powder.

“Kelmės pienas” UAB, a subsidiary of Kelmės pieninė AB, produces fresh dairy products such as kefir, sour cream, yoghurts, cottage cheese, glazed curd cheese bars, and butter.

The main activities of “Pieno logistika” AB, a “Kelmės pienas” UAB subsidiary, are renting buildings, collecting, and transporting milk.

The subsidiary “Baltic Dairy Board” SIA specialises in producing high-value-added dairy ingredients (GOS) and the digestion of milk and whey, which separates protein and lactose to produce two separate products.

## 5. Agreements with Brokerages for Public Issue

“Vilvi Group” has an underwriting agreement with FMĮ Orion Securities UAB brokerage (address A. Tumėno str. 4, B korp., LT-01109, Vilnius) on the accounting of Vilkyškių pieninė AB, Kelmės pieninė AB, “Modest” AB shareholders and services associated with the accounting of the Company’s securities. FMĮ Finasta AB brokerage manages shareholder accounts for “Pieno logistika” AB. Šiaulių bankas AB brokerage manages shareholder accounts for “Kelmės pienas“ UAB. “Baltic Dairy Board” SIA shares are recorded in the company's internal shareholders register, registered in the Register of Companies of the Republic of Latvia.

## 6. Trading in the Issuer’s Securities on Regulated Exchanges

The name of securities: Vilkyškių pieninė AB common registered shares. The number of securities issued: 11,943,000 units. Share face value: EUR 0.29 per share.

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.

The Company’s shares have been listed since 17 May 2006.

The securities of the subsidiary companies are not publicly traded.

## II. OVERVIEW OF OPERATIONS

“Vilvi Group” produces a wide range of delicious dairy products based on original recipes, many of them acknowledged for their taste and quality at international trade fairs. We are proudly continuing the long-standing traditions of cheese production that originated in the picturesque region of Lithuania surrounded by wonderful nature. The lush flood-meadows of the Nemunas River inspire us to create and share what nature has so generously bestowed on us.

**Our mission** is to provide people across the whole world more opportunities to enjoy dairy products.

### **Our Values:**

**Quality** – we produce high-quality dairy products and abide by the highest standards.

**Innovations** – we continually delight our consumers by introducing new products and providing opportunities to experience new taste sensations. We constantly invest in new technologies and expand our product range. We are interested in creating and sharing the results of our work. After all, it is how new traditions are being born, is not it?

**Competence** – in the hands of our dairy masters dairy foods turn into exclusive and original high-quality products.

**Honesty** – we are open and reliable. Our customers’ trust and respect are extremely important to us. The basis of our activity includes the time-proved relations with our business partners and professionalism of our employees.

## 7. Patents & Licenses

Product quality, customer needs satisfaction and food safety requirements are priorities at “Vilvi Group”. To maintain high product quality, quality management and food safety systems are constantly monitored, revised and improved.

On 8 May 2000, Vilkyškių pieninė AB received a license to export its products to the European Union member states. The Company operates a quality management system (HACCP system).

Vilkyškių pieninė AB has obtained certification of its Quality Management and Food Safety systems under the international standard ISO 22000/ FSSC 22000. This certification scheme is part of the Global Food Safety Initiative (GFSI) and is equivalent to such internationally recognized standards as BRC and IFS.

Until 2013, Kelmės pieninė AB worked in accordance with ISO 22000/ FSSC 22000 standards, but in 2015 it extended the scope of certification and now covers the processing of all products. From 2021, part of the fresh

milk products business was transferred to “Kelmės pienas“ UAB. The food safety management system certificates ISO 22000/FSSC 22000 related to the production of fresh milk products have been amended accordingly.

“Modest” AB is also certified under iso 22000/FSSC 22000 certification scheme for product development, production and sale.

In order to attract buyers in Islamic countries, Vilkyškių pieninė AB, “Modest” AB and Kelmės pieninė AB (dry milk products) have been certified according to Halal rules. Certification for Halal products continues every year. Halal products are associated with product safety, health, quality, ecology. These products are used by people of other religions as well.

In 2017, factory of dry milk products of Kelmės pieninė was registered and started to operating. It received the veterinary approval number, which granted the right to export production to all EU and other third countries. The factory has established a physicochemical research laboratory equipped with state-of-the-art ultra-reliable equipment for ensuring the quality control of products. The laboratory carries out research using analyzers operating on the basis of infra-red analyzers and using reference (classical) methods of investigation.

In 2018 Kelmės pieninė AB, dry milk products certified according to ISO 22000/FSSC 22000 Certification Scheme.

In 2019 the laboratory of Vilkyškių pieninė AB received Food business operator laboratory approval permit.

Kelmės pieninė AB received the Kosher certificate for producing dry milk products in 2020. The certificate is renewed annually.

In August 2022, Kelmės pieninė AB scored highly in the SMETA social audit. The audit examined the company's responsibility towards nature and society — its practices in human rights, ethical employment, business transparency, and environmental protection.

In 2022, “Kelmės pienas“ UAB was awarded the IFS Food Version 7 food safety standard. RINA's international auditing company RINA's auditors' rating is Higher Level (97.1%), confirming that the safety and quality of food products and production processes meet the highest requirements. For food companies, having an IFS opens up opportunities to expand into new markets, gaining competitive advantage and consumer trust, improving business productivity, and brand image. The certificate was renewed in 2023.

In 2023, “Kelmės pienas“ UAB was awarded a certificate for organic production and labelling of organic products (following Regulation (EU) 2018/848), which indicates that the company, as a subcontractor, can produce organic dairy products that Ekoagra has approved.

The subsidiaries of “Baltic Dairy Board” SIA are certified ISO 50001, ISO 22000/FSSC 22000, Kosher, HALAL, and BIO (organic production and labelling of organic products).

The quality management and food safety systems are subject to continuous monitoring, review and improvements with a view to maintaining the high quality of the Company’s products. Every year “Vilvi Group” audits according to ISO 22000 / FSSC 22000 certification schemes.

## **8. Human Resources**

“Vilvi Group” is managed on the basis of the Group's common principles and values; therefore, human resources management is implemented in the same processes in all Group companies.

The “Vilvi Group” focuses on employees' well-being, health and safety, competence development, and career opportunities. The staff policy focuses on fostering cooperation, openness, personal and professional growth. The company provides a supportive, open, and respectful environment for knowledge sharing and skills development through internal and external training. Employee involvement is promoted, allowing employees to propose ideas and actively improve company processes.

The Group follows an approved Occupational Health and Safety Policy, complies with all laws and regulations governing occupational health and safety, appoints responsible persons and establishes processes to ensure compliance with occupational health and safety rules and regulations, provides regular briefing and certification

of employees, and the necessary training and exercises, and provides all the necessary personal protective equipment. Employees receive a range of financial support and balanced incentives to meet the needs of different groups: financial support in the event of the death of a family member; supermarket gift vouchers — for the birth of a child or a wedding; gifts for birthdays, anniversaries, Christmas, and retirement; transport to work; additional health and fitness measures for administrative staff, etc.

Particular attention is paid to analysing psychosocial risk factors and reducing stress at work. In the post-pandemic years, significant efforts have been made to provide the necessary support to help staff return to a normal and fully stable life. The consequences of the pandemic, in terms of increased anxiety, disengagement, and more complex engagement processes, were still being felt in 2022. This has been reinforced by the outbreak of war in Ukraine. The Group has made every effort to maintain and ensure people's emotional stability. A Group-wide Psychosocial Factors Survey was carried out at the end of 2021. A detailed analysis of the survey was received at the beginning of 2022, which led to the initiation of targeted interventions, the development of internal training programmes, and the review of the necessary internal processes to ensure that employees receive the help and support they need.

One of the Group's priorities is equal opportunities and fair, equitable treatment for everyone. The Equal Opportunities Policy is followed, the Remuneration Policy ensures equal and transparent remuneration conditions, the Remuneration Scheme, and the compliance of personal data processing with the provisions of the General Data Protection Regulation (GDPR) is enshrined in the IT Security Policy and the Rules for Processing of Personal Data. In order to strengthen social responsibility, the Group adopted a Human Rights Policy, a Code of Ethical Employers, and a Code of Ethical Business in 2022. In line with the new amendments to the Labour Code, a policy on preventing violence and harassment at work has been adopted. The aim is to ensure that these provisions are known and understood within the Group and clearly communicated to partners, suppliers, and other stakeholders.

Another priority for the Group is to ensure that people with reduced mobility and people with disabilities have the right working conditions. These employees have lost their occupational or general working capacity and cannot compete in the market under the same conditions. We value these employees, giving them every opportunity to work to the best of their abilities and integrate into the labour market and the Group's workforce.

Transparency is of the utmost importance to the Group, and no form of corruption is tolerated, and every possible measure is taken to ensure this. The Whistleblowing Channel on the Group's website allows all interested parties to report possible illegal acts or breaches of the law that affect the public interest. In 2022, an additional channel, the Helpline, was created, where employees and other stakeholders can report situations of concern.

In order to attract skilled workers, intensive cooperation with educational and employment institutions is organised, as well as presentations on professional information and career planning, career fairs, lectures, and excursions to the factory.

## **9. Environmental Protection**

“Vilvi Group” is managed based on the Group's common principles and values, and therefore environmental management is implemented according to the same processes.

In 2022, the Group adopted an Environmental Policy, which defines the guidelines and principles for implementing a sustainable business culture and practices in all Group companies. The policy identifies key areas of environmental impact and sets targets to reduce negative impacts and increase positive ones.

The Group's companies strive to use energy and natural resources responsibly and monitor resource use. 100% of the electricity purchased by “Vilvi Group” in 2022 was green electricity produced from renewable energy sources. In 2022, the Group started to develop its own solar and wind power projects and will actively pursue them in the near future.

The Group focuses on assessing environmental impacts and GHG emissions. The assessment and the setting of reduction targets are due to be finalised in 2023.

The companies keep records of emissions of pollutants and sources of pollution into the ambient air. The Group manages and accounts for waste generated during production in accordance with established environmental requirements in the Product, Packaging, and Waste Accounting Information System — GPAIS.

In accordance with Directive 2008/1/EC of the European Parliament and of the Council concerning integrated pollution prevention and control (IPPC), AB Vilkyškių pieninė is classified as an Annex I installation for which an IPPC permit is required. The IPPC permit was obtained on 10-08-2004, issuing authority Klaipėda Regional Environmental Protection Department. In accordance with the IPPC rules, the permit was renewed on 04-12-2020.

In accordance with the criteria of the Order of the Minister of the Environment of the Republic of Lithuania D1-330 of 29-06-2005 Concerning the Rules for Renewal and Revocation of Integrated Pollution Prevention and Control Permits, no IPPC permit is required for the activities of AB Kelmės pieninė. On 03-01-2020, a boiler house pollution permit No TL-Š.3-20/2020 was issued in accordance with points 40 and 41 of the Rules to “Kelmės pienas” UAB.

In accordance with the criteria of the Order of the Minister of the Environment of the Republic of Lithuania D1-330 of 29-06-2005 Concerning the Rules for Renewal and Revocation of Integrated Pollution Prevention and Control Permits, no IPPC permit is required for the activities of „Modest“ AB.

In accordance with the established procedures, a monitoring programme for the impact of the waterworks on groundwater has been developed and monitoring is being carried out at AB Vilkyškių pieninė, as well as monitoring the potential impact of the petrol station on groundwater and monitoring of pollutants emitted into the ambient air and sources of pollution with wastewater.

Wastewater generated during production at AB Vilkyškių pieninė is treated in its own mechanical-biological treatment plants—the efficiency of wastewater treatment is up to 99%. In 2020, an automatic effluent control system was installed to prevent excess sewage sludge from entering the environment with the treated wastewater.

Wastewater from the production of fresh dairy products at “Kelmės pienas” UAB is discharged to the treatment plant of “Kelmės vanduo” UAB.

AB Kelmės pieninė's dry dairy factory produces loose, powdery products, so it is important to minimise the release of particulates and pollutants into the air and environment. From the dryers, the particulate-contaminated air is directed into cyclones and discharged into the environment after being cleaned. According to the drying equipment manufacturers, whey, permeate, and skimmed milk are odourless materials and therefore do not emit odours to ambient air during drying. Wastewater generated during production is discharged to the UAB Tauragės vandenys treatment plant.

„Modest“ AB has implemented Best Available Techniques (BAT); resource consumption and emission levels align with those achieved in the European Union. The company's production wastewater is discharged into the city's wastewater system operated by UAB Tauragės vandenys.

The Group is investing in more environmentally friendly solutions. The Group chooses packaging and other packaging materials responsibly when manufacturing its products. We encourage consumers to separate packaging for end-use products by clarifying what waste packaging should be separated from. We also make sorting easier by marking multiple separation points for multi-layer packs with perforations.

Activities are conducted in compliance with all mandatory requirements of environmental legislation, pollution prevention measures, cooperation with business partners and governmental authorities, and the development of staff competence, and a responsible attitude towards environmental protection.

In order to achieve its strategic objectives, the Group strives to reduce the environmental impact of its activities. It is on a path of continuous change towards a more environmentally friendly organisation.

## **10. “Vilvi Group” Results of Operations**

In addition to the key indicators defined and applied in the financial statements in accordance with International Financial Reporting Standards (IFRS), AB Vilkyškių Pieninė also presents financial performance indicators not

provided for in IFRS - alternative performance indicators (API), which the Company considers important, provide additional information to investors and other users of the financial statements. Alternative performance indicators should be treated as additional information prepared in accordance with IFRS. Taking into account the Guidelines on Alternative Performance Indicators published by the European Securities and Markets Authority (ESMA/2015/1415), AB Vilkyškių pieninė provides comparable historical API data, the procedure for their calculation and what useful information they provide.

	6 months of 2021	6 months of 2022	6 months of 2023
Revenue (EUR tho)	67,835	112,824	103,720
Gross profit (EUR tho)	4,981	13,709	10,127
Gross profit margin, pct	7.3%	12.2%	9.8%
EBITDA (EUR tho)	3,917	11,568	7,673
EBITDA margin, pct	5.8%	10.3%	7.4%
EBIT (operating profit) (EUR tho)	1,868	9,427	5,569
EBIT margin, pct	2.8%	8.4%	5.4%
EBT (profit before tax) (EUR tho)	1,512	9,256	4,889
EBT margin, pct	2.2%	8.2%	4.7%
Net profit (EUR tho)	1,544	8,320	4,909
Net profit margin, pct	2.3%	7.4%	4.7%
Net profit per share (EUR)	0.13	0.70	0.41
Share market price and net profit per share ratio - P/E ratio	23.67	6.01	10,83
Return on equity (ROE), pct	4.4%	19.6%	9.7%
Return on assets (ROA), pct	1.9%	9.2%	5.2%
Return on capital employed (ROCE), pct	3.8%	13.8%	8.2%
Debt ratio	0.59	0.51	0.44
Debt to equity ratio	0.75	0.48	0.38
Liquidity ratio	0.70	1.64	1.60
Turnover of assets	0.77	1.21	1.13
The capital to assets ratio	0.40	0.49	0.56
Financial debt (EUR tho)	26,589	22,018	19,302
Net debt (EUR tho)	26,370	20,614	12,056
Net debt /EBITDA	6.73	1.78	1.57

**Gross profit** is indicator that is in company's profit/loss statement. It is sales revenue minus cost of goods sold. Usually, this profit is biggest among other profit types.

**Gross profit margin** shows how much profit is for one unit of sales revenue. Indicator is calculated by dividing gross profit by sales revenue.

**EBITDA** – earnings before interest, taxes, depreciation and amortization, it shows company's earnings before evaluating the effect of company's financial policies as well as profit tax. Vilkyškių pieninė AB calculates this indicator by adding long-term assets depreciation, amortization to and subtracting subsidies from operating profit. When calculating EBITDA elements that are not directly influenced by activities of the company may be eliminated.

**EBITDA margin** is a profitability indicator that can be used to compare the profitability of companies (in the same sector), to monitor changes in the profitability of the same company. The higher the value of the indicator is, the higher the profitability of the company is. The indicator is calculated by dividing EBITDA by revenue.

**EBIT (operating profit)** is profit before interest and taxes. It shows the company's profit earned during the operating and investment cycle (before assessing the impact of the company's financing policy on profit and before deducting the income tax). This indicator reflects the company's ability to generate cash flow. The indicator is calculated by adding financial operating expenses to pre-tax profit and deducting the financial activity income

**EBIT margin** is indicator that shows operating effectiveness, it is calculated by dividing operating profit by sales revenue. **EBT (profit before tax)** is profit before taxation. The indicator is calculated by adding profit tax expense to net profit. **EBT margin** is calculated by dividing EBT by income. Shows the company's profit before taxes to sales ratio. A higher value of the indicator indicates a higher profitability of the company.

**Net profit (loss)** is the financial indicator which is calculated by deducting all expenses and taxes from income.

**Net profit margin** is indicator of a company's profitability. Calculated by dividing net profit by income.

**Net profit per share** is one of the most popular stock valuation indicators that shows the company's profit per share. The indicator is calculated by dividing net profit by the number of shares in the stock turnover.

**The P / E ratio** is the ratio of the stock market price to profit per share. The indicator shows how much the company's shares cost as compared to the net profit. The P / E indicator provides information on whether a company is expensive as compared to its earned profits. The higher the net profit is, the lower the P / E ratio is, and, therefore, the more attractive such shares are for investment. The indicator is calculated by dividing the market price of the share by the net profit per share.

**Return on equity (ROE)** is the net profit to equity ratio. The indicator shows how efficiently the company uses shareholders' assets to earn profit. This indicator is important for shareholders in assessing the return on their investment in the company in the previous period. The higher the return on equity is, the more efficient the company's operations are, the more profit it earns for its shareholders. The ratio is calculated by dividing net profit by the average of equity at the beginning and end of the reporting period.

**Return on assets (ROA)** is the net profit to assets ratio. Return on assets shows how much net profit a company earns per euro of assets. This value can be used as a measure of the efficiency of the use of a company's assets. The higher the ROA value is, the more efficiently the assets are employed, the more profit is earned. The indicator is calculated by dividing the net profit by the average of the assets at the beginning and end of the reporting period.

**Return on capital employed (ROCE)** is the profitability indicator measuring the return on funds necessary for the company's continuous operations. It is often compared to the interest rates on loans in the market at that time. The company's ROCE ratio is considered to be higher than the price of borrowed capital at that time. The indicator is calculated by dividing EBIT by the difference between total assets and short-term liabilities

**Debt ratio** reflects the part of the company's assets that has acquired with borrowed funds. The indicator is calculated by dividing all liabilities of the company by assets.

**Debt to equity ratio.** This is one of the key indicators of financial leverage. The debt to equity ratio shows the amount of short-term and long-term debt in euros per euro of equity. The indicator is calculated by dividing the financial debt by the equity.

**The liquidity ratio** shows the company's ability to meet its short-term liabilities by using its owned short-term assets. The higher the ratio is, the better the liquidity position is. The indicator is calculated by dividing short-term assets by short-term liabilities.

**Turnover of assets.** It is an efficiency indicator that shows the sales revenue to assets ratio. This indicator shows how efficiently a company uses its capital. A higher value indicates a higher degree of overall asset management efficiency and vice versa. The indicator is calculated by dividing the sales revenue by total assets.

**The capital to assets ratio** shows the proportion between private capital and total assets. This indicator shows the share of private capital in the capital structure. The lower this ratio is, the more the company is dependent on borrowed funds. The ratio is calculated by dividing private capital by total assets.

**Financial debt** is the sum of short-term and long-term debt, which shows the amount of indebtedness of the company. The indicator is calculated by adding long-term and short-term lease liabilities to long-term and short-term loans.

**Net debt** is all the financial liabilities of the company with the deduction of the available cash and cash equivalents. This indicator can be used during in a credit rating review. The indicator is calculated by deducting cash and cash equivalents from financial debt.

**Net debt / EBITDA** shows the company's ability to repay debts from earned profits. This indicator can also be used in a credit rating review. The indicator is calculated by dividing net debt by EBITDA.

**Raw milk purchases by “Vilvi Group”:**

	6 months of 2021	6 months of 2022	6 months of 2023
Basic indicators milk, tonnes	145,740	153,478	154,837
Cost of basic indicators milk, EUR tho	39,463	62,557	51,209
Milk price, EUR/t	271	408	312

In 6 months of 2023, a total of 155 tho tonnes of milk were purchased and increase by 0.9 percent as compared with 6 months of 2022. The price of milk decreased by 23.6% percent from the same period previous year.

**“Vilvi Group” production output, intended for sale, tonnes:**

	6 months of 2021	6 months of 2022	6 months of 2023
Cheese, cheese products and other	20,657	26,922	22,319
Fresh milk products	7,208	7,715	8,369
Dry milk products	10,324	10,838	10,877

In 6 months of 2023, cheese and cheese product and other production amounted to 22.3 tho tonnes, down by 17.1 percent comparing to the same period last year. Production of fresh milk products was 8.4 tho tonnes, up by 8.5 percent comparing to 6 months of 2022. Production of dry milk products amounted to 10.9 tho tonnes in 6 months of 2023 up by 0.4 percent comparing to the same period last year.

**11.Sales and marketing**

The prices of raw milk and products made from it jumped to record highs in 2022, so it is natural that after adjusting the factors that influenced it (war, energy price growth, natural elements), the prices in 2023 gradually returned to the previous limits in the first half of the year.

As always, a wide sales geography allowed diversification of sales directions, thus avoiding a sudden drop in sales volumes.

**Sales by product segment, EUR thousand:**

	6 months of 2021	6 months of 2022	6 months of 2023
Cheese, cheese products and other	47,518	81,842	65,587
Fresh milk products	9,284	11,925	17,928
Dry milk products	11,033	19,057	20,205
<b>Total revenue</b>	<b>67,835</b>	<b>112,824</b>	<b>103,720</b>

Comparing the first half of the year 2022 and 2023, there were no signs of change in the amount of products sold - in the cheese category +7%, the amount of milk fat remained similar, the amount of dry products increased the most (+27%).

**Cheese, cheese products and other** sales revenue in 2023 in the first half accounted for 63.3 percent of total sales. Sales channels remain similar as in previous periods - food service, manufacturers using our products as raw material.

Income of **dry milk products** in H1 2023 increased by 6.0 percent comparing 2022 during the same period. This was influenced by a significant increase in the quantities of sold production, which allowed to increase income even after the prices in the markets decreased.

Sales of **fresh milk products** in 2023 increased by 50.3 percent in the first half of the year compare with 2022 in the relevant period. Fresh dairy revenue increased due to increased sales volumes, also impacted from 2022 onwards. The increased price level in the categories of fresh dairy products at the beginning of the 3Q, which was maintained until the end of the 1Q of 2023.

In H1 2023 exports amounted to 83.5 % of total group sales. As in the previous years the largest part of export are sales of cheese, cheese products, cream and dry milk products.

**“Vilvi Group” sales revenue by geographical segments, EUR thousand:**

	6 months of 2021	6 months of 2022	6 months of 2023
European Union	31,288	69,286	49,104
Lithuania	11,333	11,996	17,076
Other countries	25,214	31,542	37,540
<b>Total revenue</b>	<b>67,835</b>	<b>112,824</b>	<b>103,720</b>

“Vilvi Group” sales revenue for the first half of 2023 grew the most in the Lithuanian market - increased by 42.3%. In export markets sales decreased by 10.1% comparing 2022 during the same period. The largest decrease in the amount of sales - to the countries of the European Union.

## 12. Exhibitions and Awards

In February, "Vilvi Group" traditionally took part in the international exhibition of food industry "Gulfood 2023" in Dubai, The United Arab Emirates. The main focus was on mozzarella cheese and milk/whey powder.

## 13. Risk Factors Associated with Issuer’s Business

The core activity of the group of companies is milk processing. The main factors that could adversely affect the Group's cash flows and activity results and create business risk for the company are possible changes in the raw materials and products markets, as well as other economic, technological, social and business environment changes directly or indirectly related to “Vilvi Group” business.

The Group companies operate in accordance with the approved ISO standards and the requirements of the regulatory enactments of the Republic of Lithuania, which help to identify risks and establish risk management procedures. Within the group of companies, risk identification, preventive and corrective actions are the responsibility of the company's employees involved in the respective activities, who are each responsible for their own area. Risks are assessed in internal and external aspects, taking into account stakeholders. Depending on the type, origin and complexity of the risk, preventive and / or corrective actions are identified, which are integrated into the business plan and their outcome is monitored.

### MANAGEMENT OF ECONOMIC RISK FACTORS

#### Supply of raw materials:

**Raw milk.** The main raw material in the production of the Group's companies is cow milk, the supply of which is relatively limited due to its short shelf life. The Group confronts with the seasonality of raw milk – small dairy farms produce more milk in summer than in winter, and there is also competition to purchase milk, which affects milk purchase prices and the amount of milk purchased.

- *Risk management.* This risk is managed by diversifying the purchase of raw milk from suppliers of different sizes in Lithuania and by importing additional raw milk from Latvia. The company enters into purchase and sale agreements with suppliers for raw milk. Milk suppliers are paid a bonus to the basic milk purchase price.

**Whey concentrate.** Kelmės pieninė AB main raw material is whey concentrate which further is processed into whey protein concentrate and whey permeate concentrate which subsequently are processed into dry milk products. Since whey concentrate is made of milk whey and milk supply quantity is seasonally affected, the supply quantity of whey concentrate decreases in winter. As supply of whey concentrate decreases, competition on buying side increases that has effect on prices and quantity for it.

- *Risk management.* Risk is managed by diversifying purchasing of whey concentrate from suppliers in Latvia and Estonia. 50 per cent of the raw material necessary for production of dry milk products provides Vilkyškių pieninė AB.

**Product (non) sales risk:**

The production of *matured cheese* is a long process that can take 1-18 months. This specificity of production does not allow us to react quickly to sudden changes in the cheese market, which may adversely affect the Company's cash flow and activity results. However, this category accounts for a small share of sales.

*Cheese and cheese product.* Sales channels cover all regions of the world. There are dominant markets, but if necessary, the “Vilvi Group” can relocate sales to other countries, which are over 60 at this moment. In this case, the prices would have to be reduced. There is a risk of adverse changes in the demand for and / or price of the cheese on the cheese market. As the cheese-making process is short, taking up to 1 month, it is possible to switch to the production of another type of cheese very quickly once sales of this product have stopped.

The risk of sales of *fresh milk products* arises from keeping both excessive and deficient stocks of products in storage. In the first case, a product with a shorter validity period may have to be sold cheaper, in the second case, penalties may be paid for non-delivery.

The risk of sales of *dry dairy products* is that the products may become down on demand in the markets where they are currently sold. At this moment, the level of diversification in the category of dry dairy products is not extremely high.

- *Risk management.* The Group is constantly looking for new customers in both Lithuanian and foreign markets. The risk that partners will not meet their obligations for the purchased goods is controlled by establishing control procedures. Only guaranteed payment terms are used with all customers. Deferred payment applies only to customers to whom our partner - credit insurance company Euler Hermes - grants credit limits. Those who do not have credit limits make advance payments, we also work with such solvency risk management instruments as letters of credit, CAD, incasso, factoring, and we also have pledge of property cases.

**The increase in the price of energy (natural gas, fuel, electricity)** increases not only the production costs of the Group companies, but also the costs of transportation of products, resulting in that the final product cost increases. In the final product cost, energy costs are up to 5,2%.

- *Risk management.* The Group's companies are streamlining production to maximize equipment utilization, as well as plan logistics routes efficiently.

## MANAGEMENT OF OCCUPATIONAL RISK FACTORS

**Noise.** Non-compliance with minimum general requirements for work equipment.

- *Risk management.* In the Group's companies, work equipment is installed and designed to minimize the risk to the employee. Constant maintenance of such facilities is carried out. Collective protective equipment that can reduce the level of noise emitted is applied, protective, sound-insulating enclosures and partitions are made. Employees use personal protective equipment. Constant health examinations of employees are carried out. Staff training is organized.

**Lighting.** Insufficient or poorly equipped, poorly maintained lighting in the workplace is one of the main factors of occupational risk, which directly affects the employee's emotional state, work efficiency, the number of accidents at work.

- *Risk management.* A professional workplace risk assessment has been performed in all “Vilvi Group” companies. Measurements of natural and artificial lighting have been performed. In order to improve the working conditions of employees, old luminaires have been replaced by new LED luminaires after the measurements. Their advantage is lower energy consumption, longer service life and higher efficiency.

**Chemical factors.** Use of chemicals in manufacturing, washing processes and laboratory testing. All the specifics of the production of dairy products are inextricably linked to the use of chemicals in cleaning, washing and disinfection processes.

- *Risk management.* All production workshops are equipped with high-pressure cleaning equipment, which feeds, doses and controls the supply of chemicals for disinfection and room washing, thus improving and facilitating the working conditions of employees. Health examinations and use of personal protective equipment are mandatory for all employees at whose workplaces chemicals are used. Employees are trained to handle hazardous chemicals and are familiar with SDLs (safety data sheets). Wherever chemicals are used, an artificial ventilation system is installed.

**Ergonomic factors.** Work of staff involved in manual handling of loads.

- *Risk management.* An occupational risk assessment of all workplaces has been performed to assess ergonomic risk factors. Production department managers constantly make suggestions to reduce ergonomic risk factors. Where manual work is predominant, efforts are made to use machinery (manual, electric hoists-trucks for transporting products). A robotic cheese head pallet line has been installed to prevent lifting heavy weights. A new strip packaging line for cheese blocks is being installed. All the listed measures allow avoiding heavy manual work, increase productivity and reduce the risk of accidents at work. All staff involved in manual handling of loads are trained and subjected to a mandatory medical examination

#### MANAGEMENT OF INFORMATION SECURITY RISK FACTORS

**Information security.** Information assets are stored in physical facilities that may be lost or damaged.

- *Risk management.* The group follows an approved *IT security policy*. All devices use legal software that is constantly updated. Changes to the business management system are tested first, and only then they are transferred to the production base. Access to company systems and data is limited to the rights that are necessary to perform the work. To protect the data from loss, we do backups that we store for 1-2 weeks, depending on the priority of the software. All computers and servers have a centrally managed antivirus software that is constantly updated. All personal data of employees is processed and stored in accordance with the general data protection regulation (GDPR).

**There is a risk of cyber-attacks.**

- *Risk management.* A firewall is used to protect against unauthorized access from the outside. Its maintenance and constant updating is performed by certified specialists.

#### MANAGEMENT OF SOCIAL RISK FACTORS

**Food safety and quality.** Risks may arise in case of insufficient assessment and management of risk factors (biological, chemical, physical).

- *Risk management.* Food safety and management standards (ISO 22000/FSSC 22000) are used to control the risk of production quality. The Group follows an approved Food Safety and Quality Policy. Monthly and quarterly factory inspections and internal audits are carried out in the companies of the Group in accordance with the quality and safety system implemented in the Group. Audits are performed by competent personnel trained by external auditors. Also controlling, certifying authorities, existing or potential customers. Annual user and customer surveys are conducted for the purpose of analyzing satisfaction and needs. In the group of companies, complaints are registered via the general quality phone and e-mail, they are registered, analyzed, and customers are communicated with in order to find

out the specific reasons. Reaction time and actions are provided according to the nature of the complaint and based on the described complaint guidelines.

**Ensuring human rights.**

- *Risk management.* “Vilvi Group” follows the approved policies and codes: *Human Rights Policy, Ethical Employment Code, Equal Opportunities Policy, Violence and Harassment Prevention Policy.* For these policies and codes, responsible persons have been appointed in the Group's management, as well as planned implementation, supervision and control processes. Employees and other interested parties have access to the Group's Internet Message Channel and Helpline, which can be used to anonymously inform about worrying situations. The group does not tolerate any manifestations of human rights and discrimination, every employee is provided with the level of employment, professional development and career opportunities, regardless of their gender, age, social status, there must be other suitable ones that are not related to the employees' professional characteristics. The remuneration policy and the Labor Payment System ensure fair remuneration.

**Attracting and retaining employees.** The risk of attracting and retaining employees is related to the lack of employees and population decline in regions (where the group's companies are established: Taurage, Vilkyškiai, Kelmė) far from large cities. The lack of highly qualified (engineering) employees is especially felt.

- *Risk management.* The lack of employees is directly related to the smooth operation of the company, therefore various measures are applied, and special attention is paid to the management of employee attraction and retention: close cooperation with the Employment Service, educational institutions (participation in career fairs, thematic lectures), various employee search channels are used. Great attention is paid to the process of selection and introduction of employees. The company's internal resources are used: existing employees are given the opportunity to improve, acquire new competencies by organizing internal and external training, and employee careers are planned. Employees are additionally motivated by various wellness measures. The company values employee loyalty - long-term employees are additionally encouraged.

**Unfair work / corruption and bribery.**

- *Risk management.* “Vilvi Group” follows the approved Code of Ethical Business, which provides basic provisions and rules for dealing with stakeholders. The Group does not tolerate any manifestations of corruption, including bribery and bribery, and adheres to the principles of fair business and transparent cooperation with state institutions and other interested parties. The group of companies trades its products in accordance with the principle of transparency, does not participate in any transactions where bribes are requested or it is offered to act in a non-transparent manner. The group evaluates the observations and suggestions of the responsible authorities, takes this into account and improves the processes. It is also politically neutral and does not provide any financial support to political parties, groups or politicians.

**Damage to reputation/image.** Reputation and trademark risk are mainly related to the activities of employees and the decisions they make. Reputation can be damaged by low-quality dairy products, for the production and quality control of which decisions are made by employees, wrong word in public or cooperation with partners, as well as inadequate communication / advertising actions, etc.

- *Risk management.* Food safety and management standards (ISO 22000 / FSSC 22000) are used to manage product quality risks. The Group follows the approved Code of Ethical Business, which provides basic provisions and rules for dealing with stakeholders. The position of the group of companies may be expressed publicly only by the general director or, in financial matters, by the economics-financial director. All other announcements in the public space shall be coordinated with the general director in accordance with the established procedure. Cooperation with external partners is based on the strategy and values of the group of companies, which act as the basis for business relations. Communication and advertising activities are coordinated with the responsible employees in advance, thus avoiding conflict with the group's goals, activities and vision.

## MANAGEMENT OF CLIMATE AND ENVIRONMENTAL PROTECTION RISK FACTORS

**Environmental impact.** In their activities, the companies of the Group consume a significant amount of energy and natural resources, which poses a risk of environmental pollution. There is also a risk that the activities carried out may cause unwanted noise and smell to the surrounding residents or businesses. Since AB Vilkyškių's dairy production wastewater is cleaned in its own treatment facilities, there is a risk that pollutants will be released into the environment due to technical malfunctions. Improper handling of waste generated during the activity poses a threat to environmental pollution.

- *Risk management.* “Vilvi Group” follows an approved Environmental Protection Policy. Monitoring of the consumption of natural and energy resources is carried out in the companies, environmental impact analysis and assessment is periodically carried out, and a project for raising the goals for the assessment and reduction of greenhouse gas emissions is carried out. In accordance with the established procedure, AB Vilkyškių dairy has developed a monitoring program for the impact of the watering place on the groundwater and the observations are being carried out, as well as the possible impact of the own gas station on the groundwater is controlled according to the monitoring program, and the monitoring of pollutants emitted into the air, sources of pollution with sewage is carried out. AB Vilkyškių dairy is equipped with an automatic wastewater control system that prevents excess sewage sludge from entering the environment together with treated wastewater. From the dryers of AB Kelmės pieninė, the air contaminated with solid particles is directed to the cyclones and discharged into the environment. Waste generated during production is managed and accounted for in all Group companies in accordance with the established environmental requirements in the product, packaging and waste accounting information system - GPAIS

**Physical risks of climate change.** In the region of operation, risks may arise due to the frequency of extreme meteorological events, increasing gradual climate change, deterioration of the environmental condition (air, water, soil pollution) as well as water shortages, loss of biodiversity, deforestation. It is necessary to manage due to the possible influence on the continuity of operations and due to the possible financial impact.

- *Risk management.* “Vilvi Group” conducts climate risk assessment, reviews climate change scenarios and their possible impact on the region of operation. Climate change adaptation goals are set, plans for unexpected business interruptions, employee training and exercises are updated.

**Climate change transition risk.** As a result of adapting to lower carbon technologies and the process of a more environmentally sustainable economy, the Group may directly or indirectly experience financial losses. Risks arise from the rapidly changing environment of climate change regulation and environmental requirements, rapid technological advances, changes in customer and investor expectations and consumer priorities.

- *Risk management.* “Vilvi Group” is guided by the approved Environmental Protection Policy, in which one of the main objectives is the assessment of environmental impact, the measurement of GHG emissions and the setting of reduction targets. Having assessed the extent of the need for energy resources, the Group strives for energy independence by planning its own sources of renewable energy. “Vilvi Group” takes the path of sustainability by carefully and consistently planning actions, actively monitoring changes in the legal environment of the European Union and Lithuania, changing reporting requirements, and implementing the evaluation process of Taxonomy activities. There is active cooperation with clients, their expectations are heard and the Group's position and aspirations are communicated.

## UNCERTAINTY IN THE BUSINESS ENVIRONMENT

**Politics of the country and surrounding countries, unrest.** Potential financial losses that may result from the loss of sales revenue due to certain political decisions or political events.

- *Risk management.* The company maintains a sufficiently wide range of markets without focusing on one market. A sufficiently wide geography of markets can protect against adverse effects in any given country. We constantly monitor the percentage distribution of markets. Due to the diversification of

markets, the loss of a market, such as China, did not result in a large loss for the “Vilvi Group”, as sales were reallocated to other markets fairly quickly.

**Changing EU and LR legal regulation.** Increasing and rapidly changing requirements may require rapid response, human resources, implementation of additional measures, processes and tools, resulting in direct and indirect financial losses.

- *Risk management.* “Vilvi Group” feels an increased acceleration of changes in legal requirements, especially in areas related to the EU Green Course (e.g. environmental requirements and non-financial reporting, taxonomy), transparency (e.g. accounting standards), social areas (e.g. changes to the labor code), etc. . Changes are being prepared consistently and in measured steps - the aim is to increase energy efficiency, optimize the use of resources, increase the involvement of human resources, and look for IT solutions that can shorten the adaptation time. Responsible persons are appointed, employees' competence is developed, legal requirements are constantly followed.

## FINANCIAL RISK MANAGEMENT

When using financial instruments, the Group companies are exposed to **credit, liquidity and market risks**, the management of which is presented in the summary of the Significant Accounting Principles – *Financial Risk Management*, given in the Financial Statements of AB Vilkyškių pieninė as of 31 December 2022.

### 14. Competition

Vilkyškių pieninė AB estimates that it has a 20 percent share of the Lithuanian market as measured by quantity of processed milk, i.e. it is in third place behind competitors Rokiškio sūris AB and AB and Žemaitijos pienas AB.

On foreign markets, “Vilvi Group“ has to compete against local manufacturers, who have the advantage of lower transportation costs. However, “Vilvi Group” compensates it by offering a range of higher value-added cheese and other products.

“Vilvi Group“ offers industrial products in dry milk product segment, which are oriented to exports. Company has developed its own brand GymOn of whey protein powder concentrate for athletes that is offered to end-consumer. This product is distributed to supermarkets, sports shops, pharmacies and sold via own internet shop [www.gymon.lt](http://www.gymon.lt).

### 15. Key Events After Fiscal Year-End

No significant events have occurred.

## III. Other information about issuer

### 16. Structure of Issuer’s Share Capital

“Vilvi Group” Share Capital:

Company name	Type of share	Number of shares	Share face value, EUR	Total face value, EUR
Vilkyškių pieninė AB	Common registered shares	11,943,000	0.29	3,463,470
Kelmės pieninė AB	Common registered shares	2,457,070	0.29	712,550
“Modest” AB	Common registered shares	5,617,118	0.29	1,628,964
Pieno logistika AB	Common registered shares	371,333	0.29	107,687
“Kelmės pienas” UAB	Common registered shares	2,500	1.00	2,500
“Baltic Dairy Board“ SIA	Common registered shares	777,778	1.00	777,778

## 17. Information on Treasury Stock

The Company does not hold its own shares.

## 18. Rights of Shareholders

Shareholders have these non-proprietary rights:

- to attend and vote in general meetings of shareholders;
- to receive information about the Company as set out in Article 18 (1) of the Law on Public Companies;
- to lodge a claim in a court of law for compensation of damages caused to the Company through inaction or inappropriate actions of the Company's director, also in other cases set out by the law;
- other non-proprietary rights stipulated by legal acts.

Shareholders have the following proprietary rights:

- to receive a share of the Company's profit (dividend);
- to receive a share of the assets of the Company in liquidation;
- to be granted shares free of charge where the Company's share capital is increased from its own capital, save exceptions set out by the Law on Public Companies;
- to have priority to buy new shares and share options in the Company, except for cases where a general meeting of shareholder has legitimately voted to revoke this right for all;
- to transfer all or part of their shares to other persons, using a procedure set out in the Law on Public Companies;
- other proprietary rights granted by the law.

None of the Company's shareholders has any special control rights. The rights of all shareholders are equal. One common registered share grants one vote in a general meeting of shareholders.

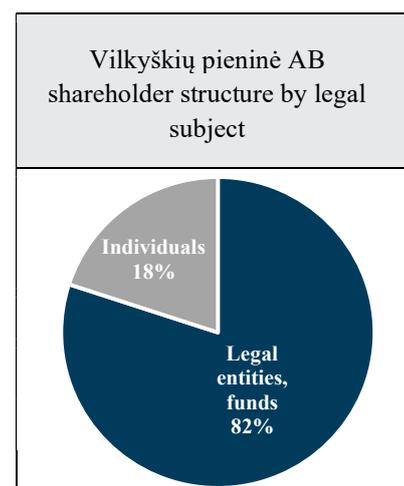
## 19. Restrictions on Transfer of Securities

There are no restrictions on the transfer of securities.

## 20. Information about Shareholders

The total number of shareholders of Vilkyškių pieninė AB on 30 June 2023 was 1691. The following are the major shareholders:

Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
Swisspartners Versicherung AG Zweigniederlassung Österreich	7,213,680	60.4%	-
Multi Asset Selection Fund	2,035,729	17.0%	17%
Gintaras Bertašius	-	-	60%
Minority shareholders	2,693,591	22.6%	23%
<b>Total stock</b>	<b>11,943,000</b>	<b>100%</b>	<b>100%</b>



### Kelmės pieninė AB shareholders

Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
Vilkyškių pieninė AB	2,457,070	100%	100%
<b>Total stock</b>	<b>2,457,070</b>	<b>100%</b>	<b>100%</b>

**“Kelmės pienas” UAB shareholders**

Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
Kelmės pieninė AB	2,500	100%	100%
<b>Total stock</b>	<b>2,500</b>	<b>100%</b>	<b>100%</b>

**“Modest” AB shareholders**

Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
Vilkyškių pieninė AB	5,601,277	99.7%	99.7%
Minority shareholders	15,841	0.3%	0.3%
<b>Total stock</b>	<b>5,617,118</b>	<b>100%</b>	<b>100%</b>

**“Pieno logistika” AB shareholders**

Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
“Kelmės pienas“ UAB	218,781	58.9%	58.9%
„Repšiai“ ŽŪB	35,032	9.4%	9.4%
Minority shareholders	117,520	31.6%	31.6%
<b>Total stock</b>	<b>371,333</b>	<b>100.0%</b>	<b>100.0%</b>

**“Baltic Dairy Board” SIA shareholders**

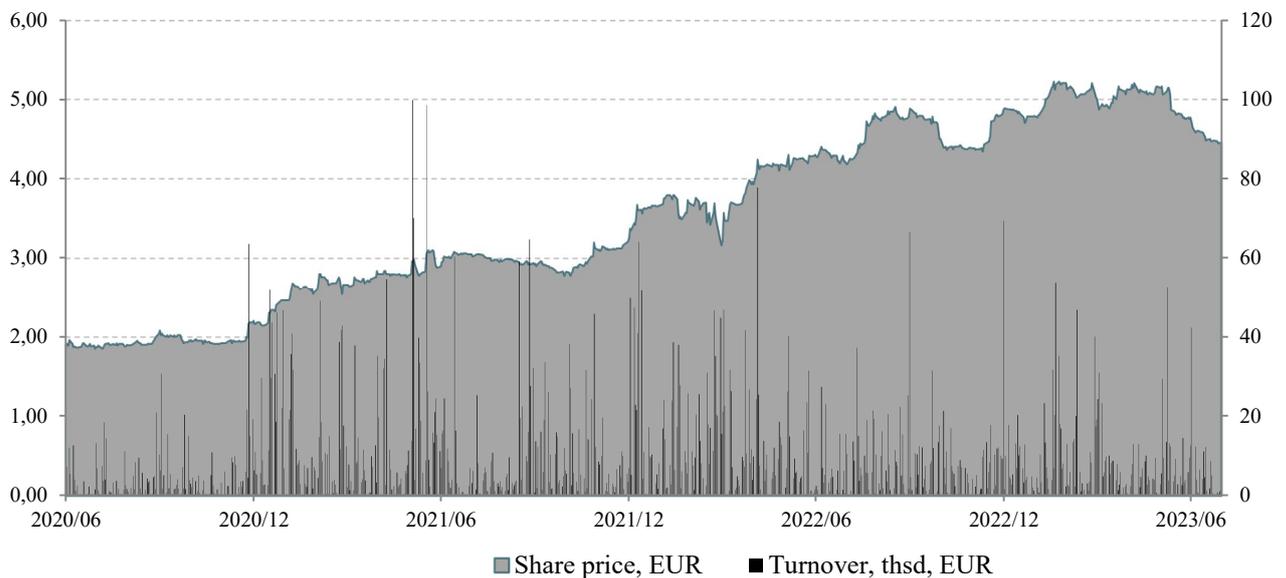
Shareholder	Number of shares held, units	Percent of share capital, pct	Share of votes at shareholder meetings, pct
AB Vilkyškių pieninė	777,778	100%	100%
<b>Total stock</b>	<b>777,778</b>	<b>100%</b>	<b>100%</b>

**21. Agreements Between Shareholders, Known to Issuer, Which May Lead to Restrictions on Securities Transfers or Voting Rights**

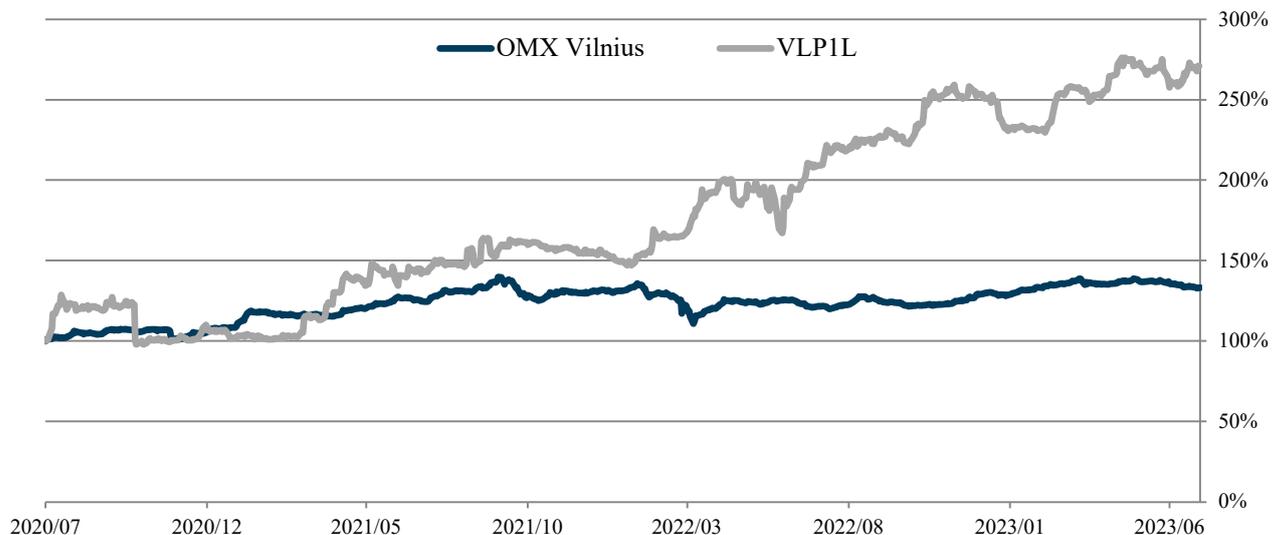
The Company is not aware of any direct agreements between shareholders that might result in restrictions on the transfer of securities and/or on voting rights.

## 22. Trading in Issuer's Securities on Regulated Markets

The change of price of Vilkyškių pieninė AB shares and trade volume in June 2020 – June 2023.



Comparison of Vilkyškių pieninė AB share price and OMX Vilnius Index June 2020 – June 2023.



## 23. Dividend

Vilkyškių pieninė AB approved a dividend policy in 2012. The following is an extract from that dividend policy:

### Dividend and amount of dividend

1. The Law on Public Companies of the Republic of Lithuania stipulates that the dividend constitutes a share of profit payable to a shareholder in proportion to the face value of the stock held by the shareholder.
2. The Company's shareholders cannot vote to pay a dividend at a general meeting of shareholders, if 1) the Company is insolvent 2) the distributed result for the fiscal year ended is negative 3) the Company's equity is smaller than the sum of its authorised capital and reserves, or in cases where it would become smaller following a dividend payout.

3. The Company's board shall submit to the General Meeting of Shareholders an amount of dividend based on the audited net profit result for the fiscal year ended.
4. If the Company has been profitable, the Company's board shall allocate a certain part of revenue for dividend as set out in Clause 2.6, reinvesting the rest of the revenue so as to increase the Company's capitalisation.
5. The Company shall pay dividend in cash.
6. The Company's board should establish the amount of dividend after taking into account the consolidated net profit of the Company for the year ended. The dividend amount must be not less than 25 percent of the consolidated net profit of the Company for the year ended, but not larger than the Company's annual consolidated net profit
7. The Company reserves the right to diverge from the criteria for the amount of dividend, provided it gives reasons for such divergence.

Vilkyškių pieninė AB dividend payments in the past 5 years:

<b>Dividend</b>	<b>2019 (for 2018)</b>	<b>2020 (for 2019)</b>	<b>2021 (for 2020)</b>	<b>2022 (for 2021)</b>	<b>2023 (for 2022)</b>
Dividend (EUR)	-	-	955,440	2,388,600	3,164.895
Dividend per share (EUR)	-	-	0.08	0.20	0.265
Number of shares	11,943,000	11,943,000	11,943,000	11,943,000	11,943,000

Kelmės pieninė AB dividend payments in the past 5 years:

<b>Dividend</b>	<b>2019 (for 2018)</b>	<b>2020 (for 2019)</b>	<b>2021 (for 2020)</b>	<b>2022 (for 2021)</b>	<b>2023 (for 2022)</b>
Dividend (EUR)	1,719,949	5,651,261	7,371,210	3,931,312	1,523,383
Dividend per share (EUR)	0.70	2.30	3.00	1.60	0.62
Number of shares	2,457,070	2,457,070	2,457,070	2,457,070	2,457,070

„Kelmės pienas“ UAB paid out 1.2 MEUR dividends in 2023 (for 2022 m.).

“Modest” AB, “Pieno logistika” AB and “Baltic Dairy Board” SIA did not pay any dividend in the last five years.

## 24. Employees

On 30<sup>th</sup> of June 2023 the number of employees working for the “Vilvi Group” amounted to 902.

Employee category	Number of employees	Education				Average monthly salary (EUR)
		higher	vocational	secondary	secondary incomplete	
Managers	30	22	7	1	-	5,051
Specialists	316	118	85	109	4	1,881
Workers	556	20	148	340	48	1,340
	<b>902</b>	<b>160</b>	<b>240</b>	<b>450</b>	<b>52</b>	<b>1,653</b>

On 30<sup>th</sup> of June 2022 the number of employees working for the “Vilvi Group” amounted to 871.

Employee category	Number of employees	Education				Average monthly salary (EUR)
		higher	vocational	secondary	secondary incomplete	
Managers	29	21	8	-	-	4,664
Specialists	318	122	86	106	4	1,637
Workers	524	16	160	304	44	1,112
	<b>871</b>	<b>159</b>	<b>254</b>	<b>410</b>	<b>48</b>	<b>1,421</b>

Employees work on the basis of labour contracts, while their rights and duties are set out in their job descriptions. Employees do not have any special rights or duties, and all work is organized in compliance with the Labour Code of the Republic of Lithuania.

**25. Vilkyškių pieninė AB Group Governing Bodies**

According to the Articles of Association of Vilkyškių pieninė AB, the Company’s governing bodies are the General Meeting of Shareholders, the Supervisory council, the Board and the Chief Executive Officer. The Supervisory council of the Company represents the shareholders and performs oversight and control functions. The decisions taken by the General Meeting of Shareholders, where they concern issues falling within the remit of the General Meeting of Shareholders as specified in the Articles of Association, are binding to all shareholders, the Supervisory council, the Board, the CEO and other employees of the Company.

The Supervisory council are elected for a term of four years by a General Meeting of Shareholders. The Chairman of the Supervisory council is elected from among its own members.

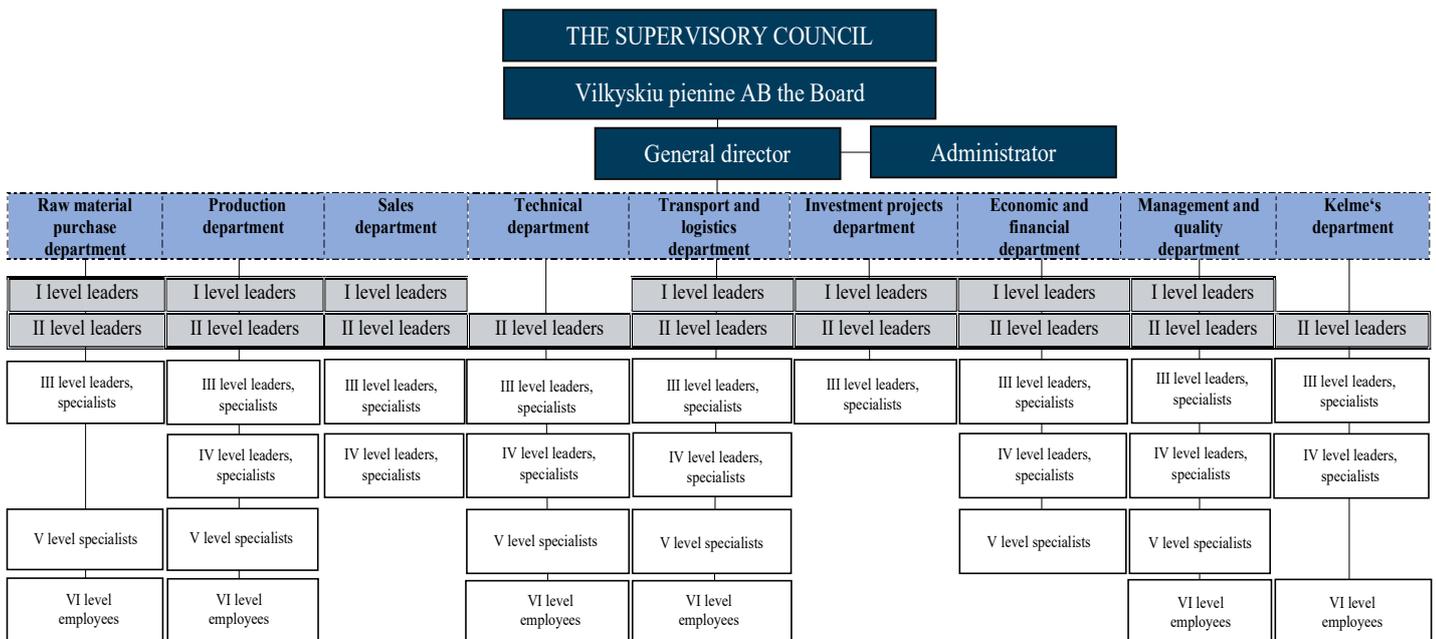
Board members are elected for a term of four years. The Chairman of the Board is elected for a tenure of four years by the Board from among its own members. Members of the Board are elected by The Supervisory council in accordance with the Law on Public Companies.

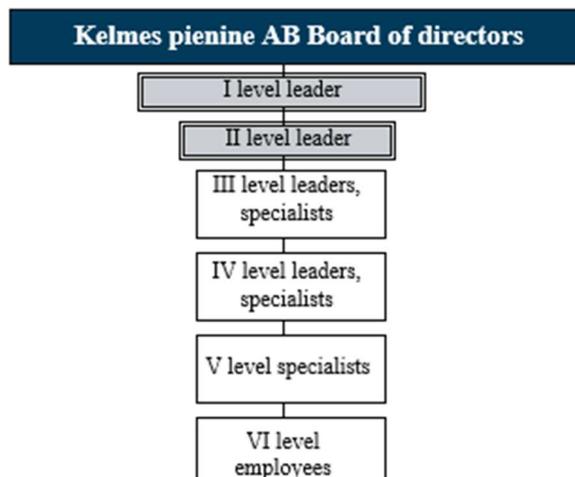
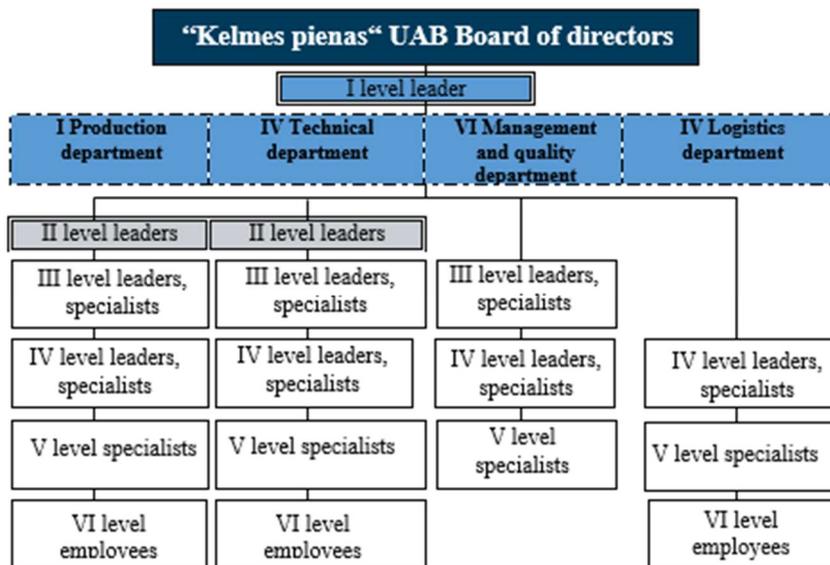
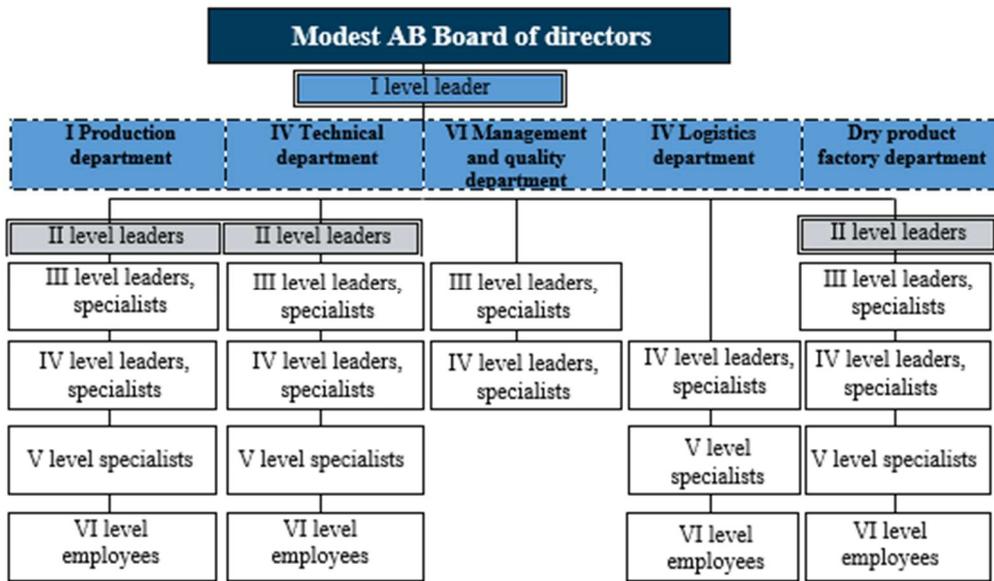
The Board sets up Nomination and Remuneration Committee and approves the regulations of the committee. General Meeting of Shareholders sets up Audit Committee and approves the regulations of the committee.

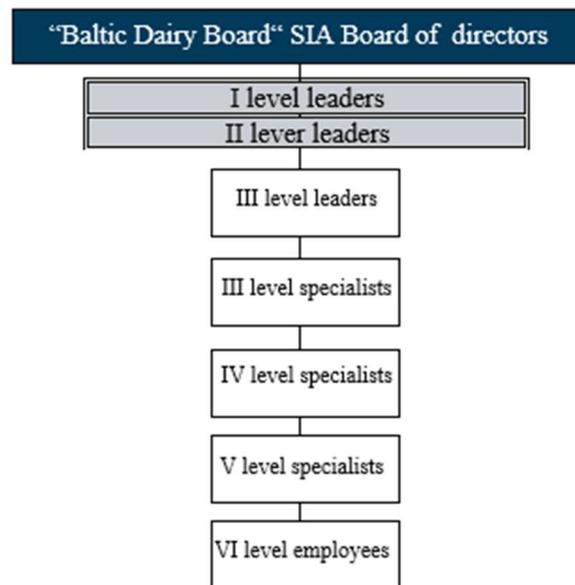
The Board elects and dismisses the Chief Executive Officer. The CEO is the head of the Company. The head of the Company is a single governing body in charge of organising the current business operations of the Company.

Under the Articles of association of Kelmės pieninė AB, “Modest” AB, “Kelmės pienas” UAB and “Baltic Dairy Board” SIA are governed by a general meeting of shareholders, the Board and the director.

**The structure of “Vilvi Group” management**







One-person management body "Pieno logistika" AB – Director.

## 26. Procedure of Amendments to Company Articles

Amendments to the group's Articles of Association can be adopted at a General Meeting of Shareholders. Decisions on changes to the Articles are considered adopted, if approved by two-thirds of shareholder votes.

## 27. Activities of the Supervisory council

In the course of 6 months of 2023, a total of 2 the Supervisory council meetings were held, with the required quorum present at each of them. During the meetings, the chairman of AB Vilkyškių Pieninė Supervisory council was elected and the members of the Board was confirmed.

## 28. Activities of the Board

In the course of 6 months of 2023, a total of 8 the Board meetings were held, with the required quorum present at each of them. The Board approved the 2022 annual financial statements and annual report; it called an ordinary meeting of shareholders and offered the distribution of the 2022 profit for an ordinary meeting of shareholders.

In regular meetings the Board discussed business development opportunities, granting/extension of loans and other current issues.

Kelmės pieninė AB, "Kelmės pienas" UAB, "Modest" AB and "Baltic Dairy Board" SIA hold their board meetings regularly to discuss issues within the remit of the board of directors.

## 29. The Supervisory council, the Board & Administration Members

### Vilkyškių pieninės AB The Supervisory council Members

**Algimantas Lekevičius** – a Supervisory council Chairman since 28 April 2023. Has higher education degree in engineering. Membership in other companies' governing bodies: Project manager of Issuers Unit, Markets and Treasury Department at AB Šiaulių bankas, Chairman of the Užupis Community Senate. As of 30 June 2023, he held 2,000 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

**Marijana Juškienė** – a Supervisory council Member since 28 April 2023. Has higher education degree in, engineering-mathematic. As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB. Has no seats in other companies' governing bodies.

**Martynas Bertašius** – a Supervisory council Member since since 28 April 2023. Working at the company since 2016. Membership in other companies' governing bodies: ŪKB „RELI“ (CRN 306286230, address: Kęstučio

str. 13, LT-99182 Šilutė) manager and actual member. Has higher education degree in economics..As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB.

#### **Vilkyškių pieninė AB Board Members**

**Gintaras Bertašius** – a Board Chairman since 30 January 2006, re-elected for a four-year term on 29 April 2022, CEO of Vilkyškių pieninė AB. Has higher education diploma in mechanical engineering. Membership in other companies' governing bodies: board chairman of "Modest" AB, Kelmės pieninė and "Kelmės pienas" UAB; a member of the board of "Baltic Dairy Board" SIA. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder's meetings (joint life insurance policy has been drawn up at Swisspartners Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Sigitas Trijonis** – a Board Member since 30 January 2006, re-elected for a four-year term on 29 April 2022. Director for Investment Projects of Vilkyškių pieninė AB. Has higher education degree in mechanical engineering. As of 30 June 2023, he held 425,607 shares of Vilkyškių pieninė AB, 3.56 percent of the stock and voting rights. Has no seats in other companies' governing bodies.

**Rimantas Jancevičius** – a Board Member since 30 January 2006, re-elected for a four-year term on 29 April 2022. Has a college diploma as livestock engineer. Chief Purchasing Officer at Vilkyškių pieninė AB. As of 30 June 2023, he held 339,863 shares of Vilkyškių pieninė AB, 2.85 percent of the stock and voting rights. Has no seats in other companies' governing bodies.

**Vilija Milaševičiūtė** – a Board Member since 30 April 2009, re-elected for a four-year term on 29 April 2022. Has higher education in finance and credit. Chief Economics and Financial Officer of Vilkyškių pieninė AB. Membership in other companies' governing bodies: A board member of "Modest" AB, Kelmės pieninė AB, "Kelmės pienas" UAB and "Baltic Dairy Board" SIA. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

**Linus Strėlis** – a Board Member since 7 March 2008, re-elected for a four-year term on 29 April 2022. Has higher education. Membership in other companies' governing bodies: Director of LS Capital UAB (CRN 133118295, address: V. Kudirkos str. 9, Kaunas) and Biglis UAB (CRN 133688345, address: V. Kudirkos str. 9, LT-50283 Kaunas), council chairman of Association of Social Enterprises (Socialinių imonių asociacija) (CRN 300542018, address: Raudondvario pl. 107, Kaunas), board member of Omega AB (CRN 126334727, address: Metalo str. 5, LT-28216 Utena) and East West Agro AB (CRN 300588407, address: Tikslas str. 10, Kumpiai, LT-54311 Kauno r.), a member of the supervisory board in SIA Preses nams. A member of EISME fund committee of Lords LB Asset Management UAB (CRN 301849625, address: Jogailos str. 4, LT-01116 Vilnius.). As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB.

**Andrej Cyba** – a Board Member since 7 March 2008, re-elected for a four-year term on 29 April 2022. Has higher degree in business administration and management. Membership in other companies' governing bodies: Business Development Manager of INVIL Asset Management UAB (CRN 126263073, address: Gynėjų str. 14, LT-01109 Vilnius); chairman of the Board in FMĮ INVIL Finasta UAB (CRN 304049332, address: Gynėjų str. 14, LT-01109 Vilnius) and "Baltic Dairy Board" SIA; chairman of the supervisory Board at IPAS INVIL Asset Management (CRN 40003605043, address: Smilšu iela 7-1, LV1050, Rīga) and AS Pirmais atklātais pensiju fonds (CRN 40003377918, address: Rīga, Smilšu iela 7-1, LV-1050); board member and Chairman of the Audit Committee of Auga Group AB (CRN 126264360, address: Konstitucijos pr. 21C, Quadrum North, LT-08130 Vilnius); CEO of PEF GP1 UAB (CRN 302582709, address: Maironio str. 11, Vilnius), PEF GP2 UAB (CRN 302582716, address: Maironio str. 11, Vilnius), Piola UAB (CRN 120974916, address: Mindaugo str. 16-52, LT-03225 Vilnius) and "Ymmalu" UAB (CRN 305765142, address: Šaltinių str. 24-10, LT-03233, Vilnius). As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB.

#### **Vilkyškių pieninė AB Members of Administration**

**Gintaras Bertašius** – CEO and Chairman of the Board. Works at the Company since 1993. Has higher education diploma as mechanical engineer. Membership in other companies' governing bodies: board chairman of "Modest" AB, "Kelmės pienas" UAB and Kelmės pieninė AB, a member of the board of "Baltic Dairy Board" SIA. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder's meetings (joint life insurance policy has been drawn up at Swisspartners

Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Vilija Milaševičiūtė** – Chief Economics and Financial Officer, a Board Member, working at the Company since 2000. Has higher education in finance and credit. Membership in other companies' governing bodies: a board member of "Modest" AB, Kelmės pieninė AB, "Kelmės pienas" UAB and "Baltic Dairy Board" SIA. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

**Vaidotas Juškys** – Executive Officer, working at the Company since 2010. Has a higher education in IT. As of 30 June 2023, he held 17,756 shares of Vilkyškių pieninė AB, 0.15 percent of the stock and voting rights. Has no seats in other companies' governing bodies.

**Sigitas Trijonis** – Director for Investment Projects, a Board Member, working at the Company since 1993. Has higher education in mechanical engineer. As of 30 June 2023, held 425,607 shares of Vilkyškių pieninė AB, 3.56 percent of the stock and voting rights. Has no seats in other companies' governing bodies.

**Rimantas Jancevičius** – Chief Purchasing Officer, a Board Member, working at the Company since 1996. Has college diploma as livestock engineer. As of 30 June 2023, he held 339,863 shares of Vilkyškių pieninė AB, 2.85 percent of the stock and voting rights. Has no seats in other companies' governing bodies.

**Arvydas Zaranka** – Chief Production Officer, working at the Company since 1995. Has college degree in dairy technology. Membership in other companies' governing bodies: a board member of "Modest" AB, CEO of Kelmės pieninė AB. As of 30 June 2023, held 1,933 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

**Rita Juodikienė** – Management and quality director. Working at the company since 2002. Has a master degree in business management. Membership in other companies' governing bodies: a board member of Kelmės pieninė AB and "Kelmės pienas" UAB. As of 30 June 2023, held 2,175 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

**Paulinas Stanaitis** - Director for Transport and Logistics. Working at the company since 2011. Has a higher education in Management and business administration. As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB. Has no seats in other companies' governing bodies.

#### **Members of Kelmės pieninė AB board and administration**

**Gintaras Bertašius** – Chairman of the Board, re-elected for a four-year term on 29 April 2020. Participation in the governing bodies of other companies: board chairman and CEO of Vilkyškių pieninė AB, "Modest" AB, and "Kelmės pienas" UAB, a member of the board of "Baltic Dairy Board" SIA. Holds higher education degree in mechanical engineering. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder's meetings (joint life insurance policy has been drawn up at Swisspartners Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Vilija Milaševičiūtė** – a member of the board, re-elected for a four-year term on 29 April 2020. Holds higher degree in finance and credit. Participation in the governing bodies of other companies: Chief Economics and Financial Officer and a board member of Vilkyškių pieninė AB, a board member of "Modest" AB, "Kelmės pienas" UAB and "Baltic Dairy Board" SIA. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

**Rita Juodikienė** – a member of the Board, re-elected for a four-year term on 29 April 2020. Has master degree in business management. Participation in the governing bodies of other companies: Quality and management director of Vilkyškių pieninė AB and a board member of "Kelmės pienas" UAB. As of 30 June 2023, held 2,175 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

**Arvydas Zaranka** – CEO. Has college degree in dairy technology. Membership in other companies' governing bodies: Chief Production Officer of Vilkyškių pieninė AB, a board member of "Modest" AB. As of 30 June 2023, held 1,933 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

#### **Members of "Kelmės pienas" UAB board and administration**

**Gintaras Bertašius** – Chairman of the Board. Participation in the governing bodies of other companies: board chairman and CEO of Vilkyškių pieninė AB, “Modest” AB and Kelmės pieninė AB, a member of the board of “Baltic Dairy Board“ SIA. Holds higher education degree in mechanical engineering. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder’s meetings (joint life insurance policy has been drawn up at Swisspartners Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Vilija Milaševičiūtė** – a member of the board, re-elected for a four-year term on 29 April 2020. Holds higher degree in finance and credit. Participation in the governing bodies of other companies: Chief Economics and Financial Officer and a board member of Vilkyškių pieninė AB, a board member of “Modest” AB, Kelmės pieninė AB, “Baltic Dairy Board“ SIA. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

**Rita Juodikienė** – a member of the Board, re-elected for a four-year term on 29 April 2020. Has master degree in business management. Participation in the governing bodies of other companies: Quality and management director of Vilkyškių pieninė AB and a board member of Kelmės pieninė AB. As of 30 June 2023, held 2,175 shares of Vilkyškių pieninė AB, 0.02 percent of the stock and voting rights.

**Jolita Valantinienė** - CEO. Has master degree in management and business administration. As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB. Has no seats in other companies’ governing bodies.

#### **Members of “Modest” AB board and administration**

**Gintaras Bertašius** – Chairman of the Board, re-elected for a four-year term on 29 April 2022. Holds higher education degree in mechanical engineering. Participation in the governing bodies of other companies: board chairman and CEO of AB Vilkyškių pieninė AB, a board chairman at Kelmės pieninė AB and “Kelmės pienas” UAB, a member of the board of “Baltic Dairy Board“ SIA. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder’s meetings (joint life insurance policy has been drawn up at Swisspartners Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Arvydas Zaranka** – a member of the board, re-elected for a four-year term on 29 April 2022. Has college degree in dairy technology. Participation in the governing bodies of other companies: Chief Production Officer of AB Vilkyškių pieninė; CEO of Kelmės pieninė AB. On 30 June 2023 he held 1,933 shares in Vilkyškių pieninė AB, i.e., 0.02 percent of share capital and voting rights.

**Vilija Milaševičiūtė** – member of the board, re-elected for a four-year term on 29 April 2022. Participation in the governing bodies of other companies: Chief Economics and Financial Officer and board member in Vilkyškių pieninė AB, Kelmės pieninė AB, “Kelmės pienas” UAB and “Baltic Dairy Board“ SIA. Has higher education in finance and credit. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

**Matas Pozingis** – CEO, working at the company since 2020. Has higher education degree in management and business administration. As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB. Has no seats in other companies’ governing bodies.

#### **“Baltic Dairy Board“ SIA board and administration**

**Andrej Cyba** – Chairman of the Board, elected for a four-year term on 7 April 2021. Has higher degree in business administration and management. Participation in other companies’ governing bodies: board member of Vilkyškių pieninė AB; Chief Business Development Officer of INVL Asset Management UAB (CRN 126263073, address: Gynėjų g. 14, LT-01109 Vilnius); Chairman of the Board in FMĮ INVL Finasta UAB (CRN 304049332, address: Gynėjų g. 14, LT-01109 Vilnius); chairman of the supervisory Board at IPAS INVL Asset Management (CRN 40003605043, address: Smilšu iela 7-1, LV1050, Rīga) and AS Pirmais atklātais pensiju fonds (CRN 40003377918, address: Rīga, Smilšu iela 7-1, LV-1050); board member and audit committee chairman of Auga Group AB (CRN 126264360, address: Konstitucijos pr. 21C, Quadrum North, LT-08130 Vilnius); CEO of PEF GP1 UAB (CRN 302582709, address: Maironio g. 11, Vilnius), PEF GP2 UAB (CRN 302582716, address: Maironio g. 11, Vilnius), Piola UAB (CRN 120974916, address: Mindaugo g. 16-52, LT-

03225 Vilnius) and Ymmalu UAB (CRN 305765142, address: Šaltinių g. 24-10, LT-03233, Vilnius). As of 30 June 2023, did not have any shares in Vilkyškių pieninė AB.

**Gintaras Bertašius** – a member of the Board, elected for a four-year term on 7 April 2021. Holds higher education degree in mechanical engineering. Participation in the governing bodies of other companies: board chairman and CEO of AB Vilkyškių pieninė AB, a board chairman at Kelmės pieninė AB, “Kelmės pienas” UAB, and “Modest” AB. On 30 June 2023 he did not hold company shares of Vilkyškių pieninė AB, however he exercises the 60.4 percent voting rights in shareholder’s meetings (joint life insurance policy has been drawn up at Swisspartners Versicherung AG Zweigniederlassung Österreich which has taken over ownership rights to 7,213,680 shares of AB Vilkyškių pieninė).

**Vilija Milaševičiūtė** – member of the board, elected for a four-year term on 20 May 2023. Participation in the governing bodies of other companies: Chief Economics and Financial Officer and board member in Vilkyškių pieninė AB, Kelmės pieninė AB, “Kelmės pienas” UAB and “Modest” AB. Has higher education in finance and credit. As of 30 June 2023, she held 9,588 shares of Vilkyškių pieninė AB, 0.08 percent of the stock and voting rights.

### **30. Committees**

Members of the Audit Committee: Aušra Lobinienė (The Head of Internal Audit of Tauragė Credit Union), Vilma Morkaitienė (chief accountant of „Bonus Modus“ UAB) and Sigita Montvilaitė (Vilkyškių pieninė AB employee). None of the Committee members hold senior positions in the Company’s administration or have shares in the Company.

Members of the Nomination and Remuneration Committee: Birutė Butkienė (accountant of ŪKB „Šilgaliai Agro“ buhalterė), Giedrė Krinicina (Vilkyškių pieninė AB employee), Živilė Žymantaitė (Vilkyškių pieninė AB employee). None of the Committee members hold senior positions in the Company’s administration or have shares in the Company.

No committees are formed in subsidiary companies.

### **31. Agreements Enacted by Change of Control, Where Issuer is a Party**

There are no agreements, to which the Issuer is a party, that would take effect if control of the Issuer changed

### **32. Information about Agreements Between the Issuer and its Governing Members or Employees on Compensation Payouts in Case of Their Resignation, Unfair Dismissal or Discharge Upon Change in the Control of the Issuer**

The Supervisory council and the Board Rules of Procedure do not provide for any compensation or payouts if a member resigns before term has expired. All employees are employed and dismissed in conformity with the provisions of the Lithuanian Labour Code.

### **33. Information About Detrimental Acts Concluded by the Issuer that Could Affect Issuer’s Operations**

The Issuer has not concluded any detrimental transactions that had or could in the future have any negative impact on the Issuer’s operations or results. Nor has the Issuer concluded any transactions involving conflict of interest on behalf of the Issuer’s top management, major shareholders or other related parties.

## **IV. INFORMATION ABOUT COMPLIANCE TO MANAGEMENT CODE**

Vilkyskiu Pienine AB essentially follows Corporate Governance Code for the Companies Listed on AB NASDAQ OMX Vilnius. The governing bodies of the Company are the General Shareholder’s Meeting, the Supervisory Council, the Board and the General Manager. The Supervisory Council consists of three members who are elected for the term of four years. The Board consists of six members who are elected for the term of four years. Nomination and Remuneration Committee is established by the Board. The members of Audit

Committee and the regulations of activity of the committee is approved by General Meeting of Shareholders. Each committee of the company is composed of three members.

## V. SUMMARY OF SIGNIFICANT EVENTS

On the 10th day of each month, sales figures for the preceding months are published.

The following decisions were taken at the Ordinary General Meeting of Shareholders of Vilkyškių pieninė AB which was held on the 28 April 2023:

**Item 1 of the Agenda:** Approval of Company's Consolidated annual report for the year 2022.

Resolution: The Consolidated annual report of the Company for the year 2022 has been approved.

**Item 2 of the Agenda:** Independent Auditor's Report regarding the Company's consolidated and separated financial Statements for 2022.

Heard.

**Item 3 of the Agenda:** Approval of Company's separated and consolidated financial statement for the year 2022.

Resolution: Company's separated and consolidated financial statements for the year 2022 has been approved.

**Item 4 of the Agenda:** Net Profit (loss) appropriation for the year 2022.

Resolution: The audited net profit (loss) allocation under IFRS has been approved for the year 2022 as follows:

	thousand EUR
1) Non-appropriated profit (loss) at the end of the year 2021	28,841
2) Approved by shareholders dividends of the year 2021	(2,389)
3) Transfers from the reserve to purchase own shares	-
4) Non-appropriated profit (loss) at the beginning of the current financial year after dividends payout and transfer from reserves	26,452
5) Net profit (loss) of the reporting period	12,599
6) Transfers from reserves	45
7) Net profit to be appropriated at the end of the current financial year	39,096
8) Total profit (loss) to be appropriated:	
• portion of the profit allocated to the legal reserve	-
• portion of the profit allocated for payment of the dividends	(3,165)
• portion of the profit allocated to the other reserves	-
9) Non-appropriated profit (loss) at the end of the current financial year carried forward to next financial year	35,990

**0.265 Eur per one ordinary share.**

**Item 5 of the Agenda:** Approval of the Remuneration Report of the Company for 2022 which is part of the Annual Report.

Resolution: The Remuneration Report of the Company for 2022 which is part of the Annual Report has been approved.

**Item 6 of the Agenda:** Election of the Company's Audit firm, that will perform the audit of the Company for the years 2023-2025 and setting the conditions of payment.

Resolution:

1. The Company's Audit firm, that will perform the audit of the Company for the years 2023 was selected „PricewaterhouseCoopers“ UAB.

2. The CEO of the Company is authorized to sign the contract with „PricewaterhouseCoopers“ UAB and to set the conditions of payment for the services.

**Item 7 of the Agenda:** Forming the Company's Supervisory Board.

Resolution: the Company's Supervisory board consisting of 3 (three) members elected for a period of 4 (four) years is formed.

**Item 8 of the Agenda:** Approval of the new version of the Company's Articles of association.

Resolution: The Company's articles of association are presented in a new version.

The CEO of the Company is authorized to sign the amended Articles of Association (new version of the Articles of Association) and to register them in the Register of Legal Entities and to perform all other related actions.

**Item 9 of the Agenda:** Election of the members of Supervisory board.

Resolution:

1. Algimantas Lekevičius, Marijana Juškienė and Martynas Bertasius were elected as members of the Company's Supervisory board.
2. The elected Supervisory Board of the Company shall commence its activities from the date of registration of the amended Articles of Association of the Company with the Register of Legal Entities.
3. Members of the Supervisory Board will be remunerated for their activities on the Supervisory Board in accordance with the Remuneration Policy of AB Vilkyškių pieninė Group.
4. The CEO of the Company is authorised to sign agreements with the members of the Supervisory Board concerning the activities of the members of the Supervisory Board in the Supervisory Board.

**Item 10 of the Agenda:** Election of the member of Audit Committee.

Resolution: Sigita Montvilaitė was selected as a member of Audit Committee until the end of the term of Audit Committee.

**Item 11 of the Agenda:** Approval of the new version of the Remuneration policy.

Resolution: the Company's new Remuneration Policy was approved.