



VILVI GROUP

THE RESULTS OF 12 MONTHS OF 2021



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1. MAIN EVENTS DURING 12 MONTHS 2021

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

ACHIEVEMENTS:

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

PRODUCT NEWS:

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



EXHIBITIONS:

- In February, Vilkyškių pieninė AB traditionally took part in the international exhibition of food industry "Gulfood 2021" in Dubai, The United Arab Emirates. The main focus was on mozzarella cheese and milk/whey powder.
- In October, "Vilvi group" traditionally participated in the "ANUGA" exhibition in Germany. It is the largest food exhibition in Europe we met with existing and potential customers;
- In November, "Vilvi group" participated in "WorldFood Ukraine", the largest annual food and beverage exhibition in Ukraine, where we presented products of the Vilkyškių black cat line and Memel blue melted cheese.
- In November, "Vilvi group" participated in the largest exhibition of food industry, equipment, processing and packaging and food logistics "Gulfood Manufacturing" in Dubai, United Arab Emirates. We delivered dry milk products.
- November 30-December 2 "Vilvi group" participated in the international exhibition "Food ingredients Europe" in Frankfurt. Dry MILK products and cheese products with vegetable fat were presented at the exhibition.

EXTENDED/ISSUED CERTIFICATES DURING 2021:

- Kosher certificate for the production of dry milk products of Kelmės pieninė AB was renewed;
- HALAL certificates have been renewed for Kelmės pieninė AB, "Modest" AB and Vilkyškių pieninė AB;
- All of Vilvi Group companies have re-certification audit according to the ISO 22000:2018/FSSC 22000 Certification Scheme.



MARKETS:

- The Group's sales in 2021 were positively impacted by the recovering HoReCa sector, as well as increased demand and price for industrial cream.
- In 2021 Q4 prices rose sharply in all categories of dairy products. The lack of raw milk in Europe is cited as the main reason.
- In 2021 the structure of the markets remained stable and sufficiently diversified. And although we stopped export to China in the third quarter due to economic/political factors, the Group's result was not significantly affected, because the Group diverted sales to other markets.
- The biggest change compared to Q3 and Q4 2021 observed in sales of products with fats. Although sales volume did not change in terms of volume as stable production was maintained, the sales price increased by 33% in the fourth quarter. compared to Q3.
- In 2021 sales of cheeses and cheese products remained very similar in terms of volume (about 22 thousand tons), but sales revenue increased by 9 percent compared to 2020. This was driven by overall market growth and recovery from the Covid-19 pandemic.
- This year, due to rising market prices, sales revenue of dry milk products increased by 37.3% compared to 2020. Sales remained at the same level. In 2021 Q4, the price of WPC80 increased significantly - by more than 40%, which generated 48% higher revenue than in Q3.

2. MAIN FINANCIAL INDICATORS

	2017	2018	2019	2020	2021
Revenue (Thousands EUR)	113,939	103,162	114,581	120,873	156,045
EBITDA (Thousands EUR)	10,882	3,140	3,698	8,271	14,273
EBITDA margin (%)	9.5%	3.0%	3.2%	6.8%	9.1%
Net profit (loss) (Thousands EUR)	6,686	-1,186	-446	3,872	8,510
Net profit margin (%)	5.9%	-1.1%	-0.4%	3.2%	5.5%
Quantity of purchased basic indicators milk, t	249,992	267,785	268,555	287,370	309,474
Profit per share (EUR)	0.56	-0.10	-0.04	0.32	0.71
Net financial debt (Thousands EUR)	28,097	27,824	26,940	20,853	21,582

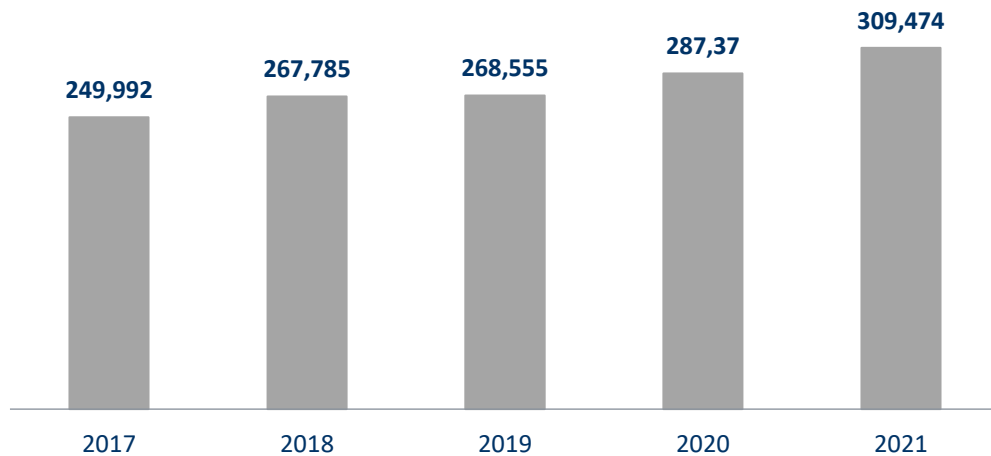
In 2021 **sales revenue** came to 156.0 MEUR or 29.1 percent more than in 2020.

At reporting period **EBITDA** was 14.3 MEUR or 72.6% more than in previous year.

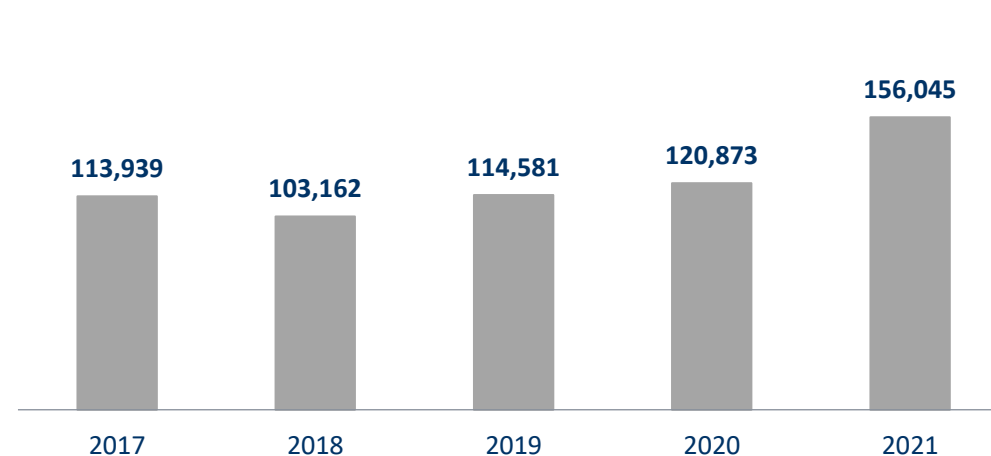
During 2021 **net profit** increased by 4.6 MEUR compared to 2020 and amounted to 8.5 (in 2020 net profit was 3.9 MEUR).

In 2021, a total of 309.5 tho tones of basic indicators milk was purchased, and increase by 7.7 percent as compared with 12 months of 2020.

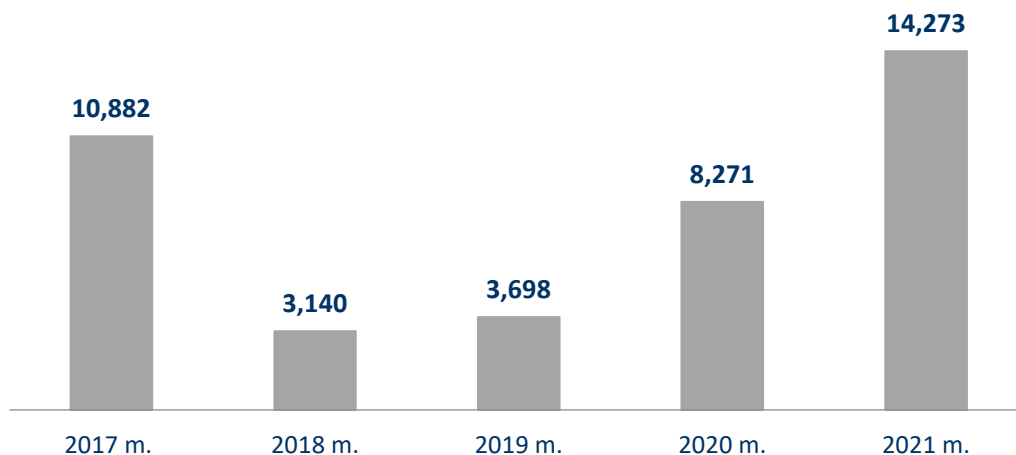
QUANTITY OF PUCHASED MILK, T



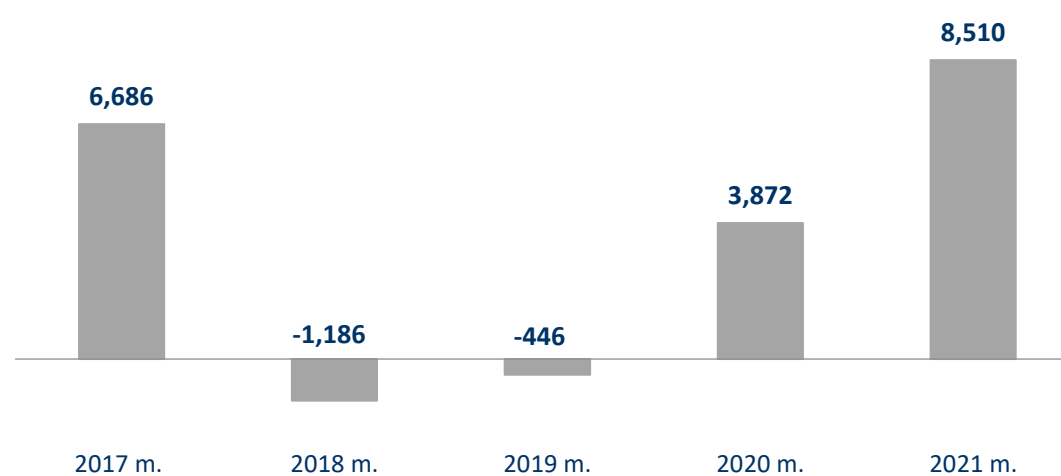
REVENUE, THOUSANDS EUR



EBITDA, TŪKST. EUR



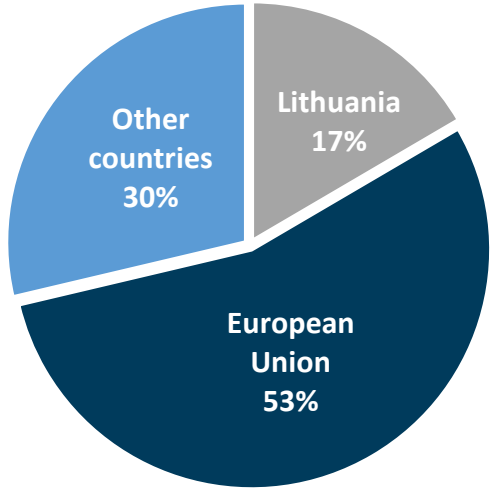
GRYNASIS PELNAS (NUOSTOLIS), TŪKST. EUR



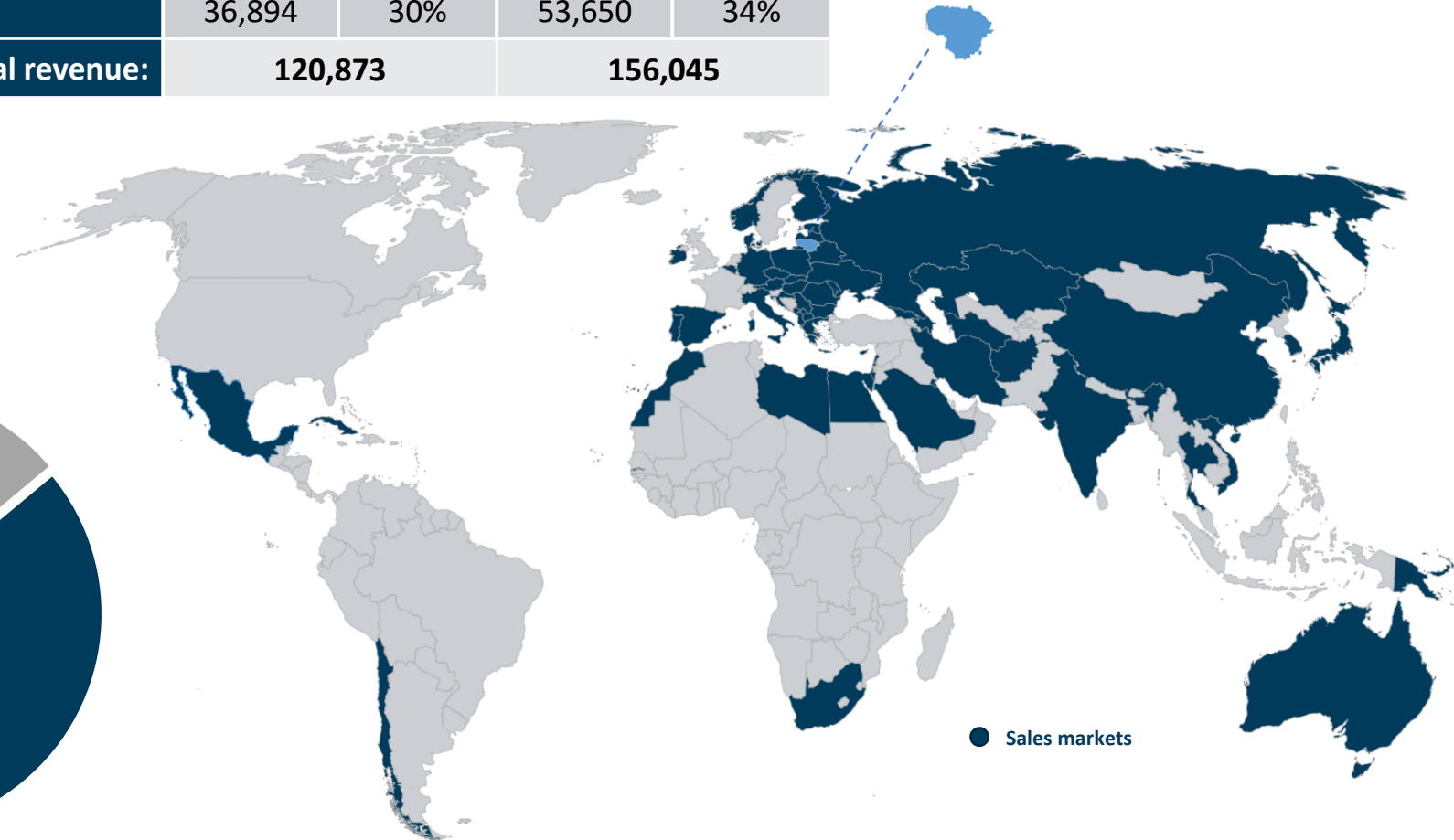
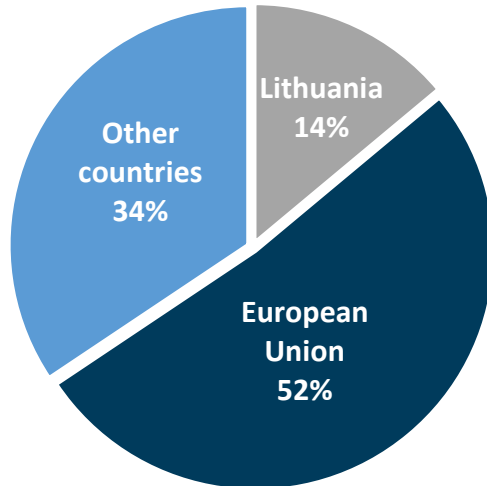
3. SALES REVENUE BY MARKETS

(Thousand EUR)	2020		2021	
Lithuania	20,234	17%	21,748	14%
European Union	63,745	53%	80,647	52%
Other countries	36,894	30%	53,650	34%
Total revenue:	120,873		156,045	

2020

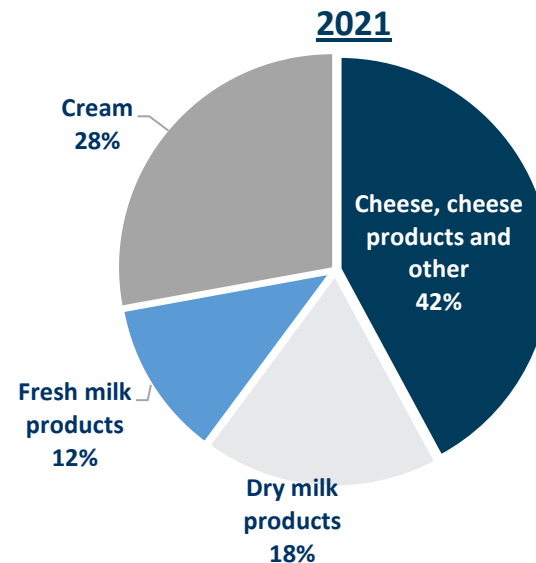
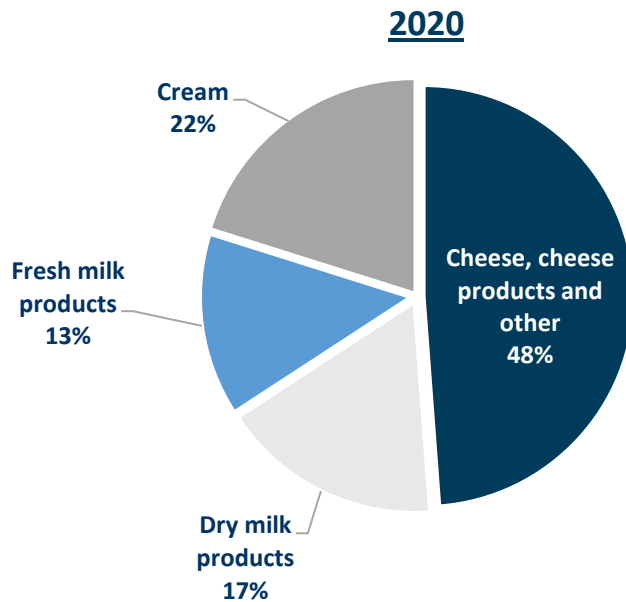


2021



4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	2020		2021	
Cheese, cheese products and other	57,841	48%	65,731	42%
Dry milk products	20,487	17%	28,136	18%
Fresh milk products	16,252	13%	18,710	12%
Cream	26,293	22%	43,468	28%
Total:	120,873		156,045	



THE SEGMENT COMPRISES:

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

5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Thousand EUR	2021.12.31	2020.12.31
ASSETS		
Property, plant and equipment	50,094	46,207
Right-of-use assets	1,108	968
Intangible assets	6,936	6,935
Non-current amounts receivable	288	226
Deferred income tax assets	552	890
Non-current assets	58,978	55,226
Inventories	17,625	11,693
Trade and other receivables	13,195	9,062
Prepayments	609	736
Cash and cash equivalents	799	181
Current assets	32,228	21,672
Total assets	91,206	76,898
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,174	2,347
Retained earnings	33,571	25,809
Total equity attributable to owners of the Company	42,509	34,920
Non-controlling interest	222	53
Total equity	42,731	34,973
Borrowings	17,908	2,951
Lease liabilities	403	323
Government grants	5,349	4,664
Non-current liabilities	23,660	7,938
Borrowings	4,473	18,083
Lease liabilities	290	303
Income tax payable	179	1
Trade and other payables	19,873	15,600
Current liabilities	24,815	33,987
Total liabilities	48,475	41,925
Total equity and liabilities	91,206	76,898

6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2021.01.01- 2021.12.31	2020.01.01- 2020.12.31	2021.10.01- 2021.12.31	2020.10.01- 2020.12.31
Revenue	156,045	120,873	49,214	32,397
Cost of sales	-138,500	-110,244	-40,912	-29,830
Gross profit (loss)	17,545	10,629	8,302	2,567
Other operating income	505	303	-6	77
Distribution expenses	-3,577	-3,182	-1,066	-792
Administrative expenses	-4,308	-3,185	-1,712	-890
Other operating expenses	-161	-233	-86	-28
Results of operating activities	10,004	4,332	5,432	934
Finance income	209	26	171	2
Finance costs	-1,187	-1,216	-564	-342
Finance costs, net	-978	-1,190	-393	-340
Profit (loss) before income tax	9,026	3,142	5,039	594
Income tax expenses	-516	730	-497	171
Profit (loss) for the period	8,510	3,872	4,542	765
Attributable to:				
Shareholders of the Company	8,544	3,870	4,583	764
Non-controlling interest	-34	2	-41	1
Profit (loss) for the period	8,510	3,872	4,542	765
Basic and diluted earnings per share (in EUR)	0.71	0.32	0.38	0.06

7. CONSOLIDATED STATEMENT OF CASH FLOWS

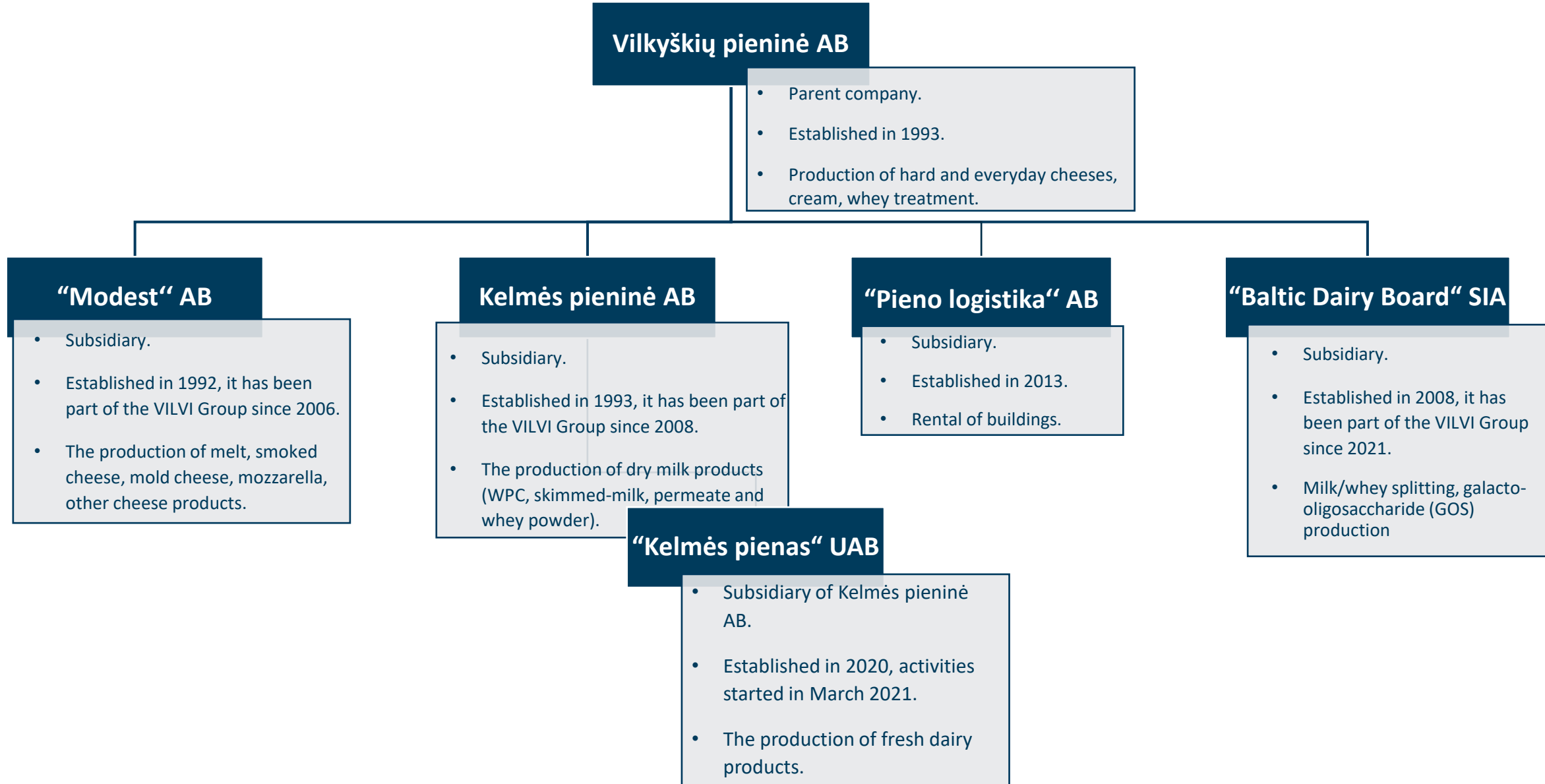
Thousand EUR	2021.01.01- 2021.12.31	2020.01.01- 2020.12.31
Profit (loss) for the period	8,510	3,872
Depreciation of property, plant and equipment	4,959	4,505
Amortization of intangible assets	16	13
Amortization and write-off of grants	-706	-579
Change in impairment of inventories	-	-39
Loss (gain) from disposal of property, plant and equipment	29	-13
Income tax expenses	516	-730
Finance costs, net	978	1,190
	14,302	8,219
Change in inventories	-5,933	-497
Change in non-current amounts receivable	-62	132
Change in trade and other receivables and prepayments	-2,606	-418
Change in trade and other payables	3,875	1,381
	9,576	8,817
Interest paid	-696	-908
Income tax paid	-	-
Net cash flows generated from operating activities	8,880	7,909
Payments for acquisition of property, plant and equipment	-1,837	-2,121
Payments for acquisition of intangible assets	-17	-12
Proceeds from sale of property, plant and equipment	506	70
Loans granted	-2,125	-210
Government grants received	-	-
Loans recovered	934	70
Change in cash flows from investing activities due to a business combination	-797	-
Net cash flows generated from (used in) investing activities	-3,336	-2,203
Proceeds from borrowings	3,535	7,887
Repayments of borrowings	-6,982	-13,303
Lease payments	-524	-407
Dividends paid out	-955	-
Net cash flows generated from (used in) financing activities	-4,926	-5,823
Net increase (decrease) in cash and cash equivalents	618	-117
Cash and cash equivalents at 1 January	181	298
Cash and cash equivalents at 30 June	799	181

ADDITIONAL INFORMATION

8. ABOUT THE COMPANY

- ✓ Company was established in 1993.
- ✓ On the 31th of December 2021 the Group had 867 employees.
- ✓ The production of dairy products is the core of Group business.
- ✓ Company's share capital amounts to 3.5 million EUR.
- ✓ The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.
- ✓ The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.
- ✓ Standards: ISO 22000:2018 and FSSC 22000.

9. STRUCTURE OF VILVI GROUP



10. BOARD

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

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

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

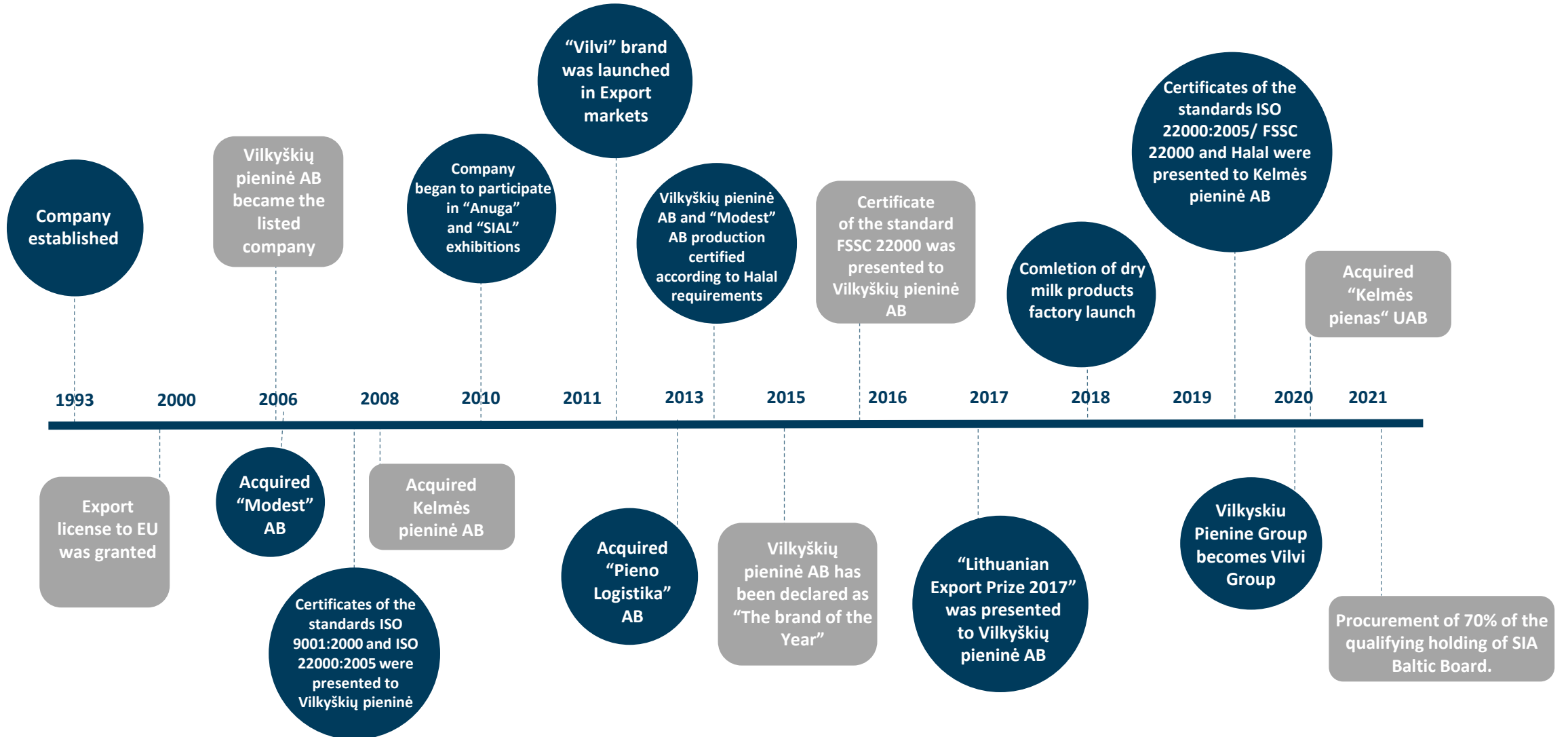
Sigitas Trijonis,
Member of the board, Chief Technology Officer of Vilkyškių pieninė AB

Linas Strėlis,
Independent member of the Board

Andrej Cyba,
Independent member of the Board

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

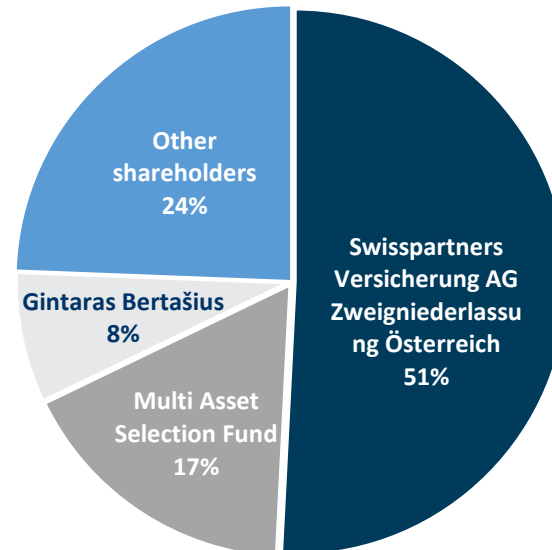
10. SHORT HISTORY OF THE COMPANY



11. SHAREHOLDERS

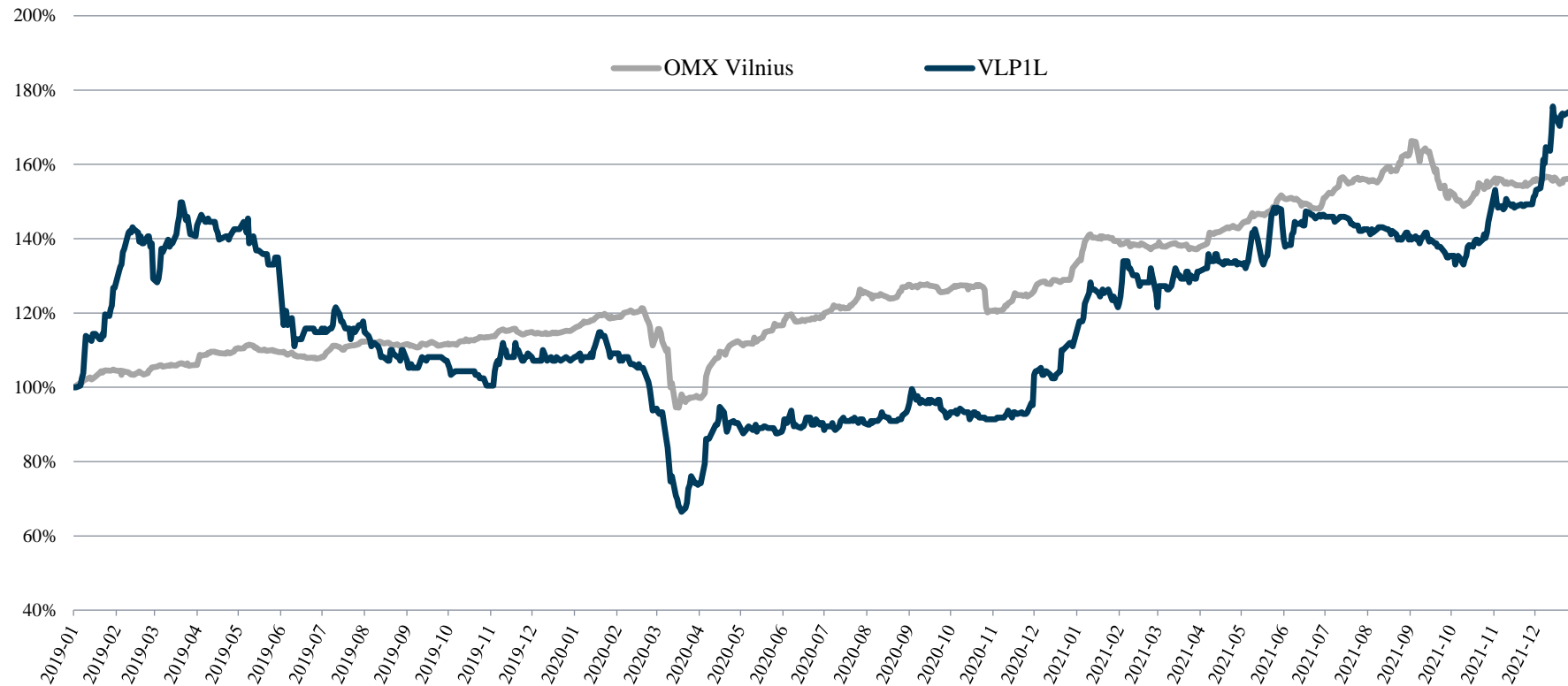
Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	6.067.206	51%*
Multi Asset Selection Fund	2.035.729	17%
Gintaras Bertašius	927.110	8%
Other shareholders	2.912.955	24%
Capital in total:	11.943.000	100%

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



12. SHARE PRICE DATA

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



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