



VILVI GROUP

THE RESULTS OF H1 2024



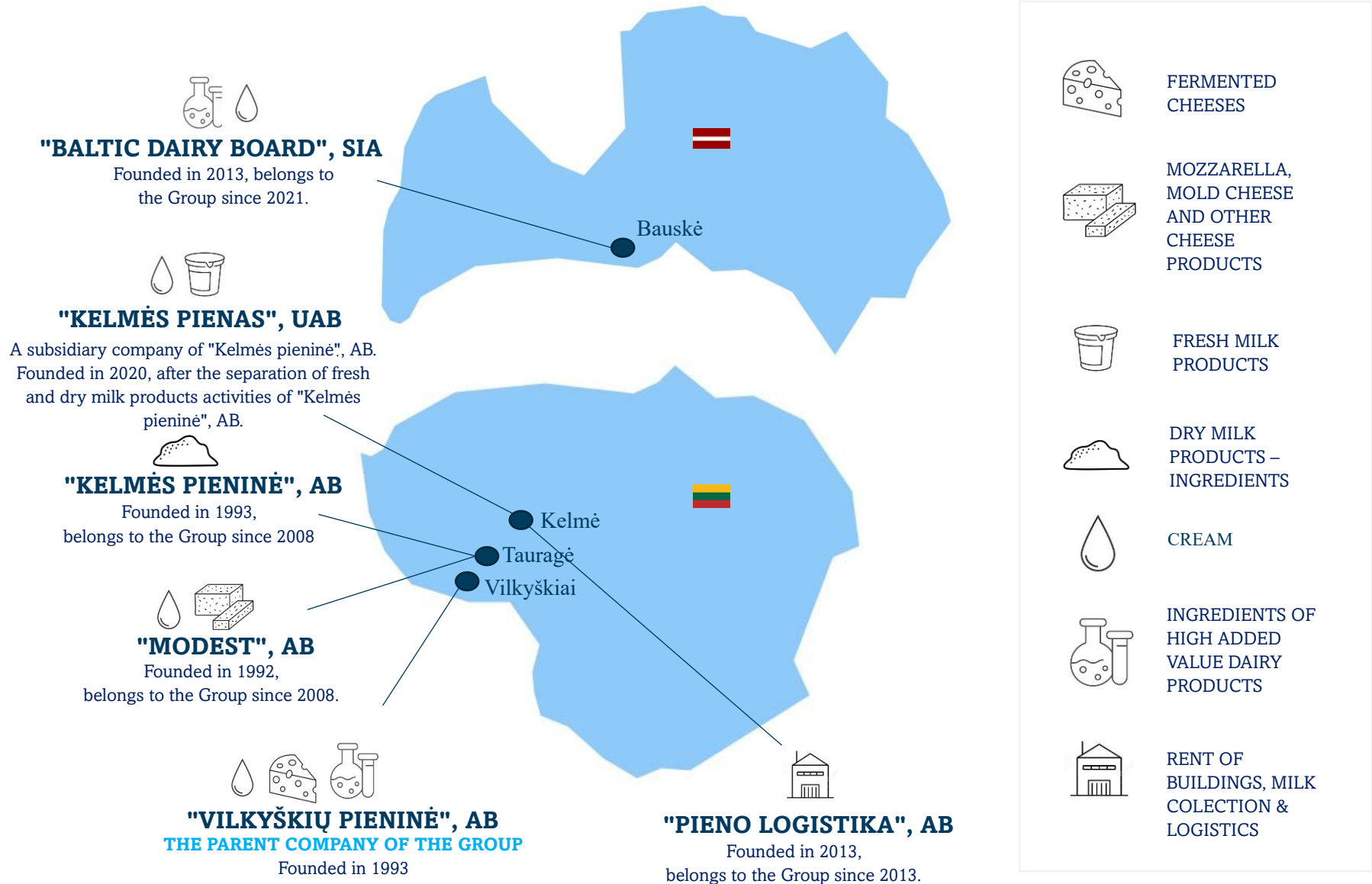
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The main activity of VILVI GROUP is the production and sale of dairy products.

The companies of the Group produce:

- various cheeses and cheese products;
- cream;
- various fresh dairy products (kefir, sour cream, yogurts, cottage cheese, glazed cottage cheese bars, etc.);
- dry milk and whey products (whey protein concentrate, whey permeate, skimmed milk powder, sweet whey flour and proteins for athletes);
- ingredients of high added value dairy products.



STRUCTURE OF VILVI GROUP

VILVI GROUP
consists of 6 companies

"Vilkyškių pieninė",
AB

Cheese and cheese
products, cream

"Modest", AB

Mozzarella cheese
products and cheese
with blue mold

"Kelmės pieninė", AB

Dry whey and milk
products (WPC, WPP,
SWP, SMP, proteins for
active people)

"Kelmės pienas", UAB

Fresh milk products
(kefir, sour cream,
yogurt, curd, glazed
cottage cheese and
others)

"Pieno logistika", AB

Lease of buildings,
collection and
transportation of raw
milk

"Baltic Dairy Board",
SIA

Production of
ingredients for dairy
products (MPC, MMP,
cream), decomposition
of milk and whey



SOLUTIONS FOR CUSTOMERS

Products and ingredients for business

- Cheese and cheese products**

Mozzarella / Cagliata / Tilsit / Gouda / Edam / Cheese with blue mold



- Dry whey and milk products**

Whey protein concentrate 80 / Whey permeate / Sweet whey powder / Skimmed milk powder / Lactose / Protein for athletes



- Fresh milk products**

Butter / Cream / TRM / etc.



Brands



Solutions for business

- Special solutions according to customer needs**



- Private labels**



ENSURING PRODUCT SAFETY AND QUALITY

Food safety and culture development, as well as ensuring product safety and quality is one of our major priorities. Our goods are produced and controlled by adherence to the highest food safety and quality standards, and legal regulation. The Group follows the certified Food Safety and Quality Policy.

The Group is also subject to audits of controlling and certifying institutions, inspections by current and potential clients or their representatives, and the State Food and Veterinary Service (SFVS).

Consumer inquiries, feedback and complaints can be submitted to the quality line and by e-mail. We analyse all consumer complaints, engaging in a dialogue to clarify the circumstances. We register, analyse and respond to complaints according to certified Complaint Guidelines and Non-compliance Management Procedure.

Management of customer expectations

In order to ensure the highest product quality and compliance with client demands, we actively cooperate by collecting information on their specific needs and marking requirements. This makes us sure that we meet their expectations from the selection of raw materials and production processes. We conduct annual client and consumer surveys and use this data for further analysis of their needs.

The Group sets new measurable food safety and quality goals every year. We aim for guaranteed food safety and quality and thus keep improving our internal processes.



CERTIFICATES	"Vilkyškių pieninė", AB	"Modest", AB	"Kelmės pieninė", AB	"Kelmės pienas", UAB	"Pieno logistika", AB	"Baltic Dairy Board", SIA
ISO 22000			✓			
FSSC 22000	✓	✓	✓			✓
ISO 50001						✓
HALAL	✓	✓	✓			✓
Kosher			✓			✓
IFS Food Version 7				✓		
Certificate of ecological production				✓		✓
National standard						✓

OUR STRATEGY AND GOALS

Our goal is to be a leader in innovation in the dairy sector and to create maximum value from a drop of milk. We aim at making higher quality dairy products and ingredients more available around the world to give people more opportunities to enjoy them wherever they are.

All over the world, there are many places where people have limited access to quality dairy products, wholesome nutrition and taste experiences, while Lithuanians have been enjoying it for years. Based on our knowledge and the latest technologies, we offer solutions to countries and markets where the need for an affordable and authentic dairy experience is still very challenging. Our roots remain the basis of our success - lush meadows of the Nemunas, tasty and high-quality milk and the desire that as many people as possible can enjoy authentic experiences of dairy products.

Along with our products, we also share the belief that the opportunities provided to enjoy.

Environment in which we operate

VILVI GROUP is an international market participant, therefore the business is affected by both the global environment and changes in it, as well as demand and the competitive environment in local markets.

Our vision

We aim at making higher quality dairy products and ingredients more available around the world to give people more opportunities to enjoy them wherever they are.



Our goals

Sales of finished milk products in the nearest

Ingredients and product solutions for businesses worldwide

Search for innovation and new solutions

Our values

Responsibility and respect

Responsiveness to needs

Curiosity

Better than yesterday

Challenges in the regions of operation

We operate in Tauragė, Šiauliai and Bauska (LV) regions. Carrying out activities in the regions is favorable because we can be closer to each other, get to know and understand each other better. But we also face challenges when we are looking for new employees, especially highly qualified specialists. We constantly evaluate the problems of the operational regions, actively search for and find solutions for attracting employees.

Climate change and adaptation challenges

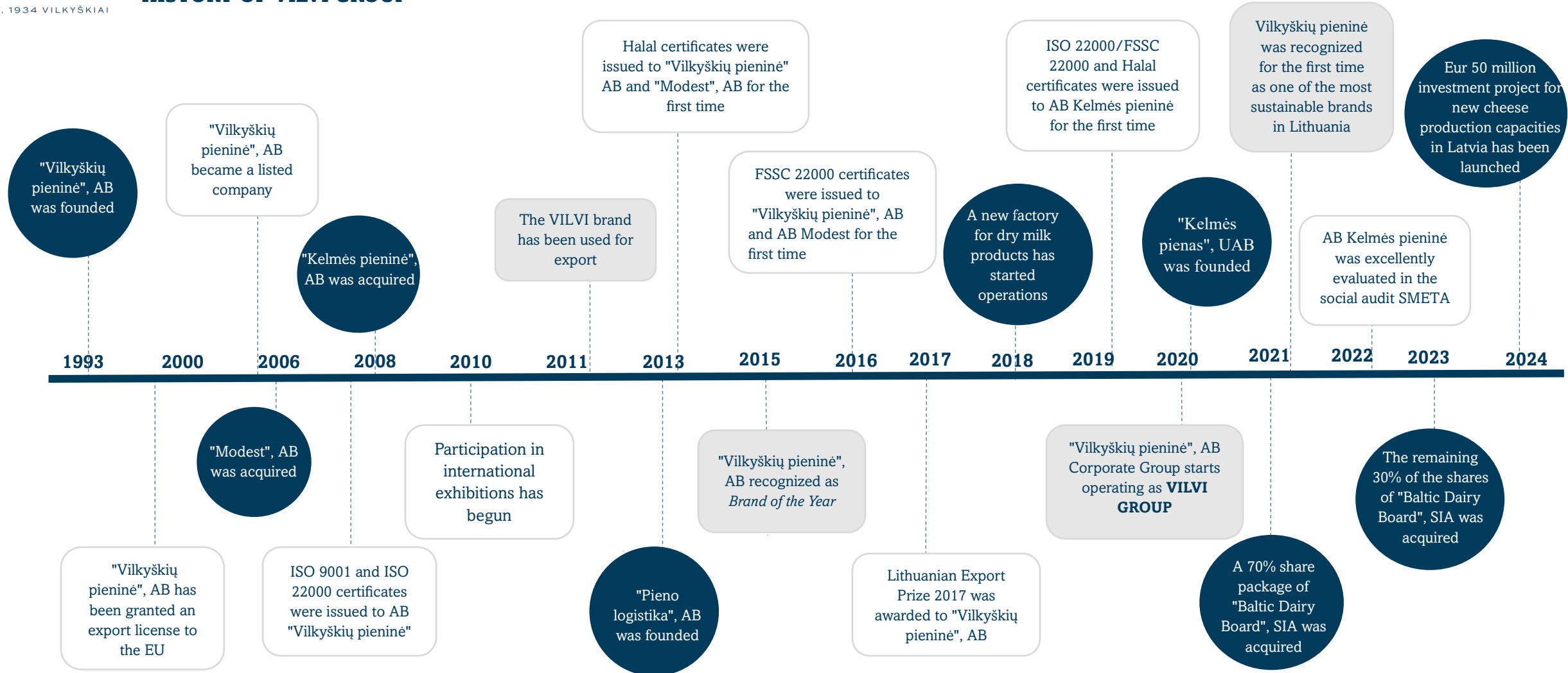
In the European Union, great attention is paid to the Green Course, and ambitious climate change mitigation goals are set.

The requirements for business are growing and changing very rapidly. This requires both a quick reaction and additional investments, which will only increase in the future.

Essential challenges for VILVI GROUP:

- Environmental impact assessment and setting impact reduction goals;
- Assessment of climate change scenarios and adaptation to the possible impact on places of activity and the Group's activities;
- Climate change adaptation planning and management. In the short term, a lot of additional human and financial resources are required to respond to the changing regulation, but the largest part of the resources is planned in the long term, i.e. implementing a real change, increasing the efficiency and circularity of resource use, in order to switch to renewable energy.

HISTORY OF VILVI GROUP



MAIN EVENTS DURING H1 2024

VILVI GROUP launches the largest investment project in its 31-year history. The preliminary **plan is to invest around EUR 50 million** in new cheese production capacity in Bauska, Latvia, on the territory of the Group's company "Baltic Dairy Board", SIA. The project is planned to be completed by 2026.

The project is financed with own resources and loans from Citadele Bank. The Latvian Government, through the Latvian State Development Finance Institution, will contribute 8.5 million EUR to the project.

For this purpose, "Vilkyškių pieninė", AB the sole shareholder of "Baltic Dairy Board", SIA, increased the authorized capital of "Baltic Dairy Board", SIA. The amount of the increased authorized capital is EUR 10,847,778.

At Sustainable Brand Index 2024 by "SB Insight", "Vilkyškių pieninė", AB ranked 3rd among the most sustainable brands of the food and beverage industry in Lithuania. We are the leaders when compared to other dairy producers.

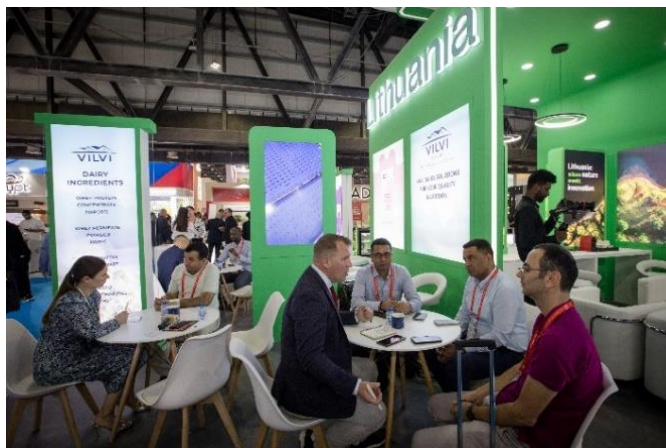
Among all 84 rated brands, "Vilkyškių pieninė", AB took 16th place



EXTENDED/ISSUED CERTIFICATES DURING H1 2024:

- ✓ Certificate of ecological production has been extended for ""Kelmės pienas", UAB

On February 19-23, VILVI GROUP traditionally participated in one of the largest food and drink exhibitions "Gulfood 2024" in Dubai, UAE. Cheese products and whey powder were presented at the exhibition.



Changes in fresh milk products with a black cat

We aim to form and grow one brand, therefore the "Vilkyškių" brand becomes the international VILVI, while "Vilkyškių" remains in the name of the black cat product line.

Along with changes in the brand, packaging design has also changed. They have become brighter, but they are well-known.



THE RESULTS

OVERVIEW OF VILVI GROUP RESULTS



EUR 117 million consolidated sales turnover



EUR 10 million consolidated net profit



EUR 13 million in consolidated EBITDA



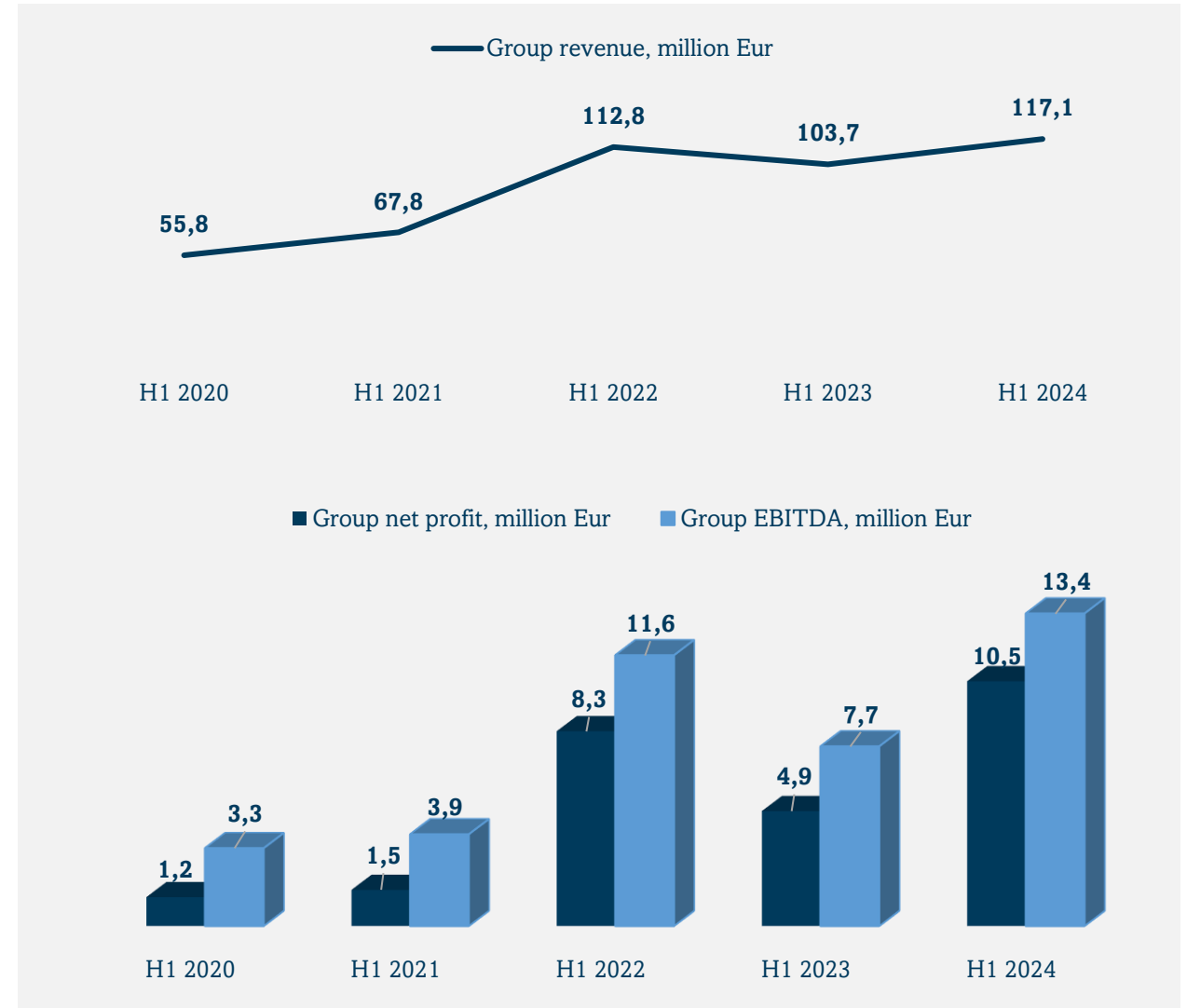
86% of exports to > 60 countries



44 thousand tons of manufactured products



176 thousand tons of purchased milk



PERFORMANCE RESULTS OF VILVI GROUP

In addition to the main indicators defined and applied according to the International Financial Reporting Standards (IFRS), "Vilkyškių pieninė", AB also presents in its financial statements financial performance indicators not provided for by IFRS – alternative performance indicators (API), which, in the Company's assessment, are important and provide additional information to investors and other users of financial reporting. Alternative performance indicators should be treated as additional information prepared on the basis of IFRS.

Taking into account the guidelines published by the European Securities and Markets Authority on alternative performance indicators (ESMA/2015/1415), "Vilkyškių pieninė" AB presents comparative historical API data.

Information about the calculation of AVR and what useful information they provide is provided in the section Additional information page 48.

	H1 2022	H1 2023	H1 2024	Change in 2024/2023, % or p.p	Change in 2023/2022, % or p.p.
Revenue , thousand EUR	112,824	103,720	117,090	13%	-8%
Gross profit , thousand EUR	13,709	10,127	16,327	61%	-26%
Gross profit margin , %	12.2%	9.8%	13.9%	4 p.p	-2 p.p
EBITDA , thousand EUR	11,568	7,673	13,353	74%	-34%
EBITDA margin , %	10.3%	7.4%	11.4%	4 p.p	-3 p.p
Operating profit (EBIT) , thousand EUR	9,427	5,569	11,145	100%	-41%
EBIT margin , %	8.4%	5.4%	9.5%	4 p.p	-3 p.p
Profit before tax (EBT) , thousand EUR	9,256	4,889	10,402	113%	-47%
EBT margin , %	8.2%	4.7%	8.9%	4 p.p	-3 p.p
Net profit (loss) , thousand EUR	8,320	4,909	10,455	113%	-41%
Net profit margin , %	7.4%	4.7%	8.9%	4 p.p	-3 p.p
Net profit per share , EUR	0.70	0.41	0.88	113%	-41%
The ratio of the share's market price and profit per share – P/E ratio	6.01	10,83	6.74	-38%	80%
Return on equity (ROE) , %	19.6%	9.7%	16.2%	7 p.p	-10 p.p
Return on assets (ROA) , %	9.2%	5.2%	9.1%	4 p.p	-4 p.p
Return on capital employed (ROCE) , %	13.8%	8.2%	11.4%	3 p.p	-6 p.p
Debt ratio	0.51	0.44	0.44	1%	-14%
Debt to equity ratio	0.48	0.38	0.45	19%	-22%
Liquidity ratio	1.64	1.60	1.71	7%	-2%
Asset turnover	1.21	1.13	0.96	-15%	-6%
Capital to asset ratio	0.49	0.56	0.56	-1%	15%
Financial debts , thousand EUR	22,018	19,302	30,279	57%	-12%
Net debt , thousand EUR	20,614	12,056	28,835	139%	-42%
Net debt/EBITDA	1.78	1.57	2.16	37%	-12%

p.p. – percentage point

MAIN RAW MATERIALS

RAW COW'S MILK

Raw cow's milk is the main raw material for the products produced by AB Vilkyškių pieninė, AB Modest and UAB Kelmės pienas. According to the calculations of AB Vilkyškių pieninė, the Group occupies about 20% of the domestic market in terms of the amount of milk processed, the third place among producers, after AB Rokiškio sūris and AB Žemaitijos pienas.

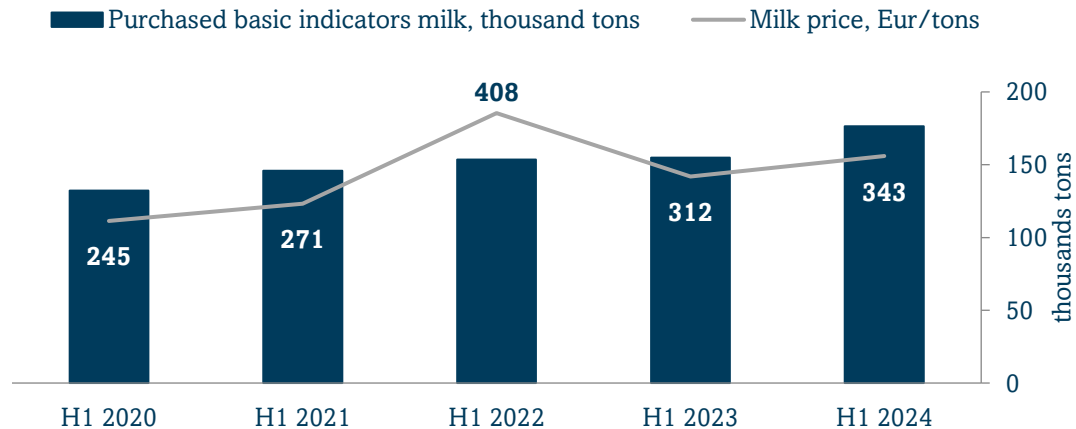
In H1 2024 Group companies bought this raw material from Lithuanian, Latvian and Estonian milk suppliers. More than a third of the milk was imported.

Milk purchased by VILVI GROUP:

	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Purchased basic indicators milk* , in tons	132,177	145,740	153,478	154,837	176,418
Milk price , EUR/t	245	271	408	312	343

* Purchased milk is recalculated into the base adjustment coefficient calculated based on the amount of fat and protein.

In H1 2024, 176.4 thousand tons of basic indicators milk were purchased, which is 13.9% more than in 2023 same period. The price of purchased milk increased by 9.9% compared to the same period of 2023.



MILK WHEY

The main raw material of "Kelmės pieninė", AB is WPC and whey permeate concentrates, which are obtained from whey by breaking it down and concentrating it. Whey is a secondary product left over from cheese production.

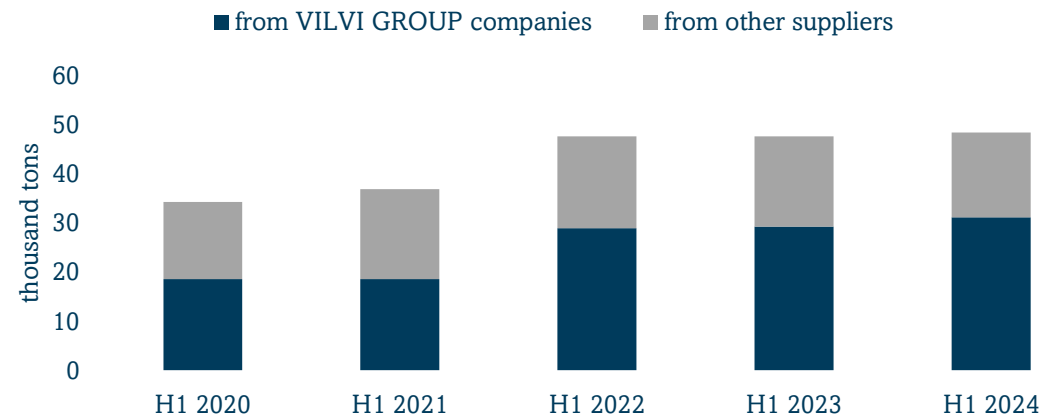
Most of the raw materials needed in the production of dry milk products are supplied by VILVI GROUP companies, the other part is purchased from suppliers in Latvia and Estonia.

Raw material purchased by "Kelmės pieninė", AB :

	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024
Purchased whey concentrates from VILVI GROUP companies , in tons	18,530	18,532	28,885	29,233	31,076
Purchased whey concentrates from other suppliers , in tons	15,717	18,278	18,660	18,345	17,248

In H1 2024, 48 thousand tons of whey concentrates were purchased, which is 1.6% more than in 2023 same period.

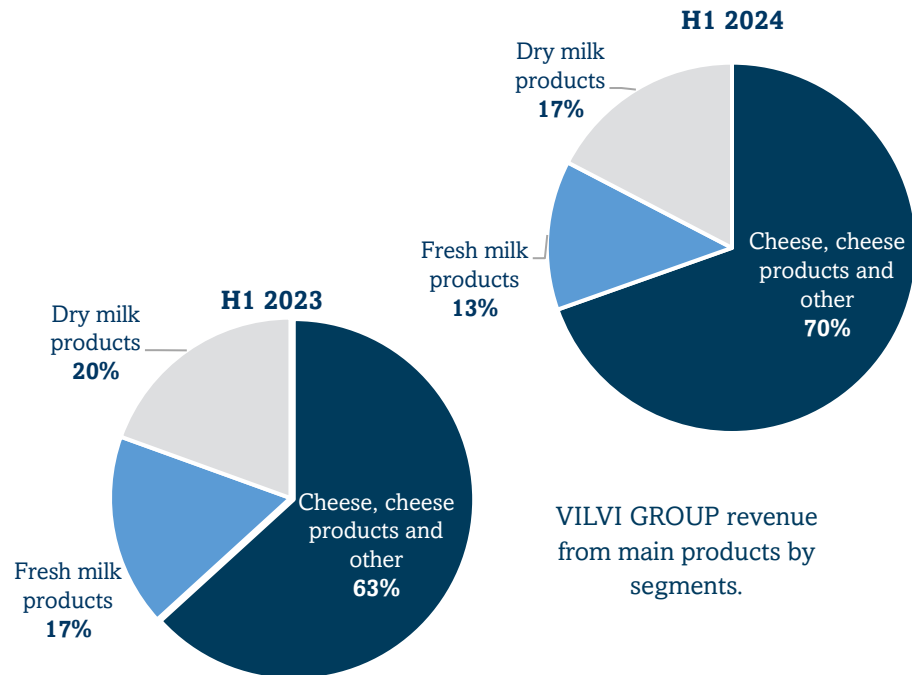
Whey concentrates were bought



VILVI GROUP OPERATING SEGMENTS

Operating segments:

- **cheese, cheese products and other** – cheese, cheese products, cream, etc. produced by the Company and its subsidiaries.
- **fresh milk products** – fresh dairy products produced by the subsidiary company (kefir, yogurts, sour cream, butter, curd products, etc.);
- **dry milk products** – WPC, MPC, skimmed milk, permeate and whey flour produced by subsidiaries;



Volumes of VILVI GROUP's products for sale by segments, in thousand tons

	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024	Change in 2024/2023	Change in 2023/2022
Cheese, cheese products and other	17,402	20,657	26,922	22,319	25,183	12,8%	-17,1%
Fresh milk products	7,009	7,208	7,715	8,369	7,951	-5,0%	8,5%
Dry milk products	9,105	10,324	10,838	10,877	11,134	2,4%	0,4%
Total:	33,516	38,189	45,475	41,565	44,268	6,5%	-8,6%

In H1 2024, 25.2 thousand tons of cheese, cheese products and other were produced, increased by 12.8 % compared to the same period of 2023. 7.95 thousand tons of fresh milk products were produced, i.e. 5.0% less than in H1 2023. 11.1 thousand tons of dry milk products were produced in reporting period – production increased by 2.4%. compared to 2023 the same period.

VILVI GROUP income from main products by segments, thousand EUR:

	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024	Change in 2024/2023	Change in 2023/2022
Cheese, cheese products and other	36,908	47,518	81,842	65,587	81,476	24,2%	-19,9%
Fresh milk products	8,957	9,284	11,925	17,928	15,274	-14,8%	50,3%
Dry milk products	9,919	11,033	19,057	20,205	20,340	0,7%	6,0%
Total:	55,784	67,835	112,824	103,720	117,090	12,9%	-8,1%

In H1 2024, sales revenue increased by 12.9 percent comparing to the same period in 2023.

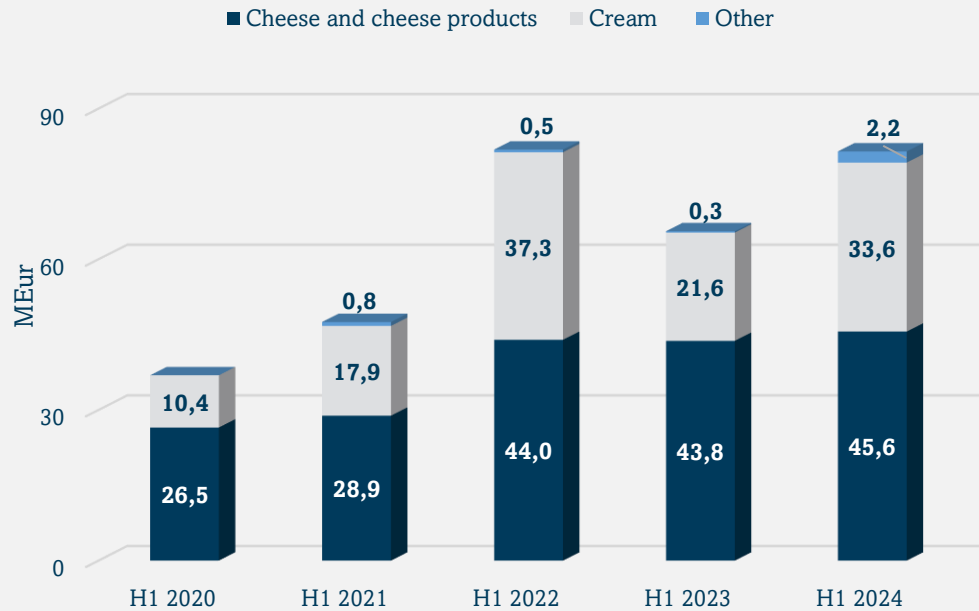
ANALYSIS OF CHANGES IN SALES REVENUE IN H1 2024 BY BUSINESS SEGMENTS

Cheese, cheese products and other

Total segment turnover in 6 months 2024 increased by 24.2% compared to 2023 for the same period. This was mainly influenced by the cream category.

Sales of cheese and cheese products remained at a similar level in the first half of the year as the export markets were stable in 2023, and demand matched supply. The production volume remained stable.

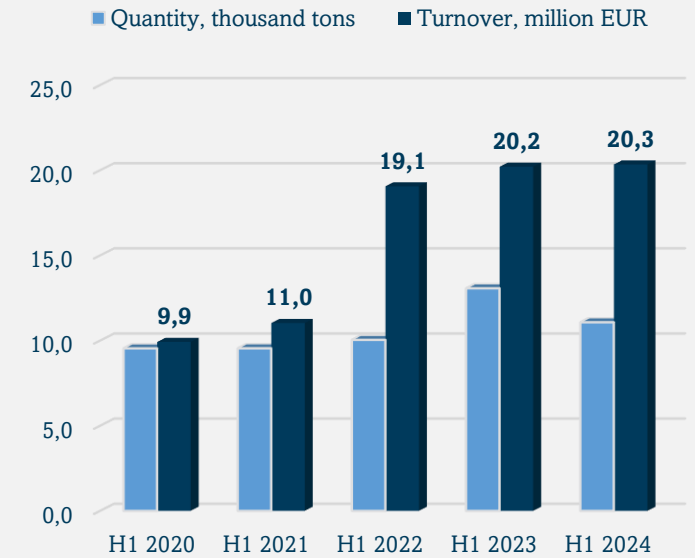
In the cream category, in contrast to the beginning of 2023, in the first half of 2024, we had both quantity growth (+24%), and consistent price growth. Since the beginning of the year, there has been a greater need than usual, which is expected to last until the end of the year.



Dry milk products

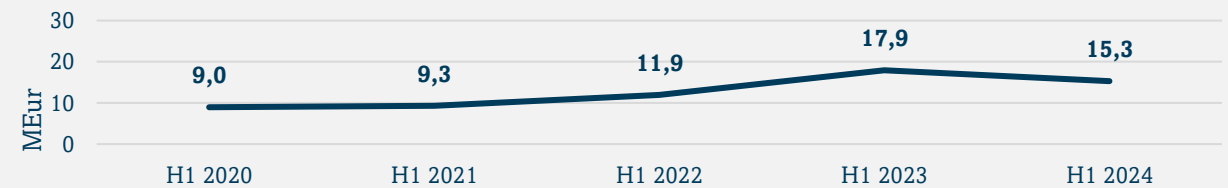
In the first half of 2024, sales volumes fell by about 30%, but sales turnover remained the same as H1 2023. This has been influenced by price growth

VILVI GROUP generates the most revenue in this segment from the sale of whey proteins - about 55% (although in quantitative terms it accounts for only 11%). Prices, which fell throughout the first half of 2023, have started to rise steadily since the second half. The price is set at the beginning of this year. Since then, the market has been balanced and regular sales volumes have recovered.



Fresh milk products

During the reporting period, turnover decreased by 14.8%, compared to the same period in 2023. More than 84% of fresh milk products were sold on the local market, where the selling price was lower than last year. At the beginning of 2024, in accordance with the EU Regulation, and in order to insist on the packaging of oral products, new line deployment was carried out, affecting production limits and supply of products.



VILVI GROUP'S SALES BY MARKETS

In the first half of 2024, VILVI GROUP sales revenue increased by 16.0% compared to the same period in 2023.

In H1 2024, exports accounted for 86% of all Group sales. This is 2 percentage points higher than 2023 for the same period.

The rise in sales revenue in the EU countries is linked to a general increase in prices for the fat and dry products market. The structure of sales regions and sales channels remained stable, sufficiently diversified, without risk of economic or political influence.

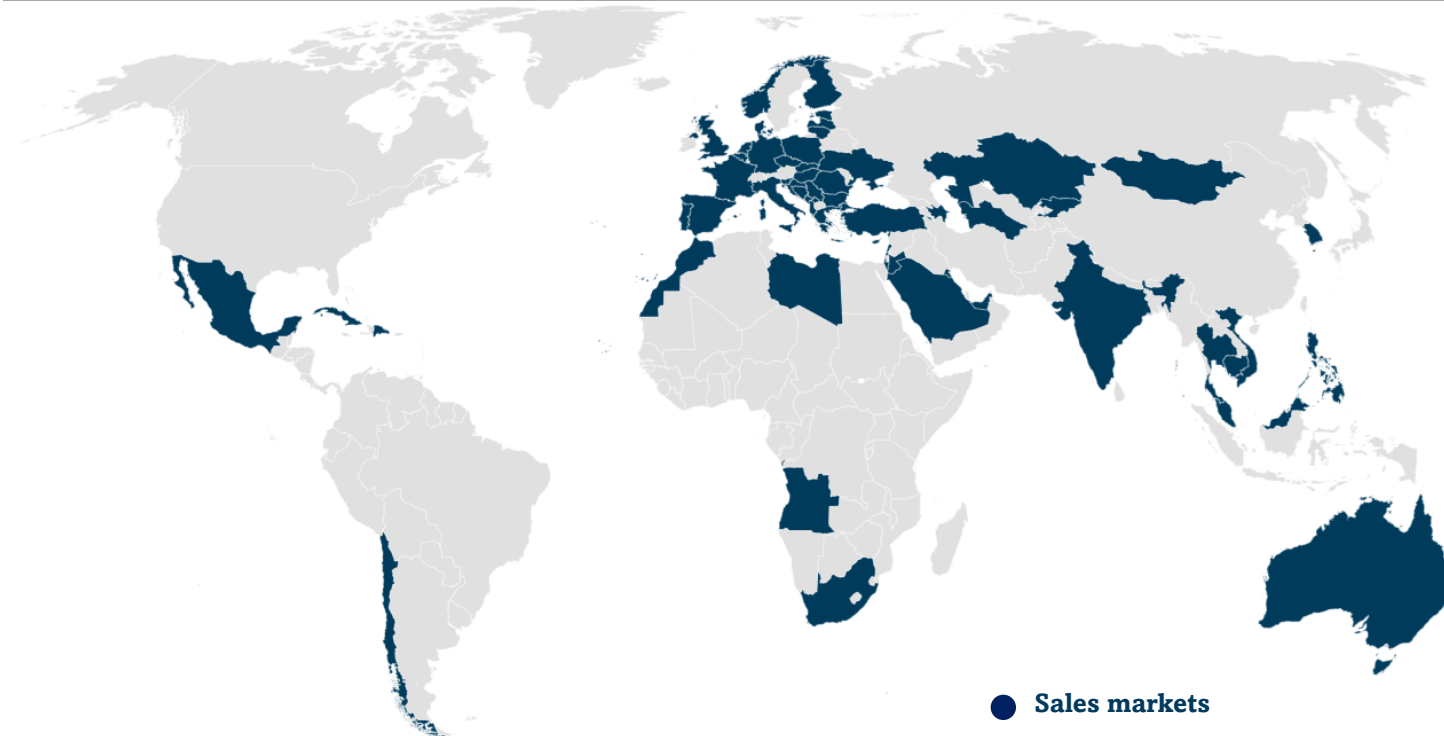
2024 in the first 6 months has been exported to more than 60 countries, but the main export markets for VILVI GROUP remain Poland, the Netherlands, Italy, Germany, Saudi Arabia.

Exports of products to countries subject to EU sanctions were not carried out in 2024.

In the first half of 2024, sales in Lithuania decreased by 3% compared to the same period last year. This was influenced by a temporary decrease in prices for both fresh dairy products in the country and a temporary decrease in the quantity of the drinkable products due to the introduction of new equipment.

Sales revenues by markets, thousand EUR:

	H1 2020	H1 2021	H1 2022	H1 2023	H1 2024	<i>Change in 2024/2023</i>	<i>Change in 2023/2022</i>
European Union	30,581	31,288	69,286	49,104	64,060	30,5%	-29,1%
Lithuania	9,931	11,333	11,996	17,076	16,568	-3,0%	42,3%
Other countries	15,272	25,214	31,542	37,540	36,462	-2,9%	19,0%
Total:	55,784	67,835	112,824	103,720	117,090	12,9%	-8,1%

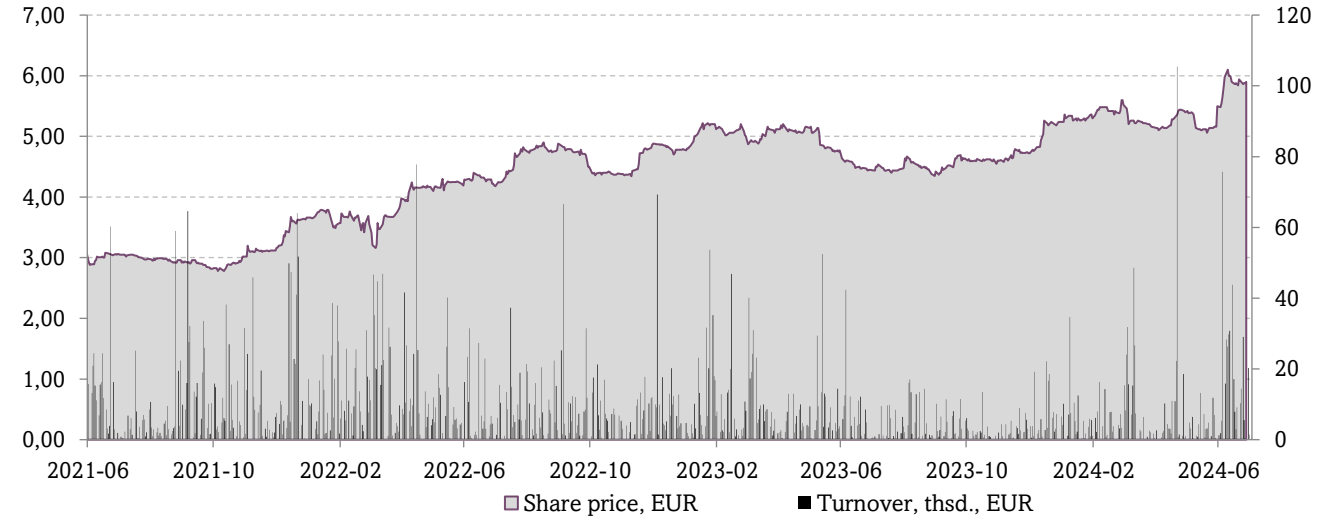


INFORMATION ON SHARES

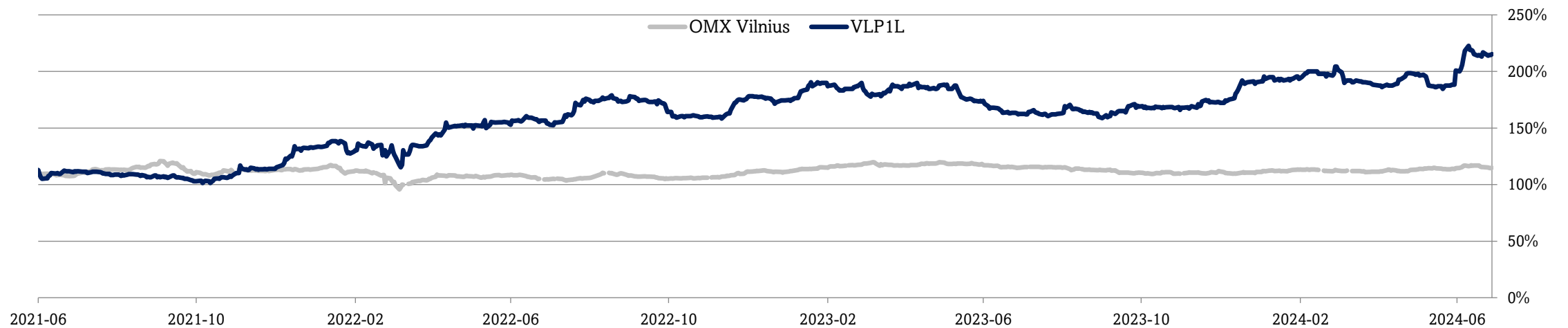
- The name of the securities is **"Vilkyškių pieninė" AB ordinary registered shares.**
- The number of securities admitted to trading is **11,943,000 units.**
- The nominal value of one share is **EUR 0.29.**
- The securities issued by the company are included in the Official List of **AB NASDAQ Vilnius.**
- Securities ISIN code – **LT0000127508**, symbol – **VLP1L.**
- The company's shares have been included in the trading list since **17 May 2006.**

The securities of the company's subsidiaries are not publicly traded.

AB Vilkyškių pieninė share price change and turnover in 2021.06 - 2024.06



Comparison of "Vilkyškių pieninė" AB share prices and AB Nasdaq Vilnius indices in 2021.06 - 2024.06



MANAGEMENT REPORT

MANAGEMENT MODEL

General Meeting of Shareholders

The General Meeting of Shareholders is the highest body of the parent company, which makes decisions based on the Law on Companies of the Republic of Lithuania and the company's articles of association. More in p. 21.

Supervisory board

The Supervisory board is a collegial supervisory body of the Company, which represents the shareholders and performs the functions of supervision and control of the Company's activities. The Supervisory board of "Vilkyškių pieninė" AB consists of 3 members, elected for a four-year term. The Supervisory board is elected by the General Meeting of Shareholders. More in p. 22.

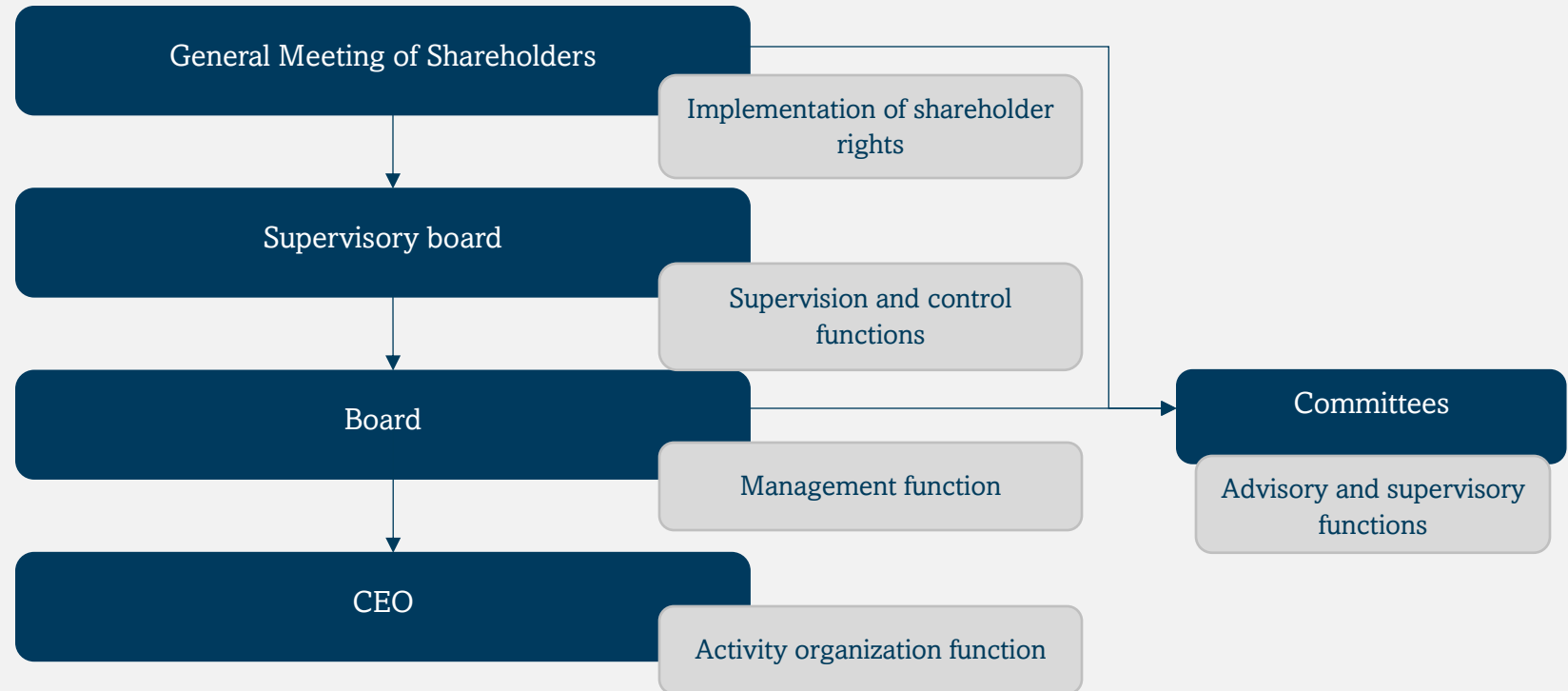
Board

The Board is a collegial management body of the Company, which performs the function of company management. The Board of "Vilkyškių pieninė" AB consists of 6 Board members. Board members. The Supervisory board elects the members of the Board for a four-year term. More in p. 23.

Committees

The Board forms the Appointments and Remuneration Committee and approves the committee's regulations. The General Meeting of Shareholders elects members of the Audit Committee and approves the regulations of the Audit Committee. More in p. 26.

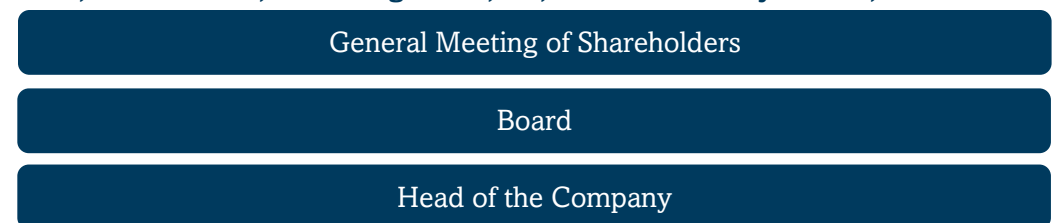
Management bodies of VILVI GROUP's parent company "Vilkyškių pieninė" AB



CEO

The head of the company is the CEO, who organizes the company's activities, hires and fires employees, concludes and terminates employment contracts with them, acts on behalf of the company and unilaterally concludes transactions, except for the cases provided by the Company's articles of association and legal acts. In his/her activities, the CEO is guided by laws, other legal acts, the company's articles of association, the decisions of the General Meeting of Shareholders, the decisions of the Supervisory board and the Board. The CEO is elected and dismissed by the company's Board.

Management bodies of subsidiaries: „Kelmės pieninė“, AB, "Kelmės pienas", UAB, "Modest" AB, "Pieno logistika", AB, and "Baltic Dairy Board", SIA:

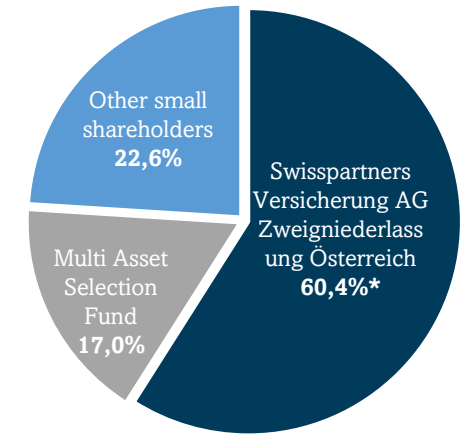


AUTHORIZED CAPITAL STRUCTURE AND SHAREHOLDERS

Company name	Type of shares	Number of shares	Nominal value of 1 share, EUR	Total nominal value, EUR	Largest shareholders owning and controlling more than 5% of the authorized capital
"Vilkyškių pieninė", AB	Ordinary registered shares	11,943,000	0.29	3,463,470	Swisspartners Versicherung AG Zweigniederlassung Österreich – 60,4%*; Multi Asset Selection Fund – 17,0%.
"Kelmės pieninė", AB	Ordinary registered shares	2,457,070	0.29	712,550	"Vilkyškių pieninė", AB – 100%.
"Modest", AB	Ordinary registered shares	5,617,118	0.29	1,628,964	"Vilkyškių pieninė", AB – 99.7%.
"Pieno logistika", AB	Ordinary registered shares	371,333	0.29	107,687	"Kelmės pienas", UAB– 58,9%,
"Kelmės pienas", UAB	Ordinary registered shares	2,500	1.00	2,500	"Kelmės pieninė", AB – 100%.
"Baltic Dairy Board", SIA	Ordinary registered shares	777,778	1.00	777,778	"Vilkyškių pieninė", AB – 100%.

*As of 30 June 2024, G. Bertašius did not have shares in "Vilkyškių pieninė" AB, but he owns 60.4% of the votes in the General Meeting of Shareholders (a joint life insurance policy was concluded in the insurance company Swisspartners Versicherung AG Zweigniederlassung Österreich, which has taken over ownership rights to 7,213,680 shares of "Vilkyškių pieninė" AB).

"Vilkyškių pieninė", AB
The total number of shareholders on 30-06-2024 was 1,670.

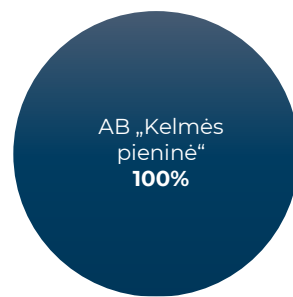


Distribution of shareholders of "Vilkyškių pieninė" AB by legal entity – **18.3%** natural persons, **81.7%** - legal entities.

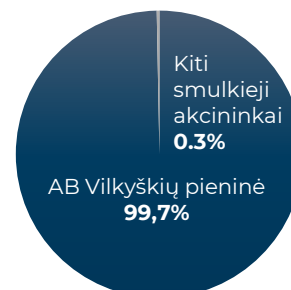
"Kelmės pieninė", AB



"Kelmės pienas", UAB



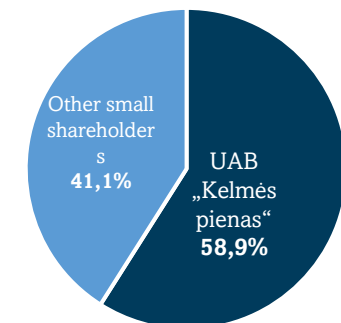
"Modest", AB



"Baltic Dairy Board", SIA



"Pieno logistika", AB



GENERAL MEETING OF SHAREHOLDERS AND SHAREHOLDER RIGHTS

The shareholders of "Vilkyškių pieninė", AB exercise their rights during the General Meeting of Shareholders.

Notices about the convening of the General Meeting of Shareholders, issues to be resolved at the meeting and decisions of the General Meeting of Shareholders are published on the company's website General Meeting of Shareholders – VILVI GROUP. Meetings are also reported on the Nasdaq Vilnius stock exchange.

During the reporting period, the Company's shareholders had equal rights (property and non-property), provided for by laws, other legal acts and the Company's articles of association. Neither shareholder had any special control rights. During the reporting period, the Company's management bodies created suitable conditions for the implementation of shareholders' rights. There are no restrictions on voting rights in the Company.

Shareholders have the following non-property rights:

- To participate and vote in General Meetings of Shareholders;
- To receive information about the Company, as stipulated in Part 1 of Article 18 of the Law on Companies of the Republic of Lithuania;
- To apply to the court with a claim for compensation for damage to the Company caused by the Company's manager not performing or improperly performing his/her duties, as well as in other cases established by law;
- Other non-property rights provided for by law.

Shareholders have the following property rights:




- To receive a share of the Company's profit (dividend);
- To receive a share of the liquidated Company's assets;
- To receive shares for free if the authorized capital is increased from the Company's funds, except for the exceptions established by the Law on Companies;
- With the pre-emption right to purchase shares or convertible bonds issued by the Company, except for the case when the General Meeting of Shareholders decides to revoke this right for all shareholders in accordance with the procedure established by the Law on Companies;
- To transfer all or part of the shares to the ownership of other persons in accordance with the procedure established by the Law on Companies;
- Other property rights provided for by law.

Competence of the General Meeting of Shareholders

- Changing the articles of association of the parent company;
- Electing and recalling the members of the Supervisory board of the parent company, determining the remuneration for the independent members of the Supervisory board;
- Making a decision on the approval of the Remuneration Policy;
- Approval of the annual financial statements of the parent company and the set of annual consolidated financial statements of the Group;
- Approval of the parent company's annual report and the Group's consolidated annual report;
- Adoption of a decision on the distribution of profit (losses) and on the allocation of dividends for a period shorter than the financial year;
- Making a decision on the establishment, use, reduction and destruction of reserves;
- Making a decision on increasing or decreasing the authorized capital of the parent company;
- Adoption of decisions on restructuring, reconversion, reorganization, liquidation of the parent company;
- Making a decision on the acquisition of the company's own shares;
- Selecting and recalling an auditor or an audit firm to audit a set of annual financial statements, setting the terms of payment for audit services.

SUPERVISORY BOARD

Supervisory board is a collegial body of the Company, represents the shareholders and performs the functions of supervision and control of the Company's activities. The supervisory board is elected by the General Meeting of Shareholders for four years. Supervisory board elects the chairman of the Supervisory board from among its members.

	Name, Surname, position	Education	Information about the main workplace and participation in the management of other companies:	Available share of the company's capital and votes as of 30-06-2024, %
	<p>Algimantas Lekevičius Chairman of the Supervisory board since 28 April 2023.</p>	<p>higher education, engineer-</p>	<p>Project Manager of the Issuers Department of the Markets and Treasury Department of AB Šiaulių bankas</p> <hr/> <p>Chairman of the Užupis Community Senate</p>	<p>2000 psc/0.02%</p>
	<p>Marijana Juškienė Member of the Supervisory board since 28 April 2023.</p>	<p>higher education, engineer-mathematician</p>		<p>-</p>
	<p>Martynas Bertašius Member of the Supervisory board since 28 April 2023.</p>	<p>higher education, economics</p>	<p>He has been working at "Vilkyškių pieninė", AB since 2016.</p> <hr/> <p>Manager and actual member of UKB „RELI“ (company code 306286230, address: Kęstučio str. 13, LT-99182 Šilutė)</p>	<p>-</p>

The main functions and competences of the Supervisory board:

- Consideration and approval of the operating strategy of the parent company and Group companies, as well as analysis and evaluation of information on the implementation of the operating strategy, presentation of this information to the ordinary General Meeting of Shareholders;
- Electing and recalling the Board members;
- Adoption of decisions on transactions with related parties, as stipulated in Part 2 of Article 37 of the Law on Companies of the Republic of Lithuania;
- Supervision of the activities of the Board and the manager;
- Providing feedback and suggestions on the set of annual financial statements, the profit (loss) distribution project and the company's annual report to the General Meeting of Shareholders;
- Submitting proposals to the Board and the company's manager to revoke their decisions that contradict laws and other legal acts, the company's articles of association or the decisions of the General Meeting of Shareholders;
- Providing feedback and proposals on the draft Remuneration Policy and the draft remuneration report to the General Meeting of Shareholders;
- The Supervisory board also examines other issues within its competence, specified in the articles of association of the parent company and the Law on Companies of the Rep

Two meetings of supervisory board have occurred in H1 2024. Requires quorum was reached in both meetings. The meetings included reviews and proposals for the Shareholders' Meeting on the 2023 annual financial statements, the profit/loss distribution project and the company's annual report on the remuneration policy project and the remuneration report project. Revised corporate strategy of the Group, proposals.

BOARD

The **Board** is a collegial management body of the Company. The Board of "Vilkyškių pieninė", AB consists of 6 Board members.

Members of the Board, Supervisory board are elected for a four-year term in accordance with the procedure established by the Law on Companies of the Republic of Lithuania. The chairman of the Board is elected by the Board from among its members for a four-year term.

The Company does not have rules governing the election of the members to the Board of the Company. In its activities, the Company is guided by the Law on Companies of the Republic of Lithuania, the Company's Articles of Association and other legal acts. The members of the Board have not authorized other persons to perform the functions assigned to the competence of the Board.

Other functions of the Board:

- The Board elects and dismisses the CEO, determines working conditions and remuneration, following the Remuneration Policy, as established in Article 373 of the Law on Companies of the Republic of Lithuania;
- Determines the information that is considered the company's commercial (production) secret and confidential information;
- Analyzes and evaluates the material provided by the company's CEO about the organization of the company's activities, financial condition, performance results, etc.;
- Analyzes and evaluates the company's set of annual financial statements, profit (loss) distribution and Remuneration Policy projects and together with feedback and proposals on them and the company's annual report submits them to the Supervisory board and the General Meeting of Shareholders;
- Analyzes and evaluates the project of the decision on the allocation of dividends for a period shorter than the financial year and for its adoption the compiled set of interim financial statements, which, together with feedback and proposals on them and the company's interim report, are submitted to the Supervisory board and the General Meeting of Shareholders;
- Resolves other issues stipulated in the company's articles of association.

The Board considers and approves the following:

- The company's interim and annual report;
- The management structure of the company and the positions of employees;
- Positions to which employees are recruited by tender procedure;
- Other issued that provided for in the procedure established by the Law on Companies of the Republic of Lithuania and the Company's Articles of Association.

Activities of the company's Board in H1 2024

In H1 2024, the meeting of the Board of "Vilkyškių pieninė", AB were held regularly according to the established schedule. In the course of 6 months of 2024, a total of 4 the Board meetings were held, with the required quorum present at each of them. The Board approved the 2023 annual financial statements and annual report, it called an ordinary meeting of shareholders and offered the distribution of the 2023 profit for an ordinary meeting of shareholders.

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

MEMBERS OF THE BOARD

Chairman of the Board and members for re-election for a four-year term on 04-29-2022 during the General Meeting of Shareholders



Gintaras Bertašius
Chairman of the Board



Vilija Milaševičiūtė
Member of the Board






Linas Strėlis
Member of the Board

Education	Information about the main workplace and participation in the management of other companies:	Available share of the company's capital and votes as of 30-06-2024, %
higher education, engineer - mechanic	CEO of "Vilkyškių pieninė", AB, chairman of the Board of "Kelmės pieninė", AB, "Modest", AB, "Kelmės pienas", UAB, and "Pieno logistika", AB, and "Baltic Dairy Board", SIA.	As of 30 June 2024, G. Bertašius had no shares in AB Vilkyškių pieninė, but he owns 60.4% of the votes at the General Meeting of Shareholders (a joint life insurance policy was concluded with the insurance company Swisspartners Versicherung AG Zweigniederlassung Österreich, which has taken ownership rights to 7,213,680 shares of AB Vilkyškių pieninė
higher education, finance and credit	"Vilkyškių pieninė", AB Director of Economics and Finance, member of the Board of "Baltic Dairy Board", SIA, "Modest", AB, "Kelmės pieninė", AB, "Pieno logistika", AB and "Kelmės pienas", UAB.	9,588 pcs./0.08%
higher education, engineer	Director of UAB Biglis (company code 133688345, address: V. Kudirkos str. 9, LT-50283 Kaunas), Board member of „Umega“ AB (company code 126334727, address: Metalo str. 5, LT-28216 Utena), „Investicija kubu“ UAB (company code 305818634, address:: Mituvos str. 2, LT-50131 Kaunas), „Raudona saulė“ UAB (company code 302865867, address: A. Mickevičiaus str. 56-2, LT-44244 Kaunas), „East West Agro“ AB (company code 300588407, address: Tikslas str. 10, Kumpiai, LT-54311 Kauno r.), Lords LB Baltic Opportunity Fund (company code 306484707, address: Konstitucijos pr. 29-1, LT-08105 Vilnius) and „Galinta“ UAB (company code 134568135, address: Veiverių str. 51C, LT-46336 Kaunas).	-

MEMBERS OF THE BOARD

Chairman of the Board and members for re-election for a four-year term on 04-29-2022 during the General Meeting of Shareholders

Education	Information about the main workplace and participation in the management of other companies:	Available share of the company's capital and votes as of 30-06-2024, %
 <p>Sigitas Trijonis Member of the Board</p>	<p>higher education, engineer – mechanic.</p> <p>Director of the Investment Projects Department of "Vilkyškių pieninė", AB</p>	<p>425,607 pcs./3.56%</p>
 <p>Rimantas Jancevičius Member of the Board</p>	<p>higher education, zootechnician</p> <p>Director of Raw Material Purchase of "Vilkyškių pieninė", AB</p>	<p>354,970 pcs./2.97 %</p>
 <p>Andrej Cyba Member of the Board</p>	<p>higher education, business administration and management</p> <p>CEO of "PEF GP1" UAB (company code 302582709, address: Maironio str. 11, Vilnius), UAB "PEF GP2" UAB (company code 302582716, address: Maironio str. 11, Vilnius), "Piola" UAB (company code 120974916, address: Mindaugo str. 16-52, LT-03225 Vilnius), "Ymmalu" UAB (company code 305765142, address: Šaltinių str. 24-10, LT-03233, Vilnius) and "LAMA Capital" UAB (company code 306178639, address: Šaltinių str. 24-10, LT-03233, Vilnius), "V3 Installation Solutions" UAB (company code 124100519, address: Pašilaičių str. 14-74, LT-06113 Vilnius), "Vokė-III" UAB (company code 120959622, address: Piliakalnio str. 70, Nemenčinė, LT-15175 Vilniaus r.), Advisor to the Board of "INVL Asset Management" UAB (company code 126263073, address: Gynėjų str. 14, LT-01109 Vilnius), Chairman of the Board of "INVL Financial Advisors" UAB FMĮ (company code 304049332, address: Gynėjų str. 14, LT-01109 Vilnius) and "Baltic Dairy Board", SIA, Chairman of Supervisory Council "INVL Asset Management" IPAS (company code 40003605043, address: Smilšu str. 7-1, LV1050, Ryga) and "INVL atklātais pensiju fonds" AS (company code 40003377918, address: Elizabetes str. 10B - 1, LV-1010 Ryga), Board and Chairman of the Audit Committee at "AUGA group", AB (company code 126264360, address: Konstitucijos pr. 21C, LT08130 Vilnius).</p>	<p>.</p>

COMMITTEES

Appointment and Remuneration Committee

Members:

Birutė Butkienė (ŪKB Šilgaliai Agro accountant),
Giedrė Krinicina ("Vilkyškių pieninė", AB employee),
Živilė Žymantaitė ("Vilkyškių pieninė", AB employee).

All members are not leading employees of the administration, they do not participate in the authorized capital of the Company.

Forms and approves the regulations of the committee – the Board.

Functions of the committee:

- Provides management bodies with assistance in all matters related to the appointment of candidates to the positions of the Company's manager or other managerial employees;
- Recommends to the Board candidates for other Board committees;
- Collects, analyses and processes all information related to the Company's employee hiring policy;
- Assesses the possible conflicts of interest of each managing employee of the Company;
- Provides assistance to governing bodies in all matters related to the determination of salaries for management personnel;
- Resolves other issues necessary for the proper performance of the Committee's functions.

Audit Committee

Members:

Aušra Lobinienė (Head of Internal Audit Service of Tauragė Credit Union),
Vilma Morkaitienė (UAB Bonus modus senior Accountant)
Sigita Montvilaitė ("Vilkyškių pieninė", AB employee).

All members are not leading employees of the administration, they do not participate in the authorized capital of the Company.

Forms and approves the regulations of the committee – General Meeting of Shareholders.

Functions of the committee:

- Monitors the process of preparing the Company's financial statements;
- Provides management bodies with recommendations related to the selection of an audit firm;
- Monitors the effectiveness of the company's internal control, risk management and internal audit systems;
- Monitors the audit process;
- Monitors how the auditor and the audit firm adhere to the principles of independence and objectivity;
- Performs other functions provided for by legislation;
- Immediately informs the head of the Company about the information provided to the Audit Committee by the audit company about problematic issues that arose during the audit, especially when significant internal control deficiencies related to financial statements are identified.

Activities of the Appointment and Remuneration Committee in H1 2024






In H1 2024, one meeting of the committee took place, during which the salaries of the Company's employees were reviewed, recommendations were made regarding the company's internal procedures and Remuneration Policy. All committee members attended the meetings.

Activities of the Audit Committee in H1 2024

In H1 2024, one committee meeting was held, during which drafts of the Company's 2023 financial statements, 2023 annual report and 2023 profit (loss) distribution were discussed and the 2024 budget was discussed. Recommendations have been made for selecting audit firms that audit a group of companies. All committee members attended the meetings.

Committees are not formed in subsidiaries.

KEY MANAGERS

		Education	Information about participation in the management of other companies:	Available share of the company's capital and votes as of 30-06-2024, %
	<p>Gintaras Bertašius CEO</p>	higher education, engineer - mechanic	Chairman of the Board of "Vilkyškių pieninė", AB, "Modest", AB, "Kelmės pieninė", AB, "Kelmės pienas", UAB and "Pieno logistika", AB, and of "Baltic Dairy Board", SIA	No shares owned/60.40%
	<p>Vilija Milaševičiūtė Director of Economics and Finance</p>	higher education, finance and credit	Member of the Board of "Vilkyškių pieninė", AB, "Modest", AB, "Kelmės pieninė", AB, "Kelmės pienas", UAB, "Pieno logistika", AB and "Baltic Dairy Board", SIA	9,588 pcs./0.08%
	<p>Sigitas Trijonis Director of the Investment Projects Department</p>	higher education, engineer – mechanic.	Member of the Board of "Vilkyškių pieninė" AB	425,607 pcs./3.56%
	<p>Rimantas Jancevičius Director of Raw Material Purchase</p>	higher education, zootechnician	Member of the Board of "Vilkyškių pieninė" AB	354,970 pcs./2.97 %
	<p>Vaidotas Juškys Executive Director</p>	higher education, information technologies	-	23,536 pcs./0.20 %

KEY MANAGERS



Arvydas Zaranka
Production Director
AB Kelmė pieninė director

Education

higher education, dairy technology

Information about participation in the management of other companies:

Member of the Board of "Modest", AB

Available share of the company's capital and votes as of 30-06-2024, %

1,933 pcs./0.02 %



Rita Juodikiene
Director of Management and Quality

higher education, business management

Member of the Board of "Kelmės pieninė", AB, "Pieno logistika", AB and "Kelmės pienas", UAB

2,175 pcs./0.02%



Paulinas Stanaitis
Director of Transport and Logistics

higher education, management and business administration

-

-



Jolita Valantiniene
Director of "Kelmės pienas", UAB

higher education, management and business administration

Director of "Pieno logistika", AB

-



Matas Pozingis
Director of "Modest", AB

higher education, management and business administration

-

-

DIVIDENDS

In 2012, "Vilkyškių pieninė", AB approved a dividend policy. Excerpt from the provisions of the dividend policy:

Dividends and amount of dividends

The Law on Companies of the Republic of Lithuania stipulates that the dividend is a share of the profit allocated to the shareholder, proportional to the nominal value of the shares owned by the shareholder.

1. During the General Meeting of Shareholders, the Company's shareholders cannot make a decision to pay out dividends if: 1) the Company is insolvent; 2) the distributed result of the financial year is negative; 3) the Company's equity capital is lower or, after paying dividends, would become lower than the Company's authorized capital and the amount of reserves.
2. The Company's Board should propose the amount of dividends to the General Meeting of Shareholders depending on the Company's audited net profit of the relevant financial year.
3. If the Company operates profitably, the Board of the Company allocates a certain part of the income to the amount of dividends, as determined in point 2.6, and reinvests the remaining income in order to increase the Company's capitalization.
4. The Company pays dividends in cash.
5. The Board of the Company has determined the amount of dividends based on the Company's consolidated net profit of the previous year. The determined amount of dividends must be at least 25% of the Company's consolidated net profit for the previous year, but not more than the Company's annual consolidated net profit.
6. The Company reserves the right to deviate from the dividend amount criteria by disclosing the reasons for such deviation.

Payment of dividends by "Vilkyškių pieninė", AB in the last years:

	2020 (for 2019)	2021 (for 2020)	2022 (for 2021)	2023 (for 2022)	2024 (for 2023)
Dividends (EUR)	-	955,440	2,388,600	3,164,744	3,702,330
Dividends per share (EUR)	-	0.08	0.20	0.265	0.310
Number of shares	11,943,000	11,943,000	11,943,000	11,943,000	11,943,000

Payment of dividends in other VILVI GROUP companies

APayment of dividends by "Kelmės pieninė", AB in the last years:

	2020 (for 2019)	2021 (for 2020)	2022 (for 2021)	2023 (for 2022)	2024 (for 2023)
Dividends (EUR)	5,651,261	7,371,210	3,931,312	1,523,383	8,992,876
Dividends per share (EUR)	2.30	3.00	1.60	0.62	3.66
Number of shares	2,457,070	2,457,070	2,457,070	2,457,070	2,457,070

"Kelmės pienas", UAB in 2024 (for 2023 paid out dividends of EUR 2.0 million., in 2023 (for 2022 m.) – EUR 1.2 million.

"Modest", AB, "Pieno logistika", AB and "Baltic Dairy Board", SIA have not paid dividends in the past 5 years.

LINKS

1. Information on transactions with related parties

During 2023, the company did not have transactions with related parties that would meet the criteria specified in Article 372 of the Law on Companies.

2. Diversity policies apply to the election of the company's manager, members of the management and supervisory bodies

The Company does not have a diversity policy for the election of the manager, management and supervisory bodies. When nominating candidates for the members of the Company's management bodies, they are not discriminated against due to age, gender, education or professional experience. The Company does not set any restrictions for individuals to apply due to gender or age. The main criterion for selecting members of management bodies is the competence of the candidate.

3. Agreements between shareholders

The Company does not have data on mutual agreements between shareholders. In 2024, the Companies have not entered into agreements with members of their bodies or employees that would provide for compensation if they resign or are dismissed without reasonable cause or if their employment ends due to a change in control of the issuer. During the reporting period, there were no harmful transactions that did not meet the goals of the Company or the Group, normal market conditions, violated the interests of shareholders or other groups of persons and had or may have a negative impact on the Company's activities or performance results in the future.

CONSOLIDATED FINANCIAL STATEMENTS

MANAGEMENT'S STATEMENT

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 Milasevičiutė, 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.

Vilkyškiai, 30 August 2024

Gintaras Bertašius

CEO

(The document has been signed by a qualified electronic signature)

Vilija Milaševičiutė

Director of Economics and Finance

(The document has been signed by a qualified electronic signature)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR'000

	Note	2024.06.30	2023.12.31
Assets			
Property, plant and equipment	3	74,666	56,178
Right-of-use assets		1,964	1,542
Intangible assets	4	4,166	4,168
Non-current amounts receivable	5	295	913
Non-current assets		81,091	62,801
Inventories	6	13,276	17,627
Trade and other receivables	7	25,331	17,207
Prepayments	8	731	679
Cash and cash equivalents	9	1,444	8,725
Current assets		40,782	44,238
Total assets		121,873	107,039
Equity			
Share capital	10	3,463	3,463
Share premium		3,301	3,301
Reserves		1,848	1,883
Retained earnings		59,139	52,379
Equity attributable to owners of the Company		67,751	61,026
Non-controlling interest		32	5
Equity		67,783	61,031

	Note	2024.06.30	2023.12.31
Liabilities			
Borrowings	11	24,557	15,706
Lease liabilities	11	1,431	775
Government grants	12	3,398	3,598
Trade and other payables		-	-
Deferred income tax liabilities		877	930
Non-current liabilities		30,263	21,009
Borrowings	11	3,645	3,235
Lease liabilities	11	646	469
Income tax payable		-	512
Trade and other payables	13	19,536	20,783
Current liabilities		23,827	24,999
Liabilities		54,090	46,008
Total equity and liabilities		121,873	107,039

The notes on pages 41 to 46 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

EUR'000

	Note	<u>2024.01.01- 2024.06.30</u>	<u>2023.01.01- 2023.06.30</u>	<u>2024.04.01- 2024.06.30</u>	<u>2023.04.01- 2023.06.30</u>
Revenue	1	117,090	103,720	60,898	50,054
Cost of sales	1	-100,763	-93,593	-52,149	-44,107
Gross profit	1	16,327	10,127	8,749	5,947
Other operating income		177	111	106	55
Distribution expenses		-2,204	-2,308	-1,100	-1,011
Administrative expenses		-3,136	-2,371	-1,971	-1,134
Other operating expenses		-104	-111	-65	-56
Other gain (loss) – net		85	122	71	26
Results of operating activities		11,145	5,570	5,790	3,827
Finance income		39	15	9	7
Finance costs		-782	-695	-411	-308
Finance costs, net		-743	-680	-402	-301
Profit (loss) before income tax		10,402	4,890	5,388	3,526
Income tax		53	19	143	-111
Profit (loss) for the reporting year		10,455	4,909	5,531	3,415
Attributable to:					
Shareholders of the Company		10,428	4,912	5,526	3,374
Non-controlling interest		27	-3	5	41
Profit (loss) for the reporting year		10,455	4,909	5,531	3,415
Basic and diluted earnings per share (in EUR)	2	0.88	0.41	0.46	0.29

The notes on pages 41 to 46 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR'000

	<u>2024.01.01- 2024.06.30</u>	<u>2023.01.01- 2023.06.30</u>	<u>2024.04.01- 2024.06.30</u>	<u>2023.04.01- 2023.06.30</u>
Profit (loss) for the period	10,455	4,909	5,531	3,415
Other comprehensive income				
Change in fair value of hedging instruments	-	-	-	-
Effect of income tax	-	-	-	-
Other comprehensive income for the period, net of income tax	-	-	-	-
Total comprehensive income	10,455	4,909	5,531	3,415
Attributable to:				
Shareholders of the Company	10,428	4,912	5,526	3,374
Non-controlling interest	27	-3	5	41
Total comprehensive income	10,455	4,909	5,531	3,415

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company					Total	Non-controlling interest	Total equity
	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings (deficit)			
At 1 January 2023	3,463	3,301	1,722	346	40,749	49,581	321	49,902
Comprehensive income for the period								
Net profit (loss)	-	-	-	-	4,912	4,912	-3	4,909
Depreciation, write-off of revalued assets	-	-	-142	-	142	-	-	-
Other comprehensive income	-	-	-142	-	142	-	-	-
Total comprehensive income for the period	-	-	-142	-	5,054	4,912	-3	4,909
Contributions by and distributions to owners:								
Transfers to Legal reserve	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-3,165	-3,165	-	-3,165
Total contributions by and distributions to owners	-	-	-	-	-3,165	-3,165	-	-3,165
Changes in the Group not resulting in a loss of control								
Change (decrease) in minority interest	-	-	-	-	-98	-98	-302	-400
Total transactions with shareholders	-	-	-	-	-3,263	-3,263	-302	-3,565
At 30 June 2023	3,463	3,301	1,580	346	42,540	51,230	16	51,246
At 1 July 2023	3,463	3,301	1,580	346	42,540	51,230	16	51,246
Comprehensive income for the period								
Net profit (loss)	-	-	-	-	9,754	9,754	-11	9,743
Depreciation, write-off of revalued assets	-	-	-43	-	43	-	-	-
Other comprehensive income	-	-	-43	-	43	-	-	-
Total comprehensive income for the period	-	-	-43	-	9,797	9,754	-11	9,743
Contributions by and distributions to owners:								
Transfers to Legal reserve	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares	-	-	-	-	-	-	-	-
Change in fair value of put option	-	-	-	-	42	42	-	42
Total contributions by and distributions to owners	-	-	-	-	42	42	-	42
Changes in the Group not resulting in a loss of control								
Change (decrease) in minority interest	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-
At 31 December 2023	3,463	3,301	1,537	346	52,379	61,026	5	61,031

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

EUR'000

	Equity attributable to owners of the Company					Total	Non-controlling interest	Total equity
	Share capital	Share premium	Revaluation reserve	Legal reserve	Retained earnings (deficit)			
At 1 January 2024	3,463	3,301	1,537	346	52,379	61,026	5	61,031
Comprehensive income for the period								
Net profit (loss)	-	-	-	-	10,428	10,428	27	10,455
Depreciation, write-off of revalued assets	-	-	-35	-	35	-	-	-
Other comprehensive income	-	-	-35	-	10,463	10,428	27	10,455
Total comprehensive income for the period								
Contributions by and distributions to owners:								
Transfers to Legal reserve	-	-	-	-	-	-	-	-
Transfers to reserve for acquisition of own shares	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-3,703	-3,703	-	-3,703
Total contributions by and distributions to owners	-	-	-	-	-3,703	-3,703	-	-3,703
Changes in the Group not resulting in a loss of control								
Change (decrease) in minority interest	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-3,703	-3,703	-	-3,703
At 30 June 2024	3,463	3,301	1,502	346	59,139	67,751	32	67,783

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR'000

	Note	2024.01.01- 2024.06.30	2023.01.01- 2023.06.30
Cash flows from operating activities			
Profit (loss) for the period		10,455	4,909
Adjustments for:			
Depreciation of property, plant and equipment	3	2,427	2,311
Amortization of intangible assets	4	1	4
Amortisation and write-off of grants	12	-220	-211
Change in inventory write-down allowance		-387	-2,010
Loss (gain) from disposal and write-off of property, plant and equipment		-1	-100
Income tax expenses		-53	-19
Finance costs, net		743	680
		12,965	5,564
Change in inventories		4,747	13,326
Change in non-current amounts receivable		618	-210
Change in trade and other receivables and prepayments		-8,781	1,939
Change in trade and other payables		-807	-4,488
		8,742	16,131
Interest paid		-713	-242
Income tax paid		-586	-237
Net cash flows generated from operating activities		7,443	15,652

	Note	2024.01.01- 2024.06.30	2023.01.01- 2023.06.30
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment		-20,163	-1,969
Payments for acquisition of intangible assets		-	1
Proceeds from sale of property, plant and equipment		137	300
Acquisition of ownership interest in subsidiary		-	-400
Loans granted		-	-170
Government grants		20	1
Dividends received		-	-
Repayment of loans		600	200
Net cash flows (used in) investing activities		-19,406	-2,037
Cash flows from financing activities			
Proceeds from borrowings		10,901	377
Repayments of borrowings		-1,639	-3,980
Lease payments		-877	-222
Payment of dividends		-3,703	-3,165
Net cash flows (used in) financing activities		4,682	-6,990
Net increase (decrease) in cash and cash equivalents		-7,281	6,625
Cash and cash equivalents as at 1 January	9	8,725	621
Cash and cash equivalents at 30 June	9	1,444	7,246

The notes on pages 41 to 46 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

General information

The following companies are part of the Vilvi Group (hereinafter the “Group”):

- "Vilkyškių pieninė" AB, a parent company (hereinafter the “Parent” or the “Company”);
- "Modest", AB, a subsidiary (hereinafter the “subsidiary "Modest", AB” or "Modest", AB);
- "Kelmės pieninė", AB, a subsidiary (hereinafter the “subsidiary "Kelmės pieninė", AB or “Kelmės Pieninė AB"Kelmės pieninė", AB).
- "Kelmės pienas", UAB, a subsidiary of "Kelmės pieninė", AB (hereinafter the “"Kelmės pienas", UAB).
- "Pieno logistika", AB, a subsidiary of "Kelmės pienas", UAB (hereinafter “Pieno Logistika AB”).
- "Baltic Dairy Board", SIA, a subsidiary (hereinafter the “subsidiary "Baltic Dairy Board", SIA “ or “"Baltic Dairy Board", SIA “).

"Vilkyškių pieninė" AB was established in 1993. The Parent has no branches or representative offices.

"Vilkyškių pieninė" AB is a Lithuanian company listed on the Nasdaq OMX Vilnius AB stock exchange.

As at 30 June 2024, the Company’s shareholder structure was as follows:

Shareholder	Number of shares held	Nominal value, 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
Total capital	11,943,000	0.29	3,463,470

As at 30 June 2023, the Company’s shareholder structure was as follows:

Shareholder	Number of shares held	Nominal value, 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
Total capital	11,943,000	0.29	3,463,470

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

As at 30 June 2024, Mr. Gintaras Bertašius held no shares of Vilkyškių Pieninė AB, however, he held 60.4% of voting rights at the General Meeting of Shareholders (since 2018, a joint life insurance policy has been drawn up with insurance company Swisspartners Versicherung AG Zweigniederlassung Österreich, which at 30 June 2024 has taken over ownership rights to 7,213,680 shares of Vilkyškių Pieninė AB). For the entire validity term of the insurance policy, the insurance company has irrevocably authorised Mr. Gintaras Bertašius and persons related to him to fulfil all non-property rights of a shareholder, including the right to vote at the General Meeting of Shareholders.

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 2023. 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 2023 December 31.

The interim consolidated financial statements for the 6 months 2024 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.

1. Segment information

The Group has several operating segments as described below. The operating segments represent different product groups that are managed separately, because they require different technologies and marketing strategies.

The Board and the General Manager review the internal management reports prepared for each operating segment on a monthly basis.

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

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

Performance is assessed based on the gross profit of the operating segments, which is presented in the internal management reports reviewed by the Board and the General Manager. The operating segment's gross profit is used to assess performance, as the management believes it is the most appropriate indicator for that purpose.

Results of operations of the operating segments H1 2024, EUR'000:

	Cheese, cheese products and other	Dry milk products	Fresh milk products	Total
Revenue	81,476	20,340	15,274	117,090
Cost of sales	-75,345	-12,572	-12,846	-100,763
Gross profit	6,131	7,768	2,428	16,327

Results of operations of the operating segments H1 2023, EUR'000:

	Cheese, cheese products and other	Dry milk products	Fresh milk products	Total
Revenue	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

Revenue by geographical location for 2022, EUR'000:

	2024.01.01-2024.06.30	2023.01.01-2023.06.30
Lithuania	16,568	17,076
European Union (excluding Lithuania)	64,060	49,104
Other countries	36,462	37,540
Total	117,090	103,720

2. Earnings per share

	2024.01.01- 2024.06.30	2023.01.01- 2023.06.30
Net profit attributable to holders of ordinary shares of the Parent, EUR '000	10,455	4,909
Number of issued shares calculated based on the weighted average unit cost method, '000 units	11,943	11,943
Basic earnings (loss) per share (EUR)	0.88	0.41

3. Property, plant and equipment

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

On 30 June 2024 depreciation amounted to 2,427 thousand EUR (on 30 June 2023 – 2,311 thousand EUR).

4. Intangible assets

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

On 30 June 2024 amortization amounted to 1 thousand EUR (on 30 June 2023 - 4 thousand EUR).

5. Non-current amounts receivable

EUR '000	2024.06.30	2023.12.31
Financial instruments		
Loans granted to related parties	-	600
	-	600
Non-financial assets		
Non-current amounts receivable from farmers (a)	295	311
Other non-current amounts receivable	-	2
	295	313
	295	913

(a) Non-current amounts receivable from farmers and agricultural companies comprise prepayments made to milk suppliers for milk. An administration fee is charged on these prepayments.

6. Inventories

EUR '000	2024.06.30	2023.12.31
Finished products	8,548	11,343
Products in transit	-	1,650
	8,548	12,993
Raw materials	491	324
Consumables	4,074	4,016
Work in progress	163	294
	13,276	17,627

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

As at 30 June 2024, the Group's inventories with the net book amount of up to EUR 8,136 thousand (31 December 2023: up to EUR 12,091 thousand) have been pledged to financial institutions.

7. Trade and other receivables

EUR '000	2024.06.30	2023.12.31
Trade receivables	21,351	14,815
Impairment losses	-549	-307
Trade receivables from related parties	-	88
Loans granted to related parties, including interest charged and administration fee	1,006	-
Financial assets	21,808	14,596
Taxes receivable (other than income tax)	3,506	2,593
Other receivables	17	18
Total trade and other receivables	25,331	17,207

Taxes receivable consist of VAT receivable.

Trade and other receivables are non-interest bearing and their settlement term is 30 days.

As at 30 June 2024, the Group's receivables were not pledged.

8. Prepayments

EUR '000	2024.06.30	2023.12.31
Prepayments (a)	583	608
Advance income tax	148	71
	731	679

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

9. Cash and cash equivalents

EUR '000	2024.06.30	2023.12.31
Cash at bank	1,385	8,609
Cash on hand	59	116
	1,444	8,725

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

10. Capital

As at 30 June 2024, the 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

EUR '000	2024.06.30	2023.12.31
Non-current borrowings	24,557	15,706
Lease liabilities	1,431	775
Non-current	25,988	16,481
Current bank borrowings and other borrowings	3,645	3,235
Lease liabilities	646	469
Current	4,291	3,704
Total borrowings and lease liabilities	30,279	20,185

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

12. Government grants

EUR '000	2024.06.30	2023.12.31
Opening net book amount	3,598	3,743
Grants received	20	285
Amortisation recognised in profit or loss and write-off of grants	-214	-417
Write-off of grants upon disposal of assets	-6	-13
Closing net book amount	3,398	3,598

13. Trade and other payables

EUR '000	2024.06.30	2023.12.31
Financial instruments		
Trade payables	12,346	13,171
	12,346	13,171
Non-financial instruments		
Employment-related liabilities (a)	4,883	4,684
Advance amounts received	564	781
Dividends payable	74	73
Taxes payable (other than income tax) (b)	1,601	1,680
Accrued expenses and provisions	68	394
	7,190	7,612
	19,536	20,783

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

14. Events after the reporting period

No significant events have occurred.

ADDITIONAL INFORMATION

ALTERNATIVE INDICATORS

Gross profit is an indicator presented in the company's profit (loss) statement, which is calculated after subtracting the cost from sales revenue. Usually, this profit is the highest compared to other types of profit.

Gross profit margin shows how much profit is made for each unit of sales revenue. The indicator is calculated by dividing gross profit by revenue.

EBITDA - earnings before interest, taxes, depreciation, and amortization, which shows the profit earned by the company before the company's financing policy, as well as the assessment of the impact of corporate tax on profit. "Vilkyškių pieninė", AB JSC calculates this indicator by adding depreciation and amortization of fixed assets to the operating result and deducting grants. Elements that are not directly influenced by the nature of the company's activities may be eliminated when calculating EBITDA.

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

EBIT (Operating Earnings) – earnings 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 deducting corporate tax). This indicator reflects the company's ability to generate cash flow. The indicator is calculated by adding financial activity costs to pre-tax profit and subtracting financial activity income.

EBIT margin is an indicator of operational efficiency, calculated by dividing operating profit by revenue.

EBT (Earnings before taxes) is earnings before taxes. The indicator is calculated by adding corporate tax expenses to net profit.

EBT margin is calculated by dividing earnings before taxes by revenue. Shows the ratio of the company's earnings before taxes to sales. The higher value of the indicator the higher the profitability of the company.

Financial debts are the sum of short-term and long-term debts, showing the amount of indebtedness of the company. The indicator is calculated by adding long-term and short-term rental obligations to long-term and short-term loans.

Net profit (loss) is a financial indicator calculated by deducting all expenses and taxes from revenue.

Net profit margin is an indicator showing the company's profitability. It is calculated by dividing net profit by revenue.

Net profit per share is one of the most popular share valuation indicators, which shows what is a profit of the company per share. The ratio is calculated by dividing the net profit by the number of shares in circulation.

Net debt is all financial obligations of the company without available cash and cash equivalents. This indicator can be used during credit rating review. The indicator is calculated by subtracting cash and cash equivalents from financial debt.

Net Debt/EBITDA shows a company's ability to pay back its debts from profits earned. This indicator can also be used during a credit rating review. The indicator is calculated by dividing net debt by EBITDA.

The capital-to-asset ratio shows the proportion of total asset financing with equity capital. This indicator shows the share of equity capital in the capital structure. The lower this ratio, the more dependent the company is on borrowed funds. The indicator is calculated by dividing equity by total assets.

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

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

P/E ratio is the ratio of the share's market price to earnings per share. The indicator shows what is the cost of company's shares compared to its net profit. The P/E ratio provides information on whether a company is expensive compared to its earnings. The higher the net profit, the lower the P/E ratio, and in turn, 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 capital employed (ROCE) - the profitability indicator evaluates the profitability of the funds necessary for the constant operation of the company. It is often compared to the loan interest rates in the market at that time. A company's ROCE is required to be greater than the cost of borrowed capital at that time. The indicator is calculated by dividing EBIT by the difference between total assets and current liabilities.

Debt ratio reflects how much of the company's assets are purchased with borrowed funds. The indicator is calculated by dividing all the liabilities of the company by assets.

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

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

Return on assets (ROA) is the ratio of net profit to assets. 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 company's asset utilization. The higher the value of ROA, 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 assets at the beginning and assets at the end of the reporting period.