



VILVI GROUP

THE RESULTS OF 12 MONTHS OF 2023



CONTENT

1. [MAIN EVENTS DURING 2023](#)
2. [MAIN FINANCIAL INDICATORS](#)
3. [SALES REVENUE BY MARKETS](#)
4. [SALES REVENUE BY OPERATING SEGMENTS](#)
5. [CONSOLIDATED STATEMENT OF FINANCIAL POSITION](#)
6. [CONSOLIDATED INCOME STATEMENT](#)
7. [CONCOLIDATED STATEMENT OF CASH FLOWS](#)
8. [ABOUT VILVI GROUP](#)
9. [STRUCTURE OF VILVI GROUP](#)
10. [BOARD](#)
11. [SHORT HISTORY OF VILVI GROUP](#)
12. [SHARE PRICE DATA AND SHAREHOLDERS](#)
13. [CONTACTS](#)

1. MAIN EVENTS DURING 2023

On 14.04.2023 Vilkyškių pieninė, AB, the parent company of Vilvi Group, acquired the remaining 30% of the shares of "Baltic Dairy Board", SIA* and now owns a 100% shareholding.

* "Baltic Dairy Board", SIA is a Latvian company, specialising in producing and selling high value-added dairy ingredients, and milk and whey separation.

ACHIEVEMENTS

- At "SB Insight" 2023 study **Vilkyškių pieninė, AB ranked second among the most sustainable brands of the food and beverage industry in Lithuania.** We are the leaders when compared to other dairy producers. Consumers assessed brands on the basis of sustainability - environmental and social responsibility criteria.

- Vilkyškių pieninė AB took the 2nd place among the TOP 10 leaders of Lithuanian food industry sector in 2023! Analysts of "Verslo žinios" rank companies according to ten indicators of 2022, taking into account size, efficiency, growth, social value.

In order to save natural resources and reduce CO2 emissions, Vilvi Group is starting to install solar power plants on the roofs of the factories of Vilkyškių pieninė AB, "Modest" AB and "Kelmė pienas,, UAB. The electricity generated by solar power plants will be used for the needs of the companies.

This project will increase the use of cleaner and renewable electricity, thus reducing the use of traditional electricity.





Vilvi Group has extended its long-standing cooperation with the basketball club "Žalgiris"

A long-standing partnership has become an integral part of both brands. For a number of years, "Vilkyškiai" products with a black cat have also been marked with the "Žalgiris" logo.

By purchasing "Vilkyškiai" black cat products, the team's fans directly contribute to the Lithuanian Champions club.

Vilvi Group – the main partner of "Tauragė – Lithuanian Capital of Culture 2023"

We are constantly striving to contribute to the promotion of culture in the region, and this cooperation provides even more opportunities to organize the highest level of events and ensure that Tauragė will be famous as a modern city that values its history, open to guests from all over the world. We are one of the largest companies in the region, so we understand our responsibility to contribute to the cultural growth and development of the community.



PRODUCT NEWS

Vilvi Group together with Lithuanian University of Health Sciences scientists have developed an innovative product for older people – "Senescentis" dietary supplement made from WPC powder.

This is a unique multicomponent composition of whey proteins, macroelements, microelements, water and fat-soluble vitamins that help prevent senile weakness syndrome and malnutrition.



Vilkyškių Original cream cheese was presented to consumers as a new product in the spreadable cheeses category. It is a natural-tasting curd cream with a mild creamy consistency, which contains as much as 99% cottage cheese.

The line of Less sugar was supplemented with 2 news: yogurt with mango, passion fruit and Spanish sage Chia seeds and caramelized banana-flavored curd cheese.



Another new - **VILVI yoghurt bar**, which is made from yogurt mass, rich in yogurt bacteria. The yoghurt bar has a refreshing creamy consistency, covered with crispy chocolate and resembles a cheesecake.



CERTIFICATES OF VILVI GROUP

	AB Vilkyškių pieninė	AB "Modest"	AB Kelmės pieninė	UAB "Kelmės pienas"	AB "Pieno logistika"	SIA "Baltic Dairy Board"
ISO 22000/FSSC 22000	✓	✓	✓		✓	✓
ISO 50001						✓
HALAL	✓	✓	✓			✓
Kosher			✓			✓
IFS Food Version 7				✓		
Organic production certificate				✓		✓

EXTENDED/ISSUED CERTIFICATES DURING 2023

- ✓ Halal and FSSC 22000 certificates have been extended for Vilkyškių pieninė, AB and "Modest", AB;
- ✓ Halal, Kosher and FSSC 22000 certificates have been extended for Kelmės pieninė AB;
- ✓ "Kelmės pienas", UAB has been granted a certificate for organic production and labeling of organic products (according to Regulation (EU) 2018/848), which indicates that the company, as a subcontractor, can produce organic milk products approved by Ekoagro. Also IFS Food Version 7 certificate has been extended;
- ✓ Organic production certificate and Halal have been extended for "Baltic Dairy Board", SIA.

2. MAIN FINANCIAL INDICATORS

	2019	2020	2021	2022	2023
Revenue (Thousands EUR)	114,581	120,873	156,045	234,083	212,213
EBITDA (Thousands EUR)	3,698	8,271	14,122	19,280	21,043
EBITDA margin (%)	3.2%	6.8%	9.0%	8.2%	9.9%
Net profit (loss) (Thousands EUR)	-446	3,872	5,500	12,699	14,601
Profit (loss) margin (%)	-0.4%	3.2%	3.5%	5.4%	6.9%
Quantity of purchased milk, t	268,555	287,370	314,540	342,953	351,832
Profit (loss) per share (EUR)	-0.04	0.32	0.46	1.05	1.22
Net financial debt (Thousands EUR)	27,185	21,479	23,364	22,308	11,459

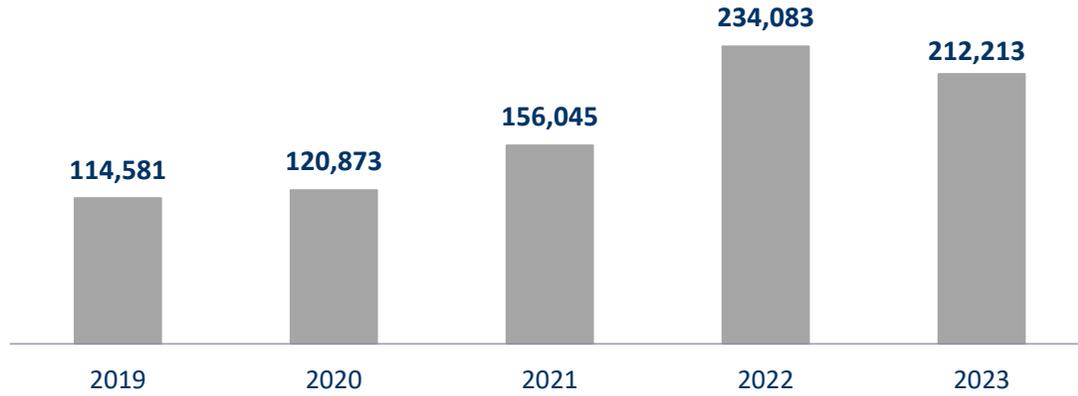
During 2023 Vilvi Group **sales revenue** decreased by 9.3 percent, comparing with the same period last year and amounted to 212.2 MEUR.

During 2023 **EBITDA** reached 21.0 MEUR (increased by 15.0 percent comparing with 2022).

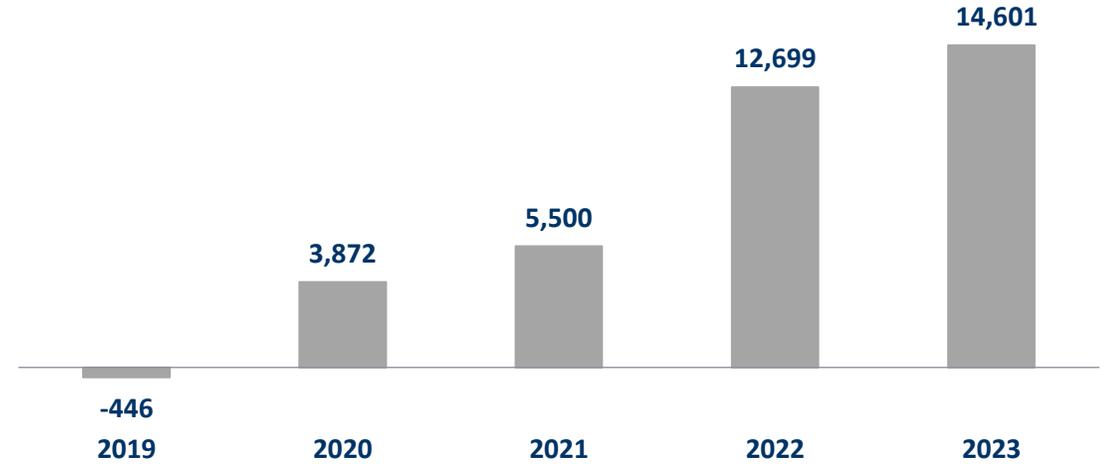
In 2023, Vilvi Group earned 14.6 MEur **net profit** (by 15.0 percent more than in 2022). A part of the profit came from the processing of purchased whey products, which are not directly related to the processing of milk. Also, part of the profit was earned by a subsidiary in Latvia.

During 12 months of 2023 a total of 351.8 tho tones of basic indicators milk was purchased (increased by 2.6 % comparing with 12 months of 2022).

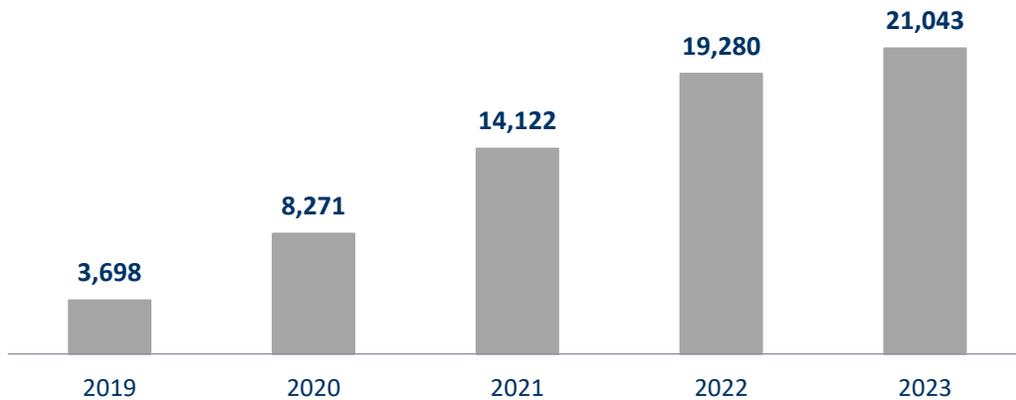
REVENUE, THOUSANDS EUR



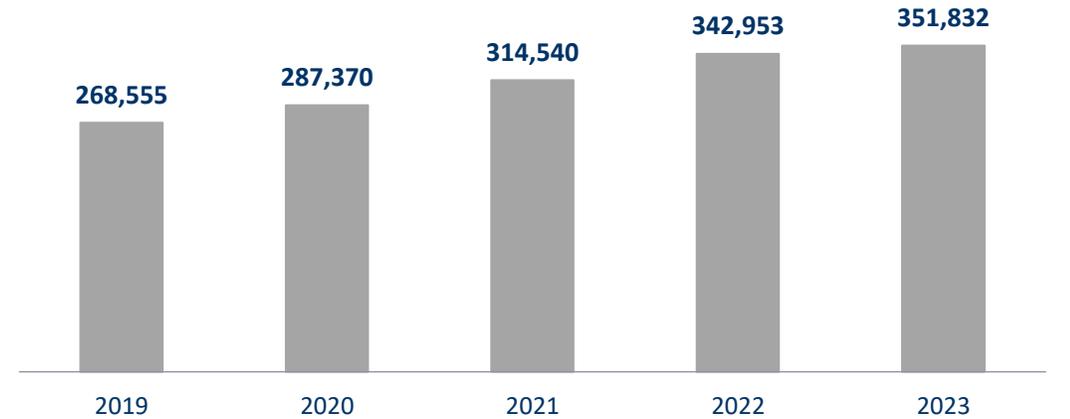
NET PROFIT, THOUSANDS EUR



EBITDA, THOUSANDS EUR

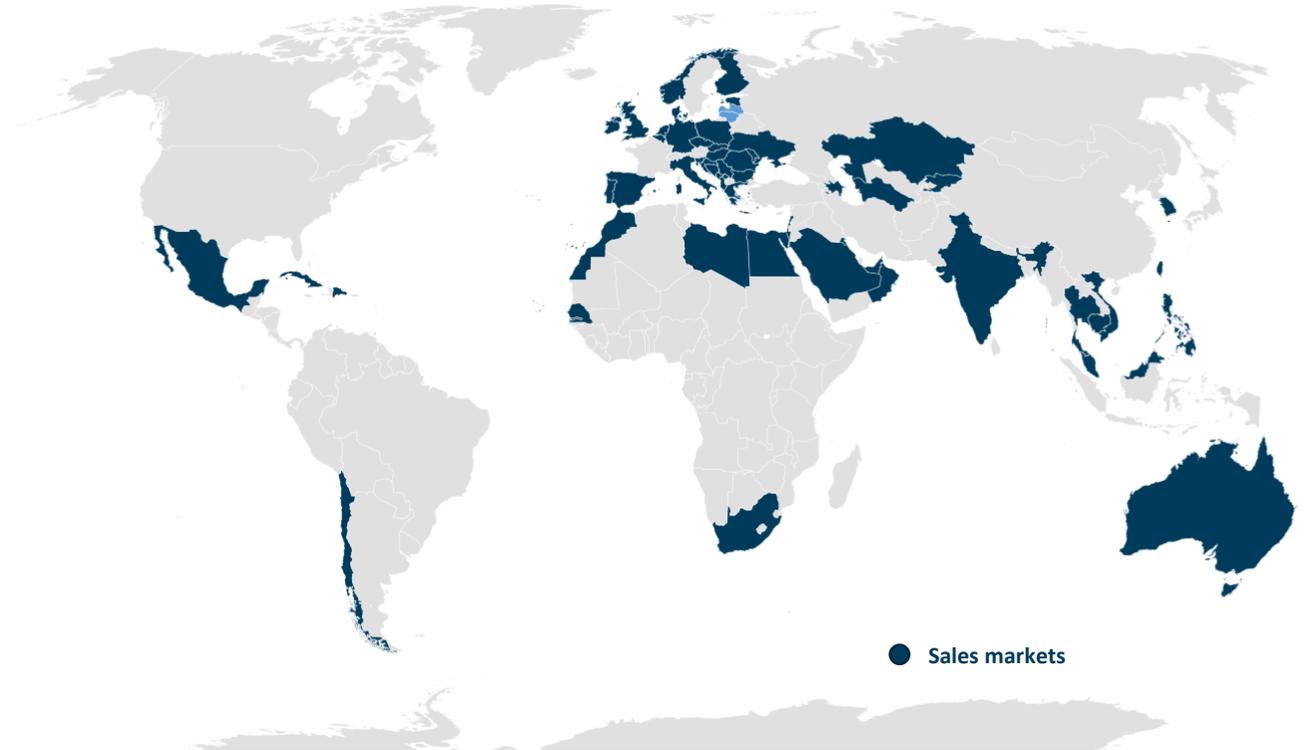
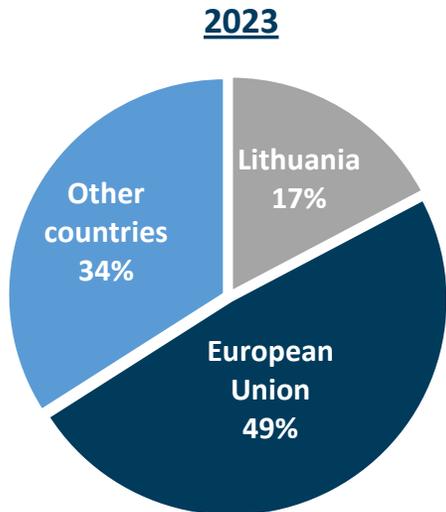
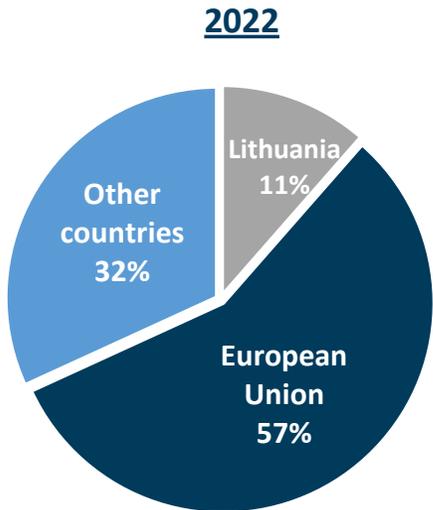


QUANTITY OF PURCHASED MILK, T



3. SALES REVENUE BY MARKETS

(Thousand EUR)	2022		2023	
Lithuania	26,751	11%	36,624	17%
European Union	132,771	57%	103,333	49%
Other countries	74,561	32%	72,256	34%
Total revenue:	234,083		212,213	

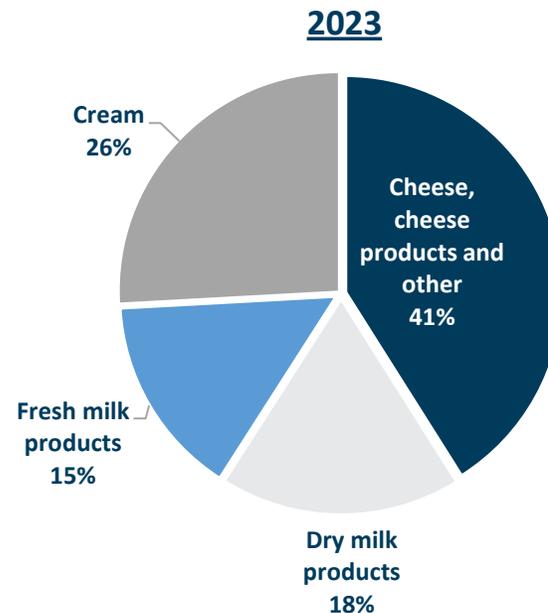
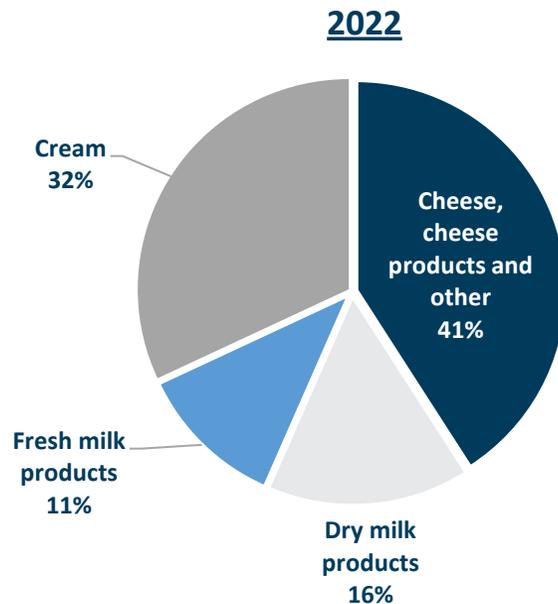


4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	2022		2023	
Cheese, cheese products and other	95,792	41%	86,688	41%
Dry milk products	36,630	16%	37,968	18%
Fresh milk products	26,864	11%	32,941	15%
Cream	74,798	32%	54,616	26%
Total:	234,083		212,213	

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	2023.12.31	2022.12.31
ASSETS		
Property, plant and equipment	56,204	48,365
Right-of-use assets	1,517	1,082
Intangible assets	4,167	4,175
Non-current amounts receivable	913	111
Non-current assets	62,801	53,733
Inventories	15,977	25,493
Trade and other receivables	18,526	17,875
Prepayments	679	741
Cash and cash equivalents	8,725	621
Current assets	43,907	44,730
Total assets	106,708	98,463
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	1,884	2,068
Retained earnings	52,311	40,749
Total equity attributable to owners of the Company	60,959	49,581
Non-controlling interest	-20	321
Total equity	60,939	49,902
Borrowings	15,705	12,978
Lease liabilities	775	399
Government grants	3,598	3,743
Trade and other payables	42	42
Deferred income tax liability	1,023	790
Non-current liabilities	21,143	17,952
Borrowings	3,235	9,238
Lease liabilities	469	314
Income tax payable	513	344
Trade and other payables	20,409	20,713
Current liabilities	24,626	30,609
Total liabilities	45,769	48,561
Total equity and liabilities	106,708	98,463

6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2023.01.01- 2023.12.31	2022.01.01- 2022.12.31
Revenue	212,213	234,083
Cost of sales	-184,500	-209,809
Gross profit (loss)	27,713	24,274
Other operating income	277	313
Distribution expenses	-4,438	-4,149
Administrative expenses	-6,646	-5,427
Other operating expenses	-307	-179
Other gain (loss) - net	221	89
Results of operating activities	16,820	14,921
Finance income	39	127
Finance costs	-1,378	-868
Finance costs, net	-1,339	-741
Profit (loss) before income tax	15,481	14,180
Income tax expenses	-880	-1,481
Profit (loss) for the period	14,601	12,699
Attributable to:		
Shareholders of the Company	14,640	12,511
Non-controlling interest	-39	188
Profit (loss) for the period	14,601	12,699
Basic and diluted earnings per share (in EUR)	1.22	1,05

7. CONSOLIDATED STATEMENT OF CASH FLOWS

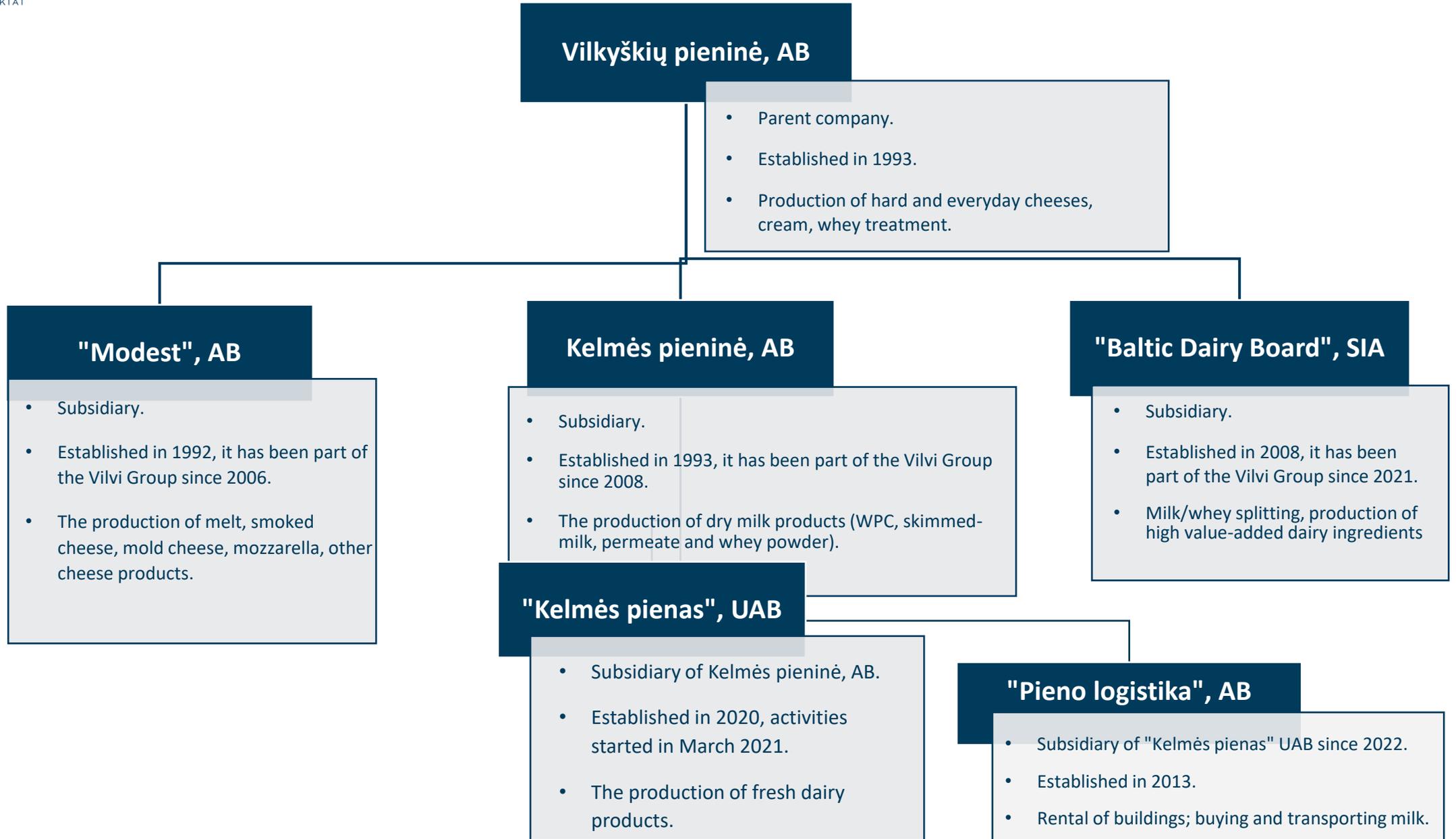
Thousand EUR	2023.01.01- 2023.12.31	2022.01.01- 2022.12.31
Profit (loss) for the period	14,601	12,699
Depreciation of property, plant and equipment	4,648	4,742
Amortization of intangible assets	5	11
Amortization and write-off of grants	-430	-394
Change in inventory write-down allowance	-1,413	2,593
Loss (gain) from disposal of property, plant and equipment	-182	-28
Income tax expenses	879	1,481
Finance costs, net	1,339	741
	19,447	21,845
Change in inventories	10,929	-10,461
Change in non-current amounts receivable	-802	177
Change in trade and other receivables and prepayments	-779	-4,159
Change in trade and other payables	-891	365
	27,904	7,767
Interest paid	-1,225	-393
Income tax paid	-138	-222
Net cash flows generated from operating activities	26,541	7,152
Payments for acquisition of property, plant and equipment	-12,003	-3,958
Payments for acquisition of intangible assets	3	-
Proceeds from sale of property, plant and equipment	557	83
Acquisition of shares of the subsidiary	-400	-
Loans granted	-170	-800
Government grants received	285	13
Loans recovered	381	1,361
	-11,347	-3,301
Proceeds from borrowings	2,000	6,911
Repayments of borrowings	-5,276	-8,165
Lease payments	-650	-386
Dividends paid out	-3,164	-2,389
Net cash flows generated from (used in) financing activities	-7,090	-4,029
Net increase (decrease) in cash and cash equivalents	8,104	-178
Cash and cash equivalents at 1 January	621	799
Cash and cash equivalents at 30 September	8,725	621

ADDITIONAL INFORMATION

8. ABOUT VILVI GROUP

- ✓ The parent company Vilkyškių pieninė, AB was established in 1993.
- ✓ Company's share capital amounts to 3.5 million EUR.
- ✓ The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.
- ✓ The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.
- ✓ On the 31th of December 2023 the Group had 919 employees.
- ✓ The production of dairy products is the core of Group business.
- ✓ Standards: ISO 22000 and FSSC 22000 (Vilkyškių pieninė AB, Kelmės pieninė AB "Modest" AB and "Baltic Dairy Board" SIA; IFS Food Version 7 ("Kelmės pienas" UAB); ISO 50001 ("Baltic Dairy Board" SIA).

9. STRUCTURE OF VILVI GROUP



10. BOARD

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

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

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

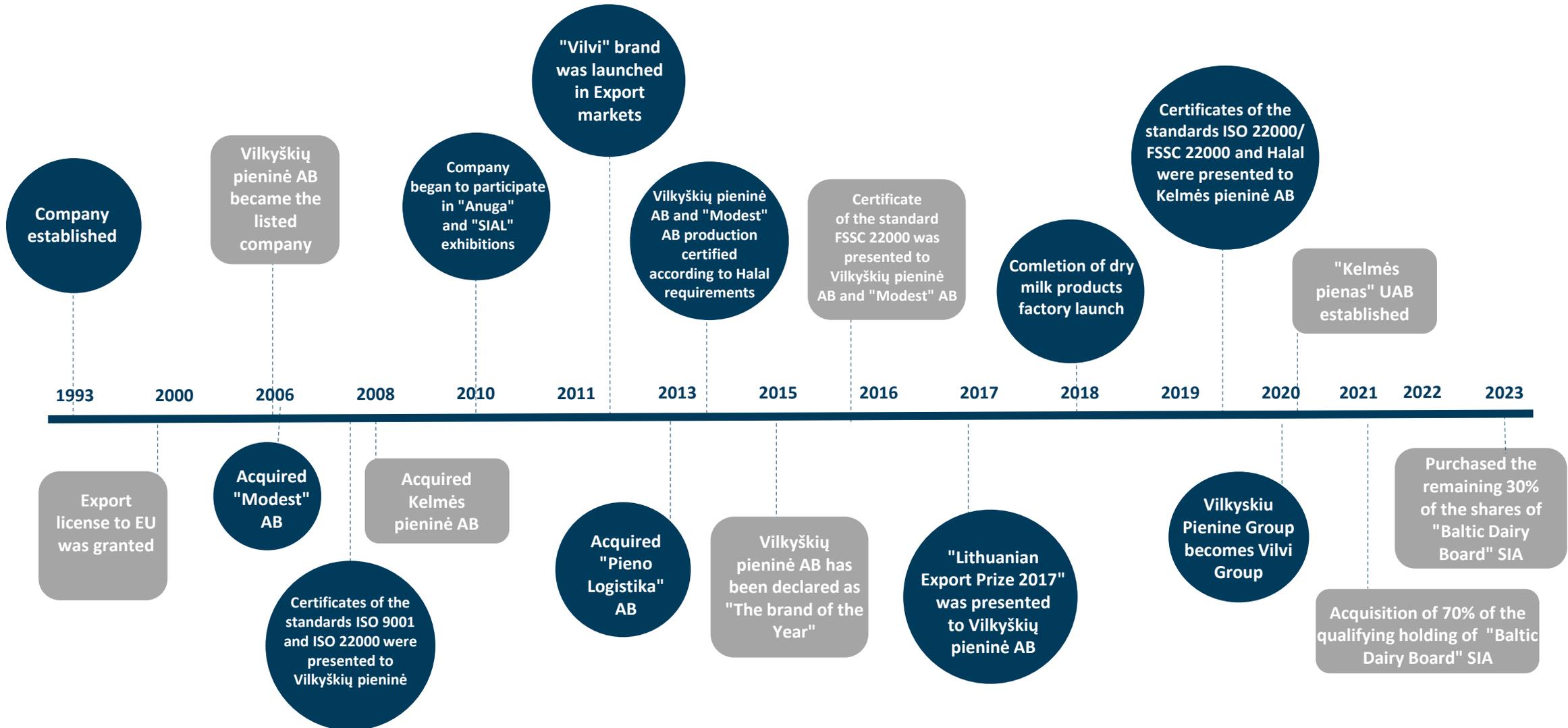
Sigitas Trijonis,
Member of the
Board, Director of
investment
projects
Department at
Vilkyškių pieninė
AB

Linas Strėlis,
Independent
member of the
Board

Andrej Cyba,
Independent
member of the
Board

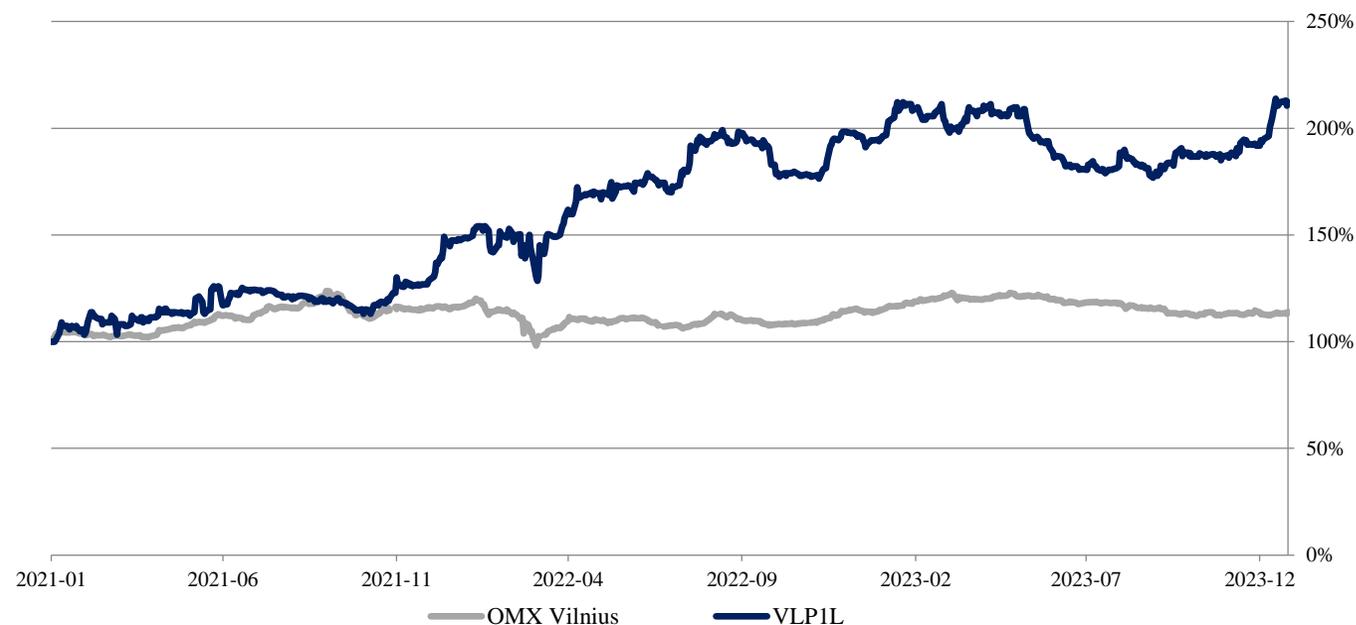
Board members re-elected for a four-year term on 29 April 2022.

11. SHORT HISTORY OF VILVI GROUP



12. SHARE PRICE DATA. MAIN SHAREHOLDERS

Comparison of Vilkyškių pieninė AB share price and OMX Vilnius indexes



Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG Zweigniederlassung Österreich	7,213,680	60.4%*
Multi Asset Selection Fund	2,035,729	17.0%
Other shareholders	2,693,591	22.6%
Capital in total:	11,943,000	100%

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

13. CONTACTS:

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CEO

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Vilija Milaševičiutė

Chief Economics and Financial Officer

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