



THE RESULTS OF H1 2020 VILKYŠKIŲ PIENINĖ AB GROUP



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1. MAIN EVENTS DURING H1 2020

ACHIEVEMENTS:

- * In Europe's largest independent brand study "Sustainable Brand Index" Vilkyškių pieninė brand fell among the most sustainable brands in Lithuania – ranked honorable 12th, while in the food and beverage category among the 19 brands studied there is in TOP-5. A total of 49 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.
- * On February 28, Modest AB received an official Maxima's message of thanks for the cherished production of Tauragė Region, which is willingly purchased and appreciated by the customers of the largest trading network in Lithuania.

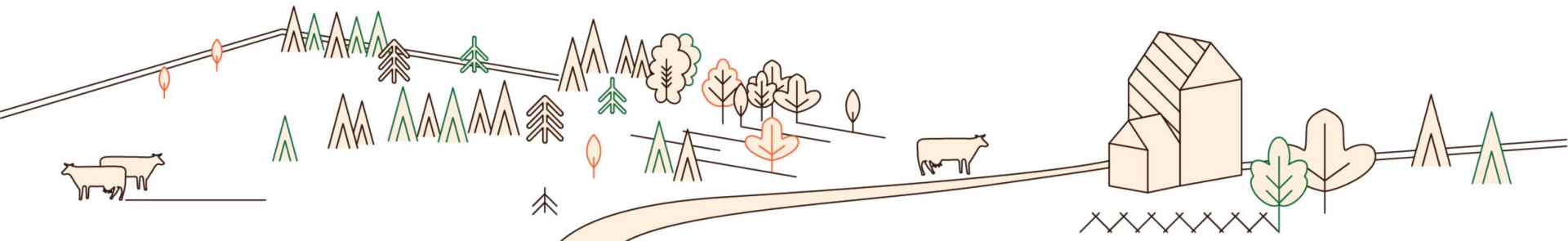
EXHIBITIONS:

- * In February, Vilkyškių pieninė AB traditionally took part in the international exhibition of food industry "Gulfood 2020" in Dubai, The United Arab Emirates. The main focus was on mozzarella cheese and milk/whey powder.



EXTENDED/ISSUED CERTIFICATES DURING H1 2020:

- * Kasher certificate issued to Kelmės pieninė AB Tauragė Devision (drying department of dry milk products);
- * Kelmės pieninė AB Tauragė Devision (drying department of dry milk products) has extended Halal certificate;
- * Modest AB has extended Halal certificate;
- * Vilkyškių pieninė AB has extended Halal certificate;
- * "Modest" AB and Kelmės pieninė AB Tauragė Devision (drying department of dry milk products) have Surveillance audit according to the ISO 22000:2005/FSSC 22000 Certification Scheme.



Markets:

- * Despite the COVID-19 pandemic, in H1 2020 sales revenue increased compared to the same period last year. The growth was determined by consistent work with European Union customers and the search for new buyers in Asia, South and Central America regions.
- * Diversification of markets in Europe, Asia, South and Central America helped to avoid a significant drop in cheese sales due to restrictions on the HoReCa sector during COVID-19 quarantine. Sales of dry milk products were not affected by the pandemic, on the contrary, in Q2 2020 sales increased by more than 10 percent.
- * H1 2020 dry milk products sales were 53% higher than H1 2019. This is a result of increased production volume and sales growth in the Asian, African and European regions and by the active search for new markets – Q1 2020 successfully launched in the Chinese and Australian markets.
- * Although the prices of most products fell about 15% due to the COVID-19 pandemic, however by the end of Q2 prices recovered after balancing consumption.
- * Successfully accelerated in Q1 2020 started projects in Asia. Following a successful launch in South America, communication has begun with several other markets in the region for further cooperation.



2. MAIN FINANCIAL INDICATORS

	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020
Revenue (Thousands EUR)	37,557	56,870	47,467	53,581	55,784
EBITDA (Thousands EUR)	785	5,913	2,447	1,208	3,324
EBITDA margin (%)	2.1%	10.4%	5.2%	2.3%	6.0%
Net profit (loss) (Thousands EUR)	-536	3,818	240	-761	1,232
Profit (loss) margin (%)	-1.4%	6.7%	0.5%	-1.4%	2.2%
Quantity of purchased basic indicators milk, t	114,747	119,981	128,393	125,33	132,177
Profit (loss) per share (EUR)	-0.04	0.32	0.02	-0.06	0.10
Net financial debt (Thousands EUR)	31,337	30,412	32,987	29,198	23,641

At H1 2020, **sales revenue** came to 55.8 MEUR (4.1 percent more than at H1 2019).

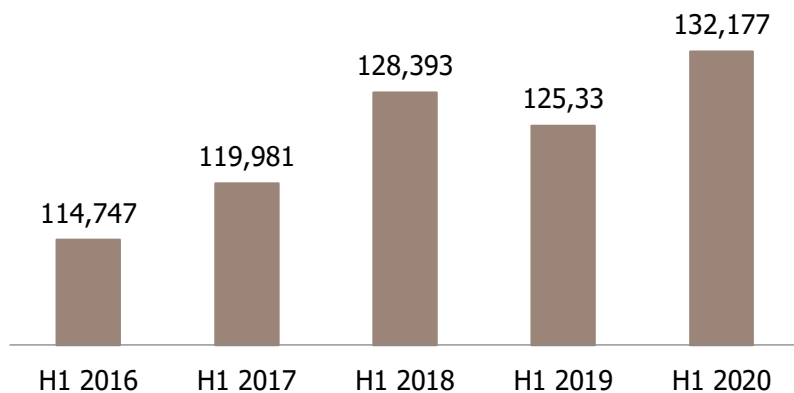
At reporting period **EBITDA** was 3.3 MEUR or 2.1 MEUR more than in previous year same period.

In 6 months of 2020 **net profit** was 1.2 MEUR then same period of 2019 net loss was 0.8 MEUR.

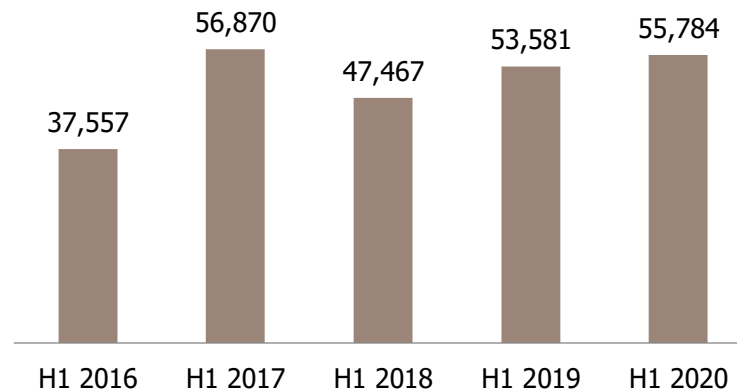
At H1 2020, a total of 132.2 tho tones of basic indicators milk was purchased, and increase by 5.5 percent as compared with H1 2019.



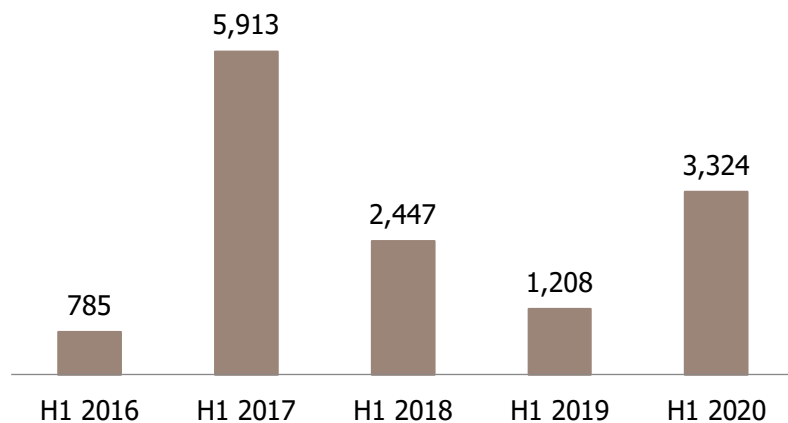
QUANTITY OF PURCHASED BASIC INDICATORS
MILK, T



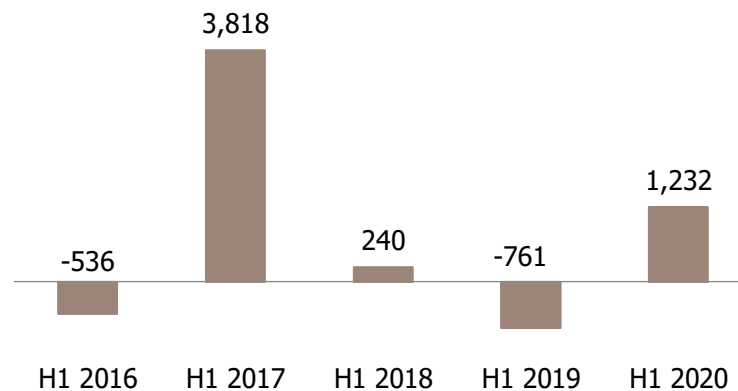
REVENUE, THOUSANDS EUR



EBITDA, THOUSANDS EUR



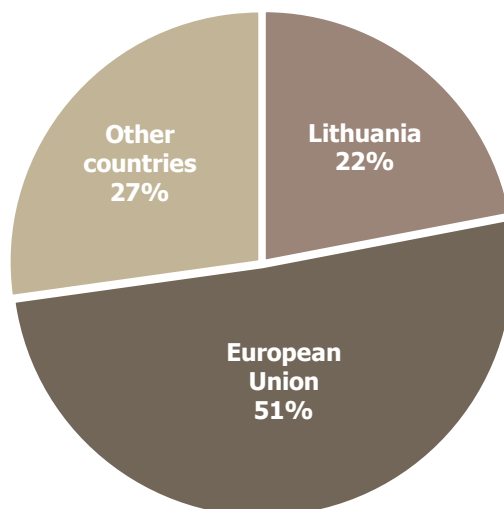
NET PROFIT (LOSS), THOUSANDS EUR



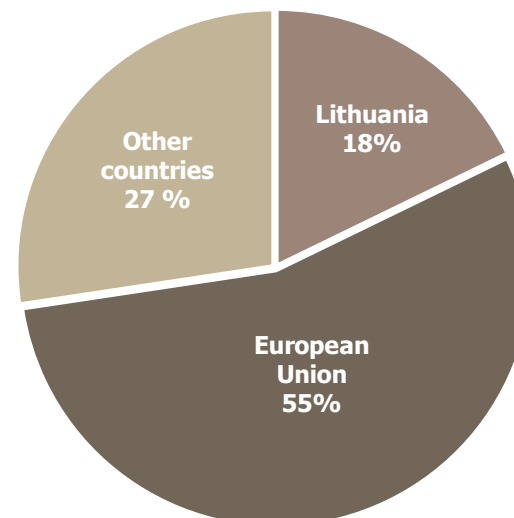
3. SALES REVENUE BY MARKETS

(Thousand EUR)	H1 2019		H1 2020	
Lithuania	11,776	22%	9,931	18%
European Union	27,227	51%	30,581	55%
Other countries	14,578	27%	15,272	27%
Total revenue:	53,581		55,784	

H1 2019



Q1 2020

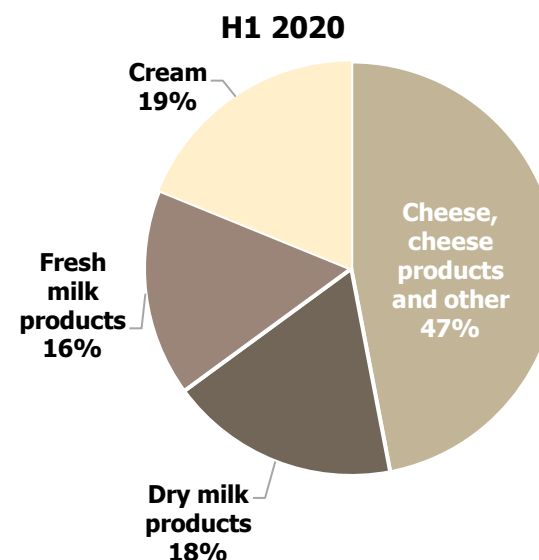
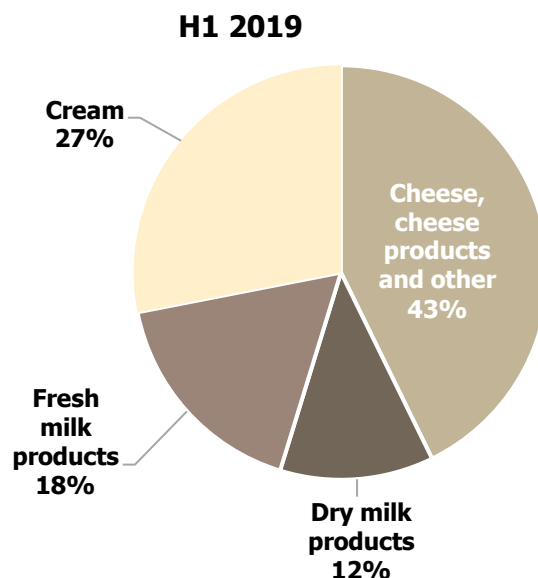


4. SALES REVENUE BY OPERATING SEGMENTS

(Thousand EUR)	H1 2019		H1 2020	
Cheese, cheese products and other	23,135	43%	26,504	47%
Dry milk products	6,492	12%	9,919	18%
Fresh milk products	9,824	18%	8,957	16%
Cream	14,130	27%	10,404	19%
Total:	53,581		55,784	

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 (milk, kephir, yoghurt, sour milk, butter, curd products);
- * **Cream.** Cream produced by the subsidiary and Parent company.



5. CONSOLIDATED STATEMENT OF FINANCIAL POSITION



Thousand EUR	2020.06.30	2019.12.31
ASSETS		
Property, plant and equipment	47,480	48,452
Right-of-use assets	1,178	1,303
Intangible assets	6,942	6,936
Non-current amounts receivable	350	358
Deferred income tax assets	612	159
Non-current assets	56,562	57,208
Inventories	11,392	11,161
Trade and other receivable	7,772	8,699
Prepayments	613	679
Cash and cash equivalents	146	298
Current assets	19,923	20,837
Total assets	76,485	78,045
EQUITY		
Share capital	3,463	3,463
Share premium	3,301	3,301
Reserves	2,400	2,455
Retained earnings	23,119	21,831
Total equity attributable to owners of the Company	32,283	31,050
Non-controlling interest	50	51
Total equity	32,333	31,101
LIABILITIES		
Borrowings liabilities	11,260	12,308
Lease liabilities	478	642
Government grants	4,955	5,243
Deferred income tax liability	-	-
Non-current liabilities	16,693	18,193
Borrowings liabilities	12,527	14,142
Lease liabilities	358	391
Income tax payable	-	-
Trade and other payables	14,574	14,218
Current liabilities	27,459	28,751
Total liabilities	44,152	46,944
Total equity and liabilities	76,485	78,045



6. CONSOLIDATED INCOME STATEMENT

Thousand EUR	2020.01.01- 2020.06.30	2019.01.01- 2019.06.30	2020.04.01- 2020.06.30	2019.04.01- 2019.06.30
Revenue	55,784	53,581	26,681	26,167
Cost of sales	-50,885	-50,909	-24,039	-24,301
Gross profit (loss)	4,899	2,672	2,642	1,866
Other operating income	92	195	41	75
Distribution costs	-2,078	-2,155	-1,037	-1,035
Administrative expenses	-1,498	-1,345	-855	-689
Other operating expenses	-51	-79	-28	-37
Results of operating activities	1,364	-712	763	180
Finance income	20	15	3	5
Finance costs	-605	-559	-309	-286
Net finance costs	-585	-544	-306	-281
Profit (loss) before income tax	779	-1,256	457	-101
Income tax expenses	453	495	273	160
Profit (loss) for the period	1,232	-761	730	59
Attributable to:				
Owners of the Company	1,233	-760	730	59
Non-controlling interest	-1	-1	0	0
Profit (loss) for the year	1,232	-761	730	59
Basic earnings (losses) per share (EUR)	0.10	-0.06	0.06	0.00

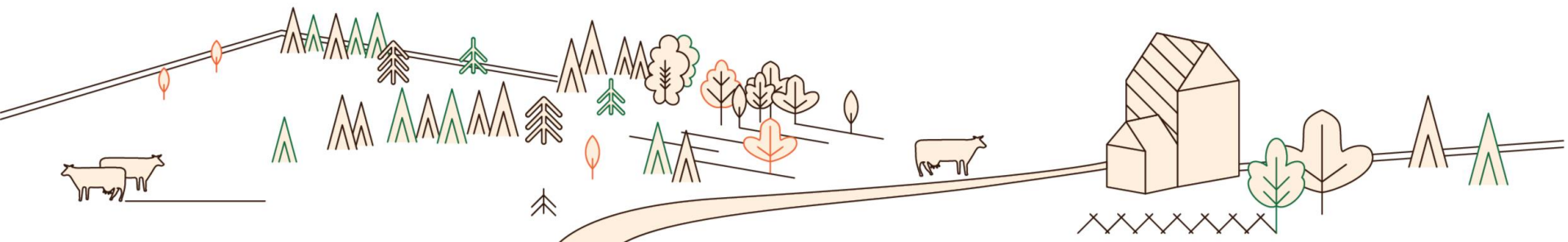


7. CONCOLIDATED STATEMENT OF CASH FLOWS

Thousand EUR	2019.01.01- 2019.12.31	2018.01.01- 2018.12.31
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the year	1,232	-761
Adjustments for:		
Depreciation of property, plant and equipment	2,242	2,206
Amortization of intangible assets	6	6
Amortization and write-off of grants	-288	-292
Gain (loss) from disposal of property, plant and equipment	1	-54
Income tax expenses	-453	-495
Interest expenses, net	585	544
	3,325	1,154
Change in inventories	-232	582
Change in non-current amounts receivable	8	9
Change in trade and other receivables and prepayments	1,103	-2,056
Change in trade and other payables	581	334
	4,785	23
Interest paid	-501	-340
Income tax paid	-	-8
Net cash flows generated from operating activities	4,284	-325
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of plant and equipment	-1,421	-1,416
Payments for acquisition of intangible assets	-12	-
Proceeds from sale of plant and equipment	2	113
Loans recovered	-150	-
Government grants received	-	376
Loans recovered	-	103
Net cash flows used in investing activities	1,581	-824
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received	2,251	4,654
Repayments of borrowings	-4,913	-3,338
Financial lease	-193	-209
Net cash flows generated from financing activities	-2,855	1,107
Net increase (decrease) in cash and cash equivalents	-152	-42
Cash and cash equivalents at 1 January	298	407
Cash and cash equivalents at 30 June	146	365

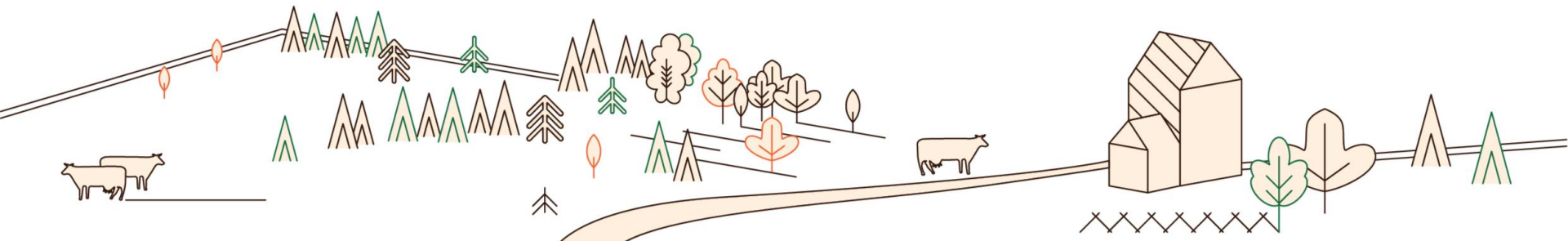


ADDITIONAL INFORMATION

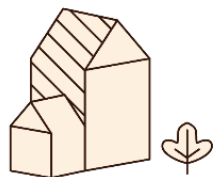


8. ABOUT THE COMPANY

- * Vilkyškių pieninė AB was established in 1993.
- * On the 30th of June 2020 the Group had 820 employees.
- * The production of Dairy products is the core of Group business.
- * Company's share capital amounts to 3.5 million EUR.
- * The Company's issue is included in the Official List of AB NASDAQ OMX Vilnius.
- * The ISIN code of the securities: LT0000127508, Ticker symbol: VLP1L.
- * Standards: ISO 22000:2005 and FSSC 22000.

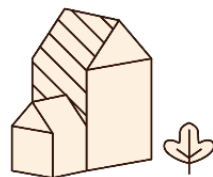


9. COMPANIES OF THE GROUP



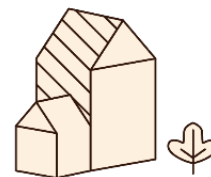
VILKYŠKIŲ PIENINĖ AB

- * Established in 1993.
- * The production of fermented cheese, cream, whey products.



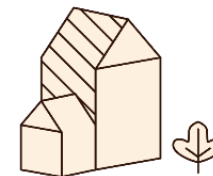
“MODEST” AB

- * Established in 1992.
- * The production of melt, smoked cheese, mould cheese, mozzarella, other cheese products.



KELMĖS PIENINĖ AB

- * Established in 1993.
- * The production of fresh dairy products
- * Since 2018 (drying department in Taurage) the production of dry milk products: WPC, skimmed-milk, permeate and whey powder

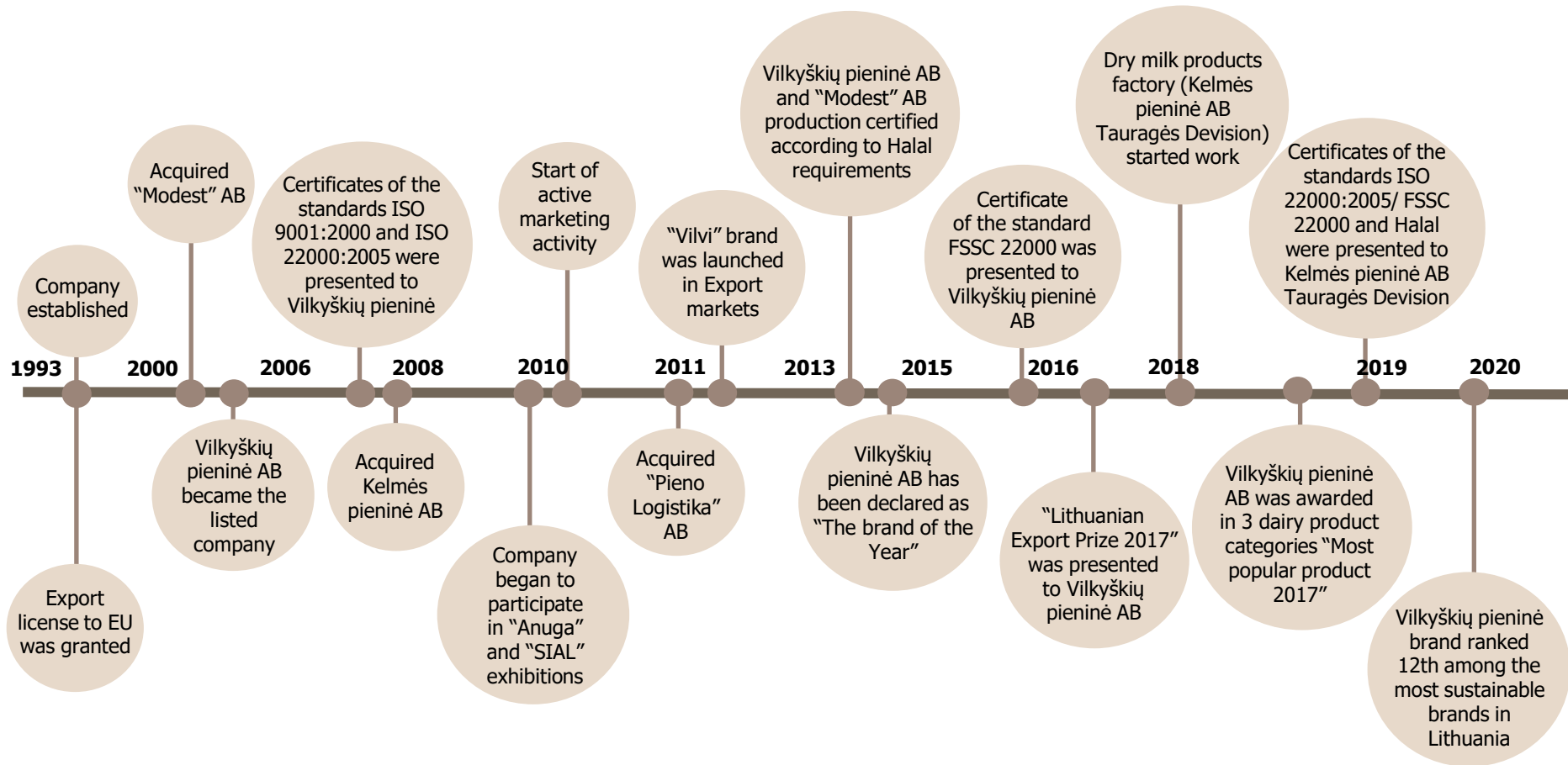


“PIENO LOGISTIKA” AB

- * Established in 2013.
- * Rental of buildings.



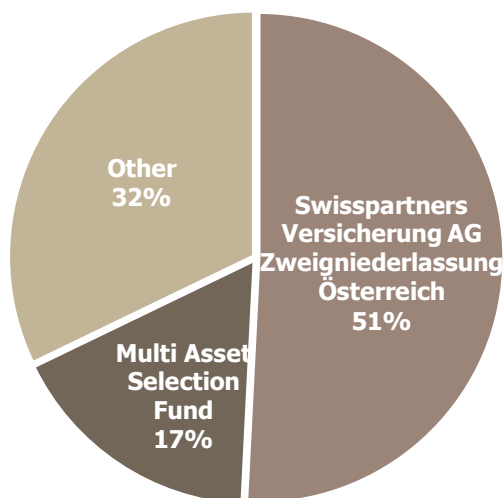
10. SHORT HISTORY OF THE COMPANY



11. SHAREHOLDERS

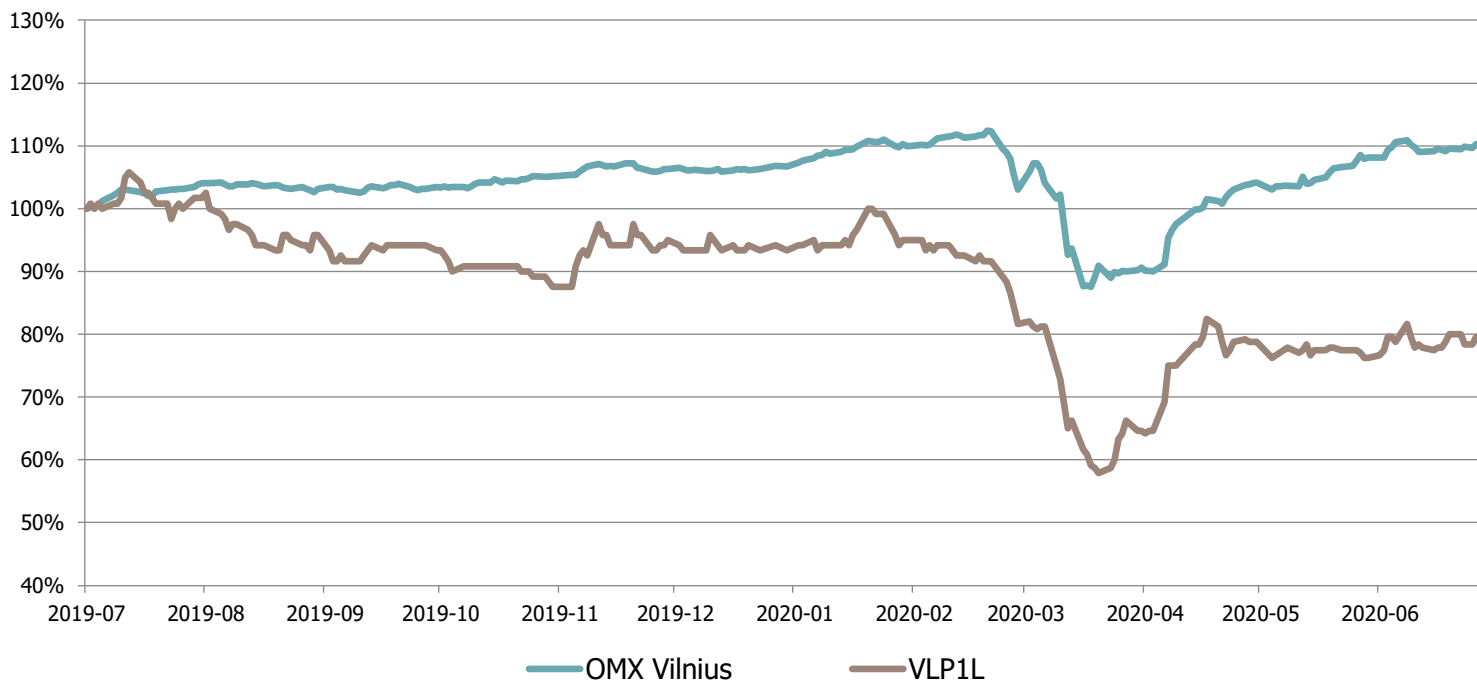
Shareholder	Shares	Ownership interest
Swisspartners Versicherung AG* Zweigniederlassung Österreich	6 067 206	51%*
Multi Asset Selection Fund	2 035 729	17 %
Other shareholders	3 840 065	32 %
Capital in total:	11 943 000	100%

* 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 2019 July – 2020 June.





VILKYŠKIŲ PIENINĖ AB

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