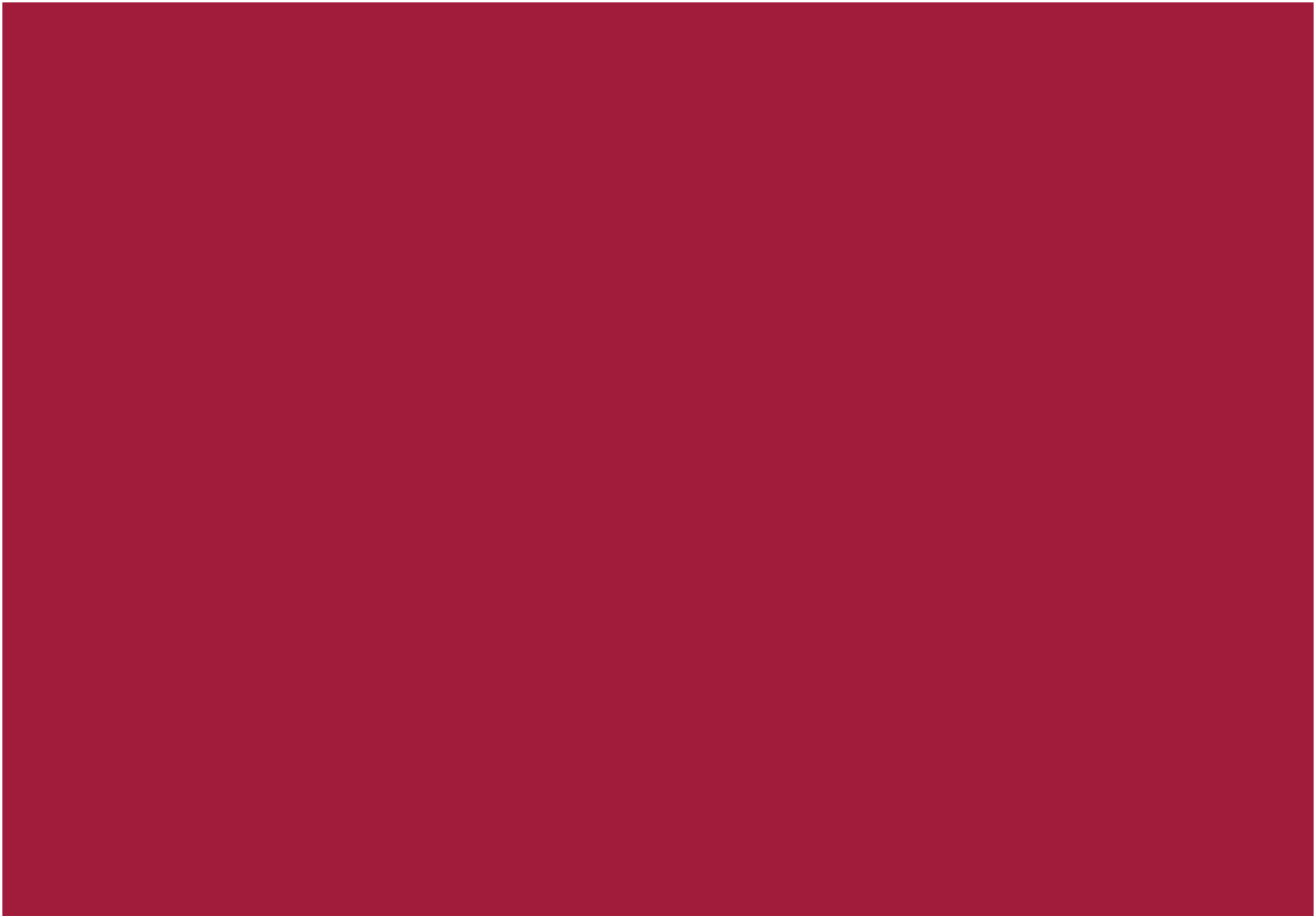




20
21

VIKING MALT
ANNUAL REPORT



CONTENT

1. LETTER FROM CEO	<ul style="list-style-type: none">• Viking Malt commitment to sustainability	2. ABOUT VIKING MALT	<ul style="list-style-type: none">• Viking Malt facts & figures• About Viking Malt• Locations & ownership• Our Vision, Mission & Values• Business model and value creation• Our Products & Brands• Our Customers• Our employees• Key Figures• Sourcing• Market environment• Achievements & Awards• 2021: The year in highlights• Group Management, Board of Directors	3. SUSTAINABILITY	<ul style="list-style-type: none">• Letter from VP Innovation, Craft & Food• Viking Malt Corporate Social Responsibility• Our Stakeholders• Networks• Risk Analysis• Customer Favorite<ul style="list-style-type: none">Product safety & qualityBusiness ethics• Best Supply Chain<ul style="list-style-type: none">Energy, water and material efficiency in productionSustainable procurement• Our Viking Malt<ul style="list-style-type: none">Personnel and Human Rights• Viking Malt CSR - Methodology description	4. FINANCIAL REPORT	<ul style="list-style-type: none">• Letter from CFO	5. OUTLOOK FOR THE FUTURE	
p. 4		p. 7		p. 26		p. 59		p. 60	

LETTER FROM CEO



Kasper Madsen

A series of difficult and challenging events

2021 turned out to be a far more challenging year than expected. We were all monitoring the quite successful global roll out of Covid vaccinations and were expecting the world gradually to open. Then the first the Delta variant and later the Omikron variant delayed the Covid recovery and restrictions remained tight across in most of our markets.

Global beer volumes rebounded in 2021 following the pandemic turbulence in 2020, which could be seen in a steady demand from our clients, especially on the export market. Customers on our home market were facing more challenges during autumn, with some delays in executing contracts.

On top of these events Europe and the world encountered an unprecedented price development of malting barley. This was generated by troublesome crop in both France, Nordics and Canada plus very low incoming European stocks pre-harvest in 2020. Another driver of the high prices of malting barley was also they general global trade dynamics of significantly higher demand of all types of grains – mainly led by China.

We were in an especially difficult situation with both a very problematic crop in Poland and Finland which has been leading to a need of importing a significant quantity of malting barley to these two markets during the second half of 2021 and also during this year.

Finally, if this was not enough of headwind, then we faced sharp increasing energy prices during the second half of the year which has also caused a big pressure on our margins and profitability. Even we took prompt actions to compensate for the negative impact we have several contractual agreements (LTA's) where we cannot change the pricing structure.

“ Global
beer volumes
rebounded in 2021 ”

Resilience and strong strategic fundamentals secured a reasonable business performance

Despite the many difficulties thanks to hard work of all of us we managed to operate our network at almost full capacity during the year, and only some minor reduction of our roasting capacity in Poland was needed to implement. We introduced also tight cost management with special focus on fixed cost. Anyway, we are still focused on the long term, so we have not made reductions which will block us for executing a strong recovery.

As an example, we are still progressing with the construction of the new malting plant in Lahti, which will replace our existing plant during 2022 and 2023. That project is running with a slight delay due to shortage of materials and also because we are encountering a strong cost pressure on especially the building parts, and we had to do rework of some of our building design to find better solutions under the given circumstances.

At the start of 2021 we took a new, modern logistics center in Poland in use and during the year we also managed to finalize the roll out and implementation of the new ERP system/M3 and we are now getting more familiar with using the system and taking the benefit out using it. Additionally, we are still fully committed to continuously improve our sustainability agenda above and beyond the EcoVadis Platinum level. Finally, we have done significant changes of key leadership po-

**We are still focused
on the long term,
so we have
not made
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which will block us
for executing
a strong recovery**

sitions (e.g. in Sales, IT and Supply Chain) and we are planning to carry on transforming the company to be better prepared for the future.

We truly believe that people development, enhanced customer focus, better performance management plus improved succession planning are key building blocks for future success.

Kasper Madsen
CEO/MD Viking Malt Group

Viking Malt commitment to sustainability

Viking Malt Group supports the United Nations Global Compact's Ten Principles on human rights, labor, environment and anti corruption. As part of our commitment to sustainable and responsible business practices, we have incorporated these principles into our company strategy, culture and daily operations. We are also committed to engaging in joint projects that contribute to the broader development goals of the United Nations, in particular the Sustainable Development Goals.

Kasper Madsen
CEO/MD Viking Malt Group

Viking Malt facts & figures



65

DIFFERENT
MALT QUALITIES

6



MALTHOUSES

THOUSAND TONNES

40



ROASTED MALTS PER YEAR

**SUSTAINABLE
LOCAL SOURCING
OF MALTING BARLEY**



MARKET POSITION

1ST

IN BALTIC RIM

5TH

IN EUROPE

9TH

GLOBALLY

260

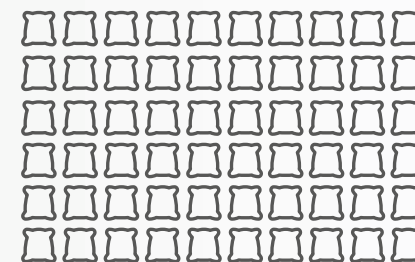
PROFESSIONALS



VIKING MALT

**ROASTED
MALTS
WORLDWIDE
LEADER**

ANNUAL PRODUCTION CAPACITY



610 000
TONNES



FAMILY-OWNED
COMPANY
FOUNDED IN

1883



CUSTOMERS IN

80
COUNTRIES

About Viking Malt

Viking Malt is a worldwide acknowledged malting company, that sells products globally to the food and brewing industries and to many of the finest whisky distilleries. Our tradition and experience in malting dates back 130 years. The knowledge we have gained over that time, and the passion of our maltsters, have made us a world market leader in specialty malts, especially roasted malts.

Today we are the largest commercial malting company in the Baltic region and one of the top 10 in the world, with 6 malthouses located in 5 countries: Finland, Sweden, Denmark, Lithuania and Poland.

Our strategy is to ensure profitable growth with sustainable operations, an adaptive product portfolio and superior customer service. We supply our malts to small, medium and large customers around the world.

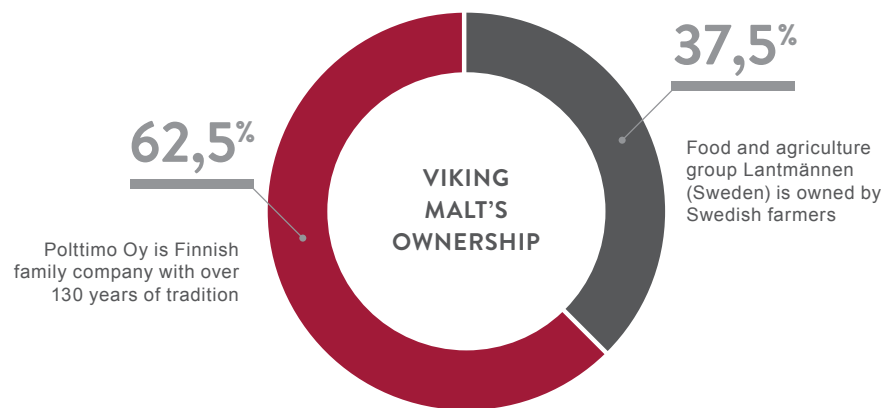
We actively participate in development of the beer market and beer culture wherever, as Viking Malt, we are present and constantly developing our portfolio to meet customers' expectations.

Our maltsters bring innovative ideas and set new trends by reaching back to centuries-old brewing traditions on the one hand and using the latest scientific and technical achievements on the other.



Locations & ownership

Viking Malt's ownership combines long malting tradition with Northern farming expertise. Company is owned by the private Polttimo Group and Swedish agricultural cooperative Svenska Lantmännen.



We are strategically well located in areas where malting barley is available. Our facilities cover a large enough area to manage crop risk. With several FOB locations, we offer our customers flexibility in logistics.

MALTHOUSES VIKING MALT



Our Vision, Mission & Values

Viking Malt's values are at the core of our strategy and define our relationship with customers, suppliers and employees - in other words, our approach to work, to the environment, to human relationships.

We work with passion, curiosity and dedication to achieve ambitious goals and a vision of common success. Our operations must be profitable and benefit the company, its employees and owners.

We strive to ensure growth and profitability well into the future. With our successes, we can continue to grow our business.

OUR MISSION

DISCOVERING
THE
WORLD
OF MALT

OUR STRATEGY

We ensure profitable growth
with sustainable operations,
an adaptive product portfolio
and superior customer service

OUR VISION

We provide
value-adding
malted products
to our customers
for their success

OUR VALUES

We respect

We care

We are
curious

We strive
for success

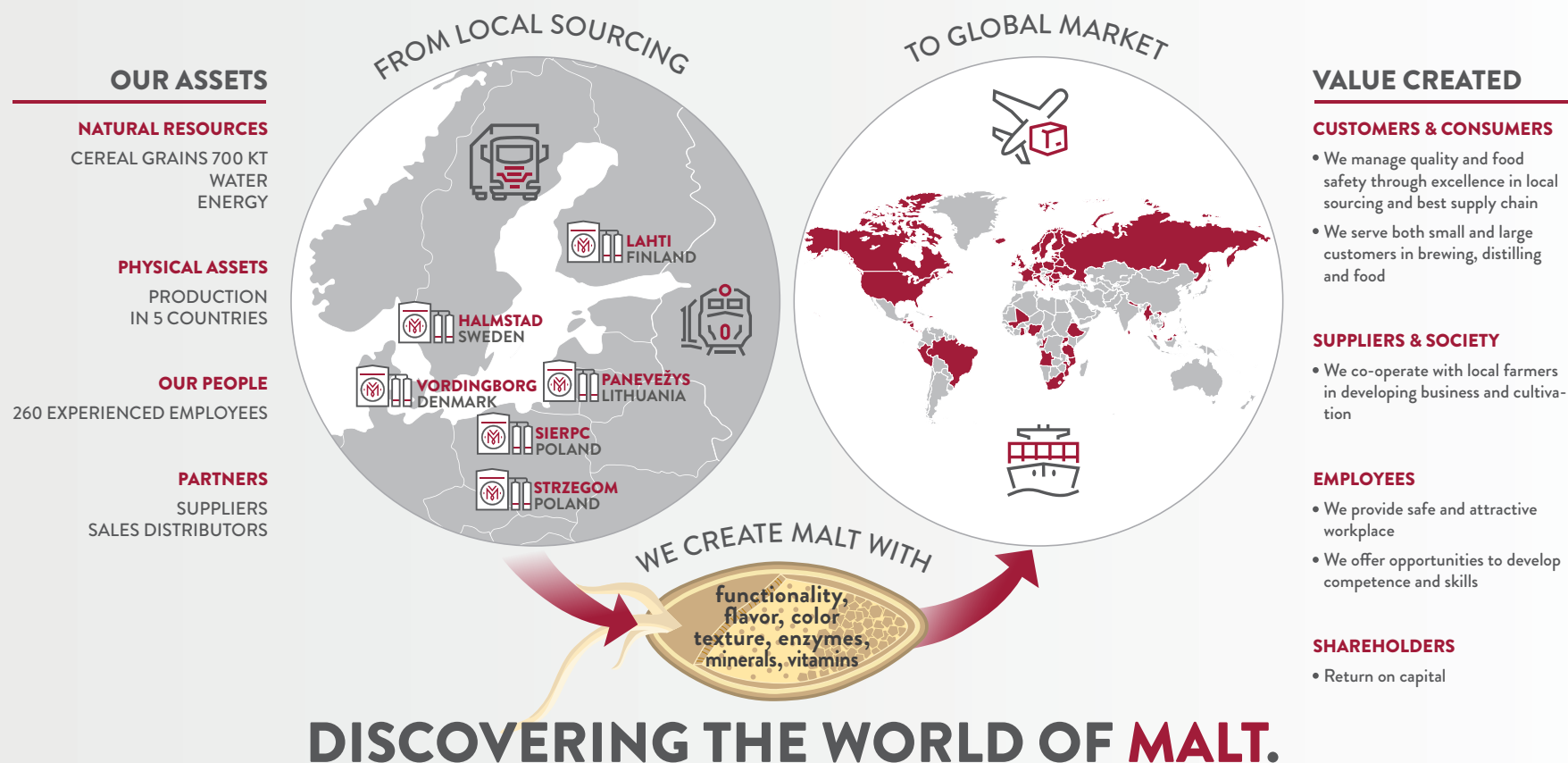
Business model and value creation

CLIMATE CHANGE

HEALTH&WELLNESS

MARKET CONSOLIDATION

DIGITALIZATION



WE VALUE INNOVATION HIGHLY AND ARE KEEN TO EXPLORE NEW OPPORTUNITIES FOR MALTED AND SPROUTED GRAINS

Our Products & Brands



Viking Malt's product portfolio is very wide and diverse, in particular in the specialty malts category. We offer barley malts, but also wheat, rye and oat malts with the Viking Malt brand in five categories:

BREWER'S CLASSIC



Malts recommended for use as a base for all beer types



BREWER'S SPECIAL



Full selection of malts for designing Pils, IPA or any other brew



BREWER'S ORGANIC



Intended for brewing organic beers



SMOKED SPECIAL



Special malts with smoky character



DISTILLER'S CHOICE



Selected malts that fulfill the strictest requirements of any whiskey recipe

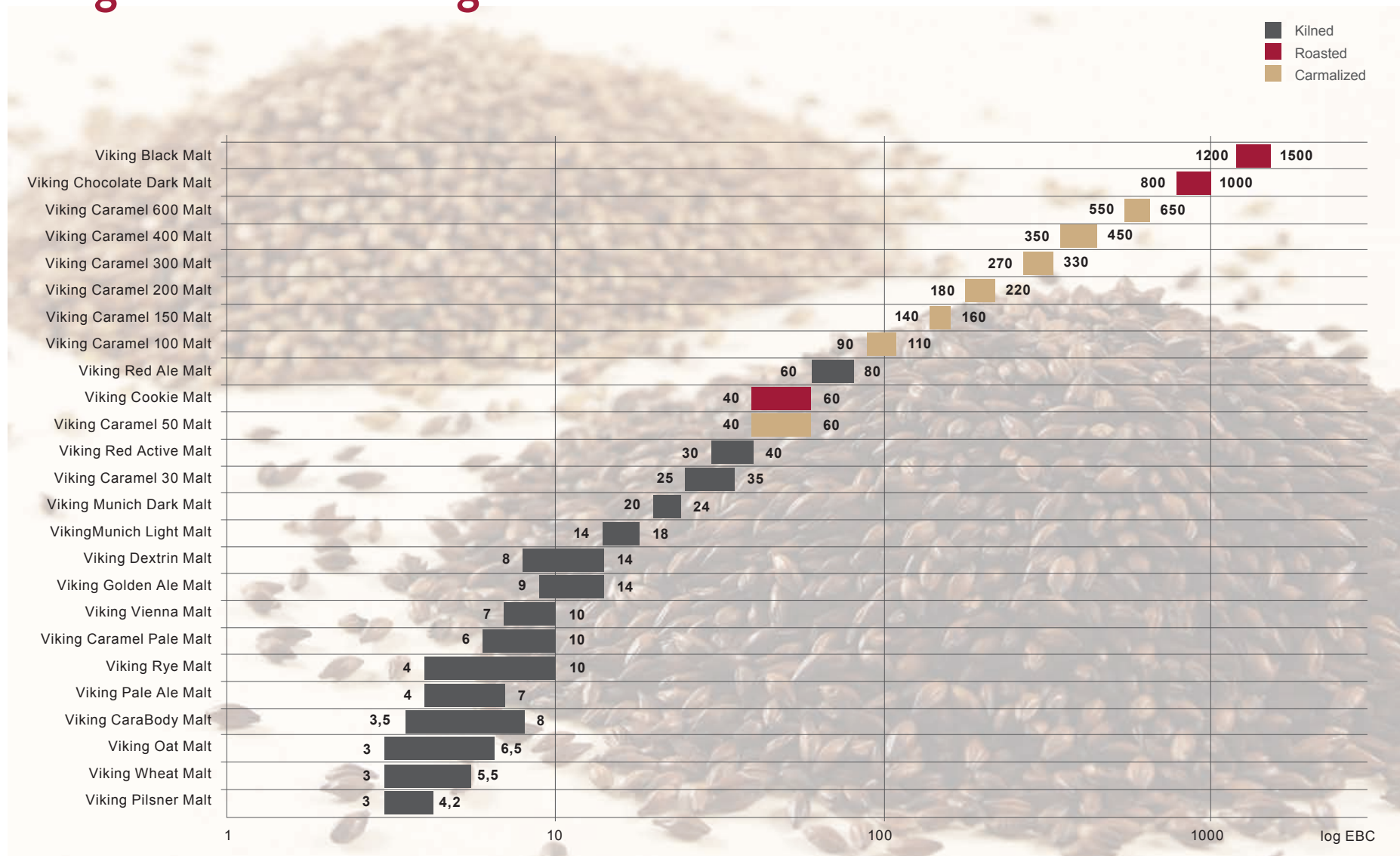


We produced
19^{k tons} **↑4%**
more malt in 2021 vs. 2020

We also provide our customers with „customized” malts, malted and blended according to individual recipes, in the MALTSTER'S SIGNATURE category.

During the year we also continued the project started in 2020 on a detailed review of our Special Malts, including suitability for low-alcohol beers. The market for low-alcohol and non-alcoholic („NoLo”) beverages has been experiencing rapid growth last two years, and is expected to grow by 34% in volume globally by 2024. By observing this trend we also want to best match our products to customers' needs and market changes.

Viking Malt color range



Our Products & Brands

Our other brand is Sprau®, which debuted in 2020 but had its commercial launch in 2021. Sprau is germinated faba bean that we offer in two variants: germinated split beans and germinated bean flour.

As we have been experts in germination since 1897, we decided to reimagine germination for food, thus contributing to a shift towards sustainable and healthy eating habits. And Sprau® is our response to evolving food trends and changing consumers' demands.

It provides opportunities for versatile application across many plant-based categories, such as plant-based dairy and meat alternatives. It also sets a platform for designing innovative plant-based foods.

In 2021, considerable work was put into product specification, application development and promotion. The commercial launch of Sprau® took place at Food Ingredients Europe 2021 in Frankfurt. We were also present with the brand at the Food Matters Live event.



However the Covid-19 pandemic slowed down the development of Sprau®: there were travel restrictions for customer meetings, thus we focused on active communication with potential customers mainly online, providing samples and increasing brand presence on social media.



**We awakened
the bean.
We can awaken
a healthier
planet
together, too**



Our Customers

Viking Malt products are sold to customers around the world, both to large international brewing groups, as well as regional/local brewers and distillers, but also to the growing craft- and food industry. The main market segments in which we operate are as follows:



BREWERIES

85%



CRAFT & PARTNERS

6%



DISTILLERS

8%



FOOD INDUSTRY

1%

of volume sales in 2021

We aim to continually improve our customers' experience and identify their needs. We prefer to work in close relations with our customers and always strive to improve based on direct feedback and dialogue with customers. On top of this we also conduct a customer satisfaction survey among our customers every year, and the feedback received by them is very valuable.

In 2021 survey, our customers gave us a rating of 8 out of 10, which is a very good result considering the overall market situation. On average, we received the best ratings from large breweries and partners. Customers were most satisfied with the good availability of our malts and our sustainability program (CSR). Customer service also received high marks, of which we are very proud.

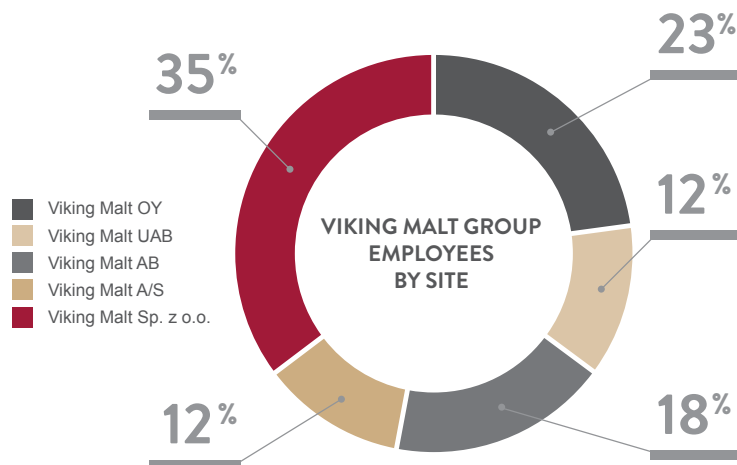
Our employees

Viking Malt employees are our most valuable asset. Their high competence, expert knowledge and experience give us a competitive advantage. With them we build a strong market position for the whole Viking Malt group.

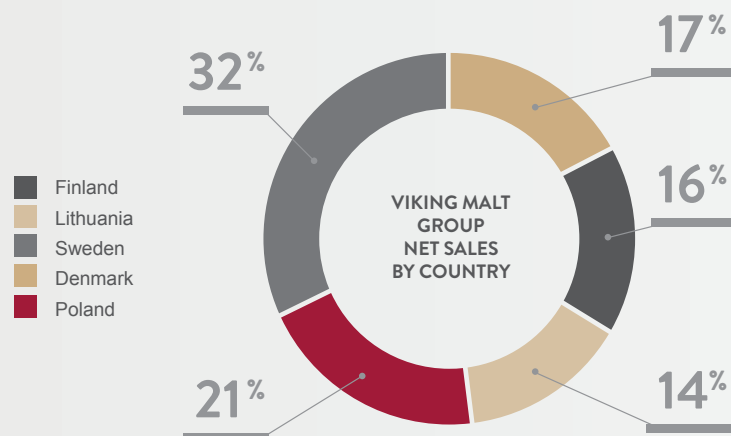
We believe that the highly engaged team is the key to success. We use Workday to measure work wellbeing and engagement. It gives us a global industry benchmark based on a database of over 200 million employee responses, across 23 industries around the world. Again, in 2021, our engagement and wellbeing score was within the top 25% of the manufacturing industry benchmark.

We believe in diversity and want to build an inclusive work environment where people from different backgrounds can flourish. We are proud of our gender diversity in a traditionally male dominated industry.

As per below, we have a high representation of females in our management, including Group Management Team. Among other, three of our six factories are led by a female site manager.



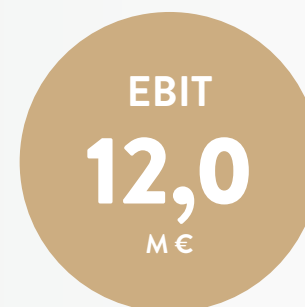
Key Figures



In 2021, we continued our solid financial performance. Despite of lingering Covid-19 pandemic and related restrictions impacting beer consumption especially in bars, restaurants and events, we achieved organic 3,1% volume and 4,6% revenue growth vs 2020.

Growth of revenues was partially driven by increased input costs, especially barley. Lower quality and yield of barley led to higher import needs and costs in 2021. Additionally sharply increased energy costs and high inflation in eastern Europe impacted our profitability.

Operating profit declined to 12,0 M€ (14,7M€) and was at 5,0% (6,4%) in 2021.





Sourcing

2021 has been an exceptional year with multiple challenges across our sourcing areas as well as on the global grain market.

In Denmark barley quality was overall good, yet yields were about 5-7% lower than the 5-year average. In Sweden yields were also lower, protein levels were more diverse than in Denmark, and the last weather delayed both sowing and harvesting in Midsweden, leading to over loss of quality.

Poland saw similar conditions as Sweden during the season. A mixture of rainy/cold and hot/dry weather significantly impacted yields and screenings negatively. Finally, rain during harvest affected phytosanitary quality, leading to a loss of nearly 20% of contracted barley in total.

In Lithuania the situation was almost identical to that in Poland: a wet spring delayed sowing, then conditions were quite good until a three-week drought in July, which altogether impacted the harvest: yields were lower than the 5-year average with a very broad range of protein level and finally rain during harvest affected phytosanitary quality.



**Barley harvest
in Finland
ended up close to
30% less
than a 5 year
average**

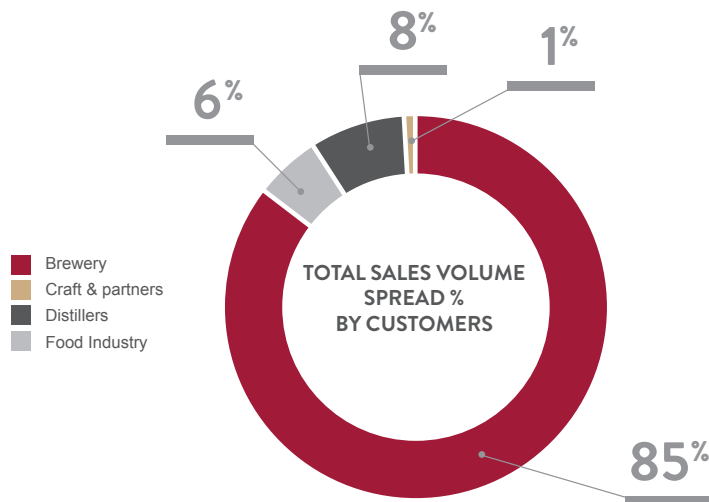
Lastly, the malting barley harvest in Finland has not been seen as poor since 1974, with a very wet spring that led to late sowing, followed by a warm and dry spell for eight weeks and then a heavy rainfall that stressed the barley to the extreme. Yields were affected, pre-germinated grains were an issue, and the protein was extremely high. Estimates are that the barley harvest ended up close to 30% less than the 5-year average.

On the global market, Canada faced similar conditions to Finland, crop was affected dramatically by a drought period also leading to a crop outcome not seen since early nineties. Furthermore, the effect on global supply was very visible as China turned their purchase strategy from Canada to the EU and Argentina, leading to a price pressure globally as the world realized we could end up in difficult situation for malting barley for the campaign 2021/2022.

Market environment

The home market of Viking Malt is Scandinavia and the Baltic Sea region, but our malts go to customers on all continents.

In 2021, 61% of our products were sold on home market, and 13% to other European countries. Our export to Central and South America was 12%, to Africa 9% and to Asia 5%.

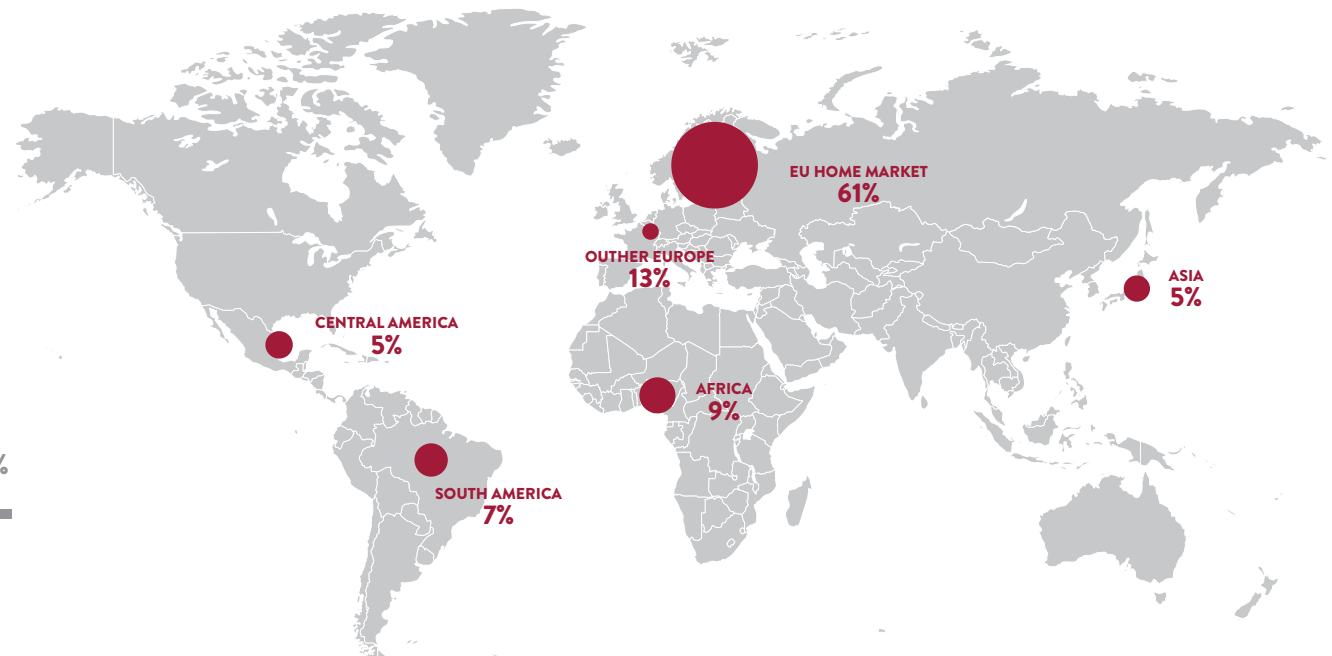


The beer industry was less impacted by the pandemic in 2021, versus 2020, and many brewers could show a nice recovery in beer sales volumes. Call-offs on contracts were steady and according to plan first half 2021.

With the new Covid variants Delta/Omikron affecting us all during second half 2021, we could notice a somewhat lower demand from our customers, especially at our home markets.

Despite this, our total sales volume was 3% higher in 2021, reaching 562.7k tons. Sales net revenue totaled 222.0 MEUR. Volume sales for Craft&Partners were similar to the previous year's level.

Growth in the Special Malts category also slowed down a bit and total sales by volume amounted to 48.5K tons in 2021.



Achievements & Awards

Our efforts and activities towards responsible business have been recognized in a number of competitions and rankings over the years. We consider the awards and other distinctions granted to us both as an appreciation of our work and a motivation to continue to strive for the highest standards of sustainable development in our organization and value chain.

In 2021 Viking Malt was awarded Platinum Medal in the EcoVadis Corporate Social Responsibility (CSR) rating. That award places us in the top 1% of all companies evaluated by EcoVadis and in the top 2% in the category of Manufacture of malt liquors and malt industry.

Sprau® was also appreciated in 2021, with a nomination for the FI Europe Innovation Award. Sprau® was one of three finalists in the Plant-based Innovation Award category, which recognizes the best plant-based ingredients in terms of sensory and physical properties or cost of application.





HIGHLIGHTS 2021

New Viking Malt plant in Lahti

2021: The year in highlights



Start up
of a new Viking Malt
Logistic Center
in Strzegom,
Poland

Farm Sustaina-
bility Assessment
(FSA) verification
for Viking Malt
Polska Sp. z o.o.
on Silver&Gold
Level

EcoVadis Platinum
medal for
Viking Malt Group



Launch of a new
automatic kiln
for specialty malts
in Strzegom,
Poland



Laying of the
foundation stone
ceremony for the
new Viking Malt
plant in Lahti

M3 ERP system
implemetation
in Sierpc&Strzegom,
Poland



FSSC 22000
(Food Safety
Standard
Certification
22000)
certification for
Viking Malt UAB,
Lithuania



M3 ERP system
implementation
in Vordingborg,
Denmark

FSSC 22000 (Food
Safety Standard
Certification 22000)
certification for
Viking Malt Sp. z o.o
Sierpc, Poland

Joining as a
member to Cool
Farm Alliance

25 years
anniversary
of Viking Malt A/S
Vordingborg,
Denmark



Sprau® in a final
of the Innovation
Awards in
the Plant-based
innovation category
at FI Europe 2021



2021: Key events

NEW VIKING MALT LOGISTIC CENTER IN STRZEGOM START UP | JAN 02, 2021 - POLAND

In January, we launched a modern logistics complex that meets the highest standards of malt storage and packaging. The investment includes i.e. 6 new malt silos with a capacity of 120 mt/each, automatic packaging system for 25/50kg bags and 500/1000kg big-bags with metal detectors, automatic storage pallet malt (280 pallets), storage pallet flour (200 pallets).



25TH ANNIVERSARY OF THE VORDINGBORG MALTING PLANT | JUN 13, 2021 - DENMARK

June 13th, Viking Malt A/S celebrated its 25th anniversary. The malthouse was officially opened in 1996 by Prince Joachim of Denmark. Today it has a capacity of 120 thousand tons and is producing mainly Pilsner, Munich and Organic malts.



FINMALT FOUNDATION STONE LAYING CEREMONY | JUN 15, 2021 – FINLAND

June 15th we have laid the foundation stone for a new production facility in Lahti. The project is valued at approximately €90 million and the capacity will be around 85,000 tons per year. The ceremony was hosted by company owner Pär-Gustaf Relander, with the Mayor of Lahti, Pekka Timonen in attendance, along with representatives of our company and the main contractors.



Group Management



KASPER MADSEN
CEO / MANAGING DIRECTOR
VIKING MALT GROUP



MALIN ANDERSSON
VP SALES



TEEMU POHJOLA
CFO



ANNIKA WILHELMSON
VP INNOVATION,
CRAFT & FOOD



TOMASZ MALEC
VP SUPPLY CHAIN



PIA VALVE
VP HR & COMMUNICATIONS



JACOB ANDERSEN
VP SOURCING
& PROCUREMENT

Board of Directors

PÄR-GUSTAF RELANDER

CHAIRMAN
OF THE BOARD
Board Member from May 2013

JUHANI MÄKINEN

VICE CHAIRMAN
OF THE BOARD
Board Member from March 2010

PER LINDAHL

CHAIRMAN,
LANTMÄNNEN
Board Member from January 2018

JAN EHRENSVÄRD

MD TOSTERUPS GÅRD
Board Member from April 2021

NELLA GINMAN-TJEDER

CEO, EIRA HOSPITAL
Board Member from May 2014

MAGNUS KAGEVIK

COO, LANTMÄNNEN
Board Member from October 2019

TEEMU POHJOLA

CFO
Secretary of the Board
from November 2020



SUSTAINABILITY

SUSTAINABILITY



Annika Wilhelmson

Viking Malt's first report on non-financial items was published in 2018. This report fulfilled the basic requirements and published for the first time our reduction targets for water usage and greenhouse gas emissions. Since then, we have gradually developed a sustainability program, doing our best to navigate in the fast growing jungle of initiatives, guidelines, policies and new research.

Our long history of reporting through the sustainability platforms EcoVadis, Sedex and CDP has helped us on our journey, giving valuable feedback and direction for further development. The Baltic Sea Action Group has provided concrete projects for us to support – like the free e-learning education in regenerative agriculture. We have also had numerous inspiring discussions with customers, suppliers and partners, together trying to figure out how we can make an impact.

Although much has been done, we still have work to do, especially when it comes to developing a more sustainable agriculture. To be successful, we will need to work together as a value chain. We will also need to align our efforts with other industries that are dependent on our agriculture, to avoid a situation where farmers need to adopt to different sustainability programs depending on who they sell their products to.

Today, we have reached an important milestone: for the first time, our sustainability report is no longer a stand-alone CSR report but part of our first Annual Report. This small but yet significant step is literally integrating sustainability into our business.

Going forward, sustainability will no longer be optional. To continue refining the fruits of our fields into enjoyable beverages, we need to do it in a way that guarantees this opportunity for also for generations to come.

Annika Wilhelmson
VP INNOVATION, CRAFT & FOOD
Viking Malt Group

Viking Malt Corporate Social Responsibility

Our strategy is to ensure profitable growth with sustainable operations, an adaptive product portfolio and superior customer service. Our CSR strategy is based on our values, vision and mission, and is in line with our Business Strategy and Policies. It differentiates us from our competitors in a positive way and focuses on what is most relevant for us. The CSR strategy will be updated together with and integrated into our Business Strategy during 2022.

During the current strategy period, we have set a solid ground for our CSR-work, focusing on securing:

- Work safety, site security and a culture of high ethical standards
- Food safety & product quality
- Sustainability in the supply chain

With our CSR-program, we also support our customers' sustainability efforts, as we are part of the same value chain.

We operate according to integrated management systems **Quality (ISO 9001)**, **Food Safety (ISO 22000)**, **Environment (ISO 14001)** and **Energy (ISO 50000; Denmark only)**, and are certified in these. We are also developing our operations towards **Occupational Health and Safety Management system (ISO 45000)**, the more advanced **Food Safety FSSC 22000** and **ISO 26000 Guidance on Social Responsibility**.

We are taking part in **CDP**, **Sedex** and **EcoVadis** social responsibility platforms and evaluations. We are now on a Platinum Level in EcoVadis, as our score has improved from 71/100 to 73/100. Only the top 1% of the companies assessed by EcoVadis reach this level. In CDP we are reporting both CO₂ emissions and water efficiency on group level. Our CDP Climate Change Score is "B-", Supplier Engagement Rating "B-" and Water Security Score "B".

We are committed to the **UN Global Compact's** ten principles. We have defined the targets most material to our business and where we can have an effect, working together with our stakeholders towards the **UN Sustainable Development Goals (SDGs)**.



ISO 9001:2015
ISO 14001:2015
ISO 22000:2018
ISO 50001:2018
FSSC 22000, version 5.1



We are committed to the UN Global Compact Sustainable Development Goals



We have defined the targets most material to our business and where we can have an effect, working together with our stakeholders towards the UN Sustainable Development Goals (SDGs). In 2020 we signed up for Global Compact.

COMMUNICATION
ON PROGRESS



UN GLOBAL COMPACT

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

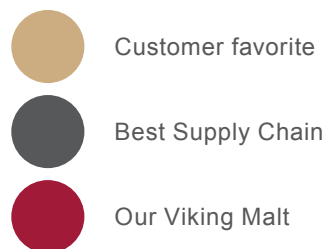
We welcome feedback on its contents.

Our Stakeholders

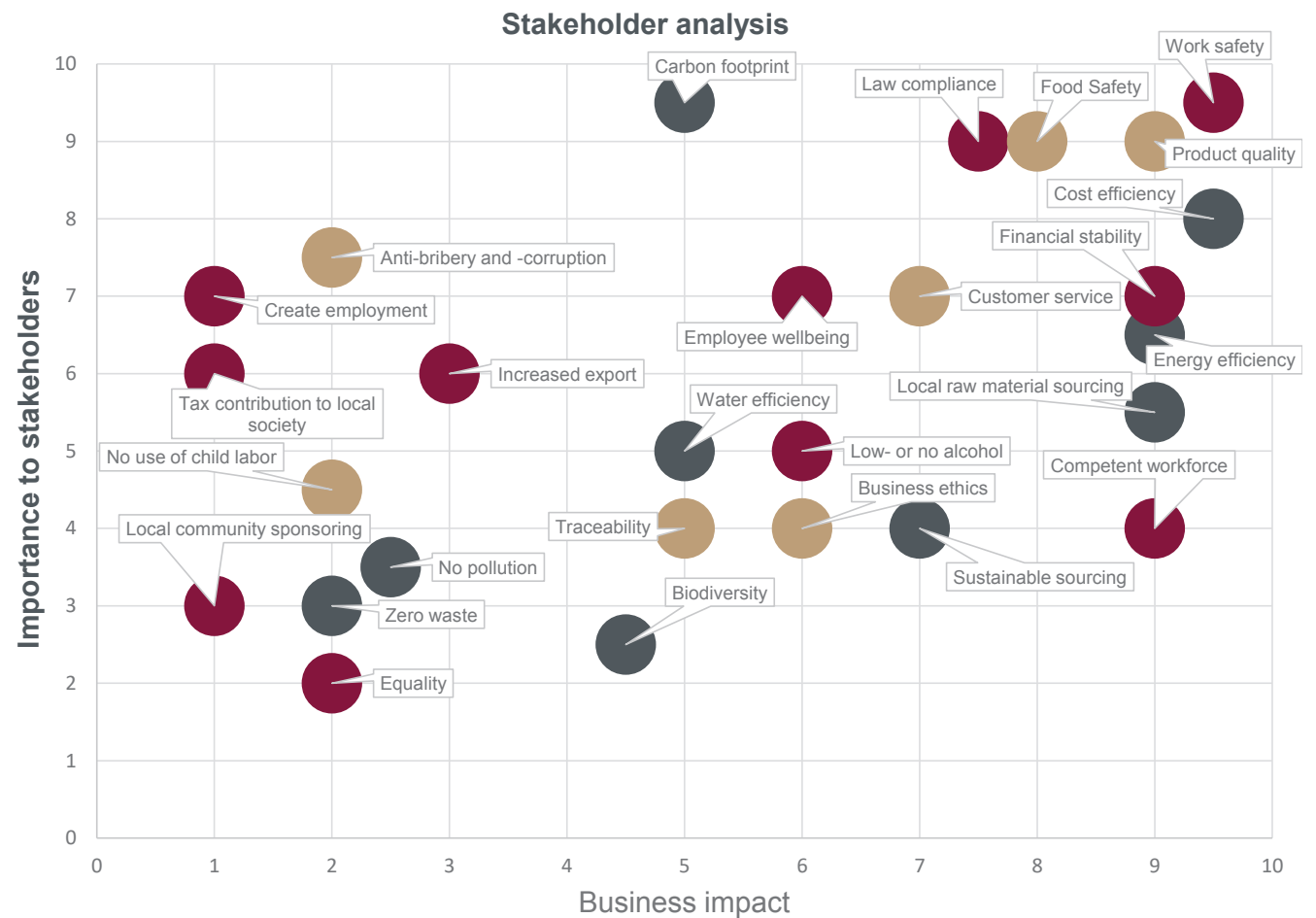
Our main stakeholders are customers, suppliers, employees, authorities, owners and community. Stakeholder expectation data has been collected through interviews with customers and suppliers, customer satisfaction surveys, employee surveys and from direct communication.

All employees had the opportunity to contribute to the new strategy starting 2023 in the November Employee Survey 2021. Quality was strongly highlighted as an area of focus for the new strategy and many comments were also made about keeping the customer in mind in everything we do as well as focusing on the employee wellbeing.

Sharing knowledge across the sites and ensuring we have the right competencies in the future was seen critical for the new strategy.



Our stakeholder analysis identifies the following expectations

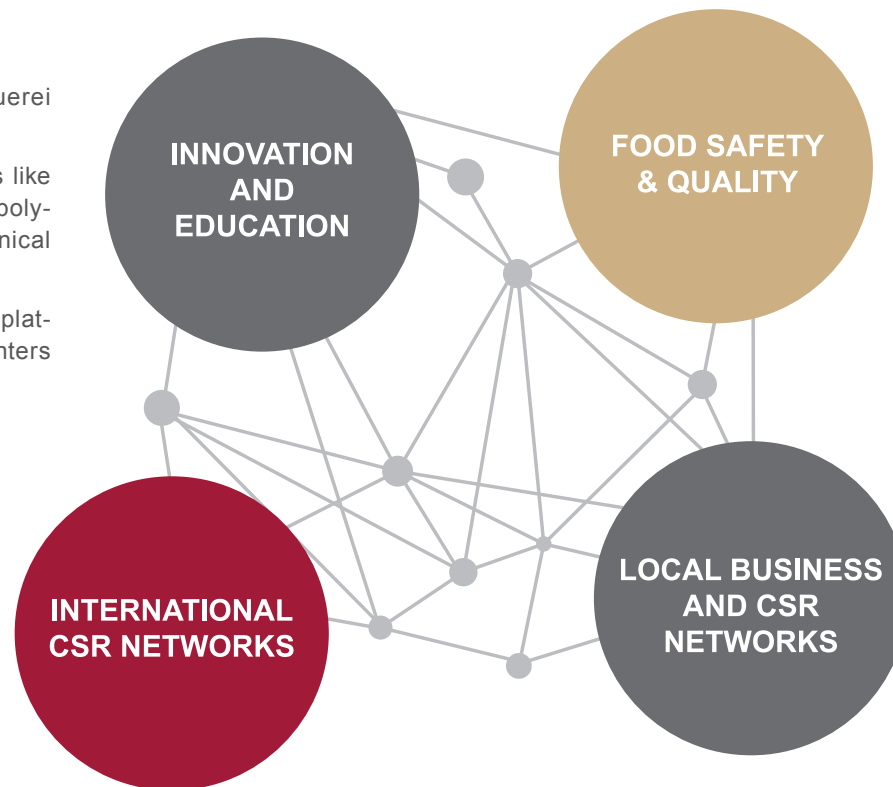


Networks

We follow developments in our business environment, food safety and quality, and participate in development projects through the following forums:

- EBC Brewing Science Group
- Versuchs- und Lehranstalt für Brauerei in Berlin (VLB) e.V.
- Co-operation with educational institutes like Scandinavian School of Brewing, VBU polytechnic in Sweden and Danish Technical University
- PBL brewing laboratory: Innovation platform with breweries and research centers in Finland

- Sustainable Agriculture Initiative (SAI)
- Global Compact



- Malt Analysis Proficiency Scheme, MAPS Advisory Group
- Euromalt Technical Committee
- Local industry associations

- Lahti Industrial Club
- Supporting Lithuanian Free Market Institute, LFMI (a politically independent think tank)
- DAKOFO Danish Grain trading organization
- Finnish Business & Society (FIBS) membership (Nordic CSR co-operation platform)
- Baltic Sea Action Group (BSAG)
- The Finnish Cereal Committee, VYR



Risk Analysis

An enterprise risk management (ERM) process has been defined for continuous evaluation of Viking Malt Group financial, strategic, operational and hazard risks. Management team is responsible for ERM process as a part of strategy work. The next more extensive evaluation will be done in 2022. Site-related risks have been

evaluated through a business impact analysis and continuity and recovery plans have been prepared on site level. Environmental, health and safety, chemical and food safety risks have been evaluated as a part of the management process.

Based on Viking Malt Group enterprise risk management process, the following risks were highlighted (risks scoring high in ERM were included):





Data security risk

Digitalization and growth of cloud-based solutions has made us more vulnerable to phishing, hacking and scams that can lead e.g. to data breach.

Risk management: We have Data Privacy Policy, an Information Security Policy and Information Security Guidelines. All employees have signed an Information Security Policy. We have improved our data safety e.g. by multifactor authentication and increased awareness of staff.



Increasing competition in the market and position in value chain

Global beer volumes have rebounded in 2021 following the pandemic turbulence in 2020, and a return to steady but low growth is forecasted the coming years. Brewers are expanding beyond traditional beer with wider portfolios across alcohol beverages. Especially the low- and non-alcohol category is expecting to grow significantly.

We still see new malt capacity coming to the market, especially in South America and Mexico. We should not exclude that further consolidation of the malting industry will take place the coming years.

Risk Management: We will further strengthen our offering with improved product quality and enhanced customer focus. Asset development, digitalization and automatization will proceed and we will continue to improve our sustainability agenda and end-to-end supply chain efficiency.



Failure to innovate

Increasing speed of innovation especially in information and communication technologies, requires our constant attention to keep up with the development. Increasing competition puts pressure on differentiation through innovative technology, processes, products and services.

Risk Management: We promote a culture of curiosity and sharing of ideas and best practices. We follow technology development by networking with research institutes, universities and suppliers, and are open to testing new solutions. Our R&D strategy focuses on maintaining a competitive product portfolio as well as developing unique solutions on longer term. We follow innovation as part of the management system.



Quality and product safety risk

We operate with a natural raw material that varies from crop to crop, and with customers specifications that are complex and demanding. Climate change may increase risks related to product safety as well as quality.

Risk management: All sites are certified according to ISO 9001 and ISO 22000, and three sites according to FSSC 22000. Group level vulnerability analysis has been done and site security evaluation is done using common standard. We have performed vulnerability analysis in order to mitigate food fraud and food defense risks and we will implement Group level site security standard in order to mitigate food defense risks.



Raw material availability

Climate change was seen as a potential source for raw material availability risks. Loss of biodiversity has also been identified as a major risk for all businesses operating with natural raw materials (World Economy Forum, Global Risk Report 2020).

Crop 2021 really proved to be influenced by climate changes. Finland, Sweden and Poland suffered from either too much rain in the spring or no rain during the growing season, resulting in a crop in Finland not seen as low since late 1980'ies. Sweden lost tonnage due to late sowing in the spring and high protein due to lack of rain. Poland also hit by rain or drought at non-optimal times, and we saw substantial losses to poor kernel sizes and lack of yield.

Risk management: Combined with access to a diverse range of barley varieties and focus on local barley sourcing when possible, we also perform sourcing outside the Baltic Region to manage the risk i.e. source barley from UK or French origin. Further to this we engage in activities promoting biodiversity and sustainable agriculture.



Ethical and personnel related risks

Based on our internal ethical risks evaluation no high risks were identified. There were medium level risks identified related to work safety, work-life balance and retaining talent.

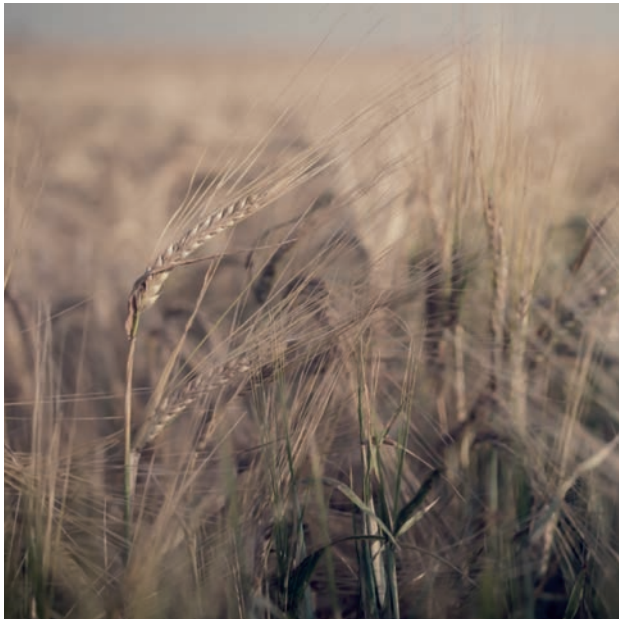
Covid19 increased the risk in the area of health and safety of the personnel as well as work life balance in addition to increasing the risk of business interruption due to high absenteeism.

Risk Management: Covid-19 related guidelines were established locally to enhance work safety. Actions to improve work-life balance were established as part of Peakon action planning and training was arranged to all supervisors about stress management during pandemic/work wellbeing. ERP implementation was completed increasing the data transparency and integration of the Viking Malt Group.



Environmental risks

Environmental risks related to Viking Malt's operations are low. All sites have ISO 14001 certified environmental management system. The risk of major fire or explosion was noted as one possible hazard, which is managed by fire safety requirements.



Planned and done Viking Malt activities



CUSTOMER FAVORITE

PRODUCT SAFETY & QUALITY | BUSINESS ETHICS





Product safety & quality

As stated in our policy, we work according to a certified food safety and quality management system and apply HACCP, TACCP and VACCP risk analysis and control measures. Therefore, food safety risks are evaluated continuously. Where it is considered relevant, we will communicate openly on the subjects both internally and externally. Our raw material traceability meets the demands of our customers and management systems, and we test traceability from product to raw material or vice versa regularly. We aim to certify all our plants according to the FSSC 22000-standard.

The target year for FSSC certification of our site in Lahti has been updated to 2023 to meet the schedule of building our new malting plant.

We respect our customers and value their feedback. We conduct customer satisfaction surveys to measure our performance on a regular basis. We aim to keep our Customer Satisfaction Score on a high level and continue improving based on received feedback. Our customers' awareness of our CSR-program has already improved.

Activities done 2021

Sierpc site in Poland was certified for FSSC 22000 as planned. Preparations were ongoing in Vordingborg in Denmark and Halmstad in Sweden aiming for FSSC 22000 certification.

Activities planned 2022

FSSC 22000 certification of Vordingborg and Halmstad was postponed and is planned to be completed in 2022.

Targets:

FSSC 22000 certification for Vordingborg and Halmstad (2022) and Lahti (2023).
Maintain high level of Customer Satisfaction Score.



Business ethics

According to our Employee Code of Conduct, transparency and integrity are cornerstones of operations in our organization. In 2020 we signed up for Global Compact, and in line with that, our Employee Code of Conduct covers matters of human rights, labor rights, anti-corruption and -bribery, food safety and environment. It means we do not tolerate any practice that is not born of integrity, honesty and fairness. We base our business and operations on open relations.

We clearly communicate to our stakeholders that we only accept normal hospitality to and from our business partners and strictly reject corruption and other unfair practices.

We have a Whistleblowing Policy, a defined process for how to investigate potential cases and an independent Whistleblowing Channel. The channel enables us to follow how well our policies have been implemented e.g. with respect to matters of human rights, anti-corruption and -bribery. In 2021, no cases were filed through this channel.

Donations to both local society and world-wide organizations are made annually, and the budget and guiding principles are approved by the Board.

Although we are supplying malt to customers in areas where corruption and bribery may occur, these customers are mainly global breweries with Corporate Social Responsibility policies in place.

Therefore, we have not identified any significant risks related to corruption and bribery, even when doing business in countries where corruption and bribery may occur. Viking Malt human rights practises and reporting model were audited by an external consultant in 2020-2021. Implementing the actions based on the feedback was ongoing in 2021 and continues.

Based on our internal ethical risks evaluation our strenghts are fair operating practices, such as relations with stakeholders, fraud prevention, anti-corruption, conflicts of interest prevention, financial accuracy of reporting and competition law. The medium level risks we identified were related to work safety, work-life balance and retaining talent. This input will help to improve our work practices.

**Transparency
and integrity are
cornerstones
of our operations**

Activities done 2021

Focus on Health and Safety with the aim to create framework and structure in leading Health and Safety activities. Work on Lifesaving rules – the most important safety rules on the group level – has been started.

CSR-related news has been communicated in newsletters, on our webpage and in social media throughout the year. Customer awareness of our CSR-activities was followed.

High level internal GDPR audit was done.

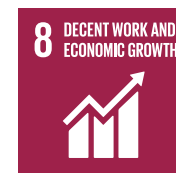
Activities planned 2022

Continue work with Health and Safety culture.

Continue activities to improve customer awareness of our CSR-activities taking into account how advanced they are in CSR.

Continue to work on GDPR to ensure compliance and conduct external audit when deemed necessary.

KPIs Product Safety & Business Ethics	2019	2020	2021
Total number of sites certified according to FSSC 22000	1	2	3
Number and topic of cases filed through the Whistleblowing Channel	0	0	0
Customer awareness of our CSR program based on survey	58%	72%	67%
Overall Customer Satisfaction Score	8,49	8,39	8,19



BEST SUPPLY CHAIN

ENERGY, WATER AND MATERIAL EFFICIENCY IN PRODUCTION
SUSTAINABLE PROCUREMENT



According to our environmental policy we use only selected agricultural raw materials, and we process them efficiently, sustainably and profitably. We cooperate with our partners to improve the sustainability of the supply chain, including efforts to improve biodiversity. All activities are carried out with respect for the environment.

We work according to a certified environmental system, ISO 14001. We identify the significant environmental aspects of our operations. We establish environmental objectives and explore opportunities for improvements and mitigate identified risks.



Energy, water and material efficiency in production

Energy efficiency is the key factor in reducing our carbon footprint, preserving natural resources and ensuring the competitiveness of our company. Viking Malt will not only comply with applicable legal requirements and other energy related obligations, but we will commit ourselves to continuous improvement of our energy performance.

We use renewable energy when possible, considering our business environment. We ensure that the energy we use is produced and utilized based on best available practices. Energy efficiency is a guiding principle in the planning of our plant design, investments, production, logistics and sourcing of energy product and services.

We are committed to following legal requirements and official regulations as well as adopted standards and obligations towards customers, and we strive to continuously improve our environmental system and performance. Skilled personnel and professional management of our processes help us to use energy and natural resources more efficiently and to prevent pollution.

We use only selected agricultural raw materials

We are working to reduce water usage for our production through implementation of best practices and knowledge sharing. Various adjustments in the malting process that will result in significant reduction in water usage are being tested and implemented at our plants.

We have identified the most significant environmental aspects of our operations and established environmental objectives. Our long-term targets are to reduce CO₂-emissions, energy and water usage, and to increase environmental awareness.

During 2021 operation of our plants have been done in compliance with environmental legislation and agreed obligations.

Activities done 2021

Roadmaps for reaching our CSR group targets related to CO₂-emissions and use of biofuels for heat production in malt production have been further developed.

Accounting and reporting principles have been further developed to be aligned with the principles laid out in "The Greenhouse Gas Protocol Corporate Standard".

Use of biomass for heat production has been further optimized.

A roadmap for testing water saving process changes and implementing water saving technologies has been developed.

The sharing of best practices in water efficiency has been initiated across sites and significant savings have been seen.

Introduction of Plug-in Hybrid Electrical Vehicles as company cars.

Activities planned 2022

Update action plan to support our roadmap to meet our CSR-targets related to CO₂-emission and use of biofuels for heat production.

Further explore opportunities for emerging water saving technology.

Further develop best practice sharing within energy management and water saving.

Follow closely mechanisms and developments within certified green electricity and biogas markets including Power Purchase Agreements (PPA's).

CO₂-emission targets:

Scope 1: Reduce by 50% by 2025, from a 2018 base year (max 20 kg CO₂e/t malt)

Scope 2: Reduce by 25% by 2025, from a 2018 base year (max 43 kg CO₂e/t malt)

Heat usage to be minimum 70% from fossil free fuels by 2025



Carbon Footprint from malting process	Unit	2018	2019	2020	2021
Scope 1					
Total – Market Based	tons CO ₂ e	23.292	24.648	21.740	21.697
Total – Market Based	kg CO ₂ e/ton malt	40,2	43,1	39,5	38,0
Biogenic CO ₂ (Excl. in totals)	tons CO ₂ e	17.634	18.504	20.840	19.674
Scope 2					
Total - Market Based	tons CO ₂ e	32.972	34.685	28.616	30.179
Total - Market Based	kg CO ₂ e/ton malt	56,9	60,6	51,9	52,9
Scope 1 + Scope 2					
Total - Market Based	tons CO ₂ e	56.264	59.334	50.357	51.876
Total - Market Based	kg CO ₂ e/ton malt	97,1	103,7	91,4	90,9
Total - Location Based	tons CO ₂ e	58.565	59.334	50.474	52.009
Total - Location Based	kg CO ₂ e/ton malt	101,0	103,7	91,9	90,6
Fossil free share					
Heat – Market Based	%	52,1%	49,9%	54,1%	52,5%
Electricity - Market Based	%	72,9%	73,4%	72,7%	72,6%

CO₂-emissions above are found using accounting principles laid out in „Greenhouse Gas Protocol“

Having adjusted accounting and reporting principles to be aligned with the principles laid out in “The Greenhouse Gas Protocol Corporate Standard” we have revised our Scope 1 and Scope 2 base year 2018 and target year 2025 figures. Our reduction targets in percentage remain the same.

The reduction in absolute Scope 1 emissions from 2020 to 2021 is mainly due to the discontinuation of use of coal for heat production from the end of 2020. Specific market-based Scope 1 CO₂-emission in 2021 of 38,0 kg CO₂/ton malt is a small reduction from the previous years.

For total Market Based Scope 2 emissions a small increase is seen from 2020 to 2021.

A roadmap for how to meet our targets has been developed and includes options to install heat pumps at several of our plant. We see that the targets we have set for Scope 1 emissions will be challenging to reach due to changes in the business environment, availability of sustainable biofuels and in particular how woodchips will be categorized with respect to emissions. However, for Scope 2 emissions we see several options to reduce even beyond our set reduction target of 25%.

We will review our targets as part of the preparation for the new strategy period starting 2023.

Our water consumption has been nicely reduced the last two years following implementation of various process adjustments and sharing of best practices between our malting plants.

We are happy to have reached our ambitious goal defined in early 2019 to achieve a specific water consumption of maximum 2,9 m³/tons malt.

Further initiatives for reducing water usage will be tested and implemented in the future and we will explore opportunities from emerging water saving technology.

Target:
Reduce solid waste for landfill by 50%
by 2025 (from 2018 base year)



Solid waste	Unit	2018	2019	2020	2021
Landfill	Tons	252	425	526	70

Target:
Water usage to be maximum 2,9 m³/t
malt by 2021



Utility Consumption ratio	Unit	2018	2019	2020	2021
Water ratio	m ³ /ton	3,1	3,2	3,1	2,9

For solid waste to landfill we have seen a significant reduction in 2021 following our discontinuation of use of coal for heat production from the end of 2020. Already now after year 2021 we have reached our 2025 goal of reducing solid waste to landfill with 50% from 2018 base year as a reduction of 72% has been achieved. We will continue our efforts to reduce our impact here also in the coming years.



Sustainable procurement

Through our Supplier Code of Conduct, the commitments made through the Baltic Sea Action Group, the cooperation with Yara on optimal usage of nitrogen fertilizer and the initialization of a project in Finland, Lithuania and Poland on regenerative farming we continue to aim to protect the environment and its biodiversity, and to have lowest possible emissions from our sourcing process. Optimal usage of nitrogen fertilizer and higher grain yields have the biggest effect on minimizing greenhouse gas emission in barley cultivation.

To reduce CO₂-emissions, Viking Malt promotes introduction of high yielding malting barley varieties in close cooperation with breeding companies and customers. The trials with winter malting barley were not successful in 2021 as barley quality was too poor to produce malt from it. We will for crop 2023 reconsider doing trials again.

We continue our implementation of our Supply Code of Conduct to include all our direct suppliers.

Work continued in 2021 to map our Scope 3 emissions on transport. Further steps to map Scope 3 emissions will be continued during 2022.





Activities done 2021

The work of mapping of transport emissions on both inbound as well as outbound logistics continued. Also included the emissions from growing barley in our region.

FIN, LIT and PL audited during 2021 under the Farm Sustainable Assessment (FSA) scheme (SAI) and the work continues in SE to have more suppliers undergo audits and assessments according to the FSA scheme.

Continuation of the project of a regenerative status on growing malting barley in FIN, LIT and PL.

Regenerative Farming training platform for farmers launched in FIN in Q1 2021.

The project to have the emission impact mapped for growing malting barley in our region initiated.

Activities planned 2022

Continue the journey to be able to map emissions from growing barley.

Finland will aim for a national certification, and this task is active in the Finnish Grain Counsel. LIT was delayed due to COVID-19 but aims to have FSA audit during 2022. In addition, we aim to have two Swedish Suppliers approved with FSA.

Regenerative farming project will continue in 2022.

Project with YARA in Poland to educate farmers in optimal usage of fertilizer will be initiated.

Continue the project to have the emission impact mapped for growing malting barley in our region.

Target:

Supplier Code of Conduct with 85% of all suppliers in 2021
100% Local sourcing of barley, when possible from a quality and availability point of view



KPIs

Sustainable procurement

2018

2019

2020

2021

Suppliers that have accepted our Supplier Code of Conduct

80%

81%

87%

Local barley sourcing

96%

89%

90%

90%

OUR VIKING MALT

PERSONNEL AND HUMAN RIGHTS





PERSONNEL AND
HUMAN RIGHTS

Personnel and Human Rights

As stated in our Employee Code of Conduct, corporate responsibility at Viking Malt Group means we are committed to comply with social, environmental and financial responsibility in all our businesses. We respect and treat people as expressed in the UN Declaration of Human Rights, the Rights of the Child and the Declaration of the International Labor Organization, ILO. Therefore, we do not accept forced and child labor.

We treat our customers and other stakeholders in a fair manner, and we understand that our customers, employees and other stakeholders are vital to our business growth.

Our production sites are not in risk countries with respect to human rights. Although we are supplying malt to customers in areas where human rights may not be respected, these customers are mainly global breweries with Corporate Social Responsibility policies in place. Therefore, we have not identified any significant risk related to the breach of human rights amongst our business partners.

Finally, our operations have to be profitable and result in benefits for the company, its employees and the owners. We need to secure growth and profitability also in the future. Through our success we can constantly develop our business.

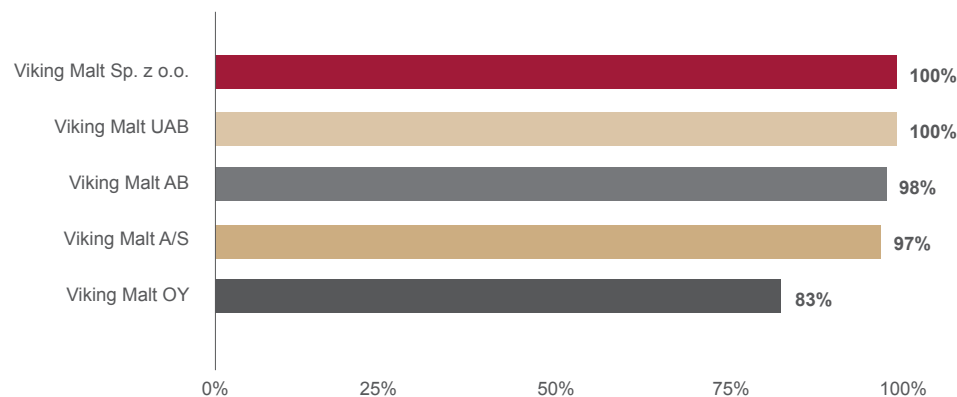
Our employment policy is based on the principle that every employee is essential regardless of their gender, ethnic origin, age, creed, political convictions, or other corresponding matters.

Equality and diversity are highlighted in Viking Malt's daily operations and the Group's recruitment and remuneration policies. We monitor gender equality by following the number of men and women across the company, in management positions, and in the Group Management Team.

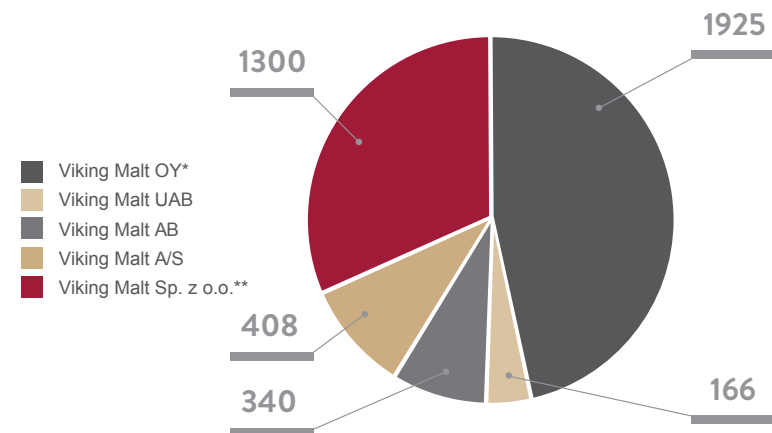
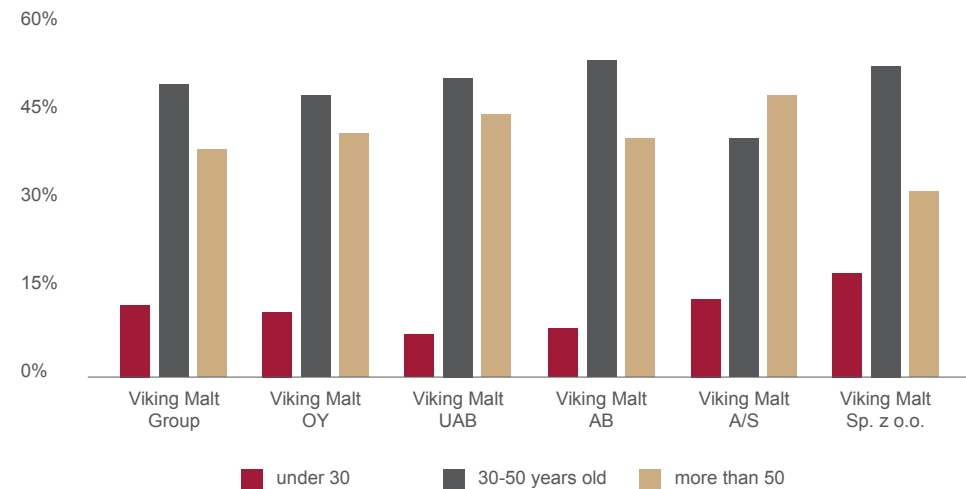
We use Mercer's International Position Evaluation (IPE) system to have an objective remuneration structure. We offer all our employees equal opportunities and provide the same benefits to part-time and full-time employees, including training and development programs.

Most of our employees are employed full time with permanent work contracts.

VIKING MALT GROUP EMPLOYEES/PERMANENT EMPLOYMENT [FULL-TIME]



VIKING MALT GROUP EMPLOYMENT RATE BY AGE GROUP



* Finmalt-related trainings

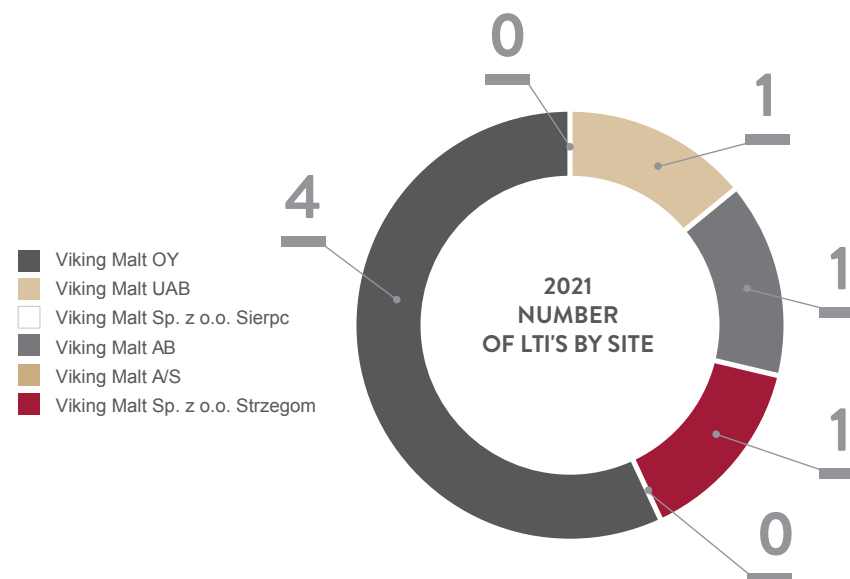
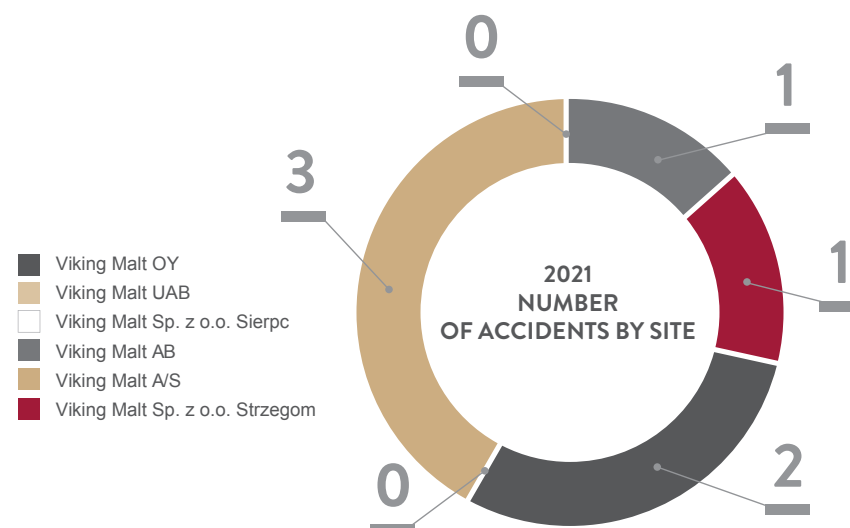
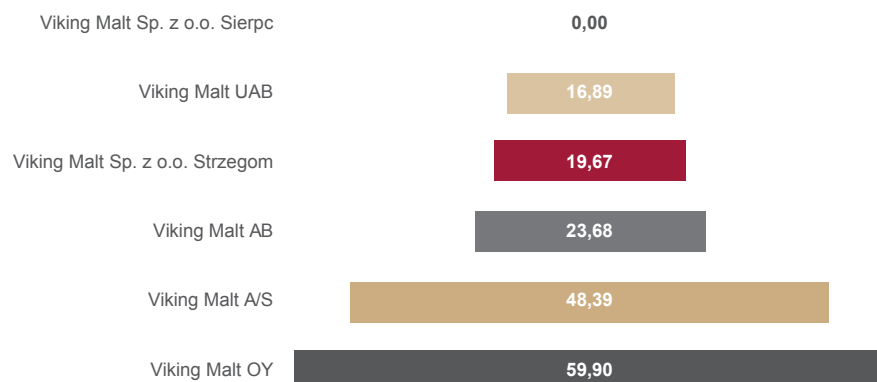
** trainings connected with M3 implementation

Our Safety Policy aims to protect people, property, information, knowledge, and the environment from accidents, incidents and crimes, and to secure the continuation of operations. A safe and efficient work environment considers a person's physical, psychological and social wellbeing. Continuous improvement is guiding our activities. Based on risk analysis and safety notices we evaluate our improvement needs. We continuously follow and report our safety KPI's.

2021: ANNUAL ROLLING INJURY RATE IN VIKING MALT GROUP

28,34 ▼ 29,93
last year

2021 INJURY RATE BY SITE



Activities done 2021

Recruitment Guideline and Onboarding Guideline were launched in 2021 and all supervisors were trained on those as well as re-trained in other HR processes and tools that were recently implemented such as IPE (International Position Evaluation), Competence Management model and people development and succession planning process.

Full Peakon employee survey took place in November 2021. In addition, a Covid-19 related survey as well as 4 spot surveys (functions, departments or sites with a specific area that needed attention) took place. Employees had the opportunity to give feedback and improvement ideas. 2264 comments were given in the system in 2021. Action plans were done and executed and the work continues.

Creating the right safety culture, raising the awareness and continuously focusing on reporting the close-by situations was in focus.

Covid-19 restriction and following implications assuring full manning of our plant to secure that production could be kept running have made further implementation of 5S-principles at our plants difficult in 2021. The defined target to implement 5S-principles in all sites and in defined areas by 2021 has therefore not been met.

The 5S roll-out will need to continue in 2022 – hopefully being able to allocate the required resources.

Action plans were done and partly executed based on the audit by external auditor Mitopro for developing respect for human rights in recruitment and remuneration principles as well as Human Rights reporting practices.

Activities planned 2022

Since many new tools and processes were implemented in 2020–2021, the work continues to stabilize them in our leadership and people development. This includes Peakon employee survey, Competence Management, People development and succession planning, International Positions Evaluation as well as the for 4 Group HR Guidelines.

Peakon employee survey tool to be further utilized to enhance a transparent culture with open and frequent communication. We continue having shorter surveys more frequently, creating continuous dialogue. Encouraging supervisors to use the tool to communicate and react promptly to the feedback.

Work on the safety culture continues and as 2022 starts with another wave of Covid-19 focus is on having clear guidelines in how to protect the employees from the virus and at the same time taking care of the psychological well-being.

Work with implementation of 5S will continue with the adjusted target of implementing 5S-principles in all sites and in defined areas by 2022.

Emphasis in 2022 will also be on sharing the best 5S-practices efficiently across our production sites.

Work towards implementing the GRI Standards in HR-reporting as recommended by Mitopro in the audit.

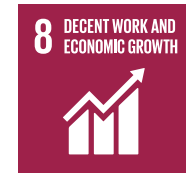
Target:

Zero LTI's

Implement 5S-principles in all sites and in defined areas by 2021

Absence rate maximum 3,5%

Personal development discussions with 100% of employees



KPIs	Unit	2018	2019	2020	2021
Sustainable procurement					
Absence rate (hours/total work hours*100)	%	4,4	4,9	3,5	5,6
Lost time injury (LTI)	pcs	11	7	6	7
Personal development discussions	%	96	99	100	100
Employee survey results		3,90	4,13	8,1*	8,0
Number and topic of cases filed through the Whistleblowing Channel			0	0	0

*) Results not comparable to previous years, new service supplier for survey



Viking Malt CSR - Methodology description

General approach

Viking Malt has adopted the Greenhouse Gas Protocol Corporate Standard as the basis for our greenhouse gas (GHG) accounting principles and we voluntarily disclose our full known greenhouse gas inventory, within our reporting boundaries in our annual Corporate Responsibility Report.

In the following, we define our GHG reporting boundaries and accounting principles within the Greenhouse Gas Protocol, Scope 1 and Scope 2. At this time we do not report on Scope 3 emissions related to our value chain due to limited data availability and high uncertainty.

Emissions are given in metric tons of CO₂ equivalents (CO₂e).

The total emissions (Scope 1 + 2) are reported both according to the market-based and location-based approach. The emission reduction targets are set according to the market-based approach.

Specific emissions found as total emissions (Scope 1 + 2) divided by the total tons of malt produced by Viking Malt are also reported. Malt volume being further reprocessed at our plant in Strzegom, Poland, received from other Viking Malt sites is shown in a separate table.

GHG Protocol Scope 1:

Direct CO₂-emissions from sources that are owned or controlled by Viking Malt, for example, emissions from combustion in owned or controlled boilers, furnaces, and vehicles.

Coverage: Covers all six Viking Malt production facilities including own office spaces and fuel used to operate forklifts and company cars (Denmark, Sweden, Poland, Lithuania, and Finland). Three greenhouse gasses are covered for stationary sources: CO₂, CH₄ and N₂O, including CH₄ and N₂O emissions from combustion of biomass. Emissions are reported both according to the market-based and location-based approach (specifically relates to gas consumption). Only CO₂ is included for mobile sources.

Co-gen-plant (Vordingborg): Emissions are allocated to heat and electricity respectively based on an assumed heat efficiency of 125%.

Not included: GHG emissions from leased and rented offices (defined as Scope 3 emissions). Direct CO₂-emissions related to the use of biomass is not included in the total emissions, however reported separately. CH₄ and N₂O are not included for mobile sources.

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¹ <https://ghgprotocol.org/corporate-standard>

Data sources: Data on energy consumption is obtained from invoiced data from our utility providers and/or from readings of meters. Emission factors for coal, natural gas and diesel are, where available, based on official national sources. Where these are absent, factors are acquired from the IPCC Guidelines on Greenhouse Gas Inventories.

GHG Protocol Scope 2:

Indirect CO₂-emissions produced by our suppliers in generating energy that we then purchase for our production, for example, emissions from purchased electricity and heat. We report according to the Market Based approach and purchase green certificates (i.e., an emission factor of zero is applied) for electricity consumption at selected sites. In addition, emissions related to electricity consumption are also reported based on Location Based emission factors.

Coverage: Covers all Viking Malt production facilities including office spaces (Denmark, Sweden, Poland, Lithuania, and Finland). Includes CO₂ for all sites. Other greenhouse gasses such as CH₄ and N₂O are included where data is available.

Not included: GHG emissions from leased and rented offices and emissions related to transmissions and distribution loss of energy (both defined as Scope 3 emissions). Emissions related to the use of biomass is not included here nor reported separately.

Data sources: Data on energy consumption is obtained from invoiced data from our utility providers and/or from readings of meters. Emission factors for purchased heat is obtained from our utility provider. Emission factors for purchased electricity are acquired from the national energy agencies (Denmark and Finland). Where these are absent, factors are acquired from the European Association of Issuing Bodies² (Poland, Lithuania and Sweden).

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² <https://www.aib-net.org/>

THE GHG PROTOCOL DEFINES DIRECT AND INDIRECT EMISSIONS AS FOLLOWS:

- **Direct GHG** emissions are emissions from sources that are owned or controlled by the reporting entity.
- **Indirect GHG** emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity.

The GHG Protocol further categorizes these direct and indirect emissions into three broad scopes:

Scope 1: All direct GHG emissions.

Scope 2: Indirect GHG emissions from consumption of purchased electricity, heat or steam.

Scope 3: Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

FINANCIAL REPORT



In 2021, we continued our solid financial performance. Despite lingering Covid-19 pandemic and related restrictions impacting beer consumption, especially in bars, restaurants and events, we achieved organic 3,1% volume and 4,6% revenue growth. Increased input costs, especially barley, partially drove the growth of revenues.

A lower than expected malting barley crops in 2021 and the resulting turbulence in the barley market impacted our operations. Rising prices and the need to import barley increased our costs and affected the margins of the entire Viking Malt Group.

Despite the risk management actions taken, our margins were impacted by sharp electricity and gas price increases. Additionally, our cost base was affected by elevated inflation, especially in Eastern Europe, while inflation remained lower in the Nordic region.

As a result, our operating profit declined to 12,0 M€ (14,7M€) and was at 5,0% (6,4%) in 2021.

In 2021 we proceeded with key investments, most significantly the construction of a new malting plant in Finland, which we announced at the end of 2020. Work on this project proceeded according to plan throughout the year and the project is planned to be completed in 2023. In Poland we finalized investment in new logistic center and it was taken into use in Q1 2021. A significant milestone was reached while the implementation of a new ERP system at all six Viking Malt sites was completed in Q2 2021.

Group financial result in 2021 presents how well we have managed to navigate during unpredictable times. The solid foundation we have built over the past few years has enabled us to adapt to new circumstances, maintain full operational capability and, more importantly, sustain our ability to generate continued satisfactory financial results.

Teemu Pohjola
CFO Viking Malt Group

OUTLOOK FOR THE FUTURE



We are expecting another difficult year in 2022 which will still be impacted by the problematic 2021 crop plus the current very high energy prices. 2022 will also be the year where we will migrate out of some existing LTA' which have very low profitability, but the impact of these changes will first take effect financially during 2023.

On a positive note, we are almost sold out for 2022 which indicated that we are still considered as an attractive, competitive malt producer and a key supplier to the brewing and distilling industries both in our home region and across the globe. Since we also assume that the malting barley demand will be high for crop 2022, we are planning for securing all our needs for malting barley in our region for both 2022 and the years beyond.

During 2022 we will develop a new strategy which will be a rolling strategy covering a period of 3 to 5 years. Based upon the last few years' experience and events in the world in general there is no doubt that whatever strategy it must be both flexible and still focused plus contingency plans and risk management must be addressed as well.

Finally, Viking Malt is a well-operating, efficient, resilient, and long-term committed company that will address all the current headwinds in the best possible way, and look for every opportunity for coming back strongly.

Kasper Madsen
CEO/MD Viking Malt Group

