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AB Linas Agro Group Consolidated Annual Report and Consolidated and Company's Financial Statements

for the financial year 2021/22 ended June 30, 2022,
Prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, presented together with Independent auditor's report

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Independent Auditor's Report

To the Shareholders of Linas Agro group AB

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion

We have audited the separate financial statements of Linas Agro group AB ("the Company") and the consolidated financial statements of Linas Agro group AB and its subsidiaries ("the Group"). The Company's separate and the Group's consolidated financial statements comprise:

- the separate and the consolidated statement of financial position as at 30 June 2022,
- the separate and the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the separate and the consolidated statement of changes in equity for the year then ended,
- the separate and the consolidated statement of cash flows for the year then ended, and
- the notes to the separate and the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the non-consolidated financial position of the Company and the consolidated financial position of the Group as at 30 June 2022, and of their non-consolidated and consolidated financial performance and their non-consolidated and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of

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the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

Valuation of biological assets (in the consolidated financial statements

The residual value of biological assets at 30 June 2022 is EUR 50 757 thousand (30 June 2021: EUR 32 202 thousand) and the gain on change in the value of biological assets recognised at 30 June 2022 is EUR 12 732 thousand (30 June 2021: EUR 4 168 thousand).

We refer to Note 2.10 "Biological Assets", Note 2.27 "Use of Estimates and Assumptions in the Preparation of Financial Statements", Note 10 "Biological Assets" to the separate and consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
Biological assets consist of livestock (mainly dairy cows and other cattle), crops and poultry (hatching hens and broilers). As discussed in note 2.10, the Group carries its biological assets at fair value less costs to sell. The Group determines its own fair value using a number of methods, including, for example, the discounted cash flow method used to determine the value of cattle, the market price method used to determine the value of a crop based on its expected yield, or, in the case of a hen, based on the future value of the eggs less the cost of keeping the hen until the end of her productive life and the cost of slaughtering her. Relatively insignificant changes in the key assumptions used in the above estimates could have a material impact on the results and amounts recognised in the financial statements. Estimating the fair value of biological assets requires significant judgements and complex assumptions. This, together with the magnitude of the amounts involved, made it an area that required more attention during the audit and we therefore considered it as a key subject of our audit.	Our audit procedures, performed with the assistance of our valuation specialists where applicable, included, among others: • an assessment of the design and implementation of selected internal controls related to the valuation of biological assets, including where management confirms the underlying assumptions and results of the valuation; • analysis of relevant historical and market information used in the valuation of biological assets, taking into account publicly available sources and interviewing members of management; • In the light of the results of the above procedure, we tested the valuation of biological assets and its underlying assumptions. This included, inter alia: - for the determination of the value of cattle, an estimate of the selling price of milk, taking into account historical experience and publicly available market sources, and the average productive life of a dairy cow, taking into account historical experience. - for the purpose of determining the value of a crop, the yield of a given category of crop, taking into account historical experience and expected selling prices, taking into account future crop prices derived from publicly available market information. - For the determination of the value of hatching hens, an estimate of the price of hatching eggs, based on publicly available market prices and the number of eggs expected to be produced per hen during her lifetime. Inspection of the disclosures relating to biological assets in the consolidated financial statements in accordance with the requirements of Financial Reporting Standards.

Valuation of inventories (in the consolidated financial statements

The residual value of inventories in the consolidated financial statements at 30 June 2022 amounts to EUR 243 876 thousand (30 June 2021: EUR 89 292 thousand); the adjustment to net realisable value recognised in the consolidated financial statements at 30 June 2022 amounts to EUR 1 438 thousand (30 June 2021: EUR 1 537 thousand).

We refer to Note 2.11 "Inventories", Note 2.27 "Use of estimates and assumptions in the preparation of financial statements", Note 11 "Inventories" to the financial statements.

The key audit matter	How the matter was addressed in our audit
The Group supplies agricultural products, processes agricultural products, produces food products and markets agricultural products. At each reporting date, the Group determines, as required by the relevant accounting standards, whether the carrying amount of its inventories exceeds their net realisable value. For obsolete or slow-moving inventories, this involves comparing the existing inventories with their future use and sales forecasts. In addition, all of the Group's product inventories are tested for possible reductions in their expected selling prices below cost. We have focused on this area because of the high value of the inventories and the fact that the estimation of the residual value of the inventories requires significant management judgements based on assumptions such as, in particular, future selling prices. Changes in these assumptions may result in significant changes in the residual value of inventories and related movements recognised in profit or loss.	In addition to other audit procedures, we performed the following audit procedures: - we evaluated the design and implementation of selected internal controls related to the valuation of inventories, including the identification of slow-moving and obsolete inventories and the expected adjustments to the net realisable value; - assessing the accuracy of the Group's forecasting by analysing, where possible, inventories written off in prior years against the current year's results; - testing the write-down of goods for resale to net realisable value based on their selling prices at year-end. We assessed the accuracy and adequacy of the Group's disclosures related to the uncertainty in the measurement of write-downs to net realisable value and related write-offs.

Impairment of trade receivables (in the consolidated financial statements

The residual value of trade receivables in the consolidated financial statements at 31 June 2022 amounts to EUR 300 061 thousand (30 June 2021: EUR 104 710 thousand); the impairment losses recognised in the consolidated financial statements for the year ended 30 June 2022 amount to EUR 2 813 thousand (year ended 30 June 2021: EUR 318 thousand).

We refer to Note 2.8 "Impairment of Financial Assets", Note 2.27 "Use of Estimates and Assumptions in the Preparation of Financial Statements", Note 14 "Trade Receivables.

The key audit matter	How the matter was addressed in our audit
Impairment losses represent management's best estimate of expected credit losses on receivables at the reporting date. We have focused on this area because the measurement of impairment losses requires management to make a series of judgements and decisions. The Group assesses impairment of trade receivables both individually and collectively at each reporting date. In estimating the amount of impairment losses, which is equal to the expected credit losses (ECL), management takes into account, among other things, the payment history of the receivables and the historical experience of credit losses, adjusted for factors specific to the debtors, and an assessment of both the current and expected general economic conditions at the date of the report. Thus, the key areas of measurement uncertainty and judgements related to the recognition of impairment of trade receivables are as follows: - the assumptions used to estimate the credit risk of the related exposure and the client's expected future cash flows; - identification of exposures with significant credit risk or credit impairment (default)	Among others, we have carried out the following procedures in this area: - assessing the appropriateness of the Company's impairment methodology against the requirements of relevant financial reporting standards; - understanding and assessing the key internal control systems in place in relation to trade receivables recoveries and impairment testing (including model validation controls); - testing the accuracy and completeness of the Company's TCN calculation as at 30 June 2022, including: ○ related to individually assessed trade receivables that have been selected as risky: ○ reviewing the debtors' historical payment data in order to understand any uncertainties related to payments, significant increases in credit risk or defaults; ○ checking the supporting documentation for cash receipts from debtors after the end of the reporting period Procedures related to collectively valued trade receivables (based on the expected credit loss (ECL) model): - we tested key parameters of the collective impairment model, such as historical information on default rates and their impact on the model, taking into account the Group's own historical credit loss experience, our understanding of the business and current economic trends and expectations; - retrospectively assessing the historical accuracy of management's impairment assumptions and estimates, including loss rates, compared to actual results. Procedures related to the totality of impairment provisions:

	- critically assessing the reasonableness of the impairment of TCNs, including both the share of gross non-performing exposures in the total exposure and the coverage of the impairment of non-performing receivables; - assessing whether the financial statements' disclosures about expected credit losses related to trade receivables are presented in accordance with the requirements of relevant financial reporting standards.

Business combination (in the consolidated financial statements

On 15 July, Linas Agro Group AB completed one of the largest business acquisitions - from the shareholders of AB Kauno grūdai, AB Kaišiadorių paukštynas, AB Vilniaus paukštynas and acquired controlling stakes in these companies and related companies, acting together as KG Group. The purchase price amounted to EUR 73 269 thousand. The business combination is accounted for in accordance with IFRS 3. We refer to Note 3 to the financial statements " Group structure and changes in the Group.

The key audit matter	How the matter was addressed in our audit

The assets, liabilities and contingent liabilities acquired were stated at their fair values which were determined in the course of the purchase price allocation and fair value determination. This results in net assets measured at fair value in the amount of EUR 84,044 thousand.
 	
Management has the discretion to make judgements, estimates and assumptions in allocating the purchase price and determining fair value. Changes in these assumptions could have a significant effect on the purchase price allocation and fair values.
 	
Due to the matter described, we considered the business combination and in particular the purchase price allocation and fair value determination as a key audit matter in our audit.
	Among others, we performed the following audit procedures:
	- We have gained knowledge of the management process related to acquisition accounting. We reviewed the underlying documentation, terms and conditions of the transaction and assessed the accounting treatment of the consideration transferred and the assets and liabilities acquired in accordance with IFRS 3 'Business Combinations',
	- we have engaged our valuation specialists to assist us in reviewing the Group's valuations and in assessing the methodology used to determine the assets acquired and liabilities assumed, in particular:
	  - the methodologies and key assumptions, such as discount rates, used in the valuation of the acquired business, and a reconciliation of the key inputs used in the fair value measurement,
	  - we assessed the adequacy of disclosures of financial information, including disclosure of key assumptions and estimates. The parameters are reliable and reasonable

Other Information

The other information comprises the information included in the consolidated annual management report, including Corporate Governance Statement, Remuneration Statement and Corporate Social Responsibility Report, but does not include the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the separate and consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the consolidated annual management report, including Corporate Governance Statement and Remuneration Statement, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements and whether consolidated annual management report, including Corporate Governance Statement and Remuneration Statement, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the separate and consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated annual management report, including Corporate Governance Statement and Remuneration Statement, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- The consolidated annual management report, including Corporate Governance Statement and Remuneration Statement, has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania.

We also need to check that the Corporate Social Responsibility Report [*separate Corporate Social Responsibility Report]* has been provided. If we identify that Corporate Social Responsibility Report [*separate Corporate Social Responsibility Report]* has not been provided, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation of the separate and consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under decision of the general shareholders‘ meeting we were appointed on 25 October 2019 for the first time to audit the Company‘s and the Group’s separate and consolidated financial statements. Our appointment to audit the Company‘s separate and the Group’s consolidated financial statements was renewed in 2021 under decision of the general shareholders‘ meeting, and the total uninterrupted period of engagement is 4 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the additional report which we have submitted to the Company and the Group and their Audit Committee on 7 October 2022.

We confirm that in light of our knowledge and belief, we have not provided the Company and the Group with any of the prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and the Council.

During the audit, in addition to the audit services disclosed in the separate and consolidated financial statements, we performed the inventory existence verification services to the Company and the Group.

Report on the compliance of format of the separate and consolidated financial statements with the requirements for Eu Single Electronic Reporting Format

We have been engaged based our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of the separate and consolidated financial statements, including annual management report, for the year ended 30 June 2022 (the “Single Electronic Reporting Format of the separate and consolidated financial statements”) presented in the ablinasagrogroup-2022-06-30-lt.zip (ParsePort generated custom code: zTNeZQOcld/v9h8=).

Description of a subject and applicable criteria

The Single Electronic Reporting Format of the separate and consolidated financial statements has been applied by the management of the Company to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Single Electronic Reporting Format of the separate and consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Single Electronic Reporting Format of the separate and consolidated financial statements and, in our view, these requirements constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibilities of management and those charged with governance

The management of the Company is responsible for the application of the Single Electronic Reporting Format of the separate and consolidated financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Single Electronic Reporting Format of the separate and consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the separate and consolidated financial statements complies with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (the ,,ISAE 3000 (R)”). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Single Electronic Reporting Format of the separate and consolidated financial statements is prepared, in all material aspects, in accordance with the applicable requirements. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Single Electronic Reporting Format of the separate and consolidated financial statements was applied, in all material aspects, in accordance with the applicable requirements and such application is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the separate and consolidated financial statements, including the preparation of the XHTML format and marking up the separate and consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of single electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group’s' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Single Electronic Reporting Format of the separate and consolidated financial statements for the year ended 30 June 2022 complies, in all material respects, with the ESEF Regulation.

The engagement partner on the audit resulting in this independent auditor’s report is Rokas Kasperavičius.

On behalf of KPMG Baltics, UAB

ROKAS KASPERAVIČIUS Digitally signed by ROKAS KASPERAVIČIUS
Date: 2022.10.07 21:46:45 +03'00'

Rokas Kasperavičius
Partner
Certified Auditor

Klaipėda, the Republic of Lithuania
7 October 2022

Confirmation of the Responsible Persons

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuania, we, Darius Zubas, CEO of AB Linas Agro Group and Mažvydas Šileika, CFO of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the audited Annual Consolidated Financial Statements of AB Linas Agro Group for the financial year 2021/22, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit, and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Annual Consolidated Report for the financial year 2021/22 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

CEO of AB Linas Agro Group

Darius Zubas

7 October 2022

CFO of AB Linas Agro Group

Mažvydas Šileika

7 October 2022

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AB Linas Agro Group Consolidated and Company's Financial Statements

For the financial year 2021/2022 ended June 2022

Prepared in accordance with International Financial Reporting Standards,
As adopted by the European Union,
Presented together with independent auditor's report

Content

Statements of financial position

ASSETS	Notes	Group		Company	
		As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Non-current assets					
Intangible assets	5	2,759	2,170	156	177
Property, plant and equipment	6	166,215	128,497	1,067	1,054
Right-of-use assets	7	24,720	22,553	44	72
Investment property	8	562	619	–	–
Animals, livestock and poultry	10	13,233	8,789	–	–
Non-current financial assets					
Investments in subsidiaries	3	–	–	173,016	116,942
Investments in associates	3	–	–	3,241	443
Other investments and prepayments for financial assets		27	2,034	10	2,010
Non-current receivables	9	815	720	–	–
Non-current receivables from related parties	9, 32	750	–	6,053	7,135
Net investment, related with sublease	9	–	–	9,739	10,054
Total non-current financial assets		1,592	2,754	192,059	136,584
Non-current prepayments	9	1,166	1,241	–	–
Deferred income tax asset	28	7,139	2,848	693	503
Total non-current assets		**217,386**	**169,471**	**194,019**	**138,390**
Current assets					
Crops	10	29,222	19,911	–	–
Poultry	10	8,302	2,394	–	–
Inventories	11	243,876	89,292	–	–
Current prepayments	13	11,588	5,957	664	364
Accounts receivable					
Trade receivables	14	300,061	104,710	–	–
Receivables from related parties	32	5,817	41	11,169	12,516
Income tax receivable		67	1	–	–
Other accounts receivable and contract assets	15	8,684	9,739	6	108
Total current accounts receivable		314,629	114,491	11,175	12,624
Short-term net investment, related with sublease	9	–	–	314	316
Derivative financial instruments	16	1,182	3	–	–
Other current financial assets	16	3,022	1,597	–	–
Cash and cash equivalents	17	20,810	18,007	222	6,577
Non-current assets held for sale	12	22,958	–	–	–
Total current assets		**655,589**	**251,652**	**12,375**	**19,881**
Total assets		**872,975**	**421,123**	**206,394**	**158,271**

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 4

Statements of financial position (cont'd)

EQUITY AND LIABILITIES	Notes	Group		Company	
		As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Equity attributable to equity holders of the parent					
Share capital	1	46,514	46,093	46,514	46,093
Share premium	1	23,642	23,038	23,642	23,038
Legal and other reserves	18	6,319	6,146	6,319	6,146
Own shares (-)	18	(440)	(445)	(440)	(445)
Foreign currency translation reserve	18	(17)	(14)	–	–
Amounts related to non-current assets held for sale recognised directly in equity	18, 12	(3,592)	–	–	–
Total foreign currency translation reserve	18	(3,609)	(14)	–	–
Retained earnings		197,383	119,333	51,511	39,416
Total equity attributable to equity holders of the parent		**269,809**	**194,151**	**127,546**	**114,248**
Non-controlling interest	33	**10,142**	**2,070**	**–**	**–**
Total equity		**279,951**	**196,221**	**127,546**	**114,248**
Liabilities					
Non-current liabilities					
Grants and subsidies	19	8,285	6,372	–	–
Non-current borrowings	20, 32	22,305	13,056	4,386	1,206
Lease liabilities	21	31,867	27,148	8,831	9,212
Deferred income tax liability	28	2,063	1,029	–	–
Non-current employee benefits		787	776	35	54
Other non-current liabilities [1)]	23	1,629	1,656	189	308
Total non-current liabilities		**66,936**	**50,037**	**13,441**	**10,780**
Current liabilities					
Current portion of non-current borrowings	20,32	20,641	17,119	–	1,136
Current portion of lease liabilities	21	7,659	5,553	355	344
Current borrowings	20, 32	213,550	63,115	63,325	17,889
Trade payables	22	205,687	63,707	40	45
Payables to related parties	32	–	232	296	12,557
Income tax payable		7,467	452	–	–
Derivative financial instruments	16	3,091	34	–	–
Contract liabilities	23	3,201	2,070	–	1
Other current liabilities	23	48,509	22,583	1,391	1,271
Liabilities related to non-current assets held for sale	12	16,283	–	–	–
Total current liabilities		**526,088**	**174,865**	**65,407**	**33,243**
Total equity and liabilities		**872,975**	**421,123**	**206,394**	**158,271**

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 5

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Group		Company	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Revenue from contracts with customers	4	1,895,667	942,442	1,709	784
Dividend income		–	–	15,306	1,650
Cost of sales	24	(1,706,808)	(891,241)	–	–
Gross profit		**188,859**	**51,201**	**17,015**	**2,434**
Operating (expenses)	25	(96,356)	(38,366)	(3,180)	(4,175)
Expenses of impairment of trade receivables, contract assets and other receivables	13,14, 15	(3,194)	4	–	–
Other income[2)]	26	22,691	7,882	35	521
Other (expenses)	26	(5,581)	(1,254)	(202)	–
Impairment loss of non-current assets held for sale	12	(2,800)	–	–	–
Operating profit (loss)		**103,619**	**19,467**	**13,668**	**(1,220)**
Income from financing activities[2)]	27	2,293	881	804	907
(Expenses) from financing activities	27	(15,071)	(3,551)	(2,530)	(753)
Profit (loss) before tax		**90,841**	**16,797**	**11,942**	**(1,066)**
Income tax	28	(13,584)	(2,608)	191	106
Net profit (loss)		**77,257**	**14,189**	**12,133**	**(960)**
Net profit (loss) attributable to:					
Shareholders of the Company		74,809	14,166	12,133	(960)
Non-controlling interest		2,448	23	–	–
		77,257	**14,189**	**12,133**	**(960)**
Basic earnings per share (EUR)	29	0.49	0.09	–	–
Diluted earnings per share (EUR)	29	0.46	0.09	–	–
Other comprehensive income					
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations into the Group's presentation currency		(3)	(4)	–	–
Amounts recognized directly in equity relating to non-current assets held for sale [1)]		(3,660)	–	–	–
Total other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		**(3,663)**	**(4)**	–	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		–	–	–	–
Total other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		–	–	–	–
Total other comprehensive income/ (loss) for the year, net of tax		**(3,663)**	**(4)**	–	–
Total comprehensive income, after tax		**73,594**	**14,185**	**12,133**	**(960)**
Total comprehensive income attributable to:					
The shareholders of the Company		71,214	14,162	**12,133**	**(960)**
Non-controlling interest	33	2,380	23	–	–
		73,594	**14,185**	**12,133**	**(960)**

1) *As of 2 March 2022 European Central Bank and the Bank of Lithuania have decided to suspend the publication of the euro and Russian ruble ratio until further notice. Last published euro and Russian ruble ratio (2 March 2022) or the average ratio as of 1 July 2021 – 2 March 2022 were used in these financial statements.*

2) *Comparative information for marked groups has been recalculated in the financial statements. In 2022, the Company reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2020/2021 in order to reflect more accurately the distribution of items in the financial statements.*

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 6

Consolidated statement of changes in equity

	Notes	Share capital	Own shares	Share premium	Legal and other reserve	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2020		**46,093**	**(446)**	**23,038**	**5,153**	**(10)**	**105,122**	**178,950**	**2,252**	**181,202**
Net profit (loss)		–	–	–	–	–	14,166	14,166	23	14,189
Exchange differences on translation of foreign operations into the Group's presentation currency		–	–	–	–	(4)	–	(4)	–	(4)
Total comprehensive income		–	–	–	–	**(4)**	**14,166**	**14,162**	**23**	**14,185**
Disposal of own shares		–	1	–	–	–	(1)	–	–	–
Declared dividends by subsidiaries	33	–	–	–	–	–	–	–	(12)	(12)
Transfer to reserves	18	–	–	–	61	–	(61)	–	–	–
Share-based payments	29	–	–	–	932	–	–	932	–	932
Acquisition of minority interest	3	–	–	–	–	–	107	107	(193)	(86)
Balance as at 30 June 2021		**46,093**	**(445)**	**23,038**	**6,146**	**(14)**	**119,333**	**194,151**	**2,070**	**196,221**
Balance as at 1 July 2021		**46,093**	**(445)**	**23,038**	**6,146**	**(14)**	**119,333**	**194,151**	**2,070**	**196,221**
Net profit (loss)		–	–	–	–	–	74,809	74,809	2,448	77,257
Exchange differences on translation of foreign operations into the Group's presentation currency		–	–	–	–	(3)	–	(3)	–	(3)
Amounts recognized directly in equity relating to non-current assets held for sale[1]		–	–	–	–	(3,592)	–	(3,592)	(68)	(3,660)
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		–	–	–	–	(3,595)	–	(3,595)	(68)	(3,663)
Total comprehensive income		**–**	**–**	**–**	**–**	**(3,595)**	**74,809**	**71,214**	**2,380**	**73,594**
Disposal of own shares		–	5	–	–	–	(5)	–	–	–
Declared dividends by subsidiaries		–	–	–	–	–	–	–	(94)	(94)
Transfer to reserves	18	–	–	–	33	–	(33)	–	–	–
Share capital increase	1	421	–	604	(1,025)	–	–	–	–	–
Minority interest arising on acquisition of subsidiaries	3	–	–	–	–	–	–	–	10,776	10,776
Share-based payments	29	–	–	–	1,165	–	–	1,165	–	1,165
Acquisition of minority interest	3	–	–	–	–	–	3,279	3,279	(4,990)	(1,711)
Balance as at 30 June 2022		**46,514**	**(440)**	**23,642**	**6,319**	**(3,609)**	**197,383**	**269,809**	**10,142**	**279,951**

The accompanying notes are an integral part of these financial statements.

[1] *As of 2 March 2022 European Central Bank and the Bank of Lithuania have decided to suspend the publication of the euro and Russian ruble ratio until further notice. Last published euro and Russian ruble ratio (2 March 2022) or the average ratio as of 1 July 2021 – 2 March 2022 were used in these financial statements.*

(all amounts are in thousand euros unless otherwise stated) 7

Company's statement of changes in equity

	Notes	Share capital	Own shares	Share premium	Legal reserve and other reserves	Retained earnings	Total
Balance as at 1 July 2020		**46,093**	**(446)**	**23,038**	**5,153**	**40,438**	**114,276**
Net profit (loss)		–	–	–	–	(960)	(960)
Total comprehensive income		**–**	**–**	**–**	**–**	**(960)**	**(960)**
Share-based payments	29	–	–	–	932	–	932
Disposal of own shares		–	1	–	–	(1)	–
Transfer to reserves	18	–	–	–	61	(61)	–
Balance as at 30 June 2021		**46,093**	**(445)**	**23,038**	**6,146**	**39,416**	**114,248**
Balance as at 1 July 2021		**46,093**	**(445)**	**23,038**	**6,146**	**39,416**	**114,248**
Net profit (loss)		–	–	–	–	12,133	12,133
Total comprehensive income		**–**	**–**	**–**	**–**	**12,133**	**12,133**
Share-based payments	29	–	–	–	1,165	–	1,165
Disposal of own shares		–	5	–	–	(5)	–
Share capital increase		421	–	604	(1,025)	–	–
Transfer to reserves	18	–	–	–	33	(33)	–
Balance as at 30 June 2022		**46,514**	**(440)**	**23,642**	**6,319**	**51,511**	**127,546**

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 8

Statements of Cash Flows

	Notes	Group		Company	
		Financial year ended		*Financial year ended*	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Cash flows from (to) operating activities					
Net profit (loss)		77,257	14,189	12,133	(960)
Adjustments for non-cash items:					
Depreciation and amortisation	5,6,7,8	26,926	12,270	105	81
Subsidies amortisation	19	(747)	(521)	–	–
(Gain) on disposal of property, plant and equipment	26	(2,694)	(821)	–	(121)
(Gain) on rights transferred		–	(1,925)	–	–
(Gain) on sublease recognition		–	–	–	(326)
Change in allowance and write-offs for receivables	13,14,15	3,194	(317)	–	–
Impairment of investments into associates	26	202	–	202	–
Inventories write down to net realisable value	11	(99)	18	–	–
Change of provision for onerous contracts	24	(39)	–	–	–
Change in contract assets and accrued expenses		6,260	1,990	(440)	310
Change in fair value of biological assets	24	(12,732)	(4,168)	–	–
Change in fair value of investment property		–	(105)	–	–
Change in accrued share-based payment		1,165	932	463	413
Gain on bargain purchase	3	(1,272)	–	–	–
Impairment loss on non-current assets held for sale	12	2,800	–	–	–
Change in deferred income tax	28	378	958	(191)	(106)
Current income tax expenses	28	13,206	1,650	–	–
Expenses (income) from change in fair value of financial instruments	26	(3,873)	(1,344)	–	–
Dividend (income)		–	–	(15,306)	(1,650)
Interest (income)	27	(2,293)	(881)	(804)	(907)
Interest expenses	27	15,071	3,551	2,530	753
		122,710	**25,476**	**(1,308)**	**(2,513)**
Changes in working capital:					
(Increase) decrease in biological assets		(2,181)	1,032	–	–
Decrease (increase) in inventories incl. right of return asset		(53,074)	(2,657)	–	–
Decrease (increase) in prepayments		1,316	(1,805)	1,699	(969)
Decrease (increase) in trade and other accounts receivable		(49,552)	2,708	(1,949)	2,049
Decrease (increase) in restricted cash	16	343	(374)	–	–
Increase (decrease) in contract liabilities, refund liabilities, trade and other accounts payable		(18,311)	20,070	(1,064)	156
Income tax (paid)		(7,128)	(1,329)	–	–
Net cash flows from (to) operating activities		**(5,877)**	**43,121**	**(2,622)**	**(1,277)**

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated)

Statements of Cash Flows (cont'd)

	Notes	Group		Company	
		Financial year ended		*Financial year ended*	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Cash flows from (to) investing activities					
(Acquisition) of intangible assets, property, plant and equipment and investment property	5,6,7,8	(19,294)	(9,712)	(88)	(19)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		12,309	3,463	–	25
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods	3	(66,689)	(168)	(66,891)	–
Disposal of subsidiaries (less disposed cash balance in the Group)		–	13,571	–	–
Prepayment for investment		–	(2,000)	–	(2,000)
Acquisition of associates and joint ventures		(202)	–	–	–
Increase of share capital of subsidiaries		–	–	–	(112)
Loans (granted)		(392)	(3,114)	(12,673)	(8,000)
Repayment of granted loans		2,491	2,960	22,240	5,272
Interest received		2,293	881	804	908
Dividends received		–	–	5,017	1,050
(Acquisition) of non-controlling interest		(1,711)	(86)	–	–
Net cash flows from (to) investing activities		**(71,195)**	**5,795**	**(51,591)**	**(2,876)**
Cash flows from (to) financing activities					
Proceeds from loans	30	211,096	12,254	61,365	18,131
(Repayment) of loans	30	(109,141)	(43,515)	(11,320)	(6,649)
Lease (payments)	30	(10,637)	(6,778)	(359)	(222)
Grants received	19	3,722	1,154	–	–
Interest (paid)	27	(15,071)	(3,551)	(1,828)	(752)
Dividends (paid) to non-controlling shareholders	30	(94)	(12)	–	–
Net cash flows from (to) financing activities		**79,875**	**(40,448)**	**47,858**	**10,508**
Net (decrease) increase in cash and cash equivalents		**2,803**	**8,468**	**(6,355)**	**6,355**
Cash and cash equivalents at the beginning of the year	17	**18,007**	**9,539**	**6,577**	**222**
Cash and cash equivalents at the end of the year	17	**20,810**	**18,007**	**222**	**6,577**

(cont'd on the next page)

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 10

Statements of Cash Flows (cont'd)

Supplemental information of cash flows:

	Notes	Group		Company	
		Financial year ended		*Financial year ended*	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
Non-cash investing activity:					
Unpaid dividends from subsidiaries		–	–	–	600
Property, plant and equipment acquisitions financed by lease		9,457	2,397	–	–
Payables outstanding for property, plant and equipment		–	–	–	583
Acquisition of Right-of-use assets		8,632	5,886	–	65
Payables outstanding for acquisition of subsidiaries	3	–	600	–	11,618
Proceeds from loans		–	–	3,187	–

The accompanying notes are an integral part of these financial statements.

(all amounts are in thousand euros unless otherwise stated) 11

Notes to the Financial Statements

1. General information

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Subačiaus St. 5, LT-01302 Vilnius, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As at 30 June 2022 and as at 30 June 2021 the shareholders of the Company were:

	As at 30 June 2022		As at 30 June 2021	
	Number of shares held	**Percentage**	**Number of shares held**	**Percentage**
Akola ApS (Denmark)	109,909,167	68.52 %	109,909,167	69.15 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
UAB INVL Asset Management	9,065,182	5.65 %	9,087,369	5.72 %
Other shareholders (private and institutional investors)	24,370,054	15.20 %	22,893,867	14.40 %
Total	**160,394,398**	**100.00 %**	**158,940,398**	**100.00 %**

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2022 (EUR 0.29 each as at 30 June 2021) and were fully paid as at 30 June 2022 and as at 30 June 2021.

The Company holds 761,972 of its own shares, percentage 0.48%, as at 30 June 2022 (767,972 as at 30 June 2021). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2022 and as at 30 June 2021.

All of the Company’s 160,394,398 ordinary shares are included in the Official list of Nasdaq Vilnius stock exchange (ISIN code LT0000128092). The Company’s trading ticker in Nasdaq Vilnius stock exchange is LNA1L.

As at 30 June 2022 the number of employees of the Group was 5,031 (2,102 as at 30 June 2021).
As at 30 June 2022 the number of employees of the Company was 17 (19 as at 30 June 2021).

The Company’s management approved these financial statements on 7 October 2022. The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of financial statements.

During the financial year ending 30 June 2022, the Company's authorized capital was increased by EUR 421 thousand and amounted to EUR 46,514 thousand as at the end of the financial year (EUR 46,093 thousand as at 30 June 2021). During the financial year ending 30 June 2021, there were no changes in the authorized capital.

(all amounts are in thousand euros unless otherwise stated)

2. Accounting principles

If not stated otherwise, the Company's separate financial statements are prepared using the same accounting policies as the ones used by the Group.

The principal accounting policies adopted in preparing the Group's financial statements for the year ended 30 June 2022 are as follows:

2.1. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for biological assets, commitments to purchase agricultural produce (unrecognized firm commitment), derivative financial instruments, which have been measured at fair value.

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU).

Adoption of new and/or changed IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

There were no changes in the accounting policies of the Group, except for the following new IFRS and (or) their amendments applied as of 1 July 2021:

- **Interest Rate Benchmark Reform – (Amendments of IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)**

In August 2020, the IASB published Interest Rate Benchmark Reform, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. While application is retrospective, an entity is not required to restate prior periods. The management has assessed these amendments and believe that they will not significantly affect Group's and Company's financial statements.

- **IFRS 16 Leases - COVID-19 Related Rent Concessions (Amendment) after 30 June 2021**

The amendment applies to annual reporting periods beginning on or after 1 June 2022. Earlier application is permitted, including financial statements not yet authorized for issue as at the effective date of the amendment. In March 2021 IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. Under this amendment, the practical measure now applies to rent concessions, which means that any reduction in rent payments only affects payments originally due in 2022 June 30 or earlier if the conditions of another practical measure are met. The management has assessed these amendments and believe that they will not significantly affect Group's and Company's financial statements.

These new standards, amendments and interpretations of existing standards have been published and approved by the EU or are subject to approval applied in the EU process, but was not yet valid, nor was it applied by the Group ahead of time, but may affect the Group's financial statements in the future:

- ***Amendment of IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed these amendments and believe that they will not significantly affect Group's and Company's financial statements.

2. Accounting principles (cont'd)

2.1. Basis of preparation (cont'd)

- ***IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)***

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the COVID-19 pandemic, the IASB has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. Management has assessed these amendments and believe that they will not significantly affect Group's and Company's financial statements.

- **IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements to IFRSs 2018-2020 Cycle (Amendments)**

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

  - **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
  - **Annual Improvements to IFRSs 2018-2020 Cycle** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

The EU has not yet approved the amendments. The management has assessed these amendments and believe that they will not significantly affect the Group's and the Company's financial statements.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments):**

The Amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The management has assessed these amendments and believe that they will not significantly affect the Group's and the Company's financial statements.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):**

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The management has assessed these amendments and believe that they will not significantly affect the Group's and the Company's financial statements.

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments):**

The amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The management has assessed these amendments and believe that they will not significantly affect the Group's and the Company's financial statements.

The Group and the Company plans to start applying the standards and interpretations described above from their effective date, if they are approved for application in the European Union.

2. Accounting principles (cont'd)

2.2. Functional and presentation currency

The amounts shown in these financial statements are presented in the local currency of the Republic of Lithuania, euro (EUR). The functional currency of the Group companies operating in Lithuania is EUR. The functional currencies of foreign subsidiaries are the respective foreign currencies of the country of residence. Items included in the financial statements of these subsidiaries are measured using their functional currency.

Transactions in foreign currencies are initially recorded in the functional currency as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the functional currency rate of exchange as at the date of the statement of financial position. Currency exchange differences are presented under Other income and/or expenses caption in the Group's financial statements and under operating expenses caption in the Company's separate financial statements.

The assets and liabilities of foreign subsidiaries are converted into EUR at the reporting date using the exchange rate as at the date of the statement of financial position, and their statements of comprehensive income are converted using average exchange rates for the year. Currency exchange differences are recognised in a separate component of equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognised in other equity relating to that foreign operation is recognised in the statement of comprehensive income under Other income and/or expenses caption.

2.3. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date, using consistent accounting policies.

Subsidiary is an entity directly or indirectly controlled by the Company. The Company controls an entity when it can or has a right to receive a variable return from this relation and it can have impact on these returns due to the power to govern the entity to which the investment is made.

Subsidiaries are consolidated from the date from which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealised gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the statement of financial position and the statement of comprehensive income.

In the parent's separate financial statements investments into subsidiaries are accounted for using the cost method. The carrying value of investments is reduced to recognise an impairment loss of the value of the investments, such reduction being determined and made for each investment individually.

Losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group's financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IFRS 9 either in profit or loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. Acquisition costs incurred are capitalized in separate financial statements of the Company.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through statement of comprehensive income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in statement of comprehensive income.

2. Accounting principles (cont'd)

2.3. Principles of consolidation (cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4. Investments into associates

An associate is an entity in which the Group has significant influence. The Group recognises its interests in the associates applying the equity method. The financial statements of the associates are prepared for the same reporting year as the Group, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Impairment assessment of investments into associates is performed when there is an indication that the asset may be impaired, or the impairment losses recognised in prior years no longer exist.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Investments into associates in the Company's separate financial statements are carried at cost less impairment.

2.5. Intangible assets other than goodwill

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the Company and the cost of asset can be measured reliably.

The useful lives of intangible assets can be either definite or indefinite.

After initial recognition intangible assets with finite lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over the best estimate of their useful lives. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.

Intangible assets with indefinite lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from the indefinite to finite is made on a prospective basis.

Licenses

Amounts paid for licenses are capitalised and then amortised over their validity period of 3 - 4 years. Disclosed as other intangible assets in Note 5.

Software

The costs of acquisition of new software are capitalised and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortised over a period of 3 - 4 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group expects from the originally assessed standard of performance of existing software systems are recognised as an expense when the restoration or maintenance work is carried out.

2. Accounting principles (cont'd)

2.6. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is computed on a straight-line basis over the following useful lives:

Buildings and structures	5–65 years
Machinery and equipment	2–25 years
Vehicles	1–12 years
Other property, plant and equipment	1–30 years

The useful lives, residual values and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. Construction in progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and ready for the intended use.

2.7. Investment property

Land plots rented to third parties are considered to be an investment property. Investment property is stated at cost less accumulated depreciation and is adjusted for recognised impairment loss.

The initial cost of investment property comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the investment property is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is calculated on the straight-line method to write-off the cost of each asset (except of land) to their residual values over their estimated useful life of 8 - 40 years.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Transfers to and from investment property are made when and only when there is an evidence of change in an asset's use.

2. Accounting principles (cont'd)

2.8. Financial assets (except for derivative financial instruments designated as hedging instruments)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

A regular way purchases or sales of financial assets are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Financial assets subsequent measurement

After initial recognition, the Group measures a financial asset at:
• Amortised cost (debt instruments)
• Fair value through OCI with recycling of cumulative gains and losses upon derecognition (debt instruments). The Group did not have such items as at 30 June 2022 and 2021.
• Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments). The Group did not have such items as at 30 June 2022 and 2021.
• Fair value through profit or loss.

2.8. Financial assets (except for derivative financial instruments designated as hedging instruments) (cont'd)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:
• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of comprehensive income when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade, other current and non-current receivables, loans granted.

2. Accounting principles (cont'd)

2.9. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

2.10. Biological assets

The Group's biological assets include animals and livestock, poultry and crops.

Animals and livestock are accounted for at fair value less costs to sell. The fair value of milking cows is measured using discounted cash flows method (level 3). Other livestock is measured at comparable market prices (level 2).

Poultry is accounted for at fair value less costs to sell. The fair value of poultry is measured based on future value of chickens/meat broilers/eggs less costs to maintain (level 3).

Crops are accounted for at fair value less costs to sell. The fair value of crops is measured at comparable market prices based on expected yield (level 3).

Agricultural produce harvested from an entity's biological assets is measured at its fair value less estimated costs to sell at the point of harvest. The measured value of the harvested yield is then considered to be cost of inventories.

As at 30 June 2022 and 30 June 2021, the management of the Group treats all animals and livestock (excluding eggs and broilers) as non-current assets and all crops, eggs and broilers as current.

All changes in fair value of biological assets were accounted for under cost of sales caption in the statement of comprehensive income.

2.11. Inventories

Inventories are valued at the lower of cost and net realisable value, after impairment evaluation for obsolete and slow-moving items. Net realisable value is the selling price in the ordinary course of business, less the costs of completion and distribution. Cost of raw materials that are segregated for specific projects is determined using specific identification method; cost of other inventory is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealisable inventory has been fully written-off.

Under inventories caption the Group also accounts for commitments to purchase agricultural produce (the change in the fair value of the firm commitment) (Note 2.15).

2. Accounting principles (cont'd)

2.12. Cash and cash equivalents

Cash includes cash on hand and cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.
For the purposes of the cash flows statement, cash and cash equivalents comprise cash on hand and in current bank accounts as well as deposits in bank with original term of three months or less.
Restricted cash held as a deposit for trading in the futures exchange is accounted as other current financial asset.

2.13. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated / amortised.

2.14. Financial liabilities

Financial liabilities initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's and Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivatives and finance lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income. The Group has not designated any financial liabilities as at fair value through profit or loss during the years ended 30 June 2021 and 2022.

This is the category most relevant to the Group and The Company. After initial recognition, loans, borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income, when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

2. Accounting principles (cont'd)

2.15. Derivative financial instruments and hedge accounting

The Group engages in derivative financial instruments transactions, such as futures contracts, to hedge purchase and sale price fluctuation risk and interest rate swaps to hedge cash flows fluctuation risk. On the agreement date and subsequently derivative financial instruments are accounted for at fair value. Fair value is derived from quoted market prices for futures (level 1) and using valuation models for interest rate swaps (level 2 and 3). The estimated fair values of these contracts are reported in the statement of financial position as assets for contracts having a positive fair value and liabilities for contracts with a negative fair value. Gain or losses from changes in the fair value of derivative financial instruments are recognised in the statement of comprehensive income.

Other derivatives not used for hedge accounting are also accounted for at fair value (level 2 and 3 as described in Note 2.26) with gain or losses from changes in the fair value recognised in the statement of comprehensive income.

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; and (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Fair value hedges

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or losses from re-measuring the hedging instrument to fair value is recognised immediately in the statement of comprehensive income. The hedged item is adjusted for fair value changes relating to the risk being hedged and the difference is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of comprehensive income.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the statement of comprehensive income.

Any gains or losses arising from changes in the fair value of the hedging instruments, which do not qualify for hedge accounting, are taken directly to the statement of comprehensive income for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

Cash flow hedges

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized initially as other comprehensive income in comprehensive income statement and the ineffective portion is recognized in the statement of comprehensive income (profit or loss). The gains or losses on effective cash flow hedges recognized initially in equity are either transferred to the statement of comprehensive income (profit or loss) in the period in which the hedged transaction impacts the statement of comprehensive income or included in the initial measurement of the cost of the related asset or liability.

For hedges, which do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to the statement of comprehensive income (profit or loss) for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in equity remains in equity until the forecasted transaction occurs. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to the statement of comprehensive income (profit or loss).

2. Accounting principles (cont'd)

2.16. Right-of-use assets and lease liabilities

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Initial recognition of right-of-use assets

At the commencement date, the Group and the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises: the amount equal to the lease liability at its initial recognition, lease payments made at or before the commencement of the lease (less any lease incentives received), any initial direct costs incurred by the Group and the Company, and an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group and the Company incur an obligation to cover these costs at the commencement date or because they have used the asset held under a lease for a period of time. The Group and the Company recognizes these costs as part of the cost of right-of-use asset when the Group and the Company incurs an obligation for these costs.

Subsequent measurement of the right-of-use assets

After initial recognition, the Group and the Company measures the right-of-use asset at cost. Under the cost model, the Group and the Company measures a right-of-use asset at cost: less any depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated under the depreciation requirements of IAS 16, Property, Plant and Equipment. If, under the lease agreement, ownership of the leased asset transfers to the Company and the Group at the end of the lease term or the cost reflects the exercise of a purchase option, the Group and the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset. Otherwise, the lessee depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

- Land from 4 to 99 years
- Premises from 5 to 65 years
- Machinery and equipment from 2 to 25 years
- Vehicles from 1 to 12 years
- Other right-of-use assets from 1 to 30 years

Lease liabilities

Initial recognition of the lease liability

At the commencement date, the Group and the Company measure the lease liabilities at the present value of lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group and the Company use the incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments, less any lease incentives receivable; variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the Group and the Company is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates.

2. Accounting principles (cont'd)

2.16. Right-of-use assets and lease liabilities (cont'd)

Subsequent measurement of the lease liability

After the commencement date, a lessee measures the lease liability by increasing the carrying value to reflect interest on the lease liability; reducing the carrying value to reflect the lease payments made; and remeasuring the carrying value to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments. Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate or if applicable the revised discount rate.

After the commencement date, the Group and the Company recognise in profit or loss, unless the costs are included in the carrying value of another asset applying other applicable Standards: interest on the lease liability; and variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

Remeasurement of the lease liability

After the commencement date, the lease liability is remeasured to reflect changes to the lease payments. The Group and the Company recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognise any remaining amount of the remeasurement in profit or loss.

Revised discount rate

The Group and the Company remeasures the lease liability by discounting the revised lease payments using a revised discount rate, if there is a change in the lease term. The Group and the Company determine the revised lease payments on the basis of the revised lease term or, if there is a change in the assessment of an option, purchase the underlying asset, assessed considering the events and circumstances. The Group and the Company determine the revised lease payments to reflect the change in amounts payable under the purchase option.

If there is a change in the lease term or in the assessment of an option to purchase, the Group and the Company determine the revised discount rate as the interest rate implicit in the lease for the of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

Unchanged discount rate

The Group and the Company remeasures the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee. The Group and the Company determines the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The Group and the Company remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). The Group and the Company determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

The Group and the Company apply an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee apply a revised discount rate that reflects changes in the interest rate.

Lease modifications

A lessee accounts for a lease modification as a separate lease if both:
- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group and the Company:
- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

2. Accounting principles (cont'd)

2.16. Right-of-use assets and lease liabilities (cont'd)

For a lease modification that is not accounted for as a separate lease, the Group and the Company account for the remeasurement of the lease liability by:

- decreasing the carrying value of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group and the Company recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The Group and the Company present lease liabilities separately from other liabilities in the statement of financial position. Interest expense on the lease liability are presented separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, which is presented in the statement of comprehensive income.

Short-term and low-value lease

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply low-value asset lease recognition exemption to office equipment that are considered to be low value. Lease payments for a short-term and low value lease are recognised as expenses in the statement of profit or loss on a straight-line basis over the lease period.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

As part of the evaluation of sub-leases it is needed to determine whether the intermediate lessors shall present the sub-lease revenue on a gross or net basis (i.e., reduced for head lease expenses). In performing this evaluation reference is made to the principal-agent provisions from IFRS 15.

Control of an asset (goods and services) refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the land. Control also means the ability to prevent others from directing the use of, and receiving the benefit from, a good or service. The customer's ability to receive the benefit from the good or service is represented by its right to substantially all of the cash inflows, or the reduction of the cash outflows, generated by the goods or services.

With reference to IFRS 16 the intermediate lessor classifies the sublease as a finance lease since 1 January 2019. Maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date is disclosed in Note 9.

Assets leased out under operating leases are included in property, plant and equipment and investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment of the Group. Rental income is recognised on a straight-line basis over the lease term.

2. Accounting principles (cont'd)

2.17. Share capital

Ordinary shares are stated at their par value. Any excess of the consideration received for the shares sold over their par value is shown as share premium. Incremental external costs directly attributable to the issue of new shares are accounted for as a deduction from share premium.

2.18. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group re-evaluates provisions at each reporting date and adjusts them in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Onerous contracts provision

Onerous contracts provision is recognised when the Group has a present obligation (legal or constructive) to purchase the goods from a third party in the future for a price higher than the market selling price at the reporting date or to sell the goods to a third party in the future for a price lower than the market purchase price at the reporting date. The difference between the value of the contract and its market price at the reporting date is charged to cost of sales in the statement of comprehensive income. Such accounting treatment of the Group's contracts is applied as long as these contracts have not been accounted for as derivatives.

2.19. Non-current employee benefits

According to the requirements of Lithuanian Labor Code, each employee leaving the Group at the age of retirement is entitled to a one-off payment in the amount of 2 months' salary. In addition employees of the Group are entitled to employment benefits which are approved by the Board of the Company.

The actuarial gains and losses are recognized in the statement of other comprehensive income.

The past service costs are recognised as an expense on a straight line basis over the average period until the benefits become vested. Any gains or losses appearing as a result of curtailment and/or settlement are recognised in the statement of comprehensive income as incurred.

The above mentioned employee benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognized in the statement of financial position and reflects the present value of these benefits on the date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognized in the statement of other comprehensive income as incurred.

Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). As further described in Note 29, employees of the Group are granted share options.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 29.

That cost is to be recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

2. Accounting principles (cont'd)

2.19. Non-current employee benefits (cont'd)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in Note 29).

2.20. Grants and subsidies

Government grants and subsidies (hereinafter grants") are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants received in the form of cash intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. The amount of the asset related grants is recognised as deferred income in the financial statements as used in parts according to the depreciation of the assets associated with this grant. In the statement of comprehensive income, a relevant expense account is reduced by the amount of grant amortisation.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

2.21. Income tax

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation. The charge for taxation included in these financial statements is based on the calculation made by the management in accordance with tax legislation of the Republic of Lithuania and respective countries, where the Group companies are registered.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivables the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

In the year ended 30 June 2022 and 30 June 2021, the standard income tax rate for the Group non-co-operative companies operating in Lithuania was – 15%.

For companies operating in Lithuania tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments not designated for hedging. The transferable tax loss cannot cover more than 70% of the taxable profit of the current year. Such carrying forward is disrupted if the company changes its activities due to which these losses were incurred except when the company does not continue its activities due to reasons which do not depend on the company itself.

The losses from disposal of securities and/or derivative financial instruments not designated for hedge (as described in Note 16) can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. For companies operating in Latvia and Denmark tax losses can be carried forward for indefinite period.

2. Accounting principles (cont'd)

2.21. Income tax

Income tax for the foreign subsidiaries is accounted for according to tax legislation of those foreign countries. The standard income tax rates in the foreign countries are as follows:

	Financial year ended	
	30 June 2022	30 June 2021
Republic of Latvia*	–	–
Republic of Estonia**	–	–
Kingdom of Denmark	22%	22%
Ukraine	18%	18%
Belarus	18%	–
Russia	20%	–

**In Latvia, effective from 1st January 2018 Under the Corporate Income Tax Law, corporate income tax is payable at the time when profit is distributed. As a result, the taxable base comprises distributed profits and notional distributed profits. Resident companies are subject to tax at a rate of 20% on the gross taxable amount. The net taxable base (distributed profits and notional distributed profits) is divided by coefficient of 0.8 when determining the gross taxable base for the tax period.*
***In Estonia, the taxation of profit of operating subsidiaries is deferred until the profit appropriation moment, i.e. payment of dividends. The dividends paid by the Group's companies in Estonia are taxed at the withholding tax rate of 20% as at 30 June 2022 (20% as at 30 June 2021).*

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets have been recognised in the statement of financial position to the extent the management believes they will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

2.22. Revenue recognition

Revenue from sales of grain, feedstuff, fertilizers, seeds, agricultural production and other food products

Revenue from contracts with customers is recognised at a point in time when control of the goods (grain, feedstuff, fertilizers, seeds, agricultural production and cattle, milk and poultry food products) are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements, except for Neuss/Spyck contracts described in Note 2.27, because:
- The Group controls the goods before transferring them to the customer;
- The Group is primarily responsible for goods supply and bears risk of non-performance;
- The Group has latitude in establishing price either directly or indirectly.

Where the Group has signed master framework agreements with the clients, majority of such contracts are not enforceable on their own without a specific purchase order. Every purchase order generally represents a contract with the customer in these cases, and each contract includes a single performance obligation.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, transportation, storage). Generally, the Group's contracts do not include such promises.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that significant revenue reversal will not occur when the associated uncertainty is resolved. Some contracts for the sale of equipment provide customers with a right of return which gives rise to variable consideration. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

(all amounts are in thousand euros unless otherwise stated) 27

2. Accounting principles (cont'd)

2.22. Revenue recognition (cont'd)

Revenue from sales of machinery and equipment

In some contracts, the Group transfers control of an equipment to a customer and grants the customer the right to return the product for various reasons after the use of the term. An asset recognised for the Group's right to recover the equipment from a customer on settling a refund liability shall initially be measured by reference to the former carrying amount of the equipment less any expected costs to recover those products (including potential decreases in the value to the Group of returned products). At the end of each reporting period, the Group updates the measurement of the asset arising from changes in expectations about products to be returned. The Group presents the asset separately from the refund liability, under captions: Inventories (Note 11) and Other non –current liabilities (Note 23).

Revenue from customer specific project contracts

Performance obligations arising from the project contracts with customers (for example to install grain storage facilities) are fulfilled over time and respectively the revenue is recognized over time if any of the following criteria are met: (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. If the Group can reasonably measure its progress towards complete satisfaction of the performance obligation, the Group recognizes revenue and expenses in relation to each contract over time, based on the progress of performance. The progress of performance is assessed based on the proportion of the costs incurred in fulfilling the contract up to date over to the total estimated costs of the contract. Group uses an input method in measuring progress because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred and materials used) and the output produced which provides a faithful depiction. When the Group is not be able to reasonably measure the outcome of a performance obligation (for example, in the early stages of a contract), but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such. When it is determined that the costs of the contract are expected to exceed the revenue, the entire estimated loss amount is recognized in profit (loss).

Contract modification (scope or price, or both) is accounted for as a separate contract with customer, if the scope of the contract increases because of the addition of promised goods or services that are distinct and the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services in the circumstances of the particular contract. Otherwise, the contract modification is accounted as (a) termination of the existing contract and the creation of a new contract, if the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification or (b) part of the existing contract if the remaining goods or services are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification.

The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification.

Provisions for loss making contracts are recognized when the Group has a present obligation (legal or constructive) to complete the construction contract for the third party for the price that is lower than the total estimated cost to perform the contract as of the date of the financial statements. The difference (loss) between the contract price and the total estimated cost of delivery under the contract is recognized in the statement of comprehensive income.

When fulfilling the contracts, the Group can receive short term prepayments from its customers. Applying the practical expedient, the Group is not adjusting the price allocation by the financing component, if at the inception of the contract it is expected that the time period from the customer payment for goods/services till the delivery of these goods/services will not exceed one year.

In addition, the Group applied the practical expedient and did not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period because each performance obligation is part of a contract that has an original expected duration of one year or less.

The Company recognises revenue from management services over time, using a delivery method to measure provision of the services, because the customer simultaneously receives and consumes the benefits provided by the Company.

2. Accounting principles (cont'd)

2.22. Revenue recognition (cont'd)

Other revenue /income

Other occasional revenue from the sale property, plant or equipment is recognised at a point in time, when sold items are delivered to client and control is transferred.

Dividend income is recognised when the right to receive payment is established.

Under Other income caption is recognised grants related to income for agricultural activity. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant (Note 2.20).

In addition, the management considers the effect of other matters to the revenue recognition such as the existence of significant financing components, non-cash consideration, consideration payable to the customer and warranties. None of these are present in the Group's contracts with the customers. Warranties provided by the Group are only an assurance-type and are not provided as the Group's separate service and not treated as a separate performance obligation. Such warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group does not incur material costs to acquire or fulfil the contract.

Due to the Group's business nature, apart from what is described in this Note, the management did not make any other significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers recognition, as there are no complex/multi-elemental goods or services, no variable consideration, financing component, volume rebates, discounts, contract cost or amounts payable to the customers

Contract assets – accrued revenue

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets, Note 2.8.

Contract liabilities – prepayments received

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs under the contract.

2.23. Expense recognition

Expenses are recognised on the basis of accrual.

The amount of expenses is usually accounted for as the amount paid or due to be paid, excluding VAT. In those cases when long period of payment is established and the interest is not distinguished, the amount of expenses is estimated by discounting the amount of payment using the market interest rate.

2.24. Impairment of non financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required (e.g. goodwill), the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by independent valuations, valuation multiples, or other available fair value indicators.

Impairment losses are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

2. Accounting principles (cont'd)

2.24. Impairment of non financial assets (cont'd)

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

2.25. Segment information

In these financial statements an operating segment means a constituent part of the Group participating in production of an individual product or provision of a service or a group of related products or services, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grain, oilseed and feed includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beet pulp, soymeal, vegetable oil, rapecake, feed, premixes, production and trade of feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other poultry final products, flour and instant food products, other food products;
- the other products and services segment includes trade in veterinary pharmacy products, extruded products and pet feed production and sale, pest control services and trade in hygiene products, fumigation services, other products and services.

In these financial statements, information about geographical areas means a constituent part of the Group revenue from external customers attributed to the Group's country of domicile and attributed to all foreign countries in total from which the Group derives revenue and non-current assets other than financial assets and deferred tax assets located in the Group's country of domicile and located in all foreign countries in total in which the Group holds assets.

2.26. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Accounting principles (cont'd)

2.26. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuations are performed by the Group's management at each reporting date. For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities based on the nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above.

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies.

Significant accounting judgments

The significant areas of judgment used in the preparation of these financial statements are described as follows.

Principal versus agent assessment

The Group determined that, as a general it acts as the principal in providing goods and services because:
- controls goods and services before they are delivered to the customer;
- is responsible for the overall execution of the contract with the client and is at risk of default;
- has a choice of price setting.

Accounting for trading contracts

Within grains and oilseeds as well as feedstuffs segments, the Group's activity is an agricultural goods intermediary (buying and selling different types of grain, oilseeds, rapeseed, etc.). The Group buys and sells agricultural goods at a fixed price for a specified delivery period in the future. The terms of the Group's contracts permit net settlement; however, in practice, contracts result in physical delivery, except for rapeseed extraction delivered on term FOB Neuss/Spyck. The Group acts as an intermediary by entering into purchase and sales contracts with producers and users of the agricultural goods, creating links within the value chain for the agricultural goods for a stable customer base, making profits from a distributor margin rather than from fluctuations in price or a broker traders' margin. As a result, the Group's purchases and sales contracts are entered into in accordance with the expected purchase and sale requirements and, therefore, have not been accounted for as derivatives within the scope of IFRS 9, except for those contracts which are hedged (Note 2.15) and contracts concluded on terms FOB Neuss/Spyck which are usually net cash settled.

Receivables from agricultural produce growers and payments on agricultural produce growers' behalf

Within its agricultural inputs segment, the Group is engaged in selling fertilizers and plant protection products to agricultural produce growers as well as pays on behalf of agricultural produce growers to suppliers of seeds or directly pays to agricultural produce growers (Notes 12 and 13). The balances arising from these transactions are non-interest bearing and are generally settled within 120 - 360 days by delivering grain to the Group. These transactions constitute common arrangements in the industry, they are entered into between distributors and agricultural produce growers under similar terms, and usual settlement is by delivery of grain, as opposed to an unconditional right to receive cash; therefore, no discounting is performed on these balances. Trade receivables arising on sales of fertilizers and plant protection products are presented within trade receivables caption in the statement of financial position, while payments on behalf of agricultural produce growers, which do not derive from sales transactions, are presented as prepayments in the statement of financial position.

2. Accounting principles (cont'd)

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements (cont'd)

Significant accounting estimates

The significant areas of estimation used in the preparation of these financial statements relate to depreciation (Notes 2.6, 2.7, 6, 7 and 8), fair value estimation of biological assets (Notes 2.10 and 10), impairment evaluation (Notes 2.24, 5, 6, 7, 8, 9, 11, 12, 13, 14 and 15), estimation of fair value of assets acquired and liabilities assumed in business combinations (Note 3), assessment of net realizable value of inventories (Note 2.11 and Note 11), assessment of provision for onerous contracts (Note 2.18) and assessment of fair value of share based payments (Note 29). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed further.

Accounting estimates regarding war in Ukraine

Group operations in Belarus and Russian markets

The Group has operations in the Russian and Belarusian market (trade in grain, oilseeds, feed materials and feed additives). Consequently, the Group is exposed to the economic and financial markets of Russia and Belarus. In response to the Russian Federation's hostile actions towards Ukraine, which have been supported by Belarus, several countries, including the United States of America, the United Kingdom and the European Union have imposed and/or expanded economic sanctions against a number of Russian and Belarusian individuals and legal entities. The sanctions include asset freezes, restrictions to payment systems, trade restrictions, and travel bans, among other things. Further restrictions are planned. The expanded sanctions have already had or are expected to have a further detrimental effect on economic uncertainty in Russia and Belarus, including more volatile equity markets, depreciation of the Russian and Belarus ruble, reduction in both local and foreign direct investment inflows, impact on trade flows and trade disruptions with the entities operating in the Russian Federation and Belarus, and a significant tightening in the availability of credit. As a result, some Russian and Belarus entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. Due to the ongoing war in Ukraine and the related suspension of Russian gas supplies to Europe, a significant increase in energy costs is expected. The growth of energy costs and possible alternatives were evaluated when preparing the budgets and operational strategy of the Group for the next financial year. The long-term effects of the imposed and possible additional sanctions are difficult to determine.

Presented below is the Group's summarized exposure as at 30 June 2022:	
Trade and other receivables from Russian entities	255
Trade and other liabilities to the Russian entities	1
Trade and other receivables from Belarus entities	420
Trade and other liabilities to the Belarus entities	–

Sales revenues to customers from Russia for the year ended 30 June 2022 were EUR 117,522 thousand, from which EUR 108,862 thousand are sales revenue of subsidiaries registered in Russia and Belarus.
Sales revenues to customers from Belarus for the year ended 30 June 2022 were EUR 26,235 thousand, from which EUR 24,587 thousand are sales revenue of subsidiaries registered in Russia and Belarus.

Subsidiaries registered in Russia and Belarus controlled by the Group

The Group has operations in Russian and Belarussian markets through the subsidiaries OOO VitOMEK (entity code 1117746107291), OOO VitOMEK (entity code 1157746009398), IOOO Belfidagro (trade in feed additives) and OOO KLM (trade in feed materials and feed additives, supply of seeds, plant care products, fertilizers, provision of veterinary pharmaceutical services and trade in products). During the first quarter of 2022, the Group's management has made a decision to dispose of these entities in the next 12 months (after the date of these financial statements three of the entities were sold, refer to Note 34). All assets and liabilities related with these entities are reclassified as non-current assets held for sale and liabilities, related with non-current assets held for sale (Note 12).

Subsidiaries registered in Ukraine controlled by the Group and Group's operations in Ukrainian market

The Group conducts operations in the Ukrainian market through its subsidiary, LLC LINAS AGRO UKRAINE (representative office). Consequently, the Group is exposed to the economic and financial markets of Ukraine. In February 2022, following the recognition of self-proclaimed republics" of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. The current escalation of the military conflict is likely to have a detrimental impact on the political and business environment in Ukraine, including the ability of numerous entities to continue business as usual. In view of the above, as at the date these consolidated financial statements, the situation in Ukraine is extremely

(all amounts are in thousand euros unless otherwise stated) 32

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements (cont'd)

volatile and inherently uncertain. In the wake of the ongoing and dynamic nature of the military operations, the management has concluded that it is imposible to reliably estimate their financial impact.

As at 30 June 2022, the Group's property, plant and equipment, machinery, inventory, trade and other receivables, other assets, trade and other liabilities, related to subsidiary operating in Ukraine were not significant. Sales revenue for the financial year ended 30 June 2022 of the Group's subsidiary, operating in Ukraine was not significant.

In addition, the Group conducted direct sales to customers from Ukraine. These sales amounted to EUR 2,880 thousand for the financial year ended 30 June 2022.

The Group's Management has evaluated the following key areas which could be affected by uncertainties caused by the war in Ukraine: going concern, impairment, residual value and useful life of property, plant and equipment, assessment of expected credit losses, impairment of goodwill, net realisable value of inventory, classification of financial instruments as current and non-current, lease contracts. Based on the assessment of the Group's the effect of the war in Ukraine on financial statements was not significant; however, due to dynamics and volatility of the military operations in Ukraine it is difficult to reliably measure the ultimate financial impact.

Valuation of biological assets

As at 30 June 2022 and 30 June 2021, the Group did not have an independent appraisal of its biological assets. According to IFRS, such assets must be recorded at fair value. Biological assets mostly consist of three groups: animals and livestock, poultry and crops which are accounted for at fair value less costs to sell (Note 2.10).

The fair value of biological assets of the Group is determined on a recurring basis. The management determines key assumptions based on historical figures and the best estimate as at the reporting date. Applied unobservable assumptions are challenged on a regular basis and adjusted after back testing is performed. Other observable inputs used are based on publicly available sources (prices in the market). The management of the Group constantly analyses the changes in fair value and assesses what has the biggest influence on it – quantity produced, sales prices and etc.

Animals and livestock are valued in two ways: milking cows are valued using discounted cash flows method less costs to sell (level 3) and other groups of livestock at market prices less cost to sell at the reporting date (level 2). Crops are valued at market prices based on expected yield less costs to sell at the reporting date (level 3).
Poultry are valued in the following way:

Hatching chicken are valued based on the future value of the produced eggs less costs to maintain the chicken until end of its production period, slaughter costs as well as costs to sell at the reporting date (level 3). Meat broilers are valued based on average age of the chicken and its respective market value between the value range of day one and value at the moment of slaughtering the chicken (level 3).

Milking cows

The management of the Group decided to assess fair value of milking cows based on the discounted cash flow method because there is no active reliable market for such livestock and because this method is the most accurate estimation of the fair value of milking cows.

As at 30 June 2022 the key assumption used to determine fair value of milking cows is the estimated milk selling price for the expected average productive life of a milking cow (EUR 0.45 for the year ending 30 June 2023 and EUR 0.45 for the year ending 30 June 2024) used to calculate the expected future cash inflows as well as pre-tax discount rate (5.21%). As at 30 June 2021 the key assumptions used to determine fair value of milking cows were the estimated milk selling price (EUR 0.33 for the year ending 30 June 2022 and EUR 0.33 for the year ending 30 June 2023) used to calculate the expected future cash inflows as well as pre-tax discount rate (5.27%).

The following table demonstrates the sensitivity of the fair value of milking cows to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2022		30 June 2021	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Milk price	+ 15 %	655	+ 15 %	528
Milk price	- 15 %	(653)	- 15 %	(530)
Discount rate	+ 1 p.p.	(82)	+ 1 p.p.	(63)
Discount rate	- 1 p.p.	86	- 1 p.p.	63

(all amounts are in thousand euros unless otherwise stated) 33

2. Accounting principles (cont'd)

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements (cont'd)

Crops

As at 30 June 2022 and 2021, the key assumptions used to determine fair value of crops are the estimated yield ranges depending on the type of crops (3.0– 8.0 tones/ha for the year ending 30 June 2022 and 4.0– 8.0 tones/ha for the year ending 30 June 2021) and the expected sales price, which was based on the estimated future grain and oilseeds sales price of the deliveries taking place September – December of the respective year.

The following table demonstrates the sensitivity of the fair value of crops to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2022		30 June 2021	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Yield	+ 5 %	1,238	+ 5 %	793
Yield	- 5 %	(1,238)	- 5 %	(793)
Price	+ 5 %	1,238	+ 5 %	793
Price	- 5 %	(1,238)	- 5 %	(793)

Poultry

As at 30 June 2022 and 2021, the main assumptions used to determine fair value of hatching chicken are the price of the incubation eggs (EUR 0.15-0.28 for the unit; EUR 0.15-0.27 for the unit in previous financial year) which was estimated based on publicly available yearly average market price and the average number of hatching eggs produced per hatching chicken in the lifetime (178.5 units for financial year and 151.6 units – previous financial year).

The following table demonstrates the sensitivity of the fair value of hatching chickens to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2022		30 June 2021	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Number of eggs per lifecycle/price of eggs	+ 5 %	289	+ 5 %	261
Number of eggs per lifecycle/price of eggs	- 5 %	(289)	- 5 %	(261)

As at 30 June 2022 and 2021, the main assumptions used to determine fair value of broilers are the market price of chickens (EUR 0.90 for 1 day old and EUR 3.86 for 36 days old) which was estimated based on actual purchases/sales taking place close to the 30 June 2022 and broiler weight of 2.22 kg as at 36 days old (as at 30 June 2021 – 2.22 kg as at 36 days old).

The following table demonstrates the sensitivity of the fair value of broilers to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30 June 2022		30 June 2021	
	Possible change	**Effect on fair value**	**Possible change**	**Effect on fair value**
Weight	+ 5 %	390	+ 5 %	22
Weight	- 5 %	(390)	- 5 %	(22)
Price	+ 5 %	390	+ 5 %	22
Price	- 5 %	(390)	- 5 %	(22)

(all amounts are in thousand euros unless otherwise stated) 34

2. Accounting principles (cont'd)

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements (cont'd)

Impairment of property, plant and equipment (excluding land)

The Group makes an assessment, at least annually, whether there are any indications that property, plant and equipment have suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of cash-generating units (CGU) is determined based on value in use calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

As at 30 June 2022 and 30 June 2021, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of property, plant and equipment to exceed its recoverable amount, except for the already impaired assets.

Impairment of land (accounted for as property, plant and equipment and investment property)

The Group makes an assessment, at least annually, whether there are any indications that land accounted for as property, plant and equipment and investment property has suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of land is determined as fair value less cost to sell based on comparable market prices for similar land provided by independent valuators.

As at 30 June 2022 and 30 June 2021, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of land to exceed its recoverable amount, except for the already impaired assets.

Impairment of the Company's investments in subsidiaries and loans granted

As at 30 June 2022 and 30 June 2021, the Company has investments in subsidiaries and associates. The Company makes an assessment, at least annually, whether there are any indications that investments in subsidiaries and associates have suffered impairment.

As at 30 June 2022 and 2021, the recoverable amount of AB Linas Agro and the loans granted thereto was determined based on the value in use calculations that use a discounted cash flow model. The carrying value of the Company's investments and loans amounts to EUR 63,556 thousand as at 30 June 2022 (as at 30 June 2021 – EUR 72,013 thousand). The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2022 and 2021, the recoverable amount of the investment into this subgroup is most sensitive to EBITDA margin (max 11 %) and 8.46% pre-tax discount rate that was used for the discounted cash flow model forecasts. As at 30 June 2022 and 2021, there were no reasonably possible changes in the key assumptions which would cause the carrying value of investments to exceed its recoverable amount.

The recoverable amount of Latvian poultry business cash generating unit (CGU), comprising investments into and loans granted to AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks, was determined based on the value in use calculations that use a discounted cash flow model. Carrying value of the Company's investments and loans amounts to EUR 18,965 thousand as at 30 June 2022 (as at 30 June 2021 - EUR 19,964 thousand). The above-mentioned subsidiaries were assessed as one cash generating unit. Cash generating unit was determined to be all entities operating in poultry business in a specific geographical location (Latvia). The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2022 and 2021, the recoverable amount of the investment into subsidiaries AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks is most sensitive to the pre-tax discount rate of 9.78% which is used for the discounted cash flow model. As at 30 June 2022 and 2021, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks to exceed its recoverable amount.

2. Accounting principles (cont'd)

2.27. Use of significant accounting judgments and estimates in the preparation of financial statements (cont'd)

The recoverable amount of Lithuanian poultry business cash generating unit (CGU), comprising investments into and loans granted to AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas was determined based on the value in use calculations that use a discounted cash flow model. The carrying value of these investments and loans amounts to EUR 6,726 thousand and EUR 1,716 thousand as at 30 June 2022. The above-mentioned subsidiaries have been assessed as separate cash generating units. The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2022 and 2021, the recoverable amount of the investment into subsidiaries AB Vilniaus paukštynas and AB Kaišiadorių paukštynas is most sensitive to the pre-tax discount rate of 9.78% which is used for the discounted cash flow model. As at 30 June 2022, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into the before mentioned companies to exceed its recoverable amount.

There were no indications of impairment of investments in other subsidiaries, except for the ones described above.

Impairment of goodwill

In previous years, goodwill of EUR 1,971 thousand was recognized on the acquisition date of SIA Paleo. Goodwill was assigned to a cash-generating unit of fertilizer trade in Latvia. As at 30 June 2022 and 2021, the impairment of goodwill amounted to EUR 1,121 thousand (Note 5).

Assessment of inventories net realisable value

The management of the Group makes estimates and assumptions in order to value inventories at lower of cost or net realizable value. The main factors incorporated in management assessment of inventories net realizable value are the follows:

1) ageing of inventories,
2) subsequent sales prices,
3) signed contracts to sell,
4) market prices.

Future events may occur which will cause the assumptions to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Trade receivables allowance

The determination as to whether a trade receivable is collectable involves management judgment and significant estimates. Specific factors management considers, when determining if allowance for trade receivable have to be accounted for are as follows:

1) age of the balance,
2) location of customers,
3) existence of collateral,
4) recent historical payment patterns as well as data on subsequent collections,
5) forward looking estimates (expected infliation rate, GDP or etc.).

Future events may occur which will cause the assumptions to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses an average value derived from binomial and the Black-Scholes-Merton option pricing share options incentive. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

2. Accounting principles (cont'd)

2.28. Contingencies

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities associated with business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2.29. Subsequent events

Subsequent events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

2.30. Offsetting and rounding

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except for the cases when certain IFRS specifically requires or allows such set-off.

Numbers in tables may vary as they are written in round figures up to one thousand euros. Such rounding variations are not material for the financial statements.

3. Group structure and changes in the Group

As at 30 June 2022 and as at 30 June 2021, the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Cost of investment in the Company		Main activities
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	
Investments into Company's subsidiaries						
AB Linas Agro	Lithuania	100%	100%	59,146	57,707	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos[2]	Lithuania	100%	100%	9,384	19,762	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	10,688	10,738	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Linas Agro Grūdų Centrai[3]	Lithuania	100%	100%	5,500	5,477	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	341	341	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100%	100%	704	704	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100%	100%	439	439	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100%	100%	844	844	Rent and management of agricultural purposes land
Noreikiškės UAB	Lithuania	100%	100%	765	765	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	714	958	Rent and management of agricultural purposes land
UAB Zemvados Turto Konsultacijos[2]	Lithuania	–	100%	–	5,810	Dormant company
AS Putnu fabrika Kekava	Latvia	97.16%	97.16%	6,139	6,706	Broiler breeding, slaughtering and sale of products
SIA Lielzeltini	Latvia	100%	100%	5,854	5,854	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	790	790	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	47	47	Chicken breeding and sale
UAB Kekava Foods LT	Lithuania	100%	97.16%	3	–	Dormant company
UAB Kormoprom Invest	Lithuania	100%	–	1,081	–	Management services
UAB TABA holding	Lithuania	100%	–	62,121	–	Management services
Akcinė bendrovė Vilniaus Paukštynas	Lithuania	84.37%	–	6,740	–	Chicken raising for meat and eggs production, production of poultry and its products
UAB Agro Logistic Service	Lithuania	100%	–	1,716	–	Wholesale of feedstuffs for fodder and premixes production
	Investments into subsidiaries			173,016	116,942	
	(Less) impairment			–	–	
				173,016	**116,942**	

[2] *On 28 March 2022, UAB Zemvaldos Turto Konsultacijos was merged with UAB Linas Agro Konsultacijos*

[3] *On 22 March 2022, UAB Linas Agro Grūdų Centras, UAB Karčemos Bendrovė and UAB KUPIŠKIO GRŪDAI was merged with UAB Linas Agro Grūdų Centrai*

(all amounts are in thousand euros unless otherwise stated) 38

3. Group structure and changes in the Group (cont'd)

	Place of registration	Effective share of The stock held by the Group		Cost of investment in the Company		Main activities
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	
Investments into Company's associates						
SIA Linas Agro	Latvia	100%	100%	–	–	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	–	–	Dormant company
UAB Linas Agro Grūdų Centras[3]	Lithuania	–	100%	–	–	Management services
Linas Agro A/S (under liquidation)	Denmark	100%	100%	–	–	Dormant company
UAB Landvesta 3	Lithuania	100%	100%	199	199	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100%	100%	159	159	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100%	100%	83	83	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINA	Ukraine	100%	100%	–	–	Representative office
Linas Agro OŰ	Estonia	100%	100%	–	–	Supply of products for crop growing
SIA PFK Trader	Latvia	97.16%	97.16%	–	–	Retail trade of food production
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.39%	–	–	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.82%	–	–	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	99.54%	99.54%	–	–	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	96.25%	96.25%	–	–	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.95%	98.95%	–	–	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	1	1	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100%	100%	–	–	Rent and management of agricultural purposes land
Panevėžys district Žibartonių ŽŪB	Lithuania	99.90%	99.90%	1	1	Mixed agricultural activities
SIA Dotnuva Baltic	Latvia	100%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
AS Dotnuva Baltic	Estonia	100%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
UAB GeoFace	Lithuania	100%	100%	–	–	Software development
UAB Dotnuvos Technika	Lithuania	100%	100%	–	–	Dormant company
SIA Linas Agro Graudu centrs	Latvia	100%	100%	–	–	Preparation and warehousing of grains
UAB Karčemos Bendrovė[3]	Lithuania	–	100%	–	–	Preparation and warehousing of grains
UAB KUPIŠKIO GRŪDAI[3]	Lithuania	–	99.16%	–	–	Preparation and warehousing of grains
Kėdainiai district ŽŪB Nemunas	Lithuania	67.44%	67.44%	–	–	Mixed agricultural activities
UAB KG Group LT	Lithuania	89.09%	–	–	–	Dormant company
Uždaroji akcinė bendrovė Šlaituva	Lithuania	73.95%	–	–	–	Production and wholesale of breadcrumbs and breading mixes
UAB Baltic Fumigation Service	Lithuania	89.09%	–	–	–	Fumigation service
UAB KG Mažmena	Lithuania	89.09%	–	–	–	Retail trade
Akcinė Bendrovė Zelvė	Lithuania	72.05%	–	363	–	Broiler breeding
UAB Avocetė	Lithuania	84.37%	–	–	–	Management services
Akcinė bendrovė Kauno Grūdai	Lithuania	89.09%	–	–	–	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials' fumigation, disinsection, disinfection and deratization services

(all amounts are in thousand euros unless otherwise stated) 39

3. Group structure and changes in the Group (cont'd)

	Place of registration	Effective share of The stock held by the Group		Cost of investment in the Company		Main activities
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	
Uždaroji akcinė bendrovė Kauno Grūdai ir Partneriai	Lithuania	89.09%	–	–	–	Rent of real estate
Uždaroji akcinė bendrovė KG Distribution	Lithuania	84.37%	–	–	–	Consultation and business management
Uždaroji akcinė bendrovė Lietbro	Lithuania	84.37%	–	–	–	Broiler breeding
Uždaroji akcinė bendrovė GASTRONETA	Lithuania	84.37%	–	–	–	Dormant company
UAB VPK Valdymas	Lithuania	84.48%	–	–	–	Consultation and business management
Cooperative Baltoji plunksnelė	Lithuania	82.88%	–	–	–	Dormant company
Akcinė bendrovė Kaišiadorių Paukštynas	Lithuania	84.60%	–	2,435	–	Chicken raising for meat and eggs production, production of poultry and its products
Uždaroji akcinė bendrovė Domantonių Paukštynas	Lithuania	89.00%	–	–	–	Broiler breeding
Uždaroji akcinė bendrovė Kaišiadorių Paukštyno Mažmena	Lithuania	84.60%	–	–	–	Dormant company
UAB Uogintai	Lithuania	84.60%	–	–	–	Dormant company
UAB Kaišiadorių Skerdykla	Lithuania	84.60%	–	–	–	Dormant company
Uždaroji akcinė bendrovė Alesninkų Paukštynas	Lithuania	84.60%	–	–	–	Broiler breeding
Uždaroji akcinė bendrovė KG Logistika	Lithuania	84.48%	–	–	–	Freight transport services
UAB VP Valda	Lithuania	84.37%	–	–	–	Rent of real estate
UAB KP Valda	Lithuania	84.60%	–	–	–	Rent of real estate
SIA KG Latvija	Latvia	89.09%	–	–	–	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing
KG Eesti OÜ	Estonia	89.09%	–	–	–	Dormant company
KG Polska Sp.zo.o.	Poland	89.09%	–	–	–	Wholesale of feed materials
Nordic Agro Investment Limited	United Kingdom	89.09%	–	–	–	Management services
IOOO Belfidagro"	Belarus	89.09%	–	–	–	Production and wholesale of premixes
OOO KLM	Belarus	62.37%	–	–	–	Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening
OOO VitOMEK (entity code 1117746107291)[4]	Russia	97.27%	–	–	–	Production of premixes
OOO VitOMEK (entity code 1157746009398)	Russia	97.27%	–	–	–	Wholesale of premixes, compound feed and feed materials
KG Khumex B.V.	The Netherlands	50.00%	–	202	–	Distribution of poultry products
		Investments into associates		**3,443**	**443**	
		(Less) impairment		(202)	–	
				3,241	**443**	

[4] *On 17 December 2021, OOO GeoMiks was merged with OOO VitOMEK (entity code 1117746107291).*

(all amounts are in thousand euros unless otherwise stated) 40

3. Group structure and changes in the Group (cont'd)

Changes in the Group and the Company for the financial year ended 30 June 2022

On 15 July 2021, the Company acquired controlling stakes in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and related companies, acting together as KG Group. Acquisition value – EUR 73,469 thousand (including EUR 200 thousand paid for joint venture company KG Khumex B.V., the acquisition was finalized on 9 September 2021). The Company acquired controlling stakes in 34 companies operating in the fields of poultry business, grain, flour, instant products production, feed and premix production, and trade in veterinary products. The main reasons for the acquisition – synergies between AB Linas Agro Group entities and KG Group entities, more variety in food business, potential to offer clients full chain from the field to the table". The business combination is accounted with acquisition method. In the case of the acquisition of this business, the minority share is valued at a proportional share of the identified net assets of the acquired entity. The acquisition costs inqurred were written off by including them in the Groups' administrative expenses. The acquisition costs were capitalized in the Company's long-term financial assets. The companies are registered and operate in Lithuania, Latvia, Estonia, Poland, Belarus, Russia, and the Netherlands. The financial statements at the provisional fair value are presented below:

AB Kauno Grūdai group and related companies	**EUR'000**
Acquisition date for consolidation purposes	*1 July 2021*
Fair value	
Intangible assets	919
Property, plant and equipment	49,069
Investment property	215
Right-of-use assets	3,111
Poultry	2,470
Non-current receivables and other financial assets	2,189
Deferred income tax-asset	5,007
Total non-current assets	**62,980**
Poultry	4,123
Inventories	81,346
Prepayments	4,387
Trade receivables	134,644
Other accounts receivable and contract assets	3,702
Cash and cash equivalents	4,039
Total current assets	**232,241**
Total assets	**295,221**
Grants and subsidies	2,611
Lease liabilities	3,324
Non-current borrowings	16,288
Deferred income tax liabilities	499
Other non-current liabilities	599
Total non-current liabilities	**23,321**
Current portion of non-current borrowings	5,165
Current portion of lease liabilities	1,034
Current borrowings	49,687
Trade payables	112,282
Derivative financial instruments	2,076
Other current liabilities and contract liabilities	17,611
Total current liabilities	**187,855**
Total liabilities	**211,176**
Total net assets recognised at fair value	**84,045**
Non-controlling interest measured at the proportionate share of the net assets at fair value	(10,776)
Goodwill	–
Total purchase consideration	**73,269**
Cash consideration transferred	69,570*
Other non-cash settlements	1,581
Contingent consideration	2,118
Less: cash acquired	(4,039)
Total purchase consideration, net of cash acquired	**65,531**

** As of 30 June 2021, the Company made EUR 2,000 thousand prepayment for companies of KG Group shares to acquire.*

3. Group Structure and Changes in the Group (cont'd)

On 9 July 2021, authorized capital of Linas Agro OU was increased by EUR 150 thousand.

During July – August 2021, the Company concluded syndicated credit agreement with AB SEB bank, AB Swedbank and Luminor bank AS for the loan of EUR 46,290 thousand and ensured it by pledge of assets.

On 11 August 2021, authorized capital of SIA KG Latvija was increased by EUR 1,500 thousand.

On 27 October 2021, the Company signed loan agreement with AB Kauno Grūdai, total limit is EUR 550 thousand.

On 29 October 2021, during the Annual General Meeting of the Company Shareholders, decision to increase Company's authorized capital by EUR 421 thousand was taken.

On 22 November 2021, a new wording of the Articles of Association of the Company was registered in the Register of Legal Entities – the authorized capital of the Company was increased by EUR 421 thousand, issuing 1,454,000 new ordinary registered shares of the Company. The newly issued shares were subscribed by the employees and/or members of the corporate bodies of the Company who have concluded the Share Option Agreement of the Company in 2018 and accordingly submitted notice to the Company regarding the use of the option in 2021. The New Shares are granted free of charge and they are paid by the Company from the reserve set up by the Company for shares issue.

On 22 November 2021, the Company's registered office was changed, new office is registered at Subačiaus St. 5, Vilnius, Republic of Lithuania.

On 23 November 2021, authorized capital of LLC Linas Agro Ukraine was increased by EUR 84 thousand.

On 29 November 2021, authorized capital of UAB KG Mažmena was increased by EUR 2,100 thousand.

On 20 December 2021, AB Kauno Grūdai signed an agreement with UAB Nordic estate to sell unexploited real estate. The transaction price is EUR 4 000 thousand. It was used to repay syndicated credit to AB SEB bank, AB Swedbank and Luminor bank.

On 21 December 2021, the Company signed loan agreement with AB Kauno Grūdai, total limit is EUR 4,000 thousand.

On 23 December 2021, authorized capital of KG Eesti OU was increased by EUR 650 thousand.

On 30 December 2021, authorized capital of UAB Linas Agro Konsultacijos was decreased by EUR 16,000 thousand.

On 30 December 2021, authorized capital of UAB Lineliai was decreased by EUR 244 thousand.

On 10 January 2022, the Company acquired 100% shares of UAB Agro Logistic Service. Acquisition value – EUR 1,700 thousand. The Company acquired controlling stakes in the company operating in the field of wholesale of feedstuffs for fodder and premixes production. The main reason of this acquisition – substantial synergy with KG Group which was acquired at the beginning of the financial year. The business combination is accounted for using the acquisition method. Financial statements at the provisional fair value are presented below:

UAB Agro Logistic Service	**EUR'000**
Acquisition date for consolidation purposes	1 January 2022
Fair value	
Non-current assets	5
Inventory	6,552
Goods in transit	16,049
Trade receivables	1,159
Other accounts receivable	269
Derivative financial instruments	100
Cash and cash equivalents	8
Accruals and deferred income	2
Total assets	**24,144**
Prepayments	(8,670)
Trade payables	(12,065)
Income tax liabilities	(194)
Employment related liabilities	(13)
Other accounts payable and liabilities	(230)
Total current liabilities	**(21,172)**
Total net assets recognised at fair value	**2,972**
Gain on acquisition of the company	**(1,272)**
Cash consideration transferred	1,700
Less: cash acquired	(8)
Total purchase consideration, net of cash acquired	**1,692**

3. Group Structure and Changes in the Group (cont'd)

On 1 March 2022, authorized capital of UAB GeoFace increased by EUR 706 thousand.

On 7 April 2022, AB Kauno Grūdai acquired 100% shares of KG Polska Sp.zo.o.

On 13 April 2022, the Company signed a loan agreement with AB Kauno grūdai, total limit is EUR 930 thousand.

On 11 May 2022, UAB TABA Holding acquired minority shares of AB Kauno Grūdai additionally and now owns 89% of the Company.

On 12 May 2022, AB Linas Agro entered into a credit agreement with Credit Europe Bank N.V. for a EUR 45,000 thousand loan (limit increase in amount of EUR 15,000 thousand).

On 16 May 2022, UAB KG Distribution sold 20% SIA Novabaltic shares.

On 16 May 2022, authorized capital of Linas Agro OU increased by EUR 2,050 thousand.

On 16 May 2022, the Company acquired 100% shares of UAB Kekava Foods LT.

During May 2022, the Group acquired 1.42% stock of AB Vilniaus paukštynas for EUR 28 thousand, 2.19% stock of AB Kaišiadorių paukštynas for EUR 11 thousand, 20.29% stock of KG Polska Sp.zo.o. for EUR 4 thousand and 3.09% stock of AB Kauno Grūdai for EUR 1,669 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 3,279 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Changes in the Group and the Company during the financial year ended 30 June 2021

On 2 June 2021, the authorized capital of Linas Agro OU was increased by EUR 800 thousand.

On 12 May 2021, Klaipėdos universiteto ateities paramos fondas was registered in the Register of Legal Entities. AB Linas Agro Group participates as one of co-founders of the charity and sponsorship Fund.

On 6 May 2021, Russian Federal Antimonopoly Service has adopted a resolution allowing AB Linas Agro Group to implement the concentration by acquiring the companies of KG Group operating in Russia.

On 23 February 2021, UAB Linas Agro Grūdų Centrai was registered after restructuring of UAB Linas Agro Grūdų Centras KŪB.

On 22 February 2021, UAB KUPIŠKIO GRŪDAI was registered after restructuring of ŽŪK KUPIŠKIO GRŪDAI.

On 20 January 2021, UAB Karčemos Kooperatinė Bendrovė was registered after restructuring of the cooperative Karčemos kooperatinė bendrovė.

On 12 January 2021 UAB Linas Agro Grūdų Centras KŪB and Cooperative ŽŪK KUPIŠKIO GRŪDAI acquired the status of being restructured.

On 24 December 2020 the authorized capital of TOV Linas Agro Ukraine was increased by EUR 84,000 thousand.

On 26 November 2020, a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos sold subsidiary companies SIA Zemvalda Land Management Holdings 1-7 with belonging companies for EUR 13,603 thousand. In accordance to the requirements of IFRS 10 and IFRS 16, the Group accounted fot the above mentioned sale transaction as a sale and subsequent leaseback as the Group companies will continue to lease the land from the disposed companies that had been previously owned by Group. In these financial statements, the Group accounted for the gain of EUR 1,925 thousand related to the assets whose rights have been transferred. The gain was generated by accounting the right-of-use assets arising from new land contracts, in proportion to the value of previously owned assets and by estimating the consideration received for the sold shared and the liabilities arising in relation to right-of-use assets.

On 8 October 2020, the Company's subsidiary AB Linas Agro founded a subsidiary in Estonia Linas Agro OU with a share capital of EUR 100 thousand.

On 5 October 2020, the Company paid EUR 2,000 thousand deposit as part of shares price (advance payment) according to the signed deposit agreement of 1 October.

3. Group Structure and Changes in the Group (cont'd)

On 1 October 2020, the Company signed share purchase and sale agreements with the aim to acquire the block stock of shares of AB Kauno Grūdai, AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas and related companies. The total amount of the transaction is not disclosed by agreement of the parties.

On 1 October 2020, the Company signed deposit agreement for advance payment for the signed share purchase and sale agreements with the shareholders of AB Kauno Grūdai, AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas.

On 23 September 2020, the Company signed a loan agreement with Akola Aps for EUR 6,000 thousand.

On 22 September 2020, the Company signed loan agreement with AB Linas Agro for the total limit of EUR 6,000 thousand and granted a loan of EUR 4,000 thousand by this agreement.

On 8 September 2020, SIA Dotnuva Baltic prolonged the overdraft agreement with AS SEB banka till 22 September 2021. The total overdraft limit is EUR 1,500 thousand.

During the financial year ended 30 June 2021, the Group acquired 16% stock of Karčemos Kooperatinė Bendrovė for EUR 86 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 107 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During the 12-month period ended 30 June 2021, the Group acquired 100% stock of UAB GeoFace for EUR 218 thousand. Financial statements at the fair value are presented below:

UAB GeoFace	EUR'000 (not audited)
Acquisition date for consolidation purposes	31 July 2020
Fair value	
Intangible assets, property, plant and equipment	212
Deferred income tax asset	24
Cash and cash equivalents	–
Total assets	**236**
Current liabilities	(21)
Total liabilities	**(21)**
Total net assets recognized at fair value	**215**
Goodwill	3
Total purchase consideration	**218**
Cash consideration transferred	218
Less: cash acquired	–
Total purchase consideration, net of cash acquired	**218**

On 26 August 2020, the Company signed loan agreement with UAB Linas Agro Grūdų Centras KŪB, total limit EUR 500 thousand; and it has received the loan.

On 25 August 2020, the Company prolonged a loan agreement with AB Linas Agro for EUR 6,500 thousand till 30 August 2021.

On 20 August 2020, the Company prolonged the overdraft limit agreement with OP Corporate Bank plc Lithuanian branch. The total overdraft limit is EUR 6,000 thousand till 30 August 2021.

On 3 August 2020, the Company increased share capital of its subsidiary UAB Noreikiškės by EUR 30 thousand.

On 30 July 2020, AB Linas Agro prolonged credit line agreement with AB SEB Bankas till 31 July 2021. The total credit line limit is EUR 88,000 thousand.

On 30 July 2020, SIA Linas Agro prolonged a credit line agreement with AS SEB Banka till 31 August 2021. The total credit limit is EUR 37,000 thousand.

On 30 July 2020, UAB Dotnuva Baltic prolonged a credit line agreement with AB SEB Bankas till 31 July 2021. The total credit line limit is EUR 23,700 thousand.

On 30 July 2020, the Company issued warranty to the AB SEB bank for UAB Dotnuva Baltic amounted to EUR 24,000 thousand.

On 21 July 2020, the authorized capital of AS Dotnuva Baltic was increased by EUR 2,300 thousand.

On 16 July 2020, the authorized capital of SIA Linas Agro increased by EUR 2,000 thousand.

On 13 July 2020, the Company increased share capital of its subsidiary UAB Lineliai by EUR 70 thousand.

On 9 July 2020, the Company transferred 1,000 of its own shares to Andrius Pranckevičius, the Member of the Board of the Company under AB Linas Agro Group Rules for Shares issues.

4. Segment information

For management purpose, the Group is organized into five operating segments based on their products and services as follows:

- the grain, oilseed and feed includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beet pulp, soymeal, vegetable oil, rapecake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other poultry final products, flour and instant food products, other food products;
- the other products and services segment includes trade in veterinary pharmacy products, extruded products and pet feed production and sale, pest control services and trade in hygiene products, fumigation services, other products and services.

The Group's chief financial officer monitors the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Group financing (including finance cost and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between the Group companies are based on market prices in a manner similar to transactions with third parties.

Group *Financial year ended* **30 June 2022**	Grain, oilseed and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and elimina-tions	Total
Revenue from contracts with customers								
Third parties	1,119,740	374,861	26,359	343,642	31,065	–	–	1,895,667
Intersegment	63,141	9,028	12,774	2,939	4,796	–	(92,678)[1)]	–
Total revenue from contracts with customers	**1,182,881**	**383,889**	**39,133**	**346,581**	**35,861**	**–**	**(92,678)[1)]**	**1,895,667**
Results								
Operating expenses[6)]	(22,078)	(27,175)	(3,678)	(32,048)	(6,824)	(4,553)	–	(96,356)
Depreciation and amortization	(2,280)	(4,138)	(2,205)	(16,201)	(1,396)	(105)	–	(26,325)
Provisions for onerous contracts	(38)	(1)	–	–	–	–	–	(39)
Impairment of trade and other receivables, contract assets	(515)	76	(447)	(1,121)	(1,187)	–	–	(3,194)
Impairment of property plant and equipment	–	–	(1)	–	–	–	–	(1)
Segment operating profit (loss)	**51,266**	**45,319**	**15,078**	**(1,790)**	**(1,967)**	**(4,287)**	**–**	**103,619**
Assets								
Investments in non-current assets[2)]	5,185	4,823	5,226	6,991	308	88	–	22,621
Non-current assets	46,299	32,284	65,068	59,133	7,809	6,793[3)]	–	217,386
Current assets	220,481	284,537	45,780	95,092	8,266	1,433[4)]	–	655,589
Total assets	**266,780**	**316,821**	**110,848**	**154,225**	**16,075**	**8,226**	**–**	**872,975**
Current liabilities	153,946	212,025	17,008	82,634	9,432	51,043[5)]	–	526,088

(all amounts are in thousand euros unless otherwise stated) 45

4. Segment information (cont'd)

Group ***Financial year ended* 30 June 2021**	Grain, oilseed and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue from contracts with customers								
Third parties	677,816	173,196	19,299	72,035	96	–	–	942,442
Intersegment	1,831	7,032	14,103	–	–	–	(22,966)[1)]	–
Total revenue from contracts with customers	**679,647**	**180,228**	**33,402**	**72,035**	**96**	**–**	**(22,966)[1)]**	**942,442**
Results								
Operating expenses[6)]	(8,906)	(13,895)	(3,923)	(6,909)	(42)	(4,691)	–	(38,366)
Depreciation and amortization	(2,323)	(2,044)	(2,350)	(4,902)	–	(130)	–	(11,749)
Provisions for onerous contracts	–	–	–	–	–	–	–	1,009
Impairment of trade and other receivables, contract assets	(161)	146	12	7	–	–	–	4
Impairment of property plant and equipment	–	105	–	–	–	–	–	15
Segment operating profit (loss)	**6,053**	**8,758**	**11,433**	**(2 040)**	**(75)**	**(4,537)**	**–**	**19,592**
Assets								
Investments in non-current assets[2)]	615	5,937	3,065	2,471	–	8	–	12,096
Non-current assets	36,520	19,826	64,203	42,972	–	5,950[3)]	–	169,471
Current assets	42,782	149,333	31,414	21,114	–	7,009[4)]	–	251,652
Total assets	**79,302**	**169,159**	**95,617**	**64,086**	**–**	**12,959**	**–**	**421,123**
Current liabilities	25,694	105,931	11,740	23,884	–	7,616[5)]	–	174,865

1) Intersegment revenue is eliminated on consolidation.
2) Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.
3) The amount includes not rented investment property, part of property, plant and equipment, other investments, prepayments for financial assets, non-current loans receivable from related parties, non-current loans receivable from employees and deferred income tax asset.
4) The amount includes current loans receivable from related parties, part of other accounts receivable (excluding receivable from National Paying Agency), restricted cash, cash and cash equivalents.
5) As at 30 June 2022 and 30 June 2021, the amount mainly includes income and other taxes payable, current payables to and current loans payable to related parties, and part of borrowings, which are managed on the Group basis.
6) The operating expenses of administration, management departments are shown in Not attributed to any specified segment.

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4. Segment information (cont'd)

Revenue from contracts with customers

Income includes:

	Group		Company	
	Financial year ended			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Revenue from contracts with customers	1,895,667	942,442	1,709	784
Dividends from subsidiaries	–	–	15,306	1,650
Rental and other income	–	–	35	521
	1,895,667	**942,442**	**17,050**	**2,955**

Revenue from contracts with customers by their geographical segments	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Lithuania	608,786	220,297
Europe (except for Scandinavian countries, CIS and Lithuania)	583,850	271,151
Scandinavian countries	229,930	108,203
Africa	45,886	275,969
Asia	231,398	31,042
CIS	195,817	35,780
	1,895,667	**942,442**

Revenue from the largest customer amounted to EUR 41,405 thousand for the year ended 30 June 2022. Revenue from the largest customer amounted to EUR 110,076 thousand for the year ended 30 June 2021. Sales for largest customers are accounted for under grain and feedstuff handling and merchandising caption of business segments for the years ended 30 June 2022 and 2021.

The revenue information above is based on the location of the customer.

Non-current assets	Group	
	As at 30 June 2022	As at 30 June 2021
Lithuania	131,879	90,379
Latvia	60,728	61,916
Estonia	1,641	1,530
Ukraine	8	14
	194,256	**153,839**

Non-current assets for this purpose consist of property, plant and equipment, investment property, intangible assets and right of use assets.

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5. Intangible assets

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2020	1,558	272	1,971	3,801
Additions	22	213	–	235
Acquisition of subsidiaries (Note 3)	–	212	3	215
Write-offs	–	(17)	–	(17)
Balance as at 30 June 2021	1,580	680	1,974	4,234
Additions	157	319	–	476
Acquisition of the subsidiaries (Note 3)	703	216	–	919
Write-offs	–	(2)	–	(2)
Reclassifications	(29)	29	–	–
Reclassification to non-current asset held for sale	(1)	(2)	–	(3)
Balance as at 30 June 2022	2,410	1,240	1,974	5,624
Accumulated amortization:				
Balance as at 30 June 2020	644	131	–	775
Charge for the year	161	24	–	185
Write-offs	–	(17)	–	(17)
Balance as at 30 June 2021	805	138	–	943
Charge for the year	575	243	–	818
Write-offs	(16)	(1)	–	(17)
Balance as at 30 June 2022	1,364	380	–	1,744
Impairment losses:				
Balance as at 30 June 2020	–	–	1,121	1,121
Balance as at 30 June 2021	–	–	1,121	1,121
Balance as at 30 June 2022	–	–	1,121	1,121
Net book value as at 30 June 2020	**914**	**141**	**850**	**1,905**
Net book value as at 30 June 2021	**775**	**542**	**853**	**2,170**
Net book value as at 30 June 2022	**1,046**	**860**	**853**	**2,759**

The Group has no internally generated intangible assets.

Part of the intangible assets of the Group with the acquisition value of EUR 2,241 thousand as at 30 June 2022 was fully amortized (EUR 721 thousand as at 30 June 2021) but was still in active use.

The Group's depreciation charge for the years ended 30 June 2022 and 30 June 2021 was included into the following captions:

	Financial year ended	
	30 June 2022	30 June 2021
Cost of sales	149	–
Operating expenses	666	185
Other expenses	3	–
	818	**185**

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6. Property, plant and equipment

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2020	22,902	112,640	61,024	5,437	5,995	2,927	210,925
Additions	291	108	2,835	1,612	515	2,785	8,146
Disposals and write-offs	(5)	(352)	(4,064)	(635)	(159)	(63)	(5,278)
Reclassifications	37	1,743	1,513	7	137	(3,437)	–
Disposals of subsidiaries (Note 3)	(4,055)	–	–	–	–	–	(4,055)
Transfer from/to inventories	–	–	3,692	–	–	–	3,692
Balance as at 30 June 2021	19,170	114,139	65,000	6,421	6,488	2,212	213,430
Additions	2,038	847	7,472	1,797	927	9,061	22,142
Acquisition of subsidiaries (Note 3)	7,928	19,339	17,024	1,847	1,310	1,621	49,069
Disposals and write-offs	(3,845)	(102)	(6,115)	(840)	(162)	(62)	(11,126)
Transfer from/to investment property	12	–	–	–	–	–	12
Reclassification	52	3,961	1,335	75	147	(5,570)	–
Reclassification to non-current asset held for sale	(435)	(595)	(395)	(387)	(111)	(6)	(1,929)
Transfer from/to inventories	–	–	1,100	–	–	–	1,100
Balance as at 30 June 2022	24,920	137,589	85,421	8,913	8,599	7,256	272,698
Accumulated depreciation:							
Balance as at 30 June 2020	117	43,204	27,469	2,788	3,326	–	76,904
Charge for the year	33	4,356	4,549	549	658	–	10,145
Disposals and write-offs	–	(250)	(1,916)	(454)	(155)	–	(2,775)
Balance as at 30 June 2021	150	47,310	30,102	2,883	3,829	–	84,274
Charge for the year	35	8,743	12,260	1,336	1,337	–	23,711
Disposals and write-offs	–	(102)	(1,128)	(361)	(145)	–	(1,736)
Reclassification to non-current asset held for sale	–	(171)	(132)	(107)	(15)		(425)
Balance as at 30 June 2022	185	55,780	41,102	3,751	5,006	–	105,824
Impairment losses:							
Balance as at 30 June 2020	–	667	162	–	35	–	864
Disposals and write-offs	–	–	(99)	–	(1)	–	(100)
Change for the year		(38)	(63)	–	(4)		(105)
Balance as at 30 June 2021	–	629	–	–	30	–	659
Balance as at 30 June 2022	–	629	–	–	30	–	659
Net book value as at 30 June 2020	**22,785**	**68,769**	**33,393**	**2,649**	**2,634**	**2,927**	**133,157**
Net book value as at 30 June 2021	**19,020**	**66,200**	**34,898**	**3,538**	**2,629**	**2,212**	**128,497**
Net book value as at 30 June 2022	**24,735**	**81,180**	**44,319**	**5,162**	**3,563**	**7,256**	**166,215**

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6. Property, plant and equipment (cont'd)

The Group's depreciation charge for the years ended 30 June 2022 and 30 June 2021 was included into the following captions:

	Financial year ended	
	30 June 2022	30 June 2021
Cost of sales	22,033	8,873
Operating expenses	830	770
Other expenses	141	145
Biological assets	707	357
	23,711	**10,145**

Depreciation amount was decreased in the statement of comprehensive income by EUR 629 thousand for the year ended 30 June 2022 (EUR 521 thousand for the year ended 30 June 2021) by the amortization of grants received by the Group (Note 19).

As at 30 June 2022, part of property, plant and equipment of the Group with the net book value of EUR 120,225 thousand (EUR 93,249 thousand as at 30 June 2021), was pledged to banks as a collateral for the loans (Note 20).

Part of property, plant and equipment with the acquisition cost of EUR 17,634 thousand was fully depreciated as at 30 June 2022 (EUR 16,163 thousand as at 30 June 2021), but was still in active use.

As at 30 June 2022, capitalized interest amounted to 3 thousand EUR (as at 30 June 2021, none of the interest was capitalized).

(all amounts are in thousand euros unless otherwise stated)

7. Right-of-use Assets

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
Cost:					
Balance as at 30 June 2020	15,196	2,670	2,545	2,734	23,145
Additions	8,843	407	151	780	10,181
Disposals and write-offs	(2,828)	(480)	(511)	(165)	(3,984)
Balance as at 30 June 2021	21,211	2,597	2,185	3,349	29,342
Additions	6,769	273	840	750	8,632
Acquisition of subsidiaries (Note 3)	972	893	262	984	3,111
Disposals and write-offs	(5,106)	(667)	(391)	(10)	(6,174)
Reclassification to non-current asset held for sale	–	(285)	–	(76)	(361)
Balance as at 30 June 2022	23,846	2,811	2,896	4,997	34,550
Accumulated depreciation:					
Balance as at 30 June 2020	1,693	475	820	717	3,705
Charge for the year	2,123	436	849	877	4,285
Disposals and write-offs	(545)	(125)	(465)	(66)	(1,201)
Balance as at 30 June 2021	3,271	786	1,204	1,528	6,789
Charge for the year	2,198	801	761	1,324	5,084
Disposals and write-offs	(1,374)	(90)	(352)	(131)	(1,947)
Reclassification to non-current asset held for sale	–	(76)	–	(20)	(96)
Balance as at 30 June 2022	4,095	1,421	1,613	2,701	9,830
Net book value as at 30 June 2020	**13,503**	**2,195**	**1,725**	**2,017**	**19,440**
Net book value as at 30 June 2021	**17,940**	**1,811**	**981**	**1,821**	**22,553**
Net book value as at 30 June 2022	**19,751**	**1,390**	**1,283**	**2,296**	**24,720**

The Group's depreciation charge for the years ended 30 June 2022 and 30 June 2021 was included into the following captions:

	Financial year ended	
	30 June 2022	30 June 2021
Cost of sales	1,075	1,069
Operating expenses	2,029	1,247
Biological assets	1,980	1,969
	5,084	**4,285**

Within the Group, leases relate to real estate, land, vehicles and equipment. In a large number of cases the leases contain extension options. Leases may also contain index-based lease payments that is linked to the Consumer Price Index.

As at 30 June 2022 and 30 June 2021, Interest expenses included in result of financing activities was:

	Financial year ended	
	30 June 2022	30 June 2021
Interest expenses included in result of financing activities (Note 27)	(248)	(255)
	(248)	**(255)**

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8. Investment property

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income and land and buildings which were not used in the Group's activities as at 30 June 2022.

	Land	Buildings	Total
Cost:			
Balance as at 30 June 2020	1,912	128	2,040
Additions	–	23	23
Disposals and write-offs	(217)	(110)	(327)
Reclassification	(13)	13	–
Disposals of subsidiaries (Note 3)	(1,060)	–	(1,060)
Balance as at 30 June 2021	622	54	676
Additions	–	3	3
Acquisition of subsidiaries (Note 3)	–	215	215
Disposals and write-offs	(210)	(13)	(223)
Transfer from/to investment property	(12)	–	(12)
Balance as at 30 June 2022	400	259	659
Accumulated depreciation:			
Balance as at 30 June 2020	1	54	55
Charge for the year	–	3	3
Disposals and write-offs	–	(55)	(55)
Balance as at 30 June 2021	1	2	3
Charge for the year	–	40	40
Balance as at 30 June 2022	1	42	43
Impairment losses:			
Balance as at 30 June 2020	51	3	54
Balance as at 30 June 2021	51	3	54
Balance as at 30 June 2022	51	3	54
Net book value as at 30 June 2020	**1,860**	**71**	**1,931**
Net book value as at 30 June 2021	**570**	**49**	**619**
Net book value as at 30 June 2022	**348**	**214**	**562**

As at 30 June 2022, part of investment property of the Group with the net book value of EUR 150 thousand (EUR 90 thousand as at 30 June 2021), was pledged to banks as a collateral for the loans (Note 20).

As at 30 June 2022, part of investment property of the Group with the net book value of EUR 83 thousand (EUR 83 thousand as at 30 June 2021) was not used in the Group's activities.

Fair value of the Group's investment property as at 30 June 2022 is EUR 1,540 thousand (as at 30 June 2021 - EUR 2,338 thousand). The fair value has been determined based on valuations performed by independent valuators at near reporting date using the comparable prices method (Level 2).

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9. Non-current receivables and prepayments

	Group		Company	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Trade receivables from agricultural produce growers due after one year	366	575	–	–
Other trade receivables	574	145	–	–
Loans receivable from related parties after one year (Note 32)	750	–	6,052	7,135
Net investment, related with sublease	–	–	9,739	10,054
Loans to employees	27	–	–	–
Less: allowance for doubtful non-current receivables	(152)	–	–	–
	1,565	**720**	**15,791**	**17,189**
Non-current prepayments for services	1,166	1,241	–	–
Non-current prepayments	**1,166**	**1,241**	**–**	**–**

The Group company AB Linas Agro and SIA KS Terminal are signed a long-term cooperation agreement for expansion of a grain terminal. AB Linas Agro participates by financing expansion of the grain terminal and have an exclusive right to use the warehouses stowing 49 thousand tons of grain and to use the terminal for loading. As at 30 June 2022, the balance of prepayments was EUR 1,366 thousand, according to the agreement. The amounts were disclosed as non-current prepayments EUR 1,166 thousand (EUR 1,241 thousand as at 30 June 2021) and current prepayments EUR 200 thousand (EUR 200 thousand as at 30 June 2021).

Movements in the allowance for impairment of the Group's non-current receivables were as follows:

	Individually impaired
Balance as at 30 June 2020	–
Balance as at 30 June 2021	–
Balance as at 30 June 2022	152

None of the Group's non-current receivables as at 30 June 2022 and 30 June 2021 were overdue.

As at 30 June 2022, part of non-current receivables of the Group with the net book value of EUR 212 thousand was pledged to banks as a collateral for the loans (EUR 518 thousand as at 30 June 2021) (Note 20).

Net investment as at 2022 June 30:

	Company
Less than one year	565
One to two years	565
Two to three years	565
Three to four years	565
Four to five years	565
More than five years	10,406
Total undiscounted lease receivable	**13,231**
Unearned finance income	(3,178)
Net investment in the lease	**10,053**

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10. Biological assets

Fair value of the Group's animals and livestock:

	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Poultry (level 3)	Other	Total animals and livestock
Fair value as at 30 June 2020	**4,612**	**2,561**	**514**	**4,293**	**29**	**12,009**
Acquisition	–	–	–	13,721	2,324	16,045
Births	–	136	103	359	–	598
Makeweight	–	2,143	914	28,143	–	31,200
Transfers between groups	1,801	(2,052)	251	–	–	–
Disposals	(1,841)	(405)	(1,180)	(41,011)	(2,036)	(46,473)
Write-offs and falls	(162)	(37)	(18)	(402)	(310)	(929)
Change in fair value of biological assets .(Note 23)	472	–	(144)	(1,595)	–	(1,267)
Fair value as at 30 June 2021	**4,882**	**2,346**	**440**	**3,508**	**7**	**11,183**
Acquisition of subsidiaries (Note 3)	–	–	–	6,593	–	**6,593**
Acquisition	–	–	–	16,353	2,622	18,975
Births	–	149	108	366	–	623
Makeweight	–	2,490	770	48,426	–	51,686
Transfers between groups	1,918	(2,104)	186	–	–	–
Disposals	(1,622)	(388)	(1,133)	(63,381)	(2,236)	(68,760)
Write-offs and falls	(125)	(25)	(16)	(560)	(356)	(1,082)
Change in fair value of biological assets (Note 24)	2,040	–	(130)	366	41	2,317
Fair value as at 30 June 2022	**7,092**	**2,468**	**225**	**11,671**	**78**	**21,535**

As at 30 June 2022, part of poultry amounting to EUR 8,302 thousand is disclosed as current assets (EUR 2,394 thousand as at 30 June 2021).

Quantity according to biological assets group:	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Poultry (level 3)	Total animals and livestock
As at 30 June 2022	3,304	3,477	914	3,160,774	3,168,469
As at 30 June 2021	3,180	3,545	1,114	2,296,741	2,304,580
Output according to biological assets group for the year ended (t) (unaudited):					
As at 30 June 2022	35,369	484	309	199,917	236,079
As at 30 June 2021	35,133	710	403	47,913	84,159

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10. Biological assets (cont'd)

Fair value of the Group's crops (level 3):

	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Fair value as at 30 June 2020	**7,552**	**5,233**	**4,738**	**1,455**	**18,978**
Additions	5,937	3,530	4,116	3,303	16,886
Harvested assets	(8,116)	(5,019)	(5,149)	(3,054)	(21,338)
Reclassifications	(25)	10	–	15	–
Write-offs	(48)	(2)	–	–	(50)
Fair value adjustment on biological assets (Note 24)	2,267	726	2,372	70	5,435
Fair value as at 30 June 2021	**7,567**	**4,478**	**6,077**	**1,789**	**19,911**
Additions	8,335	3,914	4,609	4,009	20,867
Harvested assets	(8,055)	(4,283)	(6,268)	(3,301)	(21,907)
Reclassifications	–	–	–	–	–
Write-offs	(52)	(11)	(1)	–	(64)
Fair value adjustment on biological assets (Note 24)	4,628	3,320	2,202	265	10 451
Fair value as at 30 June 2022	**12 423**	**7 418**	**6 619**	**2 762**	**29 222**

Crops under groups:	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Total sowed (ha) as at 30 June 2022	6,779	4,762	3,339	3,105	17,985
Total sowed (ha) as at 30 June 2021	6,533	4,985	3,572	3,198	18,288

Harvested crops under groups (unaudited):	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Total harvest for the year ended 30 June 2022 (t)	43,891	20,505	12,397	75,479	152,272
Total harvest for the year ended 30 June 2021 (t)	51,373	28,655	13,573	74,282	167,883

During the years ended 30 June 2022 and 2021, there were no transfers between the different levels of fair value hierarchy.

As at 30 June 2022, part of animals and livestock of the Group with the carrying value of EUR 4,365 thousand (EUR 6,241 thousand as at 30 June 2021) were pledged to banks as a collateral for the loans (Note 20).

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11. Inventories

	Group	
	As at 30 June 2022	As at 30 June 2021
Purchased goods for resale	164,656	78,173
Raw materials and other inventories	80,194	11,492
Commitments to purchase agricultural produce (Note 20)	464	1,164
Less: net realizable value allowance	(1,438)	(1,537)
Carrying amount	**243,876**	**89,292**

The acquisition cost of the Group's inventories accounted for at net realizable value as at 30 June 2022 amounted to EUR 7,692 thousand (EUR 17,042 thousand as at 30 June 2021). As at 30 June 2022, the reversal amount of inventories written down to net realizable value is EUR 99 thousand (as at 30 June 2021, the amount of EUR 18 thousand was recognized as expenses), and is recognized in the cost of sales of the statement of comprehensive income.

As at 30 June 2022, part of inventories of the Group with the carrying value of EUR 128,822 thousand (EUR 61,544 thousand as at 30 June 2021) were pledged to banks as collateral for the loans (Note 20).

	Group	
	As at 30 June 2022	As at 30 June 2021
Readily marketable inventories	26,798	21,224
Other inventories	218,516	69,605
Less: Net realisable value	(1,438)	(1,537)
Carrying amount	**243,876**	**89,292**

Readily Marketable Inventories - inventories to which full unencumbered legal and beneficial title belongs to a member of the Group and are not subject to any retention of title or conditional sale agreement or arrangements having similar effect and that are readily convertible into cash within less than 90 calendar days on the basis that such inventories are:

a) the subject of contracts traded on futures markets and/or price risk is covered by other forward sale and/or hedging transaction;
b) liquid and widely available in a range of markets due to homogenous product characteristics and international pricing;
c) such inventories are not held for processing and/or conversion into a more value-added product; and
d) liquidation of such inventories would not have a material adverse effect on the particular business franchise.

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12. Non-current assets held for sale

	Group	
	As at 30 June 2022	As at 30 June 2021
Non-current assets, held for sale	22,958	–
	22,958	–

	Group
	As at 30 June 2022
Reclassified from:	
Intangible assets	7
Property, plant and equipment	1,506
Right-of-use assets	369
Financial assets	204
Deferred tax assets	751
Current assets	22,921
Impairment loss of non-current assets held for sale	(2,800)
Reclassified from:	**22,958**

	Group	
	As at 30 June 2022	As at 30 June 2021
Liabilities related to non-current assets held for sale	16,283	–
	16,283	**–**

	Group
	As at 30 June 2022
Reclassified from:	
Non-current borrowings	1,722
Contract liabilities	749
Current borrowings	6,889
Lease liabilities	706
Trade payables	4,749
Income tax payable	80
Other current liabilities	1,388
	16,283

Assets with the value of EUR 22,958 thousand of the subsidiaries IOOO Belfidagro, OOO KLM, OOO VitOMEK (entity code 111774610729) and OOO VitOMEK (entity code 1157746009398), which is intended to be disposed by the Group, are included in the Group's item related to assets to be disposed of. Liabilities of EUR 16,283 thousand being disposed along with these assets were reported under the item Liabilities related to non-current assets held for sale. Foreign currency translation reserve of EUR 3,592 thousand related to these non-current assets held for sale were accounted for in Amounts recognized directly in equity relating to non-current assets held for sale.

Assets owned by IOOO Belfidagro, OOO KLM, OOO VitOMEK (entity code 111774610729) and OOO VitOMEK (entity code 1157746009398) is reclassified to non-current assets held for sale, because all criteria under IFRS 5 related to reclassification to non-current assets held for sale were met as at 30 June 2022. At the issue date of these financial statements, three of the entities were sold (Note 34).

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13. Prepayments

	Group	
	As at 30 June 2022	As at 30 June 2021
Prepayments to agricultural produce growers	2,661	1,867
Prepayments to other suppliers	8,802	3,890
Prepayments for services (Note 9)	200	200
Less: allowance for doubtful prepayments to other suppliers	(75)	–
	11,588	**5,957**

During year ended 30 June 2022 and 30 June 2021, prepayments were made directly to agricultural produce growers of production growers or other suppliers. These payments are non-interest bearing and are generally collectible from the agricultural produce growers within 120 - 360 days by delivering grain to the Group.

As at 30 June 2022, part of prepayments of the Group with the carrying value of EUR 3,091 thousand (EUR 2,330 thousand as at 30 June 2021) were pledged to banks as collateral for the loans (Note 20).

14. Trade receivables

	Group	
	As at 30 June 2022	As at 30 June 2021
Trade receivables from agricultural produce growers	116,208	80,567
Trade receivables from other customers	190,053	27,530
Less: allowance for doubtful trade receivables	(6,200)	(3,387)
	300,061	**104,710**

Trade receivables from other customers are non-interest bearing and are generally collectible on 30–90 days term. Trade receivables from agricultural produce growers are non-interest bearing and are generally settled within 120–360 days by delivering grain to the Group.

IFRS 9 requires the Group and the Company to recognize expected credit losses for all debt instruments that are not measured at fair value through profit or loss and for assets arising from contracts with clients.

The Group and the Company uses the expected loss rate (ELR) matrix to calculate expected credit losses (ECL) of trade receivables. Expected credit loss rates are based on the client's past history, which is grouped by client type. The ELR matrix is based on the historical information of the Group and the Company on client default. The Group and the Company adjusts the matrix values to include predictable future information. For example, if the economy of the next year is likely to deteriorate/slow down according to future forecasts (e.g. GDP level), which may increase the rate of default, historical expected loss rates will be adjusted to reflect future forecasts. Historical credit loss rates are reviewed in each reporting period.

When assessing the allowance of trade receivables, individual client debts are grouped according to the past due period. Below are the expected credit loss rates used to calculate ECL:

	Non-overdue		**Past due**	
		Less than 90 days	91 - 180 days	More than 180 days
2021 m.	0.09 %	0.09 %	5.48 %	27.52 %
2022 m.	0.18 %	2.27 %	8.45 %	44.16 %

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14. Trade receivables (cont'd)

Movements in the allowance for impairment of the Group's trade receivables were as follows:

	Impairment assessed on a collective basis and on an individual basis
Balance as at 30 June 2020	3,705
Charge for the year	307
Reversed during the year	(449)
Written-off during the year	(176)
Balance as at 30 June 2021	3,387
Charge for the year	3,598
Reversed during the year	(478)
Written-off during the year	(307)
Balance as at 30 June 2022	6,200

Changes in allowance for trade receivables for the years ended 30 June 2022 and 30 June 2021 were included into expenses of impairment of trade receivables, contract assets and other receivables in the statement of comprehensive income (Note 25).

The ageing analysis of the Group's trade receivables as at 30 June 2022 and 30 June 2021 is as follows (less allowance):

	Trade receivables not past due	Past due			Total
		Less than 90 days	91 - 180 days	More than 180 days	
2021	97,405	6,779	114	412	104,710
2022	160,661	133,182	5 820	398	300,061

As at 30 June 2022, the Group transferred rights to part of its trade receivables with the value of EUR 151,792 thousand (EUR 114,713 thousand as at 30 June 2021) to banks as collateral for the loans (Note 20). Factorized trade receivables in the amount of EUR 31,809 thousand as at 30 June 2022 (EUR 170 as at 30 June 2021) are included in aggregate amount of collateral for the loans.

The fair value of the Group's and the Company's trade receivables approximate their carrying amount.

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15. Other accounts receivable and contract assets

	Group	
	As at 30 June 2022	As at 30 June 2021
Financial assets		
National Paying Agency	3,113	3,172
Loans receivable	234	775
Loans granted to the Group employees	19	–
Interest receivable	7	22
Contract assets	2,686	1,702
Receivable for assets held for sale	173	468
Other receivables	511	796
Less: allowance for doubtful loans receivable	(206)	(24)
	6,537	**6,911**
Non-financial assets		
VAT receivable	2,106	2,730
Other recoverable taxes	41	98
	2,147	**2,828**
	8,684	**9,739**

Changes in allowance for other accounts receivables for the years ended 30 June 2022 and 2021 were included into expenses of impairment of trade receivables, contract assets and other receivables in the statement of comprehensive income (Note 25).

Movements in the allowance for impairment of the Group's other accounts receivable were as follows:

	Individually impaired
Balance as at 30 June 2020	24
Reversed during the year	–
Written-off during the year	–
Balance as at 30 June 2021	24
Reversed during the year	–
Written-off during the year	182
Balance as at 30 June 2022	206

The ageing analysis of the Group's other receivables (except for non-financial assets) as at 30 June 2022 and 30 June 2021 is as follows:

	Other accounts receivable neither past due nor impaired	Past due but not impaired				Total
		Less than 90 days	91 - 180 days	181 - 270 days	More than 271 days	
2021	6,911	–	–	–	–	6,911
2022	6,537	–	–	–	–	6,537

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16. Other financial assets and derivative financial instruments

The Group uses the hierarchy described in Note 2.26 for determining and disclosing the fair value of financial instruments by valuation technique:

			Group	
			As at 30 June 2022	As at 30 June 2021
Derivative financial instruments				
Derivative financial instruments used to hedge the price risk (current portion) – assets (liabilities)	Level 1	a)	(2,437)	(33)
Foreign exchange forward and swap contracts – liabilities	Level 2		522	3
Other derivatives			6	(1)
			(1,909)	**(31)**
Other financial assets				
Restricted cash		b)	690	1,030
Other financial assets			2,332	567
			3,022	**1,597**

The Group concludes forward agreements (with fixed price) with Lithuanian and Latvian agricultural production growers for purchase/sale of agricultural produce. For part of such agreements the Group does not have agreed sales/purchases contracts with fixed price. As at 30 June 2022, to hedge the arising risk of price fluctuations for the total amount of such unutilized purchase or sales commitments the Group concluded futures contracts that are traded on NYSE Euronext Paris SA exchange.

The Group uses over-the-counter (OTC) transactions, which are traded on the Rotterdam and Neuss Spyck OTC markets, to prevent the risk of fluctuations in the prices of rapeseed oil and rapeseed meal.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the forward agreement match the terms of the commodity future contract (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity future contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

• Differences in the timing of the cash flows of the hedged items and the hedging instruments
• The counterparties' credit risk differently impacting the fair value movements of the hedging instruments
and hedged items
• Changes to the forecasted amount of cash flows of hedged items and hedging instruments

a) Derivative financial instruments used to hedge the price risk were attributed to the category of fair value hedge. As at 30 June 2022, the fair value of such futures contracts was equal to EUR 2,437 thousand of loss (as at 30 June 2021, EUR 33 thousand of loss). A hedged item (commitments to purchase agricultural produce) of EUR 464 thousand of profit (EUR 804 thousand of loss as at 30 June 2021) is accounted for as inventories in the statement of financial position and in cost of sales in the statement of comprehensive income by netting with gain and losses arising from the hedge instrument. Derivative financial instruments used for trading are accounted in other income (expenses). The result is recorded in the cost of sale of the statement of comprehensive income. As at 30 June 2022, derivative financial instruments used to hedge against the risk of exchange rate fluctuations were classified as cash flow hedging transactions and their fair value was EUR 522 thousand profit (as at 30 June 2021, EUR 3 thousand profit). Derivative financial instruments that do not meet the hedging criteria are accounted for in Other income (expenses).

b) As at 30 June 2022 and 30 June 2021, restricted cash balance mostly consists of cash at bank account, held as a deposit for trading in the futures exchange and reserved for other purposes.

Where the fair value of other financial assets can't be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. Where possible, these models use market data but where this is not feasible certain assumptions are used in establishing fair values.

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16. Other current financial assets and derivative financial instruments (cont'd)

The Group has recognized gain resulting from ineffective hedge in amount of EUR 6,424 thousand in costs of sales account for the year ended 30 June 2022 (EUR 245 thousand gain for the year ended 30 June 2021).

The Group is holding the following commodity future contracts:

As at 30 June 2022	Sept. 2022	Nov. 2022	Nov. 2022*	Dec. 2022	Mar. 2023	Total
Commodity future contracts						
Notional amount (in tons, thousand)	2,5	–	7	17,3	–	4
Notional amount in EUR, thousand	(11)	(198)	(797)	(359)	103	(1,262)
Average hedged rate (EUR thousand per ton)	(4.4)	–	(113.86)	(20.75)	–	(47.09)

**Open derivatives are related to inefficient hedging relationships or are not intended for hedging.*

As at 30 June 2021	Sept. 2021	Nov. 2021	Nov. 2021*	Dec. 2021	Mar. 2022	Total
Commodity future contracts						
Notional amount (in tons, thousand)	11	31	–	150	3	195
Notional amount in EUR, thousand	65	(663)	(1)	556	9	(34)
Average hedged rate (EUR thousand per ton)	5.91	(21.3)	–	3.71	3	(0.17)

**Open derivatives are related to inefficient hedging relationships or are not intended for hedging.*

17. Cash and equivalents

	Group		Company	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Cash at bank	19,776	17,939	222	6,577
Cash in transit	868	25	–	–
Cash on hand	166	43	–	–
	20,810	**18,007**	**222**	**6,577**

As at 30 June 2022, the Group pledged cash of EUR 3,403 thousand (EUR 6,568 thousand as at 30 June 2021) to banks as collateral for the loans (Note 20).

As at 30 June 2022 and 30 June 2021, there were no restrictions on use of cash balances held in the pledged accounts (Note 20).

18. Reserves

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5% of net profit, calculated in accordance with International Financial Reporting Standards, are compulsory until the reserve reaches 10% of the share capital. As at 30 June 2022, the legal reserve is EUR 3,911 thousand (as at 30 June 2021 – EUR 3,911 thousand). Legal reserve was not fully formed as at 30 June 2022 and 30 June 2021.

Reserve for own shares

A reserve for own shares acquisition in amount of EUR 5,000 thousand was formed based on the decision of the annual general meeting of the Company's shareholders, held on 31 October 2018. Purpose of acquisition of own shares is to maintain and increase the price of the Company's shares. The time limit within which the Company may acquire its own shares is 18 months from 31 October 2018 till 30 April 2020.

During the year ended 30 June 2022, the Company disposed of 6,000 own shares, net result of this transaction is recognized directly to the statement of changes in equity. During the year ended 30 June 2021, the Company disposed of 1,000 own shares, net result of this transaction is recognized directly to the statement of changes in equity.

Foreign currency translation reserve

The foreign currency translation reserve results from currency exchange rate differences arising on consolidation of Linas Agro A/S, LLC Linas Agro Ukraine, KG Polska Sp.zo.o., IOOO Belfidagro, OOO KLM, OOO VitOMEK (entity code 1117746107291), and OOO VitOMEK (entity code 1157746009398) as at 30 June 2022 and as at 30 June 2021.

Share based payments reserve

As at 30 June 2022, the Group / Company accounted for EUR 1,165 thousand of expenses related to employees participating in share options incentive (as at 30 June 2021 – EUR 932 thousand), additional information is disclosed Note 29.

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19. Grants and subsidies

The movement of grants related with asset, received by the Group is as follows:

Balance as at 30 June 2020	**6,288**
Received	1,154
Amortisation	(604)
Balance as at 30 June 2021	**6,838**
Acquisition of subsidiaries (Note 3)	2,611
Received grant related to COVID-19	1,111
Grants used	(781)
Amortisation	(747)
Balance as at 30 June 2022	**9,032**

As at 30 June 2022, the amount is disclosed in the statement of financial position as non-current liabilities of EUR 8,285 thousand and EUR 747 thousand – as other current liabilities. As at 30 June 2021, EUR 6,372 thousand as non-current liabilities and EUR 466 thousand - as other current liabilities.

The major part of the Group's grants consists of the funds received from the European Union and National Paying Agency for the purpose of an acquisition of machinery and equipment (property, plant and equipment).

The amortization of grants of the Group for the years ended 30 June 2022 and 30 June 2021 was included into the following captions:

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Cost of sales (reducing the depreciation expenses of related assets)	629	515
Operating expenses	–	6
Biological assets	118	83
	747	**604**

For the year ended 30 June 2022, the Group received subsidies for animals and livestock, crops and milk in the total amount of EUR 3,930 thousand (Note 26). Also for the year ended 30 June 2022 the Group received grants for poultry activity, related with COVID-19 in the amount of EUR 3,722 thousand (Note 26).

20. Borrowings

	Group		**Company**	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Non-current borrowings				
Bank borrowings secured by the Group assets	22,305	13,056	–	–
Other non-current related parties' borrowings (Note 32)	–	–	4,386	1,206
	22,305	**13,056**	**4,386**	**1,206**
Current borrowings				
Current portion of non-current bank borrowings	20,641	17,119	–	–
Current bank borrowings secured by the Group assets	207,014	57,104	47,513	8
Other current borrowings	–	11	–	–
Other current related parties' borrowings (Note 32)	–	–	9,276	13,017
Current stockholders' borrowings (Note 32)	6,536	6,000	6,536	6,000
	234,191	**80,234**	**63,325**	**19,025**
	256,496	**93,290**	**67,711**	**20,231**

Interest payable is normally settled monthly throughout the financial year.

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20. Borrowings (cont'd)

As at 30 June 2022 and 30 June 2021, part of shares, property, plant and equipment, investment property, biological assets, non-current receivables, inventories, prepayments trade receivables and bank accounts were pledged to banks as a collateral for the loans (Notes 3, 6, 8, 9, 10, 11, 13, 14, 17).

Compliance with the covenants of the borrowing agreements

As at 30 June 2022, AS Putnu Fabrika Kekava and SIA Lielzeltini have not fulfilled part of covenants under credit agreements with Swedbank AS and received bank waver before the end of the financial year.

AB Linas Agro Group has not fulfilled part of covenants under credit agreement with Swedbank AB, Luminor AB and SEB AB. The amount of borrowings EUR 42,290 thousand was accounted for as short-term liabilities as at 30 June 2022. In addition, AB Linas Agro Group also has not fulfilled part of covenants under credit agreement with OP Corporate Bank plc. The amount of borrowings of EUR 5,316 thousand was accounted for as short-term liabilities as at 30 June 2022. AB Kaišiadorių Paukštynas also has not fulfilled part of the covenants under credit agreement with OP Corporate Bank plc. The borrowings amounting to EUR 2,181 thousand were accounted for as short-term liabilities as at 30 June 2022. SIA KG Latvija also has not fulfilled part of the covenants under credit agreement with OP Corporate Bank plc, the contract amount equal to EUR 1,730 thousand is short-term.

Weighted average effective interest rates of borrowings outstanding at the year-end:

	Group		**Company**	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Current borrowings	2.00%	2.18%	2.94%	3.92%
Non-current borrowings	1.98%	1.92%	3.27%	2.70%

Borrowings at the end of the year in national and foreign currencies (EUR equivalent):

	Group		**Company**	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Borrowings denominated in:				
EUR	255,237	92,754	67,711	20,231
USD	1,259	536	–	–
	256,496	**93,290**	**67,711**	**20,231**

As at 30 June 2022, the Group's not utilized credit lines comprise EUR 149,019 thousand (EUR 41,731 thousand as at 30 June 2021).

The fair value of the Group's and the Company's borrowings approximate their carrying amount.

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21. Lease liabilities

The assets leased by the Group under lease contracts consist of land, premises, machinery and equipment, vehicles and other property, plant and equipment. The terms of lease do not include restrictions on the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements.

	Group		Company	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Non-current lease liabilities				
Lease liabilities related to right of use assets	25,134	23,547	8,780	9,129
Lease liabilities related to other assets	6,733	3,601	51	83
	31,867	**27,148**	**8,831**	**9,212**
Current lease liabilities				
Lease liabilities related to right of use assets	4,748	4,209	336	324
Lease liabilities related to other assets	2,911	1,344	19	20
	7,659	**5,553**	**355**	**344**
	39,526	**32,701**	**9,186**	**9,556**

Future lease payments under the above-mentioned lease contracts are disclosed in Note 30. The fair value of the Group's and the Company's lease liabilities approximate their carrying amount.

22. Trade payables

Trade payables are non-interest bearing and are normally settled on 360-day term. Most part of Group trade payables was payables for goods and services as at 30 June 2022.

23. Other non-current liabilities, other current liabilities, and contract liabilities

	Group	
	As at 30 June 2021	As at 30 June 2020
Other non-current liabilities		
Refund liabilities (sale of equipment with right of return)	467	423
Other non-current liabilities	1,162	1,233*
Total other non-current liabilities	**1,629**	**1,656**
Contract liabilities		
Contract liabilities	3,201	2,070
Other current liabilities		
Bonuses to employees	9,917	6,165
Vacation accrual	9,936	4,171
Payroll related liabilities	11,019	3,801
VAT payable	8,973	2,632
Current portion of grants (Note 19)	747	466
Other liabilities	7,917	5,348
Total other current liabilities	**48,509**	**22,583**

Other current liabilities are non-interest bearing and have an average settlement term of three months.

**Comparative information for marked groups was recalculated in the interim financial statements. In 2022, Company reviewed accounts grouping methodology in separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2020/2021*

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24. Cost of sales

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Cost of inventories recognized as an expense*	(1,534,679)	(804,347)
Logistics expenses	(59,752)	(45,517)
Wages and salaries and social security	(77,481)	(28,444)
Depreciation (Notes 5,6, 7,8)	(22,043)	(9,427)
Utilities expenses	(8,042)	(4,910)
Provision of onerous contract	39	–
Change in fair value of biological assets (Note 10)	12,732	4,168
Change in fair value of financial instruments	(6,424)	(245)
Other	(11,158)	(2,519)
	(1,706,808)	**(891,241)**

* Cost of inventories recognized as an expense includes previous season fair value adjustment to sold crops amounting to EUR 5,436 thousand which was expensed during the year ended 30 June 2022 (EUR 5,291 thousand recognized as an expense for the year ended 30 June 2021).

25. Operating expenses

	Group		Company	
	Financial year ended			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Wages, salaries and social security	(55,034)	(24,473)	(1,986)	(2,162)
Advertisement, marketing, representation	(6,881)	(1,945)	(53)	(49)
Depreciation and amortization	(4,136)	(2,171)	(101)	(73)
Consulting expenses	(3,595)	(2,169)	(398)	(1,516)
Vehicle lease and maintenance	(3,498)	(1,427)	(36)	(29)
Taxes	(2,535)	(963)	(69)	(42)
Premises lease and maintenance	(1,743)	(484)	(26)	(5)
Bank fees	(1,683)	(893)	(18)	(1)
Office supplies and services	(1,546)	(1,168)	(66)	(28)
Inventories and trade receivables insurance	(994)	(310)	–	–
Support	(494)	(145)	(86)	(84)
Currency exchange profit	(220)	(24)	–	–
Other	(13,997)	(2,194)	(341)	(186)
	(96,356)	**(38,366)**	**(3,180)**	**(4,175)**

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26. Other income (expenses)

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Other income		
Grants received for agriculture activity	3,930	3,657
Grants for poultry activity, related with COVID 19*	3,722	962
Rental income from investment property and property, plant and equipment	588	175
Gain from disposal of investment property and property, plant and equipment	2,765	853
Change in fair value of financial instruments	3,903	75
Gain on rights transfer (Note 3)	–	1,925
Gain from acquisition of subsidiaries	1,272	–
Other income	6,514	235
	22,694	**7,882****
Other (expenses)		
Direct operating expenses arising from rented and not rented investment properties	(456)	(252)
Loss from disposal of property, plant and equipment	(71)	(32)
Change in fair value of financial instruments	(30)	(926)
Impairment of investments into associates	(202)	–
Other expenses	(4,822)	(44)
	(5,581)	**(1,254)**

**Grants received do not have any repayment conditions.*
*** Comparative information for marked groups was recalculated in the interim financial statements. In 2022, the Group reviewed accounts grouping methodology in the separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2020/2021.*

27. Income (expenses) from financing activities

	Group		Company	
	Financial year ended			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Income from financing activities				
Interest income	1,976	731	804	907
Profit from foreign exchange rate differences	–	125	–	–
Income from overdue payments	317	25	–	–
	2,293	**881****	**804**	**907**
(Expenses) from financing activities				
Interest expenses	(11,191)	(3,496)	(2,530)	(753)
Loss from foreign exchange rate differences	(3,667)	–	–	–
Expenses for overdue payments	(213)	(55)	–	–
	(15,071)	**(3,551)**	**(2,530)**	**(753)**

** *Comparative information for marked groups was recalculated in the interim financial statements. In 2022, Group reviewed accounts grouping methodology in the separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2020/2021.*

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28. Income tax

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Current income tax (expense)	(13,231)	(912)
Income tax correction for prior periods	25	(738)
Deferred income tax income (expense)*	(378)	(958)
Income tax income (expenses) recorded in the statement of comprehensive income	**(13,584)**	**(2,608)**
Deferred tax gain (loss) recorded in other comprehensive income	–	–

**Deferred tax income mostly relates to recognition of accumulated tax losses as at 30 June 2022 and as at 30 June 2021.*

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Deferred income tax asset		
Tax loss carry forward (available indefinitely)	418	702
Tax loss carry forward (available to carry forward 5 years)	489	267
Accruals	1,175	1,381
Investment incentive	–	121
Differences in tax base of trade receivables	683	415
Impairment of investment property	139	66
Allowance for inventories	121	152
Fair value of financial instruments	33	–
Acquisition of subsidiaries	5,007	–
Other	376	364
Reclassified as non-current assets held for sale	(646)	–
Total deferred income tax asset	**7,795**	**3,468**
Deferred income tax liability		
Property, plant and equipment and investment property (difference between tax and accounting values)	(87)	(456)
Fair value of biological assets	(1,934)	(897)
Fair value of financial instruments	–	(115)
Acquisition of subsidiaries	(499)	–
Other	(199)	(181)
Total deferred income tax liability	**(2,719)**	**(1,649)**
Deferred income tax, net	**5,076**	**1,819**
Accounted for as deferred income tax asset in the statements of financial position	7,139	2,848
Accounted for as deferred income tax liability in the statements of financial position	(2,063)	(1,029)

The Group's deferred income tax asset and liability were set-off to the extent they relate to the same tax administration institution and the same taxable entity.

As at 30 June 2022 and 30 June 2021, the Group has not recognized deferred tax asset for the following temporary differences (temporary differences basis is provided below before application of income tax rate):

	Group	
	As at 30 June 2022	As at 30 June 2021
Tax loss carry forward*	3,480	189
	3,480	**189**

**Tax losses are available to carry forward indefinitely (EUR 3,480 thousand).*

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28. Income tax (cont'd)

Deferred tax asset has not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have a history of losses.

The income tax can be reconciled to the theoretical amount, which would be calculated by applying the basic income tax rate to the Group's profit before tax as follows:

	Group	
	Financial year ended	
	30 June 2022	30 June 2021
Profit (loss) before tax	90,841	16,797
Income tax (income) expenses, applying the statutory rate in Lithuania (15%)	13,626	2,520
Effect of different tax rates in Estonia, Latvia, Denmark, Ukraine, Belarus and Russia (Note 2.21.)	(1,897)	181
Change in valuation allowance	–	(283)
Income tax correction for prior periods	(25)	738
Temporary differences for which no deferred taxes were recognized	28	22
Permanent differences	2,142	(113)
Tax incentive	(290)	(457)
Total income tax (income) expenses	**13,584**	**2,608**
Effective income tax rate	**15%**	**16%**

29. Basic and diluted earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares for the years ended 30 June 2022 and 30 June 2021 was as follows:

Calculation of weighted average for the year ended 30 June 2022	Number of shares	Par value (EUR)	Issued/365 (days)	Weighted average
Shares issued as at 30 June 2021	158,172,426	0.29	145/365	62,835,621
Shares issued as at 22 November 2021	1,454,000	0.29	30/365	13,119,980
Disposal of own shares 22 December 2021	1,000	0.29	1/365	437,335
Disposal of own shares 23 December 2021	1,000	0.29	189/365	82,656,911
Disposal of own shares 30 June 2022	4,000	0.29	-	-
Shares issued as at 30 June 2022	159,632,426			159,049,847

Calculation of weighted average for the year ended 30 June 2021	Number of shares	Par value (EUR)	Issued/366 (days)	Weighted average
Shares issued as at 30 June 2020	158,169,426	0.29	9/365	3,900,068
Disposal of own shares 9 July 2020	1,000	0.29	351/365	152,103,615
Disposal of own shares 25 June 2021	1,000	0.29	4/365	1,733,385
Disposal of own shares 29 June 2021	1,000	0.29	1/365	433,349
Shares issued as at 30 June 2020	158,172,426			158,170,417

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29. Basic and diluted earnings per share (cont'd)

Calculation of the basic earnings per share is presented below:

	Financial year ended	
	30 June 2022	30 June 2021
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	77,257	14,189
Weighted average number of ordinary shares outstanding for the year	159,049,847	158,170,417
Basic earnings per share (in EUR)	0.49	0.09

Share based payments and diluted earnings per share

AB Linas Agro Group, following the Rules for Granting Equity Incentives approved on 1st of June 2018 and acting in accordance with the decision of the General Shareholders Meeting of 1st of June 2018, signed options contracts with employees of AB Linas Agro Group and of the subsidiaries, in which AB Linas Agro Group owns 50 per cent or more of shares, for 4,610,180 ordinary registered shares of AB Linas Agro Group. During the years 2021-2023, according to the procedures and terms established in options contracts employees will be able to exercise the right to acquire the above mentioned number of ordinary registered EUR 0.29 nominal value shares of AB Linas Agro Group provided to the employee free of charge under the terms and conditions established by the rules.

50% of all share options will vest in 3 years-time from signing of the option agreements, 25% - in four-year time and the rest 25% - in five years-time. There are no other vesting conditions, except for the requirement for a person to be employed at the Group for the above specified period of time, i.e. 50% of share-s options will vest if a particular person is still employed for 3 years from signing of the share options agreement. 25% of share options will vest if a person is employed for 4 years from signing of the share options agreement and the rest 25% of share options will vest if a person is employed for 5 years from signing of the share options agreement date. Share options are exercisable during the two months period after each vesting period ends for particular tranche.

Grant date is considered to be 29th June 2018 when principal terms of share options agreements were presented to employees participating in share options incentive. As at 30 June 2022 the Group/ Company accounted for the proportion of the related expenses with the vesting period amounting to EUR 208 thousand in these financial statements (incl. EUR 67 thousand of the amount that is expected to be transferred to the tax authority to settle the employee's tax obligation associated with the share-based payment arrangement)(as at 30 June 2021 – EUR 548 thousand).

On 28 February 2020, the Company signed additional options contracts with employees of AB Linas Agro Group subsidiaries, in which AB Linas Agro Group owns 50% or more of shares, for the variable number of share options, which was estimated on 30 June 2022 as maximum possible number of share options according to the Group rules for share issue signed on 27 February 2020 for 5,283,200 ordinary registered shares of AB Linas Agro Group (2,265,625 ordinary registered shares of AB Linas Agro Group as at 30 of June 2021). In 2023, according to the procedures and terms established in options contracts, employees will be able to exercise the right to acquire the above-mentioned number of ordinary registered EUR 0.29 nominal value shares of AB Linas Agro Group provided to the employee free of charge under the terms and conditions established by the rules. 100% of all share options will vest in 3-year time from signing of the option agreements.

In these financial statements, the Group and the Company accounted the related expenses corresponding to the given period proportionally, amounting to EUR 1,020 thousand as at 30 June 2022 (as at 30 June 2021 - EUR 437 thousand).

On 29 October 2021, AB Linas Agro Group signed an option contract with AB Linas Agro Group and employees of its subsidiaries of which 50% or more shares belong to AB Linas Agro Group, as due to 106,620 ordinary registered shares of AB Linas Agro Group. Based on the terms and conditions set forth in the options, in 2024-2026, employees will be able to exercise the right to receive the above-mentioned number of ordinary nominal shares of Linas Agro Group AB with a nominal value of EUR 0.29, which are granted to the employees free of charge in accordance with the conditions and provisions set forth in the rules.

50% of all stock options are valid for 3 years from the signing of the options, 25% - for four years, and the remaining 25% - for five years. There are no other terms of validity other than the requirement that the individual has been employed by the Group for the period specified above, i.e. 50% of stock options will be granted if a specific person has worked in the Group for 3 years from the signing of the stock option, 25% of stock options will be granted if the person has worked in the Group for 4 years from the signing of the stock option, and the remaining 25% of stock options will be granted if the person has worked in the Group for 5 years from the signing of the stock option. Stock options are exercisable within two months of each specific expiration period.

As at 30 June 2022 The Group and the Company has accounted EUR 16 thousand of related expenses corresponding to the given period in these financial statements.

29. Basic and diluted earnings per share (cont'd)

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number	WAEP
Balance as at 30 June 2020	5,315,485	0
Granted during the year	–	–
Forfeited during the year	(141,860)	0
Exercised during the year	–	–
Balance as at 30 June 2021	5,173,625	0
A change in an estimate of variable number of share options	3,017,576	–
Granted during the year	106,620	–
Forfeited during the year	(70,930)	0
Exercised during the year	(1,454,000)	–
Balance as at 30 June 2022	6,772,891	0

As at 30 June 2022, 1,454,000 units of stock options were exercised.

The weighted average fair value of options granted during the year was EUR 0.60 (EUR 0.63 as at 30 June 2021).

The fair value of the share options which grant date is considered to be 29 June 2018 fair value is estimated at the grant date using the average price derived from a binomial and The Black-Scholes-Merton option pricing models, taking into account the terms and conditions on which the share options were granted. They key valuation assumptions are provided below:

Weighted average fair value at the measurement date (€)	0.67
Dividend yield (%)	0.7 - 2.00 %
Expected volatility (%)	0.20 - 0.30
Risk–free interest rate (%)	2.00 %
Expected life of share options (years)	3 - 5
Weighted average share price (€)	0.705

Option transactions with a grant date of 28 February 2020 and 29 October 2021 the fair value is calculated on the grant date by applying the share price on the stock exchange on that day, due to the fact that these contracts only provide for the employment condition of the Group employee during the stipulated period and the value of the option is not adjusted.

The expected life of the share options is based on options agreements and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all diluted potential ordinary shares (options described above) into ordinary shares.

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29. Basic and diluted earnings per share (cont'd)

The weighted average number of ordinary and potential diluted shares for the year ended 30 June 2022 was as follows:

Calculation of weighted average for the year ended 30 June 2022	Number of shares	Par value (EUR)	Issued/365 (days)	Weighted average
Shares and potential shares issued as at 30 June 2021	163,346,051	0.29	1/365	447,523
A change in an estimate of variable number of share options as at 1 July 2021	3,017,576	0.29	120/365	54,694,891
Shares issued as at 29 October 2021	106,620	0.29	18/365	8,209,492
Exercised as at 16 November 2021	(1,454,000)	0.29	6/365	2,712,596
Shares issued as at 22 November 2021	1,454,000	0.29	30/365	13,682,486
Disposal of own shares 22 December 2021	1,000	0.29	1/365	456,086
Disposal of own shares 23 December 2021	1,000	0.29	127/365	57,923,220
Forfeited share option as at 29 April 2022	(70,930)	0.29	62/365	28,265,429
Disposal of own shares 30 June 2022	4,000	0.29	–	–
Shares and potential shares issued as at 30 June 2022	166,405,317			166,391,723

Calculation of the diluted earnings per share is presented below:

	Financial year ended	
	30 June 2022	30 June 2021
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	77,257	14,189
Weighted average number of ordinary plus potential ordinary shares outstanding for the year	166,391,723	163,415,556
Diluted earnings per share (in EUR)	0.46	0.09

30. Financial assets and liabilities and risk management

Credit risk

None of the Group's customers comprise more than 10% of the Group's trade receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group's procedures are in force to ensure that sales are made to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. As at 30 June 2022, part of AB Linas Agro trade receivables were insured with the insurance limit equal to equivalent of EUR 83,633 thousand (EUR 13,779 thousand as at 30 June 2021).

The Group does not guarantee obligations of other parties.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the statements of financial position. Consequently, the Group's management considers that its maximum exposure is reflected by the amount of trade, related party and other accounts receivable and cash, net of allowance for doubtful accounts recognised at the reporting date. Part of the trade and other accounts receivables is secured with pledged assets (Notes 14 and 15).

Interest rate risk

The major part of the Group's borrowings is with variable rates, related to EURLIBOR, EURIBOR which creates an interest rate risk.

The sensitivity analysis of the pre-tax profit of the Group, considering that all other variables will remain constant, to possible changes in the interest rates is presented in the table below. There is no direct effect to equity from changes in interest rate.

30. Financial assets and liabilities and risk management (cont'd)

Effect on the profit before income tax for the year ended (in EUR thousand)

	Increase / decrease of basis points	30 June 2022	Increase / decrease of basis points	30 June 2021
EUR	+150	(3,749)	+150	(1,309)
EUR	-30	750	-30	262

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. The Group's liquidity (total current assets / total current liabilities) and quick ((total current assets – crops, current portion of animals and livestock and inventories) / total current liabilities) ratios as at 30 June 2022 were 1.25 and 0.71 respectively (as at 30 June 2021, 1.44 and 0.80, respectively).

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Group	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings	12,804	1,213	3,758	8,525	3,396	1,640	31,336
Lease liabilities	–	1,239	4,549	6,962	11,496	13,490	37,736
Current borrowings	–	57,078	849	–	–	–	57,927
Current borrowings from related parties	–	6,070	–	–	–	–	6,070
Current trade payables	1,451	44,811	17,445	–	–	–	63,707
Payable to related parties	–	232	–	–	–	–	232
Derivative financial instruments	–	–	34	–	–	–	34
Other liabilities	–	307	930	614	–	–	1,851
Balance as at 30 June 2021	**14,255**	**110,950**	**27,565**	**16,101**	**14,892**	**15,130**	**198,893**
Non-current borrowings	–	1,509	8,928	7,004	25,650	1,392	44,483
Lease liabilities	376	722	4,600	6,613	16,080	15,842	44,233
Current borrowings	47,284	72,234	44,606	–	58,348	–	222,472
Current borrowings from related parties	–	6,536	–	–	–	–	6,536
Current trade payables	7,358	167,565	30,264	–	–	–	205,187
Derivative financial instruments	–	37	3,133	79	–	–	3,249
Other liabilities	3,378	2,014	1,796	–	–	–	7,188
Balance as at 30 June 2022	**58,396**	**250,617**	**93,327**	**13,696**	**100,078**	**17,234**	**533,348**

30. Financial assets and liabilities and risk management (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Company	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings from related parties	–	–	1,136	1,271	–	–	2,407
Current borrowings from related parties	–	6,070	12,103	–	–	–	18,173
Lease liabilities	–	151	452	1,178	1,686	9,977	13,444
Current borrowings	–	8	–	–	–	–	8
Current trade payables		45	–	–	–	–	45
Payable to related parties		12,557	–	–	–	–	12,557
Other liabilities	–	–	–	–	–	–	–
Balance as at 30 June 2021	**–**	**18,831**	**13,691**	**2,449**	**1,686**	**9,977**	**46,634**
Lease liabilities	–	–	591	601	1,662	10,591	13,445
Non-current borrowings from related parties	–	–	–	–	1,136	–	1,136
Current borrowings	45,540	–	–	–	–	–	45,540
Current trade payables	–	40	–	–	–	–	40
Current borrowings from related parties	–	6,536	21,035	–	–	–	27,571
Other liabilities	–	–	202	–	–	–	202
Balance as at 30 June 2022	**45,540**	**6,576**	**21,828**	**601**	**2,798**	**10,591**	**87,934**

The Company liquidity (total current assets / total current liabilities) and quick ((total current assets – crops, current portion of animals and livestock and inventories) / total current liabilities) ratios as at 30 June 2022 were 0.19 and 0.19 respectively (as at 30 June 2021, 0.59 and 0.59, respectively).

As at 31 June 2022, the Company reported a net current liability position of EUR 53,031 thousand. Most part of liabilities are borrowings from related parties and the amount of EUR 42,290 thousand of syndicated loan liabilities which were accounted as current liabilities because of non-compliance with the covenants (Note 20). As at the date of issue of these financial statements the Company has received waiver from the Bank, stating that does not intend to terminate the borrowing agreement and/or related borrowing agreements. In addition, the Company is able to ensure timely fulfilment of its remaining current liabilities with receivable dividends from earned and distributable profit of subsidiaries. The financial statements have been prepared on a going concern basis.

Foreign exchange risk

Major currency risks of the Group occur due to the fact that the Group borrows foreign currency denominated funds as well as is involved in imports and exports. The Group's policy is to match cash flows arising from highly probable future sales and purchases in each foreign currency. When the Group opens a position in USD (i.e., goods are bought in USD and sold in EUR or vice versa), it manages USD exposure by changing positions in its credit line, i.e., buys or sells USD to close the open position.

The major part of the Group's monetary assets and liabilities as at 30 June 2022 and 2021 is denominated in EUR, consequently the management of the Group believes that foreign exchange risk on EUR is insignificant. The Group used financial derivatives to manage the USD foreign currency exchange risk.

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30. Financial assets and liabilities and risk management (cont'd)

Monetary assets and liabilities stated in various currencies as at 30 June 2022 and 30 June 2021 were as follows (EUR equivalent):

Group	As at 30 June 2022		As at 30 June 2021	
	Assets	Liabilities	Assets	**Liabilities**
EUR	340,287	542,766	108,065	213,854
USD	2,513	18,643	2,033	1,907
DKK	53	24	74	6
PLN	3,037	173	607	47
GBP	3	48	–	–
Other	38	10	37	4
	345,931	**561,664**	**110,816**	**215,818**

The following table demonstrates the sensitivity to a reasonably possible change in respect of currency exchange rate, with all other variables held constant of the Group's profit before tax (due to change in the fair value of monetary assets and liabilities).

	Increase/ decrease in exchange rate	Effect on the profit before income tax for the year ended (in EUR thousand)	
		30 June 2022	30 June 2021
USD	+ 15.00%	(2,420)	(19)
USD	- 15.00%	2,420	19
PLN	+ 15.00%	430	84
PLN	- 15.00%	(430)	(84)

Sensitivity to a reasonable possible change of DKK, GBP and UAH is not disclosed as it is not significant to the financial statements.

Changes in liabilities arising from financing activities

Group	1 July 2021	Cash flows from (to) financing activities	New leases	Other movements	30 June 2022
Loans	93,290	102,486	–	60,720	256,496
Grants	6,838	3,722	–	(1,528)	9,032
Interests (paid)	–	(15,076)	–	15,076	–
Dividends	–	(94)	–	94	–
Lease liabilities	32,701	(10,637)	18,157	(695)	39,526
	132,829	**80,401**	**18,157**	**73,667**	**305,054**

Financial risk, arising from biological assets, management strategy

The Group is engaged in wholesale trade of milk, therefore, is exposed to risks arising from changes in milk prices. The Group's wholesale agreements for milk not related with financial instruments but represent a significant price risk. The Group does not anticipate that milk prices will be in prolonged decline in the foreseeable future (at current period price increase noted) and, therefore, has not entered into derivative or other contracts to manage the risk of the decline in milk prices. The Group reviews its outlook for milk prices regularly in considering the need for active risk management.

Market price risk

The Group is exposed to the grain market price risk which is managed with the hedge accounting described in Note 16.

30. Financial assets and liabilities and risk management (cont'd)

Fair value of financial instruments

The Group's principal financial instruments not carried at fair value are trade, related party and other accounts receivable, trade, related party and other payables, non-current and current borrowings.

Fair value is defined as disclosed in Note 2.26. Fair values of assets and liabilities are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The carrying amounts of the Group's financial assets and liabilities (which are not carried at fair value) approximate fair value and are classified as level 3 according to the fair value hierarchy described in the Note 2.26.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

1. The carrying amount of trade, related party and other accounts receivable, current trade, related party and other accounts payable and current borrowings approximates fair value (level 3).
2. The fair value of non-current debt is based on discounting future cash flows related to debt using market interest rate and also considering own credit risk immaterial. The fair value of non-current borrowings with variable and fixed interest rates approximates their carrying amounts (level 3).

Capital management

For capital management purposes the Group's capital is equal to total equity in the statement of financial position amounting to EUR 279,951 thousand as at 30 June 2022 (EUR 196,221 thousand as at 30 June 2021).

The primary objective of the Group's capital management is to ensure that it maintains a strong creditworthiness and healthy capital ratios in order to support its business and maximise shareholder value. The Group holds high capital for possible future expansion and further development of the Group.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2022 and 30 June 2021.

The Company and the Group's subsidiaries registered in Lithuania and Estonia are obliged to keep its equity at no less than 50% of its share capital, as imposed by the Laws on Companies of the Republic of Lithuania and the Republic of Estonia. The Company and the Group's subsidiaries registered in Lithuania comply with this requirement. Group's subsidiaries registered in Estonia comply with this requirement as at 30 June 2021 and 30 June 2022, except for AS Dotnuva Baltic as at 30 June 2022 and 30 June 2021.

Group's subsidiaries registered in the Republic of Latvia are obligated to keep their equity higher than 0, as it is imposed by the Laws on Companies of the Republic of Latvia. All of the subsidiaries registered in Latvia comply with this requirement as at 30 June 2022 and 30 June 2021.

The Group and the Company manages capital using a leverage ratio, which is 1 minus total equity divided by total assets of the Group and the Company. The Group's policy is to keep the leverage ratio below 75%.

	Group		**Company**	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Total equity	279,951	196,221	127,546	114,248
Total assets	872,975	421,123	206,394	158,271
Total equity / Total assets	32%	47%	62%	72%
Leverage ratio	68%	53%	38%	28%

(all amounts are in thousand euros unless otherwise stated) 77

31. Commitments and contingencies

As at 30 June 2022, the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,309 thousand (EUR 1,672 thousand as at 30 June 2021).

A few Group companies (Sidabravo ŽŪB, Kėdainiai District Labūnavos ŽŪB and Panevėžys District Žibartonių ŽŪB and UAB Linas Agro grūdų centrai) have received grants from the European Union and the National Paying Agency (Lithuania) for acquisition of agricultural equipment.

Sidabravo ŽŪB and UAB Linas Agro grūdų centrai are committed not to discontinue operations related to agricultural up to 2028, Panevėžys District Žibartonių ŽŪB – up to July 2022 and November 2027, Kėdainiai District Labūnavos ŽŪB – up to the end of 2027.

SIA Lielzeltini and AS Putnu Fabrika Kekava received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products and compound feed production up to 2025, AS Putnu Fabrika Kekava – up to the end of 2023 and 2026.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 2,234 thousand as at 30 June 2022 (EUR 2,529 thousand as at 30 June 2021). Group has no plans to discontinue above mentioned operations.

In August 2018, the Group company AB Linas Agro received a ruling from the Customs of the Republic of Lithuania (hereafter – Customs) stating that Customs made additional calculation for the calendar year 2016 – 2017. The decision increased the taxes by EUR 644 thousand for fertilizers import in the mentioned period. Since part of the custom tax was paid, remaining amount of the provision as at 30 June 2022 is EUR 148 thousand. AB Linas Agro disagrees with the decision and is considering to appeal it.

Almex, former customer, has filed an appeal to the Court of Appeal in Serbia regarding the refusal of the Commercial Court to rule in the case concerning the alleged damages of EUR 1,800 thousand. As at 30 June 2022 and as at 30 June 2021, the Group‘s management is of the opinion that the appeal has no sound grounds, therefore no provision was recorded in the consolidated accounts regarding this matter.

As at 30 June 2022, the Company has ensured and guaranteed EUR 230,845 thousand (as at 30 June 2021 – EUR 120,505 thousand) for its subsidiaries to Banks for the granted loans.

32. Related parties' transactions

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 30 June 2022 and 30 June 2021 were as follows:

Members of the Board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder of the Group);
Dainius Pilkauskas;
Arūnas Zubas;
Andrius Pranckevičius;
Tomas Tumėnas;
Jonas Bakšys.

Subsidiaries: List provided in Note 3.

UAB Darius Zubas Holding (same ultimate controlling shareholder);

Akola ApS group companies:
Akola ApS (Denmark) (same ultimate controlling shareholder);
UAB MESTILLA (same ultimate controlling shareholder).

UAB PICUKĖ - 100% of shares are owned by UAB Darius Zubas holding.
UAB Palūšės Turas - 100% of shares are owned by UAB PICUKĖ.
AB Ignitis Grupė (Andrius Pranckevičius was the Independent Member of Supervisory Board till October 2021).
UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).
Kredito unija Saulėgrąža from March 2020 (Tomas Tumėnas is the Member of Supervisory Board).
Jonas Bakšys from June 2017 till present is the Member of Board at Lobiu Sala AS (Sweden).

32. Related parties' transactions (cont'd)

Vividum UAB (Jonas Bakšys joint community property with spouse together).
UAB Dvi T – 100% of shares are owned by Jonas Bakšys.

AS at 30 June 2022, the Group had direct and indirect investments in these joint ventures and associates (effective share stock held by the Group stated below):

KG Khumex B.V. (The Netherlands) – 50.00%;
KG Khumex Coldstore B.V. (The Netherlands) – 41.34%;
SIA NOVOBALTIC (Latvia) – 16.59%.(from 15 July 2021 till 17 May 2022).

The Group's transactions with related parties during financial year ended 30 June 2022 and 30 June 2021 were as follows:

2021/2022

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Trade receivables	Non-current loans receivable	Payables	Current payable loans
Akola ApS group companies	958	52,228	–	359	170	–	–	6,536
KG Khumex B.V.	10	36,583	–	–	5,647	–	–	–
KG Khumex Coldstore B.V.	–	7	7	–	–	750	–	–
SIA NOVOBALTIC	63	5,423	–	–	–	–	–	–
	1 ,031	**94,241**	**7**	**359**	**5,817**	**750**	**–**	**6,536**

2020/2021

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Trade receivables	Non-current loans receivable	Payables	Current payable loans
Akola ApS group companies	692	20,695	–	156	41	–	232	6,000
	692	**20,695**	**–**	**156**	**41**	**–**	**232**	**6,000**

The Company's transactions with related parties during financial year ended 30 June 2022 and 30 June 2021 were as follows:

2021/2022

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Non-current loans receivable	Current loans and other receivable	Payables	Payable loans
Akola ApS group companies	–	–	–	359	–	–	–	6,536
Subsidiaries	10	17,015	804	573	6,053	11,169	296	13,662
	10	**17,015**	**804**	**932**	**6,053**	**11,169**	**296**	**20,198**

2020/2021

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Trade receivables	Non-current loans receivable	Payables	Current payable loans	Purchases
Akola ApS group companies	–	–	–	–	–	–	232	–	6,000
Subsidiaries	12,679	3,763	7,135	12,500	16	–	12,325	1,206	13,017
	12,679	**3,763**	**7,135**	**12,500**	**16**	**–**	**12,557**	**1,206**	**19,017**

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32. Related parties' transactions (cont'd)

As at 30 June 2022, interest rates of the Company for current loans receivable from related parties are 3.5% and 6.5% (as at 30 June 2021 – 1.8% and 5%), non-current loans receivables from related parties are 4% (as at 30 June 2021, 4% and 3-month EURIBOR + 2.45 % margin).

As at 30 June 2022, interest rates of the Company for current loans payable to related parties are 3-month EURIBOR + 2.7% margin, 3.5% and 5%, interest rates of non-current loans of the Company payable to related parties are from 2.6% to 3.5%. As at 30 June 2021, interest rates of the Company for current loans payable to related parties are from 2.61% to 5%, and interest rates of the Company's non-current loans payable to related parties was 3-month EURIBOR + 2.7% margin, and 3.5%.

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business and are aimed to be conducted on terms equivalent to arm's length transactions.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:
Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were not due neither impaired as at 30 June 2022 and 30 June 2021.

Remuneration of the management and other payments

The Group's management consists of the Company's board of directors and directors of each of the company in the Group. The Group's management remuneration amounted to EUR 4,718 thousand (including EUR 8 thousand of bonuses to the board of directors of subsidiaries) for the year ended 30 June 2022 (EUR 3,531 thousand (including EUR 161 thousand bonuses to the board of directors of subsidiaries) for the year ended 30 June 2021). For the year ended 30 June 2022, the Group's management has received EUR 5 thousand of rent payments (EUR 8 thousand of rent payments for the year ended 30 June 2021).

The Company's management consists of managing director, deputy to managing director and chief financial officer. The Company's management remuneration amounted to EUR 853 thousand for the year ended 30 June 2022 (EUR 776 thousand for the year ended 30 June 2021).

The Company has started to accrue the expenses for share options agreements as described in Note 29 to EUR 1,164 thousand (including EUR 701 thousand for directors of the companies in the Group - for the year ended 30 June 2022) (EUR 986 thousand (including for directors of the companies in the Group - EUR 519 thousand) for the year ended 30 June 2021).

No other payments or property transfers to/from the management were made or accrued; no other loans or guarantees were received / granted in the years ended 30 June 2022 and 30 June 2021.

33. Partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	30 June 2022	30 June 2021
AB Kauno Grūdai	Lithuania	10.91%	–
UAB KG Group LT	Lithuania	10.91%	–
UAB Šlaituva	Lithuania	26.05%	–
UAB Baltic Fumigation Service	Lithuania	10.91%	–
UAB KG Mažmena	Lithuania	10.91%	–
AB Zelvė	Lithuania	27.95%	–
UAB Kauno Grūdai Ir Partneriai	Lithuania	10.91%	–
AB Vilniaus Paukštynas	Lithuania	15.63%	–
UAB KG Distribution	Lithuania	15.63%	–
UAB Lietbro	Lithuania	15.63%	–
UAB Avocetė	Lithuania	15.63%	–
UAB GASTRONETA	Lithuania	15.63%	–
UAB VKP Valdymas	Lithuania	15.52%	–
Cooperative Baltoji Plunksnelė	Lithuania	17.12%	–
AB Kaišiadorių Paukštynas	Lithuania	15.40%	–
UAB Domantonių Paukštynas	Lithuania	11.00%	–
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	15.40%	–
UAB Uogintai	Lithuania	15.40%	–
UAB Kaišiadorių Skerdykla	Lithuania	15.40%	–
UAB Alesninkų Paukštynas	Lithuania	15.40%	–
UAB KG Logistika	Lithuania	15.52%	–
UAB VP Valda	Lithuania	15.63%	–
UAB KP Valda	Lithuania	15.40%	–
SIA KG Latvija	Latvia	10.91%	–
KG Eesti OÜ	Estonia	10.91%	–
KG Polska Sp.zo.o.	Poland	10.91%	–
Nordic Agro Investment Limited	United Kingdom	10.91%	–
IOOO Belfidagro	Belarus	10.91%	–
OOO KLM	Belarus	37.63%	–
OOO VitOMEK (entity code1117746107291)	Russia	2.73%	–
OOO VitOMEK (entity code 1157746009398)	Russia	2.73%	–
UAB Karčemos Bendrovė[1)]	Lithuania	–	0.02%
UAB KUPIŠKIO GRŪDAI [1)]	Lithuania	–	0.84%
Panevėžys District Aukštadvario ŽŪB	Lithuania	0.47%	0.46%
Kėdainiai District Labūnavos ŽŪB	Lithuania	1.05%	1.05%
Šakiai District Lukšių ŽŪB	Lithuania	1.18%	1.18%
Biržai District Medeikių ŽŪB	Lithuania	1.61%	1.60%
Sidabravo ŽŪB	Lithuania	3.75%	3.75%
Panevėžys District Žibartonių ŽŪB	Lithuania	0.10%	0.10%
Kėdainai district ŽŪB Nemunas	Lithuania	32.56%	32.56%
AS Putnu Fabrika Kekava	Latvia	2.84%	2.84%
UAB Kekava Foods LT	Lithuania	–	2.84%

1) On 22 March 2022 UAB Linas Agro Grūdų Centras, UAB Karčemos Bendrovė and UAB KUPIŠKIO GRŪDAI was merged with UAB Linas Agro Grūdų Centrai;

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(all amounts are in thousand euros unless otherwise stated) 81

33. Partly owned subsidiaries (cont'd)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations

Summarized statement of comprehensive income:

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Revenue	505,565	149,789	60,022	16,143	342,003
Net profit (loss)	27,996	(1,752)	(3,177)	(1,254)	20,866
Total comprehensive income	**27,996**	**(1,752)**	**(3,177)**	**(1,254)**	**20,866**
Attributable to non-controlling interests	3,053	(274)	(489)	(472)	630
Dividends paid to non-controlling interests	–	–	–	–	94

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Revenue	–	–	–	–	113,750
Net profit (loss)	–	–	–	–	4,052
Total comprehensive income	–	–	–	–	**4,052**
Attributable to non-controlling interests	–	–	–	–	23
Dividends paid to non-controlling interests	–	–	–	–	(12)

Summarised statement of financial position:

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Current assets	238,988	27,227	12,212	5,331	108,349
Non-current assets	43,646	47,106	12,572	1,292	121,285
Current liabilities	166,363	41,971	10,038	5,891	80,316
Non-current liabilities	1,549	1,714	2,771	1,930	33,065
Total equity	**114,722**	**30,648**	**11,975**	**(1,198)**	**116,253**
Attributable to Non-controlling interests	6,079	5,881	2,002	357	(4,177)

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Current assets	–	–	–	–	48,898
Non-current assets	–	–	–	–	94,616
Current liabilities	–	–	–	–	42,038
Non-current liabilities	–	–	–	–	22,343
Total equity	–	–	–	–	**79,134**
Attributable to Non-controlling interests	–	–	–	–	2,070

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33. Partly owned subsidiaries (cont'd)

Summarized cash flow statement:

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2022	30 June 2022	30 June 2022	30 June 2022	30 June 2022
Operating activities	(56,516)	964	(405)	5,242	(2,794)
Investing activities	(1,430)	(1,921)	887	351	(2,878)
Financing activities	18,781	(3,902)	1,636	(4,143)	(14,300)
Net increase/(decrease) in cash and cash equivalents	**(39,165)**	**(4,859)**	**2,118**	**1,450**	**(19,971)**

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
	Financial year ended				
	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
Operating activities	–	–	–	–	(3,432)
Investing activities	–	–	–	–	(2,154)
Financing activities	–	–	–	–	(4,422)
Net increase/(decrease) in cash and cash equivalents	**–**	**–**	**–**	**–**	**(10,008)**

34. Subsequent events

On 5 July 2022, authorized capital of AB Linas Agro was increased by EUR 5,134,480 by non-monetary contribution of AB Kauno Grūdai.

On 22 July 2022, AB Linas Agro concluded a syndicated credit agreement with Credit Suisse AG, Swedbank AB and AB SEB Bankas for the amount of EUR 170,000 thousand.

On 25 August 2022, Agreements on sale of share in OOO VitOMEK (Moscow, the Russian Fedaration) and OOO VitOMEK (Tver, the Russian Federation), and also IOOO Belfidagro were concluded.

During July and September 2022, Luminor Bank AS Lithuania operating through the Lithuanian branch of Luminor Bank AS granted short-term loans for a total amount of EUR 118,000 thousand to twelve subsidiary companies of AB Linas Agro Group.

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Consolidated Annual Report of AB Linas Agro Group for FY2021/2022

ended June 30, 2022

Content

Contact Person

Chief Financial Officer
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1. A Letter from CEO

Dear shareholders,

Our long-term success depends on our ability to create value for all our key stakeholders: our customers, the communities where we live and work, our employees, and you, our shareholders. I am delighted to share highlights of our achievements in the financial year that ended.

We have consistently pursued growth and started the financial year with the acquisition of KG Group, which is similar to our Group, and took a second significant step into the food manufacturing sector. Nine years ago, we tried our hand at the poultry business. We are firmly established in the industry and have introduced an innovation: we were the first in the Baltics to raise poultry without using antibiotics. We were confident that we could handle the newest challenge of integrating KG Group into the overall Group operations. And indeed, we did.

A lot has been done: the Group's structure has started to be optimised as it had doubled in size after the acquisition. We will continue to simplify our structure. During the year, the agricultural inputs business was successfully merged into a single company from the acquired company AB Kauno Grūdai to AB Linas Agro - the companies started the new financial year with no duplication of activities and each on its path: AB Linas Agro supplies goods to farmers and buys grain, while we see the public limited company Kauno Grūdai as the flagship of food and feed production in the future - a developer of new valuable products and discoverer of new markets. The company's creative team is full of ideas and desires to realize their ideas, constantly developing and launching new products. The first significant step is the planned noodles factory in Kaišiadorys. We have many ideas, and hope to implement most of them within five years.

A year ago, as part of the KG Group, we acquired five companies in Russia and Belarus and closed one of them by merging with another. When Russia invaded Ukraine, we severed our relations with all Russian and Belarusian companies, both our business partners and our subsidiaries. The challenge of finding new suppliers, buyers and logistics routes was as great as another simultaneous process - the transfer of activities from one company to another. The most difficult was the exit from Russia and Belarus, because after weighing up all the possible exit options, all the pros and cons, we had taken the decision to try to sell the companies. We managed to sell three companies, with the deals concluded after the end of the financial year.

Recalling what happened in the market after the supply of commodities to farmers and some raw materials for animal feed collapsed due to the disruption of relationships with suppliers in Russia and Belarus, I want to congratulate our team for its ability to adapt and serve customers in a very uncertain environment, which has led to our performance in a crisis far exceeding expectations.

Our net profit went up 444%. If we could have expected revenue growth of 101% given the size of the company we acquired, this profit growth against the backdrop of the war and its aftermath was above our assumptions.

Our Group's long-term strategic objectives were to achieve an operating profit margin of at least 3% and a return on capital employed (ROCE) of at least 8%. We achieved these targets with an operating profit margin of 5.47% and a ROCE of 18.97%. We have set new goals for each of our business segments, and they are listed in this report.

There is one area of activity where we are concerned - poultry business. It has been loss-making for years in Lithuania and Latvia, even though we have been focusing on it and producing exceptional quality, antibiotic-free chicken in both countries. The COVID-19 pandemic, which disrupted the markets had already made that business unprofitable in the previous financial year. And in this financial year, the rise in feed prices was only the beginning of the problem. The increase in energy prices has put the poultry farming business in a difficult situation, despite our efforts to optimize operations. We do not suppose to be able to make this business profitable in the next financial year. We know that other European poultry farms are also in a difficult situation. In which countries will poultry farming survive, and in which countries will not depend on the local policies and support. We will monitor the status closely and do everything we can to ensure this business survives.

Following the acquisition of KG Group, several new businesses have emerged, so this has been a year of familiarisation. Next year we will be looking more intensively at ways to grow each of these businesses and increase profitability.

In response to our expansion, our share price has changed significantly, rising to EUR 1.14 at the end of the financial year (from EUR 0.82 a year earlier) and continuing to rise. Analysts are divided on how much the share should be worth, but all of them believe it has not yet reached its value.

I would like to thank you, our shareholders, for investing in our shares as a vote of confidence in our team and for believing, as we do, that more can be done in all the areas in which we operate. Our vision is an era of sustainable agriculture and nourishing food. We believe this is not just our way but the planet's way. Our main objectives are increasing sustainability in agriculture and improving food quality and diversity. They are what we hope to achieve in our mission, which we have confirmed just before entering the financial year that has now ended.

This year, for the first time, we will publish a sustainability report based on the global GRI standard. For a number of years, we have been moving towards sustainability in small steps, saving energy, collecting waste materials for recycling, choosing and offering greener raw materials and tools to our customers, creating better working conditions for our employees, and collaborating with local communities. But for the first time, we will give a detailed account of these activities, based on generally accepted global standards. We operate in energy-intensive areas, so our contribution to a better future has been, is and will continue to be significant. In the financial year just ended, as much as 90 GWh of our electricity consumption was green, reducing CO_2 and greenhouse gas emissions by 34.6 thousand tons.

We are convinced that our contribution to the future of the food industry and agriculture will be equally important. We see significant growth opportunities in the food manufacturing sector, new trends in agriculture, and the businesses that serve it. We are confident that our willingness and efforts to change these industries will bring significant and tangible benefits to you.

Sincerely yours,

Chief Executive Officer Darius Zubas

Our mission:

Unlock the potential of agriculture and food industry.

Our vision –

New era of sustainable agriculture and nourishing food.

2. Reporting period for which the annual report has been prepared

The financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year. This annual report is prepared for the financial year 2021/22, and all the figures are stated as at 30 June 2022, unless otherwise indicated.

3. References and other explanatory notes on the information disclosed in the Report

All the financial data disclosed in this Consolidated Annual Report have been calculated in accordance with the International Financial Reporting Standards as adopted by EU according to audited financial statements.

The company's auditor is KPMG Baltics, UAB (code 111494971, Lvivo St. 101, Vilnius, Lithuania). During the period from 1 July 2021 to 30 June 2022, the Group purchased audit services from an audit company for an amount of EUR 361 thousand and other services for an amount of EUR 34 thousand.

In this Report AB Linas Agro Group is referred to as the Company whereas the Company with the controlled entities referred to as the Group.

4. Brief Information about the Company and the Group

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27/11/1995 in Panevezys
Code of legal entity	148030011
LEI	529900UB9QON717IL030
VAT identification number	LT480300113
Company registers	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Subačiaus St. 5, LT-01302 Vilnius, Lithuania
Phone	+370 45 50 73 03
E-mail	group@linasagro.lt
Website	www.linasagrogroup.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) and associates makes the Group, which was founded in 1991 and operates in eight countries: Lithuania, Latvia, Estonia, Ukraine, Russia, Belarus, the United Kingdom, Poland. The company had 72 subsidiaries and 2 associates as at 30 June 2022. The total headcount of the Group was 5,031. The financial year of the Group starts on the 1st of July. The Company does not have any branches and representative offices.

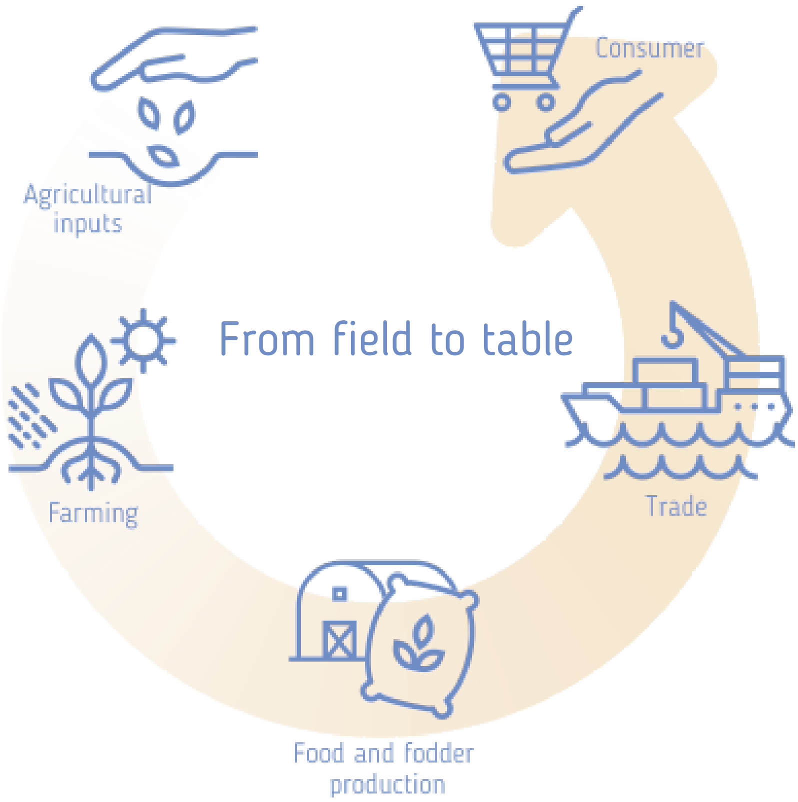
4.1. The Main Activity

AB Linas Agro Group is the largest group of agricultural and food production companies in the Baltic States, operating in the entire food production chain. The subsidiaries controlled by the Company produce, handle and merchandise agricultural and food products, also provide products and services for farming. The Company performs only the management function and is not involved in any trading or production activities.

The core products produced and marketed are grain, oilseed, compound feed, feed materials and additives, milk, poultry meat and poultry products, flour and flour products, instant food, pet food, veterinary pharmaceuticals, and goods to the farmers.The production chain, which extends from the field to the table, provides self-sufficiency in raw materials, ensures process traceability and the quality of the products produced.

The Group is the leading exporter of grains and has own network of grain storage facilities. Also is one of the leaders in supplies of agricultural inputs (such as certified seeds, fertilizers, crop care products and agricultural machinery) in Lithuania, has seed processing plant. The Group is a major milk producer in Lithuania and has the most efficient dairy farms. It owns the largest poultry meat producers in Lithuania and Latvia, operating the best-known poultry brands in both countries. The Group is the leader in the production of instant foods in the Baltic States.

Group's activities are described in more detail in Section 5.5.



5. Activity and Financial Results of the Group

Consolidated revenue of AB Linas Agro Group in 2021/22 financial year totalled EUR 1,896 million and was 101% more as compared to previous year (EUR 942 million).

The Group's sales volume in tons reached 3.69 million tons of various products and was 17% more as compared to previous year (3.16 million tons).

The gross profit reached EUR 189 million and was 269% higher than a year before (EUR 51 million).

The Group's operating profit was EUR 104 million or 432% more as compared to the respective period of the previous year (EUR 19 million).

Consolidated EBITDA amounted to EUR 132 million and was 296% higher as compared to the previous year (EUR 33 million).

Profit before tax amounted to EUR 91 million and was 441% higher as compared to EUR 17 million in previous year.

The net profit stood at EUR 77 million and increased by 444% y-o-y.

444%

5.1. Financial indicators

	2017/18	2018/19	2019/20	2020/21*	2021/22	Change 2021/22 compared to 2020/21 (thousand EUR)	Change 2021/22 compared to 2020/21 (%)
Sales revenue (thousand EUR)	634,423	742,542	657,700	942,442	1,895,667	953,225	101
Sales in tons	2,206,745	2,529,711	2,233,808	3,155,320	3,689,585	534,256	17
Gross profit (thousand EUR)	45,848	28,871	45,664	51,201	188,859	137,658	269
EBITDA (thousand EUR)	20,300	5,578	25,923**	33,401**	132,173	98,772	296
EBITDA (thousand EUR) (excluding the impact of IFRS 16)	20,410	5,578	23,860	29,267	127,113	97,846	334
Operating profit (thousand EUR)	9,597	(3,336)	14,827	19,467	103,619	84,152	432
Earnings before taxes EBT (thousand EUR)	7,523	(6,430)	11,931	16,797	90,841	74,044	441
Net profit (thousand EUR)	9,463	(4,830)	10,004	14,189	77,257	63,068	444
Readily Marketable Inventories (RMI) (thousand EUR)	26,235	18,374	13,735	21,224	26,798	5,574	26
Margins, %							
Gross profit margin	7.23	3.89	6.94	5.43	9.96	4.53	83
EBITDA margin	3.02	0.75	3.94	3.54	6.97	3.43	97
EBITDA margin (excluding the impact of IFRS 16)	3.22	0.75	3.63	3.11	6.71	3.60	116
Operating profit margin	1.51	(0.45)	2.25	2.07	5.47	3.40	165
Earnings before taxes margin	1.19	(0.86)	1.81	1.78	4.79	3.01	169
Net profit margin	1.49	(0.65)	1.52	1.51	4.08	2.57	171
Solvency ratios							
Current ratio	1.38	1.26	1.31	1.44	1.25	(0.19)	(13)
Debt / Equity ratio	1.26	1.30	1.24	1.15	2.12	0.97	85
Net financial debt / EBITDA	7.02	25.54	5.38	3.23	2.08	(1.15)	(36)

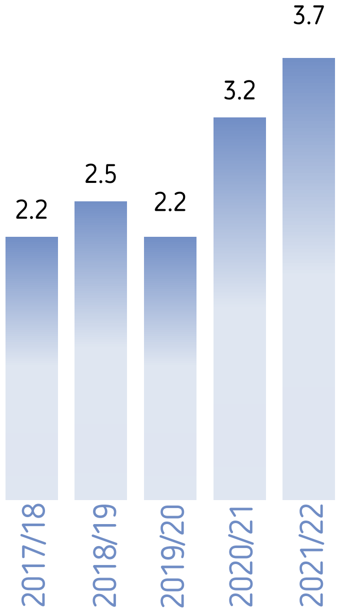
	2017/18	2018/19	2019/20	2020/21*	2021/22	Change 2021/22 compared to 2020/21 (thousand EUR)	Change 2021/22 compared to 2020/21 (%)
RMI adjusted Net financial debt / EBITDA	5.74	22.24	4.85	2.66	1.90	(0.76)	(29)
Return on equity (ROE), %	5.34	(2.84)	5.52	7.23	27.60	20.37	282
Return on capital employed (ROCE), %	2.90	(1.04)	4.77	6.61	18.97	12.36	187
Return on assets (ROA), %	2.36	(1.23)	2.47	3.37	8.85	5.48	163
Basic and diluted earnings per share (EPS)	0.06	(0.03)	0.06	0.09	0.46	0.37	411
Price earnings ratio (P/E)	12.34	(20.83)	9.37	9.19	2,48	(6.71)	(73)
Dividends for the financial year paid per share, in euros	0.0185	-	-	-	-	-	-
Dividends paid within financial year to net profit of the previous financial year, %	31.1	-	-	-	-	-	-

** To ensure more accurate representation of the activity, Company has revised the methodology relocating loss and/or gain from currency exchange line items to results of financial activity in the in separate and consolidated financial statements, therefore EBITDA, Operating profit and related ratios were adjusted for the comparative period 2020/2021*

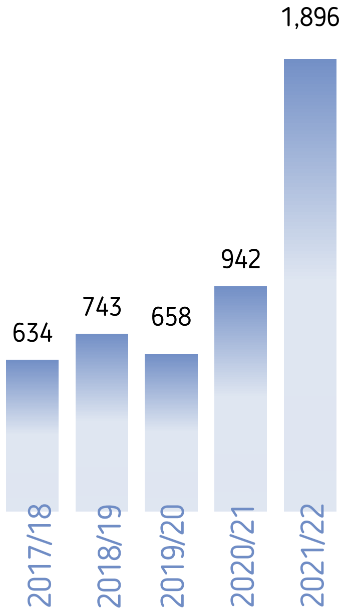
*** Depreciation of biological assets (crops) sold during the reporting period and related to the previous reporting period, amounting to EUR 2,229 thousand, is also excluded (EUR 2,186 thousand for the period 2020/2021, the effect of such depreciation was not significant for the comparative periods).*

Explanation of terms in table 5.1:

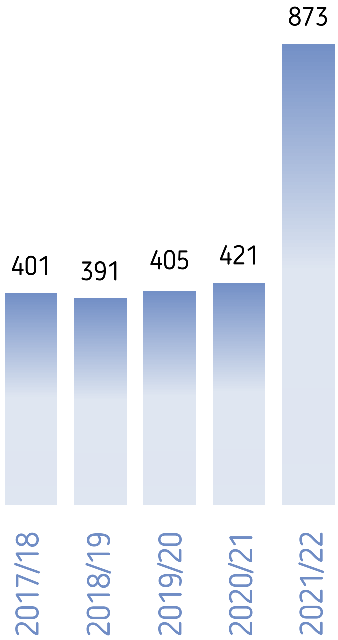
EBITDA	Equals operating profit before depreciation, amortization, and impairment losses.
Operating profit (EBIT)	Equals profit before net from investments and finance activities, and income tax.
Earnings before taxes (EBT)	Equals profit before income tax.
Profit margin of the period	Profit of the period expressed as a percentage of total revenue.
Net financial debt	Non-current, current liabilities to financial institutions and lease liabilities less cash and cash equivalent.
Capital employed	Shareholders' equity plus non-current and current liabilities to financial institutions.
Current ratio	Current assets divided by current liabilities.
Debt to equity ratio	Non-current and current borrowings as a percentage of Shareholders' equity.
Return on Equity (ROE), %	Net profit for the period as a percentage of average Shareholders' equity for the period.
Return on capital employed (ROCE), %	Operating profit (EBIT) for the period expressed as a percentage of capital employed for the period. The value of the denominator is calculated as the sum of equity, long-term and short-term loans as well as leasing liabilities not related to right of use assets.
Return on assets (ROA), %	Net profit for the period expressed as a percentage of total assets for the period. Calculated at the end of the financial year.
Price earnings ratio (P/E)	Closing Company's share price at Nasdaq Vilnius stock exchange at the end of reporting period divide by rolling 12 months' earnings per share.
Readily Marketable Inventories (RMI)	Inventories to which full unencumbered legal and beneficial title belongs to a member of the Group and are readily convertible into cash within less than 90 calendar days on the basis that such inventories are: (a) the subject of contracts traded on futures markets and/or price risk is covered by other forward sale and/or hedging transaction; (b) liquid and widely available in a range of markets due to homogenous product characteristics and international pricing; (c) such inventories are not held for processing and/or conversion into a more value-added product; and (d) liquidation of such inventories would not have a material adverse effect on the particular business franchise.
RMI adjusted Net financial debt	Net financial debt after deducting 90% of Readily Marketable Inventories of the relevant period.



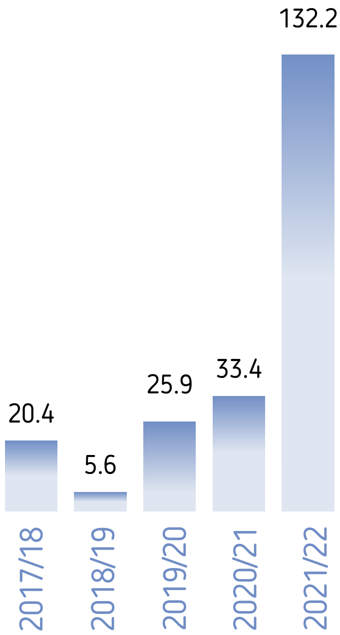
Sales volume, million tons



Revenue, MEUR



Assets, MEUR



EBITDA, MEUR

The Group's management estimates consolidated revenue of AB Linas Agro Group has potential totaling EUR 2,157 million in the financial year 2022/2023 (already started at the day of the publication of this report), being 14% higher compared to revenues of financial year 2021/2022.

5.2. Overview

Without major adjustments from previous indications, **the harvest year 2021/2022** should have closed **marking**:

GLOBALLY

- 2,291 million tons world grain production, likely representing all time high figure, with strong maize production taking the lead;
- 602 million tons world oilseed production with lower soybean yields in drought-affected Brazil, Paraguay, and Argentina being responsible for slightly weaker results compared to strong previous year;
- strong grain consumption, mostly associated with growing demand for food, feed and industrial uses, meanwhile somewhat normalized oilseeds demand due to the continuous rise in prices;
- temporary stabilization in terms of global cereal stocks (606 million tons) and declining world oilseed stocks (108 million tons);
- high price sentiment - in combination with post-covid and geopolitical turbulences fueled inflation, also explained with limited global availability of certain quality grain; in April-June 2022, world grain prices were 167-168 euros higher than last year, for example, wheat futures prices for December lots on the Euronext exchange fluctuated around 380-381 euros per ton, compared to 212-213 euros per ton a year ago.

BALTICS / LITHUANIA

- about 10 million tons of cereals, 1.5 million tons of rapeseed;
- in contrast to the record harvest of grain and oilseeds in all Baltic countries in 2020/2021, it seems that results of 2021/2022 have not met the expectations of stakeholders, however the yields are in line with the general trends of the last five years and even slightly above the average.

Figures as per latest data provided by International Grains Council (IGC)(22-Sep, 2022), United States Department of Agriculture (USDA) (12-Sep, 2022), Baltic statistical offices and unofficial statements by grain buyers and exporters.

The harvest year 2022/2023 indications:

GLOBALLY

- 2,256 million tons world grain production, being 35 million tons less compared to harvest year 2021/2022; despite increases for wheat and barley, dominantly contracting through maize position; lower production in Ukraine due to Russia's military action (expected to reach 50 million tons compared to 86 million tons previous year), declining yields due to extremely dry weather conditions in Europe and off-and on globally, as well as implicit lower fertilizer use,

- 645 million tons world oilseed production, potentially reaching all-time record quantity thanks to promising soybean harvest yields in Brazil, Argentina, Paraguay, higher production for the United States, China, favorable weather conditions in Australia,

- largely due to the persistence of high prices, the projected pace of cereal consumption is expected to slow; even though only slightly, downward trend shall be seen for the first time since 2015/2016, and shall be mainly evidenced through contracting feed maize demand,

- projecting in eight years lowest global cereal stocks (587 million tons), though meanwhile recovering world oilseed stocks (119 million tons) with higher soybean and rapeseed stocks partly offset with lower sunflower seed stock,

- continuously high price sentiment, with some easing in rates recorded lately with the set-up of the 120 days 'safe sea corridor', restoring the shipment of the grain and other foodstuffs from three Black sea ports; also some extra alleviation due to improved wheat production prospects, higher seasonal availability as harvests continued in the northern hemisphere.

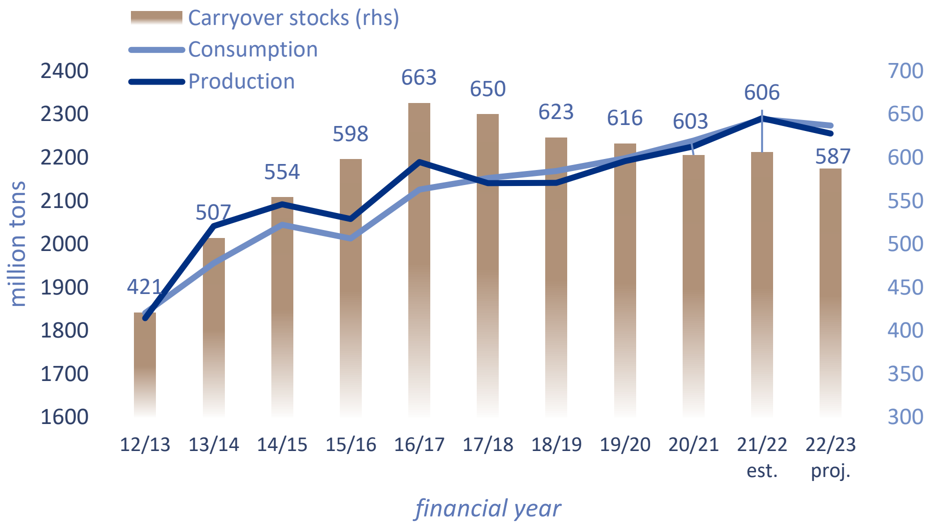
LITHUANIA

- according to preliminary data provided by ''Statistics Lithuania'' estimated harvest in Lithuania might total at 6.2 million tons of grain (higher than multi-year average), while rapeseed production shall account for 1.1 million tons,

- based on unofficial statements by grain buyers and exporters, higher concentration of feed grain compared to previous year, subtracted quality, low protein content; however, quite solid oil concentration in rapeseeds.

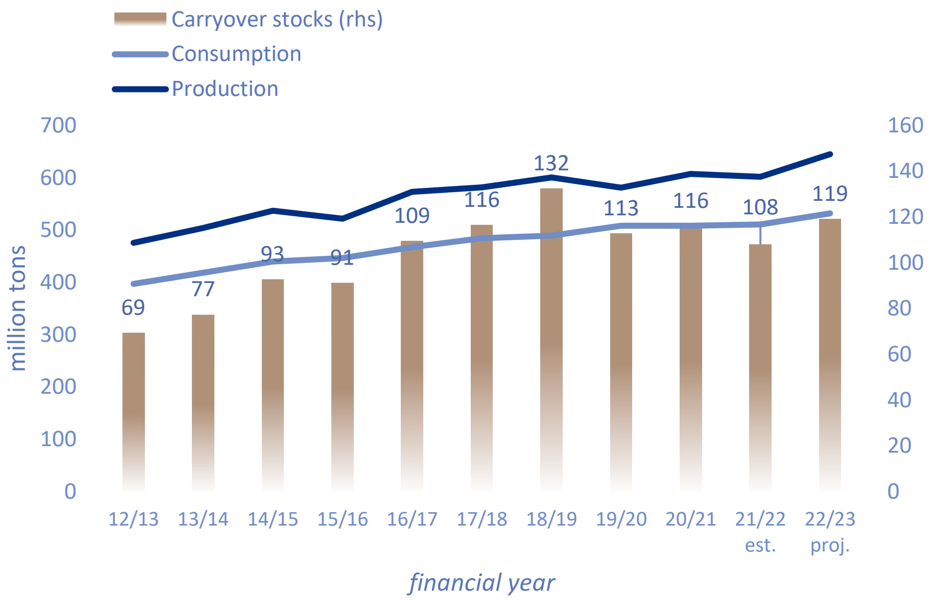
Figures as per latest data provided by International Grains Council (IGC)(22-Sep, 2022), United States Department of Agriculture (USDA) (12-Sep, 2022), Baltic statistical offices and unofficial statements by grain buyers and exporters.

The world total grain production



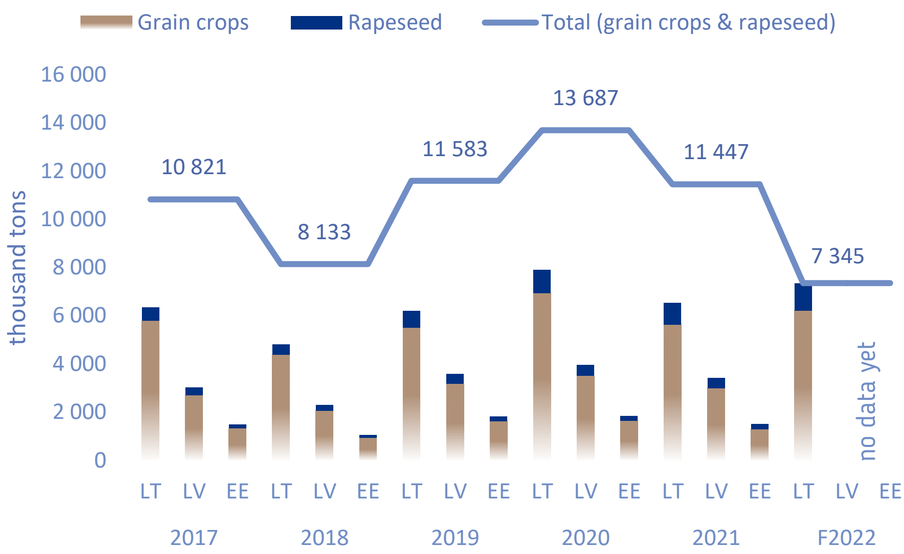
Data: International Grains Council (IGC)

The world total oilseeds production



Data: United States Department of Agriculture(USDA)

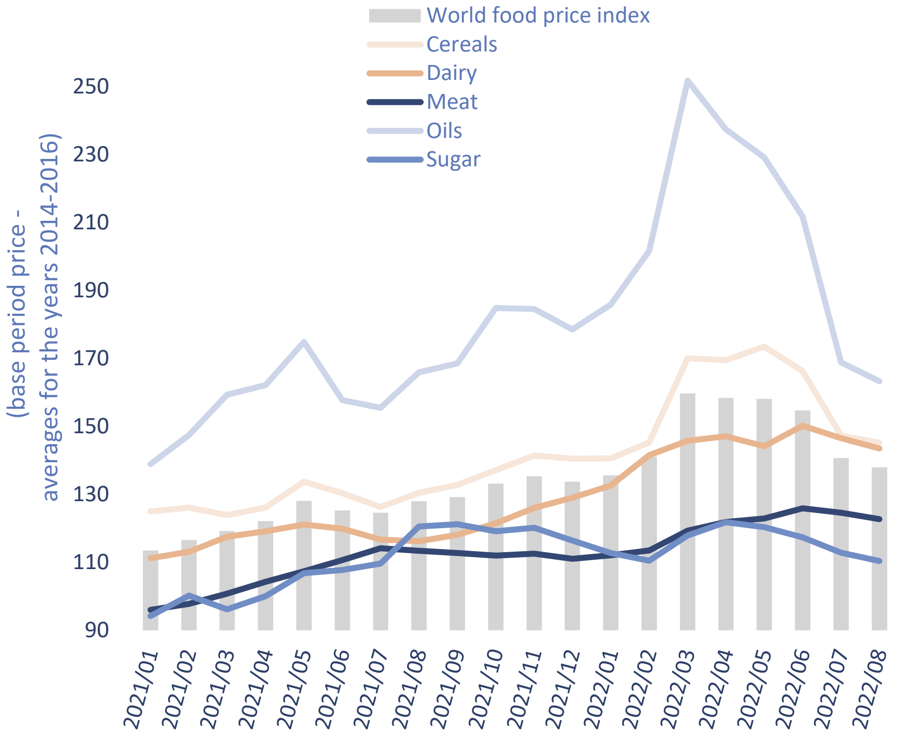
Grain and rapeseed harvest in the Baltic states



Data: Statistics Lithuania, Central Statistical Bureau of Latvia, Statistics Estonia

The structural basis for price growth in the raw materials market was formed even before February 24, 2022 (beginning of military action in Ukraine) with money supply in recent years growing almost the fastest since the beginning of 20th century (not counting the years of World War II), in order to cope with the shortages and overall effects of the COVID-19 pandemic some governments had increased their debts quite significantly. Yet the war in Ukraine (normally the world's fourth-largest grain exporter), created more shortages of raw materials and goods, pushing prices up yet further. Ukraine's grain exports have slumped, driving up global food prices and prompting fears of food shortages in Africa and the Middle East; energy prices have also increased as a result of concerns over supply disruptions following Russia's invasion. Regardless of certain price corrections seen within latest months after peak in food price index in March 2022, all together, latter factors create a base for prevailing high price sentiment.

Dynamics of world food prices 2021/2022



Data: Food and Agriculture Organization of the United Nations

In the operations of different segments of the Group, such changes in both food and non-food prices have a significant impact not only on income generation, but also on management of rising costs.

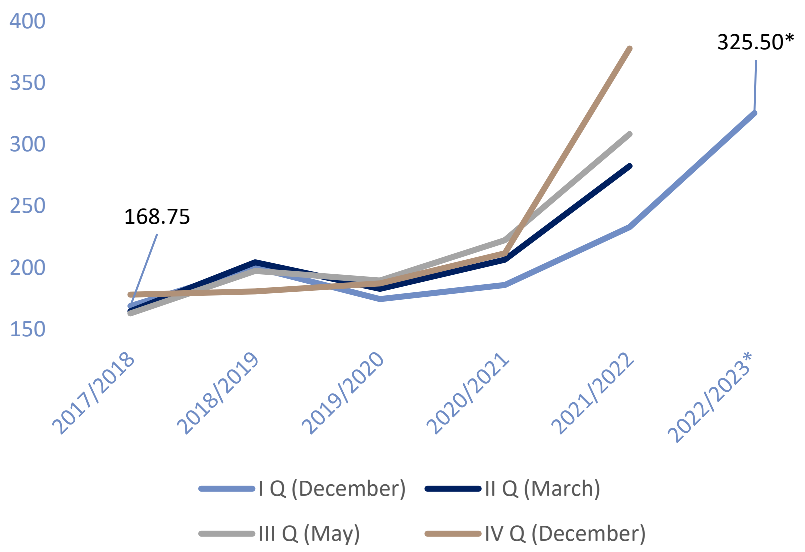
Within the reporting period, the most significant inflationary sentiment was observed in the **vegetable oil, grain categories**. The group's companies trading in cereals, oilseeds, raw materials and feed additives, as well as active in the production of compound feed, breeding of poultry and dairy herds, have had to adapt to rising production prices, higher working capital requirements and more complicated pre-harvest contracting (due to the turbulent geopolitical situation farmers hesitant to commit) and finally with initiation of military actions in Ukraine – to reorientate trade principles, canceling trade relations with Russian and Belarusian suppliers. At the moment of the publication of this report, both – cereal and vegetable oils prices are illustrating correction - partially in reaction to the 'safe sea corridor' agreement reached between Ukraine and the Russian Federation, however – also as a response to new information on seasonal availability from ongoing harvests, downward pressure of lower crude oil prices on vegetable oil values, prospects of ample rapseed and palm oil supplies for the upcoming 2022/2023 season.

Businesses engaged in the production of compound feed, flour, it's mixtures, instant food and poultry products, as well as the ones providing grain storage services, were significantly affected by **rising energy prices** (cost share in production processes), further strengthened by application of anti-military sanctions, seeking to limit Russia's, one of the world's largest oil and gas producers, superiority. Energy costs and sanctions have also affected record-high prices of fertilizers, their affordability and accessibility. Certainly, latter factors, not only meant difficulties in trade, but also greater earning opportunities for businesses in the Products and services for farmers segment.

Due to rising grain and **milk prices**, preconditions for revenue growth were also created for the Group's Agricultural production segment. The upward trend in dairy prices has continued within the reporting period due to the persistent lack of global supply. Rising dairy production costs, persistent COVID19 induced labor shortages leading to production and delivery delays, expectations of lower than average production volumes in the near future, as well as higher demand for butter as a substitute for sunflower oil and margarine, were the main factors behind the continued rise in raw milk purchase prices on the world markets financial year 2021/2022. Recently some positivity with regards to global milk production volumes was brought, while demand for spot supplies on the contrary seemed to fix at more modest levels. Biggest importer of the milk - China still has lower valued stocks present and recent COVID lockdowns could explain the lower demand at some extent; overall high food prices put pressure on people's spending power. At the date of the publication of this report, drop in milk prices is already seen globally, while local markets still enjoy the upward movement. Further projections are difficult to make, as with increased prices of feed and energetic resources, some dairy farms globally consider the milk price isn't going up with the cost of production, suggesting decreasing supply of milk production globally is again possible in the future.

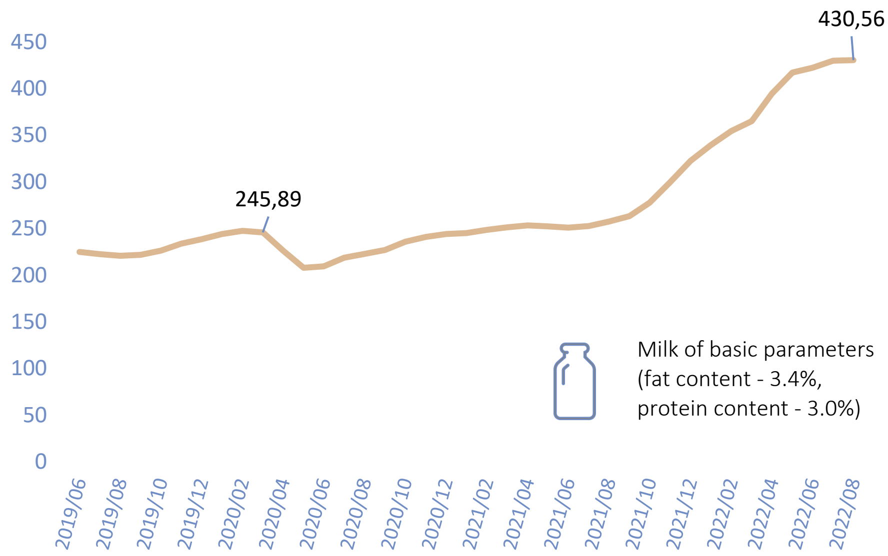
With the onset of the COVID-19 pandemic, the group's companies producing chicken and its products have had to operate in an environment of significantly diminished **poultry prices.** Due to since then shrinking HORECA orders, persistent overproduction on the European market and for quite some time low pork prices - a full production price recovery passing on rising costs (raw materials and energy resources for chicken feed) to the consumer - was not possible; yet with military actions hiting in Febaruary of 2022 and closing Ukraine's (one of the TOP10 world poultry exporters) market, the balancing of poultry meat supply and demand improved and encouraged the rise in prices. Overall inflatonary sentiment, concerns over energetics, avian influenza in certain areas had a positive impact on EU poultry prices, however lately decreasing purchasing power of the consumer, continuosly strong production capacity in Poland, potentially stabilizing feed price and war distorted tourism/horeca actvity suggest some movements in price trends might be again expected. According to the Polish Ministry of Agriculture for Rural Development, the price of fresh chicken fillet, the most profitable poultry product, peaked in April 2022 and started to diminish in the summer. Still, according to the same source, average prices of 2021/2022 12 months was 40% higher than the average price for 12 months of 2020/2021 (2.8 Eur kg compared to 3.8 Eur/kg).

Wheat futures price dynamics



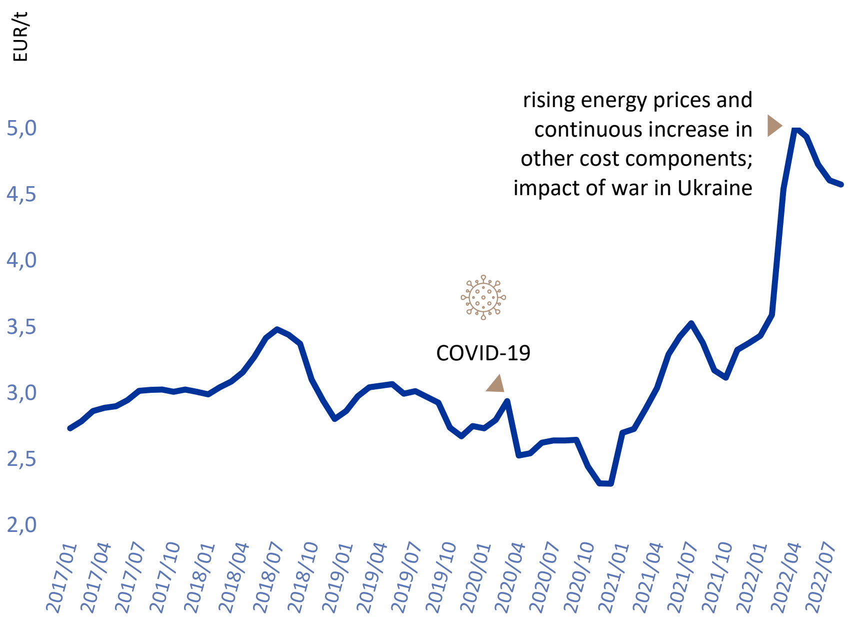
Data: Euronext
**2022/2023 IQ data - average of non-finite period 1-Jul, 2022 to 25-Aug, 2022*

Purchase prices for basic parameters milk in Lithuania



Data: State Enterprise 'Žemės Ūkio Informacijos ir Kaimo verslo centras'

Fresh fillet meat price dynamics in Poland*



Data: The Polish Ministry of Agriculture and Rural Development
**Poland – one of the top poultry meat exporters, producing around 20% of EU poultry meat*

The impact of food and non-food price dynamics on income generation and cost management for different segments of the Group within the reporting period

	Grain, oilseeds, and feed components price increase	Energy resources price increase	Industrial metals price increase	Milk and its products price increase	Meat and its products price recovery
Grain, oilseeds, feed	Higher working capital requirement, complicated pre-harvest contracting	Strongest negative influence on compound feed production and grain storage, cleaning, and drying services			
Products and services for farmers	Higher farmer earnings led to higher demand for agricultural machinery and crop inputs	More expensive fertilizers – complicated trade, however also higher income opportunities	Expensive metals supported higher prices of machinery sold, requirement for working capital increased; supply disruptions caused delays	Higher farmers earnings support higher demand of agri-machinery and agricultural inputs	
Agricultural production	Higher crop production income, yet meanwhile higher cost of dairy cows breeding due to expensive feed	Higher costs due to more expensive fertilizers and other components	More expensive machinery is used in daily farm activity	Higher income from raw milk sold	Higher income of cattle rearing (non-significant part of farms' income portfolio)
Food products - poultry	Due to significant feed share in the cost line, price increase of grain, oilseeds, veg-oils diminish profitability of the segment	More expensive gas used in broiler house heating and chicken products production			Gradually restoring prices of poultry and its products had a positive impact on top line
Food products - other	Higher costs for flour, flour mixes, breadcrumbs, noodles, and porridges production	Higher energetic costs			

5.3. Cash Flow and Liquidity

The objective of the Group is to have sufficient financial resources, maintain high liquidity level, a good quality balance sheet, have sufficient flexibility and space in borrowing, and be able to meet the Groups' working capital and investment needs.

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 123 million as compared to EUR 25 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative and amounted to EUR 6 million (positive EUR 43 million over the respective period of 2020/2021 financial year), main reason for that being an increase in inventory (by EUR 155 million) and account receivables (by EUR 200 million). As of the balance sheet date the Group had EUR 21 million in cash and cash equivalents (EUR 18 million in FY 2020/21), its current solvency ratio was 1.25.

The Group's financial loans portfolio at the end of the financial year 2021/2022 was EUR 296 million (EUR 126 million at the end of the financial year 2020/2021) or EUR 266 million if not taking into account leasing obligations related with right of use assets (respectively EUR 98 million at the end of the financial year 2020/2021). Financial debt, out of which 72% is short term loans used for working capital financing, have mainly increased due to higher demand for working capital financing, as well as due to the acquisition transaction, completed by AB Linas Agro Group at 15th of July, 2021. Respectively over the referenced period financial expenses increased by 324% and amounted to EUR 15.1 million compared to EUR 3.6 million in 12 months of financial year 2020/2021.

AB Linas Agro Group is fully capable of financing its core, as well as investment activities. The main part of the working capital (total maximum amount of credit, factoring, LCs and otherlimits with the banks amounted almost to EUR 354 million) and long-term investments Group finances in following financial institutions: Swedbank AB, AB SEB bankas, Luminor Bank AS, Credit Suisse AG, Credit Europe Bank N.V.

5.3. Investments

AB Linas Agro Group and its subsidiaries have invested EUR 23 million over the reporting period. Major investments by character:

Investment object	**Investment amount, thousand EUR**
Grain and Feedstuff Handling and Merchandising	5,185
Products and Services for Farming	4,823
Agricultural Production	5,226
Food products	6,991
Other Activities	308
Not allocated to any segment	88

Investments were directed towards increasing the capacity of elevators, expanding and upgrading storage capacities of fertilizers and other inputs, increasing seed storage capacity, expanding the rental fleet of agricultural machinery, grain feeding lines, management of land portfolio, upgrading machinery and farm equipment, as well as farm buildings of agricultural companies, maintaining poultry farms' infrastructures, utilization facilities, expanding the storage capacity for instant foods, and increasing the productivity of manufacturing activities.

5.5. Performance Results of the Segments

Activities of the Group are divided into five business Segments:

- Grain, oilseeds, and feed;
- Products and services for farming;
- Agricultural production;
- Food products;
- Other activities.

Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.

Operating Profit (loss) by Segments

thousand euro	**2021/22**	**2020/21**	**2019/20**	**2018/19**	**2017/18**
Grain, Oilseeds, and Feed	51,266	6,053	6,225	(8,640)	3,984
Products and Services for Farming	45,319	8,758	3,555	2,950	5,657
Agricultural Production	15,078	11,433	6,358	3,230	3,146
Food Products	(1,790)	(2,040)	2,183	2,431	3,904
Other Activities	(1,967)	(75)	-	471	(92)

Grain, Oilseeds, and Feed

since 1991

This business Segment includes trade in grain, oilseeds, feed materials and feed additives, production and sales of compound feed, grain warehousing and logistics services.

Operating companies

AB Linas Agro (Lithuania)
UAB Linas Agro Grūdų Centrai (Lithuania)
UAB Jungtinė Ekspedicija (Lithuania)
AB Kauno Grūdai (Lithuania)
UAB KG Mažmena (Lithuania)
UAB Kauno Grūdai ir Partneriai (Lithuania)
UAB Agro Logistic Service (Lithuania)
SIA Linas Agro (Latvia)
SIA Linas Agro Graudu Centrs (Latvia)
SIA KG Latvija (Latvia)
OU Linas Agro (Estonia)
LLC LINAS AGRO UKRAINE (Ukraine)
KG Polska Sp. zo.o. (Poland)
IOOO Belfidagro (Belarus)*
OOO VitOMEK (Russia)*
OOO KLM (Belarus)*

** during the reporting period reclassified to assets held for sale; please refer to section 'Subsequent events' for latest developments of selling process*

Activity

Grain storage and logistic services
Grain, oilseeds, feed materials and feed additives trading
Compound feed production and sales
Renting and operating of own or leased real estate

Infrastructure

at the end of the reporting period

564 ktons storage capacity for various grains and other agricultural commodities in Lithuania and Latvia, as well as 310 ktons storage capacity at Lithuanian and Latvian ports.

240 thousand tons of annual compound feed production capacity in own factory in Lithuania (Kaunas)
55 thousand tons of annual premixes production capacity in own factories in Lithuania (Kaunas), Russia* and Belarus*.

Certificates

The company AB Linas Agro is the holder of the certificates of GTP (European Good Trading Practice) and GMP+ (European Good Manufacturing Practice), also holds the certificates in trade of organic plant production issued by the PE Ekoagros and ISCC (International Sustainability and Carbon certification). SIA Linas is also ISCC certified.

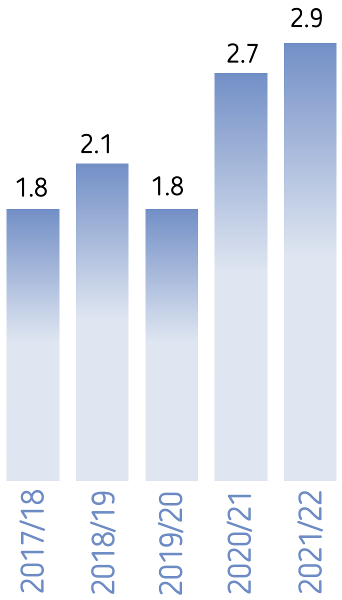
AB Kauno Grūdai is the holder of Halal", ISO 22000-:2018 certificates, also certificate issued by ISCC.
IOOO Belfidagro* has a license to perform veterinary activities, certificates confirming compliance with ISO 14001:2015, ISO 45001:2018, ISO 14001:2018, ISO 9001:2015 standards.

Own trademarks

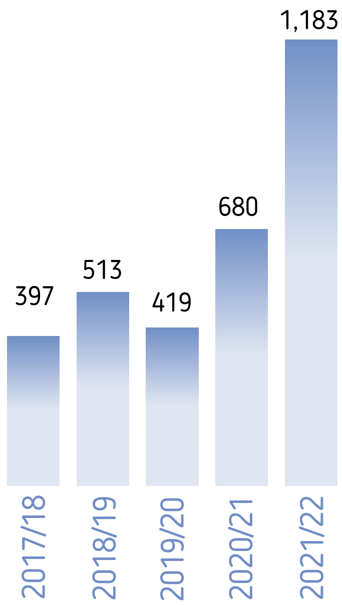
Vitamins and mineral supplements 'VitaPrem', compound feed 'Provitac', feed 'Effectus', 'Hook', 'Kauno grūdai', 'KG nature'

Share of revenue in Group's portfolio

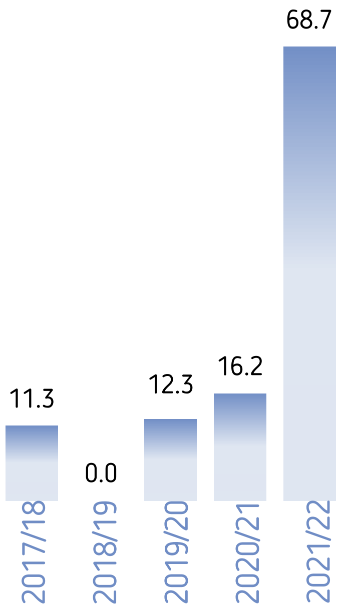
62%



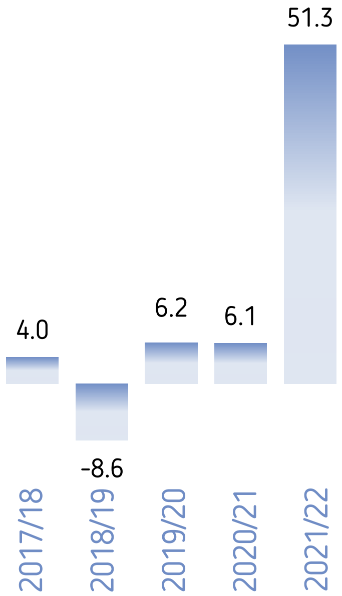
Sales volume, million tons



Sales revenue, MEUR



Gross profit, MEUR



Operating profit, MEUR

During the reporting period revenue of the Grain, Oilseeds and Feed segment increased by 74% up to EUR 1,183 million. Operating result amounted to EUR 51 million profit as compared to EUR 6 million profit for the corresponding period of the previous year. The main reasons for the restoring profitability were related with higher scale, exploited high volatility market opportunities and new activities introduced to Group's revenue basket after the acquisition of KG Group companies by AB Linas Agro Group.

The Group's management estimates revenue of this business Segment to constitute 50-60% of total Group's revenue portfolio of the financial year 2022/2023 (already started at the day of the publication of this report).

Grain Storage and Logistic Services

This Segment includes handling of the grain for the export in elevators (cleaning, drying, storage, reloading) and logistic services. Starting with the reporting period of financial year 2021/2022, the grain storage and logistics services of the Operating segment were already provided by the larger forces of the Group, upgraded after 15th of July, 2021, when AB Linas Agro Group completed the acquisition of KG Group companies. Thanks to the combined storage capacity of grain and other agricultural raw materials in Lithuania and Latvia, the new Company has more storage facilities, flexibility in loading, potential for savings in the logistics, as well as, Group believes, greater bargaining power working with the partners.

Comparing the **quantities of grain accepted** by the companies of the Group (pre-acquisition) with the same reporting period last year, 16% decrease was recorded, the results of the newly joined KG Group companies (excluding the sourcing for Group's production units) were also worse - 26% drop noted. This decrease is related to the lower total grain and rapeseed harvest in Lithuania and Latvia, the fact that due to high yields, elevators in Lithuania and Latvia accepted record quantities of grain during the previous reporting period. The lower amount of collected grain dictated by the reserved harvest, meant shrinking income from grain storage; with continuous high cereal prices trend and prevailing market growth expectations, there have been cases of non-performance of contracts, preferences to sell directly to local producers or competitors. At the same time, it was not easy to manage the costs - gas, electricity and other materials became more expensive and had direct impact on operating results.

The total result of the companies merged into one Group was **1 million tons** of grain received through the elevator network, of which:
70% - wheat,
17% - rapeseed,
6% - barley.

During the reporting period, investments in the development of the elevator in Jungenai (Marijampole County) were initiated, aiming to increase the capacity and grain reception efficiency; on the date of the publication of this report, EUR 1.3 million project was completed, already capitalizing on expanded grain storage capacity (from 8,000MT to 18,000MT) when collecting 2022/2023 harvest. Within the reporting period other smaller scale investments were as well completed, one of which (EUR 0.3m) - liquid fertilizer storage facility at Skrunda (Latvia), allowing collection of the fertilizers from railway tanks and loading into auto tanks.

According to the primary indications of the new season's harvest 2022/2023, the deliverable grain is of average quality, with marginal indicators of gluten, protein, moderate weight, and greater fungal damage, so despite the relatively large amount of grain, it is difficult to evaluate the final results of the coming year, especially taking into account logistical disturbances and increased cost of energetic and human resources. Meanwhile, the volume of inputs storage service might be continuously diminishing, as for instance - changes in fertilizers logistics (railway delivery replaced with shipment) decrease the demand for on-site fertilizer storage service.

thousand euro	2021/2022	2020/2021	Difference, %
Grain Storage and Logistic Services income	5,533	3,930	41
Grain Storage and Logistic Services income *(only Segment companies, being part of the Group before acquisition)*	4,740	3,930	21

Grain and Oilseed Trading

'Grain' means wheat, barley, corn, and some other types of grain. A large part of the activity in this Segment consists of selling grain grown in Lithuania and Latvia.

'Oilseed' means rapeseed, sunflower, and flax seeds.

Comparing the grain and oilseeds quantities sold, as well as sales revenue generated by the companies of the previous composition of the Group (until the acquisition of KG Group by AB Linas Agro Group on 15th July 2021) with the same reporting period of the previous year, the respective 21% quantities decline recorded, while sales revenue grew by 11% illustrating the continuous high price sentiment in the market.

During the reporting period, the volume of grain and oilseeds purchased by the upscaled Group amounted to **2.1 million tons**.

The main export goods remained Lithuanian and Latvian wheat.

Not only due to limited harvest, occurring cases of non-performed contracts and lower purchases, but also due to poorer quality of grain - trade remained difficult during the reporting period. Sun-baked grain parameters did not reach sufficient test weight levels to be accepted for international trade, therefore Group companies had to renegotiate terms with the buyers, cooperate with domestic processors in the realization of production, sell to the local market in accordance with regional grain purchase and supply requirement standards. All the above helped to sell the grain of irregular quality parameters, however, lower test weights for processors often meant the need to adjust recipes, to mix-in larger quantities of better-quality grains, therefore sales of such wheat were made with price deductions. Still, at the end of the reporting period, Group companies have had sold all the production, sourced as 2021/2022 harvest grain.

After Russia started military operations in Ukraine on the February 24th, 2022, AB Linas Agro Group already on February 28th announced the termination of trade relations with Russian and Belarusian companies. The adoption of this decision did not have a significant impact on the result for the reporting period. However, with regards to new financial year, turbulent geopolitical situation, still expensive fertilizers and grain prices, inflated energetics – cause high uncertainty to all the players in the market, including farmers.

Please note, that activities of the group company LLC LINAS AGRO UKRAINE are being continued on the date of publication of this report.

thousand euro	2021/2022	2020/2021	Difference, %
Grain and Oilseed Trading income	663,410	512,406	29
Grain and Oilseed Trading income (only Segment companies, being part of the Group before acquisition)	571,057	512,406	11

Feed Business

This business includes the production and sale of bulk and bagged feed for poultry, pigs, cattle and other animals, also feed materials and feed additives trading.

The products produced by the Group are compound feed for maturing breeders, laying hens, broilers, turkeys, quails, waterfowl, calves, dairy cows, lactating cows, beef cattle, piglets and fattening pigs, horses, fish, sheep, goats, rabbits, as well as baits for fish.

Feed materials means trade in food by-products (such as sunflower cake, sunflower meal, rapeseed cake, soybean meal, sugar beet pellets, etc.) and vegetable oils.

Feed additives means trade in feed additives such as licks, premixes, vitamins, amino acids, etc.

During the reporting period **857 thousand tons** of compound feed, premixes and feed materials were sold

Until the acquisition of KG Group by AB Linas Agro Group on 15th of July, 2021, the feed production activities of the Group companies were carried out in small volumes, with a greater concentration on trade in feed materials until the beginning of this reporting period. With the increase in the Group's scale in the summer of 2021, the production of compound feeds and premixes becomes a significant part of the Group's revenue portfolio. The activity is carried out in own factories in Lithuania, Russia, and Belarus (annual production capacity of 295 thousand tons of compound feed and premixes). It should be noted that from February 28th, 2022 the factories in Russia and Belarus operated on stand-alone basis, the Group companies no longer made joint purchases or supplied goods for Eastern subsidiaries production. In Lithuania, the retail trade of feed is carried out through a network of retail stores managed by UAB KG Mažmena.

Production of harvest 2021 was sold at a high price by the local farms and continuous aim to achieve consistently high productivity for the future harvests prevailed, explaining growing compound feed demand; latter have even intensified with the outbreak of military action in Ukraine and concerns over supply disruption from Russia, Belarus and Ukraine (protein, oil raw materials). With the change of supply direction, the cost of feed increased, however strong demand enabled profitability to be maintained. The decision not to conclude new purchase agreements with Russia and Belarus did not significantly affect the result of the reporting period. Results of future periods might significantly depend on the ability to reorient trade principles, find logistic workarounds, on the other hand - unrestrained supply from Ukraine might diminish the urge. Within the last quarter of the reporting period, Group companies saw positive changes into stabilization of supply, all the contracts were performed, and profitability maintained. Moreover – strongest concerns on insufficient stock in spring of 2022 (war action and disrupted supply from China) were softened after warehouses of manufacturers and distributors were filled – therefore at least temporary drop in demand might be expected looking forward. Additionally, pressure on prices might come from Polish suppliers, who have been reducing their feed prices recently, mostly due to the upcoming harvest indications, as well as spared capacity after the contraction of the pig farming segment in Poland and across Europe. On top of that, cheaper Belarus origin feed raw materials appear on the market from time to time, distorting the pricing in the market and having potential to reduce margins of the segment during the new financial year 2022/2023.

thousand euro	2021/2022	2020/2021	Difference, %
Compound feed, premixes, feed material trade income	513,938	163,311	215
Compound feed, premixes, feed material trade income *(only Segment companies, being part of the Group before acquisition)*	210,209	163,311	29

Products and Services for Farming

since 1993

This business Segment includes trade in seeds, plant care products, fertilizers, agricultural machinery, installation of grain cleaning, drying and storage facilities as well as livestock farms.

Operating companies

AB Linas Agro (Lithuania)
UAB Dotnuva Baltic (Lithuania)
AB Kauno Grūdai (Lithuania)
UAB GeoFace (Lithuania)
UAB Linas Agro Grūdų Centrai (Lithuania)
SIA Linas Agro (Latvia)
SIA Dotnuva Baltic (Latvia)
SIA Linas Agro Graudu Centrs (Latvia)
SIA KG Latvija (Latvia)
Linas Agro OŰ (Estonia)
AS Dotnuva Baltic (Estonia)
OOO KLM (Belarus)*

** during the reporting period reclassified to assets held for sale; please refer to section 'Subsequent events' for latest developments of selling process*

Infrastructure

at the end of the reporting period

Total annual capacity of the seed production plant- 30 ktons heavy seeds (cereals and pulses);
Storage capacity for warehousing seeds, fertilizers and plant protection products- 185 ktons;
Outlets– 19;
Service centers – 15.

Owned trademarks

Seeds 'Dotnuva Seeds', fertilizers 'Pro Garden' and 'BIO Mineral', intelligent farming system 'GeoFace'.

Represented manufacturers / brands

Agricultural machinery, spare parts, grain cleaning, drying and storage facilities as well as livestock farms equipment – 'Kverneland', 'Cimbria', 'Quicke', 'Case IH', 'Einbock', 'Bin', 'Agrifac', 'Siloking', 'Shaffer', 'Swimer', 'Boumatic', 'Arska', 'Mandam', 'Agrisem', 'MacDon', 'Laumetris', 'Wielton', 'Jeantil', 'Kongskilde', 'Symaga', 'Pellon', 'Roka', 'Spinder', 'CMP Impianti Srl'.
Adjustable underground drainage system 'Ekodrena';
Seeds, plant care products, fertilizers – 'Syngenta', 'Adama', 'Rapool', 'Yara', 'Ekoplon', 'Novagra', 'Nando', 'Haifa', 'Daymsa', 'Agritechno', other.

Activity

Preparation of seed in own seed preparation factory
Supply of seeds, plant care products, fertilizers to the farmers
Supply of new and used agricultural machinery, spare parts, and service to the farmers
Installation of grain cleaning, drying and storage facilities as well as livestock farms
Software development
Representation of worldwide known brands

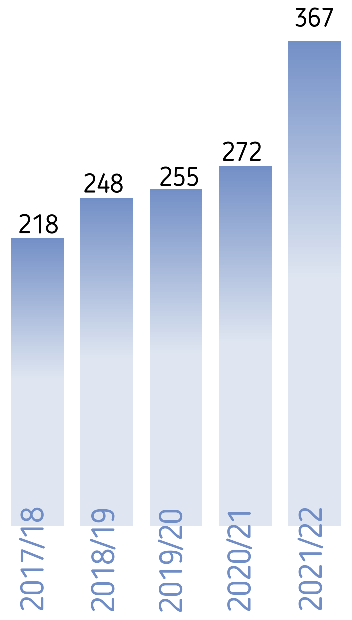
Certificates

UAB Dotnuva Baltic, SIA Dotnuva Baltic and AS Dotnuva Baltic have joined the Case IH international quality network Red Excellence, which unites companies representing the Case IH brand in Europe.

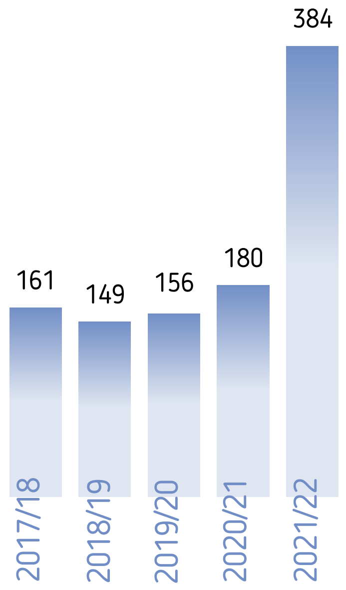
UAB Dotnuva Baltic has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros, as well as a qualification certificate entitling to be a contractor for the construction of special structures.

Share of revenue in Group's portfolio

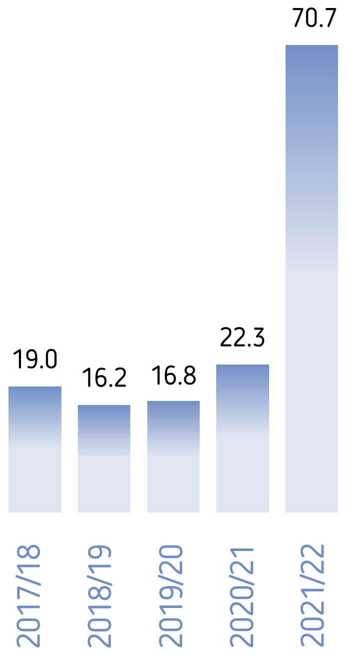
20%



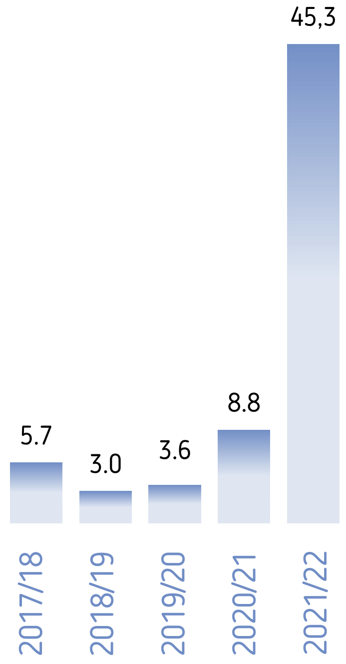
Sales volume, million tons



Sales revenue, MEUR



Gross profit, MEUR



Operating profit, MEUR

Total operating Segment revenue grew by 113% up to EUR 384 million; operating profit was 418% higher and amounted to almost EUR 45.3 million.

It should be noted that comparing the results solely of the operating Segment's companies, which were part of the Group prior to the acquisition transaction, in the reporting period and the same period in previous financial year, 37% sales revenue growth and 153% increase in operating profit would be recorded.

The Group's management estimates revenue of this business Segment to constitute 20-30% of total Group's revenue portfolio of the financial year 2022/2023 (already started at the day of the publication of this report).

Preparation of Seed in own Seed Preparation Factory

Higher production volumes in the first half of the financial year were related to favorable winter sowing conditions in the fall of 2021, allowing the production time to be extended and additional quantities of seed to be prepared. Yet regardless of strong beginning of the year, the 2021/2022 results in hard seed production were only slightly above previous year's volumes, explaining it with weaker results of last quarter. Shortage of spring seed raw material was felt throughout the market and mainly related with dry and hot summer of 2021. Still, spring seed certified by Group companies accounted for 44% of the total certified spring seed in Lithuania.

Over the reporting period, the own seed preparation factory of UAB Dotnuva Baltic (Dotnuva, Kedainiai distr.) prepared **22 thousand tons of certified 'Dotnuva Seeds'** cereals and pulses seeds, being 2% more than in previous year.

In the category of grass and sidereal plant seeds almost **3 thousand tons** of seeds prepared or 46% more than a year ago.

Despite the relatively modest weight in the structure of the seed portfolio, as in the previous financial year, the highest growth was recorded in the category of grass and sidereal plant seeds. Tendency of growing demand for certified fodder grass seeds in Europe, intensification of greening programs was observed, farms aim for soil structure improvement, enriching it with organic matter.

Supply of Seeds, Plant Care Products, and Fertilizers to the Farmers

The majority of seed supply carried out by the Group's companies is ensured through the sourcing from UAB Dotnuva Baltic seed factory, where cereals, pulses, grass and sidereal plants seeds grown on Lithuanian farms are prepared; a smaller proportion is marketed by purchasing seeds directly from seed selectioners or by representing the goods of well-known international brands, producing vegetables, flowers and other type of seeds. Seed supply activity is carried out by the Group companies in the Baltic States, as well as in Belarus.

During the reporting period Group companies sold:
39 thousand tons of seeds,
314 thousand tons of fertilizers,
12 thousand tons of plant care products and micronutrients.

In the context of rising fertilizer production costs (gas, sulfur, ammonia) and application of sanctions against Russia and Belarus (TOP 2 and TOP 3 potassium producers worldwide, Russia is also one of the largest exporters of nitrogen and phosphorus fertilizers), fertilizer prices have risen to unprecedented highs during the reporting period. Latter factors and limited supply helped achieve high profitability, however also encouraged farmers to look for cheaper ways maintaining the yields. As farms tried to make partial savings at the expense of fertilizers (nitrogen fertilizer quantities decreased by 20-30%), the demand for certified seeds and micronutrients increased, also pre-orders for micronutrients and plant protection products were made to secure stocks for future periods. Group companies got themselves prepared for the shift in product basket and within the reporting period extended the assortment with specialized micronutrient products, stored the warehouses with higher quantities.

Applied sanctions highlighted the need for the Group companies to search for alternative fertilizer suppliers (Morocco, Canada, Israel, etc.), meanwhile the supply of micronutrients and plant protection products was not affected by military action (Western Europe).

thousand euro	2021/2022	2020/2021	Difference, %
Income from trade in seeds, plant care products and fertilizers	289,694	102,391	183
Income from trade in seeds, plant care products and fertilizers *(only Segment companies, being part of the Group before acquisition)*	155,333	102,391	52

Supply of new and used Agricultural Machinery, Spare Parts and Service to the Farmers

UAB Dotnuva Baltic's market share:
For tractors (western type) **- 12.2%**
For harvesters - **5.8%**

SIA Dotnuva Baltic's market share:
For tractors (western type) **- 9.6%**
For harvesters **- 17.0%**

AS Dotnuva Baltic's market share:
For tractors (western type) - **5.9%**
For harvesters **- 3.0%**

As every year, sales of agricultural machinery were mainly affected by harvest results, new sowing expectations, raw material prices and the availability of support, yet additionally this year – also affected by extra uncertainty coming from geopolitical situation. Factors for more critical evaluation were drought-adjusted, more modest than expected harvest of 2021, war related concerns and respectively purchase put-offs, as well as increasing prices of fertilizers, feed, fuel, energy and spare parts. On the other hand - high prices for agricultural products and a positivity towards harvest of 2022, as well as the desire to insure against rising prices, opposed with optimism. At the same time, support availability was quite diverse for different farms. In Lithuania, the support of the European Union Structural Funds was oriented towards small and medium-sized dairy farms, so the funds were mostly directed to construction or reconstruction, rather than to the purchase of agricultural machinery.

During the reporting period competition in the market was somewhat unpredictable, as machinery and spare-parts sellers' acting power was highly determined by the warehouse availability of the requested product; the problem of delays in the delivery, as well as inflating prices of equipment and spare parts remained, suggesting increase in warehouse inventories was the key to flexibility and consequently something Group companies were working on. Post-season equipment inspections and special promotions ensured the full-capacity service work. Rising fuel and staff costs were key factors to increase service prices. Following the military operations in Ukraine, the group's companies halted spare parts selling to Belarus and Russia.

thousand euro	2021/2022	2020/2021	Difference, %
Income from sales of new and used agricultural machinery, spare parts, and servicing	76,483	66,992	14

Software Development

The start-up GeoFace initiated the launch of the intelligent farming system 'GeoFace' in Lithuania and Latvia in January 2021 and over more than a year has improved it as per farmers' requests. The product currently has the following main functions: crop fertilization and spray mapping, sowing planning and sowing task structuring, management of farm's finances, forecasting of the harvest, forecasting of stocks in the warehouse, direct declaration of used plant protection products, sharing of information among farm employees. Within the reporting period, while continuously developing the software for the external users service was further provided free of charge, however, the first sales were made to the companies of the Group.

Installation of Grain Cleaning, Drying and Storage Facilities, and Livestock Farms

As farms make decisions to invest in grain and farm equipment installation projects, for the most part, the same arguments were used as when deciding to invest in agricultural machinery. Operations were hampered by disruptions in the supply of equipment and electrical and automation components, however positive impact on the results was achieved thanks to the effort of previous periods and favourable EU support absorption conditions for dairy farms.

thousand euro	2021/2022	2020/2021	Difference, %
Income from the installation of grain cleaning, drying and storage facilities and livestock farms	12,221	8,888	38

Agricultural Production

our 2003

This business Segment covers cultivation of cereals, oilseed rape, sugar beet and other crops, production of milk and beef cattle farming.

Operating companies

Companies in Lithuania:

UAB Linas Agro Konsultacijos
Panevėžys District Aukštadvario ŽŪB
Panevėžys District Žibartonių ŽŪB
Kėdainiai District Labūnavos ŽŪB
Šakiai District Lukšių ŽŪB
Biržai District Medeikių ŽŪB
Sidabravo ŽŪB
Kėdainiai District ŽŪB Nemunas
UAB Landvesta 1

UAB Landvesta 1
UAB Landvesta 2
UAB Landvesta 3
UAB Landvesta 4
UAB Landvesta 5
UAB Landvesta 6
UAB Noreikiškės
Užupės ŽŪB
UAB Paberžėlė
UAB Lineliai

Activity

Cultivation of cereals, oilseed rape, sugar beet and other crops
Production of milk and beef cattle farming
Rent and management of agricultural purposes land
Management of subsidiary farming companies

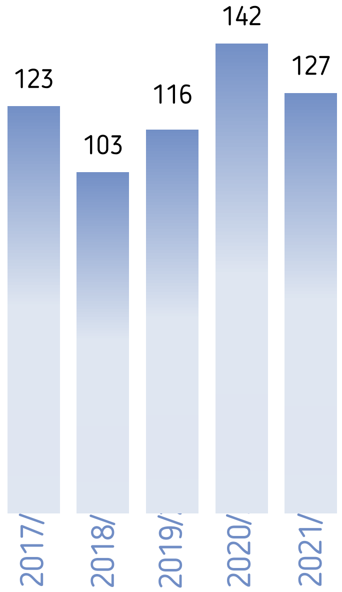
Infrastructure

at the end of the reporting period

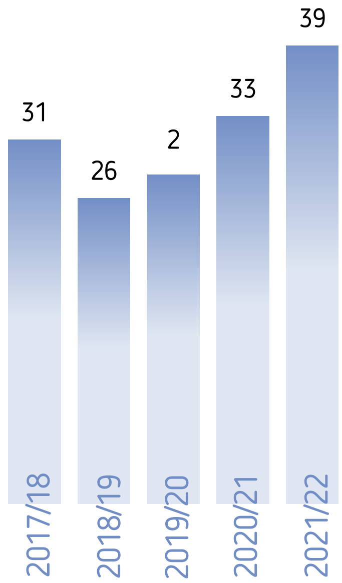
Cultivated land area – 18,258 ha
Own land area for agriculture –5,919 ha

Share of revenue in Group‘s portfolio

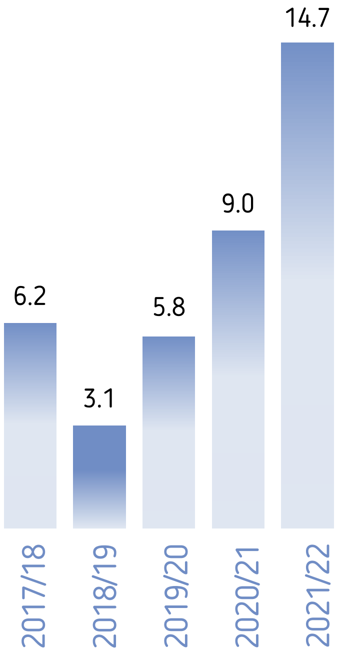
2%



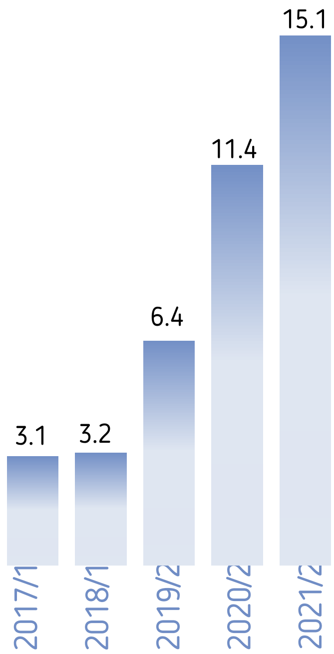
Sales volume, million tons



Sales revenue, MEUR



Gross profit, MEUR



Operating profit, MEUR

The revenue of the operating Segment increased by 17% during the reporting period, accounting for EUR 39 million. Meanwhile operating profit advanced even more – by 32% to EUR 15 million compared to EUR 11 million operating profit in same period of previous year.

The Group's management estimates revenue of this business Segment to constitute 2-5% of total Group's revenue portfolio of the financial year 2022/2023 (already started at the day of the publication of this report).

Cultivation of Cereals, Oilseed Rape, Sugar Beet, and Other Crops

89 thousand tons - crop production harvested by Group companies during the reporting period,
91 thousand tons - crop production sold during the reporting period.

During the reporting period, crop production harvested and sold by the operating companies of the Segment were respectively 19% and 14% less as compared to the very same period last year. The more modest harvest is largely determined by the prolonged heat during the grain ripening period in Lithuania, being responsible for the poorer grain quality indicators, the maturation of nutrients, and respectively - the lower test weight. Summer crops were particularly hard hit, accounting for about 30% out of total Group's sown area and the better-preserved winter wheat harvest was the strongest, accounting for 50% of Group's crop yields. During the reporting period, average grain sales prices remained high (Group companies sold production in roughly 16% higher prices compared to previous year) and compensated for the impact of lower production volumes on the income. Worth noting, that production of the grain, harvested in summer-autumn 2021, was produced in roughly 10-15% higher prices if compared to the preceding period.

At the date of publication of this report Group farming companies have already pre-sold roughly 60% of it's 2022 summer-autumn harvest, prices of which are expected to compensate materially higher fertilizers, plant protection products, energy resources and other components' costs, incurred within the reporting period.

On the last day of the reporting period, the Group's agricultural companies have sown more than 15 thousand hectares of arable land for the harvest 2022. At the date of closing of the financial year, all the crops were insured and their quality was assessed as very good or good.

thousand euro	2021/2022	2020/2021	Difference, %
Crop production sales income	20,996	20,188	4

Production of Milk and Beef Cattle Farming

Quantities of dairy cows held and milk produced were similar to the results of same period previous financial year. The quantity of milk produced and its qualitative parameters vary depending on feed, temperatures, animal genetics and other factors, and usually does not characterise by direct correlation. Excellent composition of milk produced during the reporting period and still rising purchase prices of raw milk allowed to record growth in milk sales revenue.

During the reporting period, 18% less live cattle meat was grown compared to the same period in previous year, however revenue from meat sales remained unchanged and accounted for EUR 1.8 million.

3,304 - a number of dairy cows held by the Group companies at the end of the reporting period (4% more compared to the last year).

35,514 tons of milk produced (3% more compared to the financial year 2020/2021)

thousand euro	2021/2022	2020/2021	Difference, %
Milk and live weight cattle sales income	18,137	13,214	37

Food Products

since 2013

This business Segment includes:
a whole cycle poultry business, production, wholesale of flour, flour mixes, breadcrumbs and breading mixes, manufacture and wholesale of instant foods.

Activity and operating companies

This business Segment includes:

- whole cycle poultry business:
  incubation of hatching eggs (AS Putnu Fabrika Kekava, SIA Cerova, AB Vilniaus Paukštynas)
  broiler breeding (AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Broileks, UAB Alesninkų Paukštynas, UAB Domantonių Paukštynas, UAB Lietbro, AB Zelvė, UAB Avocete)
  production of poultry and its products (AS Putnu Fabrika Kekava, SIA Lielzeltini, AB Vilniaus Paukštynas)
  feed manufacturing for self-supply (SIA Lielzeltini)
  retail sale of chicken meat and its products (SIA PFK Trader)

- production and wholesale of flour and flour mixes, instant foods (AB Kauno Grūdai); production and wholesale breadcrumbs and breading mixes (UAB Šlaituva);

- provision of logistics, consulting and management services (UAB VKP Valdymas, UAB KP Valda, UAB VP Valda, UAB KG Distribution, UAB KG Logistika).

Infrastructure

at the end of the reporting period

Retail chain consist of 21 outlets in Latvia
(The subsidiary of AS Putnu Fabrika Kekava - SIA PFK Trader)

Owned trademarks and production markings

‘Kekava‘
‘Bauska‘
‘Top choice poultry‘ (export markets outside the Baltic States)
‘Granfågel‘ (export markets in Scandinavia)
‘Kaišiadorių paukštynas‘
‘Vilniaus Paukštynas‘
‘Dos pollos‘ (export markets)
‘Nordichicken‘ (export markets)
‘A‘petito‘
‘Fiesta‘
‘Vištiena kitaip‘
‘Vištyčio‘
‘Premium‘

‘Kauno Grūdai‘
‘Activus‘
‘Sun Yan‘
‘City taste‘
‘Raised without Antibiotics‘

Certificates

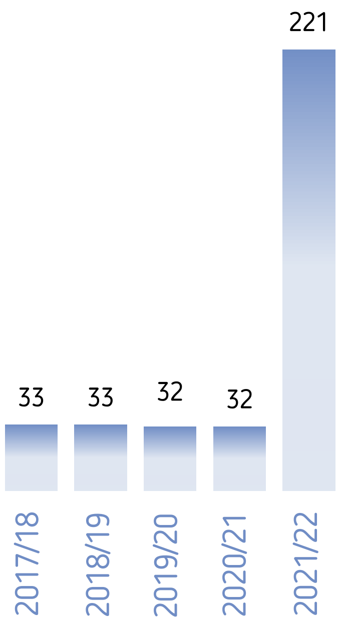
AS Putnu Fabrika Kekava has AA grade BRC (British Retail Consortium) accreditation, is Halal certified, also has ISO 50001:2012 and ISO 22000:200 certification. The company’s bacteriological and virological testing laboratory has been accredited in accordance with the requirements of the Standard ISO / IEC 17025: 2017.
SIA Lielzeltini has ISO 22000:2006 and ISO 50001:2012 certifications, also is Halal certified.

AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas are the holders of Halal” certificates, BRC accreditation, certificates confirming compliance with ISO 22000 standards; AB Vilniaus Paukštynas also holds IFS (International Featured Standards) certificate.

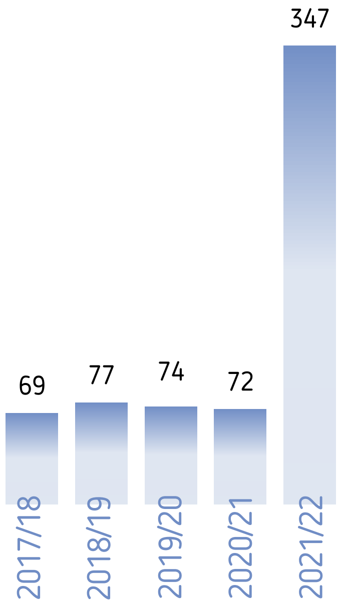
AB Kauno Grūdai, UAB Šlaituva has AA grade BRC and Halal certificates; AB Kauno Grūdai holds RSPO SG palm oil supply chain traceability certificates, also Kosher food certification.

Share of revenue in Group‘s portfolio

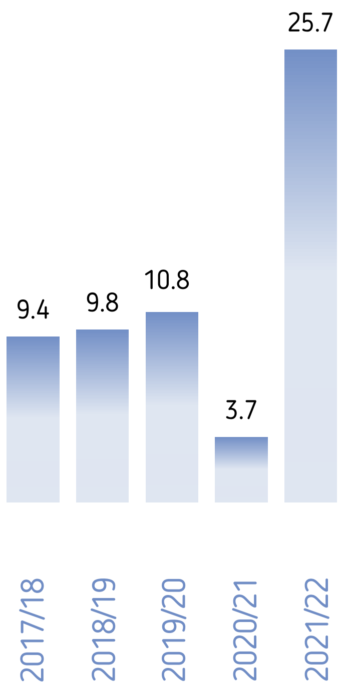
18%



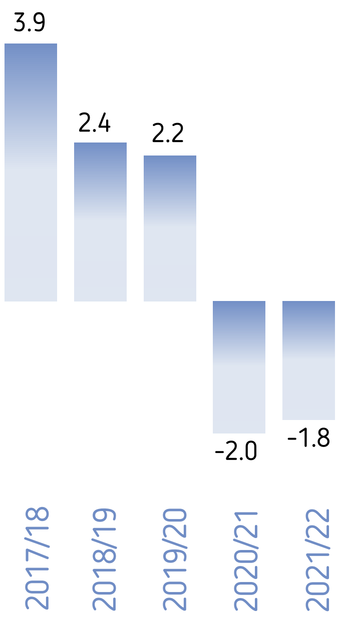
Sales volume, million tons



Sales revenue, MEUR



Gross profit, MEUR



Operating profit, MEUR

Revenue of Food Products segment for the reporting period increased by 381% and amounted to EUR 347 million. Operating result amounted to less than EUR 2 million loss comparing with slighlty above EUR 2 million loss for the same period a year earlier.

Comparing the results for the reporting period of solely the companies that operated in the Food Products segment before the acquisition transaction, it is evident that the volume of food products sold has increased moderately (by 13%), with a 22% growth in sales revenue and slight improvement in profitability (operating loss contracted by 10%).

The Group’s management estimates revenue of this business Segment to constitute 20-30% of total Group’s revenue portfolio of the financial year 2022/2023 (already started at the day of the publication of this report).

Poultry Business

On 15th of July 2021 after AB Linas Agro Group concluded acquisition of KG Group companies, the Group's poultry business gained additional strength by including in the segment 7 new Lithuanian entities operating in the poultry sector. New members ensure basic poultry cycle stages: hatching of chickens, broiler breeding, as well as production of poultry and its products, however, contrary to entities operating in Latvia new members of the poultry segment so far have not engaged in the activity of feed production for their own needs as well as have not performed retail sale of poultry products.

Share of production „Raised without antibiotics":

100% - Latvian entities,
60-65% - Lithuanian entities.

For the reporting period, AS Putnu Fabrika Kekava (PFK) and SIA Lielzeltini maintained their positions as no. 1 and no. 2 players respectively in Latvian chicken growers' market, while new additions of the Group - AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas – same positions respectively in Lithuanian poultry and its products producers' market. Since January 2020, no antibiotics are used in the process of growing broilers by Latvian entities, poultry produced with such responsible attitude is labeled with a special marking – 'Raised without antibiotics'; a team of Lithuanian poultry specialists is following this initiative – the share of production without use of antibiotics in Lithuanian entities is gradually increasing.

The welfare of the animals and overall results of the farms in Lithuania are also improving. Investments into chicken welfare through performance monitoring systems, improved infrastructure and employee competence paid off, resulting in within the last quarter of the reporting period improved Lithuanian poultry farms European Production Efficiency Factor (EPEF)[1]. Upturn in EPEF from 350 to 375 not only indicates efficient exploitation of breed's genetic potential, but also explains material feed savings achieved within the last quarter of the reporting period. Worth noting, that resepctive levels of EPEF are already for some time achieved and sustained by Group's farming companies in Latvia.

During the reporting period, Segment companies produced 131% more live weight poultry meat and sold 261% more poultry and its products compared to period a year before. Both improvements related with acquisition transaction finalized by AB Linas Agro Group on 15th of July 2021, of which positive impact together with restoring poultry meat prices reflected itself in the top line of the reporting period income statement. The bottom line however was still suffering, as improved results of the last quarter were not sufficient to offset loss making of the previous periods of 2021/2022 financial year, mainly due to low prices and materially increased costs.

During the reporting period Group's poultry companies produced **105 thousand tons** of live weight poultry meat, sold **108 thousand tons** of poultry meat and its products.

It should be noted that during the reporting period Segment companies have received EUR 3.4 million support aimed at the subjects affected by the COVID-19 pandemic.

Seeking for poultry farms activity optimization, during the reporting period part of the breeding farms in Lithuania were closed, also in the second half of the financial year AB Kaišiadorių Paukštynas suspended operation of poultry slaughter and cutting workshop, directing the slaughter of poultry to the AB Vilniaus Paukštynas.

thousand euro	2021/2022	2020/2021	Difference, %
Sales of poultry and poultry products	253,398	70,225	261
Sales of poultry and poultry products *(only Segment companies, being part of the Group before acquisition)*	84,476	70,225	20

[1]*European Production Efficiency Factor (EPEF) - standardized measure of farm performance (includes feed conversion, mortality, and daily weight gain results), used to compare broiler performance from different flocks and different regions.*

Flour and its Mixtures, Instant Food Products, Breadcrumbs and Breading Mixes Production Business

Up until this reporting period, segment of Food products in the Group was related with poultry business only. On 15th of July, 2021 AB Linas Agro Group concluded acquisition of KG Group companies and new activities were introduced in the Group by newly acquired companies, increasing the weight of this Segment in terms of revenue in the Group and helping to ensure higher level of diversification and vertical integration in the activity of companies.

By operating grain mill in Kaunas (70 thousand tons capacity per year), breading mixes preparation facility in Kaunas district (12 thousand tons capacity per year) and instant foods production facilities in Kėdainiai and Alytus (241 million instant food product units capacity per year), new entities of the Group are engaged in production of flour, its mixtures, breading mixes, and instant foods products. Activities of these companies are integrated – part of flour products produced in the mill are supplied to the Group's companies producing noodles, breadcrumbs, and feeds; breadcrumbs are used in production of poultry products, etc.

During the reporting period Group companies produced **78 thousand tons** of flour, flour mixes, breadcrumbs, **58 thousand tons** of this production was sold (not including quantities required for internal production).

The flour, flour mixtures and breadcrumbs quantities sold by Group companies during the reporting period were 2% lower compared to the result of KG Group companies (that were not yet part of the Group in the previous financial year). With the new cooperation agreements signed, breadcrumbs sales volumes and exports to Saudi Arabia and the United Arab Emirates increased, resulting in 10% higher total breadcrumbs sales volume. Flour and its mixtures category (third party) sales on the contrary illustrated downward trend, closing the year with 4% lower volume compared to the result of preceding period, however, was mainly explained with higher flour purchases in the Group internally, rather than low appetite overall. Revenue of the flour, it's mixtures and breadcrumbs product category grew by 28% thanks to the gradual customer price adjustment possibilities. However, with the record increase in raw material and energy prices, during reporting period such adjustments were not sufficient to sustain same profitability margins.

The instant food (IF - porridge and noodle cups, packets and boxes) quantities sold by Group companies during the reporting period were 9% higher compared to the result of KG Group companies that were not yet part of the Group in the previous financial year. Majority of the IF production is exported to European markets and sold under private labels. Strong sales results of instant food category were supported with military action in Ukraine, limiting production activity of competitors.

214 million instant food units were produced by Group companies during the reporting period - porridges and noodles in cups, packages and boxes;

211 million units of this production were sold.

With the rapid growth of the instant food business, during the reporting period construction works were continued in Kėdainiai, where new warehouse is being built since 2020. Warehousing space currently possessed was not sufficient and not compatible with maximum production capacity of instant noodle foods production plant, thus outsourced warehousing services were used. Construction of new warehouse is scheduled to be completed by the end of 2022, integrating 2,100 sq. m. additional warehousing space. After completing complex investments into the production factory and into the advanced warehouse management system, not only production capacity is expected to increase from 126 million up to 136 million production units per year, but also such benefits, as ability to optimize storage costs, reduce transportation costs and seek more sustainable and environmentally friendly solutions in the day-to-day operations of the company.

thousand euro	2021/2022	2020/2021	Difference, %
Revenues from the production of flour and flour mixtures, instant food products, breadcrumbs, and breading mixes	93,183	1,810	5,048

Other Activities

since 2021

This business Segment includes pests control, provision of hygiene goods and services, pet food production and sales, veterinary pharmacy services, wholesale and retail trade of veterinary pharmacy products for all animal groups, and other activities.

Activity and operating companies

This operating segment includes:
- trade in pest control and hygiene products (AB Kauno Grūdai)
- production and sales of extruded products, pet food (AB Kauno Grūdai)
- provision of veterinary pharmaceutical services and trade in products (AB Kauno Grūdai, OOO KLM*, OOO VitOMEK*)
- provision of fumigation and sanitation services (UAB Baltic Fumigation Services)

** during the reporting period reclassified to assets held for sale; please refer to section 'Subsequent events' for latest developments of selling process*

Infrastructure
at the end of the reporting period

Own plant of extruded products in Alytus

Certificates

OOO VitOMEK* is licensed to perform pharmaceutical activities.
AB Kauno Grūdai and OOO KLM* have pharmaceutical licenses for wholesale distribution

** during the reporting period reclassified to assets held for sale; please refer to section 'Subsequent events' for latest developments of selling process"*

Own trademarks

Pet food brands 'Quattro', 'Canis', 'LaMurr', 'Aport'

Represented manufacturers / brands

Veterinary pharmacy - Zoetis Inc., Woogene B&G CO. LTD, Bioveta, a. s., Interchemie Werken De Adelaar B.V., Innov Ad NV/SA , TOV Brovafarma, Boehringer Ingelheim, Zoovetvaru Ltd., KRKA, LAVET Pharmaceuticals Ltd, Aconitum

Share of revenue in Group's portfolio

2%

In the Other Activities business Segment, largest share of sales was generated by the wholesale and retail **sale** of worldwide well-known producers' **veterinary pharmacy products** in Baltics, Belarus, and Russia. During the reporting period, sales of pharmacy products for the pets were fueled by their growing number and increasing money spent per pet. Operating markets average of money spent per pet still stands well below EU average and illustrates room for further growth. During twelve months of the financial year 2021/2022 Group companies active in the Segment generated EUR 21 million revenue, accounting for 36% growth compared to the result of KG Group companies not yet belonging to the Group in the previous financial year.

The Group produces **pet food** in its own production facilities of extruded products in Alytus. During the reporting period demand for dog feed remained strong. While sold quantities in the financial year 2021/2022 has contracted slightly (4% less compared to the same period last year), sales income of extruded products was EUR 7.5 million or 25% higher if compared to the result of KG Group companies that have not yet belonged to the Group in the previous financial year. The amount of money spent on feed is increasing with the shift in consumers' product portfolio - switching from economy/medium products to super premium, which ensures good nutrition with less quantity, however with significantly higher price. Rising raw material and energy prices also formed the basis for pet food price increase, but with the tight competitive environment some producers were willing to compensate some of the increase in costs by reducing the margins, expecting to seal new contracts with buyers looking for supply alternatives.

During the reporting period the companies of the Group produced **12 thousand tons** and sold **13 thousand tons** of extruded products

Operations of the Group's companies engaged in **pest control services and sale of hygiene products** do not comprise significant part of revenue. Prophylactical and interventional measures are offered, aimed towards ensuring compliance with food safety requirements, also chemicals for both – professional use and daily cleaning of household premises are sold. During the reporting period, revenue has slightly decreased (4% less if compared to the result of KG Group companies that have not yet belonged to the Group in the previous financial year), meanwhile the cost of goods and services growing (biocidal products, animal traps, inventory, etc.), put pressure on profitability, resulting in diminishing margins. It should be noted that with the ease of COVID-19 pandemic restrictions, within the last quarter of the reporting period related disinfection services were no longer provided by Group companies.

thousand euro	2021/2022	2020/2021	Difference, %
Revenue from pest control, provision of hygiene goods and services, petfood production and sales, wholesale and retail trade of veterinary pharmacy products and other activities	35,861	96	37,255

Revenue of the operating Segment covering above mentioned and other less material activities during this reporting period amounted to EUR 36 million, operating result was EUR 2 million loss.

The Group's management estimates revenue of this business Segment to constitute 2-5% of total Group's revenue portfolio of the financial year 2022/2023 (already started at the day of the publication of this report).

6. Major Events

6.1. The Publicly Disclosed Information

During the reporting period ended 30 June 2022, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:

31/05/2022 04:05 PM EET	Revenue of AB Linas Agro Group for the 9 months of the 2021/2022 financial year exceed EUR 1.3 billion, net profit up 931%	Interim information	LT, EN
25/05/2022 12:08 PM EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 9 months of the financial year 2021/2022	Other information	LT, EN
28/02/2022 05:30 PM EET	Linas Agro Group's revenue for the first half of the 2021/2022 financial year grew by 80%, net profit by 323%	Half-Yearly information	LT, EN
28/02/2022 05:30 PM EET	AB Linas Agro Group stops trading with Russian and Belarusian companies	Notification on material event	LT, EN
24/02/2022 09:18 AM EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the half year of 2021/2022	Other information	LT, EN
24/02/2022 09:00 AM EET	Linas Agro Group plans changes: agricultural inputs business to be transferred to one company	Other information	LT, EN
25/01/2022 09:00 AM EET	Linas Agro Group is looking for ways to optimize the operation of poultry companies	Other information	LT, EN
10/01/2022 04:05 PM EET	AB Linas Agro Group has completed the acquisition of UAB Agro Logistic Service	Notification on material event	LT, EN
30/12/2021 09:05 AM EET	AB Linas Agro Group has received permission to acquire UAB Agro Logistic Service	Other information	LT, EN
20/12/2021 5:00 PM EET	AB Linas Agro Group sells unexploited real estate	Other information	LT, EN
2/12/2021 11:40 AM EET	AB Linas Agro Group investors calendar for the 2022	Other information	LT, EN
30/11/2021 4:15 PM EET	3-month sales of AB Linas Agro Group went up 84%, net profit was 199% higher	Interim information	LT, EN
25/11/2021 4:00 PM EET	AB Linas Agro Group sold part of the farmland	Other information	LT, EN
24/11/2021 10:22 AM EET	Regarding the change of AB Linas Agro Group registered office	Notification on material event	LT, EN

24/11/2021 10:20 AM EET	Notification on the total number of voting rights granted by Linas Agro Group shares, the authorized capital amount, the number of shares and their nominal value	Total number of voting rights and capital	LT, EN
24/11/2021 10:18 AM EET	New wording of AB Linas Agro Group Articles of Association and the increase of the authorized capital registered	Notification on material event	LT, EN
16/11/2021 5:30 PM EET	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company	Notifications on transactions concluded by managers of the companies	LT, EN
29/10/2021 4:10 PM EEST	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the financial year 2020/2021	Other information	LT, EN
29/10/2021 4:07 PM EEST	AB Linas Agro Group notification about the Annual information of the financial year 2020/2021	Annual information	LT, EN
29/10/2021 4:05 PM EEST	Decisions of the Annual General Meeting of Shareholders of AB Linas Agro Group, held on 29 October 2021	General meeting of shareholders	LT, EN
12/10/2021 5:00 PM EEST	AB Linas Agro Group has received permission from the Lithuanian competition authorities to acquire commodity trading company	Other information	LT, EN
8/10/2021 4:15 PM EEST	Update: Annual General Meeting of Shareholders of AB Linas Agro Group is convened on October 29, 2021	General meeting of shareholders	LT, EN
7/10/2021 4:30 PM EEST	Annual General Meeting of Shareholders of AB Linas Agro Group is convened on October 29, 2021	General meeting of shareholders	LT, EN
14/9/2021 4:30 PM EEST	AB Linas Agro Group seeks to acquire a trading company	Other information	LT, EN
31/8/2021 5:00 PM EEST	12-month sales of AB Linas Agro Group went up 43%, net profit was 56% higher	Interim information	LT, EN
16/7/2021 09:30 AM EEST	Linas Agro Group has completed the acquisition of KG Group	Notification on material event	LT, EN
14/7/2021 4:30 PM EEST	Linas Agro Group plans to close the KG Group acquisition transaction this week	Other information	LT, EN
12/7/2021 8:45 AM EEST	Enlight Research analysts to provide regular information on Linas Agro Group	Other information	LT, EN
5/7/2021 4:55 PM EEST	The Competition Council of the Republic of Lithuania has allowed Linas Agro Group to implement concentration by acquiring KG Group	Other information	LT, EN

6.2. Other Events of the Reporting Period

30/06/2022	The Company transferred 4,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
16/05/2022	UAB KG Distribution sold 20% SIA Novabaltic shares.
16/05/2022	Authorized capital of Linas Agro OU increased by EUR 2,550,000.
16/05/2022	The Company acquired 100% shares of UAB Kekava Foods LT.
12/05/2022	AB Linas Agro entered into a credit agreement with Credit Europe Bank N.V. for a EUR 45 million loan (limit increase in amount of EUR 15 million).
12/05/2022	UAB TABA Holding acquired shares of AB Kauno Grūdai additionally.
07/04/2022	AB Kauno Grūdai acquired shares of KG Polska Sp.zo.o. to make 100% block.
30/03/2022	The Company transferred shares of AB Kauno Grūdai to UAB TABA Holding.
30/03/2022	UAB Zemvaldos Turto Konsultacijos was removed from the Register of Legal Entities.
29/03/2022	UAB Karčemos Bendrovė was removed from the Register of Legal Entities.
28/03/2022	Reorganisation was completed, UAB Zemvaldos Turto Konsultacijos was merged to UAB Linas Agro Konsultacijos
25/03/2022	UAB Linas Agro Grūdų Centras was removed from the Register of Legal Entities.
25/03/2022	UAB KUPIŠKIO GRŪDAI was removed from the Register of Legal Entities.
22/03/2022	Reorganisation was completed, UAB Karčemos Bendrovė, UAB KUPIŠKIO GRŪDAI and UAB Linas Agro Grūdų Centras were merged to UAB Linas Agro Grūdų Centrai.
01/03/2022	The authorized capital of UAB Geoface was increased by EUR 706,000, and the shareholder structure was changed: UAB Dotnuva Baltic and AB Linas Agro each hold 50% of shares.
10/1/2022	The company acquired 100% shares of UAB Agro Logistic Service.
30/12/2021	The authorized capital of UAB Lineliai was reduced by EUR 244,000 to disburse the funds to shareholders.
30/12/2021	The authorized capital of UAB Linas Agro Konsultacijos was reduced by EUR 16,000,000 to disburse the funds to shareholders.
23/12/2021	Authorized capital of KG Eesti OU was increased by EUR 650,000.
December, 2021	The Company transferred 2,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
17/12/2021	OOO GeoMiks was deregistered by merger with OOO VitOMEK (code 1117746107291).
13/12/2021	UAB Linas Agro Grūdų Centrai has transferred the shares of UAB Karčemos Bendrovė to AB Linas Agro.

13/12/2021	UAB Linas Agro Grūdų Centrai has transferred the shares of UAB KUPIŠKIO GRŪDAI to AB Linas Agro.
29/11/2021	Authorized capital of UAB KG Mažmena was increased by EUR 2,100,034.40.
23/11/2021	Authorized capital of LLC Linas Agro Ukraine was increased by EUR 84,195.66.
18/10/2021	After cancellation of the reorganization, the status Under reorganization of UAB Karčemos Bendrovė and UAB KUPIŠKIO GRŪDAI and the status Participating in the reorganization of UAB Linas Agro Grūdų Centrai were deregistered in the Register of Legal Entities.
9/9/2021	The Company acquired 50% shares of KG Khumex B.V.
6/9/2021	AB Linas Agro entered into a credit agreement with Credit Europe Bank N.V. for a EUR 30 milion loan.
July-Aug, 2021	The Company entered into a credit agreement with AB SEB Bankas, Swedbank, AB, and Luminor bank AS to borrow EUR 46,290,000 and secured its execution by pledging assets.
11/8/2021	Authorized capital of SIA KG Latvija increased by EUR 1,500,000.
9/7/2021	Authorized capital of Linas Agro OU increased by EUR 150,000.

6.3. Subsequent Events

27/9/2022	The sale of part in OOO VitOMEK (Moscow, Russian Federation) is registered.
5/9/2022	The authorized capital of UAB Linas Agro Grūdų Centrai has been increased by EUR 3,866,785 with a non-monetary contribution from AB Linas Agro.
1/9/2022	The sale of part in OOO VitOMEK (Tver region, Russian Federation) is registered.
25/08/2022	Agreements on sale of shares in OOO VitOMEK (Moscow, Russian Federation) and OOO VitOMEK (Tver, Russian Federation), also IOOO Belfidagro, registered in Belarus were concluded.
July, 2022	The Company transferred 11,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
22/07/2022	AB Linas Agro concluded a syndicated credit agreement in amount of EUR 170 m with Credit Suisse AG, Swedbank, AB and AB SEB bank, and the Company guaranteed its fulfilment.
05/07/2022	Authorized capital of AB Linas Agro increased by EUR 5 134 480 by non-monetary contribution of AB Kauno Grūdai.

7. Scope of risk and management thereof

7.1. Market Risks

A market risk is understood as the risk of receiving a lower return than planned in the event of unfavourable market conditions. A market risk in the activities of the companies of the Group could occur through fluctuations in market prices of certain goods, emergence of new competitors in the market or a merger/formation of a group by competitors, relevant crop harvest quality/quantity in a given period, emergence of new goods and production technologies that lead to a fall in the market prices of specific goods, etc.

In order to manage the potential impact of a market risk, the employees of the companies of the Group:

- Constantly monitor the market of specialised products;
- Manage trading positions on the basis of permissible limits of open trading positions and criteria for their liquidation;
- Use derivatives;
- Etc.

In the financial year 2021/2022, due to high volatility of commodity prices and disruptions in the supply chain, the companies of the Group were exposed to market risk. However, the application of the above measures, diversification of activities and extensive experience have helped to manage the negative consequences of this risk.

The probability of the occurrence of market risk in future periods remains high due to the specifics of the Group's normal business operations. Also, inflationary pressures are expected to have a negative impact on consumer purchasing power in the short term. However, due to complex forecasting of market movement trends, it is not possible to anticipate the consequences of encountering this risk.

7.2. Trade and Credit Risks

A trade and credit risk is understood as the risk of a lower-than-expected profit if, due to reasons that are dependent or not dependent on the employees of the companies of the Group, improper performance of the terms and conditions of contracts is encountered.

A trade risk in the activities of the companies of the Group could occur through non-delivery of purchased goods, refusal of the buyer to accept the sold goods, non-compliance with contractual terms and conditions concerning the quantity, range, completeness, quality or other characteristics of the goods, inaccuracies in the procedures of the companies of the Group or of outsourced service providers, failure to ensure a due process, and criminal operation of parties to a transaction.

A credit risk in the activities of the companies of the Group could occur through the sale of goods with deferred payment, lending money, payment of an advance for the future delivery of goods or services, extension of an overdue payment term, etc.

In order to manage the potential impact of a trade and credit risk, the employees of the companies of the Group:

- Conduct a thorough screening of customers prior to starting trade operations and assesses the availability of additional security at the start of the cooperation;
- Observe the credit limit values set for the trade operations of the companies of the Group, perform continuous customer monitoring, and make use of insurance options;
- Ensure control over activities of outsourced service providers;
- Properly document the execution of trade operations and other procedures;
- Etc.

With the supply and demand mismatch continuing throughout the financial year 2021/2022, the Group faced the problem of non-performance of some supplier contracts due to high prices and their persisting volatility in the global market, however, the ability to reorient to other markets ensured loss minimization and even profit.

The manifestation of this risk is closely related to the market risk aspects and in some cases can be provoked by them. However, the Group estimates the probability of occurrence of trade and credit risk in future periods as moderate, due to the long-term experience of the staff of the companies of the Group and the thorough sreening and control activities carried out.

7.3. Political Risks

In the European Union, agriculture is a highly regulated and supervised industry. Although this regulation and supervision is aimed at ensuring a sufficient income for those engaged in agricultural activities, political changes may affect the situation in the market in which the Group operates. Political risks could arise from the reduction of agricultural subsidies, the tightening of financial assistance-related requirements (which would have a negative impact not only on the activities of agricultural companies managed by the Group, but also on the enterprises supplying those companies), as well as the adoption political decisions such as embargoes, quotas, import or export bans.

To minimize the consequences of such risks, the employees of the companies of the Group monitor the economic situation in Lithuania and all other countries with which they trade and assess possible changes that would result from certain political decisions.

In the financial year 2021/2022, the Company and the Group encountered political risk. Following Russia's invasion of Ukraine, sanctions imposed on Russia by countries ‘unfriendly’ to the regime have led to further disruptions in supply chains worldwide (already seen in the COVID-19 pandemic). Supply restrictions imposed by the aggressor prior to the outbreak of hostilities also had a primary impact on changes in supply and prices.

It should be noted that during the reporting period, the Government of Lithuania approved project of limitation of direct payments to farmers, initiated and proposed by members of the Seimas already in 2021. The ‘ceiling’ of benefits means that one subject shall not be able to receive more than 100 thousand Euro base benefits. However, the Group's agricultural companies are expected not to be affected by this limitation since the amount of wages and related taxes for employees is deducted in calculation of the benefits.

Having in mind high geopolitical uncertainty, the probability of the occurrence of political risks to the Group in future periods is assessed as moderate.

7.4. HR Risks

The ability of the Group to maintain a competitive position and implement its growth strategy is determined by the experience and knowledge of the management. Loss of employees and/or inability to hire new employees with relevant knowledge may adversely affect the business prospects and financial position of the Group. HR-related risks in the activities of the companies of the Group could also be encountered in connection with the confidential information available to the staff members, the decisions made by the staff, the responsibility granted to the staff members based on their rights and duties, improperly designed employee motivation systems, etc.

To manage HR Risks:

- Non-compete agreements have been concluded with certain executives of the Group;
- Requirements and responsibility concerning the storage of confidential information are set for employees;
- The motivational system is developed, etc.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

The probability of the occurrence of the HR risks in future periods is assessed as low.

7.5. Funding and Liquidity Risks

Examples of funding and liquidity risks include funding supply risk, lack of liquidity, short-term investment risk, foreign exchange risk, interest rate risk, etc.

Information on the financial risk management objectives and used hedging instruments that are subject to hedge accounting, as well as the information on the extent of the price risk, credit risk, liquidity risk and cash flow risk arising for the Group when the Group makes use of financial instruments, all of which is important in assessing the assets, equity, liabilities, income and expenses of the Group, are disclosed in Note 30 to the Financial Statements of the Group for the FY 2021/2022.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of funding and liquidity risks in future periods is low/moderate due to the annual credit limits set by the Group, significant diversification of bank financing sources, and hedging instruments used. The most significant impact in the coming financial year is expected to be due to the active monetary policy of the central banks and the increase in the interbank interest rate, however, it should be noted that the Group's management has considered the impact of this factor in advance in the formulation of the budget for the coming year and does not anticipate a material negative impact.

7.6. Risks of Change in Biological Assets

The risk of change in biological assets used in the operations of the Group (cattle, birds and crops) is related to improper maintenance of biological assets, possible out-breaks of diseases, and other factors that may cause the loss of such assets.

To minimise potential losses relating to the risk of change in biological assets, the employees of the companies of the Group monitor the condition of the soil, use plant protection products and fertilizers, carefully control the quality of cattle and poultry feed, continuously improve animal housing conditions, apply infection prevention measures and make use of insurance options.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

In the opinion of the Group, although the probability of occurrence of the risk of change in biological assets in future periods is low due to the systems implemented in the companies of the Group and a strict control, it is still possible to encounter such risk in case of extremely unfavourable weather conditions independently of the Group's actions.

7.7. Security Risks

The security risk could be encountered by the Group due to information technology security vulnerabilities, malware, viruses, illegal and criminal activities of third parties encroaching on the information systems in order to seize information and steal funds. This risk may also be encountered in the course of storage and archiving of copies of electronic and written documents, and when carrying out the protection and surveillance of the premises and the area of the companies of the Group.

In order to manage the security or environmental risks within the Group, the installation of antivirus programs, archiving of IT and paper documents in accordance with the established rules and with the assistance of third parties, and installation of office environment surveillance systems is carried out and updated on a regular basis.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of safety risks in future periods is low due to the systems implemented in the companies of the Group and strict controls.

7.8. Consumption Patterns and Technological Change Risks

The risks posed by changes in consumption patterns and technology are related both to temporary trends and to consistent changes caused by increased education and better living conditions or scientific progress.

To manage these risks, the companies of the Group that produce, prepare and sell agricultural and food products, and supply goods and provide services to farmers perform ongoing monitoring of market trends, sustainability, consumer value and functionality perspectives, assess changes in supply and demand, analyse new products and market penetration of such products.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of these risks in future periods is low due to the continuous promotion of innovation and the first necessity and high-energy value product.

7.9. Reputation Risks

Reputation risks are related to the image of the Group and the companies managed by the Group in the course of building and maintaining relationships with employees, suppliers, customers and the public.

To prevent the occurrence of these risks, the actions of the companies of the Group must comply with the values represented, the mission and vision set, as well as correlate with the provisions of the Code of Business Ethics and social responsibility objectives of the Group. Any deviations from the above could lead to a diminished trust in the Group by its partners, more complicated supply or lower demand for products, as well as reduced attractiveness of the Group's companies as employers.

In the financial year 2021/2022, the Company and the Group did not encounter these risks.

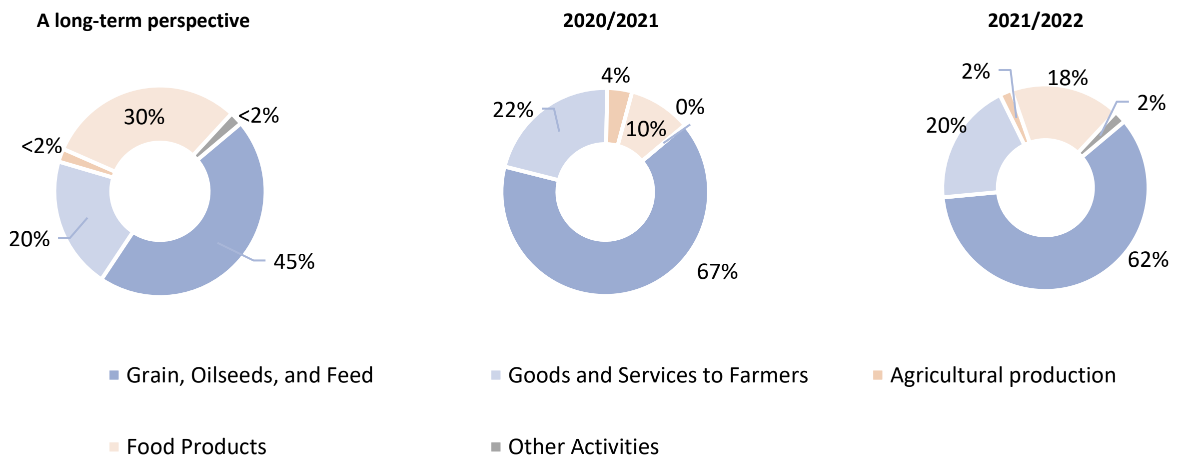
In the opinion of the Group, the probability of occurrence of these risks in future periods is low due to the standards set by the Group and the responsibility in applying the provisions of the Code of Business Ethics and performing its content revisions and compliance checks.

8. Strategic goals

The overall strategy of the Group is to grow profitably and sustainably, to develop all key activities and to achieve synergies between business areas. The group's long-term strategic goals were to achieve an operating profit margin of at least 3% and a return on capital employed in the company's operations (ROCE) of at least 8%. For the financial year 2021/2022, the Group achieved the following targets: an operating profit margin was 5.58% and a ROCE was 19.33%.

The Group adjusts the target values of some of the long-term financial goals and adds new ones:

Target	**Long term objective**	**2020/2021**	**2021/2022**
Operational efficiency (*maintained*)	Operating profit margin >/=3%	2.07%	5.47%
Optimal return on capital (*updated*)	Return on capital employed (ROCE) >/=8%, *a new target for future periods- 12%*	6.61%	18.97%
Sustainable debt level (*new*)	RMI adjusted Net financial debt / EBITDA </= 4.0	2.66	1.90
Target level of EBITDA (*new*)	EBITDA >/= 70 000 - 90 000 thousand EUR	33,401	132,173
Creating shareholder value (*new*)	Dividends paid within financial year to net profit of the previous financial year >/= 20 %	0.00%	0.00%
L/T strategic diversification in activities (*new*)	Revenue split*: **Percentages do not add up to 100 due to activity between segments*		
	- Grain, Oilseed, and Feed: 45% - Products and Services for Farming: 20% - Agricultural Production: <2% - Food Products: 30% - Other Activities: <2%	Revenue split: - Grain, Oilseed, and Feed: 67% - Products and Services for Farming: 22% - Agricultural Production: 4% - Food Products: 10% - Other Activities: -	Revenue split: - Grain, Oilseed, and Feed: 62% - Products and Services for Farming: 20% - Agricultural Production: 2% - Food Products: 18% - Other Activities: 2%



By carrying out activities in each of the five main operating segments, the Group sets separate targets to achieve the objectives applicable to respective segments.

Grain, Oilseed and Feed

The objective of the Group’s management is to sustainably export grain from the Baltic States in order to achieve a higher profitability in this activity. When assessing achievements in the segment, the following is considered: *the ratio of the volume of grain purchased in the Group’s elevators to the volume of harvest in the region (target: >/= 7 percent), segment’s operating profit margin (target: >/= 1.5 percent), etc.*

Products and Services for Farming

The key task in this segment is to grow profitably, while ensuring acceptable earnings for the farmer. Also, to look for and offer to the market solutions that help plants adapt to changing climatic condition. To have one of the best agricultural machinery servicing networks in the Baltic States. To develop the investment in GeoFace and offer modern solutions to farmers with smart technologies. When assessing achievements in the segment, the following is considered: the market share of new tractors and combines (target: TOP 3 position in each country of operation), segment’s operating profit margin (target: >/= 5 percent), etc.

Agricultural Production

The development of this area of activity is limited by the area of managed land, therefore, the respective strategic objectives of the Group are to further increase the productivity of crop and dairy farms and to expand the volume of raw milk production through the modernization of production processes and cow herd expansion. When assessing achievements in the segment, the following is taken into account: milk yield (target: >/=12 thousand kg of milk per year per cow), yields of various cereals (winter wheat average yield target: >/=7.2 tons per hectare of crop, EBITDA gained per one hectare planted (target: >/= EUR 300), etc.

Food products

The objective of the management of the Group is the efficient management of the companies in the segment and further development of poultry farming capacities through the modernization and automation of packaging, refrigeration, and logistics solutions, as well as reduction of gas consumption in poultry farming facilities. When assessing achievements in the segment, the following is taken into account: brand awareness regarding the brands represented (target: to remain No. 1 in the Latvian market), poultry farming without usage of antibiotics (target: 100% raised antibiotic-free), operating profit margin (target: >/= 3.5 percent), etc.

Other Activities

The businesses in this segment are not significant in the context of the Group, and consequently, due to their small size, their profitability is often lower than that of competitors. The Group's management's objective is to find a competitive advantage (e.g., expanding production of higher margin premium products, increasing brand awareness, maintaining, and expanding supplier representation contracts, and achieving the right scale, ensuring an efficient result from the activities.

9. Authorized Capital and Shares of the Company

On 30 June 2021, the authorized capital of the Company amounted to EUR 46,092,715.42. On 22 November 2021, the increase in Company's authorized capital was registered in the Register of Legal Entities. As of that date, it is equal to EUR 46,514,375.42 and divided into 160,394,398 ordinary registered uncertificated shares. The nominal value of one share is EUR 0.29. ISIN code of the shares is LT0000128092.

The Company's share capital was increased by EUR 421,660 by issuing 1,454,000 new ordinary registered uncertificated shares of the Company with a nominal value of EUR 0.29 each and an grant price of EUR 0.705 each (hereinafter – the New Shares). The total issue price of all the New Shares was EUR 1,025,070, of which EUR 421,660 was the nominal value of the New Shares and EUR 603,410 was the share premium.

The New Shares were issued to exercise a portion of the options granted to the Group's employees and/or directors in 2018, with the New Shares being granted gratuitously and paid for by the Company out of the Company's treasury share reserve.

All the shares of the Company are fully paid, and they are not subject to any restrictions of the transfer of securities. All shares issued by the Company grant equal rights to the Company's shareholders. The Company has not issued any shares of a class other than the aforementioned ordinary shares. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except ordinary shares acquired by the Company that do not give the right to vote). Neither limitations of the rights granted by the Company's shares nor special control rights for shareholders are provided for in the Company's Articles of Association.

Following the 01/06/2018 Rules for Shares Issue with its later amendments and supplements, the Company's Shares Option Agreements were signed with the employees of the Company and its subsidiaries in which the Company owns more than 50% of the shares. The main conditions of the agreements are: the optionee continuously work in the Group for at least: a) three years from the date of conclusion of the agreement to be entitled to exercise the option over the 50% of the Option Shares; b) four years from the date of conclusion of the agreement to be able to exercise in addition the option over 25% of the Option Shares, c) five years from the date of conclusion of the agreement to have the right to exercise in addition the option over the remaining 25% of the Option Shares.

At the end of the reporting period, the total number of the Option Shares was 6,772,891.

At the end of the reporting period, the Company held 761,972 units of treasury shares.

The subsidiaries of the Company have not acquired any shares of the Company.

10. Information about Trade in the Company's Securities in Regulated Markets

During the reporting period from 1 July 2021 to 30 June 2022, all shares of the Company were included in the Official List of AB Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on AB Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on AB Nasdaq Vil-nius Stock Exchange started on 17 February 2010.

On July 24, 2017, the Company have signed the agreement of the Issuer's securities accounting management contract with AB Šiaulių Bankas, represented by the Securities Transactions Division (code 112025254, address: Šeimyniškių St. 1A, LT-09312 Vilnius).

The securities of the subsidiaries of the Company are not traded on regulated markets.

10.1. Trade in the Company's Shares

Information on the automated execution transactions, prices of shares sold on AB Nasdaq Vilnius Stock Exchange and turnovers during the period from 1 July 2021 to 30 June 2022:

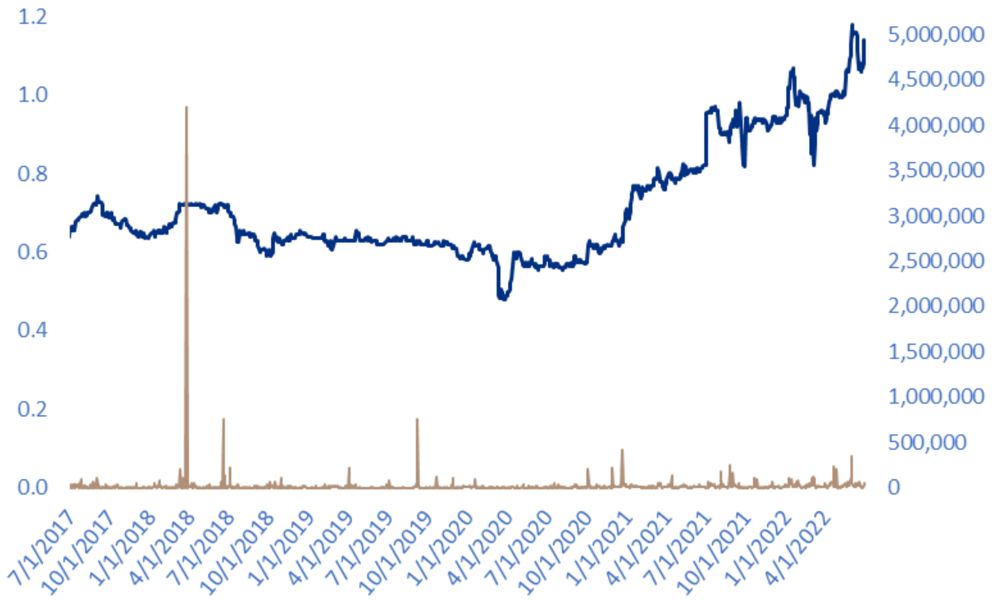
Year and quarter	**Price EUR**				**Turnover EUR**		**Last trading days of the period**				**Total turnover**
	Opening	Max	Average	Min	Max	Min	Price EUR	Turnover EUR	Date	Units	EUR
2021 III	0.818	0.980	0.925	0.818	247,043	751	0.930	11,293	30/9/2021	1,884,855	1,733,406
2021 IV	0.930	0.948	0.932	0.908	113,120	61	0.948	39,116	30/12/2021	762,126	712,056
2022 I	0.950	1.070	0.972	0.822	115,830	2,022	0.940	14,503	31/3/2022	1,870,651	1,801,705
2022 II	0.940	1.180	1.048	0.930	342,565	1,515	1.140	48,976	30/6/2022	2,209,868	2,349,751

10.2. Capitalization of the Company's Shares

Date	**Capitalization, EUR**	**Share Price, EUR**
30/9/2021	147,814,570	0.930
31/12/2021	152,053,889	0.948
31/3/2022	150,770,734	0.940
30/6/2022	182,849,614	1.140

10.3. AB Linas Agro Group Share Price and Turnover

Information on changes in the prices of Company’s shares and turnover from 1/7/2017 until the end of the reporting period, i. e. 30 June 2022, is presented in the following diagram:



Information on the fluctuations of the Company's share price and OMX Baltic Benchmark GI (OMXBBGI) and OMX Baltic Vilnius GI (OMXVGI) indices from 1/1/2020 until the end of the reporting period, i. e. 30 June 2022, is presented in the following diagram:

11. Shareholders

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Šiaulių Bankas (data for the end of 30 June, 2022), the number of Company's shareholders at the end of the reporting period was 2,359.

Shareholders of the Company have all the property and non-property rights specified in the Articles 15 and 16 of the Law of the Republic of Lithuania on Companies.

There are no Company shareholders possessing special control rights; the Company's ordinary non-certificated shares grant equal rights to all shareholders of the Company.

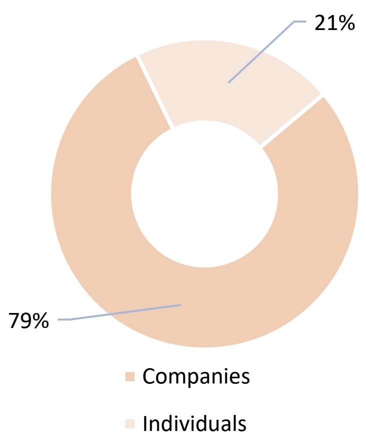
The Company does not have any further information about any agreements between shareholders due to which the shareholders' and/or voting rights might be limited.

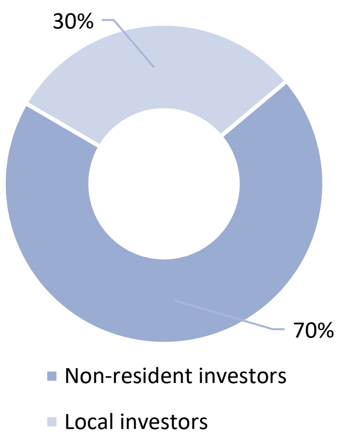
11.1. Shareholders by Country of Residence and Legal Form:

Distribution of the Company's Shareholders by Country of Residence and Legal Form as at 30 June 2022:

Investors	Number of shares	Portion in the authorized capital and voting rights, %
Non-resident investors:	**111,513,292**	**69.52**
Companies	110,740,889	69.04
Individuals	772,403	0.48
Local investors*:	**48,881,106**	**30.48**
Companies	15,826,589	9.87
Individuals	33,054,517	20.61
Total	**160,394,398**	**100.00**

** Investors from the Baltic countries are considered as local*





The shareholders controlling more than 5% of the Company's shares and/or votes as at 30 June, 2022:

	Number of shares held	**Portion in the authorized capital, %**
Akola ApS (public company, Code 2517487; registration address: Thistedvej 68, st., 9400 Norresundby, Denmark)	109,909,167	68.52
Darius Zubas	17,049,995	10.63
Investment and pension funds managed by UAB INVL Asset Management (private limited liability company, Code 126263073; registration address Gynėjų St. 14, Vilnius, Lithuania)	9,065,182	5.65

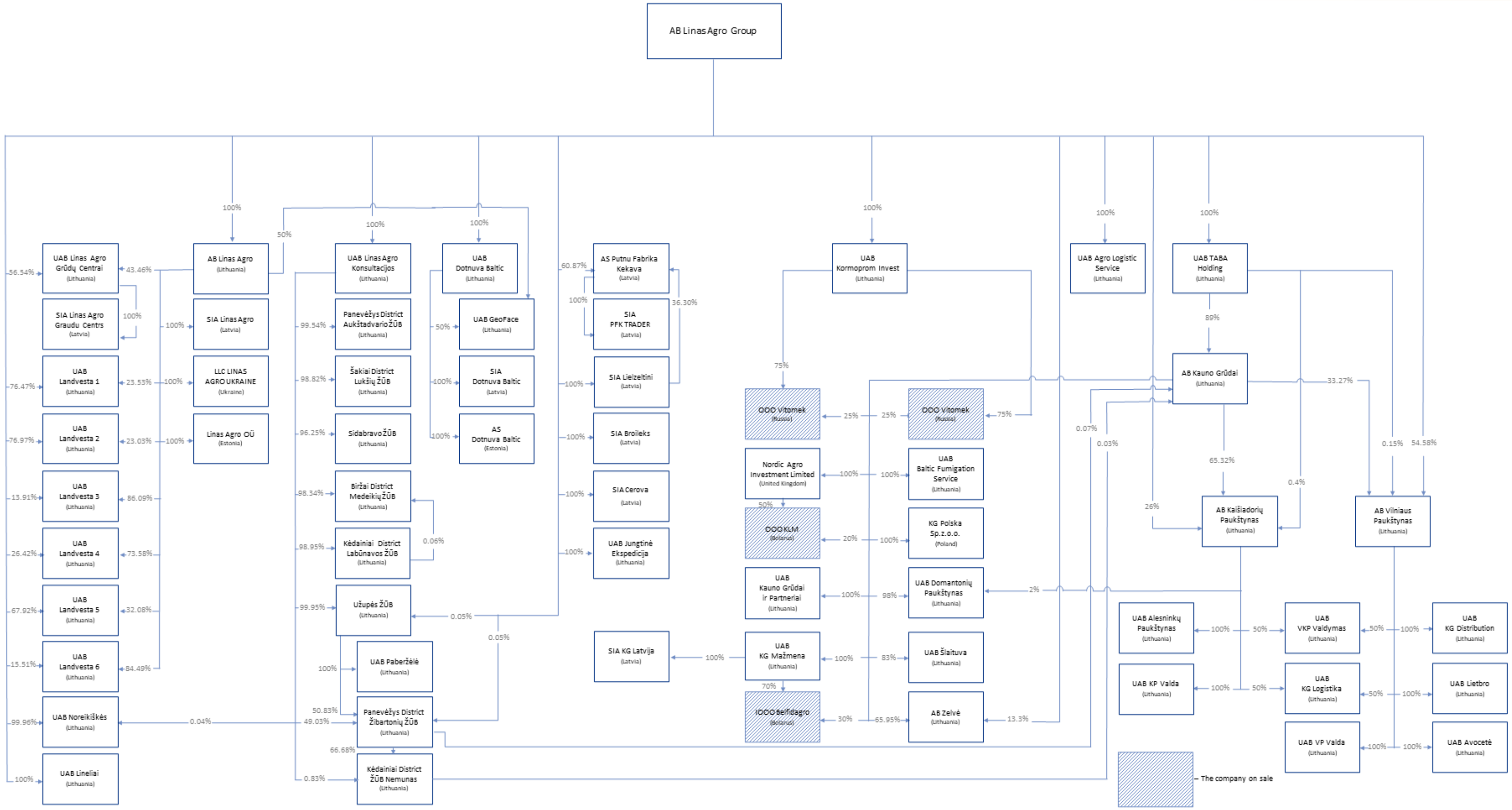
12. Procedure for Amending the Company's Articles of Association

The Company's Articles of Association shall be amended exclusively by the general meeting of shareholders under the Law of the Republic of Lithuania on Companies. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law of the Republic of Lithuania on Companies.

13. Essential Agreements to which the Company is a Party, and which may be important in Case of Change in the Control of the Company

During the reporting period, no essential agreements to which the Company is a party and which entered into force were amended or expired in case of change in the control of the Company were concluded.

14. Information on the Company's Subsidiaries



** As of June 30, 2022. Companies that are not included in the chart: UAB Gerera (dormant, 100% shares), UAB Dotnuvos Technika (dormant, 100% shares), UAB Kekava Foods LT (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares), UAB KG Group LT (dormant, 89.09% shares UAB Gastroneta (dormant, 84.37% shares), UAB Kaišiadorių Paukštyno Mažmena (dormant, 84.60% shares), UAB Kaišiadorių Skerdykla (dormant, 84.60% shares), KG Eesti OU (dormant, 89.09% shares), UAB Uogintai (dormant, 84.60% shares), Kooperatyvas Baltoji Plunksnelė (dormant, 82.88% stock), KG Khumex Coldstore B.V (associate, 42.24% shares), KG Khumex B.V. (associate, 50% shares).*

14.1. Shareholding Structure of the Companies*

** As of June 30, 2022. Companies that are not included in the chart: UAB Gerera (dormant, 100% shares), UAB Dotnuvos Technika (dormant, 100% shares), UAB Kekava Foods LT (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares), UAB KG Group LT (dormant, 89.09% shares UAB Gastroneta (dormant, 84.37% shares), UAB Kaišiadorių Paukštyno Mažmena (dormant, 84.60% shares), UAB Kaišiadorių Skerdykla (dormant, 84.60% shares), KG Eesti OU (dormant, 89.09% shares), UAB Uogintai (dormant, 84.60% shares), Kooperatyvas Baltoji Plunksnelė (dormant, 82.88% stock).*

S –Subsidiary

Company	Status	Stock, owned directly by AB Linas Agro Group	Other stockholders	Share of the stock held by the Group
AB Linas Agro	S	100%		100%
UAB Dotnuva Baltic	S	100%		100%
UAB Jungtinė Ekspedicija	S	100%		100%
SIA Lielzeltini	S	100%		100%
SIA Cerova	S	100%		100%
SIA Broileks	S	100%		100%
UAB Lineliai	S	100%		100%
UAB Linas Agro Konsultacijos	S	100%		100%
UAB Kormoprom Invest	S	100%		100%
UAB TABA Holding	S	100%		100%
UAB Agro Logistic Service	S	100%		100%
UAB Noreikiškės	S	99.96%	UAB Linas Agro Konsultacijos owns 0.04% stock.	100%
UAB Landvesta 2	S	76.97%	AB Linas Agro owns 23.03% stock.	100%
UAB Landvesta 1	S	76.47%	AB Linas Agro owns 23.53% stock.	100%
UAB Landvesta 5	S	67.92%	AB Linas Agro owns 32.08% stock.	100%
AS Putnu Fabrika Kekava	S	60.87%	SIA Lielzeltini owns 36.29% stock.	97.16%
UAB Linas Agro Grūdų Centrai	S	56.54 %	AB Linas Agro owns 43.46% stock.	100%
AB Vilniaus Paukštynas	S	54.58%	AB Kauno Grūdai owns 33.27% stock, UAB TABA Holding – 0.15% stock.	84.37%
UAB Landvesta 4	S	26.42%	AB Linas Agro owns 73.58% stock.	100%
AB Kaišiadorių Paukštynas	S	26.00%	AB Kauno Grūdai owns 65.32% stock, UAB TABA Holding – 0.4% stock.	84.60%
UAB Landvesta 6	S	15.51%	AB Linas Agro owns 84.49% stock.	100%

Company	Status	Stock, owned directly by AB Linas Agro Group	Other stockholders	Share of the stock held by the Group
UAB Landvesta 3	S	13.91%	AB Linas Agro owns 86.09% stock.	100%
AB Zelvė	S	13.3%	AB Kauno Grūdai owns 65.95% stock	72.05%
Užupės ŽŪB	S	0.05%	UAB Linas Agro Konsultacijos owns 99.95% stock.	100%
Panevėžys District Žibartonių ŽŪB	S	0.05%	UAB Linas Agro Konsultacijos owns 49.028% stock, Užupės ŽŪB owns 50.826% stock.	99.90%
SIA Linas Agro Graudu Centrs	S		UAB Linas Agro Grūdų Centrai owns 100% stock.	100%
Panevėžys District Aukštadvario ŽŪB	S		UAB Linas Agro Konsultacijos owns 99.54% stock.	99.54%
Sidabravo ŽŪB	S		UAB Linas Agro Konsultacijos owns 96.25% stock.	96.25%
Šakiai District Lukšių ŽŪB	S		UAB Linas Agro Konsultacijos owns 98.82% stock.	98.82%
Biržai District Medeikių ŽŪB	S		UAB Linas Agro Konsultacijos owns 98.34% stock, Kėdainiai District Labūnavos ŽŪB – 0.06% stock.	98.39%
Kėdainiai District Labūnavos ŽŪB	S		UAB Linas Agro Konsultacijos owns 98.95% stock.	98.95%
Kėdainiai District ŽŪB Nemunas	S		Panevėžys District Žibartonių ŽŪB owns 66.68% stock, UAB Linas Agro Konsultacijos - 0.831%.	67.44%
LLC LINAS AGRO UKRAINE	S		AB Linas Agro owns 100% stock.	100%
SIA Linas Agro	S		AB Linas Agro owns 100% stock.	100%
SIA Dotnuva Baltic	S		UAB Dotnuva Baltic owns 100% stock.	100%
AS Dotnuva Baltic	S		UAB Dotnuva Baltic owns 100% stock.	100%
SIA PFK Trader	S		AS Putnu Fabrika Kekava owns 100% stock.	97.16%
UAB Paberžėlė	S		Užupės ŽŪB owns 100% stock.	100%
UAB Geoface	S		AB Linas Agro and UAB Dotnuva Baltic each own 50% shares.	100%
Linas Agro OŰ	S		AB Linas Agro owns 100% shares.	100%
AB Kauno Grūdai	S		UAB TABA Holding owns 86% stock, Panevėžys District Žibartonių ŽŪB – 0.07%, Kėdainiai District ŽŪB Nemunas – 0.03% stock.	89.09%
UAB Kauno Grūdai ir Partneriai	S		AB Kauno Grūdai owns 100% shares.	89.09%
UAB Baltic Fumigation Service	S		AB Kauno Grūdai owns 100% shares.	89.09%
UAB KG Mažmena	S		AB Kauno Grūdai owns 100% shares.	89.09%

Company	**Status**	**Stock, owned directly by AB Linas Agro Group**	**Other stockholders**	**Share of the stock held by the Group**
UAB Šlaituva	S		AB Kauno Grūdai owns 83% shares.	73.95%
UAB KG Distribution	S		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB Lietbro	S		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB Avocetė	S		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB VKP Valdymas	S		AB Vilniaus Paukštynas owns 50% stock and AB Kaišiadorių Paukštynas owns 50% stock.	84.48%
UAB Domantonių Paukštynas	S		AB Kauno Grūdai owns 98% stock and AB Kaišiadorių Paukštynas owns 2% stock.	89.00%
UAB Alesninkų Paukštynas	S		AB Kaišiadorių Paukštynas owns 100% shares.	84.60%
UAB KG Logistika	S		AB Vilniaus Paukštynas owns 50% stock and AB Kaišiadorių Paukštynas owns 50% stock.	84.48%
UAB VP Valda	S		AB Vilniaus Paukštynas owns 100% shares.	84.37%
UAB KP Valda	S		AB Kaišiadorių Paukštynas owns 100% shares.	84.60%
SIA KG Latvija	S		UAB KG Mažmena owns 100% shares.	89.09%
KG Polska Sp.zo.o.	S		AB Kauno Grūdai owns 100% shares.	89.09%
Nordic Agro investment Limited	S		AB Kauno Grūdai owns 100% shares.	89.09%
IOOO Belfidagro	Company on sale[2]		UAB KG Mažmena owns 70% stock, AB Kauno Grūdai – 30% stock.	89.09%
OOO KLM	Company on sale		Nordic Agro investment Limited owns 50% stock, AB Kauno Grūdai owns 20% stock.	62.37%
OOO VitOMEK (į.k. 1157746009398)	Company on sale[1]		UAB Kormoprom Invest owns 75% stock, AB Kauno Grūdai owns 25% stock.	97.27%
OOO VitOMEK (į.k. 1117746107291)	Company on sale[1]		UAB Kormoprom Invest owns 75% stock, AB Kauno Grūdai owns 25% stock.	97.27%

The Group had direct and indirect investments in the following joint ventures and associates as of 30 June 2022:

- KG Khumex B.V. (Netherlands) - 50.00% (the Company owned 50% of the shares);
- KG Khumex Coldstore B.V. (Netherlands) – 42.24% (AB Vilniaus Paukštynas owned 25% of shares, AB Kaišiadorių Paukštynas – 25% of shares).

[2] *As of the date of publication of the report, the company company is sold and the transaction will close on 31.12.2022*

14.2. Activities and Contact Data of the Companies of the Group *

** As at June 30, 2022. Dormant companies and companies under liquidation, as well as associates not attributable to the Group are not included:*

1. *UAB Gerera (dormant, the Group owns 100% stock)- private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
2. *UAB Dotnuvos technika (dormant, the Group owns 100% stock)- private limited liability company founded 25/6/1998, code of legal entity 161452398, address Parko St. 6, Akademija, LT-58351 Kėdainiai District, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
3. *Linas Agro A/S (under liquidation, the Group owns 100% stock)-private limited liability company, founded 15/3/1994, code of legal entity CVR 17689037, address Vinkel Allé 1, DK-9000 Aalborg, Denmark, company register – Danish Commerce and Companies Agency;*
4. *UAB Kekava Foods LT (dormant, the Group owns 100 % stock)- private limited liability company, founded 8/3/2018, code of legal entity 304784428, address Subačiaus St. 5, LT-01302 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
5. *UAB KG Group LT (dormant, the Group owns 89.09% stock)- private limited liability company, founded 25/4/2013, code of legal entity 30305107, address H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
6. *UAB Gastroneta (dormant, the Group owns 84.37% stock)- private limited liability company, founded 15/2/2000, code of legal entity 125057526, address Dariaus ir Girėno St. 175, LT-02189 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
7. *UAB Kaišiadorių Paukštyno Mažmena (dormant, the Group owns 84.60% stock)- private limited liability company, founded 2/6/1999, code of legal entity 158986919, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
8. *UAB Kaišiadorių Skerdykla (dormant, the Group owns 84.60% stock)- private limited liability company, founded 20/12/2016, code of legal entity 304435729, address Paukštininkų St. 15, 56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
9. *KG Eesti OU (dormant, the Group owns 89.09% stock)- private limited liability company, founded 12/7/2016, code of legal entity 14079784, address P. Suda 11, 10118 Tallinn, Estonia, company register – Centre of Registers and Information Systems (RIK);*
10. *UAB Uogintai (dormant, the Group owns 84.60% stock)- private limited liability company, founded 10/11/2006, code of legal entity 300614873, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
11. *Kooperatyvas Baltoji plunksnelė (dormant, the Group owns 82.88% stock)- cooperative, founded 22/11/2007, code of legal entity 301293559, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania; company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
12. *KG Khumex Coldstore B.V (associate, the Group owns 42.24% stock)- private limited liability company, founded 16/11/2016, code of legal entity 67283845, address Landauer 11, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel);*
13. *KG Khumex B.V. (associate, the Group owns 50% stock)- private limited liability company, founded 17/12/2012, code of legal entity 56668317, address Landauer 9, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel).*

Subsidiaries in Lithuania

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Linas Agro	Wholesale trade of grains, oilseeds, feedstuffs, and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, public limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C-3, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt
UAB Dotnuva Baltic	Sale of agricultural machinery, equipment for grain elevators and farms, seeds production	5/3/1996, Code of legal entity 261415970, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Parko St. 6, Akademija, 58351 Kėdainiai district, Lithuania Ph. +370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvabaltic.lt www.dotnuvabaltic.lt
UAB Linas Agro Grūdų Centrai	Grain processing and storage	10/7/2002, Code of legal entity 148451131, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.centras@linasagro.lt
UAB Jungtinė Ekspedicija	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Nemuno St. 2A, LT-91199 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt www.je.lt
UAB Linas Agro Konsultacijos	Management of subsidiary farming companies	23/6/2003, Code of legal entity 248520920, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Žibuoklių St. 20, LT-57128 Kėdainiai, Lithuania Ph. +370 686 53 692 E-mail konsultavimas@linasagro.lt
Biržai District Medeikių ŽŪB	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Biržų St.32, Medeikių vill., LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 Fax +370 450 584 12 E-mail medeikiai@linasagro.lt
Panevėžys District Aukštadvario ŽŪB	Mixed agricultural activities	9/3/1993, Code of legal entity 168573274, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Pirties St. 3, Aukštadvario vill. LT-38255 Panevėžys district, Lithuania Ph./fax +370 45 592 651 E-mail aukstadvaris@linasagro.lt
Sidabravo ŽŪB	Mixed agricultural activities	20/4/1993, Code of legal entity 171331516, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Pergalės St. 1A, Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 Fax +370 422 476 18 E-mail sidabravas@linasagro.lt

Company name	**Principal activities**	**Registration date, code of legal entity, legal form, company register**	**Contact data**
Panevėžys District Žibartonių ŽŪB	Mixed agricultural activities	22/5/1992, Code of legal entity 168521815, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 Fax +370 45 557 486 E-mail zibartoniai@linasagro.lt
Šakiai District Lukšių ŽŪB	Mixed agricultural activities	30/10/1992, Code of legal entity 174317183, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Lukšių vill. 2, LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 Fax +370 345 442 25 E-mail luksiai@linasagro.lt
Kėdainiai District Labūnavos ŽŪB	Mixed agricultural activities	25/2/1992, Code of legal entity 161228959, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Serbinų St. 19, Labūnava vill. LT-58173 Kėdainiai district, Lithuania Ph. + 370 347 34 180 Fax + 370 347 34 180 E-mail labunava@linasagro.lt
Kėdainiai District ŽŪB Nemunas	Mixed agricultural activities	21/10/1992, Code of legal entity 161268868, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 E-mail nemunas@linasagro.lt
UAB Landvesta 1	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501060, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 2	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501085, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 3	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501092, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 4	Rent and management of agricultural purposes land	23/04/2007, Code of legal entity 300709428, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt

Company name	**Principal activities**	**Registration date, code of legal entity, legal form, company register**	**Contact data**
UAB Landvesta 5	Rent and management of agricultural purposes land	16/8/2007, Code of legal entity 301019661, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 6	Rent and management of agricultural purposes land	14/1/2008, Code of legal entity 301520074, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Noreikiškės	Rent and management of agricultural purposes land	16/8/2012, Code of legal entity 302841649, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Žibartonių St. 70, Žibartoniai vill. LT-38323 Panevėžys district, Lithuania Ph. +370 45 507 406 E-mail noreikiskes@linasagro.lt
Užupės ŽŪB	Mixed agricultural activities	6/4/2011, Code of legal entity 302612561, agricultural company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Liaudės St. 81, Užupės vill. LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail uzupe@linasagro.lt
UAB Paberžėlė	Rent and management of agricultural purposes land	30/6/2008, Code of legal entity 301772627, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail paberzele@linasagro.lt
UAB Lineliai	Rent and management of agricultural purposes land	9/3/2012, Code of legal entity 302740714, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Smėlynės St. 2C-3, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
UAB Geoface	Software developing	12/03/2018, Code of legal entity 304781617, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Karaliaus Mindaugo per. 37 LT-44307 Kaunas, Lithuania Ph. +370 676 99 244 Email info@geoface.com

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Kauno Grūdai	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials; fumigation, disinsection, disinfection and deratization services	15/10/1993, Code of legal entity 133818917, public company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	H. Ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania Ph. +370 37 223317 E-mail info@kggroup.eu www.kauno-grudai.lt
AB Vilniaus Paukštynas	Chicken raising for meat and eggs production, production of poultry and its products	21/1/1993, Code of legal entity 186107463, public company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 5 2687331 E-mail vilniaus.paukstynas@kggroup.eu www.paukštynas.eu
AB Kaišiadorių Paukštynas	Chicken raising for meat and eggs production, production of poultry and its products	20/05/1993, Code of legal entity 158891218, public company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 346 51034 E-mail kaisiadoriu.paukstynas@kggroup.eu www.paukštynas.eu
UAB Šlaituva	Production and wholesale of breadcrumbs and breading mixes	30/3/1994, Code of legal entity 134019827, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Sodų St. 7, 53290 Linksmakalnis, Kaunas district, Lithuania Ph. +370 37 473446
AB Zelvė	Broiler breeding	10/3/1995, Code of legal entity 181323215, public company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Tiesioji St. 21, 21364 Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania Ph. +370 528 26536
UAB Kauno Grūdai ir Partneriai	Rent of own real estate	9/11/2001, Code of legal entity 135828753, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania Ph. +370 37 223317 E-mail E. p. info@kggroup.eu
UAB Kormoprom Invest	Management services	24/11/2015, Code of legal entity 304141542, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Subačiaus St. 5, LT-01302 Vilnius, Lithuania Ph. +370 619 19403

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
UAB TABA Holding	Management services	24/11/2015, Code of legal entity 304141581, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Subačiaus St. 5, LT-01302 Vilnius, Lithuania Ph. +370 619 19403
UAB Baltic Fumigation Service	Fumigation services	7/3/2005, Code of legal entity 300094020, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Stoties St. 38, 70484 Pilviškiai, Vilkaviškis district, Lithuania Ph. +370 655 62153
UAB KG Mažmena	Retail trade	14/3/2011, Code of legal entity 302602745, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania Ph. +370 656 50366 E-mail info@kggroup.eu
UAB KG Distribution	Consultation and business management	29/8/1997, Code of legal entity 186442465, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 5 2687331
UAB Lietbro	Broiler breeding	13/12/2004, Code of legal entity 300073371, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Nevėžio St. 70, Velžys, Panevėžys district, LT-38129 Lithuania Ph. +370 642 72857
UAB Avocetė	Management services	17/12/2003, Code of legal entity 186758285, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 685 17342
UAB VKP Valdymas	Consultation and business management	3/11/2011, Code of legal entity 302682691, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 5 2687331
UAB Domantonių Paukštynas	Broiler breeding	2/6/2004, Code of legal entity 300030822, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Muiželėnai vill., Alytus district, Lithuania Ph. +370 615 51259

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
UAB Alesninkų Paukštynas	Broiler breeding	28/2/2005, Code of legal entity 300092247, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Tiesioji St. 21, 21364 Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania Ph. +370 528 26536
UAB KG Logistika	Freight transport services	25/9/2007, Code of legal entity 301133864, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 618 10826
UAB VP Valda	Rent of own real estate	24/5/2021, Code of legal entity 305776014, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 611 31222
UAB KP Valda	Rent of own real estate	24/5/2021, Code of legal entity 305775535, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 611 31222
UAB Agro Logistic Service	Wholesale of feedstuffs for fodder and premixes production	6/3/2013, Code of legal entity 303014392, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	H. and O. Minkovskių St. 120 LT-46550 Kaunas, Lithuania Ph. +370 640 59608 E-mail info@agrols.eu www.agrols.eu

Subsidiaries Operating in Foreign Countries

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Linas Agro	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, Code of legal entity 53603019011, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality, LV-3043, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.linasagro.lv
SIA Linas Agro Graudu Centrs	Grain processing and storage	2/5/2013, Code of legal entity 43603059101, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Jaunsalieši, LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
LLC LINAS AGRO UKRAINE	Representative office	30/07/2018, Code of legal entity 42340549, The United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine	Verhniy Val St. 28, Kiev, 04071, Ukraine Ph. + 380 96 634 24 02 E-mail info.ukraine@linasagro.lt
SIA Dotnuva Baltic	Sale of agricultural machinery and equipment for grain elevators	26/04/2010, Code of legal entity 43603041881, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality, LV-3043, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvabaltic.lv www.dotnuvabaltic.lv
AS Dotnuva Baltic	Sale of agricultural machinery and equipment for grain elevators	11/11/2010, Code of legal entity 12019737, Centre of Registers and Information Systems (RIK)	Savimäe 7, Vahi 60534, Tartu district, Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvabaltic.ee www.dotnuvabaltic.ee
AS Putnu Fabrika Kekava	Poultry farming, production and marketing of poultry and poultry products	11/6/1991, Code of legal entity 50003007411, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA PFK TRADER	Food retail	26/8/2013, Code of legal entity 40103703853, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA Lielzeltini	Poultry farming, production and marketing of poultry and poultry products, feed production	7/7/1994, Code of legal entity 40003205232, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	“Mazzeltini“, Janeikas, Bauskas district, Latvia Ph. +371 6396 0770 Fax +371 6396 0768 E-mail lielzeltini@lielzeltini.lv www.lielzeltini.lv
SIA Broileks	Chicken breeding and sale	7/12/2009, Code of legal entity 50103262981, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Gaismas St. 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182
SIA Cerova	Egg incubation and chicken sale	8/10/2003, Code of legal entity 43603019946, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
Linas Agro OŰ	Products for crop growing	8/10/2020, Code of legal entity 16071924, Centre of Registers and Information Systems (RIK)	Savimae 7, Vahi 60534, Tartu region, Estonia Ph. +372 6602810 Email info@linasagro.ee https://linasagro.ee/
SIA KG Latvija	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing	2/4/2014, Code of legal entity 40103775495, Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Škunu St 2, Peltes, Sigulda Parish, Sigulda Municipality, LV-2150, Latvia Ph. +371 2240 1142
KG Polska Sp.zo.o.	Wholesale of feed materials	26/10/2011, Code of legal entity 200655918, National Court Register (Krajowy Rejestr Sądowy)	Sejnenska St. 51, Suwalki, Poland Ph. +487 565 08 01
Nordic Agro investment Limited	Management services	9/5/2011, Code of legal entity 07625931, Companies House	93 Tudor drive, Kingston, Surrey, England, KT2 5NP, UK Ph. +44 (0)20 8974 5252
IOOO Belfidagro	Production and wholesale of premixes	18/4/2008, Code of legal entity 690651896, Ministry of Justice of the Republic of Belarus	Kalinin St. 89A, Asipovichy, Mogilev region, Belarus Ph. +375 29 638 24 43 E-mail info@belfidagro.by www.belfidagro.by
OOO KLM	Wholesale of products for crop growing, veterinary products, premixes and seeds for gardening	7/9/2007, Code of legal entity 69608281, Ministry of Justice of the Republic of Belarus	Sosnovaja St. 7, office 9, Sonečnij vill., Minsk region, Belarus Ph. +375 172379980 E-mail office@klm-agro.by https://klm-agro.by/
OOO VitOMEK (code 1157746009398)	Wholesale of premixes, compound feed and feed materials	10/1/2015, Code of legal entity 1157746009398, Federal Tax Service Interdistrict Inspectorate No 46, Moscow city	Registration address: Juliusa Fučika St. 6, Building 2, 2 floor, Room 2, 123056 Moscow, Russia Visiting and mailing address: Dmitrovskoe sh., 163a, Building 2, 127204, Moscow, Russia Ph. +74959020332 E-mail info@vitomek.com https://vitomek.com
	Production of premixes	16/2/2011, Code of legal entity 1117746107291, Federal Tax Service Interdistrict Inspectorate No 12, Tver Region	St.Severnaya 5, Likhoslavl, 171210 Tver region, Russia Ph. +74959020332 E-mail zavod@vitomek.com https://vitomek.com

15. Employees

As at 30 June 2022 the number of employees of the Group was 5,031 or 2,929 employees more than as at 30 June 2021 (2,101). The increase in the number of employees is due to the acquisition of KG Group companies.

The number of employees of the Company was 17 (19 as at 30 June 2021).

AB Linas Agro Group has no collective agreement.

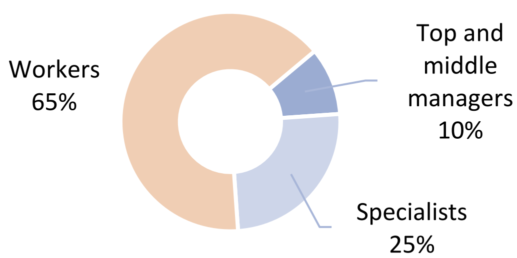
All employment contracts concluded by the Group with the Company's and Group's employees are entered into in accordance with the Labor Code of the Republic of Lithuania and respective legal requirements in Latvia, Estonia, Ukraine and Denmark, Poland, UK, Belarus and Russia. Both hiring and dismissal of employees is carried out pursuant to the requirements of the Labor Code. No special rights or obligations of employees are provided for in employment contracts.

Employees have undertaken the obligation of non-disclosure of confidential information. Some Board members and key executives have signed confidentiality and non-competition agreements.

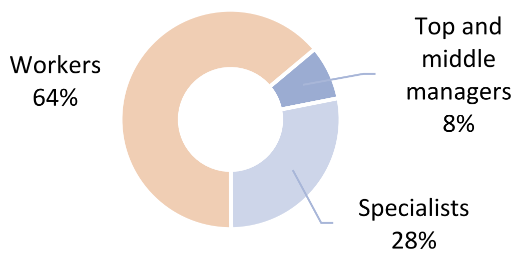
15.1. Distribution of Employees[3]

Distribution of Employees by Position:

30/6/2022

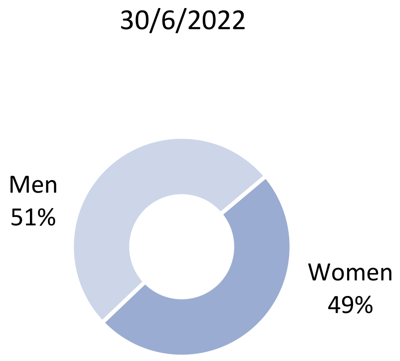


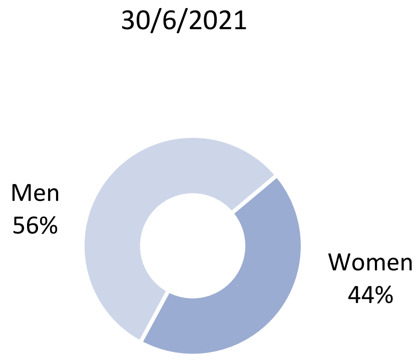
30/6/2021



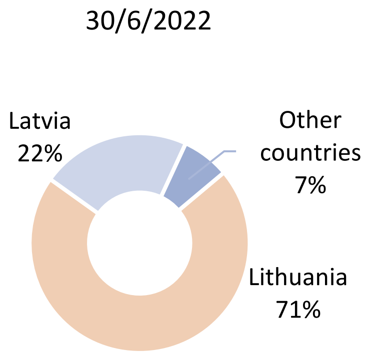
[3] *End-of-period data, Managers include top and middle managers*

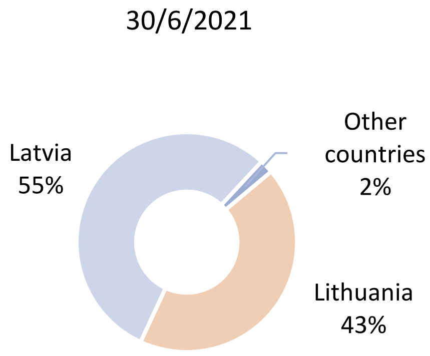
Distribution of Employees by sex:





Distribution of Employees by countries:





15.2. Average Monthly Salary

Monthly salary before taxes, EUR:

	2021/2022*	**2020/2021****
Managers	3,980	5,211
Specialists	2,215	2,010
Workers	1,360	922

**salary before taxes average, calculated for the employees, who worked in the Group at the end of the financial year*

***average salary, before taxes, considering the average number of employees in the Group over the reporting period*

Further information on employee relations to be disclosed in the Group's full Corporate Social Report for the financial year 2021/2022, which will be published on the Company's website and on the Nasdaq Vilnius platform on 28 October 2022.

15.3. Remuneration Policy

During the Ordinary General Meeting of Shareholders held on 23 November 2020, the Remuneration Policy of AB Linas Agro Group was approved, which defines the requirements and guidelines for determining the remuneration amount for the CEO and members of the Board of the Company. The Remuneration Policy aims to establish a remuneration system that promotes fair representation and value creation for all stakeholders, the achievement of the Company's articulated objectives and short and long-term goals, as well as the motivation of employees and the attraction of talented employees. During the next general meeting of shareholders, consideration of the updated remuneration policy of AB Linas Agro Group is scheduled, related to the issue of the formation of the Supervisory Board, which is also expected to be considered at this meeting.

Considering that the members of the Board (see 16.2. The Board of the Company) are also the employees of the Company, the remuneration they receive is defined by employment contracts. According to the current Remuneration Policy, the Company does not pay any additional benefits for their work as members of the Board, except for the possibility to pay bonuses and grant Company shares or share options (according to AB Linas Agro Group Rules for Granting Shares approved by the General Meeting of Shareholders of the Company).

The Remuneration Policy of the Company stipulates that the remuneration of the CEO consists of a fixed and a variable part, and that the Company’s shares or share options may be granted as well. The fixed part is determined and approved by the Board and paid in accordance with the rules in force in the Company. The variable part of the remuneration is paid at the end of the financial year by the decision of the Board, taking into account the approved strategy, as well as the implementation of the set financial and non-financial goals. To acknowledge a work well-done, the performance of an important project, ensuring the implementation of the Company’s strategy, an incentive payment may be granted to the CEO on the Board’s initiative (optional). The Company also provides for the possibility of granting other benefits to the CEO (e.g., the right to the Company’s car, wellness and medical services, pension plans, etc.), which depends on the market conditions and may be subject to change.

A detailed information on the remuneration system applicable to the Company’s management is provided in the Remuneration Report of AB Linas Agro Group for the twelve-month period ended on 30 June 2022.

16. Corporate Governance

The Company complies with the company management procedures stipulated in the Law of the Republic of Lithuania on Companies. The Company complies with the essential management principles for the companies listed on Nasdaq Vilnius.

The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Chief Executive Officer). The Company did not have the Supervisory Board during the reporting period, and its constitution and election of members is expected to be approved at the next General Meeting of Shareholders. The Company has the Audit Committee.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

Detailed information on compliance with the Corporate Governance Code is disclosed in Annex 1 of this Annual Report.

16.1. General Meeting of Shareholders

General Meeting of Shareholders is the supreme body of the Company. The procedure for the convening and organization of a General Meeting of Shareholders, and for passing decisions is established in the Law on Compa-nies of the Republic of Lithuania.

During the reporting period, the annual general meeting of shareholders of the Company was held on October 29, 2021, and was attended by the shareholders of the Company holding 86.19% of all voting shares of the Company.

16.2. Board of the Company

The Company’s Board shall be elected by the Company’s General Meeting of Shareholders. The Company’s Board consists of seven members elected for four years period. The number of terms of Board members shall be unlimited. The Company’s Board shall be responsible for the strategic management of the Company and other essential management functions.

The Board of the Company was elected by the Company’s Extraordinary General Meeting of Shareholders on 1 June 2018. The Member of the Board Darius Jaloveckas resigned from the post on September 3, 2019.

The number of the Company’s Board members was 6 as at 30 June 2022. The Company does not have independent members of the Board. The Chairman of the Board is also the Head of the Company (Chief Executive Officer).

The members of the Board (as at 30 June, 2022):

Name	**Position within the Board**	**Cadence started**	**Cadence ended***	**Number of the Company’s shares held**
Darius Zubas	Chairman	1/6/2018	31/5/2022	17,049,995
Andrius Pranckevičius	Deputy Chairman	1/6/2018	31/5/2022	568,380
Dainius Pilkauskas	Member	1/6/2018	31/5/2022	480,281
Tomas Tumėnas	Member	1/6/2018	31/5/2022	2,200
Arūnas Zubas	Member	1/6/2018	31/5/2022	480,281
Jonas Bakšys	Member	1/6/2018	31/5/2022	3,400,000

** Although the term of office of the Board of Directors ended on 31 May 2022, the Board of Directors shall remain in office until the Ordinary General Meeting of Shareholders held the same year.*

26 meetings of the Board have been organized and held during the financial year 2021/2022, members of the Board attended them 100 percent.

Darius Zubas (b. 1965) - the main founder of the Group. Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988.

Activities in other companies:

Company name, code of legal entity, address	Position	Since
Companies of the Group:		
AB Kauno grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Chairman of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius District, Lithuania	Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys, Lithuania	Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania	Chairman of the Board	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Deputy Chairman of the Board	2020
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai District, Lithuania	Member of the Board	2019
SIA Lielzeltini, 40003205232, “Mazzeltini“, Janeikas, Bauskas District, Latvia	Chairman of the Council	2015
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Chairman of the Council	2014
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Chairman of the Board	2006
Other companies:		
UAB Darius Zubas Holding, 305363909, Subačiaus St. 5, Vilnius, Lithuania	Chairman of the Board	2019
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Chairman of the Board	2006

Andrius Pranckevičius (b. 1976) - A Bachelor’s degree in Business Administration in 1998, Master’s degree in Marketing Management in 2000 at Kaunas University of Technology. Joined the Group in 1999.

Activities in other companies:

Company name, code of legal entity, address	**Position**	**Since**
Companies of the Group:		
AB Kauno grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	CEO Deputy Chairman of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius District, Lithuania	Deputy Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys, Lithuania	Deputy Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania	Deputy Chairman of the Board	2021
AB Kauno Grūdai Labdaros ir Paramos Fondas, 300144110, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Chairman	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Chairman of the Board	2020
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Chairman of the Board	2015
SIA Lielzeltini, 40003205232, “Mazzeltini“, Janeikas, Bauskas District, Latvia	Chairman of the Board	2015
SIA Cerova, 43603019946, Centra St. 11, Musa, Ceraukstes par., Bauskas District, Latvia	Chairman of the Board	2015
SIA Broileks, 50103262981, Gaismas St. 2A-48, Kekava, Latvia	Chairman of the Board	2015

Latvian Poultry Association LAPNA, 50008102661, Republikas laukums 2, Rīga, Latvia	Chairman of the Supervisory Council Member of the Supervisory Council	2022 2021

Tomas Tumėnas (b. 1972) - Master's degree in Economics at Vilnius University and a certificate in International Business Economics from Aalborg University in 1995. Master's degree in Business Administration at Manchester Business School, The University of Manchester in 2011. Employed within the Group in 2001, since 2020 serves as financial consultant at AB Linas Agro Group.

Activities in other companies:

Company name, code of legal entity, address	**Position**	**Since**
UAB PICUKĖ,302557830, Ignalinos r.sav.teritorija, Lithuania	Director	2021
Kredito Unija Saulėgrąža, 302894776, Senasis Ukmergės kel. 4, Užubalių k., Vilnius district, Lithuania	Member of the Supervisory Council	2020
UAB Darius Zubas Holding, 305363909, Subačiaus St. 5, Vilnius, Lithuania	Member of the Board Director	2019 2019
Akola ApS, 25174879, Thistedvej 68, st., Norresundby, Denmark	Director	2018
UAB Baltic Fund Investments, 111587183, Labdarių St. 5, Vilnius, Lithuania	Director	2003

Arūnas Zubas (b. 1962) - Master's degree in Chemical Technology at Kaunas University of Technology in in 1985. He was employed within the Group from 1995 to 2005, also serves as Business Development Director at AB Linas Agro Group since 2022.

Activities in other companies:

Company name, code of legal entity, address	Position	Since
Companies of the Group:		
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Deputy Chairman of the Supervisory Council Member of the Supervisory Council	2018 2015
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas District, Latvia	Deputy Chairman of the Supervisory Council Member of the Supervisory Council	2018 2015
Other companies:		
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Deputy Chairman of the Board Managing Director	2018 2005

Dainius Pilkauskas (b. 1966) - Master's degree in Animal Science at Veterinary Academy of Lithuanian University of Health Sciences in 1991. Employed within the Group since 1991.

Activities in other companies:

Company name, code of legal entity, address	Position	Since
Companies of the Group:		
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės St. 2C, Panevėžys, Lithuania	Deputy Chairman of the Board	2022
SIA Linas Agro, 53603019011, 'Baltijas Ceļš', Brankas, Cenu District, Jelgava municipality, Latvia	Member of the Supervisory Council	2020
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Trade Director for Baltic States Member of the Board	2006 2006

Jonas Bakšys (b. 1975) - Bachelor’s degree in International Economics at Concordia University (USA) in 1997, Master’s degree in Business Administration at University of Surrey (UK) in 2003. Joined the Group in 2004.

Activities in other companies:

Company name, code of legal entity, address	Position	Since
Companies of the Group:		
UAB GeoFace, 304781617, Karaliaus Mindaugo pr. 37, Kaunas, Lithuania	Director Chairman of the Board	2022 2022
AB Kauno Grūdai,133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Member of the Board	2021
Linas Agro OU, 16071924, Savimäe 7, Vahi, Tartu District, Estonia	Member of the Supervisory Council	2020
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai District, Lithuania	Deputy Chairman of the Board CEO	2019 2019
SIA Linas Agro, 53603019011, ‘Baltijas Ceļš’, Brankas, Cenu District, Jelgava municipality, Latvia	Deputy Chairman of the Supervisory Council	2019
SIA Dotnuva Baltic, 43603041881, Baltijas Ceļš, Brankas, Cenu District, Jelgava municipality, Latvia	Deputy Chairman of the Supervisory Council	2019
AS Dotnuva Baltic, 12019737, Savimäe 7, Vahi, Tartu District, Estonia	Member of the Supervisory Council	2019
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	CFO Member of the Board	2019 2018
SIA Lielzeltini, 40003205232, Mazzeltini, Janeikas, Bauskas District, Latvia	Member of the Supervisory Council	2018
AS Putnu fabrika Kekava, 50003007411, Kekava, Kekava District, Latvia	Member of the Supervisory Council	2018
Other companies:		
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Member of the Board	2018
Lobiu Sala AS, 556671-6501, BERIT MÖLLER & CO, Brahegatan 30 7TR, Stockholm, Sweden	Member of the Board	2017

Board members controlling more than 5% of other Companies shares and votes:

Name and surname	Participation in other Companies authorized capital
Darius Zubas	UAB Darius Zubas Holding 100%; UAB MESTILLA 14.3%.
Jonas Bakšys (joint community property with spouse together)	UAB Vividum 100%; Dvi T, UAB 100%

Andrius Pranckevičius, Arūnas Zubas, Dainius Pilkauskas, and Tomas Tumėnas do not have more than 5% of shares in the other companies.

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfilment of their obligations.

16.3. The Head of the Company

The Head of the Company shall be the single-person management body of the Company. In his/her activities, the Head of the Company shall follow laws, other legal acts, the Articles of Association, decisions of the General Meeting of Shareholders and the Board, and his/her office regulations.

The Head of the Company (Chief Executive Officer) is Darius Zubas, he is also the Chairperson of the Board.

The Head of the Company did not change during the reporting period, ended 30 June, 2022.

16.4. Senior Executives

The senior executives of the Company work under open-ended contracts of employment. Details of the senior executives remained unchanged during the financial year 2021/2022.

There are no separate agreements between the Company and its employees that would provide any compensations in case of their resignation or dismissal without a justified reason.

Company Senior Executives as of 30 June 2022 *Andrius Pranckevičius* *Darius Zubas* *Mažvydas Šileika*

Position	Name and surname	Employed since	Number of the Company's shares held
Chief Executive Officer	Darius Zubas	1/9/1996	17,049,995
Deputy Chief Executive Officer	Andrius Pranckevičius	19/11/2009	568,380
Chief Financial Officer	Mažvydas Šileika	15/4/2020	-

Information about Darius Zubas and Andrius Pranckevičius is provided in the chapter 16.2. Board of the Company.

Mažvydas Šileika (b. 1990) graduated from the University of Leeds in 2012 with a Bachelor of Management degree, in 2013 he graduated from City University London Cass Business School with a Master of Science (MSc) in Shipping, Commodity Trading and Finance. Before joining the Group in 2020, he worked for SEB Bank for six years.

Activities in other companies:

Company name, code of legal entity, address	Position	Since
Companies of the Group:		
UAB TABA Holding, 304141581, Subačiaus St. 5, Vilnius, Lithuania	Director	2021
UAB Kormoprom Invest, 304141542, Subačiaus St. 5, Vilnius, Lithuania	Director	2021
AB Kauno grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Member of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius District, Lithuania	Member of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys,	Member of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės, Vievis eldership, Elektrėnai municipality, Lithuania	Member of the Board	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Member of the Board	2021
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Member of the Board	2021

The remuneration charged to the Company's senior executives during the period under review for their duties in the Company amounted to EUR 853 thousand. They did not receive any bonuses for serving on the boards of of the other companies of the Group.

16.6. Committees Formed by the Company

Since 28 October 2010 Audit Committee is formed by the Company, the members of the Committee are elected for the term of office of 4 (four) years. The Audit Committee is responsible for the implementation of risk management systems related to the preparation of consolidated financial statements.

The term of office of the members of the Audit Committee started on October 31, 2018 and will end on October 30, 2022.

The Audit Committee consists of 3 members, two of whom are independent:

Andrius Drazdys - independent member of the Audit Committee. Employed at UAB VMG Food as a Chief Finance Officer. Does not own shares of the Company.

Agnė Preidytė - independent member of the Audit Committee. Employed at UAB Ermitažas as Head of E-Commerce Department. Does not own shares of the Company.

Irma Antanaitienė – member of the Audit Committee. Employed at AB Linas Agro as Accountant. Does not own shares of the Company.

The Board of the Company plans to propose new members of the Audit Committee for consideration at the forthcoming General Meeting of Shareholders.

17. Social Responsibility

The Group strives to be the best agribusiness and food production group in the Baltics. Guided by its mission and values, the Group implements its social responsibility through targeted activities in the market and social projects.

The Group's activities cover areas related to agriculture and the food industry. The business model of the Group is described in paragraph 4.1 of this report, while the business running companies, products and services are detailed in paragraph 5.5.

The Company adheres to the ten principles of the UN Global Compact, on the basis of which it has adopted its Corporate Social Responsibility Policy, and all companies of the Group, as well as their employees, must follow this policy. Its summary is published on the website of AB Linas Agro Group.

The Corporate Social Responsibility Policy of the Group stipulates that the employees of the Group shall communicate and coordinate their interests with various stakeholders: customers, employees, business partners, competitors, shareholders, governments, regulatory authorities and local communities. It is based on the following principles: assurance of the employees’ rights, safety and health, respect for human rights and privacy, an ethical and transparent manner of doing business, responsibility for the environment, assurance of the wellbeing of people and animals, and anti-corruption as well as a harmonious relationship with our partners and the society.

The Corporate Social Responsibility Policy of the Group consists of:

- Occupational Safety and Health Policy;
- Non-Discrimination Policy;
- Human Rights, Child Labor and Forced Labor Policy;
- Anti-Bribery and Anti-Corruption Policy;
- Animal Welfare Policy;
- Environmental Protection Policy;
- Personal Data Protection Policy;
- Code of Business Ethics;
- Partner Code of Ethics.

Violations of any of the Group's policies or codes can be safely reported by email to info@linasagrogroup.lt.

From January 1, 2022 the EU Taxonomy Disclosure Requirements (Taxonomy Regulation (EU) 2020/852 and its implementing legislation) come into force, covering disclosing requirements according to the classification system of sustainable economic activities and investments, defining activities that are considered to significantly contribute to the achievement of environmental goals.

According to the latest version of the Taxonomy Regulation and the legal acts implementing it, the activities of AB Linas Agro Group AB are not included/classified among the activities that meet the criteria of the Taxonomy Regulation.

17.1. Relations with Employees

At the end of the reporting period there were 5,031 employees in the Group. The distribution of employees by position, gender, country and average salaries are described in chapter 15 of this Report.

In its relations with employees, the Group is guided by the laws, as well as the values and policies of the Group: the Occupational Safety and Health Policy, Non-Discrimination Policy, Human Rights, Child Labour and Forced Labour Policy, and Personal Data Protection Policy.

During the reporting period, the Group did not record any violations concerning human rights or personal data protection, as well as violations concerning discrimination based on race, gender, religion, political beliefs, nationality, social origin or other grounds.

Works councils operate in the following companies: AB Linas Agro, UAB Linas Agro Grūdų Centrai, UAB Dotnuva Baltic, AB Kauno Grūdai, AB Vilniaus Paukstynas and AB Kaisiadoriu Paukstynas. In addition, Dotnuva Baltic has elected divisional employee representatives for occupational safety and health who participate in accident investigation and ccupational risk assessment.

Employees of the companies of the Group are provided with social guarantees. The Group has adopted a uniform policy concerning employee benefits for all companies fully (100 percent) managed by the Group. Based on the policy, the benefits are granted in the event of the death of a family member or a close relative of an employee, and in the event of the loss of a breadwinner; a gift is awarded in the following cases: a child is born to an employee; employee's graduation; employee's anniversary.

Employees of the Group are provided with opportunities to study, improve their qualifications, and participate in various seminars and trainings both in Lithuania and abroad. The companies of the Group do not have an approved employee training system and the trainings are organised based on a specific need and relevance of the topic. Quite a number of internal trainings took place as well.

The Group strives to ensure a proper physical, psychological and social health of employees in the workplace, as well as to create a healthy, safe and productive work environment. Employees of the companies of the Group are provided with the opportunity to use the necessary medical services, and the employees who have worked in the Group for a year are covered by voluntary health insurance.

The Company has entered into the share option agreements with some of its employees. Further information on this matter is disclosed in Item 15.3 of this Report and Note 29 to the Financial Statements.

In the Group, which had 5,031 employees at the end of the reporting period, there were no deaths recorded during the reporting period due to work-related injuries or injuries with major consequences, but 27 work-related injuries, such as abrasions, bruises, head injuries, contusions, and fractures, mainly to the hand. To reduce the number of accidents, the companies reassesses work-place risks, carries out repeat briefings at the workplace, conducts trainings and distributes protective equipment.

17.2. Relations with the Public, Partners, and the State

In relations with the public and the partners, the Group adheres to the Anti-Bribery and Anti-Corruption Policy and Code of Business Ethics, respects the privacy of an individual and strives to ensure that partners of the Group comply with the Code of Conduct for Partners.

The companies of the Group actively participate in the activities of various branch and professional associations and are the active members of the following organizations:

- Estonian Seed Association;
- The Estonian Chamber of Agriculture and Commerce;
- Grain and feed Trade Association (GAFTA);
- Klaipėda Chamber of Commerce, Industry and Crafts;
- Latvian Egg and Poultry Producers Association;
- Latvian Federation of Food Processing Businesses;
- Latvian Association for People Management;
- Latvian Chamber of Commerce and Industry;
- Latvian Seed Producers Association;
- Latvian Agricultural association for producers and traders of agricultural machinery;
- Lithuanian Agrochemical Products and Fertilizers’ Industry and Trade Association;
- Lithuanian Plant Protection Association;
- Lithuanian Association of Planters and Ornamental Plants Growers;
- Lithuanian Cattle Breeders’ Association;
- Lithuanian Grain Processors’ Association;
- Lithuanian Association of Shipping Agents and Freight Forwarders;
- Lithuanian Marketing Association;
- Lithuanian Association of Poultry growers;
- Lithuanian Seed Producers Association;
- Lithuanian Association of Agricultural Companies;
- Lithuanian Agricultural Machinery Association;
- Several associations for users of drainage systems;
- Panevėžys Chamber of Commerce, Industry and Crafts;
- Association of Business Efficiency (Latvia).

An anti-bribery and anti-corruption policy is adopted and applied throughout the Group. In the opinion of the Group's management, no bribery or corruption was recorded during the reporting period and no irregularities involving bribery of foreign officials in international business transactions. However, during the period under review, the Group's company OOO KLM (Belarus) (sold at the date of publication of this report) was fined approximately EUR 500 thousand for tax evasion and bribery. The Group's management does not agree with the imposition of this fine but the appeal process remains complicated.

The Group actively cooperates with local communities, participates in cultural, civic and educational projects car-ried out by them, as well as communicates with farmers' and municipal organisations. The Group has a support policy, a summary of which is published on the website of AB Linas Agro Group.

During the reporting period, the companies of the Group allocated a total of EUR 380,000 to support various projects (for educational projects; for the poor, the disabled and their organisations; for children's treatment institutions; for cultural, sports and local community events; for scholarships, for farmers' organizations and similar organizations; local communitiies). Support to the armed forces of Ukraine and civilians affected by the war during the reporting period amounted to 270 thousand euros.

Employees of the Group participate in volunteering activities selected by them independently.

17.3. Environmental responsibility

The companies of the Group make a impact in the areas of their operation, therefore, they are concerned about the effects of their activities on the environment. Group companies track the use of all fuels, electricity and water. In the last financial year alone, 90 GWh of the electricity used by the Group's companies was green, reducing CO_2 and greenhouse gas emissions by 34.6 thousand tons. Taking into account the consumption of electricity, gas, fuels, freon and other materials used in the manufacturing, heating, refrigeration, drying and other processes, the Group's CO_2 emissions are estimated at up to 134 thousand tons (taking into account the impact of both Scope 1 and Scope 2).

Environmental policies are adopted and applied throughout the Group. Paper, plastic, glass, metal, and hazardous waste are sorted out in the companies, and these waste materials are delivered to the agencies engaged in their management. The accounting of waste materials is maintained through the GPAIS (a unified product, packaging and waste accounting information system). Several production companies sort out packaging wood. The companies of the Group have agreements concluded with the waste collecting enterprises.

The Group's full Sustainability Report for the financial year 2021/2022, prepared in accordance with the Global Reporting Initiative (GRI) guidelines, will be published on the Company's website and on the Nasdaq Vilnius platform on 28th of October, 2022.

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Information on Compliance with the Corporate Governance Code

Annex to Consolidated Annual Report of

AB Linas Agro Group

of Financial Year 2021/2022

AB Linas Agro Group (hereinafter referred to as the “Company”), acting in compliance with Article 22 (3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form must be provided.

Summary

The governing bodies of the Company are the General Shareholders‘ Meeting, the Board and CEO, also the Company has the Audit Committee. During the reporting period the Supervisory Council was not formed in the Company, approval of the latter's establishment and election of members is scheduled for the next General Shareholders‘ Meeting. The Remuneration Committee and the Nomination Committee are not formed in the Company.

The Board elects and recalls CEO of the Company, sets his/her remuneration and other conditions of the employment agreement.

Content

Disclosure of compliance with the Recommendations

Principle 1 : General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights

The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
1.1.All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	Yes	The Company's documents and other information required by the legal acts are available on the Company's website www.linasagrogroup.lt and via informational system of stock-exchange Nasdaq Vilnius. All shareholders have the equal rights to participate in the General Meetings of Shareholders.
1.2.It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	Yes	The share capital of the Company consists of ordinary registered shares, that gives equal rights to each shareholder.
1.3.It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Articles of Association of the Company, stipulating all the rights of shareholders, are publicly available on the Company's webpage in Lithuanian and English languages.
1.4.Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	Yes	The shareholders approve all the transactions that, following the Law on Companies and the Articles of Association of the Company, should be approved by the shareholders.
1.5.Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	Yes	The company convenes general shareholders' meetings and implements other related procedures in accordance with the procedure established in the Law on Companies of the Republic of Lithuania and provides all shareholders with equal opportunities to participate in the meeting, get familiarized with the draft resolutions and materials necessary for adopting the decisions. The notice of the general meetings of shareholders shall specify the date the shareholders may submit the proposed draft resolutions in writing.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
1.6.With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	Yes	The notice of the general meeting of shareholders and all related documents and information are published in advance in Lithuanian and English via regulatory news dissemination system and on the Company's website. After the general meeting of shareholders, information related to the meeting are publicly announced: number of participants, number of votes, information on the submitted advance General Voting Ballots, adopted resolutions and voting results.
1.7.Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	Shareholders of the Company may exercise their right to vote in the general meeting in person or through a representative upon issuance of proper proxy or having concluded an agreement on the transfer of their voting rights in the manner compliant with the legal regulations, also the shareholder may vote by completing the General Voting Ballot in the manner provided by the Law on Companies.
1.8.With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	No	In the future the Company will discuss such possibilities by taking into account necessary financial resources, current legal regulations and objective distribution of the Company's shareholders as well as their wishes. So far there were no such requests received from the shareholders of the Company.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
1.9.It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	Yes	The nominees to the collegial bodies and all information about their educational background, work experience and other positions held are each time publicly announced when general meeting of shareholders is convened to elect the members. The suggested amount of annual compensation (tantiemes) to the Board members is provided in the draft of the Profit allocation statement presented to the General Meeting of shareholders. The name of proposed audit company and proposed remuneration for the audit services are presented in advance as a draft decision for the General Meeting.
1.10.Members of the company's collegial management body, heads of the administration[1] or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	No	On October 29, 2021, the annual general meeting of shareholders of the Company was attended and information provided by the Company's CFO and Chief Legal Officer. The election of new candidates for members of the collegial bodies was not included in the agenda of this General Meeting of Shareholders.

Principle 2 : Supervisory board

2.1. Functions and liability of the supervisory board

The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.

The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.

[1] *For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.*

Principles/ Recommendations	Yes | No Not Applicable	Commentary
2.1.1.Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	Not applicable	During the reporting period, the Supervisory Council was not formed in the Company.
2.1.2.Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	Not applicable	
2.1.3.The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	Not applicable	
2.1.4.Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent[2] members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	Not applicable	
2.1.5.The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	Not applicable	
2.1.6.The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	Not applicable	

[2] *For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.*

2.2. Formation of the supervisory board

The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
2.2.1.The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	Not applicable	During the reporting period, the Supervisory Council was not formed in the Company. The next General Meeting of Shareholders is scheduled to consider the establishment of the Supervisory Board and the election of members.
2.2.2.Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	Not applicable	
2.2.3.Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	Not applicable	
2.2.4.Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	Not applicable	

Principles/ Recommendations	Yes | No Not Applicable	Commentary
2.2.5.When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	Not applicable	
2.2.6.The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	Not applicable	
2.2.7.Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.	Not applicable	

Principle 3 : Management Board

3.1. Functions and liability of the management board

The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.

Principles/ Recommendations	**Yes | No Not Applicable**	**Commentary**
3.1.1.The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	Yes	As there was no Supervisory Council in the Company during the reporting period, the Company's Board, that performs supervisory functions set by the Law on Companies of the Republic of Lithuania, approved the Company's strategy.
3.1.2.As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs *inter alia* the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	Yes	The Board performs the specified functions through regular meetings.
3.1.3.The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	Yes	The Board performs the specified functions through regular meetings.
3.1.4.Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance[3] on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	Yes	The Company implements the recommendations of good practice through the Social Responsibility Policy, which is published on the Company's website.
3.1.5.When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	Yes	

[3] *Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: https://www.oecd.org/daf/anti-bribery/44884389.pdf*

3.2. Formation of the management board

Principles/ Recommendations	Yes | No Not Applicable	Commentary
3.2.1.The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	Yes (except gender diversity)	The members of the Company's Board have experience in the fields, where the Company performs its main activities; also, all members have versatile knowledge in the fields of finance, economics, investment management and maintenance.
3.2.2.Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. If supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.	Yes	The general meeting of shareholders shall be submitted the curricula vitae of the candidate members of the Board providing complete information of the respective candidate's educational background, professional experience and his/her competence. The information about members of the Board is on a regular basis updated and submitted in the annual reports prepared by the Company and on its internet website.
3.2.3.All new members of the management board should be familiarized with their duties and the structure and operations of the company.	Yes	The Members of the Company's Board are familiarized with the Work regulations of the Board, their other duties.
3.2.4.Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	Yes	The Board is elected for the term of 4 (four) years with right to be re-elected. Approval of the new composition of the Board is scheduled for the next General Shareholders' Meeting.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
3.2.5.Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	No	The head of the Company - Managing Director - and the Chairman of the Board is the same person. Managing Director reports to the Board of the Company, aiming to ensure the impartiality of the decision-making during the reporting period. Decisions were made in accordance with the procedure established by the Law on Companies and the Articles of Association of the Company, which clearly define the decision-making competencies and limits of the manager's decision-making. In order to further ensure impartiality of the decision-making, the election of the Supervisory board is expected in future periods.
3.2.6.Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	Yes	Members of the Company's Board, each individually and all collectively, pay sufficient time and attention to have the function attributed to the competence of the Board duly performed. The members of the Board take part in the sessions, the time of which is agreed among the members so that all members of the Board could take part in the session. If any of the members cannot participate in the session due to a valid excuse, the conditions are arranged for the member to cast his advance vote in writing. During the 2021/22 financial year, the Members of the Company's Board were all 100 percent involved in making the decisions.
3.2.7.In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent[4], it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	Not applicable	During the financial year 2021/22 there were no independent Board members in the Board of the Company.
3.2.8.The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	Yes	The General Meeting of the Company's Shareholders while approving the Profit allocation statement sets the annual compensations (tantiemes) to the members of the Board for their activity in the Board.

[4] *For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.*

Principles/ Recommendations	Yes | No Not Applicable	Commentary
3.2.9.The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements, and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	Yes	All members of the Board are acting in a good faith in respect of the Company, in the interest of the Company but not in the interest of their own or third parties, pursuing principles of honesty and rationality, following obligations of confidentiality and property separation.
3.2.10.Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	Not applicable	So far there has been no practice in the Company for the Board to perform the assessment of its activities.

Principle 4 : Rules of procedure of the supervisory board and the management board of the company

The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
4.1.The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform he supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	Yes	The Company's Board represents the shareholders of the Company and it is responsible for strategic management of the Company, regularly holds Board meeting, where the management team on a regular basis informs the Board about the Company's and Group's activity.
4.2.It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	Yes	The Company's Board meetings are held according to the preliminary approved meeting schedule, once per month. In need, the sessions of the Board are held more frequently.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
4.3.Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	Yes	
4.4.In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	Not applicable	

Principle 5 : Nomination, remuneration and audit committees

5.1. Purpose and formation of committees

The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.

Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
5.1.1.Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[5].	Yes	The Company has formed the Audit Committee. According to the scope of the Company's activities, results and objective needs as well as the fact that the Board consists of 7 (seven) members, the Company is not in a need of establishment of other committees indicated in this recommendation though the foundation of Nomination and Remuneration Committees will be considered in the future.
5.1.2.Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	Yes	
5.1.3.In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	Not applicable	
5.1.4.Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	Yes	During the reporting period, the Audit Committee was composed of three members, including two independent members. The Chairman of the Committee was an independent member. The Board of the Company also intends to propose new nominees for the Audit Committee to be approved within next General Shareholders' Meeting.

[5] *The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).*

Principles/ Recommendations	Yes | No Not Applicable	Commentary
5.1.5.The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	Yes	The Audit Committee chooses its operation order and procedures autonomously and operates in accordance with the Regulations of the Audit Committee, approved on the General Meeting of the Company‘s Shareholders. The Company‘s Audit Committee activity report for the financial year is announced once per financial year, presented at the General Meeting of Company’s Shareholders, after the meeting together with other related documents is publicly announced on the Company's website. The Company also announces about the members of its Audit Committee in its Consolidated Annual Report.
5.1.6.With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	Yes	The Audit Committee is provided all conditions for holding meetings of the committee, furthermore, at the discretion of the committee, the employees responsible for the areas considered at the committee may be invited to meetings of the committee or requested to submit required information.

5.2. Nomination committee

Principles/ Recommendations	Yes | No Not Applicable	Commentary
5.2.1.The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	Not applicable	The Nomination Committee is not formed in the Company.
5.2.2.When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	Not applicable	

5.3. Remuneration committee

Principles/ Recommendations	Yes | No Not Applicable	Commentary
The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	Not applicable	The Remuneration Committee is not formed in the Company.

5.4. Audit committee

Principles/ Recommendations	Yes | No Not Applicable	Commentary
5.4.1.The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee[6]. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	Yes	The Audit Committee follows the functions assigned to it.

[6] *Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.*

Principles/ Recommendations	Yes | No Not Applicable	Commentary
5.4.2.The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	Yes	The members of the Audit Committee are being informed accordingly as per assigned functions.
5.4.3.The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	Yes	The Audit Committee has the necessary conditions to carry out its activities.
5.4.4.The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	Yes	
5.4.5.The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	Yes	
5.4.6.The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	Yes	

Principle 6 : Prevention and disclosure of conflicts of interest

The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	Yes	The members of the Board avoid situations where their personal interests may conflict with the interests of the Company. The members of the Board abstain from voting or refuse to vote when the matter is related to his person.

Principle 7 : Remuneration policy of the company

The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
7.1.The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	Yes	November 23rd , 2020 General Meeting of Company's Shareholders approved the remuneration policy of AB Linas Agro Group, which defines the requirements and guidelines for determining the remuneration of the Company's Managing Director and members of the Board, as well as the requirement to regularly review this policy to comply with the Company's long-term strategy. The Company's remuneration policy is published on the Company's website. During the next General Shareholders' Meeting, the Board of the Company also intends to propose consideration of the updated remuneration policy project.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
7.2.The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.3.With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.4.The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.5.In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	Not applicable	The financial incentive scheme is not included in the Remuneration Policy of the Company.

Principles/ Recommendations	**Yes | No Not Applicable**	**Commentary**
7.6.The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.7.It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	Yes	The recommendations are included in the Remuneration Policy of the Company.

Principle 8 : Role of stakeholders in corporate governance

The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
8.1.The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	Yes	The Company performs its activities and is managed following the legal and other normative acts of the Republic of Lithuania, according to the reasonable and lawful interests of the community and the third parties, which do not contradict and do not cause the threat to violate the reasonable and lawful interests of the Company.
8.2.The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	Yes	All persons concerned and the third parties may access the publicly disclosed information about the activities of the Company via regulatory news dissemination system and on website of the Company. All persons concerned can address the Company's Investor Relations Specialist orally or in written form.
8.3.Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	All necessary information is available via regulatory news dissemination system and on website of the Company.
8.4.Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	No	Such an option will be considered in the future.

Principle 9 : Disclosure of information

The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
9.1.In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following[7]:		
9.1.1.operating and financial results of the company;	Yes	The Company publishes interim reports and financial statements on operating and financial results on a quarterly basis.
9.1.2.objectives and non-financial information of the company;	Yes	The Company publishes interim reports and financial statements on operating and financial results on a quarterly basis.
9.1.3.persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	Yes	Information is disclosed in annual reports and/or financial statements and on the website.
9.1.4.members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.5.reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.6.potential key risk factors, the company's risk management and supervision policy;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.7.the company's transactions with related parties;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.8.main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	Yes	Information is disclosed in annual reports and/or financial statements and Remuneration Policy.

[7] *This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.*

Principles/ Recommendations	Yes | No Not Applicable	Commentary
9.1.9.structure and strategy of corporate governance;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.10.initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects.	Yes	Information is disclosed in annual reports and/or financial statements.
9.2.When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	Yes	By presenting the information specified in this clause the Company announces the consolidated information of both the Company and the Group of companies.
9.3.When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	Yes	The Company supplies the information specified in this clause in its annual reports.
9.4.Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	Yes	The information specified in this clause is announced via regulatory news dissemination system and on the Company's website in Lithuanian and English languages. The Company makes efforts to present all material events and information to investors not during the trade session, but before the session starts or after it ends.

Principle 10 : Selection of the company's audit firm

The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
10.1.With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	Yes	The independent firm of auditors assesses the annual report and the annual statements.
10.2.It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	Yes	The Board proposed audit firm to the General meeting of Shareholders on 29 October, 2021, during this meeting, KPMG Baltics, UAB (code 111494971, Lvivo St. 101, Vilnius, Lithuania) was elected as the Company's audit company.
10.3.In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	Yes	Information is disclosed in annual reports.

APPROVED
By Resolution No. __
Dated __ ____________ 2022
of AB Linas Agro Group

AB Linas Agro Group
Remuneration Report

For the 12(twelve)-month period ended on 30 June 2022

This Remuneration Report (hereinafter referred to as 'the Remuneration Report') of AB Linas Agro Group (hereinafter referred to as 'the Company') provides information on the Company's compliance with the requirements and guidelines of the Company's Remuneration Policy (hereinafter referred to as 'the Remuneration Policy') approved by the Ordinary General Meeting of Shareholders on 23 November 2020 in determining the remuneration of the Chief Executive Officer (hereinafter referred to as 'the CEO') and the members of the Board (hereinafter referred to as 'the Board') of the Company in the financial year 2021/2022.

Conclusion: no deviations were recorded in the implementation of the Remuneration Policy during the reporting period.

Remuneration of the members of the Board of the Company

For the financial year 2021/2022

All members of the Board of the Company were employees of the Company or of the enterprises controlled by the Company, there were no changes in the ranks of the members of the Board and no independent members of the Board during the reporting period. Based on the provisions of the current Remuneration Policy, the Company did not pay any additional benefits for their work as members of the Board during the reporting period, and the remuneration they received was defined by respective employment contracts. The Remuneration Policy of the Company provides for the possibility to pay bonuses and grant Company shares or share options (according to AB Linas Agro Group Rules for Granting Shares approved by the General Meeting of Shareholders of the Company). During the reporting period Member of the Board declared 567,380 shares acquisition based on share subscription agreement (29 June 2018 share option agreement).

Member of the Board	Dependent/ Independent	Remuneration for Carrying Out Duties of a Member of the Board (EUR)	Bonuses	Granting Company Shares	Notes
Andrius Pranckevičius	Employee of the Group	Not Allocated	Not Allocated	567,380 shares granted based on share subscription agreement (29 June 2018 share option agreement)	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group
Arūnas Zubas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group

Dainius Pilkauskas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group
Darius Zubas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group
Jonas Bakšys	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group
Tomas Tumėnas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group

During the reporting period, no loans, guarantees and sureties were provided to the members of the Board to secure the fulfilment of their obligations, nor were any assets transferred. There are no separate agreements between the Company and the members of the Board providing for compensation in the event of their resignation or dismissal without a valid reason.

Remuneration of Managing Director of the Company

For the financial year 2021/2022

During the reporting period, the Managing Director of the Company whose employment contract is of an indefinite duration did not change. The Remuneration Policy of the Company stipulates that **the remuneration of CEO consists of a fixed and a variable part, and that the Company's shares or share options may be granted as well**. The fixed part is determined and approved by the Board and paid in accordance with the rules in force in the Company. The variable part of the remuneration is paid at the end of the financial year by the decision of the Board, taking into account the approved strategy, as well as the implementation of the set financial and non-financial goals. To acknowledge a work well-done, the performance of an important project, ensuring the implementation of the Company's strategy, an incentive payment may be granted to CEO on the Board's initiative (optional). The Company also provides for the possibility of granting other benefits to CEO (e.g., the right to the Company's car, wellness and medical services, pension plans, etc.), which depends on the market conditions and may be subject to change.

Manager	Period	Remuneration Assigned to the Position of CEO, EUR		Other Benefits, EUR	Granting Company Shares	Incentive Payments
		Fixed part	**Variable part**			
Chief Executive Officer	2020/2021 (percentage)	140,454 100%	0 0%	7,501	Not allocated	Not allocated
	2021/2022 (percentage)	138,851 100%	0 0%	5,238	Not allocated	Not allocated

There are no separate agreements between the Company and the CEO providing for compensation in the event of his resignation or dismissal without a valid reason. In case of termination of employment, either voluntarily or on the initiative of the Company, the compensation amount is not determined, however, it may not exceed the amount equal to 24 fixed salaries. Other terms and conditions are determined in accordance with the applicable legal acts.

The Company's Remuneration Policy provides for the possibility to recover the variable part of the remuneration by the respective decision of the Board within 12 months from the appointment, if it turns out that such a variable part was assigned based on misleading or false information provided by the Managing Director. No such recovery was initiated during the reporting period.

Correlation between Changes in Annual Salary and Performance of the Company and Enterprises Controlled by the Company

Financial Year	Monthly Salary[1], EUR			Group's Sales Volume, in Tons	Group's Revenue, TEUR	EBITDA of the Group, TEUR	Group's Net Profit, TEUR
	Managers	**Specialists**	**Workers**				
2018/2019	3,276	1,296	1,180	2,529,711	742,542	5,578	(4,830)
2019/2020 (change,%)	5,087 (+55%)	2,200 (+70%)	1,166 (-1%)	2,233, 808 (-12%)	657,700 (-11%)	25,923 (+365%)	10,004 (-307%)
2020/2021 (change,%)	5,211 (+2%)	2,010 (-9%)	922 (-21%)	3,155,329 (+41%)	942,442 (+43%)	33,401[2] (+29%)	14,189 (+42%)
2021/2022[1] (change,%)	3,980 (-24%)	2,215 (+10%)	1,360 (+48%)	3,689,585 (+17%)	1,896,026 (+101%)	134,250 (+302%)	79,572 (+461%)

The average monthly salary changes shall be analysed carefully, due to changes in methodology described below, as well as overall significant KG Group companies acquisition (15 July 2021) related increase in number of employees over the reporting period, along with the fact that "Managers" category continuously include data of employees, referred as both - top and middle managers.

[1] *Comparing salary information of previous periods with data of reporting period, following has to be taken into account:*
2018/2019, 2019/2020, 2020/2021 salary data illustrate average salary before taxes, using the average number of employees in the Group over the reporting period,
2021/2022 salary information is provided as salary before taxes average, calculated for the employees, who worked in the Group at the end of the financial year.

[2] *To ensure more accurate representation of the activity, Company has revised the methodology relocating loss and/or gain from currency exchange line items to results of financial activity in the in separate and consolidated financial statements, therefore EBITDA value was adjusted for the comparative period 2020/2021.*