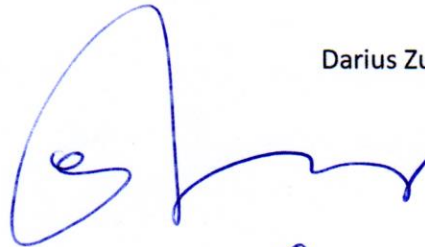


Confirmation of the Responsible Persons

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, Managing Director of AB Linas Agro Group and Mažvydas Šileika, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the unaudited Interim Consolidated Financial Statements of AB Linas Agro Group for the six months of the financial year 2020/21, 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 or losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the six months of the financial year 2020/21 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

Managing Director of AB Linas Agro Group

15 March 2021



Darius Zubas

Finance Director of AB Linas Agro Group

15 March 2021



Mažvydas Šileika



Consolidated Interim Report of AB Linas Agro Group for the Financial Year 2020/21

for the Six-month Period,
Ended 31 December, 2020



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Contact Person

Finance Director Mažvydas Šileika
Ph. + 370 619 19 403
Email m.sileika@linasagro.lt

1. Reporting period of the Interim Report

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this interim report is prepared for the first half of the financial year 2020/21, and all the figures are stated as at 31 December 2020, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

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

All financial data in this semi-annual report are prepared in accordance with Financial Reporting Standards unless otherwise stated. Financial result is unaudited.

3. 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 register	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania
Phone	+370 45 50 73 03
E-mail	group@linasagro.lt
Website	www.linasagroup.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) makes the Group, which was founded in 1991 and operates in four countries – Lithuania, Latvia, Estonia and the Ukraine. The financial year of the Group begins on 1 July. At the end of the reporting period the Group had 43 companies and 2,129 employees. The Company does not have any branches and representative offices.

3.1. The Main Activity

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 Group's activities are subdivided into main four operating Segments: 'Grain and Feedstuff Handling and Merchandising', 'Products and Services for Farming', 'Agricultural Production', 'Food products'. Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.

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 and agricultural machinery) in Lithuania, has seed processing plant. The Group is a major milk producer in Lithuania and poultry producer in Latvia as well.



products &
service for
farming



agricultural
production



grain & feedstuff
handling &
merchandising



food
products

3.2. Information about subsidiaries of the Company

3.2.1. The Structural Chart of the effective Stock held by AB Linas Agro Group

The Company controlled 42 companies* in Lithuania, Latvia, Estonia and Ukraine as at 31 December 2020.

*Dormant companies and the companies undergoing liquidation are not included in the structural chart: UAB Gerera (dormant, 100% shares), UAB Dotnuvos Technika (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares).

AB LINAS AGRO GROUP



3.2.2. Shareholding structure of the companies

As at 31 December 2020, AB Linas Agro Group controlled, either directly or indirectly, the following companies*:

**Dormant companies and the companies under liquidation are not included: UAB Gerera (100% shares owned by AB Linas Agro)- dormant, UAB Dotnuvos Technika (100% shares owned by UAB Dotnuva Baltic)-dormant, Linas Agro A/S (100% shares owned by AB Linas Agro)- under liquidation.*

*** AB Linas Agro Group and UAB Linas Agro Grūdų Centras hold 50% of votes each in UAB Linas Agro Grūdų Centras KŪB.*

Company	Status	Stock, owned directly by AB Linas Agro Group	Other stock holders	Share of the stock held by the Group
AB Linas Agro	Subsidiary	100%		100%
UAB Dotnuva Baltic	Subsidiary	100%		100%
UAB Jungtinė Ekspedicija	Subsidiary	100%		100%
SIA Lielzeltini	Subsidiary	100%		100%
SIA Cerova	Subsidiary	100%		100%
SIA Broileks	Subsidiary	100%		100%
UAB Lineliai	Subsidiary	100%		100%
UAB Noreikiškės	Subsidiary	99.96%	UAB Linas Agro Konsultacijos owns 0.04% stock.	100%
UAB Landvesta 2	Subsidiary	76.97%	AB Linas Agro owns 23.03% stock.	100%
UAB Landvesta 1	Subsidiary	76.47%	AB Linas Agro owns 23.53% stock.	100%
UAB Linas Agro Konsultacijos	Subsidiary	76 %	UAB Zemvaldos Turto Konsultacijos owns 24% stock.	100%
UAB Landvesta 5	Subsidiary	67.92%	AB Linas Agro owns 32.08% stock.	100%
AS Putnu Fabrika Kekava	Subsidiary	60.87%	SIA Lielzeltini owns 36.29% stock.	97.16%
UAB Linas Agro Grūdų centras KŪB **	Subsidiary	60.94%	AB Linas Agro owns 39.05% stock, UAB Linas Agro Grūdų Centras - 0.01% stock.	100%
UAB Landvesta 4	Subsidiary	26.42%	AB Linas Agro owns 73.58% stock.	100%
UAB Landvesta 6	Subsidiary	15.51%	AB Linas Agro owns 84.49% stock.	100%
UAB Landvesta 3	Subsidiary	13.91%	AB Linas Agro owns 86.09 % stock.	100%

Company	Status	Stock, owned directly by AB Linas Agro Group	Other stock holders	Share of the stock held by the Group
Užupės ŽŪB	Subsidiary	0.05%	UAB Linas Agro Konsultacijos owns 99.95% stock.	100%
Panevėžys District Žibartonių ŽŪB	Subsidiary	0.047%	UAB Linas Agro Konsultacijos owns 49.028% stock, Užupės ŽŪB owns 50.826% stock.	99.90%
SIA Linas Agro Graudu centrs	Subsidiary		UAB Linas Agro Grūdų Centras KŪB owns 100% stock.	100%
Panevėžys District Aukštadvario ŽŪB	Subsidiary		UAB Linas Agro Konsultacijos owns 99.54% stock.	99.54%
Sidabravo ŽŪB	Subsidiary		UAB Linas Agro Konsultacijos owns 96.25% stock.	96.25%
Šakiai District Lukšių ŽŪB	Subsidiary		UAB Linas Agro Konsultacijos owns 98.82% stock.	98.82%
Biržai District Medeikių ŽŪB	Subsidiary		UAB Linas Agro Konsultacijos owns 98.33% stock, Kėdainiai District Labūnavos ŽŪB – 0.06% stock.	98.39%
Kėdainiai District Labūnavos ŽŪB	Subsidiary		UAB Linas Agro Konsultacijos owns 98.95% stock.	98.95%
Kėdainiai District ŽŪB Nemunas	Subsidiary		Panevėžys District Žibartonių ŽŪB owns 66.68% stock, UAB Linas Agro Konsultacijos - 0.831%.	67.44%
LLC LINAS AGRO UKRAINE	Subsidiary		AB Linas Agro owns 100% stock.	100%
SIA Linas Agro	Subsidiary		AB Linas Agro owns 100% stock.	100%
UAB Linas Agro Grūdų Centras	Subsidiary		AB Linas Agro owns 100% stock.	100%
SIA Dotnuva Baltic	Subsidiary		UAB Dotnuva Baltic owns 100% stock.	100%
AS Dotnuva Baltic	Subsidiary		UAB Dotnuva Baltic owns 100% stock.	100%
SIA PFK Trader	Subsidiary		AS Putnu Fabrika Kekava owns 100% stock.	97.16%
UAB Kekava Foods LT	Subsidiary		SIA PFK Trader owns 100% stock.	97.16%
UAB Paberžėlė	Subsidiary		Užupės ŽŪB owns 100% stock.	100%
ŽŪK KUPIŠKIO GRŪDAI	Subsidiary		UAB Linas Agro Grūdų centras KŪB own 100% stock.	100%

Company	Status	Stock, owned directly by AB Linas Agro Group	Other stock holders	Share of the stock held by the Group
Karčemos Kooperatinė Bendrovė undergoing restructuring	Subsidiary		UAB Linas Agro Grūdų centras KŪB owns 100% stock.	100%
UAB Zemvaldos Turto Konsultacijos	Subsidiary		UAB Landvesta 1 owns 34.43% stock, UAB Landvesta 2 – 10.32%, UAB Landvesta 3 – 11.34%, UAB Landvesta 4 – 6,12%, UAB Landvesta 5 – 5.88%, UAB Landvesta 6– 5.56%, UAB Lineliai – 16.94%, UAB Noreikiškės – 9.41%.	100%
UAB Geoface	Subsidiary		UAB Dotnuva Baltic owns 100% shares.	100%
Linas Agro OŪ	Subsidiary		AB Linas Agro owns 100% shares.	100%



3.2.3. Activities and contact data of the companies of the Group*

* Dormant companies and companies under liquidation are not included:

1. UAB Gerera, 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, 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, private limited liability company under liquidation, founded 15/3/1994, code of legal entity CVR 17689037, address Vinkel Allé 1, DK-9000 Aalborg, Denmark, register of the company – Danish Commerce and Companies Agency.

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 and oilseeds, feedstuffs and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, public limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, 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, Register of Enterprises of Republic of Lithuania, VĮ 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 Centras KŪB	Grain processing and storage	10/7/2002, Code of legal entity 148451131, limited partnership, Register of Enterprises of Republic of Lithuania, VĮ 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 Linas Agro Grūdų Centras	Management services	5/7/2002, Code of legal entity 148450944, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 365 Fax +370 45 507 344 E-mail grudai@linasagro.lt
ŽŪK KUPIŠKIO GRŪDAI	Grain processing and storage	8/4/1999, Code of legal entity 160189745, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos St. 6D, LT-40122 Kupiškis, Lithuania Ph./Fax +370 459 529 16 E-mail info@kupiskigrudai.lt

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
Karčemos Kooperatinė Bendrovė undergoing restructuring	Grain processing and storage	9/3/2010, Code of legal entity 302487798, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Šiaulių St. 72, Gustonys vill. LT-38355 Panevėžys district, Lithuania Ph. +370 45 454 051 Fax +370 45 454 054 E-mail priemimas@karcemoskb.lt
UAB Jungtinė Ekspedicija	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Nemuno g. 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, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibuoklių St. 14, LT-57125 Kėdainiai, Lithuania Ph. +370 688 674 29 E-mail konsultavimas@linasagro.lt
Biržai District Medeikių ŽŪB	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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
Panevėžys District Žibartonių ŽŪB	Mixed agricultural activities	22/5/1992, Code of legal entity 168521815, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
Kėdainiai District Labūnavos ŽŪB	Mixed agricultural activities	25/2/1992, Code of legal entity 161228959, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 E-mail nemunas@linasagro.lt
UAB Kekava Foods LT	Retail in specialized stores	8/3/2018, Code of legal entity 304784428, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Subačiaus St. 5, 01302 Vilnius, Lithuania Ph. +370 612 03 958 E-mail kekava.foods@linasagro.lt
UAB Landvesta 1	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501060, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 5	Rent and management of agricultural purposes land	16/8/2007, Code of legal entity 301019661, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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 Noreikiškės	Rent and management of agricultural purposes land	16/8/2012, Code of legal entity 302841649, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ 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, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
UAB Zemvaldos Turto Konsultacijos	Rent and management of agricultural purposes land	3/6/2020, Code of legal entity 305564449, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	V. Nagevičiaus g. 3, LT-08237 Vilnius, Lithuania Ph. +370 686 80 867 E-mail t.dailidenas@landvesta.lt
UAB Geoface	Software developing	12/03/2018, Code of legal entity 304781617, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Karaliaus Mindaugo per. 37 LT-44307 Kaunas, Lithuania Ph. +370 676 99 244 Email info@geoface.com

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, Register of Enterprises of the Republic of Latvia	‘Baltijas Ceļš’, Cenu District, Ozolnieki municipality, LV-3043, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.linasagro.lv

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Linas Agro Graudu Centrs	Grain processing and storage	2/5/2013, Code of legal entity 43603059101, Register of Enterprises of the Republic of Latvia	Jaunsalieši, LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv
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, Register of Enterprises of the Republic of Latvia	'Baltijas Ceļš', Cenu District, Ozolnieki 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, Commercial Register	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, Register of Enterprises of the Republic of Latvia	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, Register of Enterprises of the Republic of Latvia	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, Register of Enterprises of the Republic of Latvia	"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, Register of Enterprises of the Republic of Latvia	Gaismas St. 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Cerova	Egg incubation and chicken sale	8/10/2003, Code of legal entity 43603019946, Register of Enterprises of the Republic of Latvia	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv
Linās Agro OU	Products for crop growing	8/10/2020, Code of legal entity 16071924, Commercial Register	Savimae 7, Vahi 60534, Tartu region, Estonia Ph. +372 6602810 Email info@linasagro.ee

4. Employees

As at 31 December 2020 the number of employees of the Group was 2,129 or 87 employees more than as at 31 December 2019 (2,042). AB Linas Agro Group has no collective agreement.

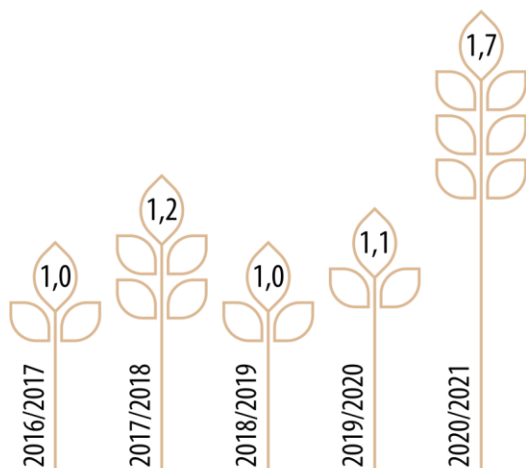


5. Activity and Financial Results of the Group

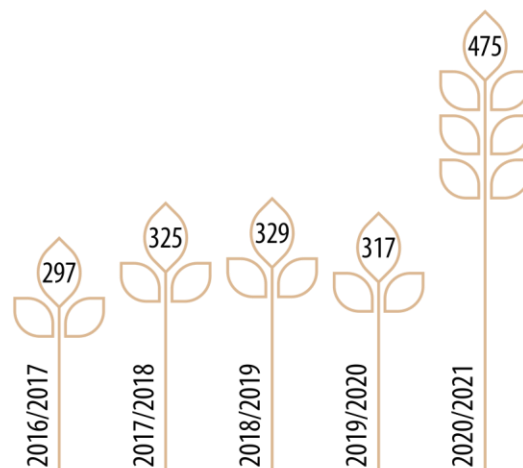
- Consolidated revenue of AB Linas Agro Group in the first half year of 2020/21 financial year totaled EUR 475 million and increased by 50% as compared to previous year (EUR 317 million).
- The Group's sales volume in tons reached 1.7 million tons of various grains and agricultural inputs and increased by 55% as compared to previous year (1.1 million tons).
- The gross profit reached EUR 20.0 million and was 1% higher than a year before (EUR 19.8 million).
- The Group's operating profit was EUR 5 million or 67% more as compared to the respective period of the previous year (EUR 3 million).
- Profit before taxes amounted to EUR 3.9 million (compared to EUR 1.7 million in previous year).
- Consolidated EBITDA was 46% higher and amounted to EUR 13.4 million as compared to the previous year (EUR 9.2 million).
- The net profit attributable to the Group stood at EUR 3.7 million (EUR 1.5 million in previous year).
- Consolidated revenue for the second quarter was EUR 236 million and 40% higher than a year before (EUR 168 million). Gross profit for Q2 decreased from EUR 9.3 million to EUR 6.8 million, and the operating profit went down from EUR 1.7 million to EUR 0.2 million. Net loss for the period was EUR 0.1 million, compared to EUR 0.9 million profit for the corresponding period of the previous year.



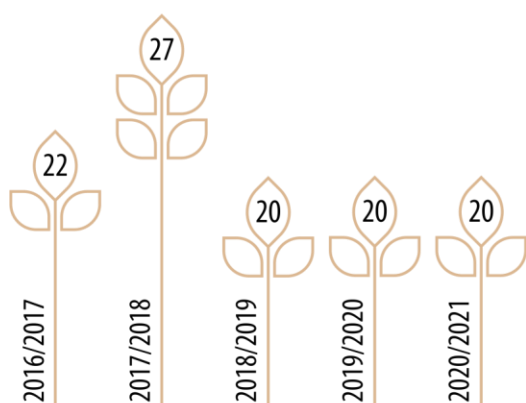
Sales volume in million tons



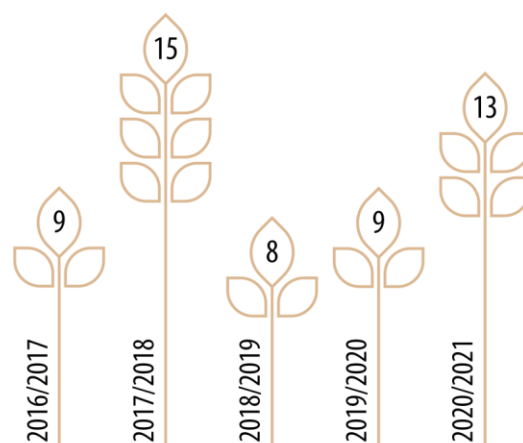
Sales revenue, EUR million



Gross profit, EUR million



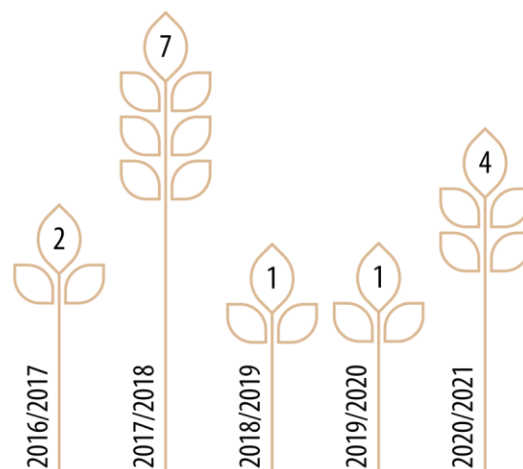
EBITDA, EUR million



Operating profit, EUR million



Net profit, EUR million



5.1. Financial indicators

	2020/21 6 months	2019/20 6 months	2018/19 6 months	2017/18 6 months	2016/17 6 months
Sales in tons	1,669,227	1,108,610	1,002,876	1,190,608	1,018,791
Sales revenue (thousand EUR)	474,951	317,178	328,923	324,764	297,193
Gross profit (thousand EUR)	20,019	19,809	20,482	27,143	21,755
Gross profit margin, %	4	6	6	8	7
EBITDA (thousand EUR)	13,487	9,216	8,063	14,549	8,575
EBITDA margin, %	3	3	3	5	3
Operating profit (thousand EUR)	5,147	3,022	2,748	8,486	3,657
Operating profit margin, %	1	1	1	3	1
Earnings before taxes EBT (thousand EUR)	3,922	1,713	1,470	7,490	2,584
Earnings before taxes margin, %	0.8	0.6	0.4	2	1
Net profit (thousand EUR)	3,721	1,582	1,186	6,861	1,709
Net profit margin, %	0.8	0.5	0.4	2	0.6
Current ratio	1.3	1.3	1.3	1.4	1.3
Debt / Equity ratio	0.6	0.6	0.6	0.9	0.9
Net financial debt / EBITDA	12	20	27	10.2	16.5
Return on equity (ROE), %	2.0	0.9	0.6	3.9	1.0
Return on capital employed (ROCE), %	1.5	0.9	0.7	2.5	0.8
Basic and diluted earnings per share (EUR) (EPS)	0.02	0.01	0.01	0.04	0.01

Explanation of terms used 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.
Profit margin of the period	Profit of the period expressed as a percentage of total revenue.
Earnings before taxes (EBT)	Equals profit before income tax.
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 attributable to shareholders, 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.

5.2. Overview

As per latest data (25th of February, 2021) of International Grain Council (IGC), the world grain and oilseed production shall account for 2.216 million tons in 2020/2021 or 31 million tons more as compared to the figures of 2019/2020. Record high result will be predominantly impacted by the harvested wheat and maize, which shall accordingly increase by 11 million tons and 9 million tons compared to 2019/2020. Despite the continuing COVID-19 pandemic and noticeable demand suppression in some of the sectors caused by quarantine restrictions, further increase in consumption of food and feed categories is projected. Could be added that annual demand of maize crops is expected to exceed production volumes materially. Respectively at the end of the 2020/2021 harvest year, anticipated global grain stock shall account for 611 million tons, being the lowest point within last five years.

Within October – December, 2020, the world cereal prices were EUR 20-25 higher than last year. For instance, wheat prices for December lots on the Euronext exchange fluctuated around EUR 205-210 per ton, compared to EUR 180-185 per ton a year ago.

2020/2021 was marked as the year of record high harvest of various grain and rapeseed in all the Baltic countries. According to the preliminary data of the Lithuanian Department of Statistics, about 6.5 million tons of cereals or 25% more than previous year was collected in the country, harvest of the pulses and rapeseed increased by 31% and 40% accordingly (or up to 0.4 million tons and up to 1 million tons respectively). In Latvia, 3.5 million tons of grain and 0.45 million tons of rapeseed were grown (both 11% more than last year). According to preliminary data in Estonia, 1.6 million tons of grain and 0.2 million tons of rapeseed was harvested, being respectively 0.5% and 6% more than last year.

The total amount of products sold by AB Linas Agro Group increased by 55% during the reporting period and amounted to 1.7 million tons, as compared to 1.1 million tons in previous year.

Group's consolidated revenue of the first half of 2020/21 financial year amounted to EUR 475 million and was 50% more as compared to previous year (EUR 317 million). Revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' stepped up by 73%, being positively impacted by both higher sales of traditional crops like wheat, rapeseed, barley, and increased feedstuffs merchandising. Sales in business Segment 'Products and Services for Farming' inclined by 19% as well, where revenues of certified seeds and plant care products accompanied by microelements grew by 10% and 30% respectively, sales of fertilizers remained at the same level, and sales of agricultural machinery increased by 46%. Revenue from business Segment 'Food products' had 9% decrease and amounted to EUR 35 million. Due to the higher yields the crop production in Group controlled farms was 30% higher as compared to previous year and their revenue went 21% up to EUR 20 million.

Group's operating profit amounted to EUR 5.2 million and EBITDA was EUR 13.5 million compared to the corresponding EUR 3.0 million and EUR 9.2 million in previous year. Group's net profit amounted to EUR 3.7 million as compared to EUR 1.6 million in corresponding period of 2019/20 financial year.

The Group founded a trading company in Estonia, Linas Agro OU, with the aim of strengthening the trade in certified seed and later on proceeding with sales of other agricultural inputs.

The Group plans to merge all elevator management companies in Lithuania into one legal entity, therefore it has started the restructuring of three companies to change their legal form, in order to carry out the merger in the future. The merger is scheduled to take place during this financial year.

On the 2nd of October, 2020 AB Linas Agro Group has signed share purchase and sale agreements with the shareholders of AB Kauno Grūdai, AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas with the aim to acquire the block stock of shares of these and related companies. The transaction will require the permission of the Competition Councils in all the key geographies. On the day of publication of this Report, authorizations of competition authorities in Latvia, Estonia and Poland have been already received, respective permissions are still awaited from authorities in Lithuania and Russia.

5.3. Financial Costs

Due to more efficient borrowing utilization financial expenses decreased by 5.3% over referenced period and amounted to EUR 1.8 million compared to that in 2019/20 financial year (EUR 1.9 million). The total amount of financial liabilities (including lease liabilities) increased by EUR 29 million from EUR 149 million at the beginning of the financial year to EUR 178 million mainly due to increased demand for working capital financing.

5.4. Cash Flow

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 7.9 million as compared to EUR 5.7 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 19.9 million (negative EUR 6.9 million over the respective period of 2019/20 financial year), main reason for that was increase in inventory by EUR 80.8 million. Group's cash and cash equivalents amounted to EUR 12.7 million at the end of the reporting period (EUR 11.7 million in 2019/20 financial year).

5.5. Investments

AB Linas Agro Group and its subsidiaries have invested EUR 6.1 million over the reporting period. Major investments by character:

Investment object	Investment amount, thousand EUR
Grain storage equipment, warehouses, buildings, various appliances and other machinery	144
Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land	4,006
Modernization and renovation of poultry farms	1,824

5.6. Performance Results of the Segments

Activities of the Group are divided into four main business Segments and 'Other' activities.

Operating Profit (loss) by Segments, thousand euro

	2020/21 6 months	2019/20 6 months	2018/19 6 months	2017/18 6 months	2016/17 6 months
Grain and Feedstuff Handling and Merchandising	898	1,984	3,185	6,718	4,058
Products and Services for Farming	4,311	1,860	965	2,750	2,157
Agricultural Production	1,248	(996)	(560)	474	(875)
Food products	(124)	1,988	1,124	1,533	499
Other	11	26	(176)	41	134

Grain and Feedstuff Handling and Merchandising

Start of operation	1991
Operating companies	<p>Companies in Lithuania: AB Linas Agro UAB Linas Agro Grūdų Centras UAB Linas Agro Grūdų Centras KŪB ŽŪK KUPIŠKIO GRŪDAI Karčemos Kooperatinė Bendrovė, undergoing restructuring UAB Jungtinė Ekspedicija</p> <p>Companies in Latvia: SIA Linas Agro SIA Linas Agro Graudu Centrs</p> <p>Company in Ukraine: LLC LINAS AGRO UKRAINE</p>
Activity	<p>Grain, oilseeds and feedstuffs trading Grain storage and logistic services</p>
Share of revenue in Group's portfolio (average of results within last 5 years)	65%
Infrastructure at the end of the reporting period	340 ktons storage capacity for various grains and other agricultural commodities in Lithuania and Latvia, as well as 245 ktons storage capacity at Lithuanian and Latvian ports.
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.

According to the Group's knowledge, forecasted record year of 2020/2021 in Lithuania and Latvia shall result in 12 million tons of combined grain harvest.

Thanks to the high yield, Group's elevators in Lithuania and Latvia have collected record quantities of grain during the first half of FY 2020/2021 (642 thousand tons or 71% more than in the same period last year). However, the dry weather during the harvest season did not allow to maximize the earnings of drying and cleaning services, while overcrowding of the elevators at the peak of season and consequently storing part of the grain in open areas, reduced the efficiency of grain reception.

During the first half of FY 2020/2021, the amount of grain and oilseeds sold by the companies of the Group reached 1.2 million tons (63% more than in the same period last year), while the main export product remained Lithuanian and Latvian wheat. Feedstuff trade volume was 230 thousand tons or 38% more than in previous year. Due to the drought, declining yields of protein crops in Ukraine and Russia, overall growth in global demand for grain and agricultural raw materials, and intense Chinese purchases contributed to significant product price increases.

Revenue of the operating Segment increased by 73% during the year up to EUR 351 million, mostly because of higher sales volumes and market prices. Operating profit amounted to EUR 0.9 million, compared

to EUR 2 million profit for the financial year 2019/2020 and was mainly affected by the seasonality of trading activities, the impact of which shall decrease towards the closing of the full financial year.

Given the high volatility of key commodity prices and overall market situation, Group's management is reducing the projected annual operating profit for the segment, adjusting it to 10% growth compared to last year.

Products and Services for Farming

Start of operation	1993
Operating companies	<p>Companies in Lithuania: AB Linas Agro UAB Dotnuva Baltic UAB Geoface UAB Linas Agro Grūdų Centras UAB Linas Agro Grūdų Centras KŪB ŽŪK KUPIŠKIO GRŪDAI Karčemos Kooperatinė Bendrovė, undergoing restructuring</p> <p>Companies in Latvia: SIA Linas Agro SIA Dotnuva Baltic SIA Linas Agro Graudu Centrs</p> <p>Companies in Estonia: Linas Agro OÜ AS Dotnuva Baltic</p>
Activity	<p>Supply of seeds, plant care products, fertilizers and agricultural machinery to the farmers Preparation of seed in own seed preparation factory Installation of grain cleaning, drying and storage facilities as well as livestock farms Representation of worldwide known brands</p>
Share of revenue in Group's portfolio (average of results within last 5 years)	24%
Outlets	14
Infrastructure at the end of the reporting period	88.8 ktons - storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia
Total annual capacity of the seed production plant	22 ktons
Owned trademarks	'Dotnuva Seeds'

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.

Over the reporting period, the own seed preparation factory of UAB Dotnuva Baltic (Dotnuva, Kedainiai distr.) prepared 14 thousand tons of certified seeds or almost 18% more than in previous year. Most of the prepared material consisted of cereal and pulses seeds, Group invested in improving the quality of seeds. Modern warehouse investments planned for 2021 will help ensure more efficient logistics chain and will increase the capacity of the seed factory. The need for these investments is supported with still significant gap between the markets served by the Group and Western European countries, where, to the Group's knowledge, the quantities of certified seeds reach about 50% of the sown area (15-20% in Lithuania). It could be noted that farms sowed very similar areas of winter cereals in autumn of 2019 and 2020, while the quantities of winter cereal seeds certified for 2020 autumn sowing in Lithuania were 3% higher and amounted to 43.2 thousand tons.

Although harvest-time started later in 2020 resulting in a shorter winter cereal season, while in Latvia a material part of the seed demand was secured by the farms themselves, good seed quality and smooth delivery helped to achieve good results in seeds trading. The Group was able to sell 16.5 thousand tons of seeds or 30% more than in previous year. Trade revenue increased by 10% to EUR 10 million.

The benign market conditions - good harvest, higher grain prices - were favorable for the trade of fertilizers, as much as 127 thousand tons were sold or 11% more than in previous year. However lower market prices, tightened requirements for fertilizers labeling and certification in Lithuania in the second half of 2020, as well as belated harvest-time caused suppression of compound fertilizers demand in Latvia, have decreased the chances of better income result (EUR 28 million).

Good weather conditions in the autumn of 2020, which allowed the prolonged unhindered use of plant care products, increased the demand for autumn cereal herbicides. Favorable weather and the production of new products (BIO Mineral) also helped to increase sales of micronutrients in Lithuania, however, good climatic conditions in Latvia had the opposite effect and resulted in lower than usual demand for the product. Total sales of plant care products and micronutrients grew 30%, up to EUR 10 million.

A successful harvest season, rising grain and recovering milk prices have improved the financial situation and expectations of farms. Latter encouraged farmers' investments into machinery in all the Baltic countries. To take advantage of the latest EU support package announced in Lithuania at the end of the 2020, the beneficiaries were asked to first complete the implementation of the projects of the previous support stages, which resulted in faster acquisition of new equipment. The Group's inventories of new and used equipment decreased significantly in Latvia and Estonia, which was also influenced by the more difficult import conditions for used equipment during the pandemic. Compared to the same reporting period last year, sales of new and used agricultural machinery increased by 46%.

Equipment and machinery rental was still relevant for large farms, no longer eligible for EU support. Therefore, rent of larger tractors, harvesters as well as corn harvesting service were successful.

The machinery service and spare parts segment had a busy first half of FY 2020/2021, as the autumn-winter period happens to include both post-seasonal maintenance and pre-seasonal technical preparations. More difficult weather conditions than last year and higher technical loads during the harvest increased the need for services. Great attention was paid to attracting new customers, sales promotions were applied. The competitive advantage was felt due to the availability of a large stock of spare parts, which facilitated on-

time delivery even in pandemic conditions. Total service and spare parts revenue increased by 22% or up to EUR 6 million.

After a successful harvest season, the market for grain preparation equipment became more active, with investments made by agricultural companies and farmers who had withheld or postponed investments for a later period. In total, almost EUR 2 million received from grain and farm equipment installation projects, or roughly two times more than the income in previous year.

The revenue of this business Segment went up 19% to EUR 83.4 million and operating profit amounted to EUR 4.3 million being 132% higher as compared to FY 2019/20.

The Group continuously expects the operating profit of this business Segment to be 20% higher as compared to previous year.

Agricultural Production

Start of operation	2003
Operating companies	<p>Companies in Lithuania:</p> <p>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 Zemvaldos Turto Konsultacijos 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</p>
Activity	<p>Cultivation of cereals, oilseed rape, sugar beet and other crops Production of milk Beef cattle farming Rent and management of agricultural purposes land Management of subsidiary farming companies</p>
Share of revenue in Group's portfolio (average of results within last 5 years)	4%
Land in total: cultivated / owned at the end of the reporting period	18,349 ha / 5,912 ha

During the reporting period, the companies harvested over 110 thousand tons of crop production, almost 72 thousand tons of this production was sold (that is 32% and 39% more as compared to the very same period last year). According to the Group, the average selling prices of grain on the market increased by roughly 10% during the reporting period as compared to the corresponding period last year. Still, the Group was unable to take full advantage of the rise in prices getting the speed since September 2020, due to a significant part of forward contracts in the Group's grain sales structure. Respectively, 40% growth of crop income is mostly impacted by the increase of marketed quantities. During the reporting period, the Group recorded two yield records in agricultural companies: the yield of winter wheat in Kėdainiai District Labūnavos ŽŪB was 8.7 t / ha, and Šakiai District Lukšių ŽŪB was pleased with the high yield of beans - 7.8 t / ha.

Over 10 thousand ha crop area was sown for 2021 harvest. At the end of the reporting period, most of the crops were in good or very good condition.

The Group controlled farms owned 3,146 dairy cows at the end of the reporting period or 22 cows less than in the previous year. This was influenced by installation of milking robots in Kėdainiai District Labūnavos ŽŪB. Despite the smaller number of dairy cows, after the additional investment in animal welfare (cooling system installed in agricultural company Panevėžys District Žibartonių ŽŪB, other farms equipped with additional fans), the amount of milk produced did not decrease and exceeded 17 thousand tons (1% more than in the corresponding period last year). Revenue from milk sales grew 7%, positively impacted not only by the increase in the volume of milk sold (over 17 thousand tons of raw milk or 5% more than last year), but also by 2.2% milk purchase price increase in the first half of the FY 2020/2021 (compared to the first half of the FY 2019/2020).

During the reporting period, 896 tons of live weight cattle were raised or 18% more than in previous year. Revenue from meat sales grew by 17% respectively. The growth of production volume and income is related to the sale of cows in Kėdainiai District ŽŪB Nemunas, having decided to discontinue the unprofitable dairy farm in this agricultural company.

The revenue of this business Segment accelerated by 21% to EUR 20.4 million, operating profit amounted almost EUR 1.3 million. It should be noted that the operating result was significantly affected by EUR 1.9 million profit, related with the sale of the land holding companies in November, 2020.

The Group's management expects that the operating profit of this business Segment this year will be 25% higher than in previous year. The profit forecast of the operating segment was improved due to the successful harvest and more favorable milk purchase prices.

Food Products

Start of operation	2013
Operating companies	<p>Companies in Latvia:</p> <p>AS Putnu Fabrika Kekava</p> <p>SIA PFK Trader</p> <p>SIA Lielzeltini</p> <p>SIA Broileks</p> <p>SIA Cerova</p> <p>Company in Lithuania:</p> <p>UAB Kekava Foods LT</p>

Activity	Whole cycle poultry business: incubation of hatching eggs (AS Putnu Fabrika Kekava, SIA Cerova) broiler breeding (AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Broileks) production of poultry and its products (AS Putnu Fabrika Kekava, SIA Lielzeltini) feed manufacturing for self-supply (SIA Lielzeltini) retail sale of chicken meat and its products (SIA PFK Trader)
Share of revenue in Group's portfolio (average of results within last 5 years)	10%
Owned trademarks and production markings	'Kekava' 'Bauska' 'Top choice poultry' (export markets outside the Baltic States) 'Granfågel' (export markets in Scandinavia) 'Raised without Antibiotics'
Retail chain outlets at the end of the reporting period	22 retail shops all over Latvia (The subsidiary of AS Putnu Fabrika Kekava - SIA PFK Trader)
Certificates	AS Putnu Fabrika Kekava has A 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.

During the reporting period, AS Putnu Fabrika Kekava (PFK) maintained no. 1 position in the ranks of Latvian poultry producers, the company's activities covered the entire production cycle: egg incubation, hatching of chickens, broiler breeding, production of fresh poultry and processed products under the trademarks 'Kekava', 'Top choice poultry'. As in the previous financial year, first half of this year broilers were raised without the use of antibiotics, continuously labeling production with "Raised without Antibiotics" marking. SIA Lielzeltini has retained the Latvian poultry producer no. 2 positions, producing fresh chicken and its products with the 'Bauska' trademark. The activities of SIA Lielzeltini and other group companies covered an incomplete production cycle (see "Activity").

Continuing COVID-19 pandemic and quarantine restrictions within the continent, declining consumption and higher production in the European Union resulted in poultry overproduction. The statistical office of the European Union Eurostat estimates, that supply exceeded demand by 14% in the second quarter of the financial year. The decrease in the average price of whole broiler in the EU during the reporting period was 3% as compared to the corresponding period of the previous year (EUR 183 / 100 kg vs EUR 188 / 100 kg). Western European countries have prioritized a short supply chain, thus prices for locally produced products have remained high, while Poland, one of the largest poultry producers in the EU, which had lost its markets and was facing sales problems, rushed to the neighboring markets, including Lithuania and Latvia, and pushed prices down. Romania and Hungary have also pursued low price policies. The HORECA sector in the Group's main markets in the Baltic and Scandinavian countries did not recover to the previous level, which resulted

in a sharp decline in the Group's poultry exports to Sweden and sales of the most profitable poultry products for the HORECA sector (fillets). As a result, the average price of poultry meat sold by the Group decreased by 8%. In addition to the price pressure, the profitability of the sector during the reporting period was also negatively affected by the increase in the price of raw materials used for chicken feed, such as corn, wheat, soybeans, vegetable oil.

The poultry companies produced almost 23 thousand tons of live weight or 1% more year-on-year. Companies sold almost 16 thousand tons of poultry and poultry products or 2% less than a year before. Revenue from this business Segment had a decline of 9% and was not marking to EUR 35 million. The operating profit decreased by 106% to EUR 0 million.

The Group's management estimates that the operating profit of this Business segment will be 20% lower this year as compared to previous. Segment's operating profit projection was adjusted due to the continuing difficult market situation and the impact of COVID-19.

Other

This business Segment includes small activities, not attributable to other Segments, f.i., grain elevators' services to the third parties, sale of minor assets, etc.

The operating profit of this business Segment amounted to EUR 11 thousand as compared to 26 thousand euros profit in previous year.

6. The Publicly Disclosed Information and Other Events of the Reporting Period

6.1. The Publicly Disclosed Information

During the reporting period ended 31 December 2020, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:

22/12/2020 08:19 EET	AB Linas Agro Group investors calendar for the 2021	Other information	LT, EN
10/12/2020 11:59 EET	The recording of AB Linas Agro Group Investor Conference Webinar on the financial results for the year ended 30 June 2020	Other information	LT, EN
2/12/2020 13:23 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the year ended 30 June, 2020	Other information	LT, EN
30/11/2020 22:27 EET	AB Linas Agro Group performance and financial results for the three months of 2020/21	Interim information	LT, EN
26/11/2020 16:00 EET	AB Linas Agro Group sold a part of the land management companies	Notification on material event	LT, EN
23/11/2020 16:51 EET	AB Linas Agro Group notification about the Annual information of the financial year 2019/2020	Annual information	LT, EN

23/11/2020 16:50 EET	Decisions of the Annual General Meeting of Shareholders of AB Linas Agro Group, held on 23 November 2020	General meeting of shareholders	LT, EN
30/10/2020 18:36 EET	Annual General Meeting of Shareholders of AB Linas Agro Group is convened on November 23, 2020	General meeting of shareholders	LT, EN
26/10/2020 16:47 EET	Cancellation of the Annual General Meeting of Shareholders scheduled for 16 November 2020	General meeting of shareholders	LT, EN
23/10/2020 16:12 EEST	Annual General Meeting is convened on November 16, 2020	General meeting of shareholders	LT, EN
8/10/2020 16:04 EEST	Updated AB Linas Agro Group Investors Calendar for Q4 of 2020	Other information	LT, EN
5/10/2020 09:27 EEST	Dotnuva Baltic will invest EUR 1.3 million to expand its seed storage capacity by 89%	Other information	LT, EN
2/10/2020 09:00 EEST	AB Linas Agro Group seeks to acquire a group of companies KG Group	Notification on material event	LT, EN
31/8/2020 20:36 EEST	AB Linas Agro Group performance and financial results for 12-month period of FY 2019/20	Interim information	LT, EN
24/8/2020 9:35 EEST	Notification on the disposal of voting rights	Acquisition or disposal of a block of shares	LT, EN
21/8/2020 8:05 EEST	Notification on the disposal of voting rights	Acquisition or disposal of a block of shares	LT, EN
20/8/2020 16:54 EEST	Notification about changes in voting rights	Acquisition or disposal of a block of shares	LT, EN
19/8/2020 18:09 EEST	Notification on the disposal of voting rights	Acquisition or disposal of a block of shares	LT, EN
31/7/2020 9:30 EEST	Dotnuva Baltic, a subsidiary AB Linas Agro Group, buys a start-up and will offer a precision farming system to the market	Other information	LT, EN

6.2. Other Events of the Reporting Period

24/12/2020	The authorized capital of LLC Linas Agro Ukraine increased by 84,000 euros.
15/12/2020	Karčemos Kooperatinė Bendrovė went on restructuring.
Nov-Dec 2020	UAB Linas Agro Grūdų Centras KŪB obtained stock of cooperative company Kupiškio Grūdai from the other companies of the Group to have 100% ownership.

26/11/2020	UAB Linas Agro Konsultacijos sold shares of SIA "Zemvalda land management holdings 1", SIA "Zemvalda land management holdings 2", SIA "Zemvalda land management holdings 3", SIA "Zemvalda land management holdings 4", SIA "Zemvalda land management holdings 5", SIA "Zemvalda land management holdings 6", SIA "Zemvalda land management holdings 7".
23/11/2020	The Ordinary General Meeting of shareholders was convened.
13/11/2020	Capital of SIA "Zemvalda land management holdings 1" was increased by 2,523,910 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 2" was increased by 1,999,328 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 3" was increased by 1,873,288 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 4" was increased by 2,355,579 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 5" was increased by 2,471,172 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 6" was increased by 980,978 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 7" was increased by 1,113,343 euros.
November 2020	UAB Linas Agro Grūdų centras KŪB acquired shares of Karčemos Kooperatinė Bendrovė from the Group company, also acquired 68,55% shares of ŽŪK Kupiškio Grūdai from the Group companies.
27/10/2020	The capital of UAB Noreikiškės was increased by 30,000 euros.
8/10/2020	Linas Agro OU, a subsidiary of AB Linas Agro, has been founded in Estonia.
1/10/2020	AB Linas Agro Group has signed share purchase and sale agreements with the shareholders of AB Kauno Grūdai, AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas with the aim to acquire the block stock of shares of these and related companies. The transaction will require the permission of the Competition Council.
1/9/2020	The capital of UAB Lineliai was increased by 70,000 euros.
July-August, 2020	UAB Dotnuva Baltic acquired 100 percent shares of UAB GeoFace.
21/7/2020	The authorized capital of AS Dotnuva Baltic was increased by 2,300,000 euros.
9/7/2020	The Company transferred 1,000 of its own shares to Andrius Pranckevičius, the Member of the Board of the Company and the employee of the Group under AB Linas Agro Group Rules for Shares Issues.

6.3. Subsequent Events

23/02/2021	UAB Linas Agro Grūdų Centrai registered after restructuring of UAB Linas Agro Grūdų centras KŪB.
22/02/2021	UAB KUPIŠKIO GRŪDAI registered after restructuring of ŽŪK KUPIŠKIO GRŪDAI.
20/01/2021	Karčemos Kooperatinė Bendrovė changed the ownership form of the company to private liability company UAB Karčemos Bendrovė.
12/01/2021	Cooperative ŽŪK KUPIŠKIO GRŪDAI started restructuring procedure to change the ownership form of the company.
12/01/2021	UAB Linas Agro Grūdų Centras KŪB started restructuring procedure to change the ownership form of the company.

7. Scope of risk and management thereof

7.1. Market risk

Market risk shall be understood as a risk to generate profit lower than planned if the tone of market prices is unfavorable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Group from receiving surplus profit. In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the Group sells the purchased grains to the agency and thus earns certain income that under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

This risk did not manifest itself with regards to Company and the Group in H1 of FY 2020/21.

7.2. Risk related to activities of subsidiaries

Subsidiary companies of the Group are engaged in the trade of agricultural raw materials, agricultural production, rearing of poultry and poultry production, storage of agricultural products and other activities. Poultry enterprises need to face the operational risk related to this sector including the cessation of the production as well as disease, environmental and other risks. Even though most of the subsidiaries are profitable, adverse developments in the markets, in which the parent company and its subsidiaries operate, may affect their yields. Managers for corresponding businesses within the Group follow closely and analyze the activity of the subsidiary companies and their key transactions, provide operational budgets of the companies under the authority of the Group's Board as well as monitor the implementation and key developments in these companies' budgets.

This risk did not manifest itself with regards to Company and the Group in H1 of FY 2020/21.

7.3. Political risk

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group. Also, demand for agricultural products is impacted by political decisions - embargoes, import or export bans.

This risk did not manifest itself with regards to Company and the Group in H1 of FY 2020/21.

7.4. Social risk

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.

This risk did not manifest itself with regards to Company and the Group in H1 of FY 2020/21.

7.5. Counterparty risk

The Group enters forward contracts with farmers who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward contracts and non-delivery of production by counterparties emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk.

The Group, according its risk management policy is using risk management mitigating tools for forward purchases. No loss has been recorded, as the situation in the market was positive for such forward purchases. The Group continuously monitored and analyzed the market, has revised and stringent the terms of its purchase agreements, analyzed probable scenarios for losses and made certain decisions to control risk (for example, setting limits on forward contracts, evaluation and assessment of client's credit rating, capacity of cultivated land etc.).

In order to manage the risk related to certain products, the Group concludes forward contracts on commodity exchange NYSE Euronext Paris SA. The Group trades in futures to control the price risk arising from purchasing and selling rapeseed and wheat. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions entered into by the Company as well as their amounts and limits. Some of the buyers (buyers' solvency risk) are insured with international insurance companies.

This risk did not manifest itself with regards to Company and the Group in H1 of FY 2020/21.

7.6. Financial risk

Information on the financial risk management objectives what are covered by hedge accounting, also Group 's price risk, credit risk, liquidity risk and cash flow risk, where the Group use various financial instruments and technique, which is important for assessing the assets, equity, liabilities, income and expenses of the Group is disclosed once a year in annual Financial Statements.

8. Authorized capital and shares of the Company

On 31 December, 2019 the authorized capital of the Company amounted to EUR 46,092,715.42. The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is EUR 0.29. ISIN code of the shares is LT0000128092.

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.

At the end of the reporting period, the Company held 769,972 units of its own shares.

The subsidiaries of the Company have not acquired any shares of the Company.

On June 29, 2018 the Company has signed options contracts with employees of the Company and of the subsidiaries, in which the Company owns 50% or more of shares, for 4,610,180 ordinary registered shares of the Company.

On February 28, 2020 the Company has signed additional share option contracts with employees of the subsidiaries, in which the Company owns 50% or more of shares, for 2,265,625 ordinary registered shares of the Company.

9. Information about trade in the Company's securities in regulated markets

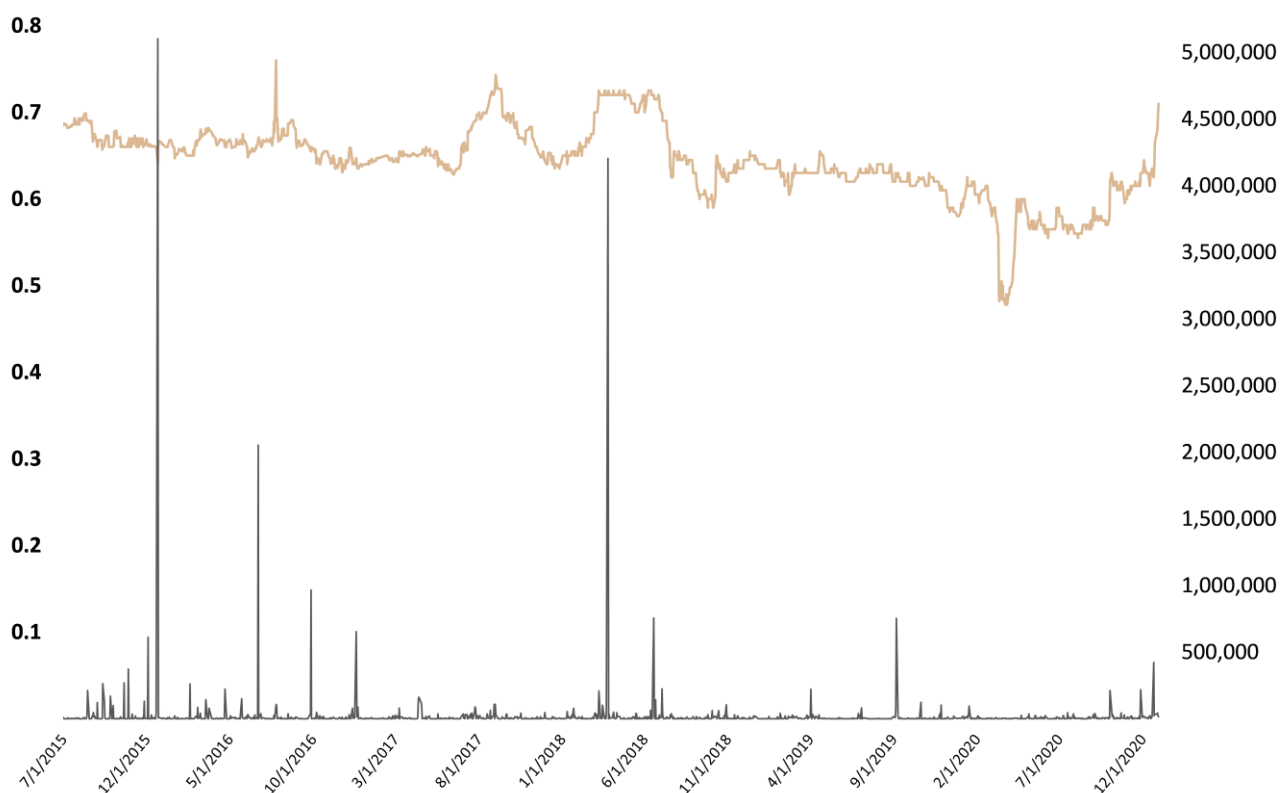
During the reporting period from 1 July 2020 to 31 December 2020, all 158,940,398 ordinary registered shares of the Company were included in the Official List of AB Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on AB Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on AB Nasdaq Vilnius 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.

9.1. Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 1/7/2015 until the end of the reporting period, i. e. 31 December 2020, is presented in the following diagram:



10. Shareholders

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Šiaulių Bankas (data for the end of 31 December, 2020), the number of Company's shareholders at the end of the reporting period was 929.

The shareholders controlling more than 5% of the Company's shares and/or votes as at 31 December, 2020:

	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	69.15
Darius Zupas	17,049,995	10.73
UAB INVL Asset Management (private limited liability company, Code 126263073; registration address Gynėjų St. 14, Vilnius, Lithuania)	9,413,805	5.92

11. Bodies of the Company

According to the AB Linas Agro Group Articles of Association, the Company's bodies shall be as follows:

- The general Meeting of Shareholders;
- The Board;
- The Head of the Company (Managing Director).

The Supervisory Board shall not be formed in 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.

During the reporting period, the annual general meeting of shareholders of the Company was held on November 23, 2019, and was attended by the shareholders of the Company holding 94.82% of all voting shares of the Company.

The Company's Board consists of seven members elected for four years period. 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, and the number of the Company's Board members was 6 as at 31 December 2020. The Company does not have independent members of the Board. Eleven meetings of the Board have been organized and held during the first half of financial year, members of the Board attended it 100 percent.

The Head of the Company did not change during six months of 2020/21 financial year, ended 31 December 2020. The Head of the Company is also the Chairman of the Board of the Company.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

11.1. Board of the Company

The members of the Board (as at 31 December, 2020):

Name	Position within the Board	Cadence starts	Cadence ends	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	1,000
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

Darius Zubas (b. 1965) - the main founder of the Group. Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988.

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.

Dainius Pilkauskas (b. 1966) - Master's degree in Animal Science at Veterinary Academy of Lithuanian University of Health Sciences in 1991. Has been employed within the Group since 1991.

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. Joined the Group in 2001.

Arūnas Zubas (b. 1962) - Master's degree in Chemical Technology at Kaunas University of Technology in 1985. He was employed within the Group from 1995 to 2005.

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.

Board members controlling more than 5% of other Companies shares and votes:

Name	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 fulfillment of their obligations.

11.2. Management of the Company

Details of the Company's Management remained unchanged during the reporting period. Company Management as of 31 December 2020:

Position	Name and surname	Employed since	Number of the Company's shares held
Managing Director	Darius Zubas	01/09/1996	17,049,995
Deputy Managing Director	Andrius Pranckevičius	19/11/2009	1,000
Finance Director	Mažvydas Šileika	15/4/2020	–
Chief Accountant	Ramutė Masiokaitė	19/11/2009	1,000

The Management of the Company work under open-ended contracts of employment.

Information about Darius Zubas and Andrius Pranckevičius is provided in the chapter *11.1. 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 April, 2020, he worked for SEB Bank for six years, most recently as Head of Bond Issuance Division for the Baltic States.

Ramutė Masiokaitė (b. 1971) graduated from Vilnius University in 1994 and acquired the qualifications of economics, financial and credit specialist. She started her employment with the Group in 1998.

11.3. Committees formed by the Company

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 Supply Chain 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.

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. Information about the 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 (Managing Director). The Company does not have the Supervisory Board. The Company's Board consists of seven members elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). The Company has the Audit Committee.



AB Linas Agro Group Consolidated unaudited Financial Statements

for the Six-month Period
Of The Financial Year 2020/21

Prepared according to
Additional Information Preparing and
Presentation Instructions
issued by the Bank of Lithuania



Consolidated Statement of Financial Position

	Notes	As at 31 December 2020	As at 30 June 2020
ASSETS			
Non-current assets			
Intangible assets	5	1,966	1,905
Property, plant and equipment	6	151,760	152,597
Investment property	7	706	1,931
Animals and livestock		9,655	9,429
Non-current financial assets			
Other investments and prepayments for financial assets		16	66
Prepayments for financial assets		2,000	–
Non-current receivables		932	1,261
Total non-current financial assets		2,948	1,327
Non-current prepayments		1,596	1,596
Deferred income tax asset		3,884	3,608
Total non-current assets		172,515	172,393
Current assets			
Crops		3,386	18,978
Livestock		1,569	2,580
Inventories		166,539	79,537
Current prepayments		5,768	5,422
Accounts receivable			
Trade receivables		73,983	110,478
Receivables from related parties	13	282	39
Income tax receivable		76	69
Other accounts receivable and contract assets		7,350	4,894
Total accounts receivable		81,691	115,480
Derivative financial instruments		–	588
Other current financial assets		2,455	904
Cash and cash equivalents		12,699	9,539
Total current assets		274,107	233,028
Total assets		446,622	405,421

(cont'd on the next page)

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

Consolidated Statement of Financial Position (cont'd)

	Notes	As at 31 December 2020	As at 30 June 2020
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal and other reserves		5,161	5,153
Own shares		(446)	(446)
Foreign currency translation reserve		(20)	(10)
Retained earnings		108,955	105,122
Total equity attributable to equity holders of the parent		182,781	178,950
Non-controlling interest		1,981	2,252
Total equity		184,762	181,202
Liabilities			
Non-current liabilities			
Grants and subsidies		5,799	5,745
Non-current borrowings	8	21,694	18,692
Non-current trade payables	9	802	800
Lease liabilities		27,211	19,478
Deferred income tax liability		259	853
Non-current employee benefits		455	842
Other non-current liabilities		808	423
Total non-current liabilities		57,028	46,833
Current liabilities			
Current portion of non-current borrowings	8	7,696	13,130
Current portion of lease liabilities	9	5,449	4,992
Current borrowings	8, 13	115,557	92,729
Trade payables		48,982	43,089
Payables to related parties		82	143
Income tax payable		295	200
Derivative financial instruments		3,817	128
Contract liability		2,379	1,528
Other current liabilities		20,575	21,447
Total current liabilities		204,832	177,386
Total equity and liabilities		446,622	405,421

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

Consolidated Statement of Comprehensive Income (for the period 1 July to 31 December)

	Notes	2020/2021 6 month	2019/2020 6 month
Sales	4	474,951	317,178
Cost of sales		(454,932)	(297,369)
Gross profit		20,019	19,809
Operating (expenses)	10	(17,693)	(17,864)
Other income	11	4,130	1,865
Other (expenses)		(1,309)	(788)
Operating profit		5,147	3,022
Income from financing activities		579	611
(Expenses) from financing activities		(1,804)	(1,920)
Profit before tax		3,922	1,713
Income tax		(201)	(131)
Net profit		3,721	1,582
Net profit attributable to:			
Equity holders of the parent		3,787	1,535
Non-controlling interest		(66)	47
		3,721	1,582
Basic and diluted earnings per share (EUR)		0.02	0.01
Net profit		3,721	1,582
Other comprehensive income			
Exchange differences on translation of foreign operations		(10)	8
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		(10)	8
Total comprehensive income, after tax		3,711	1,590
Total comprehensive income attributable to:			
The shareholders of the Company		3,777	1,543
Non-controlling interest		(66)	47
		3,711	1,590

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

Consolidated Statement of Comprehensive Income (for the period 1 October to 31 December)

	Notes	2020/2021 2 Q	2019/2020 2 Q
Sales	4	235,625	167,827
Cost of sales		(228,782)	(158,500)
Gross profit		6,843	9,327
Operating (expenses)	10	(9,300)	(8,733)
Other income	11	2,910	1,241
Other (expenses)		(237)	(180)
Operating profit		216	1,655
Income from financing activities		161	189
(Expenses) from financing activities		(921)	(1,016)
Profit (loss) before tax		(544)	828
Income tax		400	51
Net profit (loss)		(144)	879
Net profit (loss) attributable to:			
Equity holders of the parent		(121)	918
Non-controlling interest		(23)	(39)
		(144)	879
Basic and diluted earnings per share (EUR)		0.00	0.01
Net profit (loss)		(144)	879
Other comprehensive income			
Exchange differences on translation of foreign operations		(2)	(3)
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		(2)	(3)
Total comprehensive income, after tax		(146)	876
Total comprehensive income attributable to:			
The shareholders of the Company		(123)	915
Non-controlling interest		(23)	(39)
		(146)	876

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

Consolidated Statement of Changes in Equity

	Equity attributable to equity holders of the parent										
	Notes	Share capital	Own shares	Share premium	Legal reserve and other reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2019		46,093	(448)	23,038	4,389	5,000	(17)	89,955	168,010	2,060	170,070
Net profit for the year		–	–	–	–	–	–	1,535	1,535	47	1,582
Exchange differences on translation of foreign operations		–	–	–	–	–	8	–	8	–	8
Total comprehensive income		–	–	–	–	–	8	1,535	1,543	47	1,590
Disposal of own shares		–	2	–	–	–	–	(2)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(8)	(8)
Share-based payments		–	–	–	(45)	–	–	–	(45)	–	(45)
Reserves made		–	–	–	370	–	–	(370)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	6	6	(7)	(1)
Balance as at 31 December 2019		46,093	(446)	23,038	4,714	5,000	(9)	91,124	169,514	2,092	171,606
Balance as at 1 July 2020		46,093	(446)	23,038	5,153	–	(10)	105,122	178,950	2,252	181,202
Net profit for the year		–	–	–	–	–	–	3,787	3,787	(66)	3,721
Exchange differences on translation of foreign operations		–	–	–	–	–	(10)	–	(10)	–	(10)
Total comprehensive income		–	–	–	–	–	(10)	3,787	3,777	(66)	3,711
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(12)	(12)
Share-based payments		–	–	–	(53)	–	–	–	(53)	–	(53)
Reserves made		–	–	–	61	–	–	(61)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	107	107	(193)	(86)
Balance as at 31 December 2020		46,093	(446)	23,038	5,161	–	(20)	108,955	182,781	1,981	184,762

(cont'd on the next page)

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

Consolidated Cash Flow Statement

	Notes	2020/2021 6 month	2019/2020 6 month
Cash flows from (to) operating activities			
Net profit		3,721	1,582
Adjustments for non-cash items:			
Depreciation and amortisation		7,021	6,297
Subsidies amortisation		(256)	(273)
(Gain) on disposal of property, plant and equipment		(617)	(427)
(Gain) on proportion of the assets that relates to rights transferred (Note 3)		(1,925)	–
Change in allowance and write-offs for receivables and prepayments		(148)	69
Inventories write down to net realisable value		(258)	(40)
Change of provision for onerous contracts		–	(954)
Change in accrued expenses		72	(1,129)
Change in fair value of biological assets		545	(301)
Change in deferred income tax		(864)	–
Change in accrued share-based payment		(53)	(54)
Current income tax expenses		1,065	130
(Income) from change in fair value of financial instruments		(1,650)	(558)
Dividend (income)		–	–
Interest (income)		(579)	(611)
Interest expenses		1,804	1,919
		7,878	5,650
Changes in working capital:			
Decrease in biological assets		16,239	11,973
(Increase) in inventories		(80,816)	(75,299)
(Increase) decrease in prepayments		(995)	2,462
Decrease in trade and other accounts receivable		33,251	38,144
(Increase) in restricted cash		(1,479)	(400)
Increase in trade and other accounts payable		6,965	10,709
Income tax (paid)		(989)	(125)
Net cash flows from (to) operating activities		(19,946)	(6,886)

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

Consolidated Cash Flow Statement (cont'd)

	Notes	2020/2021 6 month	2019/2020 6 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(5,318)	(6,409)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		931	592
Acquisition of subsidiaries		(138)	–
Disposal of subsidiaries		13,571	–
Prepayments for financial assets		(2,000)	–
Loans (granted)		(438)	(13)
Repayment of granted loans		446	240
Interest received		577	611
Dividend received		–	–
Net cash flows from (to) investing activities		7,631	(4,979)
Cash flows from (to) financing activities			
Proceeds from loans		92,567	78,051
(Repayment) of loans		(72,174)	(57,852)
Lease (payments)		(3,185)	(2,362)
Interest (paid)		(1,804)	(1,919)
Grants received		–	23
Dividend (paid) to non-controlling shareholders		(12)	(8)
Subsidies received		169	–
(Acquisition) of non-controlling interest		(86)	(1)
Net cash flows from (to) financing activities		15,475	15,932
Net (decrease) increase in cash and cash equivalents		3,160	4,067
Cash and cash equivalents at the beginning of the year		9,539	7,637
Cash and cash equivalents at the end of the year		12,699	11,704
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		620	1,520

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

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: Smėlynės Str. 2C, LT-35143 Panevėžys, 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 31 December 2020 and as at 30 June 2020 the shareholders of the Company were:

	As at 31 December 2020		As at 30 June 2020	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	69.15 %	109,909,167	69.15 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
UAB INVL Asset Management	9,413,805	5.92 %	8,461,306	5.32 %
Other shareholders (private and institutional investors)	22,567,431	14.20 %	23,519,930	14.80 %
Total	158,940,398	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 31 December 2020 (EUR 0.29 each as at 30 June 2020) and were fully paid as at 31 December 2020 and as at 30 June 2020.

The Company holds 769,972 of its own shares, percentage 0.49%, as at 31 December 2020 (770,972 as at 30 June 2020). Subsidiaries and other related companies did not hold any shares of the Company as at 31 December 2020 and as at 30 June 2020.

All of the Company's 158,940,398 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 31 December 2020 the number of employees of the Group was 2,129 (2,103 as at 30 June 2020).

No changes in share capital occurred during the years ending 31 December 2020 and 30 June 2020.

2. Accounting Principles

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2019/2020 financial year.

3.Group Structure and Changes in the Group

As at 31 December 2020 and as at 30 June 2020 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2020	30 June 2020	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100 %	100%	Rent and management of agricultural purposes land
UAB Noreikiškės	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu Fabrika Kekava	Latvia	97.16%	97.16%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.16%	97.16%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
UAB Kekava Foods LT	Lithuania	97.16%	97.16%	Not operating company
Linas Agro OÜ	Estonia	100%	–	Products for crop growing
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linas Agro A/S (under liquidation)	Denmark	100%	100%	Not operating company
UAB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINE	Ukraine	100%	100%	Representative office

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2020	30 June 2020	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	100%	99.16%	Preparation and warehousing of grains for trade
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%	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%	Mixed agricultural activities
SIA Zemvalda Land Management Holdings 1	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 2	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 3	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 4	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 5	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 6	Latvia	–	100%	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 7	Latvia	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 1	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 2	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 3	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 4	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 5	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 6	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 7	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 1	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 2	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 3	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 4	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 5	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 6	Lithuania	–	100%	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 7	Lithuania	–	100%	Rent and management of agricultural purposes land

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 December 2020	30 June 2020	
Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)				
SIA DOTNUVA BALTIC	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains
AS Dotnuva Baltic	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB GeoFace	Lithuania	100%	—	Development of computer systems
UAB Dotnuvos Technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos Kooperatinė Bendrovė, undergoing restructuring	Lithuania	100%	80%	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu Centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
Investment into indirectly controlled subsidiaries (through Panevėžys District Žibartonių ŽŪB)				
Karčemos Kooperatinė Bendrovė, undergoing restructuring	Lithuania	—	4.00%	Preparation and warehousing of grains for trade
Kėdainiai District ŽŪB Nemunas	Lithuania	67.44%	67.44%	Mixed agricultural activities
Investment into indirectly controlled subsidiaries (through UAB Landvesta 1-6, UAB Noreikiškės, UAB Lineliai)				
UAB Zemvalda Turto Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries

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

Changes in the Group during the 6 month period ended 31 December 2020

On 26 November 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 16, the Group accounted above mentioned sale transaction as a sale and subsequent leaseback as the Group's subsidiaries would continue to lease the land from the companies which the Group sold. In these financial statements the Group accounted gain on proportion of the assets that relates to rights transferred which amounted to EUR 1,925 thousand. The gain consisted of new rights of use land assets, proportionally estimated from previously owned property, as well as from consideration received for shares sale and lease liabilities related with right of use assets.

On 8 October 2020 a subsidiary of AB Linas Agro Group AB Linas Agro founded a subsidiary in Estonia Linas Agro OU with a share capital of EUR 100 thousand.

During 6 month period, ended 31 December 2020, 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 6 month period, ended 31 December 2020, the Group acquired 100% stock of UAB GeoFace for EUR 188 thousand. The fair values of the net assets acquired have not yet been assessed by the Group and the financial statements is presented below:

Acquisition date for consolidation purposes	UAB GeoFace EUR'000
Carrying values	31 July 2020
	(unaudited)
Property, plant and equipment	126
Cash and cash equivalents	–
Total assets	126
Current liabilities	(43)
Total identifiable net assets at carrying value	83
Loss recognized on acquisition of subsidiary, recognised under Other activity expenses	(105)
Total purchase consideration	188
Cash consideration transferred	188
Less: cash acquired	–
Total purchase consideration, net of cash acquired	188

Changes in the Group during the year ended 30 June 2020

During 12 month period, ended 30 June 2020, the Group acquired 0.33% stock of Sidabravo ŽŪB for EUR 2 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 15 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2020, the Group acquired 0.05% stock of AS Putnu Fabrika Kekava for EUR 5 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 12 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2020, the Group acquired 60% stock of Karčemos Kooperatinė Bendrovė for EUR 88 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 724 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Acquisition of non-controlling interest in Sidabravo ŽŪB has resulted in an increase of the effective Group ownership of ŽŪK KUPIŠKIO GRŪDAI by 0.03% up to 99.16% as at 30 June 2020 with no result accounted directly in equity.

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

On 27 March, 2020 the Group acquired 68.68% Kėdainiai District ŽŪB Nemunas for the EUR 1,808 thousand to further expand of business activities. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

	Kėdainiai District ŽŪB Nemunas EUR'000
	31 March 2020
Acquisition date for consolidation purposes	
Property, plant and equipment	2,958
Right of use assets (leased asset)	1,373
Financial asset	1
Deferred tax asset	8
Animals and livestock	282
Inventories	845
Prepayments and other current assets	43
Cash and cash equivalents	44
Total assets	5,554
Grants and subsidies	(66)
Non-current borrowings	(1,832)
Other non-current liabilities	(8)
Current borrowings	(446)
Trade payables	(986)
Other liabilities	(64)
Total liabilities	(3,402)
Total identifiable net assets at fair value	2,152
Non-controlling interest measured at the proportionate share of the net assets at fair value	(699)
Loss recognized on acquisition of subsidiary, recognised under Other income (Note 24)	(355)
Total purchase consideration	1,098
Cash consideration transferred*	1,008
Less: cash acquired	(44)
Total purchase consideration, net of cash acquired	964

*As at 30 June 2020 the Group owes to former shares owners EUR 800 thousand

During 12 month period, ended 30 June 2020, the Company increased the share capital of UAB Lineliai EUR 30 thousand, ŽŪB Noreikiškių EUR 35 thousand.

Accumulation of the expenses for share options agreements with employees of AB Linas Agro Group subsidiaries as described in Note 27, has resulted in an EUR 1 410 thousand increase of the cost of the investment to AB Linas Agro, UAB Linas Agro Konsultacijos, UAB Dotnuva Baltic, UAB Linas Agro Grūdų Centras KŪB, AS Putnu fabrika Kekava.

During 12 month period, ended 30 June 2020, the Group established land management companies SIA Zemvalda Land Management Holdings 1-7 (7 companies), UAB Zemvaldos Turtas 1-6 (6 companies), UAB Zemvados Turtas SPV 1-6 (6 companies), UAB Zemvados Turto Konsultacijos.

During 12 month period, ended 30 June 2020, the Group increased the share capital of LLC LINAS AGRO UKRAINE by EUR 180 thousand.

On 6 January 2020 the Group increased the share capital of UAB Kekava Foods LT by EUR 5 thousand.

On 13 May 2020 the Group increased the share capital of SIA Dotnuva Baltic by EUR 3,000 thousand.

On 16 June 2020 the Group increased the share capital of UAB Linas Agro Konsultacijos by EUR 5,808 thousand.

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

On 29 June 2020, the Group acquired 100 % of UAB Zemvaldos Turtas 7 sub-group, which is comprised of the holding company UAB Zemvaldos Turtas 7 and its subsidiary UAB Zemvaldos Turtas SPV 7 (100%), for EUR 1 065 thousand, to further expand business activities. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

	UAB Zemvaldos turtas 7 sub-group EUR'000
	29 June 2020
Acquisition date for consolidation purposes	
Investment property	1,060
Cash and cash equivalents	3
Total assets	1,063
Non-current borrowings	–
Current borrowings	–
Trade payables	–
Other liabilities	–
Total liabilities	–
Total identifiable net assets at fair value	1,063
Non-controlling interest measured at the proportionate share of the net assets at fair value	–
Loss recognized on acquisition of subsidiary, recognised under Other income (Note 24)	(3)
Total purchase consideration	1,060
Cash consideration transferred*	–
Less: cash acquired	(3)
Total purchase consideration, net of cash acquired	(3)

*As at 30 June 2020 the Group owes to former shares owners EUR 1,065 thousand

4. Segment Information

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

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, 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 food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its 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.

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

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 31 December 2020								
Revenue								
Third parties	350,236	79,996	10,095	34,568	56	–	–	474,951
Intersegment	721	3,406	10,347	–	–	–	(14,474) ¹⁾	–
Total revenue	350,957	83,402	20,442	34,568	56	–	(14,474)¹⁾	474,951
Results								
Operating expenses	(4,226)	(6,339)	(2,147)	(3,801)	–	(1,180)	–	(17,693)
Segment operating profit (loss)	898	4,311	1,248	(124)	11	(1,197)	–	5,147
Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 31 December 2019								
Revenue								
Third parties	201,247	67,244	10,669	37,978	40	–	–	317,178
Intersegment	1,611	2,999	6,261	–	–	–	(10,871) ¹⁾	–
Total revenue	202,858	70,243	16,930	37,978	40	–	(10,871)¹⁾	317,178
Results								
Operating expenses	(3,363)	(7,131)	(1,622)	(3,873)	(11)	(1,864)	–	(17,864)
Segment operating profit (loss)	1,984	1,860	(996)	1,988	26	(1,840)	–	3,022

1) Intersegment revenue is eliminated on consolidation.

4. Segment Information (cont'd)

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	6 month period ended	
	31 December 2020	31 December 2019
Lithuania	109,847	101,115
Europe (except for Scandinavian countries, CIS and Lithuania)	150,652	109,152
Scandinavian countries	59,932	39,771
Asia	31,042	23,387
Africa	104,783	34,750
CIS	18,695	9,003
	474,951	317,178

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

Non-current assets	As at 31 December 2020	As at 30 June 2020
Lithuania	92,722	93,701
Latvia	60,514	61,823
Estonia	1,182	890
Ukraine	14	19
	154,432	156,433

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

5. Intangible Assets

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2019	1,089	750	1,971	3,810
Additions	167	7	–	174
Reclassifications	484	(484)	–	–
Write-offs	(182)	(1)	–	(183)
Balance as at 30 June 2020	1,558	272	1,971	3,801
Additions	17	50	–	67
Acquisition of subsidiary	–	126	–	126
Write-offs	–	(17)	–	(17)
Balance as at 31 December 2020	1,575	431	1,971	3,977
Accumulated amortization:				
Balance as at 30 June 2019	687	110	–	797
Charge for the year	138	22	–	160
Write-offs	(181)	(1)	–	(182)
Balance as at 30 June 2020	644	131	–	775
Charge for the year	84	48	–	132
Write-offs	–	(17)	–	(17)
Balance as at 31 December 2020	728	431	–	890
Impairment losses:				
Balance as at 30 June 2019	–	–	1,121	1,121
Balance as at 30 June 2020	–	–	1,121	1,121
Balance as at 31 December 2020	–	–	1,121	1,121
Net book value as at 31 December 2020	847	269	850	1,966
Net book value as at 30 June 2020	914	141	850	1,905
Net book value as at 30 June 2019	402	639	850	1,891

6. Property, Plant and Equipment

	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 2019	21,556	106,401	58,350	5,593	5,096	4,470	201,466
Effect of adoption of IFRS 16 1 July 2019	12,675	2,620	2,096	1,848	10	–	19,249
Additions	3,375	582	4,701	2,074	582	5,591	16,905
Acquisition of subsidiary	2,944	708	616	35	16	12	4,331
Disposals and write-offs	(2,433)	(582)	(4,172)	(1,407)	(751)	(66)	(9,411)
Transfers to investment property	(24)	–	–	–	–	–	(24)
Reclassifications	5	5,571	424	28	1,052	(7,080)	–
Transfer to/from stocks	–	–	1,554	–	–	–	1,554
Balance as at 30 June 2020	38,098	115,300	63,569	8,171	6,005	2,927	234,070
Additions	6,160	113	4,231	866	214	744	12,328
Disposals and write-offs	(949)	(140)	(2,443)	(299)	(61)	(31)	(3,923)
Disposal of subsidiaries	(4,055)	–	–	–	–	–	(4,055)
Reclassifications	6	361	630	–	119	(1,116)	–
Transfer to/from stocks	–	–	297	–	–	–	297
Balance as at 31 December 2020	39,260	115,634	66,284	8,738	6,277	2,524	238,717
Accumulated depreciation:							
Balance as at 30 June 2019	129	39,136	26,748	3,083	3,420	–	72,516
Charge for the year	1,883	4,595	5,012	1,464	534	–	13,488
Disposals and write-offs	(202)	(54)	(3,405)	(1,068)	(666)	–	(5,395)
Reclassifications	–	–	(66)	26	40	–	–
Balance as at 30 June 2020	1,810	43,677	28,289	3,505	3,328	–	80,609
Charge for the year	994	2,406	2,732	741	334	–	7,207
Disposals and write-offs	(39)	(140)	(1,159)	(219)	(61)	–	(1,618)
Balance as at 31 December 2020	2,765	45,943	29,862	4,027	3,601	–	86,198
Impairment losses:							
Balance as at 30 June 2019	–	667	163	–	42	–	872
Disposals and write-offs	–	–	(1)	–	(7)	–	(8)
Balance as at 30 June 2020	–	667	162	–	35	–	864
Disposals and write-offs	–	–	(104)	–	(1)	–	(105)
Balance as at 31 December 2020	–	667	58	–	34	–	759
Net book value as at 31 December 2020	36,495	69,024	36,364	4,711	2,642	2,524	151,760
Net book value as at 30 June 2020	36,288	70,956	35,118	4,666	2,642	2,927	152,597
Net book value as at 30 June 2019	21,427	66,598	31,439	2,510	1,634	4,470	128,078

7. Investment Property

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2019	1,039	124	1,163
Additions	51	4	55
Acquisition of subsidiary	1,060	–	1,060
Disposals and write-offs	(262)	–	(262)
Transfer from tangible asset	24	–	24
Balance as at 30 June 2020	1,912	128	2,040
Additions	–	10	10
Disposals and write-offs	(173)	–	(173)
Disposal of subsidiaries	(1,060)	–	(1,060)
Balance as at 31 December 2020	679	138	817
Accumulated depreciation:			
Balance as at 30 June 2019	3	51	54
Charge for the year	1	3	4
Disposals and write-offs	(3)	–	(3)
Balance as at 30 June 2020	1	54	55
Charge for the year	–	2	2
Balance as at 31 December 2020	1	56	57
Impairment losses:			
Balance as at 30 June 2019	51	–	51
Charge for the year	–	3	3
Balance as at 30 June 2020	51	3	54
Balance as at 31 December 2020	51	3	54
Net book value as at 31 December 2020	627	79	706
Net book value as at 30 June 2020	1,860	71	1,931
Net book value as at 30 June 2019	985	73	1,058

Investment property of the Company consists of buildings leased out under the operating lease which generates lease income.

8. Borrowings

	As at 31 December 2020	As at 30 June 2020
Non-current borrowings		
Bank borrowings secured by the Group assets	21,694	18,692
Other non-current borrowings	–	–
	21,694	18,692
Current borrowings		
Current portion of non-current bank borrowings	7,696	13,130
Current bank borrowings secured by the Group assets	109,546	92,476
Other current borrowings (Note 13)	6,011	253
	123,253	105,859
	144,947	124,551

Interest payable is normally settled monthly throughout the financial year.

9. Lease liabilities

	As at 31 December 2020	As at 30 June 2020
Non-current		
Lease liabilities related to right-of-use assets	23,999	15,647
Lease liabilities related to other assets	3,212	3,831
	27,211	19,478
Current		
Lease liabilities related to right-of-use assets	4,412	3,804
Lease liabilities related to other assets	1,037	1,188
	5,449	4,992
	32,660	24,470

10. Operating Expenses

	2020/2021 6 month	2019/2020 6 month
Wages and salaries and social security	(11,185)	(11,654)
Consulting expenses	(513)	(498)
Depreciation and amortization	(1,006)	(769)
Other	(4,989)	(4,943)
	(17,693)	(17,864)

11. Other Income (Expenses)

Other income	2020/2021	2019/2020
	6 month	6 month
Grants received for agriculture activity	1,070	829
Grants for poultry activity, related with COVID 19	232	–
Gain from currency exchange	90	262
Rental income from investment property and property, plant and equipment	90	94
Gain from disposal of investment property and property, plant and equipment	617	454
Gain on proportion of the assets that relates to rights transferred (Note 3)	1,925	–
Change in fair value of financial instruments	24	–
Other income	82	226
	4,130	1,865
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(138)	(160)
Loss from disposal of investment property and property, plant and equipment	–	(27)
Change in fair value of financial instruments	(1,028)	(550)
Loss from acquisition of subsidiaries (Note 3)	(105)	–
Other expenses	(38)	(51)
	(1 309)	(788)

12. Commitments and Contingencies

As at 31 December 2020 the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,055 thousand (EUR 1,341 thousand as at 30 June 2020).

A few Group companies (Panevėžys District Aukštadvario ŽŪB, Šakiai District Lukšių ŽŪB, Sidabravo ŽŪB, Kėdainiai District ŽŪB Nemunas and Panevėžys District Žibartonių ŽŪB) have received grants from the European Union and National Paying Agency for acquisition of agricultural equipment.

Panevėžys District Aukštadvario ŽŪB, Sidabravo ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2021, Šakiai District Lukšių ŽŪB – up to 2020 and 2021, Kėdainiai District ŽŪB Nemunas and Panevėžys District Žibartonių ŽŪB – up to 2022. UAB Linas Agro Grūdų Centras KŪB received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2020 and 2021.

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 2020, AS Putnu Fabrika Kekava – up to the end of 2020, 2022 and 2023.

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 1,287 thousand as at 31 December 2020 (EUR 2,858 thousand as at 30 June 2020). 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 in EUR 644 thousand for fertilizers import in mentioned period. The AB Linas Agro management estimate the possibility to pay the taxes is 50 % and recognized as accruals in EUR 322 thousand amount. AB Linas Agro management does not concur with Customs assessment and the decision is appealed. During the year ended 30 June 2019 the company AB Linas Agro paid custom tax amounted to EUR 496 thousand, which was accounted by reducing the accruals in EUR 248 thousand amount.

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 regarding the alleged damages of EUR 1,800 thousand. As at 31 December 2020 and as at 30 June 2020 the Group's management is of opinion that the appeal has no sound grounds therefore no provision was recorded in the consolidated accounts regarding this matter.

13. 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 31 December 2020 and 30 June 2020 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Pranckevičius;
 Tomas Tumėnas;
 Darius Jaloveckas till 3 September 2019;
 Jonas Bakšys

Subsidiaries: List provided in Note 3.

UAB Darius Zubas Holding from 27 November 2019 (controlling shareholder);

Akola ApS group companies:

Akola ApS (Denmark) (same ultimate controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholder).
 AB Ignitis grupė (Andrius Pranckevičius is the Independent Member of Supervisory Board).
 UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).
 UAB EPSO-G from November 2019 (Tomas Tumėnas is the Independent Member of Board).
 UAB Limedika from March 2020 (Tomas Tumėnas is a finance director of this company).
 Kredito unija Saulėgraža from March 2020 (Tomas Tumėnas is the Member of Supervisory Board).
 UAB Nacionalinė Farmacijos Grupė from May 2020 (Tomas Tumėnas is a the Member of Board).
 Jonas Bakšys from June 2017 till present is the Member of Board at Lobiu Sala AS (Sweden).
 Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).

The Group's transactions with related parties in 6 month period ended 31 December 2020 were as follows:

2020 2 Q	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Other receivable			
Akola ApS group companies	503	7,812	282	–	–	82	6,000
Members of management board	–	–	–	–	–	–	–

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 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 nor due neither impaired as at 31 December 2020 and 30 June 2020.

14. Subsequent Events

On 12 January 2021 UAB Linas Agro Grūdų Centras KŪB and Cooperative ŽŪK KUPIŠKIO GRŪDAI started restructuring procedure to change the ownership form of the company.

On 20 January 2021 Karčemos Kooperatinė Bendrovė changed the ownership form of the company to private liability company UAB Karčemos Bendrovė.

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

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