

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 nine 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 nine 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

31 May 2021

Darius Zubas



Finance Director of AB Linas Agro Group

31 May 2021

Mažvydas Šileika





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

for the Nine-month Period,
Ended 31 March, 2021



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.linasagrogroup.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) 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 2,121 employees. The Company does not have any branches and representative offices.

Contact Person

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Information about subsidiaries of the Company

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 March 2021.

*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).



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

Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in nine months of 2020/21 financial year totaled EUR 712 million and increased by 50% as compared to previous year (EUR 476 million).
- The Group's sales volume in tons reached 2.38 million tons of various grains and agricultural inputs and increased by 43% as compared to previous year (1.67 million tons).
- The gross profit reached EUR 29.2 million and was 8% higher than a year before (EUR 27.1 million).
- The Group's operating profit was EUR 5.1 million or 75% more as compared to the respective period of the previous year (EUR 2.9 million).
- Profit before taxes amounted to EUR 2.99 million (compared to EUR 0.67 million in previous year).
- Consolidated EBITDA was 44% higher and amounted to EUR 17.1 million as compared to the previous year (EUR 11.8 million).
- The net profit attributable to the Group stood at EUR 2.64 million (EUR 0.64 million in previous year).
- Consolidated revenue for the third quarter was EUR 237 million and 49% higher than a year before (EUR 159 million). Gross profit for Q3 increased from EUR 7.3 million to EUR 9.2 million, and the operating loss was EUR 0.1 million (operating loss of EUR 0.14 million a year before). Net loss attributable to the Group for Q3 was EUR 1.15 million, compared to EUR 0.89 million loss for the corresponding period of the previous year.

Financial indicators

	2020/21 9 months	2019/20 9 months	2018/19 9 months	2017/18 9 months	2016/17 9 months
Sales in tons, million	2.38	1.67	1.72	1.63	1.60
Revenue, MEUR	712	476	526	449	448
Gross profit, MEUR	29.2	27.1	24.3	30.5	30.0
EBITDA*, MEUR	17.1**	11.8	6.8	13.7	13.3
Operating profit(loss)***, MEUR	5.1	2.9	(1.2)	4.7	5.9
Net profit(loss), MEUR	2.6	0.7	(3.5)	2.9	2.5

* Equals operating profit before depreciation, amortization and impairment losses.

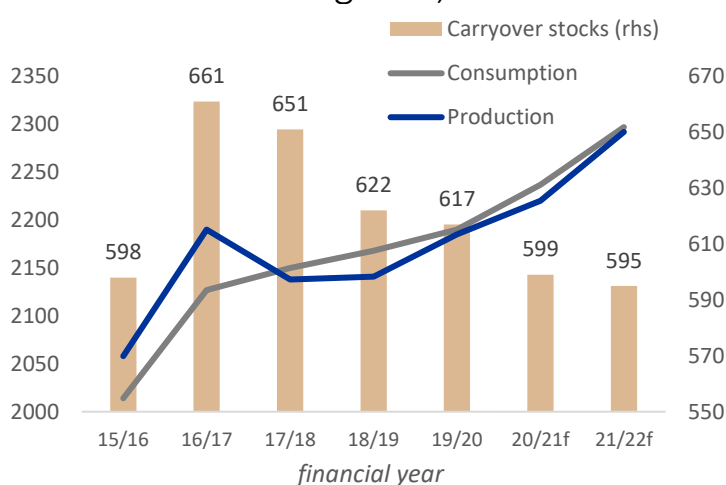
** In addition, depreciation amount of EUR 2,011 thousand, accounted in cost of sales of biological assets (crops) sold through the reporting period but related with prior reporting period, is excluded as well. The effect of such depreciation was not significant for the comparative periods.

*** Equals profit before net from investments and finance activities, and income tax.

Overview

According to the International Grains Council (IGC) data updated on 2021 May 27, the world grain production shall account for 2.220 billion tons in 2020/2021 or 35 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 12 million tons and 9 million tons compared to 2019/2020. In fact, a record year is expected not only in terms of crop yields, but also in terms of global grain stocks at the end of the 2020-2021 harvest year. It is estimated that the latter should, on the contrary, reach the lowest level of stocks in the last five years and be 599 million tons. The accelerating vaccination of COVID-19, the gradual recovery of the global economy, as well as overall growing population and improving living standards in developing countries, present the basis for continuing animal protein demand and the consequent demand for feed grains. From 2020 onwards, an extra catalyst to the above factors is the increased Chinese purchases

Wheat and coarse grains, million tons



International Grains Council (IGC) data

rebuilding hog herds after the African swine fever outbreak in the country since 2019. Moreover, the recovery in fuel demand also contributes to the potential demand for the maize-based ethanol component, as well as the potential demand for oilseeds, which are a component of biofuels. The divergence between supply and demand during the reporting period continued to be reflected in prices. Within January - March 2021, the world cereal prices were EUR 40-45 higher than last year. For example, wheat futures prices for March lots on the Euronext exchange fluctuated around 225-230 euros per ton, compared to EUR 180-185 per ton a year ago.

In anticipation of continued strong global demand, future price expectations are shaped by the projected transitional grain stocks for the end of the 2020/2021 and indications for the coming harvest of 2021/2022. According to the data of International Grains Council (IGC), the global cereal harvest will reach 2,292 million tons and will be 72 million tons higher than in 2020/2021. Due to the favorable climatic conditions so far, production growth is expected from the Black Sea region and Europe; slightly more uncertainty with regards to Brazil, which is experiencing drier than usual years, Australia, which is suffering from a drought to sow the crops for 2021/2022 harvest, and Russia, which has faced more difficult climatic conditions in recent months, affecting winter crops, moreover is currently adapting to newly established (March 2021) customs duties on quota exceeding exports outside the Eurasian Economic Union.

2020/2021 was marked as the year of record high harvest of various grain and rapeseed in all the Baltic countries. According to the 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 almost 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 43% during the reporting period and amounted to 2.38 million tons, as compared to 1.67 million tons in previous year.

Group's consolidated revenue in nine months of 2020/21 financial year amounted to EUR 712 million and was 50% more as compared to previous year (EUR 476 million). Positively impacted by the record harvest, revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' stepped up by 75%. 10% sales income incline in business Segment 'Products and Services for Farming' was mostly gained thanks to more than one third higher turnover of agricultural machinery, spare parts and service. With continuing COVID-19 pandemic restrictions, the revenue from business Segment 'Food products' had 9% decrease and amounted to EUR 52 million. Due to the higher yields the crop production in Group controlled farms was 28% higher as compared to previous year, the revenue went up 18% to EUR 28 million.

Group's operating profit amounted to EUR 5.1 million and EBITDA was EUR 17.1 million compared to the corresponding EUR 2.9 million and EUR 11.8 million in previous year. Group's net profit amounted to EUR 2.6 million as compared to EUR 0.7 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 further proceeding with sales of other agricultural inputs.

The Group is merging merge all elevator management companies in Lithuania into one legal entity. The merger is scheduled to take place during this financial year.

On the 1st 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, Poland and Russia have been already received, respective permission is still awaited from authority in Lithuania.

Financial Costs

Due to more efficient borrowing utilization financial expenses decreased by 6% over referenced period and amounted to EUR 2.8 million compared to that in 2019/20 financial year (EUR 2.9 million). The total amount of financial liabilities (including lease liabilities) increased by EUR 26 million from EUR 149 million at the beginning of the financial year to EUR 175 million mainly due to increased demand for working capital financing.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 11.1 million as compared to EUR 8 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 10.3 million (negative EUR 6.5 million over the respective period of 2019/20 financial year), main reason for that was increase in inventory by EUR 54 million. Group's cash and cash equivalents amounted to EUR 15.9 million at the end of the reporting period (EUR 9.1 million in 2019/20 financial year).

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 9 months	2019/20 9 months	2018/19 9 months	2017/18 9 months	2016/17 9 months
Grain and Feedstuff Handling and Merchandising	2,908	3,533	822	6,364	7,242
Products and Services for Farming	4,452	1,833	145	1,495	1,562
Agricultural Production	1,443	(1,476)	(868)	(359)	(838)
Food products	(916)	2,762	692	1,294	697
Other	(16)	67	(66)	155	93



Grain and Feedstuff Handling and Merchandising

Start of operation	1991
Operating companies	<p>Companies in Lithuania: AB Linas Agro UAB Linas Agro Grūdų Centras Participating in reorganization UAB Linas Agro Grūdų Centrai Under reorganization UAB KUPIŠKIO GRŪDAI Under reorganization UAB Karčemos Bendrovė 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 storage and logistic services Grain, oilseeds and feedstuffs trading</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.

Grain storage and logistic services

The combined grain and rapeseed harvest in Lithuania and Latvia in 2020 amounted to 12 million tons. Thanks to the high yield, Group's elevators in Lithuania and Latvia have collected record quantities of grain during nine months of FY 2020/2021 (654 thousand tons or 57% more than in the same period last year), out of which 63% was wheat, 18% rapeseed.

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.

Grain, oilseeds and feedstuffs trading

During the reporting period, the Group companies purchased 62% higher quantities of grain, oilseeds and feedstuffs materials.

The amount of grain and oilseeds sold by the companies of the Group reached 1.8 million tons (67% more than in the same period last year), while the main export product remained Lithuanian and Latvian wheat. At the beginning of the reporting period, due to the shortage of rapeseed, prices for rapeseed remained high, but a downward trend in wheat futures prices on the Euronext exchange was observed. The main reasons for this short-term trend were the tariffs introduced by the Russian government in December 2020, addressing rising domestic prices, as well as good harvest in Argentina and Australia. However, at the end of the reporting period and the beginning of the last quarter of the Group's financial year, wheat prices started to rise again in response to global new harvest forecasts and increased customer demand.

Feedstuff trade volume was 327 thousand tons or 21% more than in previous year. Due to the continuing rise in the price of feedstuff in the global market, the Group had to deal with non-deliveries by some of suppliers, yet the ability to reorient to other markets ensured minimization of losses and even allowed profit generation. During the reporting period, prices of feedstuffs continued to rise, supported by the disproportion between supply and demand, declining global grain and agricultural stocks and the continued sensitivity to weather forecasts.

Revenue of the operating segment increased by 75% during the year up to EUR 534 million, mostly because of higher sales volumes and market prices. Operating profit amounted to EUR 2.9 million, compared to EUR 3.5 million profit for the financial year 2019/2020. It should be noted that decrease in profitability was significantly affected by EUR 1 million derivatives loss.

Group's management is not changing projected annual operating profit for the segment and expects it to be 10% higher 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 Participating in reorganization UAB Linas Agro Grūdų Centrai Under reorganization UAB KUPIŠKIO GRŪDAI Under reorganization UAB Karčemos Bendrovė</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>Preparation of seed in own seed preparation factory Supply of seeds, plant care products, fertilizers to the farmers Supply of new and used agricultural machinery, spare parts and service to the farmers Installation of grain cleaning, drying and storage facilities as well as livestock farms Software development Representation of worldwide known brands</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	<p>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.</p>

Preparation of seed in own seed preparation factory

Over the reporting period, the own seed preparation factory of UAB Dotnuva Baltic (Dotnuva, Kedainiai distr.) prepared 20 thousand tons of certified seeds or almost 6% more than in previous year. Most of the prepared material consisted of cereal and pulses seeds, however, the highest growth was recorded in the grass and sidereal seed segment. Group invested in improving the quality of seeds, advancing cleaning process. Modern warehouse investments planned for 2021 will help ensure more efficient logistics chain and will increase the capacity of the seed factory. Construction works are expected to be completed by September 2021, costing EUR 1.4 million. The need for these investments is based on the future potential of the markets served by the Group, still materially lagging behind the Western European countries. To the Group's knowledge, the quantities of certified seeds in Western European countries reach about 50% of the sown area, while in Lithuania so far only 15-20%.

Supply of seeds, plant care products, fertilizers to the farmers

delayed due to belated spring.

Within the reporting period Group sold 17 thousand tons of seeds or 5% less than in previous year, however the trade revenue increased slightly (0.4%) to EUR 13.8 million. Group believes that the strategy focusing to seed sales in the autumn proved to be effective, as successfully overwintered crops dictated lower demand for sowing in spring. Sales in Latvia were also limited due to high farms' activity, ensuring seeds demand themselves. However, additional sales are still expected during the last quarter of the Group's financial year, as both sowing and purchases got delayed due to belated spring.

Delayed harvest-time in 2020 resulted in different sowing structure, dictating specific fertilizer needs. Well planned assortment of fertilizers, as well as rising prices created the preconditions for the realization of the forecasted profitability, however, due to both high prices and the lack of certain range of fertilizers, the planned quantities were not achieved. During the reporting period revenue from fertilizers sold amounted to EUR 42 million and was 4% less in value or 3% less in volume compared to the same period last year.

During the reporting period total sales of plant care products and micronutrients increased by 8%, up to EUR 11.3 million. The successful results were mainly achieved thanks to the autumn trade, as cold weather and adverse conditions in spring dictated sluggish purchases, most likely moving the sales into the last quarter of the Group's financial year.

Supply of new and used agricultural machinery, spare parts and service to the farmers

A successful harvest season, high expectations towards the quality of overwintered crops, rising grain prices have improved both the financial situation and expectations of farms. Latter encouraged farmers' investments into machinery in all the Baltic countries, with the exception of Estonian dairy farms, which, despite recovering milk prices, were still investing moderately. The most popular items were plant care and tillage equipment. 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 within first half of 2020/2021 financial year; while same directions for support under the EU project rules (small farms, young farmers and cattle breeding, vegetable farms) encouraged intensive investments by large Lithuanian farms no longer expecting to receive support since beginning of 2021. At the same time, Latvian farms have slowed down purchases somewhat in anticipation of the EU's autumn support package. Rising prices for production materials and increasing machinery production terms related to supply disruptions because of COVID-19 pandemic were additional drivers, encouraging customers not to wait any longer and purchase

equipment from existing stock before the expected rise in price. Compared to the same reporting period last year, sales of new and used agricultural machinery increased by 37% and reached EUR 34.6 million.

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.

Reporting period in the machinery service and spare parts segment was intensive, as it included both post-seasonal maintenance and pre-seasonal technical preparations. Post-seasonal maintenance works required a lot of effort from the service team, as difficult weather conditions resulted in higher technical loads during the harvesting, while pre-seasonal technical preparations became difficult again due to supply chain disruptions caused by COVID-19 pandemic. There was a shortage of spare parts, delivery delays and rising costs due to increasing material prices. Total service and spare parts revenue increased by 27% to EUR 9.7 million.

Software development

For almost four years intensively preparing for the kick-off, the start-up Geoface, acquired by the Group last summer, initiated the launch of the intelligent farming system 'Geoface' in Lithuania and Latvia in January 2021. The product, which will be further developed, currently has the following main functions: crop fertilization and spray mapping, management of farm's finances, forecasting of the harvest.

Installation of grain cleaning, drying and storage facilities as well as livestock farms

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 3.3 million received from grain and farm equipment installation projects, or 12% more than the income in previous year.

The revenue of this business Segment went up 10% to EUR 116 million and operating profit amounted to EUR 4.5 million being 143% 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</p> <p>Panevėžys District Aukštadvario ŽŪB</p> <p>Panevėžys District Žibartonių ŽŪB</p> <p>Kėdainiai District Labūnavos ŽŪB</p> <p>Šakiai District Lukšių ŽŪB</p> <p>Biržai District Medeikių ŽŪB</p> <p>Sidabravo ŽŪB</p> <p>Kėdainiai District ŽŪB Nemunas</p> <p>UAB Zemvaldos Turto Konsultacijos</p> <p>UAB Landvesta 1</p> <p>UAB Landvesta 2</p> <p>UAB Landvesta 3</p> <p>UAB Landvesta 4</p> <p>UAB Landvesta 5</p> <p>UAB Landvesta 6</p> <p>UAB Noreikiškės</p> <p>Užupės ŽŪB</p> <p>UAB Paberžėlė</p> <p>UAB Lineliai</p>
Activity	<p>Cultivation of cereals, oilseed rape, sugar beet and other crops</p> <p>Production of milk and Beef cattle farming</p> <p>Rent and management of agricultural purposes land</p> <p>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	18,300 ha / 5,899 ha

Cultivation of cereals, oilseed rape, sugar beet and other crops

During the reporting period, the companies harvested 110 thousand tons of crop production, 94 thousand tons of this production was sold (that is 32% and 28% more compared to the very same period last year). Within the third quarter of the reporting period average grain prices remained high. Still, the agricultural companies were 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 grain sales structure.

Respectively, 34% growth of crop income was impacted by both - increase of marketed quantities, as well as increase in grain price compared to the same period last year.

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, 99% crops in this area were in a good or very good condition, the moisture level in the soil - optimal. At the time of publication of this notice, agricultural companies have already pre-contracted 70% of the planned harvest of 2021.

Production of milk and beef cattle farming

Having decided to discontinue the unprofitable dairy farm in Kėdainiai District ŽŪB Nemunas, at the end of the reporting period the Group controlled farms owned 3,183 dairy cows or 192 cows less than in the previous year. Due to the very same reason, during the reporting period 16% more live weight cattle were raised, revenue from meat sales grew by

15% compared to previous year.

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, Kėdainiai District Labūnavos ŽŪB further on continued with robotization), the amount of milk produced did not decrease and amounted to 25.7 thousand tons (2% more than in the corresponding period last year). Revenue from milk sales grew 3%, positively impacted not only by the increase in the volume of milk sold, but also by continuous gradual milk purchase price increase (approximately 5% increase since the beginning of the reporting period).

The revenue of this business Segment accelerated by 18% to EUR 28 million, operating profit amounted almost EUR 1.4 million. It should be noted that the operating result was significantly affected by EUR 1.9 million profit, related to 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.



Food Products

Start of operation	2013
Operating companies	<p>Companies in Latvia: AS Putnu Fabrika Kekava SIA PFK Trader SIA Lielzeltini SIA Broileks SIA Cerova Company in Lithuania: UAB Kekava Foods LT</p>
Activity	<p>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)</p>
Share of revenue in Group's portfolio (average of results within last 5 years)	10%
Owned trademarks	<p>'Kekava' 'Bauska' 'Top choice poultry' (export markets outside the Baltic States) 'Granfågel' (export markets in Scandinavia)</p>
and production markings	'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	<p>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.</p>

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'. Broilers were raised without the use of antibiotics since January 2020, 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").

During the third quarter of the reporting period, the persistence of the COVID-19 pandemic restrictions within the continent further on limited the Group's ability to earn from the highest profitability fillet sales in the HORECA segment, Group's main markets in Baltic and Scandinavian countries. With continuous chicken products overproduction in the EU (according to European Commission forecasts - 13% in 2021), Western European countries have prioritized local production, contributing to relatively higher price levels in their countries. While major exporting countries, such as Poland (produces about 20% of EU poultry meat), have pushed prices down and sought all opportunities to sell their products in other countries. During the reporting period, outbreaks of avian influenza in this country had not yet begun, so the sales activity of Polish producers in neighboring markets, including Lithuania and Latvia, remained high and has not yet had a positive impact on poultry prices. According to the Polish Ministry of Agriculture for Rural Development, the price of the most profitable chicken product, fresh fillet meat, was 9% lower comparing the prices of reporting period and corresponding period last year.

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 feedstuff used for chicken feed, such as corn, wheat, soybeans, vegetable oil. The group estimates that the cost of producing chicken products during the last quarter of the financial year 2020/2021 will be about 10% higher than in the same period last year.

Within the reporting period, the poultry companies of the Group produced and sold the same quantities of poultry like a year before: the production of live weight chicken accounted to 34 thousand tons, sales volume of poultry meat and poultry products was 24 thousand tons. However, revenue from this business Segment had a decline of 9%, amounting to EUR 52 million, while operating result ended up being EUR 0.9 million loss.

Taking into consideration newly published data of the European Statistical Office (EUROSTAT) that indicate 8.6% shrinkage of chicken production in the EU in 2020, also expected easing of COVID-19 pandemic related restrictions in the HORECA segment, a positive impact on future product prices is expected in coming periods. However, due to the difficult market situation during the reporting period and the impact of COVID-19 pandemic, the Group's management estimates that the operating profit of this Business segment will be 20% lower this year as compared to previous.

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 loss of this business Segment amounted to EUR 16 thousand as compared to 67 thousand euros profit in previous year.

The Publicly Disclosed Information and Other Events of the Reporting Period

The Publicly Disclosed Information

During the reporting period ended 31 March 2021, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:

18/03/2021 16:00 EET	The recording of AB Linas Agro Group Investor Conference Webinar on the financial results for the first half of FY 2020/21	Other information	LT, EN
15/03/2021 16:30 EET	AB Linas Agro Group boosts sales revenue and profits in first half of the financial year 2020/21	Interim information	LT, EN
12/03/2021 07:50 EET	Polish competition authority has allowed Linas Agro Group to implement concentration by acquiring KG Group	Other information	LT, EN
10/03/2021 14:36 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the half year of 2020/2021	Other information	LT, EN
01/03/2021 09:00 EET	Estonian Competition Council has allowed Linas Agro Group to implement concentration by acquiring KG Group	Other information	LT, EN
25/02/2021 09:45 EET	Latvian Competition Council has allowed Linas Agro Group to implement concentration by acquiring KG Group	Other information	LT, EN
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

Other Events of the Reporting Period

26/03/2021	Participating in reorganization legal status of UAB Linas Agro Grūdų Centrai was registered, and Under reorganization to UAB KUPIŠKIO GRŪDAI and UAB Karčemos Bendrovė.
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.
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.

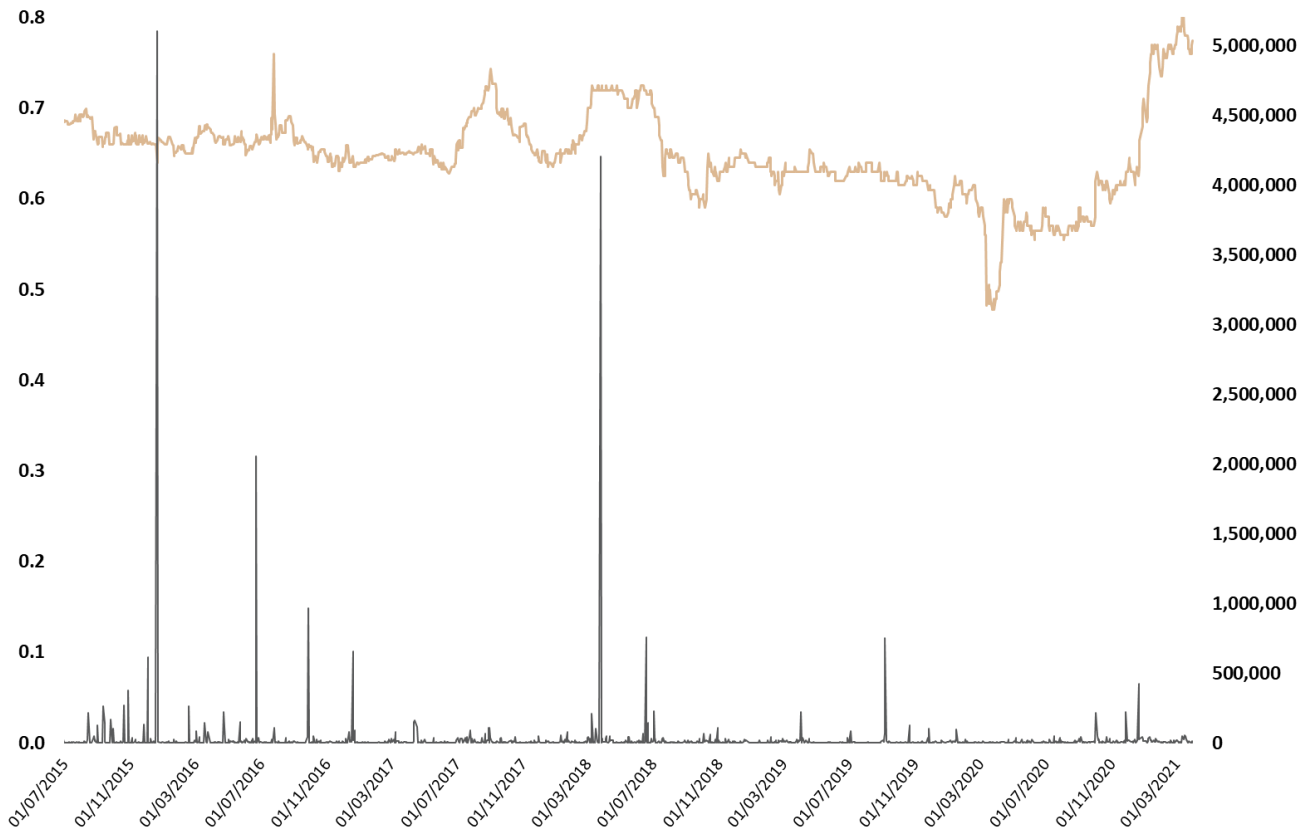
July-August, 2020	UAB Dotnuva Baltic acquired 100 percent shares of UAB GeoFace.
21/7/2020	The authorized capital of AS Dotnuva Baltic was increased by 2,300,000 euros.
9/7/2020	The Company transferred 1,000 of its own shares to Andrius Pranckevičius, the Member of the Board of the Company and the employee of the Group under AB Linas Agro Group Rules for Shares Issues.

Subsequent Events

26/5/2021	The decision of the sole shareholder was made to increase capital of Linas Agro OU by 800,000 euros.
12/5/2021	Klaipėdos universiteto ateities paramos fondas was registered in the Register of Legal Entities. AB Linas Agro Group participates as one of co-founders of the Charity and Sponsorship Fund.
6/5/2021	Russian Federal Antimonopoly Service has adopted a resolution allowing AB Linas Agro Group to implement the concentration by acquiring the companies of KG Group operating in Russia.

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 March 2021, is presented in the following diagram:





AB Linas Agro Group Consolidated unaudited Financial Statements

for the Nine-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 March 2021	As at 30 June 2020
ASSETS			
Non-current assets			
Intangible assets	5	1,917	1,905
Property, plant and equipment	6	150,960	152,597
Investment property	7	689	1,931
Animals and livestock		9,126	9,429
Non-current financial assets			
Other investments and prepayments for financial assets		16	66
Prepayments for financial assets		1,990	–
Non-current receivables		265	1,261
Total non-current financial assets		2,271	1,327
Non-current prepayments		1,947	1,596
Deferred income tax asset		3,628	3,608
Total non-current assets		170,538	172,393
Current assets			
Crops		3,111	18,978
Livestock		2,080	2,580
Inventories		139,177	79,537
Current prepayments		6,555	5,422
Accounts receivable			
Trade receivables		112,942	110,478
Receivables from related parties	13	731	39
Income tax receivable		40	69
Other accounts receivable and contract assets		5,788	4,894
Total accounts receivable		119,501	115,480
Derivative financial instruments		–	588
Other current financial assets		1,638	904
Cash and cash equivalents		15,908	9,539
Total current assets		287,970	233,028
Total assets		458,508	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 March 2021	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		(14)	(10)
Retained earnings		107,811	105,122
Total equity attributable to equity holders of the parent		181,643	178,950
Non-controlling interest		1,957	2,252
Total equity		183,600	181,202
Liabilities			
Non-current liabilities			
Grants and subsidies		5,662	5,745
Non-current borrowings	8	21,080	18,692
Non-current trade payables	9	801	800
Lease liabilities		27,844	19,478
Deferred income tax liability		109	853
Non-current employee benefits		455	842
Other non-current liabilities		811	423
Total non-current liabilities		56,762	46,833
Current liabilities			
Current portion of non-current borrowings	8	9,588	13,130
Current portion of lease liabilities	9	5,671	4,992
Current borrowings	8, 13	110,487	92,729
Trade payables		66,574	43,089
Payables to related parties		156	143
Income tax payable		426	200
Derivative financial instruments		569	128
Contract liability		2,693	1,528
Other current liabilities		21,982	21,447
Total current liabilities		218,146	177,386
Total equity and liabilities		458,508	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 March)

	Notes	2020/2021 9 month	2019/2020 9 month
Sales	4	711,629	475,884
Cost of sales		(682,394)	(448,747)
Gross profit		29,235	27,137
Operating (expenses)	10	(27,251)	(26,083)
Other income	11	5,265	2,899
Other (expenses)		(2,196)	(1,069)
Operating profit		5,053	2,884
Income from financing activities		679	702
(Expenses) from financing activities		(2,747)	(2,918)
Profit before tax		2,985	668
Income tax		(432)	48
Net profit		2,553	716
Net profit attributable to:			
Equity holders of the parent		2,643	641
Non-controlling interest		(90)	75
		2,553	716
Basic and diluted earnings per share (EUR)		0.02	0.004
Net profit		2,553	716
Other comprehensive income			
Exchange differences on translation of foreign operations		(4)	1
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		4	1
Total comprehensive income, after tax		2,549	717
Total comprehensive income attributable to:			
The shareholders of the Company		2,639	642
Non-controlling interest		(90)	75
		2,549	717

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

Consolidated Statement of Comprehensive Income

(for the period 1 January to 31 March)

	Notes	2020/2021 3 Q	2019/2020 3 Q
Sales	4	236,678	158,706
Cost of sales		(227,462)	(151,378)
Gross profit		9,216	7,328
Operating (expenses)	10	(9,560)	(8,219)
Other income	11	1,135	1,034
Other (expenses)		(887)	(281)
Operating profit		(96)	(138)
Income from financing activities		100	91
(Expenses) from financing activities		(943)	(998)
Profit (loss) before tax		(939)	(1,045)
Income tax		(231)	179
Net profit (loss)		(1,170)	(866)
Net profit (loss) attributable to:			
Equity holders of the parent		(1,146)	(894)
Non-controlling interest		(24)	28
		(1,170)	(866)
Basic and diluted earnings per share (EUR)		(0.01)	(0.01)
Net profit (loss)		(1,170)	(866)
Other comprehensive income			
Exchange differences on translation of foreign operations		6	(7)
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		6	(7)
Total comprehensive income, after tax		(1,164)	(873)
Total comprehensive income attributable to:			
The shareholders of the Company		(1,140)	(901)
Non-controlling interest		(24)	28
		(1,164)	(873)

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

	No tes	Share capital	Own sha- res	Share pre- mium	Legal reserve and other reserve	Reser- ve for own shares	Foreign curren- cy trans- lation reserve	Retain- ed earn- ings	Subtot al	Non- control - ling 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		-	-	-	-	-	-	641	641	75	716
Exchange differences on translation of foreign operations		-	-	-	-	-	1	-	1	-	1
Total comprehensive income		-	-	-	-	-	1	641	642	75	717
Disposal of own shares		-	2	-	-	-	-	(2)	-	-	-
Minority interest arising on acquisition of subsidiaries		-	-	-	-	-	-	-	-	383	383
Dividends declared by the subsidiaries		-	-	-	-	-	-	-	-	(8)	(8)
Reserves made		-	-	-	76	-	-	(239)	(163)	-	(163)
Acquisition of minority interest		-	-	-	-	-	-	24	24	(30)	(6)
Balance as at 31 March 2020		46,093	(446)	23,038	4,465	5,000	(16)	90,379	168,513	2,480	170,993
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		-	-	-	-	-	-	2,643	2,643	(90)	2,553
Exchange differences on translation of foreign operations		-	-	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income		-	-	-	-	-	(4)	2,643	2,639	(90)	2,549
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 March 2021		46,093	(446)	23,038	5,161	-	(14)	107,811	181,643	1,957	183,600

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

Consolidated Cash Flow Statement

	Notes	2020/2021 9 month	2019/2020 9 month
Cash flows from (to) operating activities			
Net profit		2,553	716
Adjustments for non-cash items:			
Depreciation and amortisation		10,443	9,136
Subsidies amortisation		(449)	(273)
(Gain) on disposal of property, plant and equipment		(732)	(777)
(Gain) on proportion of the assets that relates to rights transferred	3	(1,925)	–
Change in allowance and write-offs for receivables and prepayments		37	(47)
Inventories write down to net realisable value		(317)	625
Change of provision for onerous contracts		–	(1,014)
Change in contract assets and accrued expenses		948	147
Change in fair value of biological assets		668	(625)
Change in deferred income tax		(746)	(217)
Impairment of intangible assets, property, plant and equipment and investment property		–	3
Change in accrued share-based payment		(53)	(205)
Current income tax expenses		1,178	169
(Income) from change in fair value of financial instruments		(3,301)	(1,886)
Dividend (income)		–	–
Interest (income)		(679)	(702)
Interest expenses		2,747	2,917
		10,372	7,967
Changes in working capital:			
Decrease in biological assets		15,996	13,483
(Increase) in inventories		(54,414)	(53,765)
(Increase) decrease in prepayments		(1,742)	565
(Increase) decrease in trade and other accounts receivable		(4,547)	33,598
(Increase) in restricted cash		(189)	411
Increase (decrease) in trade and other accounts payable		25,300	(8,592)
Income tax (paid)		(1,022)	(136)
Net cash flows from (to) operating activities		(10,246)	(6,469)

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

Consolidated Cash Flow Statement (cont'd)

	Notes	2020/2021 9 month	2019/2020 9 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(6,893)	(7,334)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		2,170	1,018
Acquisition of subsidiaries		(168)	(435)
Disposal of subsidiaries		13,571	–
Prepayments for financial assets		(1,990)	–
Loans (granted)		(719)	(378)
Repayment of granted loans		526	1,074
Interest received		680	708
Dividend received		–	–
Net cash flows from (to) investing activities		7,177	(5,347)
Cash flows from (to) financing activities			
Proceeds from loans		100,489	90,507
(Repayment) of loans		(83,883)	(70,526)
Lease (payments)		(4,690)	(3,835)
Interest (paid)		(2,747)	(2,866)
Grants received		367	31
Dividend (paid) to non-controlling shareholders		(12)	(8)
(Acquisition) of non-controlling interest		(86)	(6)
Net cash flows from (to) financing activities		9,438	13,297
Net (decrease) increase in cash and cash equivalents		6,369	1,481
Cash and cash equivalents at the beginning of the year		9,539	7,637
Cash and cash equivalents at the end of the year		15,908	9,118
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		367	31
Property, plant and equipment acquisitions financed by finance lease		1,336	3,021

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 March 2021 and as at 30 June 2020 the shareholders of the Company were:

	As at 31 March 2021		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	9,047,369	5.69 %	8,461,306	5.32 %
Other shareholders (private and institutional investors)	22,933,867	14.43 %	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 March 2021 (EUR 0.29 each as at 30 June 2020) and were fully paid as at 31 March 2021 and as at 30 June 2020.

The Company holds 769,972 of its own shares, percentage 0.49%, as at 31 March 2021 (770,972 as at 30 June 2020). Subsidiaries and other related companies did not hold any shares of the Company as at 31 March 2021 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 March 2021 the number of employees of the Group was 2,121 (2,103 as at 30 June 2020).

No changes in share capital occurred during the years ending 31 March 2021 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 March 2021 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 March 2021	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 Centrai	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
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 Centrai	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linās 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
Linās Agro OÜ	Estonia	100%	–	Products for crop growing

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 March 2021	30 June 2020	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
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 March 2021	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)				
UAB Karčemos Bendrovė	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
UAB KUPIŠKIO GRŪDAI	Lithuania	100%	99.16%	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 9 month period ended 31 March 2021

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.

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 9 month period, ended 31 March 2021, the Group acquired 16% stock of Karčemos Kooperatinė Bendrovė for EUR 86 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 107 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 9 month period, ended 31 March 2021, 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.

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.

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.

On 29 June 2020, the Group acquired 100 % of UAB Zemvados Turtas 7 sub-group, which is comprised of the holding company UAB Zemvaldos Turtas 7 and its subsidiary UAB Zemvados Turtas SPV 7 (100%), for EUR 1 065 thousand, to further expand business activities.

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 March 2021								
Revenue								
Third parties	532,395	111,586	15,190	52,362	96	–	–	711,629
Intersegment	1,528	4,725	13,021	–	–	–	(19,274) ¹⁾	–
Total revenue	533,923	116,311	28,211	52,362	96	–	(19,274)¹⁾	711,629
Results								
Operating expenses	(6,253)	(9,801)	(2,957)	(5,452)	–	(2,788)	–	(27,251)
Segment operating profit (loss)	2,908	4,452	1,443	(916)	(16)	(2,818)	–	5,053

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 March 2020								
Revenue								
Third parties	301,974	101,546	14,944	57,368	52	–	–	475,884
Intersegment	3,117	4,173	8,983	–	–	–	(16,273) ¹⁾	–
Total revenue	305,091	105,719	23,927	57,368	52	–	(16,273)¹⁾	475,884
Results								
Operating expenses	(4,059)	(10,241)	(2,178)	(5,718)	(15)	(3,872)	–	(26,083)
Segment operating profit (loss)	3,533	1,833	(1,476)	2,762	67	(3,835)	–	2,884

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	9 month period ended	
	31 March 2021	31 March 2020
Lithuania	146,594	135,779
Europe (except for Scandinavian countries, CIS and Lithuania)	205,116	167,069
Scandinavian countries	75,907	65,338
Asia	31,042	27,595
Africa	227,887	68,085
CIS	25,083	12,018
	711,629	475,884

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

Non-current assets	As at 31 March 2021	As at 30 June 2020
Lithuania	91,074	93,701
Latvia	60,905	61,823
Estonia	1,573	890
Ukraine	14	19
	153,566	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	749	1,971	3,809
Additions	167	8	–	175
Reclassifications	484	(484)	–	–
Write-offs	(182)	(1)	–	(183)
Balance as at 30 June 2020	1,558	272	1,971	3,801
Additions	16	80	–	96
Acquisition of subsidiary	–	126	–	126
Write-offs	–	(17)	–	(17)
Balance as at 31 March 2021	1,574	461	1,971	4,006
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	120	90	–	210
Write-offs	–	(17)	–	(17)
Balance as at 31 March 2021	764	204	–	968
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 March 2021	–	–	1,121	1,121
Net book value as at 31 March 2021	810	257	850	1,917
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	8,521	220	1,747	1,565	247	1,595	13,895
Disposals and write-offs	(2,452)	(147)	(3,532)	(559)	(70)	(49)	(6,809)
Disposal of subsidiaries	(4,055)	–	–	–	–	–	(4,055)
Reclassifications	20	787	1,505	–	141	(2,453)	–
Transfer to/from stocks	–	–	3,506	–	–	–	3,506
Balance as at 31 March 2021	40,132	116,160	66,795	9,177	6,323	2,020	240,607
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	1,701	3,674	4,236	931	492	–	11,034
Disposals and write-offs	(337)	(137)	(1,771)	(375)	(69)	–	(2,689)
Balance as at 31 March 2021	3,174	47,214	30,754	4,061	3,751	–	88,954
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	–	(8)	(162)	–	(1)	–	(171)
Balance as at 31 March 2021	–	659	–	–	34	–	693
Net book value as at 31 March 2021	36,958	68,287	36,041	5,116	2,538	2,020	150,960
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	(190)	–	(190)
Disposal of subsidiaries	(1,060)	–	(1,060)
Balance as at 31 March 2021	662	138	800
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 March 2021	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 March 2021	51	3	54
Net book value as at 31 March 2021	610	79	689
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 March 2021	As at 30 June 2020
Non-current borrowings		
Bank borrowings secured by the Group assets	21,080	18,692
Other non-current borrowings	–	–
	21,080	18,692
Current borrowings		
Current portion of non-current bank borrowings	9,588	13,130
Current bank borrowings secured by the Group assets	104,476	92,476
Other current borrowings (Note 13)	6,011	253
	120,075	105,859
	141,155	124,551

Interest payable is normally settled monthly throughout the financial year.

9. Lease liabilities

	As at 31 March 2021	As at 30 June 2020
Non-current		
Lease liabilities related to right-of-use assets	24,516	15,647
Lease liabilities related to other assets	3,328	3,831
	27,844	19,478
Current		
Lease liabilities related to right-of-use assets	4,442	3,804
Lease liabilities related to other assets	1,229	1,188
	5,671	4,992
	33,515	24,470

10. Operating Expenses

	2020/2021 9 month	2019/2020 9 month
Wages and salaries and social security	(16,268)	(17,151)
Consulting expenses	(1,698)	(581)
Depreciation and amortization	(1,714)	(1,404)
Other	(7,571)	(6,947)
	(27,251)	(26,083)

11. Other Income (Expenses)

Other income	2020/2021	2019/2020
	9 month	9 month
Grants received for agriculture activity	1,199	975
Grants for poultry activity, related with COVID 19	776	–
Gain from currency exchange	319	303
Rental income from investment property and property, plant and equipment	135	135
Gain from disposal of investment property and property, plant and equipment	739	809
Gain on proportion of the assets that relates to rights transferred (Note 3)	1,925	–
Change in fair value of financial instruments	10	446
Other income	162	231
	5,265	2,899
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(206)	(233)
Loss from disposal of investment property and property, plant and equipment	(7)	(33)
Change in fair value of financial instruments	(1,840)	(674)
Loss from acquisition of subsidiaries (Note 3)	(105)	–
Other expenses	(38)	(129)
	(2,196)	(1,069)

12. Commitments and Contingencies

As at 31 March 2021 the Group is committed to purchase property, plant and equipment for the total amount of EUR 2,223 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 and Šakiai District Lukšių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2021, Kėdainiai District ŽŪB Nemunas – up to 2022 and Panevėžys District Žibartonių ŽŪB – up to 2027. 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 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 2025, AS Putnu Fabrika Kekava – up to the end of 2023 and 2026.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 1,246 thousand as at 31 March 2021 (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 made a provision for the amount EUR 322 thousand. AB Linas Agro management appealed the decision. 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. On 20 May 2021 Vilnius Regional Administrative Court dismissed the appeal of AB Linas Agro and increased amount of calculated taxes (including interest and penalties) to EUR 748 thousand. AB Linas Agro disagrees with the decision and will appeal it.

Almex, former customer, has filed an appeal to the Court of Appeal in Serbia regarding the refusal of the Commercial Court to rule in the case regarding the alleged damages of EUR 1,800 thousand. As at 31 March 2021 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 March 2021 and 30 June 2020 were as follows:

Members of the board of the Company:

Darius Žubas (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 9 month period ended 31 March 2021 were as follows:

2021 3 Q

	<i>Purchases</i>	<i>Sales</i>	<i>Receivables</i>		<i>Non-current loans receivable</i>	<i>Payables</i>	<i>Current payable loans</i>
			<i>Trade receivables</i>	<i>Other receivable</i>			
Akola ApS group companies	621	14,356	731	–	–	156	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 March 2021 and 30 June 2020.

14. Subsequent Events

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

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

On 26 May 2021 the decision was made to increase share capital of Linas Agro OU by EUR 800 thousand.