

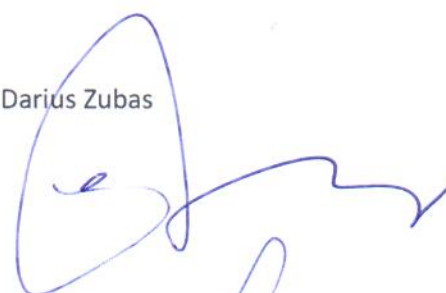
# Confirmation of the Responsible Persons

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 twelve 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 twelve 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 August 2021

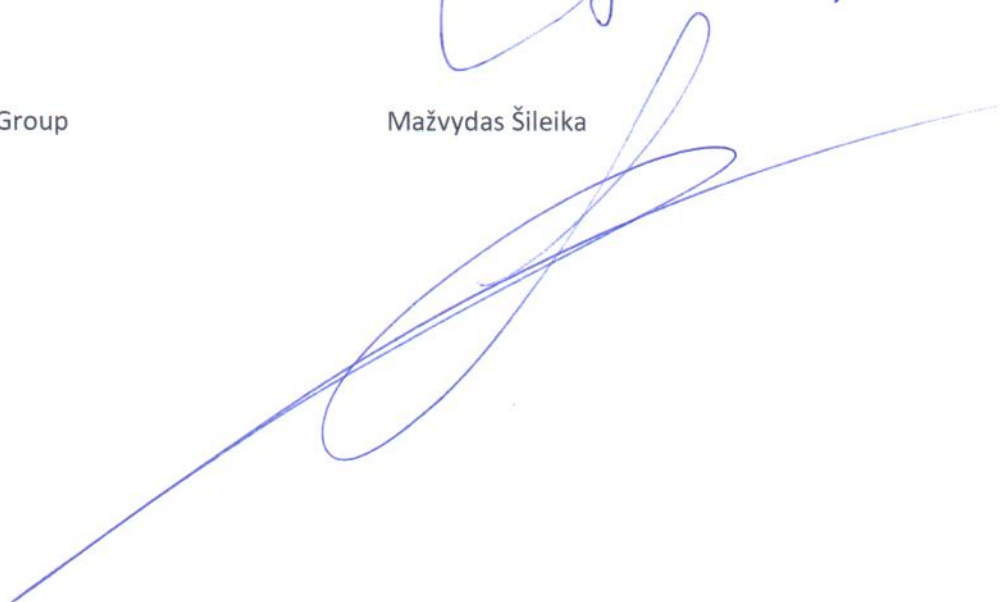
Darius Zubas



Finance Director of AB Linas Agro Group

31 August 2021

Mažvydas Šileika





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

for the Twelve-month Period,  
Ended 30 June, 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 2,166 employees. The Company does not have any branches and representative offices.

## Contact Person

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

# 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 30 June 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), UAB Kekava Foods LT (dormant, 97.16% 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 twelve months of 2020/21 financial year totaled EUR 942 million and increased by 43% as compared to previous year (EUR 658 million).
- The Group's sales volume in tons reached 3.155 million tons of various grains and agricultural inputs and increased by 41% as compared to previous year (2.234 million tons).
- The gross profit reached EUR 52 million and was 15% higher than a year before (EUR 46 million).
- The Group's operating profit was EUR 21 million or 43% more as compared to the respective period of the previous year (EUR 15 million).
- Profit before taxes amounted to EUR 18.4 million (compared to EUR 11.9 million in previous year).
- Consolidated EBITDA was 35% higher and amounted to EUR 35 million as compared to the previous year (EUR 26 million).
- The net profit stood at EUR 15.7 million (EUR 9.8 million in previous year).
- Consolidated revenue for the fourth quarter was EUR 231 million and 27% higher than a year before (EUR 182 million). Gross profit for Q4 increased from EUR 18.5 million to EUR 23.1 million, and the operating loss was EUR 16 million (operating loss of EUR 12 million a year before). Net loss attributable to the Group for Q4 was EUR 13.1 million, compared to EUR 9.3 million loss for the corresponding period of the previous year.



# Financial indicators

	2017/2018 12 month	2018/2019 12 month	2019/2020 12 month	2020/2021 12 month	Change 2020/21 compared to 2019/20 (thousand EUR)	Change 2020/21 compared to 2019/20 (%)
Sales revenue (thousand EUR)	634,423	742,542	657,700	942,442	284,742	43
Sales in tons	2,206,745	2,529,711	2,233,808	3,155,329	921,521	41
Gross profit (thousand EUR)	45,848	28,871	45,664	52,309	6,645	15
EBITDA* (thousand EUR)	20,300	5,578	25,923**	35,099**	9,176	35
Operating profit*** (thousand EUR)	9,597	(3,336)	14,827	21,165	6,338	43
Earnings before taxes EBT (thousand EUR)	7,523	(6,430)	11,931	18,370	6,439	54
Net profit (thousand EUR)	9,463	(4,830)	10,004	15,653	5,649	56
<b>Margins, %</b>						
Gross profit margin	7.23	3.89	6.94	5.55	-1.39	-20
EBITDA margin	3.02	0.75	3.94	3.72	-0.22	-6
Operating profit margin	1.51	(0.45)	2.25	2.25	-0.01	0
Earnings before taxes margin	1.19	(0.86)	1.81	1.95	0.14	7
Net profit margin	1.49	(0.65)	1.52	1.66	0.14	9
<b>Solvency ratios</b>						
Current ratio	1.38	1.26	1.31	1.44	0.13	10
Debt / Equity ratio	1.26	1.30	1.24	1.14	-0.10	-8
Net financial debt / EBITDA	7.02	25.54	5.38	3.08	-2.30	-43
Return on equity (ROE), %	5.34	(2.84)	5.52	7.92	2.40	43
Return on capital employed (ROCE), %	2.90	(1.04)	4.77	7.15	2.38	50
Return on assets (ROA), %	2.36	(1.23)	2.47	3.70	1.24	50
Basic and diluted earnings per share (EPS)	0.06	(0.03)	0.06	0.10	0.04	59
Price earnings ratio (P/E)	12.34	(20.83)	9.83	8.39	-1.44	-15

	2017/2018 12 month	2018/2019 12 month	2019/2020 12 month	2020/2021 12 month	Change 2020/21 compared to 2019/20 (thousand EUR)	Change 2020/21 compared to 2019/20 (%)
Dividends for the financial year paid per share, in euros	0.0185	-	-	-	-	-
Dividends paid within financial year to net profit of the previous financial year,%	14.5	31.1	-	-	-	-

\* Equals operating profit before depreciation, amortisation, and impairment losses.

\*\* In addition, depreciation amount of EUR 2,186 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.

## Explanation of terms

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.
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.



# Overview

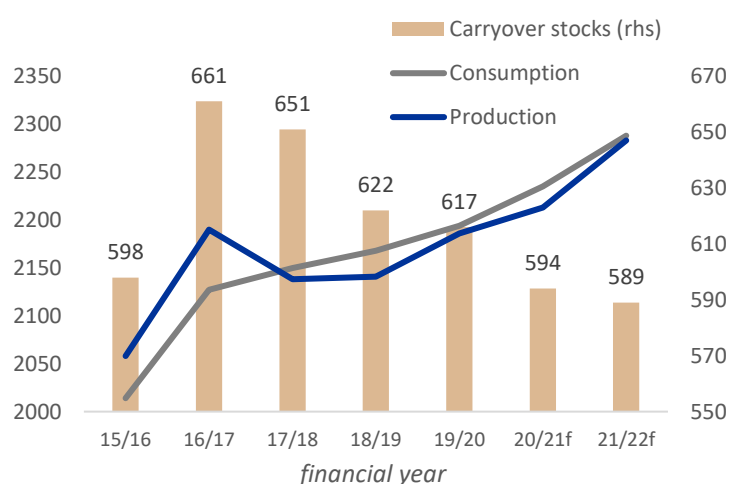
According to the preliminary data of International Grains Council (IGC) published on 2021 August 26, the world grain production accounted for 2.213 billion tons in 2020/2021 or 27 million tons more as compared to the figures of 2019/2020. However, with consumption significantly outpacing crop growth (41 million tons higher than in 2019/2020), world cereal stocks stood at just 594 million tons at the end of the 2020/2021 harvest year, capturing the lowest level of stocks over the last five years and maintaining the persistence of high price sentiment. Within April - June 2021, the world cereal prices were EUR 24-25 higher than last year. For example, wheat futures prices for September lots on the Euronext exchange fluctuated around 211-212 euros per ton, compared to 187-188 euros per ton a year ago. A clear upward trend in prices was observed throughout the whole reference period 2020/2021, when comparing Euronext exchange average wheat futures prices on different lots, they fluctuated around EUR 184 in 2019/2020 and around EUR 210 in 2020/2021.

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 41% during the reporting period and amounted to 3,155 million tons, as compared to 2,234 million tons in previous year.

Group's consolidated revenue amounted to EUR 942 million during the reporting period and was 43% more as compared to previous year (EUR 658 million). Positively impacted by the record harvest, revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' stepped up by 62%. 15% sales income incline in business Segment 'Products and Services for Farming' was mostly gained thanks to agricultural machinery and plant care products, micronutrients sales, being respectively 32% and 25% higher. With continuing COVID-19 pandemic restrictions, the revenue from business Segment 'Food products' had 3% decrease and amounted to EUR 72 million. Due to the higher yields the crop production in Group controlled farms was 30% higher as compared to previous year, the revenue went up 18% to EUR 33 million.

## Wheat and coarse grains, million tons



International Grains Council (IGC) data

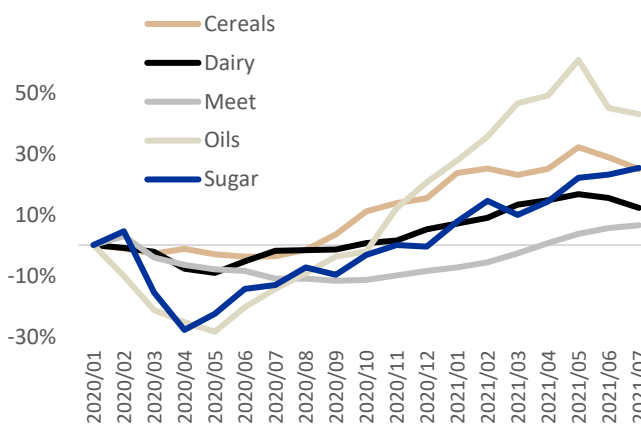
Group's operating profit amounted to EUR 21 million and EBITDA was EUR 35 million compared to the corresponding EUR 15 million and EUR 26 million in previous year. Group's net profit amounted to EUR 15.7 million as compared to EUR 10 million in corresponding period of 2019/20 financial year.

According to the International Grains Council (IGC), the global cereal harvest for 2021/2022 is forecast to be even higher and should reach as much as 2,283 million tons (70 million tons more than in 2020/2021), the most significant impact on growth expecting from 75 million tons higher than last year corn

harvest. These are already somewhat relaxed projections adjusted in response to difficult climatic conditions in the territories of major grain exporters. “Sun-baked” U.S. spring wheat fields have been hit hard by the drought, neighboring Canada, parts of South America, and Russia have also been plagued by prolonged droughts. Although European wheat production is expected to increase this year, in part of the continent harvest forecast has been revised due to rainfall as well; it is not ruled out that, due to poorer quality indicators, part of the harvested grain will not meet the criteria for human consumption and will be more suitable for feed. Despite the complicated weather-adjusted forecasts, the harvest expectation for 2021/2022 still remains higher than within the reporting year. On the other hand, due to the persistent assumptions for significant consumption, 2021/2022 is expected to end recording even lower global grain stocks level. 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 in the long term perspective. Meanwhile in the short term perspective, an extra catalyst to the above factors remains from 2020 onwards, increased Chinese purchases 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.

It is expected that, at least in the short term, the divergence between supply and demand, dictated by strong global demand and less optimistic indications for the coming harvest in 2021/2022, will continue to be reflected in prices. Assessing the prospects of the Baltic harvest in 2021/2022 on the day of publishing this report, it is counted on that it is the high price factor that will help alleviate the expectations of a poorer harvest. However, with the persistence of higher prices for raw materials, fertilizers and other components, farmers and agricultural companies are likely to face the challenge of maintaining profitability of the reporting year. It is likely that the growing cost line will translate into more cautious investment, both in purchasing more expensive equipment and in planning the costs of plant protection products and fertilizers. Despite recovering poultry prices in Europe at the beginning of the year 2021, the prices of feedstuff used for chicken feed, packaging materials, electricity and fuel also remain high, suggesting significant efforts will be required to restore profitability of poultry companies as well.

### Change in Global food prices



Data: Food and Agriculture Organisation of the United Nations

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

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

On the 1<sup>st</sup> of October 2020, AB Linas Agro Group signed share purchase and sale agreements with the shareholders of AB Kauno Grūdai, AB Kaišiadorių Paukštynas, and AB Vilniaus Paukštynas, intending to acquire the block stock of shares of these and related companies. The transaction required the permission of the Competition Councils in all the key geographies; the last permission of the Competition Council of the Republic of Lithuania was received on July 5, 2021. On the day of publication of this Report the acquisition transaction is closed.

# Financial Costs

Due to more efficient borrowing utilization financial expenses decreased by 4% over referenced period and amounted to EUR 3.6 million compared to that in 2019/20 financial year (EUR 3.7 million). At the end of the financial year, payables to the suppliers of the Group companies were higher. Respectively due to lower working capital requirement, the total amount of financial liabilities (including lease liabilities) decreased by EUR 23 million from EUR 149 million at the beginning of the financial year to EUR 126 million at the end of the financial year.

# Cash Flow

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 26 million as compared to positive EUR 20 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was positive and amounted to EUR 43 million (EUR 39 million over the respective period of 2019/20 financial year). Group's cash and cash equivalents amounted to EUR 18 million at the end of the reporting period (EUR 9.5 million in 2019/20 financial year). During the reporting period, the positive changes in cash flows were mainly seen thanks to the lower need for working capital and the sale of Latvian operation Zemvalda land management holding group companies shares, concluded in the end of 2020 by UAB Linas Agro Konsultacijos, a company managed by AB Linas Agro Group.

# 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 12 months	2019/20 12 months	2018/19 12 months	2017/18 12 months	2016/17 12 months
Grain and Feedstuff Handling and Merchandising	6,352	6,225	(8,640)	3,984	7,989
Products and Services for Farming	8,867	3,555	2,950	5,657	3,806
Agricultural Production	11,435	6,358	3,230	3,146	3,329
Food products	(932)	2,183	2,431	3,904	1,545
Other	(75)	-	471	(92)	(196)

# 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)	67%
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 305 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 the reporting period (661 thousand tons or 63% more than in the same period last year), out of which 63% was wheat, 17% rapeseed, 12% barley. 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 amount of grain and oilseeds sold by the companies of the Group reached 2.3 million tons (58% more than in the same period last year), while the main export product remained Lithuanian and Latvian wheat. Despite record sales, trading was hampered by record price volatility, with some participants on exchange using rising commodity prices as a hedge against rising inflation and actively trading futures; meanwhile, the demand for and liquidity of physical wheat lots was significantly lower over time due to the slowdown in consumption associated with the COVID-19 pandemic.

Feedstuff sales volume was 423 thousand tons or 10% more than in previous year. During the reporting period, prices of feedstuffs continued to rise, supported by the disproportion between supply and demand. Continued sensitivity to weather forecasts, declining global grain and agricultural commodity stocks, as well as already since 2020 intensified purchasing from China, were the factors determining continuing rise in the price of feedstuff in the global market. Respectively due to high prices and its ongoing volatility, the Group had to deal with non-deliveries by some of the suppliers, yet the ability to reorient to other markets ensured minimization of losses and even allowed profit generation.

Revenue of the operating segment increased by 62% during the year up to EUR 680 million, mostly because of higher sales volumes and market prices. Operating profit amounted to EUR 6.35 million, compared to EUR 6.23 million profit for the financial year 2019/2020. It should be noted that decrease in profitability was significantly affected by EUR 0.6 million derivatives loss.

Group's management projected annual operating profit for the segment to be 10% higher compared to previous year, however due to high price volatility and non-deliveries by some of suppliers trading was hampered and consequently led to operating profit being only 2% higher than in previous 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)	22%
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 heavy seeds (cereals and pulses)
Owned trademarks	'Dotnuva Seeds'
Represented trademarks	Case IH, Kverneland, Cimbria, Irrimec, Kongskilde, Quicke, Jeantil, Agrifac, Agrisem, MacDon, Wielton, Schäffer, Siloking, Einböck, Laumetris, Bin, Symaga, JKF Industri A/S, Brandt, Andritz, JEMA A/S, BouMatic Robotics, RO-KA Industri, Pellon, Strangko, Wasserbauer, Spinder, Calvatis, Agrilight, Agricow

## 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.

## 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 23.5 thousand tons of certified seeds or 7% more than in previous year. In the second half of the reporting period, about 12 thousand tons of Dotnuva Seeds were certified, accounting for 38% of the total amount of seeds certified in Lithuania. 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. As of publication of this notice, the modern warehouse investments of EUR 1.4 million performed within 2021, have been successfully finished, expecting to increase the capacity of the seed factory up to 30 thousand tons of heavy seeds per year. 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

Within the reporting period Group sold 25.5 thousand tons of seeds or 14% more than in previous year, the trade revenue increased slightly (5%) to EUR 19.9 million. Sales of certified seed are still struggling to make their way into the baskets of farmers and farms. However, despite so far limited market, the segment companies were able to increase their market share during the reporting period thanks to high-quality seed material and strong sales-promoting activities. 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. As expected, late spring affected sales during the third quarter of the Group's financial year, were compensated within last quarter.

Delayed harvest-time in 2020 resulted in different sowing structures, dictating specific fertilizer needs. Well planned assortment of fertilizers, in addition to well managed momentum of rising prices created the preconditions for the realization of higher than forecasted profitability. Despite high prices and the lack of a certain range of fertilizers, the planned quantities were achieved, recording 6% growth compared to the previous year; revenue from fertilizers sold amounted to EUR 54 million and was 3% higher compared to the same period last year. Considerable demand for fertilizers dictated by the successful global harvest in 2020, geopolitical factors, as well as COVID-19 pandemic and weather effected higher prices of fertilizer production components (such as gas, sulfur, ammonia) contributed to the increase in fertilizer prices during the reporting period. Continuity of these factors would allow persistence of higher fertilizer prices, if not in the long run, then in the short run. Complicated price forecasting is likely to pose challenges for fertilizer sales in the new 2021/2022 financial year.

Farmers' optimism fueled by a record 2020 grain and rapeseed harvest, had a positive effect on sales of plant care products and micronutrients as well. Expecting a strong 2021 harvest, average investments per hectare increased, farmers were not afraid to choose more modern plant protection products. Organic fertilizers were also successfully traded as Group companies are increasingly focusing on the development of organic farming; organic fertilizers are one of the most effective tools to increase the profitability of organic

crop farms, achieve sustainability and protect soil fertility. During the reporting period total sales of plant care products and micronutrients increased by 25% to EUR 28.5 million.

## 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. During the reporting period, compared to the result of the financial year 2019/2020, the tractor market in Lithuania grew by 47%, the harvester market - by 30%, sales of trailed equipment for crop care (sprayers, fertilizer spreaders, etc.) increased as well. 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. Within reporting period, the concern about production materials price increase, as well as extending machinery production terms, related to COVID-19 pandemic caused supply disruptions, were additional drivers, encouraging customers not to wait any longer and purchase equipment from existing stock before the expected rise in price. Respectively, in financial year 2020/2021 segment companies not only successfully placed new orders, but meanwhile reduced quantities of aged inventory in the warehouses. At the end of the reporting period 90% of UAB Dotnuva Baltic new machinery stock comprised of inventories not older than 1 year.

Compared to the same reporting period last year, sales of new and used agricultural machinery increased by 32% and reached EUR 53 million. Yet, segment income generation within the new financial year 2021/2022 might get more complicated compared to the earnings of reporting period. Both, droughts adjusted 2021/2022 yield expectations as well as more expensive fertilizers and other components might be the causes for the longer consideration by the farmers and companies while making investment decisions. Challenges exploiting the full sales potential may also arise due to the increase in the cost of the equipment itself and the persistent disruptions of the supply chain (delayed delivery of goods, restriction of supply). With the receding COVID-19 pandemic related curtailments, the renewed economy is driving demand for everything - from household appliances to car manufacturing and construction; therefore, both - the rise in the price of raw materials (such as steel) and supply disruptions may remain relevant for some time. It is likely that latter factors will affect the behavior of the buyers differently - some will be encouraged to make the decision as soon as possible, others – will, on the contrary, postpone the purchase to later periods. Decision making, as every year, will highly depend on the condition of the owned machinery, as well as access to support funds.

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. Despite difficulties, total service and spare parts revenue increased by 20% to EUR 14 million, owing to longer working hours, and wider geographical coverage after expanding operations to new countries.



## 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 currently has the following main functions: crop fertilization and spray mapping, management of farm's finances, forecasting of the harvest. It has been planned to provide the service to

farmers free of charge during the first year, further improving the equipment according to the needs of agriculturists, therefore no income is expected in this area of activity.

## 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. The autumn phase of the 2020/2021 financial year was quite difficult for dairy farmers who did not score enough points to receive support for investments in the establishment of livestock farms. In total, EUR 9 million received from grain and farm equipment installation projects, or 15% more than the income in previous year.

According to the Group's knowledge, in the financial year 2021/2022, farms with 200 or more cows plan to modernize - not only acquiring milking robots, but also milking parlors, automatic cow feeding systems. Farms with 50 to 200 cows are also gradually moving towards robotization. It is expected that the promotion of Lithuanian milk production in the new financial year will result in more significant support funds granted to the farms compared to the reporting period, contributing to the successful performance of the segment.

The revenue of this business Segment went 15% up to EUR 180 million and operating profit amounted to EUR 9 million being 149% higher as compared to FY 2019/20. Thanks to faster equipment sales, as well as favorable price conditions in the plant care and microelements segment, the Group's management forecast, expecting 20% growth in operating profit, was significantly exceeded.



# 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</p> <p>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 and 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	18,300 ha / 5,883 ha

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

price compared to the same period last year.

During the reporting period, the companies harvested 110 thousand tons of crop production, 103 thousand tons of this production was sold (that is 32% and 30% more compared to the very same period last year). Within the last quarter of the reporting period average grain prices remained high. Respectively, 36% growth of crop income was impacted by both - increase of marketed quantities, as well as increase in grain

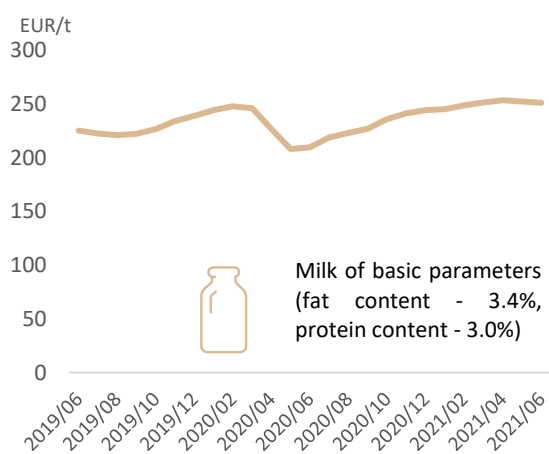
During the reporting period, the Group recorded two yield records in agricultural companies: the yield of winter wheat in Kėdainiai District Labūnavos ŽŪB was 8.7 t / ha, and Šakiai District Lukšių ŽŪB was pleased with the high yield of beans - 7.8 t / ha.

Having more acute forecast for the harvest of 2021/2022 at the date of publication of this interim report, the Group's agricultural companies, like most of the country's farms, are no longer expecting volume records of the grain harvested. Prolonged heat in Lithuania during grain ripening is largely responsible for poorer grain quality indicators and nutrient maturation. The summer crops, comprising about 30% of the Group's agricultural companies crop area, were particularly affected (total crop area sown for the 2021 harvest – 15 thousand ha). Fortunately, the lower harvest will be partially offset by high grain prices - the companies of the segment have already pre-contracted about 70% of their planned harvest for 2021/2022. However, higher fertilizer and other components prices raise reasonable doubts if the profitability of reporting period will be sustained in financial year 2021/2022.

## Production of milk and beef cattle farming

During the reporting period, milk production activities remained stably profitable. Having decided to discontinue the unprofitable dairy farm in Kėdainiai District ŽŪB Nemunas and continuing robotization of Kėdainiai District Labūnavos ŽŪB, the Group controlled farms owned 3,180 dairy cows at the end of the reporting period or 223 cows less than in the previous year. Due to the very same reason, during the reporting period 7% more live weight cattle were raised, revenue from meat sales grew by 10% compared to the previous year.

### Purchase prices for basic parameters milk in Lithuania



Data: State enterprise "Žemės ūkio informacijos ir kaimo verslo centras"

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 extra fans, Kėdainiai District Labūnavos ŽŪB further on continued with robotization), the amount of milk produced did not decrease and equaled the result of the financial year 2019/2020, amounting to 34 thousand tons. Revenue from milk sales grew 5%, positively impacted by continuous gradual milk purchase price recovery (approximately 4% increase since the beginning of the reporting period).

The revenue of this business Segment accelerated by 18% to EUR 33 million, operating profit amounted to EUR 11 million and was 80% higher compared to the previous financial year. It should be noted that the operating result was significantly affected by EUR 1.9 million profit, related to the sale of the landholding companies in November 2020.

The Group's management forecasted that the annual operating profit of this business Segment would be 25% higher than in the previous year. If eliminating the impact of non-core activities, the operating profit at the end of the reporting period was as much as 50% higher than the previous year, citing the recovery of raw milk purchase prices and the sale of higher quantities at higher prices as the reasons for the successful result.

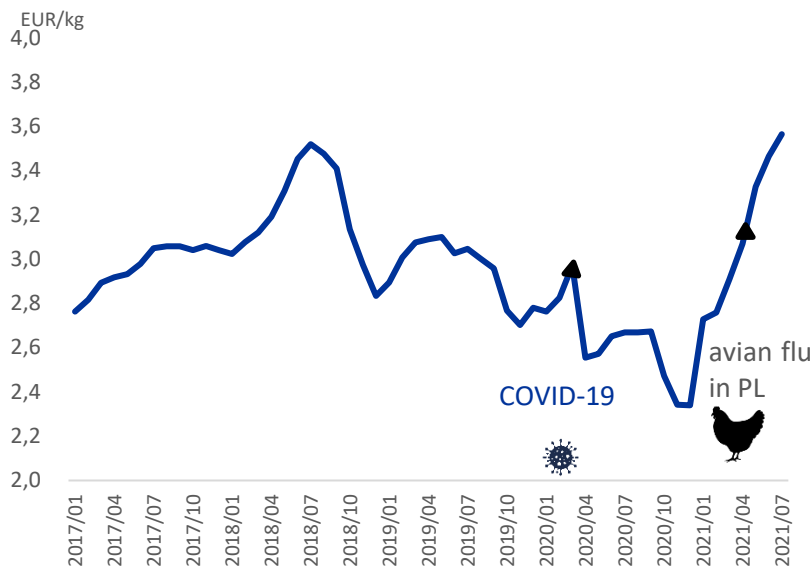
# Food Products

Start of operation	2013
Operating companies	Companies in Latvia: AS Putnu Fabrika Kekava SIA PFK Trader SIA Lielzeltini SIA Broileks SIA Cerova
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	'Kekava' 'Bauska' 'Top choice poultry' (export markets outside the Baltic States) 'Granfågel' (export markets in Scandinavia)
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	AS Putnu Fabrika Kekava has AA grade BRC (British Retail Consortium) accreditation, is Halal certified, also has ISO 50001:2012 and ISO 22000:200 certification. The company's bacteriological and virological testing laboratory has been accredited in accordance with the requirements of the Standard ISO / IEC 17025: 2017. SIA Lielzeltini has ISO 22000:2006 and ISO 50001:2012 certifications, also is Halal certified.

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 poultry companies covered an incomplete production cycle (see “Activity”).

## Fresh fillet meat price dynamics in Poland



Data: The Ministry of Agriculture and Rural Development

With poultry prices in Europe starting to rise from their lowest point in recent years at the beginning of the year 2021, the Group's companies have finally captured the long-awaited rise in prices in the last quarter of the reporting period. This was influenced by several factors. After some market players suspended operations or reduced production owing to difficult market conditions, meanwhile easing the restrictions on the COVID-19 pandemic during the summer and resuming orders in the HORECA sector have alleviated price pressure from overcapacity in Europe; the effect of declining output on prices became even more pronounced in the spring of

2021 with the outbreak of avian influenza in Poland, one of the main poultry exporting countries (producing about 20% of EU poultry meat). According to the Polish Ministry of Agriculture for Rural Development, the average 2020/2021 price of the most profitable chicken product, fresh fillet meat, after the adjustments observed in the last half of the financial year, caught up with the average price in 2019/2020.

Still, despite positive signs for income earning, restoring profitability remains a challenge. In the last quarter of the reporting period, the prices of raw materials used for chicken feed - such as maize, wheat, soybeans, oil - remained high. The costs of wages, packaging materials, electricity and fuel also increased.

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 45 thousand tons, sales volume of poultry meat and poultry products was 32 thousand tons. However, revenue from this business Segment had a decline of 3%, amounting to EUR 72 million, while operating result ended up being EUR 0.9 million loss.

The Group's management estimated the operating profit of this Business segment to be 20% lower as compared to previous year. However, with raw material prices remaining high and output prices recovering only in the last quarter of the reporting period, the projected result could not be achieved.

## 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 75 thousand as compared to 0 thousand euros result in previous year.

# The Publicly Disclosed Information and Other Events of the Reporting Period

## The Publicly Disclosed Information

During the reporting period ended 30 June 2021, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website [www.linasagrogroup.lt](http://www.linasagrogroup.lt) the following information:

07/06/2021 09:00 EEST	AB Linas Agro Group receives a syndicated loan granted by three banks for the acquisition of KG Group	Other information	LT, EN
31/05/2021 16:30 EEST	Growing sales volumes boosted revenue and profits of AB Linas Agro Group for 9 months	Interim information	LT, EN
06/05/2021 16:30 EEST	FAS Russia has allowed Linas Agro Group to implement concentration by acquiring KG Group	Other information	LT, EN
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

30/6/2021	The Company acquired 100 percent shares of UAB Zemvaldos turto konsultacijos from the other companies of the Group.
June 2021	The Company transferred 2,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issues.
21/6/2021	The Company acquired 24 percent shares of UAB Linas Agro Konsultacijos from the other company of the Group to have 100% ownership.
2/6/2021	The authorized capital of Linas Agro OÜ increased by 800,000 euros.
12/5/2021	Klaipėdos Universiteto Aateities 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.
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.



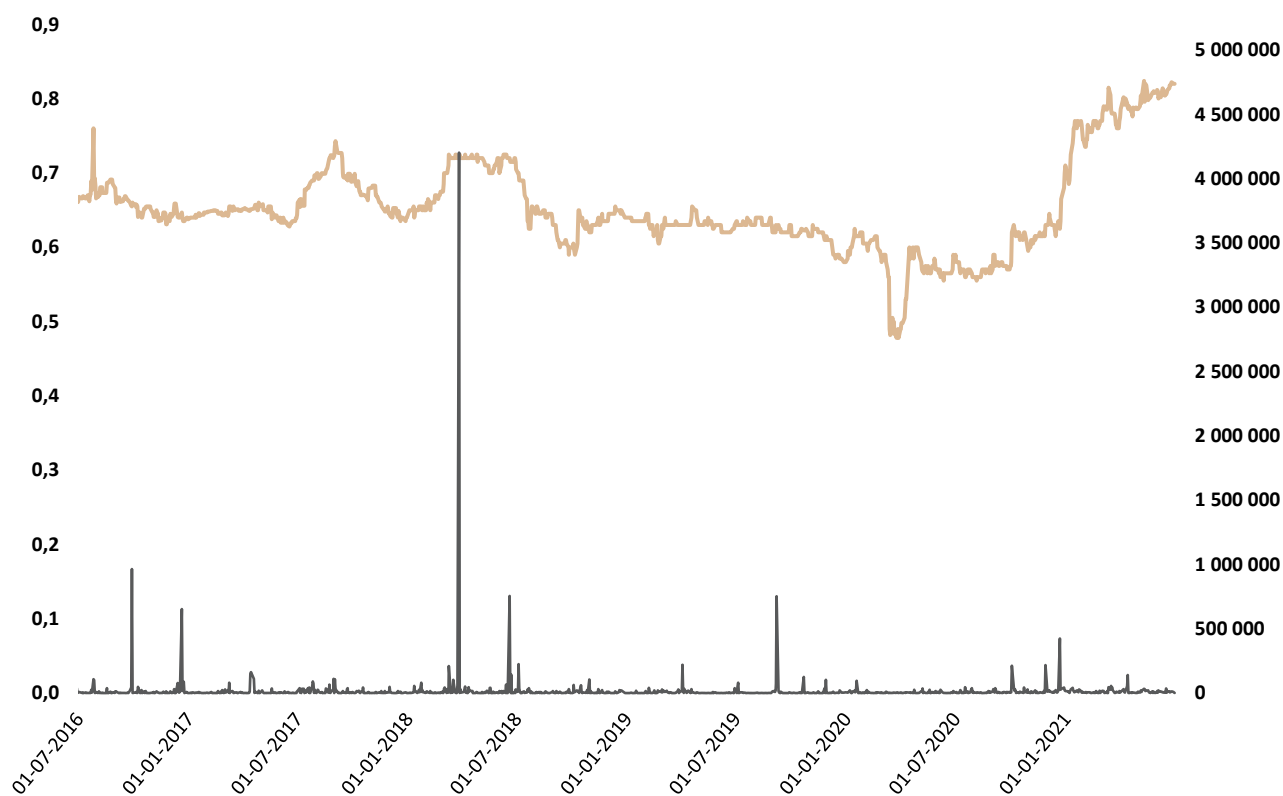
13/11/2020	Capital of SIA "Zemvalda land management holdings 1" was increased by 2,523,910 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 2" was increased by 1,999,328 euros.
13/11/2020	Capital of SIA "Zemvalda land management holdings 3" was increased by 1,873,288 euros.
13/11/2020	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.
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 to 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

July-August, 2021	The Company entered into a credit agreement with AB SEB Bankas, Swedbank, AB, and Luminor bank AS to borrow EUR 46,290,000 and secured its execution by pledging assets.
11/8/2021	Authorized capital of SIA KG Latvija increased by 1,500,000 euros.
15/7/2021	The Company acquired controlling stakes in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and the related companies, acting together as KG Group.
9/7/2021	Authorized capital of Linas Agro OU increased by 150,000 euros.

# Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 1/7/2016 until the end of the reporting period, i. e. 30 June 2021, is presented in the following diagram:





# AB Linas Agro Group Consolidated unaudited Financial Statements

for the Twelve-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 30 June 2021	As at 30 June 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	2,170	1,905
Property, plant and equipment	0	151,050	152,597
Investment property	7	619	1,931
Animals and livestock		9,897	9,429
Non-current financial assets			
Other investments and prepayments for financial assets		34	66
Prepayments for financial assets		2,000	–
Non-current receivables		720	1,261
Total non-current financial assets		2,754	1,327
Non-current prepayments		1,241	1,596
Deferred income tax asset		3,146	3,608
<b>Total non-current assets</b>		<b>170,877</b>	<b>172,393</b>
<b>Current assets</b>			
Crops		19,911	18,978
Livestock		2,394	2,580
Inventories		89,292	79,537
Current prepayments		5,957	5,422
Accounts receivable			
Trade receivables		104,710	110,478
Receivables from related parties	13	41	39
Income tax receivable		1	69
Other accounts receivable and contract assets		9,739	4,894
Total accounts receivable		114,491	115,480
Derivative financial instruments		–	588
Other current financial assets		1,600	904
Cash and cash equivalents		18,007	9,539
<b>Total current assets</b>		<b>251,652</b>	<b>233,028</b>
<b>Total assets</b>		<b>422,529</b>	<b>405,421</b>

(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 30 June 2021	As at 30 June 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal and other reserves		6,146	5,153
Own shares		(445)	(446)
Foreign currency translation reserve		(14)	(10)
Retained earnings		120,676	105,122
<b>Total equity attributable to equity holders of the parent</b>		<b>195,494</b>	<b>178,950</b>
<b>Non-controlling interest</b>		<b>2,191</b>	<b>2,252</b>
<b>Total equity</b>		<b>197,685</b>	<b>181,202</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		6,372	5,745
Non-current borrowings	8	13,056	18,692
Non-current trade payables	9	601	800
Lease liabilities		27,148	19,478
Deferred income tax liability		1,029	853
Non-current employee benefits		776	842
Other non-current liabilities		1,055	423
<b>Total non-current liabilities</b>		<b>50,037</b>	<b>46,833</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	17,119	13,130
Current portion of lease liabilities	9	5,553	4,992
Current borrowings	8, 13	63,115	92,729
Trade payables		63,707	43,089
Payables to related parties		232	143
Income tax payable		859	200
Derivative financial instruments		34	128
Contract liability		2,070	1,528
Other current liabilities		22,118	21,447
<b>Total current liabilities</b>		<b>174,807</b>	<b>177,386</b>
<b>Total equity and liabilities</b>		<b>422,529</b>	<b>405,421</b>

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

# Consolidated Statement of Comprehensive Income

(for the period 1 July to 30 June)

	Notes	2020/2021 12 month	2019/2020 12 month
Sales	4	942,442	657,700
Cost of sales		(890,133)	(612,036)
<b>Gross profit</b>		<b>52,309</b>	<b>45,664</b>
Operating (expenses)	10	(37,897)	(35,040)
Other income	11	8,007	5,706
Other (expenses)	11	(1,254)	(1,503)
<b>Operating profit</b>		<b>21,165</b>	<b>14,827</b>
Income from financing activities		756	817
(Expenses) from financing activities		(3,551)	(3,713)
<b>Profit before tax</b>		<b>18,370</b>	<b>11,931</b>
Income tax		(2,717)	(1,927)
<b>Net profit</b>		<b>15,653</b>	<b>10,004</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent		15,509	9,752
Non-controlling interest		144	252
		<b>15,653</b>	<b>10,004</b>
Basic and diluted earnings per share (EUR)		0.10	0.06
<b>Net profit</b>		<b>15,653</b>	<b>10,004</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(4)	7
<b>Total other comprehensive income, to be reclassified to profit or loss in subsequent periods</b>		<b>(4)</b>	<b>7</b>
<b>Total comprehensive income, after tax</b>		<b>15,649</b>	<b>10,011</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		15,505	9,759
Non-controlling interest		144	252
		<b>15,649</b>	<b>10,011</b>

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

# Consolidated Statement of Comprehensive Income

(for the period 1 April to 30 June)

	Notes	2020/2021 4 Q	2019/2020 4 Q
Sales	4	230,813	181,816
Cost of sales		(207,739)	(163,289)
<b>Gross profit</b>		<b>23,074</b>	<b>18,527</b>
Operating (expenses)	10	(10,646)	(8,957)
Other income (expenses), net	11	3,684	2,373
<b>Operating profit</b>		<b>16,112</b>	<b>11,943</b>
Income from financing activities		77	115
(Expenses) from financing activities		(804)	(795)
<b>Profit (loss) before tax</b>		<b>15,385</b>	<b>11,263</b>
Income tax		(2,285)	(1,975)
<b>Net profit (loss)</b>		<b>13,100</b>	<b>9,288</b>
<b>Net profit (loss) attributable to:</b>			
Equity holders of the parent		12,866	9,111
Non-controlling interest		234	177
		<b>13,100</b>	<b>9,288</b>
Basic and diluted earnings per share (EUR)		0.08	0.06
<b>Net profit (loss)</b>			
		<b>13,100</b>	<b>9,288</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		–	6
<b>Total other comprehensive income, to be reclassified to profit or loss in subsequent periods</b>		<b>–</b>	<b>6</b>
<b>Total comprehensive income, after tax</b>		<b>13,100</b>	<b>9,294</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		12,866	9,117
Non-controlling interest		234	177
		<b>13,100</b>	<b>9,294</b>

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 sha-res	Share pre-mium	Legal reser-ve and other reserve	Reser-ve for own sha-res	Fo-reign curre-ncy trans-lation reser-ve	Retained earnings	Sub-total	Non-cont-rolling inter-est	Total
<b>Balance as at 1 July 2019</b>		<b>46,093</b>	<b>(448)</b>	<b>23,038</b>	<b>4,389</b>	<b>5,000</b>	<b>(17)</b>	<b>89,955</b>	<b>168,010</b>	<b>2,060</b>	<b>170,070</b>
Net profit for the year		-	-	-	-	-	-	9,752	9,752	252	10,004
Exchange differences on translation of foreign operations		-	-	-	-	-	7	-	7	-	7
Total comprehensive income		-	-	-	-	-	7	9,752	9,759	252	10,011
Disposal of own shares		-	2	-	-	-	-	(2)	-	-	-
Minority interest arising on acquisition of subsidiaries		-	-	-	-	-	-	-	-	699	699
Dividends declared by the subsidiaries		-	-	-	-	-	-	-	-	(8)	(8)
Payment in Shares		-	-	-	525	-	-	-	525	-	525
Transfer to reserves		-	-	-	239	-	-	(239)	-	-	-
Transfer from reserves		-	-	-	-	(5,000)	-	5,000	-	-	-
Acquisition of minority interest		-	-	-	-	-	-	656	656	(751)	(95)
<b>Balance as at 30 June 2020</b>		<b>46,093</b>	<b>(446)</b>	<b>23,038</b>	<b>5,153</b>	<b>-</b>	<b>(10)</b>	<b>105,122</b>	<b>178,950</b>	<b>2,252</b>	<b>181,202</b>
<b>Balance as at 1 July 2020</b>		<b>46,093</b>	<b>(446)</b>	<b>23,038</b>	<b>5,153</b>	<b>-</b>	<b>(10)</b>	<b>105,122</b>	<b>178,950</b>	<b>2,252</b>	<b>181,202</b>
Net profit for the year		-	-	-	-	-	-	15,509	15,509	144	15,653
Exchange differences on translation of foreign operations		-	-	-	-	-	(4)	-	(4)	-	(4)
Total comprehensive income		-	-	-	-	-	(4)	15,509	15,505	144	15,649
Disposal of own shares		-	1	-	-	-	-	(1)	-	-	-
Dividends declared by the subsidiaries		-	-	-	-	-	-	-	-	(12)	(12)
Share-based payments		-	-	-	932	-	-	-	932	-	932
Transfer to reserves		-	-	-	61	-	-	(61)	-	-	-
Acquisition of minority interest		-	-	-	-	-	-	107	107	(193)	(86)
<b>Balance as at 30 June 2021</b>		<b>46,093</b>	<b>(445)</b>	<b>23,038</b>	<b>6,146</b>	<b>-</b>	<b>(14)</b>	<b>120,676</b>	<b>195,494</b>	<b>2,191</b>	<b>197,685</b>

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



# Consolidated Cash Flow Statement

	Notes	2020/2021 12 month	2019/2020 12 month
<b>Cash flows from (to) operating activities</b>			
Net profit		15,653	10,004
<b>Adjustments for non-cash items:</b>			
Depreciation and amortisation		12,270	11,380
Subsidies amortisation		(521)	(531)
(Gain) on disposal of property, plant and equipment		(821)	(1,001)
(Gain) on proportion of the assets that relates to rights transferred	3	(1,925)	–
Change in allowance and write-offs for receivables and prepayments		(317)	344
Inventories write down to net realisable value		18	61
Write-off of ringht-of-use assets		–	(480)
Change of provision for onerous contracts		–	(1,009)
Change in contract assets and accrued expenses		1,527	781
Change in fair value of biological assets		(5,277)	(5,834)
Change in deferred income tax		662	1,633
Impairment of intangible assets, property, plant and equipment and investment property		(105)	–
Change in accrued share-based payment		932	644
Loss from business combination		–	358
Current income tax expenses		2,055	293
(Income) from change in fair value of financial instruments		(1,344)	232
Dividend (income)		–	(1)
Interest (income)		(756)	(817)
Interest expenses		3,551	3,713
		<b>25,602</b>	<b>19,770</b>
<b>Changes in working capital:</b>			
Decrease in biological assets		1,032	3,508
(Increase) decrease in inventories		(2,657)	8,224
(Increase) decrease in prepayments		(1,805)	1,555
Decrease in trade and other accounts receivable		2,708	5,614
(Increase) decrease in restricted cash		(374)	211
Increase in trade and other accounts payable		20,068	164
Income tax (paid)		(1,329)	(165)
<b>Net cash flows from (to) operating activities</b>		<b>43,245</b>	<b>38,881</b>

*(cont'd on the next page)*

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

## Consolidated Cash Flow Statement (cont'd)

	Notes	2020/2021 12 month	2019/2020 12 month
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(9,712)	(8,588)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		3,463	3,470
Acquisition of subsidiaries		(168)	(959)
Disposal of subsidiaries		13,571	–
Prepayments for financial assets		(2,000)	–
Loans (granted)		(3,114)	(559)
Repayment of granted loans		2,960	309
Interest received		756	740
<b>Net cash flows from (to) investing activities</b>		<b>5,756</b>	<b>(5,587)</b>
<b>Cash flows from (to) financing activities</b>			
Proceeds from loans		12,254	18,097
(Repayment) of loans		(43,514)	(40,710)
Lease (payments)		(6,778)	(5,558)
Interest (paid)		(3,551)	(3,148)
Subsidies received		1,154	30
Dividend (paid) to non-controlling shareholders		(12)	(8)
(Acquisition) of non-controlling interest		(86)	(95)
<b>Net cash flows from (to) financing activities</b>		<b>(40,533)</b>	<b>(31,392)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>8,468</b>	<b>1,902</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,539</b>	<b>7,637</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>18,007</b>	<b>9,539</b>
<b>Supplemental information of cash flows:</b>			
<b>Non-cash investing activity:</b>			
Property, plant and equipment acquisitions financed by grants and subsidies		1,154	–
Property, plant and equipment acquisitions financed by finance lease		2,397	4,797

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

	As at 30 June 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	9,087,369	5.72 %	8,461,306	5.32 %
Other shareholders (private and institutional investors)	22,893,867	14.40 %	23,519,930	14.80 %
<b>Total</b>	<b>158,940,398</b>	<b>100.00 %</b>	<b>158,940,398</b>	<b>100.00 %</b>

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2021 (EUR 0.29 each as at 30 June 2020) and were fully paid as at 30 June 2021 and as at 30 June 2020.

The Company holds 767,972 of its own shares, percentage 0.48%, as at 30 June 2021 (770,972 as at 30 June 2020). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 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 30 June 2021 the number of employees of the Group was 2,166 (2,103 as at 30 June 2020).

No changes in share capital occurred during the years ending 30 June 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 30 June 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
		30 June 2021	30 June 2020	
<b>Investments into directly controlled subsidiaries</b>				
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
UAB Zemvaldos Turto Konsultacijos	Lithuania	100%	100%	Not operating company
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
<b>Investments into indirectly controlled subsidiaries (through AB Linas Agro)</b>				
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
Linus 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
Linus 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
		30 June 2021	30 June 2020	
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
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
		30 June 2021	30 June 2020	
<b>Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)</b>				
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
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centrai)</b>				
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
<b>Investment into indirectly controlled subsidiaries (through Panevėžys District Žibartonių ŽŪB)</b>				
UAB Karčemos Bendrovė	Lithuania	–	4.00%	Preparation and warehousing of grains for trade
Kėdainiai District ŽŪB Nemunas	Lithuania	67.44%	67.44%	Mixed agricultural activities

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

### **Changes in the Group during the 12 month period ended 30 June 2021**

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

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

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

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

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

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

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 26 November 2020 a subsidiary of AB Linas Agro Group UAB Linas Agro Konsultacijos sold subsidiary companies SIA Zemvalda Land Management Holdings 1-7 with belonging companies for EUR 13,603 thousand. In accordance to the requirements of IFRS 10 and 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 12 month period, ended 30 June 2021, the Group acquired 16% stock of Karčemos Kooperatinė Bendrovė for EUR 86 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 107 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

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

	<b>UAB GeoFace EUR'000</b>
<b>Acquisition date for consolidation purposes</b>	<b>31 July 2020</b>
<b>Fair value</b>	<b>(unaudited)</b>
Intangible assets, property, plant and equipment	212
Deferred income tax asset	24
Cash and cash equivalents	–
<b>Total assets</b>	<b>236</b>
Current liabilities	(21)
<b>Total liabilities</b>	<b>(21)</b>
<b>Total identifiable net assets at fair value</b>	<b>215</b>
Goodwill	3
<b>Total purchase consideration</b>	<b>218</b>
Cash consideration transferred	218
Less: cash acquired	–
<b>Total purchase consideration, net of cash acquired</b>	<b>218</b>

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

### **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.

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 Zemvaldos Turtas SPV 1-6 (6 companies), UAB Zemvaldos 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 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.

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

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

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.

On 6 January 2020 the Group increased the share capital of UAB Kekava Foods LT by EUR 5 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
<b>Financial year ended 30 June 2021</b>								
<b>Revenue</b>								
Third parties	677,816	173,196	19,299	72,035	96	–	–	942,442
Intersegment	1,831	7,032	14,103	–	–	–	(22,966) <sup>1)</sup>	–
<b>Total revenue</b>	<b>679,647</b>	<b>180,228</b>	<b>33,402</b>	<b>72,035</b>	<b>96</b>	<b>–</b>	<b>(22,966)<sup>1)</sup></b>	<b>942,442</b>
<b>Results</b>								
Operating expenses	(8,615)	(13,774)	(3,921)	(6,909)	(42)	(4,636)	–	(37,897)
<b>Segment operating profit (loss)</b>	<b>6,352</b>	<b>8,867</b>	<b>11,435</b>	<b>(932)</b>	<b>(75)</b>	<b>(4,482)</b>	<b>–</b>	<b>21,165</b>
<b>Financial year ended 30 June 2020</b>								
<b>Revenue</b>								
Third parties	415,591	149,372	18,344	74,376	17	–	–	657,700
Intersegment	3,287	6,748	9,969	–	–	–	(20,004) <sup>1)</sup>	–
<b>Total revenue</b>	<b>418,878</b>	<b>156,120</b>	<b>28,313</b>	<b>74,376</b>	<b>17</b>	<b>–</b>	<b>(20,004)<sup>1)</sup></b>	<b>657,700</b>
<b>Results</b>								
Operating expenses	(6,193)	(13,294)	(3,525)	(8,668)	–	(3,360)	–	(35,040)
<b>Segment operating profit (loss)</b>	<b>6,225</b>	<b>3,555</b>	<b>6,358</b>	<b>2,183</b>	<b>–</b>	<b>(3,494)</b>	<b>–</b>	<b>14,827</b>

1) Intersegment revenue is eliminated on consolidation.

## 4. Segment Information (cont'd)

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

	<b>12 month period ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
<b>Revenue from external customers</b>		
Lithuania	220,297	193,642
Europe (except for Scandinavian countries, CIS and Lithuania)	271,151	226,215
Scandinavian countries	108,203	88,004
Asia	31,042	93,096
Africa	275,969	38,620
CIS	35,780	18,123
	<b>942,442</b>	<b>657,700</b>

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

	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
<b>Non-current assets</b>		
Lithuania	90,379	93,701
Latvia	61,916	61,823
Estonia	1,530	890
Ukraine	14	19
	<b>153,839</b>	<b>156,433</b>

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

## 5. Intangible Assets

<b>Group</b>	<b>Software</b>	<b>Other intangible assets</b>	<b>Goodwill</b>	<b>Total</b>
<b>Cost:</b>				
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	22	213	–	235
Acquisition of subsidiaries	–	212	3	215
Write-offs	–	(17)	–	(17)
Balance as at 30 June 2021	1,580	680	1,974	4,234
<b>Accumulated amortization:</b>				
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	161	24	–	185
Write-offs	–	(17)	–	(17)
Balance as at 30 June 2021	805	138	–	943
<b>Impairment losses:</b>				
Balance as at 30 June 2019	–	–	1,121	1,121
Balance as at 30 June 2020	–	–	1,121	1,121
Balance as at 30 June 2021	–	–	1,121	1,121
<b>Net book value as at 30 June 2021</b>	<b>775</b>	<b>542</b>	<b>853</b>	<b>2,170</b>
<b>Net book value as at 30 June 2020</b>	<b>914</b>	<b>141</b>	<b>850</b>	<b>1,905</b>
<b>Net book value as at 30 June 2019</b>	<b>402</b>	<b>639</b>	<b>850</b>	<b>1,891</b>

## 6. Property, Plant and Equipment

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
<b>Cost:</b>							
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	9,134	515	2,985	2,392	515	2,785	18,326
Disposals and write-offs	(2,833)	(832)	(4,575)	(800)	(159)	(63)	(9,262)
Disposal of subsidiaries	(4,055)	–	–	–	–	–	(4,055)
Reclassifications	37	1,743	1,513	7	137	(3,437)	–
Transfer to/from stocks	–	–	3,692	–	–	–	3,692
Balance as at 30 June 2021	40,381	116,726	67,184	9,770	6,498	2,212	242,771
<b>Accumulated depreciation:</b>							
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	2,153	4,792	5,400	1,426	658	–	14,429
Disposals and write-offs	(545)	(375)	(2,381)	(520)	(155)	–	(3,976)
Balance as at 30 June 2021	3,418	48,094	31,308	4,411	3,831	–	91,062
<b>Impairment losses:</b>							
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
Charge for the year	–	(38)	(63)	–	(4)	–	(105)
Disposals and write-offs	–	–	(99)	–	(1)	–	(100)
Balance as at 30 June 2021	–	629	–	–	30	–	659
<b>Net book value as at 30 June 2021</b>	<b>36,963</b>	<b>68,003</b>	<b>35,876</b>	<b>5,359</b>	<b>2,637</b>	<b>2,212</b>	<b>151,050</b>
<b>Net book value as at 30 June 2020</b>	<b>36,288</b>	<b>70,956</b>	<b>35,118</b>	<b>4,666</b>	<b>2,642</b>	<b>2,927</b>	<b>152,597</b>
<b>Net book value as at 30 June 2019</b>	<b>21,427</b>	<b>66,598</b>	<b>31,439</b>	<b>2,510</b>	<b>1,634</b>	<b>4,470</b>	<b>128,078</b>

## 7. Investment Property

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

<b>Cost:</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
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	–	23	23
Disposals and write-offs	(217)	(110)	(327)
Reclassifications	(13)	13	–
Disposal of subsidiaries	(1,060)	–	(1,060)
Balance as at 30 June 2021	622	54	676
<b>Accumulated depreciation:</b>			
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	–	3	3
Disposals and write-offs	–	(55)	(55)
Balance as at 30 June 2021	1	2	3
<b>Impairment losses:</b>			
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 30 June 2021	51	3	54
<b>Net book value as at 30 June 2021</b>	<b>570</b>	<b>49</b>	<b>619</b>
<b>Net book value as at 30 June 2020</b>	<b>1,860</b>	<b>71</b>	<b>1,931</b>
<b>Net book value as at 30 June 2019</b>	<b>985</b>	<b>73</b>	<b>1,058</b>

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

## 8. Borrowings

	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
<b>Non-current borrowings</b>		
Bank borrowings secured by the Group assets	13,056	18,692
	13,056	18,692
<b>Current borrowings</b>		
Current portion of non-current bank borrowings	17,119	13,130
Current bank borrowings secured by the Group assets	57,104	92,476
Other current borrowings (Note 13)	6,011	253
	80,234	105,859
	<b>93,290</b>	<b>124,551</b>

Interest payable is normally settled monthly throughout the financial year.

As at 30 June 2021 AS Putnu Fabrika Kekava has not fulfilled part of covenants under credit agreements with Swedbank AS. Borrowings amount of EUR 11,340 thousand is accounted as short-term financial liabilities as at 30 June 2021.

## 9. Lease liabilities

	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
<b>Non-current</b>		
Lease liabilities related to right-of-use assets	23,547	15,647
Lease liabilities related to other assets	3,601	3,831
	27,148	19,478
<b>Current</b>		
Lease liabilities related to right-of-use assets	4,209	3,804
Lease liabilities related to other assets	1,344	1,188
	5,553	4,992
	<b>32,701</b>	<b>24,470</b>

## 10. Operating Expenses

	<b>2020/2021 12 month</b>	<b>2019/2020 12 month</b>
Wages and salaries and social security	(24,010)	(22,895)
Consulting expenses	(2,169)	(739)
Depreciation and amortization	(2,171)	(1,850)
Other	(9,547)	(9,556)
	<b>(37,897)</b>	<b>(35,040)</b>

## 11. Other Income (Expenses)

<b>Other income</b>	<b>2020/2021</b>	<b>2019/2020</b>
	<b>12 month</b>	<b>12 month</b>
Grants received for agriculture activity	3,657	3,312
Grants for poultry activity, related with COVID 19	962	–
Gain from currency exchange	125	577
Rental income from investment property and property, plant and equipment	175	496
Gain from disposal of investment property and property, plant and equipment	853	1,024
Gain on proportion of the assets that relates to rights transferred (Note 3)	1,925	–
Change in fair value of financial instruments	75	251
Write-off of liabilities	–	2
Other income	235	44
	<b>8,007</b>	<b>5,706</b>
<b>Other (expenses)</b>		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(252)	(309)
Loss from disposal of investment property and property, plant and equipment	(32)	(23)
Change in fair value of financial instruments	(926)	(680)
Loss from acquisition of subsidiaries (Note 3)	–	(358)
Change in fair value of investment asset	–	(3)
Other expenses	(44)	(130)
	<b>(1,254)</b>	<b>(1,503)</b>

## 12. Commitments and Contingencies

As at 30 June 2021 the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,672 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 (Lithuania) 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 Centrai received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centrai 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 2,529 thousand as at 30 June 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 management of AB Linas Agro 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 provision for the amount of EUR 248 thousand. 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 has appealed it.

## 12. Commitments and Contingencies (cont'd)

Almex, former customer, has filed an appeal to the Court of Appeal in Serbia regarding the refusal of the Commercial Court to rule in the case concerning the alleged damages of EUR 1,800 thousand. As at 30 June 2021 and as at 30 June 2020 the Group's management is of the opinion that the appeal has no sound grounds, therefore no provision was recorded in the consolidated accounts regarding this matter.

## 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 30 June 2021 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;  
 Jonas Bakšys.

### ***Subsidiaries: List provided in Note 3.***

UAB Darius Zubas Holding (same ultimate controlling shareholder);

### *Akola ApS group companies:*

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

UAB „PICUKĖ“ - 100% of shares are owned by UAB Darius Zubas holding.

UAB „Palūšės turas“ - 100% of shares are owned by UAB „PICUKĖ“.

AB Ignitis grupė (Andrius Pranckevičius 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 12 month period ended 30 June 2021 were as follows:

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	<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	692	20,695	41	–	–	232	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.



## 13. Related Parties Transactions (cont'd)

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 30 June 2021 and 30 June 2020.

## 14. Subsequent Events

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

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

On 15 July 2021 The Company acquired controlling stakes in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and related companies, acting together as KG Group. Acquisition value – EUR 73,469 thousand. The Company acquired controlling stakes in 34 companies operating in the fields of poultry business, grain, flour, instant products production, feed and premix production, and trade in veterinary products. The companies are registered and operate in Lithuania, Latvia, Estonia, Poland, Belarus, Russia, and the Netherlands. At the date of issuing these financial statements, the Group's management did not have enough financial information to evaluate the fair values of the KG Group net assets at the acquisition date. The Group expects to finish evaluating fair values of KG Group's net assets within 12 months period after acquisition date.

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