

CONFIRMATION OF THE RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuania, we, Darius Zubas, CEO of AB Linas Agro Group and Mažvydas Šileika, CFO of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the unaudited Interim Consolidated Financial Statements of AB Linas Agro Group for the three months of the financial year 2022/23, 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 three months of the financial year 2022/23 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

CEO of AB Linas Agro Group

Darius Zubas



30 November 2022

CFO of AB Linas Agro Group

Mažvydas Šileika



30 November 2022



AB LINAS AGRO GROUP
CONSOLIDATED INTERIM REPORT OF
2022/2023 FINANCIAL YEAR
FOR 3 MONTHS PERIOD ENDED SEPTEMBER 30, 2022

WHO WE ARE

We are an international agribusiness and food production group, the largest of its kind in the Baltics.

We are one of the largest exporters of Lithuanian grain and have our own network of modern grain storage facilities in Lithuania and Latvia.

We are the largest poultry meat producer in Lithuania and Latvia, and own the best-known poultry meat brands in both countries.

We are a major milk producer in Lithuania and have the most efficient dairy farms.

We are also one of the leaders in supplying farmers with certified seeds, fertilizers, plant care products and agricultural machinery in Lithuania, have own seed preparation plant, install grain preparation and dairy complexes and implement smart farming systems.

We are a leader in the production of instant foods in the Baltics.

FOUNDED
1991

ANNUAL
REVENUE
1.9
BEUR

OUR ANNUAL PERFORMANCE



BRIEF INFORMATION ABOUT THE COMPANY AND THE GROUP

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27/11/1995 in Panevezys
Code of legal entity	148030011
LEI	529900UB9QON717IL030
VAT identification number	LT480300113
Company registers	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Subačiaus St. 5, LT-01302 Vilnius, Lithuania
Phone	+370 45 50 73 03
E-mail	group@linasagro.lt
Website	www.linasagroup.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L
Financial year starts	July 1

The Company does not have any branches and representative offices and together with its directly and indirectly controlled companies (hereinafter – subsidiaries) and associates makes the Group.

As at Sept 30, 2022

4,886 EMPLOYEES

69 SUBSIDIARIES

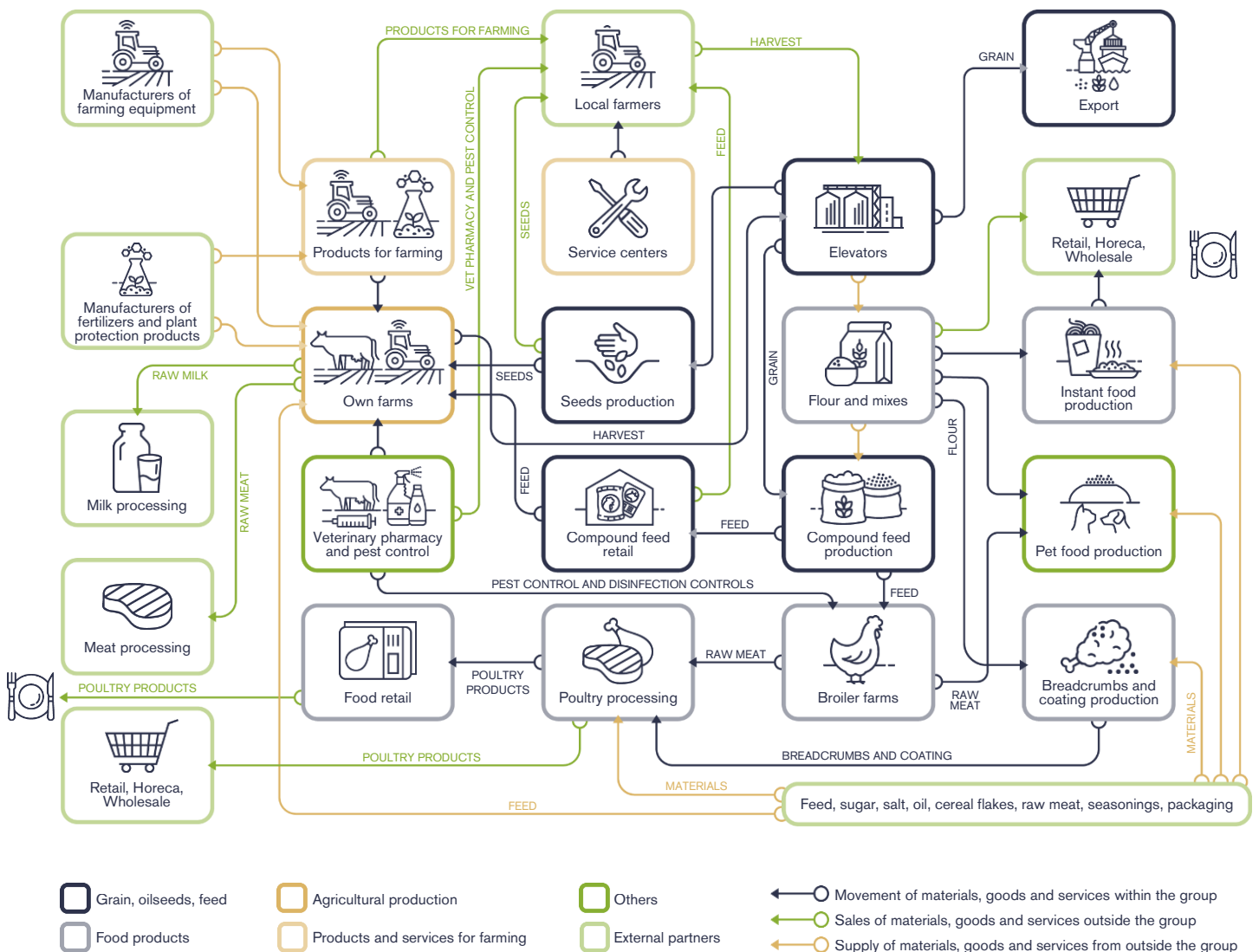
2 ASSOCIATES

THE MAIN ACTIVITY

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

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

THE GROUP'S BUSINESS MODEL



ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

Consolidated revenue of AB Linas Agro Group in 3 months of 2022/23 financial year totaled EUR 590 million and was 34% more as compared to previous year (EUR 440 million).

The Group's sales volume reached close to 1 million ton of various products and was 8% more as compared to the corresponding period of the previous year (1 million ton).

The gross profit reached EUR 56 million and was 49% higher than a year before (EUR 38 million).

The Group's operating profit was EUR 38 million or 162% more as compared to the respective period of the previous year.

Consolidated EBITDA amounted close to EUR 46 million and was 92% higher as compared to the previous year (EUR 24 million).

Profit before tax amounted to EUR 33 million and was 156% higher as compared to EUR 13 million in previous year.

The net profit exceeded EUR 28 million and increased by 144% y-o-y.

FINANCIAL INDICATORS

	2018/2019 3 months	2019/2020 3 months	2020/2021 3 months	2021/2022 3 months*	2022/2023 3 months
Sales in tons	409 619	438 161	768 409	1 029 614	951,201
Sales revenue (thousand EUR)	156 159	149 351	239 326	439 961	590,063
Gross profit (thousand EUR)	12 396	10 482	13 176	37 595	56,059
EBITDA (thousand EUR)	7 115	4 769**	9 196**	23,793**	45,661**
EBITDA (thousand EUR) (excluding the impact of IFRS 16)	7 115	3 797	7 463	19,659	43,809
Operating profit (thousand EUR)	4 437	1 367	4 927	14,577	38,176
Net profit (thousand EUR)	3 403	703	3 861	11,553	28,143
Readily Marketable Inventories (RMI) (thousand EUR)	no data	no data	no data	165,988	197,205

* To ensure more accurate representation of the activity, Company has revised the methodology relocating loss and/or gain from currency exchange line items to results of financial activity in the in separate and consolidated financial statements, therefore EBITDA, Operating profit and related ratios were adjusted for the comparative period 2021/2022

** Depreciation of biological assets (crops) sold during the reporting period and related to the previous reporting period, amounting to EUR 684 thousand, is also excluded (EUR 766 thousand for the period 2021/2022 and EUR 747 thousand for the period 2020/2021, the effect of such depreciation was not significant for the comparative periods)

Explanation of terms in the above table:

Operating profit (EBIT)	Equals profit before net from investments and finance activities, and income tax.
EBITDA	Equals operating profit before depreciation, amortization and impairment losses.
Readily Marketable Inventories (RMI)	Inventories to which full unencumbered legal and beneficial title belongs to a member of the Group and are readily convertible into cash within less than 90 calendar days on the basis that such inventories are: (a) the subject of contracts traded on futures markets and/or price risk is covered by other forward sale and/or hedging transaction; (b) liquid and widely available in a range of markets due to homogenous product characteristics and international pricing; (c) such inventories are not held for processing and/or conversion into a more value-added product; and (d) liquidation of such inventories would not have a material adverse effect on the particular business franchise.

OVERVIEW

The harvest year 2022/2023 indications:

Globally

- 2,255 million tons world grain production, being 34 million tons less compared to harvest year 2021/2022; despite increases for wheat and barley, dominantly contracting through maize position; lower production in Ukraine due to Russia's military action (expected to reach 34 million tons of maize compared to 42 million tons previous year), declining yields due to dry weather conditions in USA, Europe, Argentina, as well as implicit lower fertilizer use,
- 645 million tons world oilseed production, potentially reaching all-time record quantity thanks to solid harvest yields in Europe and respectively record or close to record-high yields in Australia and Canada,
- largely due to the persistence of high prices, the projected pace of cereal consumption is expected to slow; even though only slightly, downward trend shall be seen for the first time since 2015/2016, and shall be mainly evidenced through contracting feed maize demand; oilseed category consumption is expected to increase, however in slower pace compared to increase in production quantities;
- projecting in eight years lowest or for six years in a row decreasing global cereal stocks (580 million tons), though meanwhile recovering world oilseed stocks (122 million tons) with higher soybean and

rapeseed stocks partly offset with lower sunflower seed stock,

- continuously high price sentiment, with some easing in rates recorded lately; with gradually normalizing supply chains (including logistic costs and terms), as well as information on the yield of grain crops received positively, geopolitical uncertainty and conditioned availability of grain still remain among key price determining factors in the grain and oilseed market. November, 2022 renewed agreement on the transportation of grain and other food products through the Black Sea, extending the term of the safe corridor for another 120 days, somewhat reduced the price pressure in the market of grain crops, on the other hand, the variability of moods is also affected by factors such as still not ruled out energy crisis scenario, again the expected introduction of Russian grain export quotas, meanwhile military actions lead to smaller sowings and harvests in Ukraine.

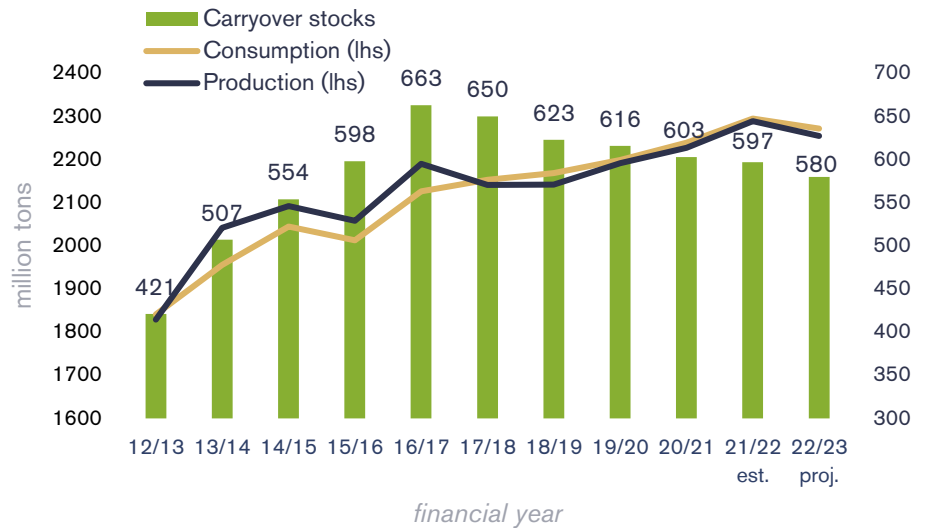
Expectations for the 2023–2024 harvest:

- at the date of publication of this report, assessment of still ongoing sowing and 2023/2024 harvest expectations are so far difficult to project; according to preliminary data, with certain weather conditions dictated exceptions, the sown areas in the USA and Europe correspond to the average, in Asia - exceeds it a bit, while in Russia and Ukraine, respectively, due to higher rainfall and liquidity problems, lower sowings are anticipated.

Baltics / Lithuania

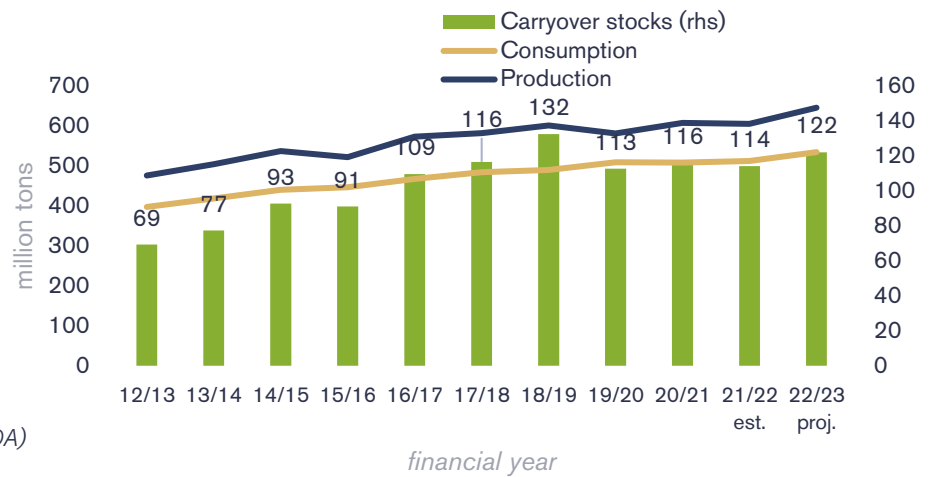
- according to preliminary data provided by "Statistics Lithuania" estimated harvest in Lithuania might total at 6.2 million tons of grain (higher than multi-year average), while rapeseed production shall account for 1.1 million tons,
- based on unofficial statements by grain buyers and exporters, higher concentration of feed grain compared to previous year, subtracted quality, low protein content (late spring, lack of sun, less intensive fertilization in farms); however, quite solid oil concentration in rapeseeds.

THE WORLD TOTAL GRAIN PRODUCTION



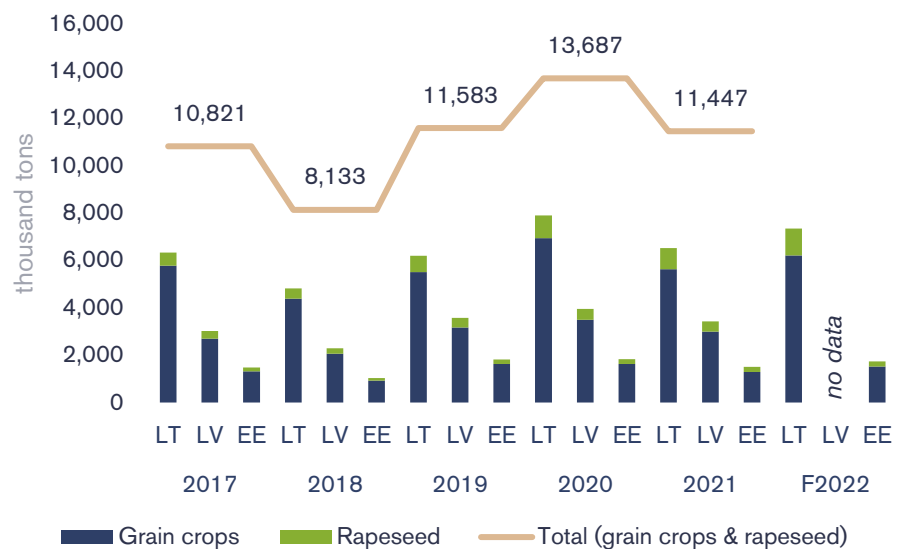
Data: International Grains Council (IGC)

THE WORLD TOTAL OILSEEDS PRODUCTION



Data: United States Department of Agriculture(USDA)

GRAIN AND RAPESEED HARVEST IN THE BALTIC STATES



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

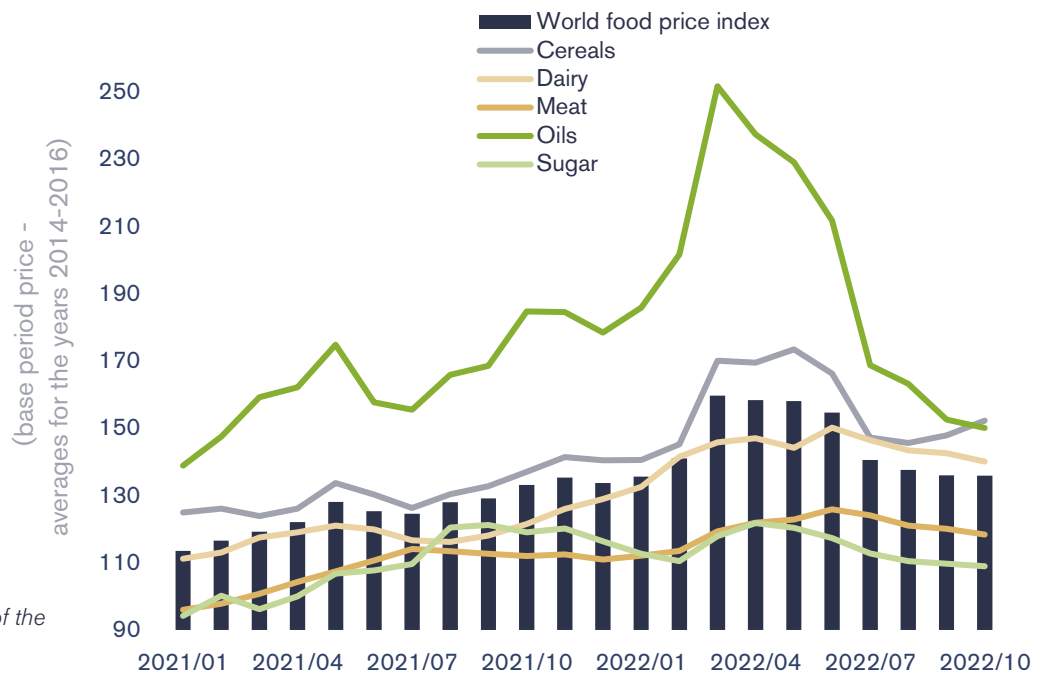
The structural basis for price growth in the raw materials market was formed even before February 24, 2022 (beginning of military action in Ukraine) with money supply in recent years growing almost the fastest since the beginning of 20th century (not counting the years of World War II), in order to cope with the shortages and overall effects of the COVID-19 pandemic some governments had increased their debts quite significantly. Yet the war in Ukraine (normally the world's fourth-largest grain exporter), created more shortages of raw materials and goods, pushing prices up yet further. Ukraine's grain exports have slumped, driving up global food prices and prompting fears of food shortages in Africa and the Middle East; energy prices have

also increased as a result of concerns over supply disruptions following Russia's invasion.

Price corrections were seen within latest months (after food price index peaking in March 2022);

With improved grain availability lately, as well as with central banks actively running interest rate increase strategy, seems like further contraction in prices could be anticipated. However aforementioned factors (amount of money circulating in the economy, military actions, simulation in supply of energy and other resources, etc.) are likely to continue forming the basis for the persistence of the prevailing high prices sentiment.

DYNAMICS OF WORLD FOOD PRICES 2021/2022



Data: Food and Agriculture Organization of the United Nations

Within the reporting period:

- in the **vegetable oil, grain categories**, with the most significant inflationary sentiment observed in the beginning of the 2022, price corrections were noticed, associated with the 'safe sea corridor' agreement reached and prolonged between Ukraine and the Russian Federation, new information on seasonal availability from ongoing harvests (record-high wheat harvest in Russia), downward pressure of lower crude oil prices on vegetable oil values, prospects of ample oilseeds supplies for the upcoming 2022/2023 season;

- **energy prices** showed high variability, though still remained strong and together with price increases of other production components, kept the ground for continuously high fertilizer prices; the future price level of energy resources shall be influenced by the weather of the approaching winter, consumption demand and simulation in supply; as the largest oil importer, China, continues to record cases of the rapidly spreading COVID-19, the severity of the restrictions shall affect energy demand, meanwhile the

effect of the Russian oil price cap, which is expected to be introduced by the European Union in December, 2022 is something to monitor;

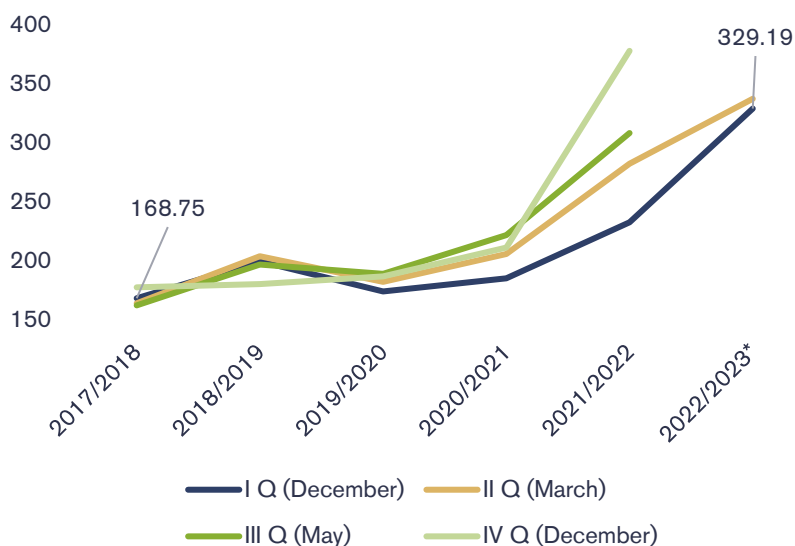
- **global milk prices took a downward direction**; recently some positivity with regards to global milk production volumes was brought, while demand for spot supplies on the contrary seemed to fix at more modest levels. Biggest importer of the milk - China still has lower valued stocks present and recent COVID-19 lockdowns could explain the lower demand at some extent; overall high food prices put pressure on people's spending power, starting with September of 2022, also visible in the curve of Lithuanian raw basic indicators milk purchase prices;

- **with global poultry prices decreasing, average broiler carcass prices in Europe still maintained an upward trend**. Although the volume of poultry production in Europe continued to exceed the need for domestic consumption (11% overproduction), the outbreaks of bird flu recorded in the continent often led to larger quantities of production remaining on the local market (if third countries introduce

infected regions import bans) and production volumes imported from Ukraine increased (after the cancellation of Ukraine's [among the TOP10 world poultry meat exporters prior to the military actions] poultry export quotas to Europe), the overruling impact of expensive feed, natural gas and general inflationary sentiment allowed high prices to remain. However, it is worth noting that the prices of the more

expensive chicken parts have been falling for some time, illustrating a change in consumer behavior in the declining purchasing power environment. According to the Polish Ministry of Agriculture for Rural Development, the price of fresh chicken fillet, the most profitable poultry product, peaked in April 2022 and started to diminish in the summer.

WHEAT FUTURES PRICE DYNAMICS



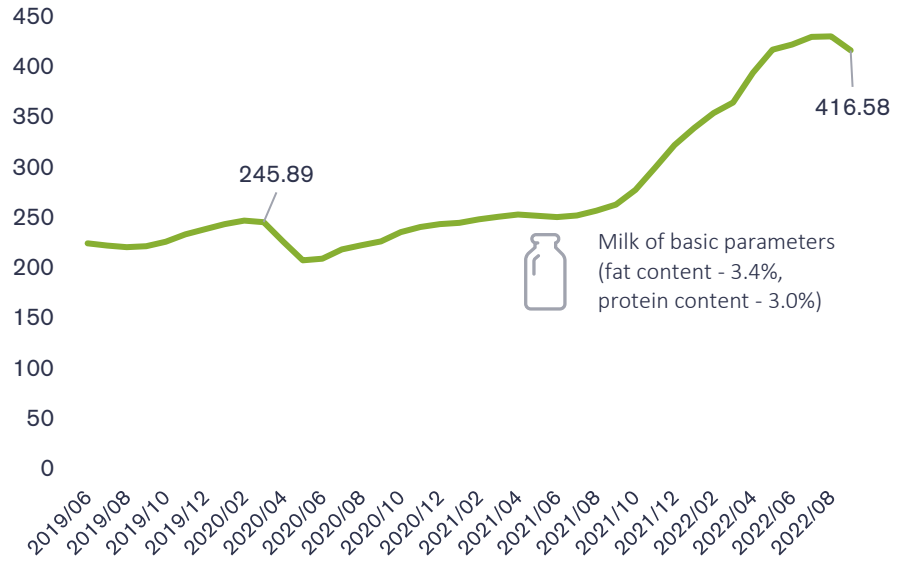
Data: Euronext
 *2022/2023 IIQ data – average of non-finite period 1-Oct, 2022 to 24-Nov, 2022

In the operations of different segments of the Group, such changes in both food and non-food prices have a significant impact not only on income generation, but also on management of rising costs. The most significant direct impact of price changes on the Group's segments is manifested in the activities of the following categories:

ACTIVITY SEGMENT	Activity category	PRICES				
		Grain, oilseed, feedstuffs	Milk	Meat	Energetics	Industrial metals
GRAIN, OILSEEDS, FEED	Grain storage and logistic services				●	
	Grain and oilseed trading	●				
	Feed business	●			●	
PRODUCTS AND SERVICES FOR FARMING	Preparation of seed in own factory	●			●	
	Supply of seeds, plant care products, fertilizers to the farmers	●			●	
	Supply of agricultural machinery, spare parts and service to the farmers				●	●
	Software development					
AGRICULTURAL PRODUCTION	Installation of grain cleaning, drying and storage facilities, farms					●
	Cultivation of cereals, oilseed rape, sugar beet, other crops	●			●	
	Production of milk and beef cattle farming	●	●	●		
FOOD PRODUCTS	Poultry business	●		●	●	
	Flour, instant food products, breadcrumbs production	●			●	
OTHER	Veterinary pharmacy products sales, pet food production, other	●			●	

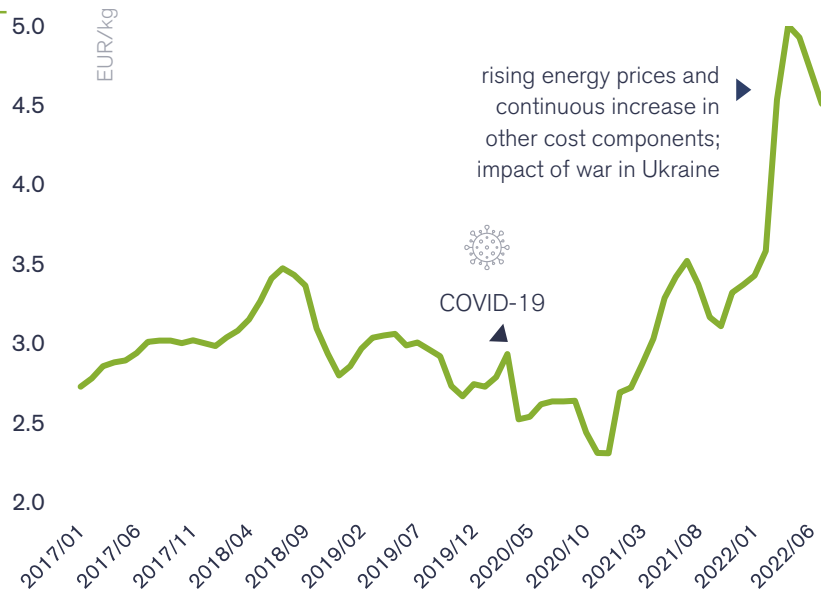
● -Significant impact

PURCHASE PRICES FOR BASIC PARAMETERS MILK IN LITHUANIA



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

FRESH FILLET MEAT PRICE DYNAMICS IN POLAND*



Data: The Polish Ministry of Agriculture and Rural Development

*Poland – one of the top poultry meat exporters, producing around 20% of EU poultry meat

PERFORMANCE OF THE SEGMENTS

Activities of the Group are divided into five business Segments:

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

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

OPERATING PROFIT (LOSS) BY SEGMENTS

<i>thousand euro</i>	2018/2019 3 months	2019/2020 3 months	2020/2021 3 months	2021/2022 3 months*	2022/2023 3 months
Grain, Oilseeds, and Feed	2,385	743	3,320	3,105	24,956
Products and Services for Farming	1,892	971	2,052	7,837	10,171
Agricultural Production	-424	-814	-391	-468	1,806
Food Products	1,653	1,400	164	3,220	3,396
Other Activities	-196	5	-13	2,393	-323

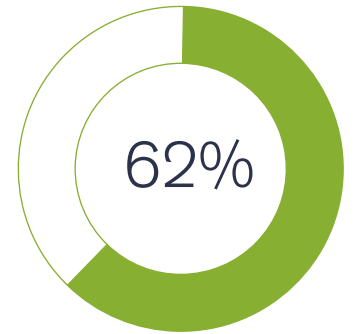
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GRAIN, OILSEEDS, AND FEED

since 1991

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

Share of revenue in Group's portfolio



KEY FACTS



the main export goods -Lithuanian and Latvian wheat

543

ktons storage capacity for various grains and other agricultural commodities in Lithuania and Latvia

310

ktons storage capacity at Lithuanian and Latvian ports

12

feed retail shops

240

ktons of annual compound feed production capacity in own factory in Lithuania (Kaunas)

25

ktons of annual premixes production capacity in own factories in Lithuania (Kaunas), and Belarus*

OPERATING COMPANIES

- AB Linas Agro (Lithuania)
- UAB Linas Agro Grūdų Centrai (Lithuania)
- UAB Jungtinė Ekspedicija (Lithuania)
- AB Kauno Grūdai (Lithuania)
- UAB KG Mažmena (Lithuania)
- UAB Kauno Grūdai ir Partneriai (Lithuania)
- UAB Agro Logistic Service (Lithuania)
- SIA Linas Agro (Latvia)
- SIA Linas Agro Graudu Centrs (Latvia)
- SIA KG Latvija (Latvia)
- OU Linas Agro (Estonia)
- LLC LINAS AGRO UKRAINE (Ukraine)
- KG Polska Sp. zo.o. (Poland)
- I000 Belfidagro (Belarus)*
- O00 KLM (Belarus)*

* reclassified to assets held for sale; please refer to section 'Subsequent events' for latest developments of selling process",

CERTIFICATES



OWN TRADEMARKS

Vitamins and mineral supplements

VitaPrem

Compound feed 'Provitac'

Feed



Effectus



Kauno Grūdai

GRAIN STORAGE AND LOGISTIC SERVICES

This Segment includes handling of the grain for the export in elevators (cleaning, drying, storage, reloading) and logistic services. Starting with the reporting period of financial year 2021/2022, the grain storage and logistics services of the Operating segment were already provided by the larger forces of the Group, upgraded after 15th of July, 2021, when AB Linas Agro Group completed the acquisition of KG Group companies. Thanks to the combined storage capacity of grain and other agricultural raw materials in Lithuania and Latvia, the new Company has more storage facilities, flexibility in loading, potential for savings in the logistics, as well as, Group believes, greater bargaining power working with the partners.

Comparing the **quantities of grain accepted** by the Group companies with the same reporting period last year, 14% decrease was recorded. High yield expectations before the 2022 harvesting, have not translated itself into a record harvest mainly due to the dominant lower test weight measure (although still higher yields compared to 2021). The reason for the lower amount of grain accepted by the elevators was also the reluctance of farmers to sell the grain, storing it themselves if possible and expecting price growth, fueled by geopolitical uncertainty and discussions on possible food crisis. Despite lower amount of collected grain (storing income) and similar to last year's grain moisture level (drying income), increased service rates and amended calculation methodology created the basis for income

0.7 million tons
of grain received through
the elevator network:
72% - wheat,
15% - rapeseed,
6% - barley.



growth. This rate revision was important to manage activity expenses with natural gas, electricity and other components prices remaining high.

During the reporting period, EUR 1.3 million worth investments in the development of the elevator in Jungennai (Marijampole County) were completed, suggesting expanded grain storage capacity (from 8,000MT to 18,000MT) was already used when collecting 2022/2023 harvest, grain reception efficiency increased, the urge for various logistical solutions decreased.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Grain Storage and Logistic Services income	8,073	3,631	122

GRAIN AND OILSEED TRADING

During the reporting period, the volume of traded grain and oilseeds was **0.6 million tons.**

'Grain' means wheat, barley, corn, and some other types of grain. A large part of the activity in this Segment consists of selling grain grown in Lithuania and Latvia.

'Oilseed' means rapeseed, sunflower, and flax seeds.

Comparing the grain and oilseeds quantities sold, as well as sales revenue generated by the Group companies with the same reporting period of the previous year, the respective 4% quantities decline recorded, while sales revenue grew by 37% illustrating the continuous high price sentiment in the market.

Assessing the quality of the 2022 local harvest, it was dominated by lower than average characteristics with marginal gluten, protein indicators, suggesting trade remained difficult over the reporting period due to the very different quality of purchased grains, tense geopolitical situation and high fertilizer prices, farmers' hesitance to sell new harvest.



After Russia started military operations in Ukraine on the February 24th, 2022, AB Linas Agro Group already on February 28th announced the termination of trade relations with Russian and Belarusian companies. However, only part of the market participants took the same path, respectively in the second half of August, 2022, the impact of the record Russian wheat harvest started to be felt on the market; even before August, the downward price pressure was also sensed due to the opening of the Black Sea grain corridor, creating conditions for highly competitive Ukrainian grain to be exported.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Grain and Oilseed Trading income	226,397	165,316	37

FEED BUSINESS

During the reporting period **202 thousand tons** of compound feed, premixes and feed materials were sold

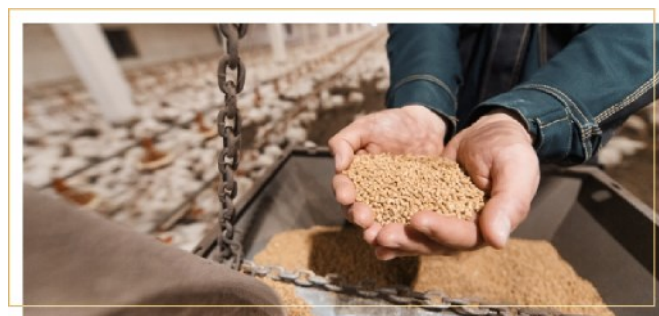
This business includes the production and sale of bulk and bagged feed for poultry, pigs, cattle and other animals, also feed materials and feed additives trading.

The products produced by the Group are compound feed for maturing breeders, laying hens, broilers, turkeys, quails, waterfowl, calves, dairy cows, lactating cows, beef cattle, piglets and fattening pigs, horses, fish, sheep, goats, rabbits, as well as baits for fish.

Feed materials means trade in food by-products (such as sunflower cake, sunflower meal, rapeseed cake, soybean meal, sugar beet pellets, etc.) and vegetable oils.

Feed additives means trade in feed additives such as licks, premixes, vitamins, amino acids, etc.

Until the acquisition of KG Group by AB Linas Agro Group on 15th of July, 2021, the feed production activities of the Group companies were carried out in small volumes, with a greater concentration on trade in feed materials. With the increase in the Group's scale in the summer of 2021, the production of compound feeds and premixes becomes a significant part of the Group's revenue portfolio. At the date of the publication of this report (on which, the Russian and Belarusian premixes producing companies have already been sold), the activity solely is carried out in own factory in Lithuania (annual production capacity of 246 thousand tons of compound feed and premixes). In Lithuania, the retail trade of feed is carried out through a network of retail stores managed by UAB KG Mažmena, covering approximately 80% of Lithuania's feed retail market.



With continuously high agricultural production prices, farmers' seeking to repeatedly deliver high productivity results, the demand for combined feed remained high during the reporting period, and the production lines of the Group companies were operating at full capacity. However, the normalization of the supply of feed raw materials and the increase in supply put pressure on the price and, accordingly, on the profitability. Polish suppliers have been reducing feed prices lately, mainly due to positive harvest results, but also due to unexploited capacity after contraction in pig farming segment in Poland and across Europe; also, cheaper feed materials of Belarusian origin appeared on the market from time to time, again – twisting the pricing.

Trade in the majority of feed raw materials remained stable and profitable, but in some categories, such as amino acids, a large accumulation of stock balances and, accordingly, a decrease in demand was noticed; meanwhile in the oil category, the decline in trade volumes continued, related to the cancelation of the business with Russian and Belarusian partners, which until the beginning of the military operations in Ukraine, were main rapeseed suppliers of the Group companies.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
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Compound feed, premixes, feed material trade income

During the reporting period revenue of the Grain, Oilseeds and Feed segment increased by 34% up to EUR 366 million. Operating result amounted to EUR 25 million profit as compared to EUR 3 million profit for the corresponding period of the previous year. The main reasons for the strong profitability were related with higher scale, exploited high volatility market opportunities and new activities introduced to Group's revenue basket after the acquisition of KG Group companies by AB Linas Agro Group.

PRODUCTS AND SERVICES FOR FARMING

since 1993

Preparation of seed in own seed preparation factory

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

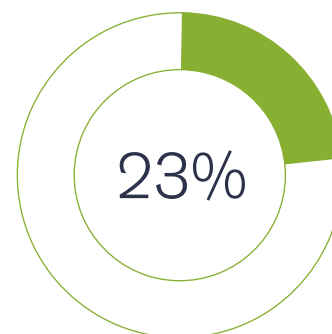
Supply of new and used agricultural machinery, spare parts, and service to the farmers

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

Software development

Representation of worldwide known brands

Share of revenue in Group's portfolio



KEY FACTS

30 ktons of cereals and pulses seeds-total annual capacity of the seed production plant

185 ktons storage capacity for warehousing seeds, fertilizers and plant care products

15 sales outlets

12 service centers

OPERATING COMPANIES

AB Linas Agro (Lithuania)
 UAB Dotnuva Baltic (Lithuania)
 UAB Dotnuva Rent (Lithuania)
 AB Kauno Grūdai (Lithuania)
 UAB GeoFace (Lithuania)
 UAB Linas Agro Grūdų Centrai (Lithuania)
 SIA Linas Agro (Latvia)
 SIA Dotnuva Baltic (Latvia)
 SIA Linas Agro Graudu Centrs (Latvia)
 SIA KG Latvija (Latvia)
 Linas Agro OÜ (Estonia)
 AS Dotnuva Baltic (Estonia)
 OOO KLM (Belarus)*

REPRESENTED MANUFACTURERS / BRANDS

Agricultural machinery, spare parts, grain cleaning, drying and storage facilities as well as livestock farms equipment – 'Kverneland', 'Cimbria', 'Quicke', 'Case IH', 'Einbock', 'Bin', 'Agrifac', 'Siloking', 'Shaffer', 'Swimer', 'Boumatic', 'Arska', 'Mandam', 'Agrisem', 'MacDon', 'Laumetris', 'Wielton', 'Jeantil', 'Kongskilde', 'Symaga', 'Pellon', 'Roka', 'Spinder', 'CMP Impianti Srl'.

Adjustable underground drainage system 'Ekodrena';

Seeds, plant care products, fertilizers – 'Syngenta', 'Adama', 'Rapool', 'Yara', 'Ekoplón', 'Novagra', 'Nando', 'Haifa', 'Daymsa', 'Agritechno', other.

OWN TRADEMARKS



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

Due to late 2022 harvesting and comparatively small 2021 harvest residues for the preparation of seeds ("transitional fund"), increase in heavy seeds production was minor in the reporting period compared to the same period last year.

During the reporting period, the activity in the category of grass and sidereal plant seeds was minor, the quantities of this category continued to have relatively modest weight in the structure of the seed portfolio.

SUPPLY OF SEEDS, PLANT CARE PRODUCTS, AND FERTILIZERS TO THE FARMERS

The majority of seed supply carried out by the Group's companies is ensured through the sourcing from UAB Dotnuva Baltic seed factory, where cereals, pulses, grass

During the reporting period Group companies sold:

14 thousand tons of seeds (13% less than in previous year),

68 thousand tons of fertilizers (22% less than in previous year),

6 thousand tons of plant care products and micronutrients (230% more than in previous year).

and other type of seeds. Seed supply activity is carried out by the Group companies in the Baltic States, as well as in Belarus.

Due to the geopolitical situation, high energy and raw material prices, occurring closures of fertilizer factories, the fertilizer market remained dynamic over the reporting period,

Over the reporting period, the own seed preparation factory of UAB Dotnuva Baltic (Dotnuva, Kedainiai distr.) prepared

13 thousand tons of certified 'Dotnuva Seeds' cereals and pulses seeds, being 2% more than in previous year.



prices fluctuated and stayed high. While trying to save, farms used either less or completely shut the application of autumn fertilizers (in the reporting period, the quantities of autumn fertilizers sold by Group companies decreased by up to 35%).

Due to late harvesting in the summer of 2022, respectively belated sowing of the winter crop and finally – due to dry condition, the development of the winter crops was slower, and did not create conditions for high-quality crop care and intensive use of micronutrient fertilizers and plant protection products. Still, as farmers were looking for cheaper alternatives to preserve productivity (reducing the amount of fertilizers), as well as paying more and more attention to the soil, and meanwhile fearing price increases and supply disruptions in the future, therefore purchasing components for spring care in advance, the sales volume of micronutrients and plant protection products exceeded last year's volumes.

Applied sanctions highlighted the need for the Group companies to search for alternative fertilizer suppliers (Morocco, Canada, Israel, etc.), meanwhile the supply of micronutrients and plant protection products was not affected by military action (Western Europe).

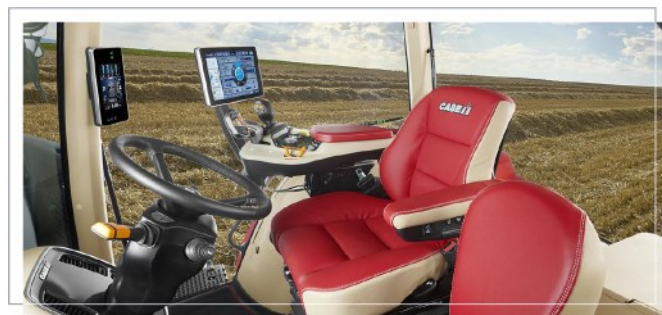
<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Income from trade in seeds, plant care products and fertilizers	103,426	69,777	48

SUPPLY OF NEW AND USED AGRICULTURAL MACHINERY, SPARE PARTS, SERVICE AND RENT TO THE FARMERS

As every year, sales of agricultural machinery were mainly affected by harvest results, new sowing expectations, raw material prices and the availability of support, yet additionally this year – also continuously affected by extra uncertainty coming from geopolitical situation. Factors for more critical evaluation were increasing expenses of the farms (fertilizers, feed, fuel, electricity, spare parts), concerns over decreasing arable land plots, part of which transforming into natural grassland with the coming requirements of the 'Green deal', on the other hand – better than average harvest of 2022, high grain and record-high milk prices, lack of machinery supply and continuous price increase of the latter, served as a strong incentive to invest.

EU support amounts allocated to Lithuania and Latvia over the reporting period were quite material and backed up the purchases of the machinery, at the same time slightly reducing the stimulus to use equipment rental services, also provided by Group companies. Again, support availability was quite diverse for different farms and oriented not to all types of machinery investments.

Over the reporting period machinery and spare parts supply was less challenging compared to previous periods, though price volatility persisted, suggesting advance



preparation of larger warehouse stocks paid off. Post-season equipment inspections were successful over the reporting period, full-capacity service work ensured.

UAB Dotnuva Baltic's market share:
For tractors (western type) - **11%**
For harvesters - **6.6%**

SIA Dotnuva Baltic's market share:
For tractors (western type) - **9.7%**
For harvesters - **13%**

AS Dotnuva Baltic's market share:
For tractors (western type) - **5.94.7%**
For harvesters - **3.0%**

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Income from sales of new and used agricultural machinery, spare parts, and servicing	27,199	16,097	69

SOFTWARE DEVELOPMENT

The start-up GeoFace initiated the launch of the intelligent farming system 'GeoFace' in Lithuania and Latvia in January 2021 and over more than a year has improved it as per farmers' requests. The product currently has the following main functions: crop fertilization and spray mapping, sowing planning and sowing task structuring, management of farm's finances, forecasting of the harvest,

forecasting of stocks in the warehouse, direct declaration of used plant protection products, easy upload of the soil analysis data, sharing of information among farm employees, application subscription fee payment function. Within the reporting period, while continuously developing the software for the external users service was further provided free of charge.

INSTALLATION OF GRAIN CLEANING, DRYING AND STORAGE FACILITIES, AND LIVESTOCK FARMS

As farms make decisions to invest in grain and farm equipment installation projects, for the most part, the same arguments were used as when deciding to invest in agricultural machinery. During the reporting period, part of the farms postponed investments expecting stabilization of the prices of equipment and construction works, but the vast majority, especially medium and large farms, without waiting and often without EU support, made decisions for the purchase of grain storage and drying equipment. With milk



prices favorable for a while now, many dairy farms in Lithuania and Latvia invested into construction of new farms, as well as modernization of existing ones, replacing the existing milking equipment with milking robots, automatic feeding systems, which not only ensure better milk quality and high productivity of cows, but also help to solve staff shortage problem in the farms.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Income from the installation of grain cleaning, drying and storage facilities and livestock farms	1,823	1,247	46

Total operating Segment revenue grew by 45% to EUR 134 million; operating profit was 30% higher and amounted to almost EUR 11 million.

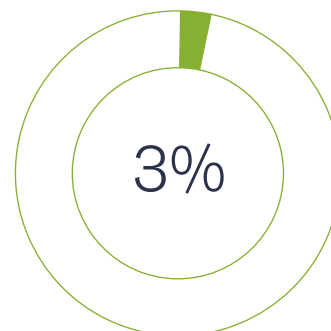


AGRICULTURAL PRODUCTION

since 2003

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

Share of
 revenue
 in Group's
 portfolio



KEY FACTS

- 19,229** Cultivated land area, hectares
- 5,943** own land area, hectares
- 3,277** number of cows
- 9.4** ktons of milk produced
- 87** ktons of crop production produced

OPERATING COMPANIES

Companies in Lithuania:

UAB Linas Agro Konsultacijos
 Panevėžys District Aukštadvario ŽŪB
 Panevėžys District Žibartonių ŽŪB
 Kėdainiai District Labūnavos ŽŪB
 Šakiai District Lukšių ŽŪB
 Biržai District Medeikių ŽŪB
 Sidabravo ŽŪB
 Kėdainiai District ŽŪB Nemunas
 UAB Landvesta 1
 UAB Landvesta 2
 UAB Landvesta 3
 UAB Landvesta 4
 UAB Landvesta 5
 UAB Landvesta 6
 UAB Noreikiškės
 Užupės ŽŪB
 UAB Paberžėlė
 UAB Lineliai



CULTIVATION OF CEREALS, OILSEED RAPE, SUGAR BEET, AND OTHER CROPS

During the reporting period, crop production harvested and sold by the operating companies of the Segment were respectively 14% higher and 6% less as compared to the very same period last year. Greater quantities of the crop production were related with better 2022 harvest in Lithuania, exceeding the values of multiyear average. Regardless of country's harvest indications with dominating



lower than average quality, as well as marginal gluten and protein parameters, the quality of crop produced by Group's farming companies was fairly good – the indicators of winter wheat were in line with class I or II, oil content of rapeseed was acceptable. However, due to the cold and rainy spring, the quality of corn and malted barley suffered a bit. Over the reporting period, smaller quantities of crop production sold were related with the risk policy of the Group companies,

applicable in the high price volatility environment, portioning the sales of grown production month by month.

During the reporting period, average grain sales prices remained high and formed basis for upturn in income, however it should be mentioned that due to the significantly increased costs of fertilizers, plant protection products, energy resources and other components, the grain harvested in summer-autumn of 2022 was grown at approximately 5-25% higher cost compared to the previous period (depending on the culture).

On the last day of the reporting period, the Group's agricultural companies have sown close to 11 thousand hectares of arable land for the harvest 2023, crop quality was assessed as very good or good.

23 thousand tons - crop production sold during the reporting period (**6% less** than a year before).

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Crop production sales income	9,833	7,853	25

PRODUCTION OF MILK AND BEEF CATTLE FARMING

Over the reporting period, the quantities of dairy cows held were 3% higher, while the amounts of milk produced were even 15% greater compared to the results of same period previous financial year. It is noteworthy, that quantity of milk produced and its qualitative parameters vary depending on feed, temperatures, animal genetics and other factors, and usually does not characterize by direct correlation, therefore with milk yields increasing significantly over the reporting period, the weighted average protein and fat content indicator decreased slightly. However still excellent composition of milk produced during the reporting period,

bigger quantities, and still rising purchase prices of raw milk allowed to record growth in milk sales revenue.

During the reporting period, 18% less live cattle meat was grown compared to the same period in previous year, however revenue from meat sales remained similar.

3% increase in cows number y-o-y.

9,367 tons of milk sold (**15% more** compared to the previous year)

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Milk and live weight cattle sales income	5,675	3,414	66

The revenue of the operating Segment increased by 38% during the reporting period, accounting for EUR 15.5 million. Meanwhile operating profit reached EUR 1.8 million compared to EUR 0.5 million operating loss in same period of previous year.



FOOD PRODUCTS

since 2013

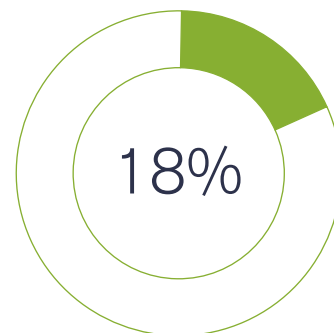
Whole cycle poultry business:

- incubation of hatching eggs
- broiler breeding
- production of poultry and its products
- feed manufacturing for self-supply
- retail sale of chicken meat and its products

Production and wholesale of flour and flour mixes, instant foods; production and wholesale breadcrumbs and breeding mixes

Provision of logistics, consulting and management services

Share of revenue in Group's portfolio



KEY FACTS



The only producer of instant products in the region

#1

The biggest poultry producer in Lithuania and Latvia

#1

The biggest flour producer in Lithuania

100

% of poultry reared without antibiotics in Latvia

65

% of poultry reared without antibiotics in Lithuania

20

retail outlets in Latvia

BRANDS AND TRADEMARKS



Other:

Granfâgel (non-Baltic export markets)

Nordichicken (export markets)

A'petito

Fiest

Vištiena kitaip

Vištyčio

Premium

OPERATING COMPANIES

- AS Putnu Fabrika Kekava
- AB Kauno Grūdai
- SIA Cerova
- AB Vilniaus Paukštynas
- AB Kaišiadorių Paukštynas
- SIA Lielzeltini
- SIA Broileks
- UAB Alesninkų Paukštynas
- UAB Domantonių Paukštynas
- UAB Lietbro
- AB Zelvė
- UAB Avocetė
- SIA PFK Trader
- UAB Šlaituva
- UAB VKP Valdymas
- UAB KP Valda
- UAB VP Valda
- UAB KG Distribution
- UAB KG Logistika

CERTIFICATES



POULTRY BUSINESS

On 15th of July 2021 after AB Linas Agro Group concluded acquisition of KG Group companies, the Group's poultry business gained additional strength by including in the segment 7 new Lithuanian entities operating in the poultry sector. New members ensure basic poultry cycle stages: hatching of chickens, broiler breeding, as well as production of poultry and its products, however, contrary to entities operating in Latvia new members of the poultry segment so far have not engaged in the activity of feed production for their own needs as well as have not performed retail sale of poultry products.

For the reporting period, AS Putnu Fabrika Kekava (PFK) and SIA Lielzeltini maintained their positions as no. 1 and no. 2 players respectively in Latvian chicken growers' market, while new additions of the Group - AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas – same positions respectively in Lithuanian poultry and its products producers' market. Since January 2020, no antibiotics are used in the process of growing broilers by Latvian entities, poultry produced with such responsible attitude is labeled with a special marking – 'Raised without antibiotics'; a team of Lithuanian poultry specialists is following this initiative – the share of production without use of antibiotics in Lithuanian entities is gradually increasing.

The welfare of the animals and overall results of the farms in Lithuania were also improving. Investments into chicken welfare through performance monitoring systems, improved infrastructure and employee competence paid off - over the reporting period Lithuanian poultry farms European Production Efficiency Factor (EPEF)¹ stood at 370 and was 368 in Latvia. Retaining the acceptable EPEF rate not only indicates efficient exploitation of breed's genetic potential, but also supports optimal consumption of feed over the reporting period.

During the reporting period, Segment companies produced and sold 5% less live weight poultry meat and

During the reporting period Group's poultry companies produced

105 thousand tons of live weight poultry meat,

and **108 thousand tons** of poultry meat and its products.

respectively of poultry and its products (compared to period a year before), to most extent explaining above with the closure of the slaughterhouse in Kaišiadorys, since March, 2022 moving the slaughtering and meat processing of broilers raised in Kaišiadorys to the Vilnius Poultry Slaughter Complex, using its full capacity. Despite the lower volumes, the continuing effect of recovered prices was also reflected in the top line of the reporting period, yet was still not



sufficient to achieve a positive net result. During the reporting period, the prices of the main cost components in the category – natural gas and feed materials – remained high.

It should be noted that during the reporting period Segment companies have received EUR 1.5 million support aimed at the COVID-19 pandemic or war situation affected subjects.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Sales of poultry and poultry products	105,865	59,828	77

¹European Production Efficiency Factor (EPEF) - standardized measure of farm performance (includes feed conversion, mortality,

and daily weight gain results), used to compare broiler performance from different flocks and different regions.

FLOUR AND ITS MIXTURES, INSTANT FOOD PRODUCTS, BREADCRUMBS AND BREADING MIXES PRODUCTION BUSINESS

Up until this reporting period, segment of Food products in the Group was related with poultry business only. On 15th of July, 2021 AB Linas Agro Group concluded acquisition of KG Group companies and new activities were introduced in the Group by newly acquired companies, increasing the weight of this Segment in terms of revenue in the Group and helping to ensure higher level of diversification and vertical integration in the activity of companies.

By operating grain mill in Kaunas (70 thousand tons capacity per year), breading mixes preparation facility in Kaunas district (12 thousand tons capacity per year) and instant foods production facilities in Kėdainiai and Alytus (241 million instant food product units capacity per year), new entities of the Group are engaged in production of flour, its mixtures, breading mixes, and instant foods products. Activities of these companies are integrated – part of flour products produced in the mill are supplied to the Group's companies producing noodles, breadcrumbs, and feeds; breadcrumbs are used in production of poultry products, etc.

The flour, flour mixtures and breadcrumbs quantities sold by Group companies during the reporting period were 15% lower compared to the result in the previous financial year. Although the production volumes and demand for flour and it's mixtures remained at a similar to the last year's level, sales to third parties contracted due to a higher demand for flour internally in the Group (growing production volumes of instant food products), meanwhile sales of breadcrumbs decreased due to the cancelation of trade relations with Russian buyers. Thanks to the gradual customer price adjustment possibilities, revenue of the flour, it's mixtures and breadcrumbs product category grew by 39% within the reporting period, forming the basis for the improvement in profitability metrics, lately suffering due to higher raw materials and energy prices.

The instant food (IF - porridge and noodle cups, packets and boxes) quantities sold by Group companies during the reporting period were 42% higher compared to the result in the previous financial year. Majority of the IF production is exported to European markets and sold under private labels, over the reporting period the demand remained solid, new sales contracts concluded, also – volumes under existing contracts increased. With prices of the main IF inputs (flour, oils, packaging, energy) staying high, pressure on the profitability indicators of this category was also felt.

With the rapid growth of the instant food business, during the reporting period construction works were continued in Kėdainiai, where new warehouse is being built since 2020.

66 million instant food units

were produced by Group companies during the reporting period - porridges and noodles in cups, packages and boxes;

66 million units

of this production were sold.

During the reporting period Group companies produced

18 thousand tons

of flour, flour mixes, breadcrumbs,

13 thousand tons

of this production were sold (not including quantities required for internal production).



Warehousing space currently possessed was not sufficient and not compatible with maximum production capacity of instant noodle foods production plant, thus outsourced warehousing services were used. Construction of new warehouse is scheduled to be completed by the end of 2022/beginning of 2023, integrating 2,100 sq. m. additional warehousing space. After completing complex investments into the production factory and into the advanced warehouse management system, not only production capacity is expected to increase from 126 million up to 136 million production units per year, but also such benefits, as ability to optimize storage costs, reduce transportation costs and seek more sustainable and environmentally friendly solutions in the day-to-day operations of the company.

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Revenues from the production of flour and flour mixtures, instant food products, breadcrumbs, and breading mixes	30,534	19,210	59

Revenue of Food Products segment for the reporting period increased by 34% and amounted to EUR 106 million. Operating profit amounted to EUR 3 million, more or less equaling the result of the same period last year.

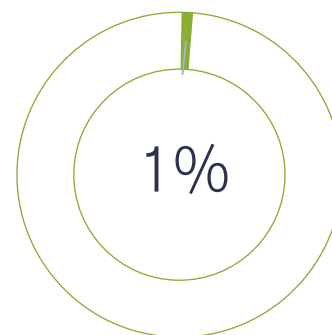


OTHER ACTIVITIES

since 2021

Trade in pest control and hygiene products
Production and sales of extruded products, pet food
Provision of veterinary pharmaceutical services and trade in products
Provision of fumigation and sanitation services

Share of revenue in Group's portfolio



KEY FACTS



Own plant of extruded products in Alytus

OPERATING COMPANIES

AB Kauno Grūdai
OOO KLM
UAB Baltic Fumigation Services

OWN TRADEMARKS

Lamuri

Canis

APORT!

QUATTRO

CERTIFICATES

AB Kauno Grūdai and OOO KLM* have pharmaceutical licenses for wholesale distribution

* reclassified to assets held for sale

REPRESENTED MANUFACTURERS / BRANDS

Veterinary pharmacy - Zoetis Inc., Woogene B&G CO. LTD, Bioveta, a. s., Interchemie Werken De Adelaar B.V., Innov Ad NV/SA, TOV Brovafarma, Boehringer Ingelheim, Zoovetvaru Ltd., KRKA, LAVET Pharmaceuticals Ltd, Aconitum

In the Other Activities business Segment, largest share of sales was generated by the wholesale and retail **sale** of worldwide well-known producers' **veterinary pharmacy products** in Baltics, Belarus. During the reporting the demand of production remained more or less stable, even though varied among small and productive animal categories. The sales of veterinary preparations for small animals grew with the expanding market and was supported by the growing number of pets, as well as overall amount of money spent per animal.



Operating markets average of money spent per pet still stands well below EU average and illustrates room for further growth. In the group of productive animals, the demand for veterinary products decreased due to better genetic management, reduced use of antibiotics in breeding, as well as increasing competition.

The Group produces **pet food** in its own production facilities of extruded products in Alytus. During the reporting period demand for dog feed remained strong. Even though quantities of pet food produced and sold by Group companies contracted quite materially (27% less compared

to the same period last year), sales income of extruded products was EUR 2.5 million or even 32% higher if compared to the result in the previous financial year. The amount of money spent on feed is increasing with the shift in consumers' product portfolio - switching from economy/medium products to super premium, which ensures good nutrition with less quantity, however with significantly higher price. Evaluating these trends, the Group companies adjusted the proportions of the produce, gradually increasing the output of the "premium" segment. Rising raw material and energy prices also formed the basis for pet food price increase and profitability improvement.

Operations of the Group's companies engaged in **pest control services and sale of hygiene products** do not comprise significant part of revenue. Prophylactical and interventional measures are offered, aimed towards ensuring compliance with food safety requirements, also chemicals for both – professional use and daily cleaning of household premises are sold. During the reporting period, revenue has slightly decreased (5% less if compared to the result in the previous financial year), meanwhile the cost of goods and services growing (biocidal products, animal traps, inventory, etc.), put pressure on profitability, resulting in diminishing margins.

During the reporting period the companies of the Group produced **3 thousand tons** and sold **3 thousand tons** of extruded products

<i>thousand euro</i>	2022/2023 3 months	2021/2022 3 months	Difference, %
Revenue from pest control, provision of hygiene goods and services, petfood production and sales, wholesale and retail trade of veterinary pharmacy products and other activities	5,359	9,110	-41

Revenue of the operating Segment covering above mentioned and other less material activities during this reporting period amounted to EUR 5 million, operating result was EUR 0.3 million loss.

MAJOR EVENTS

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 June 2022, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:

26/09/2022 08:27 AM EET	Linus Agro Group companies receive EUR 118 million to finance operations
31/08/2022 06:00 PM EET	Revenue of AB Linas Agro Group for the twelve months of the 2021/2022 financial year approaches EUR 2 billion, net profit grows 4.6 times
26/08/2022 08:30 AM EET	AB Linas Agro Group sells subsidiaries in Russia and Belarus
25/08/2022 02:15 PM EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 12 months of the financial year 2021/2022
01/08/2022 09:00 AM EET	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company
28/07/2022 04:00 PM EET	Linus Agro receives EUR 170 million syndicated loan
27/07/2022 11:03 AM EET	Linus Agro Group to expand its operations

OTHER EVENTS OF THE REPORTING PERIOD

27/9/2022	The sale of part in OOO VitOMEK (Moscow, Russian Federation) is registered.
5/9/2022	The authorized capital of UAB Linas Agro Grūdų Centrai has been increased by EUR 3,866,785 with a non-monetary contribution from AB Linas Agro.
1/9/2022	The sale of part in OOO VitOMEK (Tver region, Russian Federation) is registered.
25/08/2022	Agreements on sale of shares in OOO VitOMEK (Moscow, Russian Federation) and OOO VitOMEK (Tver, Russian Federation), also IOOO Belfidagro, registered in Belarus were concluded.
July, 2022	The Company transferred 11,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
22/07/2022	AB Linas Agro concluded a syndicated credit agreement in amount of EUR 170 m with Credit Suisse AG, Swedbank, AB and AB SEB bank, and the Company guaranteed its fulfilment.
05/07/2022	Authorized capital of AB Linas Agro increased by EUR 5 134 480 by non-monetary contribution of AB Kauno Grūdai.

SUBSEQUENT EVENTS

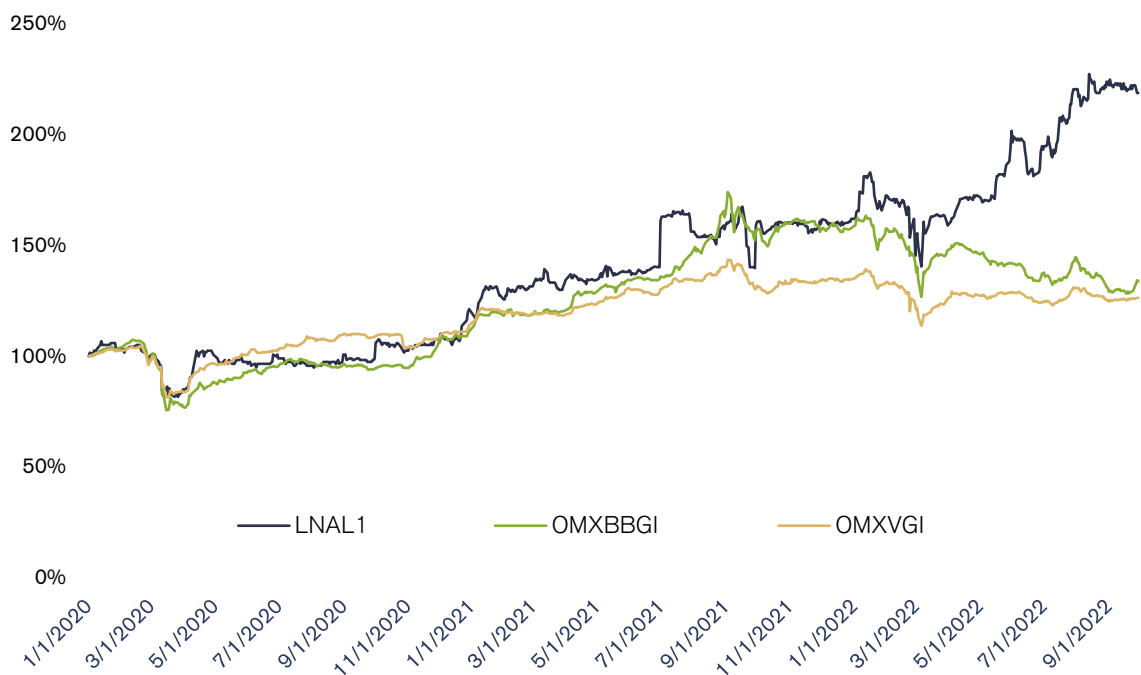
9/11/2022	100 percent of shares in IOOO Belfidagro were sold.
2/11/2022	Authorized capital of SIA Linas Agro increased by EUR 366 856 by non-monetary contribution of SIA KG Latvija.
28/10/2022	New board of the Company elected: Andrius Pranckevičius, Arūnas Zubas, Dainius Pilkauskas, Darius Zubas, Jonas Bakšys, Mažvydas Šileika.
28/10/2022	The Annual General meeting of Shareholders of the Company was held.

AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER

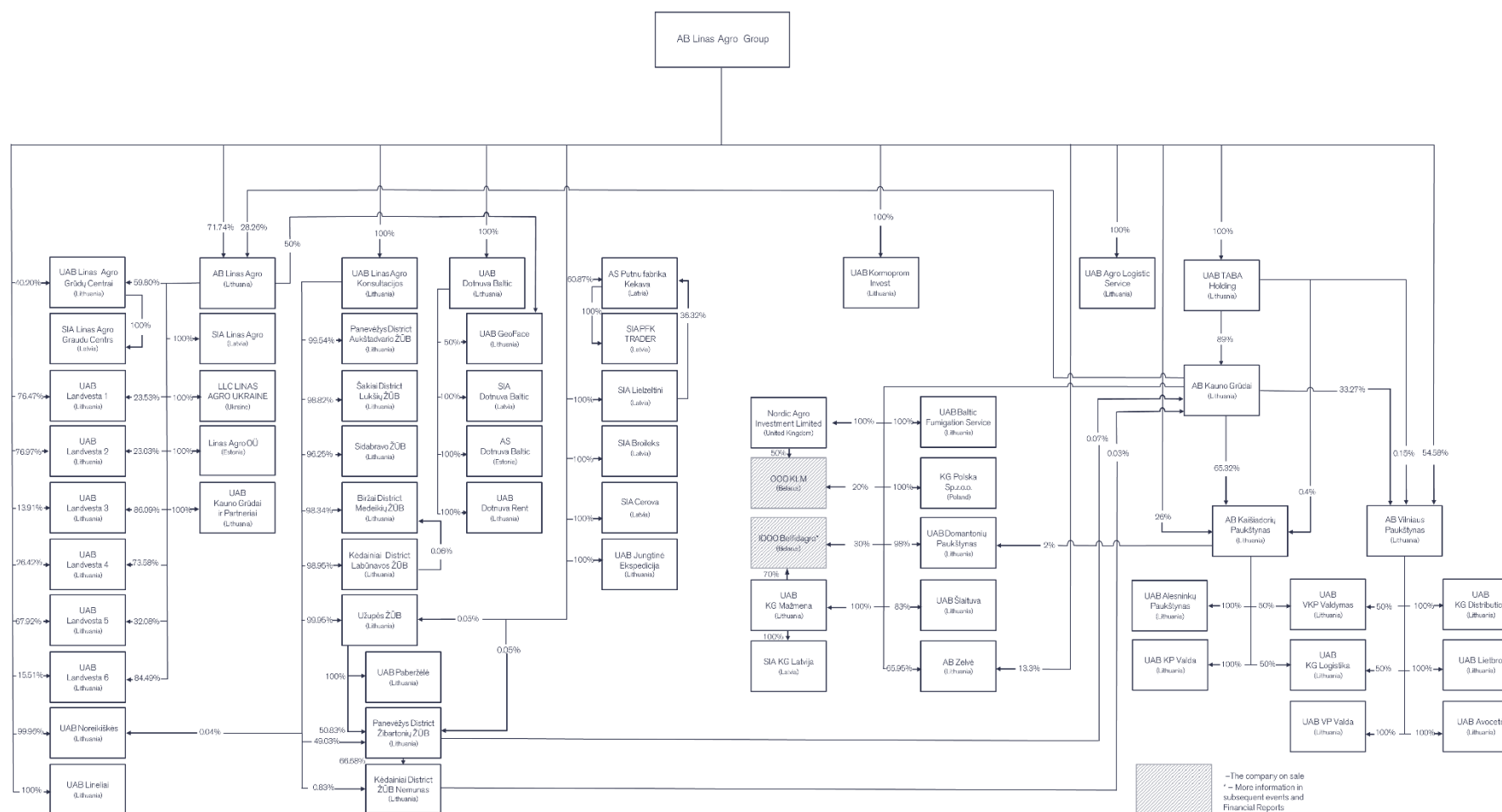
Information on changes in the prices of Company's shares and turnover from 1/7/2017 until the end of the reporting period, i.e. 30 September 2022, is presented in the following diagram:



Information on the fluctuations of the Company's share price and OMX Baltic Benchmark GI (OMXBBGI) and OMX Baltic Vilnius GI (OMXVGI) indices from 1/1/2020 until the end of the reporting period, i. e. 30 September 2022, is presented in the following diagram:



INFORMATION ON THE COMPANY'S SUBSIDIARIES



* As of September 30, 2022. Companies that are not included in the chart: UAB Gerera (dormant, 100% shares), UAB Kekava Foods LT (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares), UAB KG Group LT (dormant, 89.09% shares), UAB Gastroneta (dormant, 84.37% shares), UAB Kaišiadorių Paukštyno Mažmena (dormant, 84.60% shares), UAB Kaišiadorių Skerdykla (dormant, 84.60% shares), KG Eesti OU (dormant, 89.09% shares), UAB Uogintai (dormant, 84.60% shares), Kooperatyvas Baltoji Plunksnelė (dormant, 82.88% stock), KG Khumex Coldstore B.V (associate, 42.24% shares), KG Khumex B.V. (associate, 50% shares).



CONTACT PERSON

Chief Financial Officer

MAŽVYDAS ŠILEIKA

Ph. + 370 619 19 403

Email m.sileika@linasagro.lt



linas  agro

AB LINAS AGRO GROUP
UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

FOR 3 MONTHS PERIOD OF
2022/2023 FINANCIAL YEAR
ENDED SEPTEMBER 30, 2022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 September 2022	As at 30 June 2022
ASSETS			
Non-current assets			
Intangible assets	5	2,645	2,759
Property, plant and equipment	6	167,632	166,215
Right-of-use assets	7	24,563	24,720
Investment property	8	455	562
Animals and livestock		12,916	13,233
Non-current financial assets			
Other investments		27	27
Prepayments for financial assets		548	–
Non-current receivables		463	815
Non-current receivables from related parties	16	750	750
Total non-current financial assets		1,788	1,592
Non-current prepayments		1,166	1,166
Deferred income tax asset		8,358	7,139
Total non-current assets		219,523	217,386
Current assets			
Crops		9,083	29,222
Livestock		10,401	8,302
Inventories	9	460,130	243,876
Current prepayments		23,875	11,588
Current accounts receivable			
Trade receivables		276,698	300,061
Receivables from related parties	16	6,598	5,817
Income tax receivable		124	67
Other accounts receivable and contract assets		42,399	8,684
Total current accounts receivable		325,819	314,629
Derivative financial instruments		1,914	1,182
Other current financial assets		2,531	3,022
Cash and cash equivalents		25,505	20,810
Non-current assets held for sale	10	10,086	22,958
Total current assets		869,344	655,589
Total assets		1,088,867	872,975

(cont'd on the next page)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	As at 30 September 2022	As at 30 June 2022
Equity attributable to equity holders of the parent			
Share capital	1	46,514	46,514
Share premium	1	23,642	23,642
Legal and other reserves		6,692	6,319
Own shares (-)		(434)	(440)
Foreign currency translation reserve		(20)	(17)
Amounts recognized directly in equity relating to non-current assets held for sale	10	(3,032)	(3,592)
Total foreign currency translation reserve		(3,052)	(3,609)
Retained earnings		217,420	197,383
Total equity attributable to equity holders of the parent		290,782	269,809
Non-controlling interest		17,993	10,142
Total equity		308,775	279,951
Liabilities			
Non-current liabilities			
Grants and subsidies		8,356	8,285
Non-current borrowings	11	19,010	22,305
Non-current trade payables		1	-
Lease liabilities	12	31,604	31,867
Deferred income tax liability		1,624	2,063
Non-current employee benefits		788	787
Other non-current liabilities		1,138	1,629
Total non-current liabilities		62,521	66,936
Current liabilities			
Current portion of non-current borrowings	11	18,508	20,641
Current portion of lease liabilities	12	8,095	7,659
Current borrowings	11, 16	301,531	213,550
Trade payables		274,742	205,687
Income tax payable		10,237	7,467
Derivative financial instruments		7,550	3,091
Contract liabilities		7,094	3,201
Other current liabilities		79,810	48,509
Liabilities related to non-current assets held for sale	10	10,004	16,283
Total current liabilities		717,571	526,088
Total equity and liabilities		1,088,867	872,975

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(for the period from 1 July to 30 September)

	Notes	2022/ 2023 3 months	2021/ 2022 3 months
Revenue from contracts with customers	4	590,063	439,961
(Cost) of sales		(534,004)	(402,366)
Gross profit		56,059	37,595
Operating (expenses) ¹	13	(22,358)	(23,748)
Expenses of impairment of trade receivables, contract assets and other receivables		385	(236)
Other income ¹	14	6,270	2,328
Other (expenses) ¹	14	(1,572)	(1,362)
Impairment loss of non-current assets held for sale		(608)	–
Operating profit		38,176	14,577
Income from financial activities ¹		1,396	469
(Expenses) from financial activities ¹		(6,779)	(2,281)
Share of profit of an associates and joint ventures		–	37
Profit before tax		32,793	12,802
Current income tax and deferred tax benefit (expenses)		(4,650)	(1,249)
Net profit		28,143	11,553
Net profit attributable to:			
Equity holders of the parent		24,753	10,328
Non-controlling interest		3,390	1,225
		28,143	11,553
Basic and diluted earnings per share (EUR)		0.18	0.07
Net profit		28,143	11,553
Other comprehensive income			
Exchange differences on translation of foreign operations into the Group's presentation currency ²		(3)	350
Amounts recognized directly in equity relating to noncurrent assets held for sale ²		500	–
Total other comprehensive income, that may be reclassified to profit or loss in subsequent periods		497	350
Total comprehensive income, net of tax		28,640	11,903
Total comprehensive income attributable to:			
The shareholders of the Company		25,310	10,649
Non-controlling interest		3,330	1,254
		28,640	11,903

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

¹ Comparative information for marked groups was recalculated in the interim financial statements. In 2022, Company reviewed accounts grouping methodology in separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2021/2022.

² At 2 March 2022 European Central Bank and the Bank of Lithuania decided to suspend the publication of the euro and Russian ruble ratio until further notice. In these interim financial statements used last published euro and Russian ruble ratio (2022 March 2) or average of 1 July 2021 – 2 March 2022 ratio.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	N o t e s	Share capital	Own shares	Share premium	Legal reserve and other reserve	Foreign currency transla- tion reserve	Retain- ed earnings	Subtotal	Non- control- ling interest	Total
Balance as at 1 July 2021		46,093	(445)	23,038	6,146	(14)	119,333	194,151	2,070	196,221
Net profit		-	-	-	-	-	10,328	10,328	1,225	11,553
Exchange differences on translation of foreign operations into the Group's presentation currency		-	-	-	-	321	-	321	29	350
Total comprehensive income, net of tax		-	-	-	-	321	10,328	10,649	1,254	11,903
Acquisition of non-controlling interest		-	-	-	-	-	-	-	10,776	10,776
Balance as at 30 September 2021		46,093	(445)	23,038	6,146	307	129,661	204,800	14,100	218,900
Balance as at 1 July 2022		46,514	(440)	23,642	6,319	(3,609)	197,383	269,809	10,142	279,951
Net profit		-	-	-	-	-	24,753	24,753	3,390	28,143
Exchange differences on translation of foreign operations into the Group's presentation currency ³		-	-	-	-	(3)	-	(3)	-	(3)
Amounts recognized directly in equity relating to non-current assets held for sale ³		-	-	-	-	560	-	560	(60)	500
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods ³		-	-	-	-	557	-	557	(60)	497
Total comprehensive income, net of tax		-	-	-	-	557	24,753	25,310	3,330	28,640
Disposal of own shares		-	6	-	-	-	(6)	-	-	-
Equity transfer to non-controlling interest		-	-	-	-	-	(4,711)	(4,711)	4,711	-
Increase(decrease) of cash flow hedge reserve		-	-	-	373	-	-	373	46	419
Sale of disposal group		-	-	-	-	-	-	-	(233)	(233)
Acquisition of non-controlling interest		-	-	-	-	-	1	1	(3)	(2)
Balance as at 30 September 2022		46,514	(434)	23,642	6,692	(3,052)	217,420	290,782	17,993	308,775

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

³ At 2 March 2022 European Central Bank and the Bank of Lithuania decided to suspend the publication of the euro and Russian ruble ratio until further notice. In these interim financial statements used last published euro and Russian ruble ratio (2022 March 2) or average of 1 July 2021 – 2 March 2022 ratio.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022/ 2023 3 months	2021/ 2022 3 months
Cash flows from operating activities			
Net profit		28,143	11,553
Adjustments for non-cash items:			
Depreciation and amortisation	5,6,7,8	7,042	8,698
Subsidies amortisation		(157)	(250)
(Gain) on disposal of property, plant and equipment		(183)	(106)
Change in allowance and write-offs for receivables and prepayments		(385)	236
Inventories write down to net realisable value		218	(368)
Change of provision for onerous contracts		62	–
Change in contract assets and accrued expenses		10,684	(1,282)
Change in fair value of biological assets		254	(213)
Change in deferred income tax		(1,629)	(360)
Impairment loss of non-current asset held for sale		608	–
Current income tax expenses		6,279	1,609
(Income) expenses from change in fair value of financial instruments		(1,395)	(3,220)
Share of profit of an associates and joint ventures		–	(37)
Interest (income)		(1,396)	(469)
Interest expenses		6,779	2,135
		54,924	17,926
Changes in working capital:			
Decrease in biological assets		17,931	12,848
(Increase) in inventories		(194,949)	(143,450)
(Increase) in prepayments		(12,287)	(242)
(Increase) / decrease in trade and other accounts receivable		(492)	36,035
(Increase) in restricted cash		(400)	(2,580)
Increase in trade and other accounts payable		80,334	18,560
Income tax (paid)		(3,573)	(736)
Net cash flows from operating activities		(58,512)	(61,639)

(cont'd on the next page)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Notes	2022/ 2023 3 months	2021/ 2022 3 months
Cash flows from investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(6,085)	(3,491)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		713	920
(Acquisition) of subsidiaries		(291)	(62,770)
Disposal of subsidiaries		3,500	–
(Acquisition) of associates and joint ventures		–	(200)
Prepayments for financial assets		(548)	–
Loans (granted)		(30)	(33)
Repayment of granted loans		8	145
Interest received		1,396	469
Net cash flows from investing activities		(1,337)	(64,960)
Cash flows from financing activities			
Proceeds from loans		181,985	165,163
(Repayment) of loans		(110,076)	(36,113)
Lease (payments)		(2,471)	(2,116)
Interest (paid)		(6,349)	(2,135)
Subsidies received		1,457	127
Dividends (paid) to non-controlling shareholders		–	(12)
(Acquisition) of non-controlling interest		(2)	–
Net cash flows from financing activities		64,544	124,926
Net (decrease) increase in cash and cash equivalents		4,695	(1,673)
Foreign exchange difference		–	628
Cash and cash equivalents at the beginning of the year		20,810	18,007
Cash and cash equivalents at the end of the year		25,505	16,962
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		365	127
Property, plant and equipment acquisitions financed by finance lease		1 448	406
Payables outstanding for acquisition of subsidiaries		369	2,879

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

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

	As at 30 September 2022		As at 30 June 2022	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	68.52%	109,909,167	68.52%
Darius Zubas	17,049,995	10.63%	17,049,995	10.63%
UAB INVL Asset Management	8,706,803	5.43 %	9,065,182	5.65 %
Other shareholders (private and institutional investors)	24,728,433	15.42 %	24,370,054	15.20 %
Total	160,394,398	100.00%	160,394,398	100.00%

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

The Company holds 750,972 of its own shares, percentage 0.47%, as at 30 September 2022 (761,972 as at 30 June 2022). Subsidiaries and other related companies did not hold any shares of the Company as at 30 September 2022 and as at 30 June 2022.

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

As at 30 September 2022 the number of employees of the Group was 4,896 (5,031 as at 30 June 2022).

No changes in share capital occurred during the period ended 30 September 2022 (share capital was increased by EUR 421 thousand during the period ending 30 June 2022).

2. ACCOUNTING PRINCIPLES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 2021/2022 financial year.

In these financial statements the significant Group Management judgements regarding the application of the accounting policies and accounting estimates were the same as used preparing of 2021/2022 financial year financial statements.

Accounting estimates according to war in Ukraine

Group operations in Belarus and Russian markets

The Group has operations in the Belarussian and Russian markets (Wholesale of products for crop growing veterinary products, premixes and seeds for gardening). Consequently, the Company is exposed to the economic and financial markets of Russia and Belarus. In response to the Russian Federation's hostile actions towards Ukraine, which have been supported by Belarus, a number of countries, including the United States of America, the United Kingdom and the European Union have imposed and/or expanded economic sanctions against a number of Russian and Belarus individuals and legal entities. The sanctions include asset freezes, restrictions to payment systems, trade restrictions, and travel bans, among other things. Further legislation is planned. The expanded sanctions already had or are expected to have a further detrimental effect on economic uncertainty in Russia and Belarus, including more volatile equity markets, a depreciation of the Russian and Belarus rouble, a reduction in both local and foreign direct investment inflows, impact on trade flows and trade disruptions with the entities operating in the Russian Federation and Belarus, and a significant tightening in the availability of credit. As a result, some Russian and Belarus entities may experience difficulties accessing the international equity and debt markets and may become increasingly dependent on state support for their operations. The longer-term effects of the imposed and possible additional sanctions are difficult to determine.

Presented below is the Group's summarized exposure as at 30 September 2022:

Trade and other receivables from Russian entities	804
Trade and other liabilities to the Russian entities	4
Trade and other receivables from Belarus entities	125
Trade and other liabilities to the Belarus entities	2

Sales revenues to customers from Russia for the 3 months period ended 30 September 2022 were EUR 16,010 thousand, from which EUR 16,010 thousand are sales revenue of subsidiaries registered in Russia and Belarus.

Sales revenues to customers from Belarus for the 3 months period ended 30 September 2022 were EUR 5,052 thousand, from which EUR 5,052 thousand are sales revenue of subsidiaries registered in Russia and Belarus.

Group's in control and registered subsidiaries in Russia and Belarus

The Group had operations in Russian markets through subsidiaries OOO VitOMEK (entity code 1117746107291), OOO VitOMEK (entity code 1157746009398) until 25 August 2022 and Belarus markets through subsidiaries IOOO Belfidagro (feed additives trading) until 9 November 2022 and OOO KLM (feed materials and feed additives trading, supply of seeds, plant care products, fertilizers, provision of veterinary pharmaceutical services and trade in products). During the first quarter of 2022 Group's Management made a decision to dispose of these entities in 12 month period (At the date of the interim financial statements, three companies were sold (Notes 3 and 17). The agreements for the sale of the companies were signed on 25 August, 2022, and the Group lost ownership and control from 1 September 2022 - OOO "VitOMEK" (inc. no. 1117746107291) and from 27 September 2022 - OOO "VitOMEK" (inc. no. 1157746009398)). All assets and liabilities related with remaining IOOO Belfidagro and OOO KLM entities are reclassified as assets held for sale and liabilities, related with assets held for sale (Note 10).

Group's in control and registered subsidiaries in Ukraine and Group's operations in Ukrainian market

The Group conducts operations in the Ukrainian market through its subsidiary, TOV LINAS AGRO UKRAINA (representative office). Consequently, the Group is exposed to the economic and financial markets of Ukraine. In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. The current escalation of the military conflict is likely to have a detrimental impact on the political and business environment in Ukraine, including on the ability of many entities to continue business as usual. In view of the above, as at the date these consolidated financial statements were authorised for issue, the situation in Ukraine is extremely volatile and inherently uncertain. In the wake of the ongoing and dynamic nature of the military operations management concluded that a reliable estimate of the financial impact cannot be presently made.

As at 30 September 2022 Group's property, plant and equipment, machinery, inventory, trade and other receivables, other assets, trade and other liabilities, related to subsidiary operating in Ukraine were not significant. Revenue during 3 months period ended 30 September 2022 of Group's subsidiary, operating in Ukraine was not significant.

The Group's revenue to customers from Ukraine during 3 month period ended 30 September 2022 were EUR 2,179 thousand.

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

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

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

	Place of registration	Effective share stock held by the Group		Main activities
		30 September 2022	30 June 2022	
AB Linas Agro	Lithuania	96.92%	100%	Wholesale of grains, oilseeds, feed materials, and supply of products for crop growing
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management services
UAB Dotnuva Baltic	Lithuania	100%	100%	Trade in agricultural machinery, equipment for grain elevators and farms, certified seeds production
UAB Linas Agro Grūdų Centrai	Lithuania	98.16%	100%	Preparation and warehousing of grains
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	99.27%	100%	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	99.29%	100%	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	99.01%	100%	Rent and management of agricultural purposes land
UAB Noreikiškės	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu Fabrika Kekava	Latvia	97.19%	97.16%	Poultry farming, production of chicken and its products
SIA PFK Trader	Latvia	97.19%	97.16%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Poultry farming, production of chicken and its products, compound feed production
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Poultry farming and chicken sales
UAB Kekava Foods LT	Lithuania	100%	100%	Dormant company
SIA Linas Agro	Latvia	96.92%	100%	Wholesale of grains, oilseeds, and supply of products for crop growing
UAB Gerera	Lithuania	96.92%	100%	Dormant company
Linus Agro A/S (under liquidation)	Denmark	96.92%	100%	Dormant company
UAB Landvesta 3	Lithuania	97.35%	100%	
UAB Landvesta 4	Lithuania	97.73%	100%	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	97.40%	100%	
LLC LINAS AGRO UKRAINE	Ukraine	96.92%	100%	Representative office
Linus Agro OÜ	Estonia	96.92%	100%	Supply of products for crop growing
Biržai District Medeikių ŽŪB	Lithuania	98.39%	98.39%	Crop growing
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 DOTNUVA BALTIC	Latvia	100%	100%	Trade in agricultural machinery and equipment for grain elevators
AS Dotnuva Baltic	Estonia	100%	100%	Trade in agricultural machinery and equipment for grain elevators
UAB GeoFace	Lithuania	98.46%	100%	Software development
UAB Dotnuva Rent	Lithuania	100%	100%	Rent of agricultural machinery and equipment
SIA Linas Agro Graudu Centrs	Latvia	98.16%	100%	Preparation and warehousing of grains

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (cont'd)

	Place of registration	Effective share stock held by the Group		Main activities
		30 September 2022	30 June 2022	
Kėdainiai district ŽŪB Nemunas	Lithuania	67.44%	67.44%	Mixed agricultural activities
UAB Kormoprom Invest	Lithuania	100%	100%	Management services
UAB TABA Holding	Lithuania	100%	100%	Management services
AB Kauno Grūdai	Lithuania	89.09%	89.09%	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials; fumigation, disinsection, disinfection and deratization services
UAB KG Group LT	Lithuania	89.09%	89.09%	Dormant company
UAB Šlaituva	Lithuania	73.95%	73.95%	Production and wholesale of breadcrumbs and breeding mixes
UAB Baltic Fumigation Service	Lithuania	89.09%	89.09%	Fumigation services
UAB KG Mažmena	Lithuania	89.09%	89.09%	Retail trade
AB Zelvė	Lithuania	72.05%	72.05%	Broiler breeding
UAB Kauno Grūdai ir Partneriai	Lithuania	96.92%	89.09%	Rent of real estate
AB Vilniaus Paukštynas	Lithuania	84.37%	84.37%	Chicken raising for meat and eggs production, production of poultry and its products
UAB KG Distribution	Lithuania	84.37%	84.37%	Consultation and business management
UAB Lietbro	Lithuania	84.37%	84.37%	Broiler breeding
UAB Avocetė	Lithuania	84.37%	84.37%	Management services
UAB Gastroneta	Lithuania	84.37%	84.37%	Dormant company
UAB VKP Valdymas	Lithuania	84.48%	84.48%	Consultation and business management
Cooperative Baltoji Plunksnelė	Lithuania	82.88%	82.88%	Dormant company
AB Kaišiadorių paukštynas	Lithuania	84.60%	84.60%	Chicken raising for meat and eggs production, production of poultry and its products
UAB Domantonių Paukštynas	Lithuania	89.00%	89.00%	Broiler breeding
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	84.60%	84.60%	Dormant company
UAB Uogintai	Lithuania	84.60%	84.60%	Dormant company
UAB Kaišiadorių Skerdykla	Lithuania	84.60%	84.60%	Dormant company
UAB Alesninkų Paukštynas	Lithuania	84.60%	84.60%	Broiler breeding
UAB KG Logistika	Lithuania	84.48%	84.48%	Freight transport services
UAB VP Valda	Lithuania	84.37%	84.37%	Rent of real estate
UAB KP Valda	Lithuania	84.60%	84.60%	Rent of real estate
SIA KG Latvija	Latvia	89.09%	89.09%	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing
KG Eesti OU	Estonia	89.09%	89.09%	Dormant company
KG Polska Sp.zo.o.	Poland	89.09%	89.09%	Wholesale of feed materials
Nordic Agro Investment Limited	United Kingdom	89.09%	89.09%	Management services
I000 Belfidagro	Belarus	89.09%	89.09%	Production and wholesale of premixes
OOO KLM	Belarus	62.37%	62.37%	Wholesale of products for crop growing veterinary products, premixes and seeds for gardening
OOO VitOMEK (entity code 1117746107291) ¹⁾	Russia	–	97.27%	Production of premixes
OOO VitOMEK (entity code 1157746009398) ¹⁾	Russia	–	97.27%	Wholesale of premixes, compound feed and feed materials
UAB Agro Logistic Service	Lithuania	100%	100%	Wholesale of feedstuffs for fodder and premixes production

¹⁾ On 25 August 2022 OOO VitOMEK (entity code 1117746107291) and OOO VitOMEK (entity code 1157746009398) was sold. Ownership rights and control was transferred on 1 September 2022 and 27 September 2022.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 3 month period ended 30 September 2022

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

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

On 25 August 2022, Agreements on sale of share in OOO VitOMEK (Moscow, the Russian Federation) and OOO VitOMEK (Tver, the Russian Federation), and also IOOO Belfidagro were concluded. IOOO Belfidagro deal was subject to the approval of the Belarusian competition authority MART (Ministry of Antitrust Regulation and Trade), so the parties signed a preliminary share purchase agreement, which stipulates that the buyer must obtain clearance from the competition authority.

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

On 5 September 2022, authorized capital of UAB Linas Agro Grūdų Centrai was increased by EUR 3,867 thousand with a non-monetary contribution from AB Linas Agro.

Changes in the Group during the 12 month period ended 30 June 2022

On 9 July 2021 authorized capital of Linas Agro OU was increased by EUR 150 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 (including EUR 200 thousand paid for joint venture company KG Khumex B.V., the acquisition was finalized on 9 September 2021). The Company acquired controlling stakes in 34 companies operating in the fields of poultry business, grain, flour, instant products production, feed and premix production, and trade in veterinary products. The main reasons for the acquisition – synergies between AB Linas Agro Group entities and KG Group entities, more variety in food business, potential to offer clients full chain from the field to the table". The business combination is accounted with acquisition method. In the case of the acquisition of this business, the minority share is valued at a proportional share of the identified net assets of the acquired entity. The acquisition costs incurred were written off by including them in the Groups' administrative expenses. The acquisition costs were capitalized in the Company's long-term financial assets. The companies are registered and operate in Lithuania, Latvia, Estonia, Poland, Belarus, Russia, and the Netherlands. The financial statements at the provisional fair value are presented below:

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

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

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

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

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

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

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

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

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

On 23 November 2021 authorized capital of TOV Linas Agro Ukraina was increased by EUR 84 thousand.

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

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

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

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

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

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

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

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

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

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

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

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

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

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

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

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

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

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

4. SEGMENTS INFORMATION

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

- the grain, oilseed and feed includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beet pulp, soymeal, vegetable oil, rapeseed 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 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 business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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

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

3 months period ended 30 September 2022

Group	Grain, oilseed and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue from contracts with customers								
Third parties	343,517	127,771	10,290	105,394	3,091	–	–	590,063
Intersegment	22,407	5,999	5,218	471	2,268	–	(36,363) ¹⁾	–
Total revenue from contracts with customers	365,924	133,770	15,508	105,865	5,359	–	(36,363)¹⁾	590,063
Results								
Operating expenses	(7,359)	(5,769)	(937)	(6,714)	(1,102)	(477)	–	(22,358)
Segment operating profit (loss)	24,956	10,171	1,806	3,396	(323)	(1,803)	–	38,176

3 months period ended 30 September 2021

Group	Grain, oilseed and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue from contracts with customers								
Third parties	258,056	89,467	5,794	78,638	8,006	–	–	439,961
Intersegment	14,596	2,678	5,473	400	1,104	–	(24,251) ¹⁾	–
Total revenue from contracts with customers	272,652	92,145	11,267	79,038	9,110	–	(24,251)¹⁾	439,961
Results								
Operating expenses	(8,669)	(6,420)	(722)	(5,940)	(435)	(1,562)	–	(23,748)
Segment operating profit (loss)	3,105	7,837	(468)	3,220	2,393	(1,510)	–	14,577

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENTS INFORMATION (CONT'D)

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

	3 month period ended	
Revenue from external customers	30 September 2022	30 September 2021
Lithuania	182,027	141,607
Europe (except for Scandinavian countries, CIS and Lithuania)	188,668	167,550
Scandinavian countries	49,183	25,044
Asia	70,833	13,012
Africa	52,491	42,503
CIS	46,636	50,245
Other	225	–
	590,063	439,961

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

Non-current assets	30 September 2022	30 September 2021
Lithuania	132,984	133,531
Latvia	60,614	62,751
Estonia	1,691	1,519
Russia	–	2,458
Belarus	–	39
Ukraine	6	13
	195,295	200,311

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

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2021	1,580	680	1,974	4,234
Additions	157	319	–	476
Acquisition of subsidiaries (Note 3)	703	216	–	919
Write-offs	–	(2)	–	(2)
Reclassification	(29)	29	–	–
Reclassification to non-current assets held for sale	(1)	(2)	–	(3)
Balance as at 30 June 2022	2,410	1,240	1,974	5,624
Additions	3	41	–	44
Balance as at 30 September 2022	2,413	1,281	1,974	5,668
Accumulated amortization:				
Balance as at 30 June 2021	805	138	–	943
Charge for the year	575	243	–	818
Reclassification to non-current assets held for sale	(16)	(1)	–	(17)
Balance as at 30 June 2022	1,364	380	–	1,744
Charge for the year	125	33	–	158
Balance as at 30 September 2022	1,489	413	–	1,902
Impairment losses:				
Balance as at 30 June 2021	–	–	1,121	1,121
Balance as at 30 June 2022	–	–	1,121	1,121
Balance as at 30 September 2022	–	–	1,121	1,121
Net book value as at 30 June 2021	775	542	853	2,170
Net book value as at 30 June 2022	1,046	860	853	2,759
Net book value as at 30 September 2022	924	868	853	2,645

6. PROPERTY, PLANT AND EQUIPMENT

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and pre-payments	Total
Cost:							
Balance as at 30 June 2021	19,170	114,139	65,000	6,421	6,488	2,212	213,430
Additions	2,038	847	7,472	1,797	927	9,061	22,142
Acquisition of subsidiaries (Note 3)	7,928	19,339	17,024	1,847	1,310	1,621	49,069
Disposals and write-offs	(3,845)	(102)	(6,115)	(840)	(162)	(62)	(11,126)
Reclassifications	52	3,961	1,335	75	147	(5,570)	-
Transfer from investment property	12	-	-	-	-	-	12
Reclassification to non-current assets held for sale	(435)	(595)	(395)	(387)	(111)	(6)	(1,929)
Transfer from inventories	-	-	1,100	-	-	-	1,100
Balance as at 30 June 2022	24,920	137,589	85,421	8,913	8,599	7,256	272,698
Additions	337	260	1,287	813	232	4,069	6,998
Disposals and write-offs	-	(291)	(204)	(280)	(91)	-	(865)
Reclassifications	-	90	995	7	36	(1,128)	-
Transfer from investment property	-	56	-	-	-	-	56
Transfer from inventories	-	-	429	-	-	-	429
Balance as at 30 September 2022	25,257	137,704	87,928	9,453	8,777	10,197	279,316
Accumulated depreciation:							
Balance as at 30 June 2021	150	47,310	30,102	2,883	3,829	-	84,274
Charge for the year	35	8,743	12,260	1,336	1,337	-	23,711
Disposals and write-offs	-	(102)	(1,128)	(361)	(145)	-	(1,736)
Reclassification to non-current assets held for sale	-	(171)	(132)	(107)	(15)	-	(425)
Balance as at 30 June 2022	185	55,780	41,102	3,751	5,006	-	105,824
Charge for the year	9	2,116	2,805	331	313	-	5,574
Disposals and write-offs	-	(79)	(170)	(112)	(12)	-	(373)
Balance as at 30 September 2022	194	57,817	43,737	3,970	5,307	-	111,025
Impairment losses:							
Balance as at 30 June 2021	-	629	-	-	30	-	659
Balance as at 30 June 2022	-	629	-	-	30	-	659
Balance as at 30 September 2022	-	629	-	-	30	-	659
Net book value as at 30 June 2021	19,020	66,200	34,898	3,538	2,629	2,212	128,497
Net book value as at 30 June 2022	24,735	81,180	44,319	5,162	3,563	7,256	166,215
Net book value as at 30 September 2022	25,063	79,258	44,191	5,483	3,440	10,197	167,632

7. RIGHT-OF-USE ASSETS

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
Cost:					
Balance as at 30 June 2021	21,211	2,597	2,185	3,349	29,342
Additions	6,769	273	840	750	8,632
Acquisition of subsidiaries (Note 3)	972	893	262	984	3,111
Disposals and write-offs	(5,106)	(667)	(391)	(10)	(6,174)
Reclassification to non-current assets held for sale	–	(285)	–	(76)	(361)
Balance as at 30 June 2022	23,846	2,811	2,896	4,997	34,550
Additions	849	547	20	495	1,911
Disposals and write-offs	(724)	(53)	(143)	(230)	(1,150)
Balance as at 30 September 2022	23,971	3,305	2,773	5,262	35,311
Accumulated depreciation:					
Balance as at 30 June 2021	3,271	786	1,204	1,528	6,789
Charge for the year	2,198	801	761	1,324	5,084
Disposals and write-offs	(1,374)	(90)	(352)	(131)	(1,947)
Reclassification to non-current assets held for sale	–	(76)	–	(20)	(96)
Balance as at 30 June 2022	4,095	1,421	1,613	2,701	9,830
Charge for the year	591	146	219	340	1,296
Disposals and write-offs	(137)	(14)	(143)	(84)	(378)
Balance as at 30 September 2022	4,549	1,553	1,689	2,957	10,748
Net book value as at 30 June 2021	17,940	1,811	981	1,821	22,553
Net book value as at 30 June 2022	19,751	1,390	1,283	2,296	24,720
Net book value as at 30 September 2022	19,422	1,752	1,084	2,305	24,563

8. INVESTMENT PROPERTY

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

Group	Land	Buildings	Total
Cost:			
Balance as at 30 June 2021	622	54	676
Additions	-	3	3
Acquisition of subsidiaries	-	215	215
Disposals and write-offs	(210)	(13)	(223)
Reclassification to tangible assets	(12)	-	(12)
Balance as at 30 June 2022	400	259	659
Disposals and write-offs	-	(52)	(52)
Reclassification to tangible assets	-	(56)	(56)
Balance as at 30 September 2022	400	151	551
Accumulated depreciation:			
Balance as at 30 June 2021	1	2	3
Charge for the year	-	40	40
Balance as at 30 June 2022	1	42	43
Charge for the year	-	13	13
Disposals and write-offs	-	(14)	(14)
Balance as at 30 September 2022	1	41	42
Impairment losses:			
Balance as at 30 June 2021	51	3	54
Balance as at 30 June 2022	51	3	54
Balance as at 30 September 2022	51	3	54
Net book value as at 30 June 2021	570	49	619
Net book value as at 30 June 2022	348	214	562
Net book value as at 30 September 2022	348	107	455

9. INVENTORIES

	30 September 2022	30 June 2022
RMI inventories	193,006	26,798
Other inventories	268,847	218,516
Net realisable value decrease	(1,723)	(1,438)
Net book value	460,130	243,876

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

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

10. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale comprised as follows:

	30 September 2022	30 June 2022
Non-current assets, held for sale	10,086	22,958
	10,086	22,958

Movements of non-current assets held for sale during 2022 – 2023 financial year 3 months were:

Net book value as at 1 July 2021	–
Reclassified from:	
Intangible assets	7
Property, plant and equipment	1,506
Right of Use Assets	369
Financial assets	204
Deferred tax assets	751
Current assets	22,921
Impairment loss of non-current assets held for sale	(2,800)
Net book value as at 30 June 2022	22,958
Disposals and write-offs	(18,894)
Reclassified from current assets	7,948
Impairment loss of non-current assets held for sale	(1,926)
Net book value as at 30 September 2022	10,086

Liabilities related to non-current assets held for sale comprised as follows:

	30 September 2022	30 June 2022
Liabilities related to non-current assets held for sale	10,004	16,283
	10,004	16,283

10. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

Movements of liabilities related to non-current assets held for sale during 3 months of financial year 2022 – 2023 were:

Net book value as at 1 July 2021	–
Reclassified from:	
Non-current liabilities	1,722
Contract liabilities	749
Current liabilities	6,889
Lease liabilities	706
Trade accounts payable	4,749
Current income tax payable	80
Other current liabilities	1,388
Net book value as at 30 June 2022	16,283
Disposals and write-offs	(9,760)
Other current liabilities	3,481
Net book value as at 30 September 2022	10,004

As at 30 September 2022 within the line item of the disposal group the Group recognised assets of subsidiaries 1000 Belfidagro and 000 KLM, EUR 10,086 thousand (As at 30 June 2022 within the line item of the disposal group the Group recognised assets of subsidiaries 1000 Belfidagro, 000 KLM, 000 VitOMEK (entity code 111774610729) and 000 „VitOMEK“ (entity code 1157746009398) – EUR 22,958 thousand), which intended to be disposed by the Group. Liabilities of EUR 10,004 thousand (30 June 2022 – EUR 16,283 thousand) being disposed along with these assets were reported under the line item 'Liabilities related to non-current assets held for sale'. Foreign currency translation reserve EUR 3 032 thousand (As at 30 June 2022 – EUR 3,592 thousand), related to these non-current assets held for sale, accounted in 'Amounts recognized directly in equity relating to non-current assets held for sale'.

1000 Belfidagro, 000 KLM entities' assets reclassified to non-current assets held for sale, because all criteria under IFRS5 related to reclassification to non-current assets held for sale were met as at 30 September 2022. At the issue date of these interim financial statements three of the entities were sold, refer to Notes 3 and 17.

11. BORROWINGS

	As at 30 September 2022	As at 30 June 2022
Non-current borrowings		
Bank borrowings secured by the Group assets	19,010	22,305
	19,010	22,305
Current borrowings		
Current portion of non-current bank borrowings	18,508	20,641
Current bank borrowings secured by the Group assets	294,905	207,014
Current borrowings from the parent (Note 16)	6,613	6,536
Other current borrowings	13	–
	320,039	234,191
	339,049	256,496

Interest payable is normally settled monthly throughout the financial year.

As of 30 September 2022 AS Putnu Fabrika Kekava, SIA Lielzeltini and UAB Kaišiadorių paukštynas have not fulfilled part of covenants under credit agreements with Swedbank AS and OP Corporate bank plc. Borrowings amount of EUR 7,955 thousand is accounted as short-term financial liabilities as at 30 September 2022 (as at 30 June 2022 AB Kaišiadorių paukštynas amount accounted as short-term financial liabilities – EUR 2,181 thousand).

12. LEASE LIABILITIES

	As at 30 September 2022	As at 30 June 2022
Non-current		
Lease liabilities related to right-of-use assets	25,099	25,134
Lease liabilities related to other assets	6,505	6,733
	31,604	31,867
Current		
Lease liabilities related to right-of-use assets	4,640	4,748
Lease liabilities related to other assets	3,455	2,911
	8,095	7,659
	39,699	39,526

13. OPERATING (EXPENSES)

	2022/2023 3 months	2021/2022 3 months
Wages and salaries and social security	(12,206)	(11,092)
Advertisement, marketing, representation	(1,677)	(1,469)
Depreciation and amortization	(910)	(1,136)
Consulting expenses	(430)	(1,710)
Vehicle lease and maintenance	(1,227)	(606)
Taxes	(525)	(512)
Premises lease and maintenance	(432)	(258)
Bank fees	(598)	(604)
Office supplies and services	(464)	(356)
Inventories and trade receivables insurance	(272)	(88)
Support	(103)	(35)
Currency exchange profit	(53)	(16)
Other	(3,461)	(5,866)
	(23,358)	(23,748)

14. OTHER INCOME (EXPENSES)

	2022/ 2023 3 months	2021/ 2022 3 months
Other income		
Grants received for agriculture activity	365	282
Grants for poultry activity	1,457	–
Rental income from investment property and property, plant and equipment	92	43
Gain from disposal of investment property and property, plant and equipment	204	136
Dividend income	6	–
Change in fair value of financial instruments	1,889	63
Other income	2,257	1,804
	6,270	2,328
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(121)	(110)
Loss from disposal of investment property and property, plant and equipment	(21)	(30)
Change in fair value of financial instruments	(494)	(12)
Other expenses	(936)	(1,210)
	(1,572)	(1,326)

15. COMMITMENTS AND CONTINGENCIES

As at 30 September 2022 the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,928 thousand (EUR 1,309 thousand as at 30 June 2022).

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

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

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

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 1,691 thousand as at 30 September 2022 (EUR 2,234 thousand as at 30 June 2022). Group has no plans to discontinue above mentioned operations.

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 September 2022 and as at 30 June 2022 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.

16. 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 period ended 30 September 2022 and 30 June 2022 were as follows:

Members of the board of the Company:

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

After the date of interim financial statements new board member of the Company were elected (Note 17).

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.
UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).
Kredito unija Saulėgraža from March 2020 (Tomas Tumėnas is the Member of Supervisory Board).
Jonas Bakšys from June 2017 till present is the Member of Board at Lobiu Sala AS (Sweden).
Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).
UAB Dvi T – 100% of shares are owned by Jonas Bakšys.

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

KG Khumex B.V. (The Netherlands) – 50.00%;
KG Khumex Coldstore B.V. (The Netherlands) – 41.34%;

16. RELATED PARTIES TRANSACTIONS (CONT'D)

The Group's transactions with related parties in 3-month period ended 30 September 2022 were as follows:

2022/2023 3 months	2022/2023 3 months			30 September 2022		
	Purchases	Sales	Expenses from financial activities	Trade receivables	Non-current loans receivable	Current payable loans
Akola ApS group companies	405	8,178	77	961	–	6,613
KG Khumex B.V.	20	11,359	–	5,637	–	–
KG Khumex Coldstore B.V.	–	–	–	–	750	–
Total	425	19,537	77	6,598	750	6,613

2021/2022 3 months	2021/2022 3 months		30 June 2022		
	Purchases	Sales	Trade receivables	Non-current loans receivable	Current payable loans
Akola ApS grupės įmonės	77	9,339	170	–	6,536
KG Khumex B.V.	9	8,348	5,647	–	–
KG Khumex Coldstore B.V.	–	–	–	750	–
SIA „NOVOBALTIC“	18	2,862	–	–	–
Total	104	20,549	5,817	750	6,536

During financial years 2021/2022 and 2022/2023 there were no transactions between Group and Members of management board.

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

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

Terms and conditions of the financial assets and liabilities:

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

The Group's receivables from related parties were nor due neither impaired as at 30 September 2022 and 30 June 2022.

17. SUBSEQUENT EVENTS

28 October 2022 New board of the Company was elected:

Darius Zubas (ultimate controlling shareholder);

Dainius Pilkauskas;

Arūnas Zubas;

Andrius Pranckevičius;

Mažvydas Šileika;

Jonas Bakšys.

9 November 2022 approval of the Belarusian competition authority MART (Ministry of Antitrust Regulation and Trade) was received and Belarusian registered company IOOO Belfidagro was sold and Group has lost ownership rights and control.