

Overview of the results

2024 was a challenging year for the Company and the Group – on 4 December 2024, the Company's shareholders decided to restructure the Company and on January 20, 2025, the Vilnius Regional Court's ruling on initiating restructuring entered into force, with 18 Group companies participating in the process (more detailed information is provided in the Company's announcement of May 29, 2025: <https://view.news.eu.nasdaq.com/view?id=b1b82cc31de1d0ce8c86bfea6315517b4&lang=lt&src=listed>). On 20 June 2025, the Company announced a restructuring plan (<https://view.news.eu.nasdaq.com/view?id=b77be1298620d35345195821bb3fca88a&lang=lt&src=listed>).

Restructuring processes resulted in the Company's and the Group's balance sheet presentation and the Company's results being affected by the restructuring processes:

- Since it is expected that settlements with Group companies will be made after settlements with external creditors, all mutual transactions are shown as long-term in the Company's separate statements, discounted to their present value;
- Considering that the restructuring is ongoing and agreements have not yet been reached at the reporting date, all financial debts of the companies being restructured are classified as short-term in both the Company's and the Group's financial statements;
- Considering that the Company and 18 of its Group companies are undergoing restructuring process, the Company reviewed the recoverable amount of investments in subsidiaries and recorded an impairment of EUR 18.7 million. The largest impact was from the impairment of the investment in Baltic Champs, UAB, which amounted to EUR 12.4 million, and in AUGA Raseiniai, which amounted to EUR 4 million. More detailed valuation assumptions, as required by IFRS, will be disclosed in the company's annual reports.
- Summarizing the results, the Group's income from continuing operations amounted to EUR 85.6 million, compared to EUR 77.4 million in income from continuing operations, while the loss from continuing operations in 2024 was similar to 2023 (EUR 26.9 million in 2024 compared to EUR 26.3 million in 2023).

The following provides an overview of the performance of the Group's business segments, as well as balance sheets, income statements, cost of sales and cost of sales, and breakdowns of operating expenses.

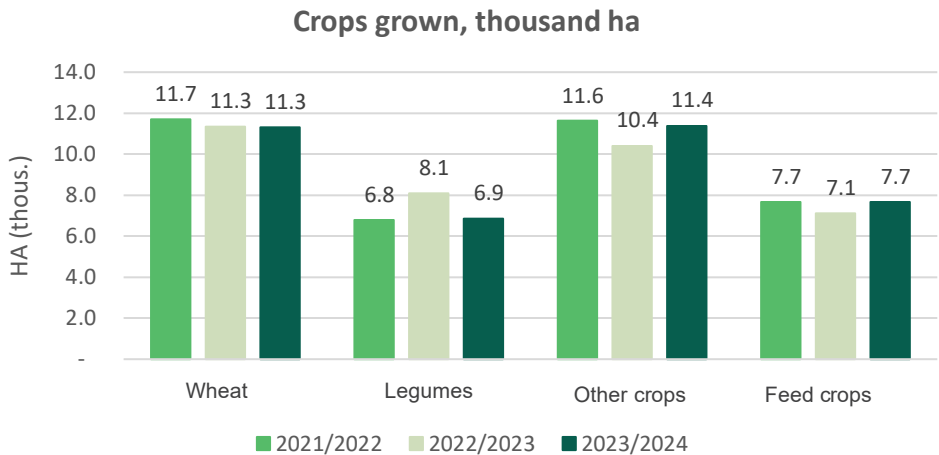
Business segments

Crop segment overview

The gross profit of the crop segment consists of the fair value of the harvest, the result of sales of the previous season's harvest and crop subsidies.

2023/2024 harvest

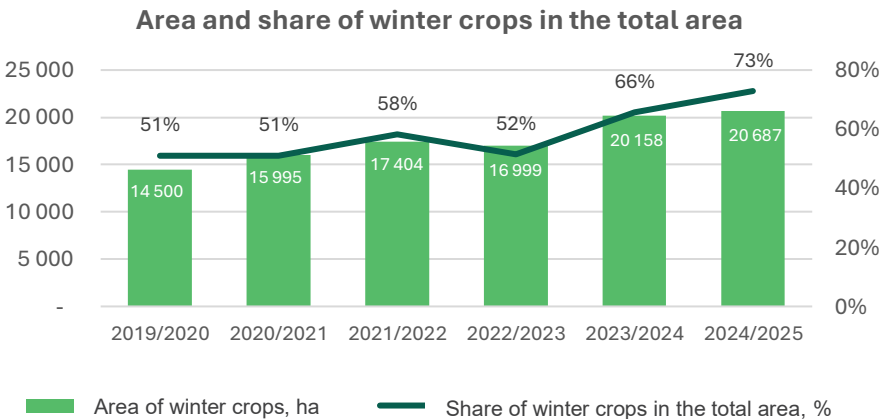
In the 2023/2024 season, the total area of the Group's cultivated land amounted to 37.8 thousand ha and was smaller than in the 2022/2023 season. In the 2023/2024 season, 29.6 thousand ha were sown (29.8 thousand ha were sown in the 2022/2023 season), of which 11.3 thousand ha were wheat, 6.9 thousand ha were legumes and 11.4 thousand ha were other crops. The majority – 10.8 thousand ha out of 11.3 thousand ha – of wheat was winter wheat, as winter crops have a higher yield potential compared to summer alternatives. Forage crops amounted to 7.7 thousand ha in the 2023/2024 season, compared to 7.1 thousand ha in the 2022/2023 season.



At the end of the reporting period, i.e. 2024. December 31, the entire harvest of the 2023/2024 season was harvested. For wheat, legumes and other crops, the harvest of which was harvested before the end of the reporting period, a gain (loss) from the change in the fair value of agricultural products on initial recognition was recorded. The harvest of fodder crops was valued at cost.

2024/2025 harvest

At the end of each quarter of the current year, the Group measures the fair value of crops for crops that have not yet been harvested. As the weather conditions in the autumn of 2024 were favorable for autumn land preparation works for the 2024/2025 season, the sowing of winter crops and land preparation works were completed on time. In 2024, the Group sowed approximately 21 thousand ha of winter crops – wheat, triticale, rapeseed, seed clover, barley and vetch – which will be harvested in 2025. This accounts for 73% of the total area planned for sowing wheat, legumes and other crops in the 2024/2025 season. For comparison, 20 thousand ha of winter crops were sown in the 2023/2024 season. The condition of winter crops at the time of publication of the financial statements is good. The Group believes that the mild winter should not have had a negative impact on the harvest. Favorable conditions in the autumn also allowed for the necessary land work to be carried out and the land to be properly prepared for the 2025 spring sowing. The Group is well prepared for the 2024/2025 season and is optimistic about the year's harvest potential.



As of 31 December 2024, the Group has estimated the fair value of the crops to be harvested in 2025.

When valuing the yield of forage crops, it is important to note that the fair value of forage crops at the time of harvest is determined based on the gross cost of harvesting the forage crops. In other words, the gross cost of harvesting the forage crops is used as a measure of the fair value of the forage crops, as there is no active trading market for these crops and there is no possibility to reliably determine the fair market price of the forage crops. Due to this valuation method, the result of the change in the fair value of the forage crops is zero.

The table below shows the cultivated land area by crop group in the 2023/2024, 2022/2023 and 2021/2022 seasons. The area of wheat and legumes decreased in the 2023/2024 season and accounted for 61% of the total area of crops intended for sale, compared to 65% in the previous season.

Area of cultivated land by crop group, ha	2024 12 months	2023 12 months	2022 12 months	Difference 2024/23	Difference 2023/22
Eco. wheat	4 101	11 345	11 693	-64%	-3%
Conv. wheat	7 204	-	-	+100%	-
Eco. legumes	3 497	8 077	6 785	-57%	+19%
Conv. legumes	3 373	-	-	+100%	-
Other crops	11 384	10 411	11 628	+9%	-10%

The cost per hectare of wheat, legumes and other crops is presented in the table below.

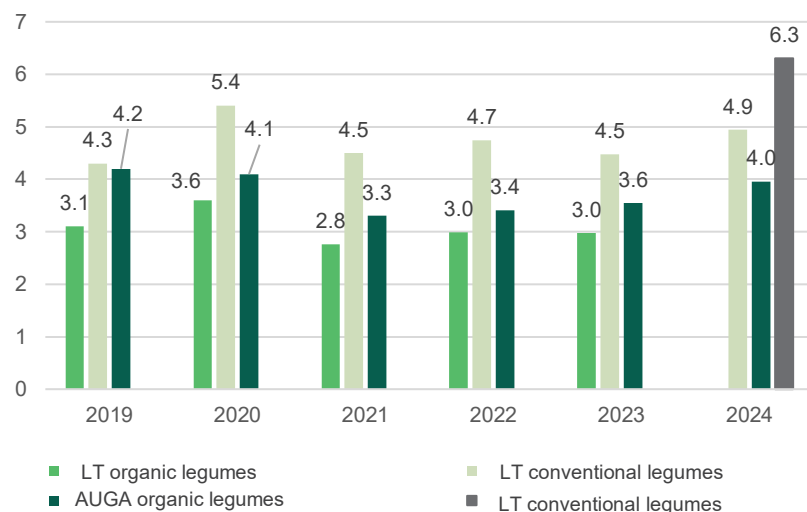
Costs per 1 ha of cultivated land, Eur/ha	2024 12 month	2023 12 month	2022 12 month	Difference 2024/23	Difference 2023/22
Eco. wheat	1 202	1 103	1 033	+9%	+7%
Conv. wheat	1 493	-	-	-	-
Eco. legumes	1 055	935	926	+13%	+1%
Conv. legumes	1 187	-	-	-	-
Other crops	1 444	1 266	1 237	+14%	+2%

As can be seen from the data provided, the cost of organic wheat per 1 hectare in the 2023/2024 season increased by 9%, while the cost of organic leguminous crops increased by 13% compared to the previous year. The increase in cost was due to the increase in fertilizer and seed prices, which reached highs in the current season. The increase in costs was due to increased average wages and costs of the transition season. In the 2023-2024 season, there was a transition from organic production to conventional production, where fields were fertilized with organic and chemical fertilizers, increasing fertilization costs. More investments were also made in weed control using more expensive control measures, which increased the costs of materials and labor in conventional farms. The increase in costs was also contributed to by the increase in average wages, which increased labor costs. The 2023-2024 season was a transition season from organic production to conventional, when conventional fields were fertilized with both organic and chemical fertilizers, which increased fertilization costs. Significantly more than in subsequent years, it was necessary to invest in weed control, both by mechanical means, and to use a larger amount and more expensive weed control measures in conventional crops, which increased the costs of materials and work, especially in conventional farms.

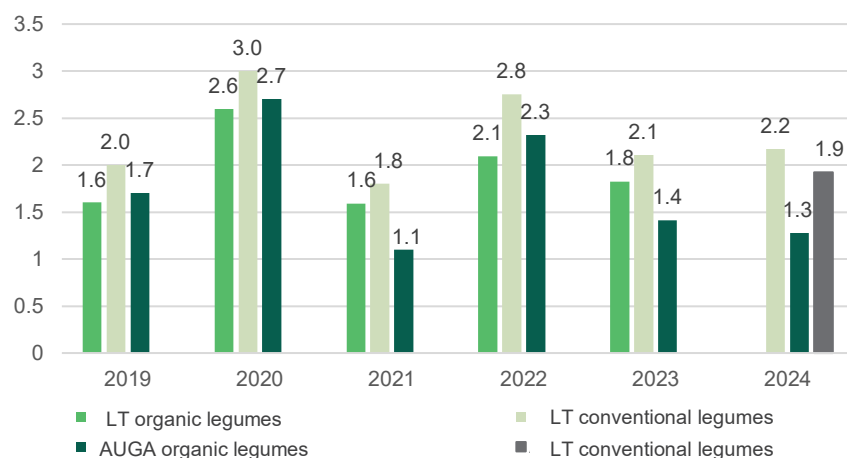
The table below provides a comparison of the yields of wheat, legumes and other crops in 2023/2024 and in the previous two seasons. The actual yield of organic wheat in 2023/2024 In the 2023 season, the yield of organic legumes was 3.98 t/ha and was 12% higher than in the previous year. In the reporting season, the yield of organic legumes decreased by 9% compared to the previous season - from 1.41 t/ha to 1.28 t/ha. Legumes were mainly affected by the yield of beans, which is significantly different from last year due to the drought at the beginning of the 2023 season, which had a significant negative impact on the yield of the 2022/2023 season.

Average yield, t/ha	2024 m. 12 mėn.	2023 m. 12 mėn.	2022 m. 12 mėn.	Pokytis 2024/23	Pokytis 2023/22
Eco. wheat	3,98	3,55	3,41	+12%	+4%
Conv. wheat	6,31	-	-	-	-
Eco. legumes	1,28	1,41	2,32	-9%	-39%
Conv. legumes	1,93	-	-	-	-
Other crops	6,01	5,93	4,47	+1%	+33%

Wheat yield in Lithuania, t/ha



Yield of leguminous crops in Lithuania, t/ha



NOTE: 2024 LT organic farmers data has not yet been published, LT conventional farmers data is preliminary.

Source: LSMC Institute of Economics and Rural Development, Agricultural Crop Area, Yield and Harvest Forecasts for 2024, Group Data.

The table below presents a comparison of the prices of wheat, legumes and other crops, at which the harvested crop (real crop value) was estimated, for the 2023/2024,

2022/2023 and 2021/2022 seasons. It is important to note that at the time of publication of the financial statements for the four quarters of 2024, a significant part of the 2023/2024 season crop has already been sold or contracts have been concluded at fixed prices for the sale of the crop, therefore the crop value at the end of the reporting period is largely determined based on the prices of actually held contracts.

Average price of 1 ton of grain, after eliminating sales costs, EUR	2024 12 month	2023 12 month	2022 12 month	Difference 2023/22	Difference 2023/22
Eco. wheat	236	260	403	-9%	-35%
Conv. wheat	217	-	-		-
Eco. legumes	442	467	576	-5%	-19%
Conv. legumes	239	-	-		-
Other crops	204	204	246	0%	-17%

As can be seen from the data above, the price of 1 ton of organic wheat in the 2023/2024 season decreased by 9%, while organic leguminous crops fell by 5% compared to the previous season. Due to the lack of regional funds, the Group sold a large part of the organic production immediately after the harvest, when prices were lowest and the market was still under pressure from previous periods of low prices. Meanwhile, towards the end of the year, prices of all major crops increased significantly - after several years of stagnation and reduced supply, as consumption in Europe recovers, the price curve is trending upwards. The table below provides a comparison of the profit (loss) per 1 ha of cultivated land for wheat, legumes and other crops.

Profit (loss) at harvest, Eur/ha	2024 12 month	2023 12 month	2022 12 month	Difference 2024/23	Difference 2023/22
Eco. wheat	(243)	(178)	341	+36%	n/a
Conv. wheat	(11)	-	-		
Eco. legumes	(456)	(273)	458	+67%	n/a
Conv. legumes	(674)	-	-		
Other crops	(133)	(55)	(137)	+141%	-60%

In the 2023/2024 season, the loss per hectare for organic wheat amounted to EUR 243, and for organic legumes - EUR 456. These losses were mainly due to increased production costs, lower prices than in previous periods and unfavorable weather conditions for the cultivation of legumes this season. When evaluating the final result and the aforementioned losses, it is important to mention that payments, which in organic farming additionally amount to about EUR 250/ha, compared to conventional farming, were not assessed.

Forage crop results	2024 12 month	2023 12 month	2022 12 month	Differen ce 2024/23	Difference 2023/22
Inputs per 1 ha of cultivated land, EUR	956	955	767	0%	+25%
Average yield, t/ha	6,90	7,69	6,83	-10%	+13%

In total, as of 31 December 2024, the Group recorded a loss of EUR 9.98 million on the fair value recognition of biological assets. It is important to note that as of 31 December 2023, the Group had already recognized a gain of EUR 1.29 million on the fair value recognition of biological assets. At the end of the reporting period, the Group also calculated a gain of EUR 0.37 million on the fair value change of the 2024/2025 season crops upon initial recognition. Thus, the Group included a loss of EUR 10.90 million on the fair value recognition of biological assets in the 2024 result.

Harvest results, million Eur	2024 12 month	2023 12 month	2022 12 month	Difference 2024/23	Difference 2023/22
Profit (loss) on the recognition of biological assets at the true value at the reporting period	(11,27)	(7,24)	2,83	+56%	n/a
Profit (loss) on the recognition of biological assets at the true value (yield of next year's season)	0,37	1,29	1,97	-72%	-35%
Common profit (loss) for recognition of biological assets at true value	(10,90)	(5,95)	4,80	+83%	n/a

Crop segment sales results

Total sales revenue generated from the crop segment in 2024 amounted to EUR 35.68 million. This is EUR 5.60 million more compared to 2023. Sales revenue grew due to the higher harvest volume this year. Conventional crops grown for the first time were sold in 2024, while sales of organic grains are being postponed to the next year due to the specifics of buyers.

Results of crop segment, million Eur	2024 12 month	2023 12 month	2022 12 month	Difference 2024/23	Difference 2023/22
Sales revenue	35,68	30,08	27,58	+19%	+9%
Sales costs	(41,06)	(33,60)	(27,71)	-22%	-21%
Unusual income (stock writers)	(2,28)	(0,41)	(1,26)	-457%	+67%
The result of internal transactions	(0,63)	(2,70)	(0,68)	+77%	-297%
The result of the sale of agricultural production	(8,30)	(6,63)	(2,07)	-25%	-220%

Total cost of agricultural products sold in 2024 was 41.06 million. EUR, 22% higher than in the same period last year. Revenue from sales is lower than costs due to the harvest sold at prices lower than the post-harvest harvest prices. Internal transactions between segments are carried out at fixed pricing, and their impact in 2024 amounted to EUR 0.63 million loss.

Agricultural subsidies and gross profit in the crop segment

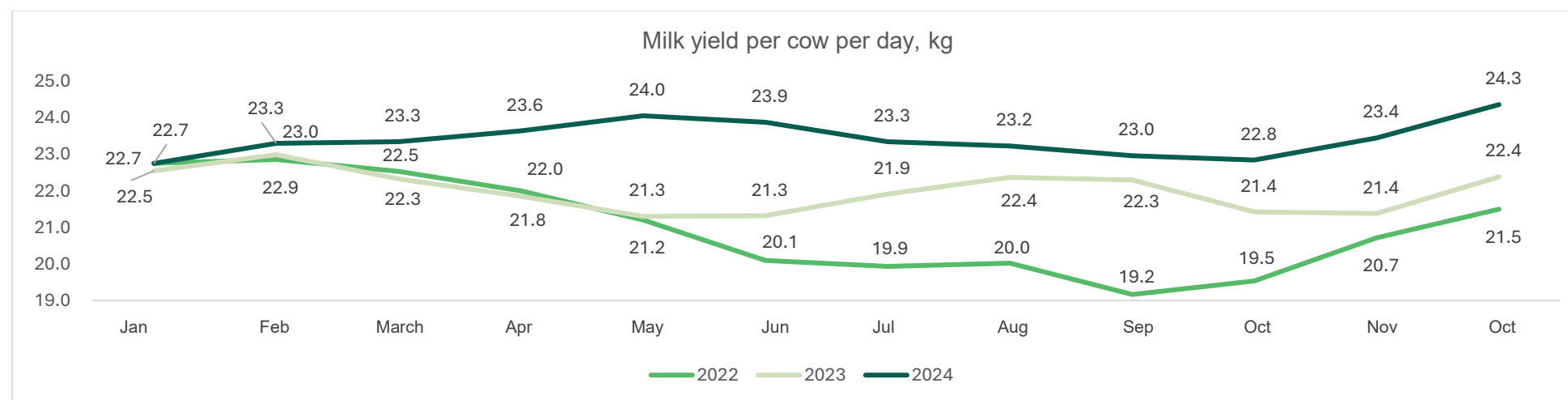
The total amount of subsidies to agriculture attributable to the crop segment, accumulated over the twelve months of 2024, amounts to EUR 8.71 million and is slightly lower compared to the corresponding period in 2023, mainly due to the decrease in the area of agricultural land cultivated in organic ways.

The total result of the crop segment, which includes the result of the sale of agricultural production, changes in the fair value of biological assets and agricultural subsidies, decreased in 2024 compared to the total profit in the previous year. The total loss of the segment at the end of 2024 amounted to EUR 10.48 million. In the same period in 2023, the total loss was EUR 3.54 million.

Gross profit of the crop segment, EUR million	2024 12 month	2023 12 month	2022 12 month	Difference 2024/23	Difference 2023/22
Profit (loss) from recognition of biological assets at fair value recognized in the reporting period	(10,90)	(5,95)	4,80	+83%	n/a
Result from sales of agricultural products	(8,30)	(6,63)	(2,07)	-25%	-220%
Subsidies	8,71	9,04	9,70	-4%	-7%
Gross profit	(10,48)	(3,54)	12,43	+196%	n/a

Dairy segment overview

The total amount of milk produced in 2024 increased by 5 percent compared to the previous year, although the size of the dairy herd remained similar - 3,384 (Q1-Q4 2024), while in Q1-Q4 2023 - 3,456. The average milk yield in the twelve months of 2024 increased by 6 percent compared to the same period last year.



In 2024, milk purchase prices increased by 6 percent compared to 2023. Dairy sales revenue increased and amounted to 16.06 million euros in the reporting period, compared to EUR 14.74 million last year.

The segment's expenses in 2024 amounted to 13.37 million euros, i.e. 1.6 million euros less than last year. Costs have decreased due to the transition of some dairy farms from organic to conventional farming, where feed and labor costs are lower. Also, due to increasing milk yields per cow, the cost of one ton of milk is decreasing.

The gain from the change in the fair value of biological assets (cattle herd) in 2024 amounted to 0.14 million euros. For comparison, the loss incurred in the corresponding period in 2023 amounted to 3 million euros.

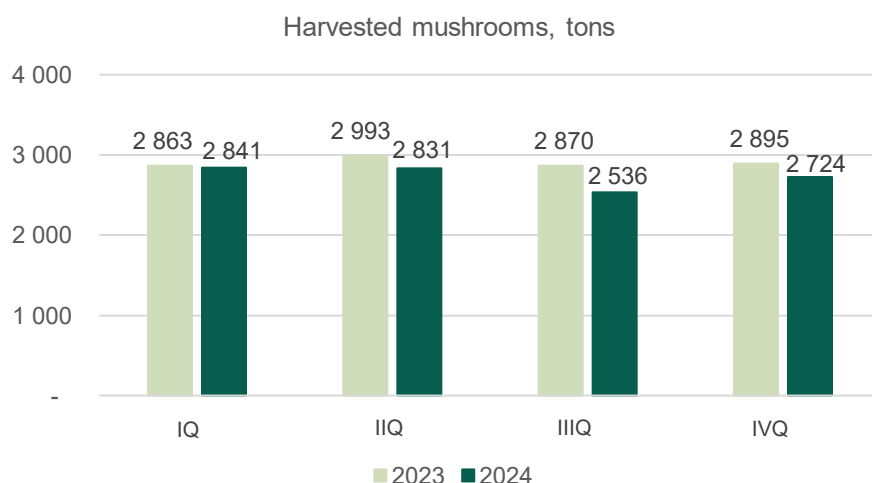
In 2024, The group's gross profit amounted to EUR 5.12 million, while in 2023 there was a loss of EUR 0.43 million.

	2024 12 months	2023 12 months	2022 12 months	Difference 2024/23	Difference 2023/22
Sales volume, tons	28 961	25 720	26 594	+13%	-3%
Milk sales, tons	27 507	23 766	25 334	+16%	-6%
Milk products, tons	497	1 077	457	-54%	+136%
Cattle sales, tons	957	877	803	+9%	+9%
Dairy segment revenue, million EUR	16,06	14,74	16,50	+9%	-11%
Milk sales, million EUR	12,79	10,38	13,48	+23%	-23%
Milk products, million EUR	1,63	3,09	1,71	-47%	+81%
Cattle sales, million EUR	1,64	1,27	1,31	+29%	-3%
Dairy segment expenses, million EUR	(13,37)	(14,97)	(14,91)	+11%	0%
Milk expenses, million EUR	(10,22)	(10,66)	(11,94)	+4%	+11%
Milk products, million EUR	(1,52)	(3,04)	(1,66)	+50%	-83%
Cattle expenses, million EUR	(1,64)	(1,27)	(1,31)	-29%	+3%
Change in fair value of biological assets, million EUR	0,14	(3,00)	(2,09)	n/a	-44%
Subsidies, million EUR	2,29	2,80	3,07	-18%	-9%
Gross profit, million EUR	5,12	(0,43)	2,57	n/a	n/a

Mushroom growing segment overview

In 2024, 10,716 thousand tons of mushroom production were grown and sold - 7 percent less than in 2023. In the third quarter of 2024, when demand is lowest, production capacity was slightly reduced in order to balance production with the needs of the fresh mushroom market. As a result, a smaller part of production was directed to processing, which allowed maintaining a higher selling price in the summer-autumn period. The total annual selling price increased by 6 percent.

In the fourth quarter, due to seasonally changing raw materials, standard production results could not be achieved.



The segment's total cost of sales in 2024 amounted to EUR 28.49 million, which is 2% less than in 2023. The average total cost of sales of mushrooms per ton sold increased from EUR 2,483/ton (2023) to EUR 2,633/ton (2024), i.e. 6%. The decrease in total cost was due to lower production volumes, while the unit cost increased due to increased labor costs and other production costs affected by inflation.

In 2024, the mushroom growing segment generated EUR 1.59 million in gross profit, compared to EUR 1.72 million in 2023.

	2024 12 months	2023 12 months	2022 12 months	Difference 2024/23	Difference 2023/22
Quantity sold, tons	10 716	11 510	11 552	-7%	0%
Average mushroom selling price, EUR	2 781	2 633	2 384	+6%	+10%
Mushroom segment sales revenue, million EUR	30,08	30,73	27,90	-2%	+10%
Mushroom sales revenue, million EUR	29,80	30,31	27,54	-2%	+10%
Mushroom compost sales revenue, million EUR	0,28	0,42	0,36	-33%	+17%
Mushroom segment sales costs, million EUR	(28,49)	(29,00)	(29,30)	+2%	+1%
Gross profit, million EUR	1,59	1,72	(1,40)	-8%	n/a

FMCG segment overview

The results of the FMCG segment are presented together with the results of the cooperative company "Grybai LT", maintaining the presentation for 2023.

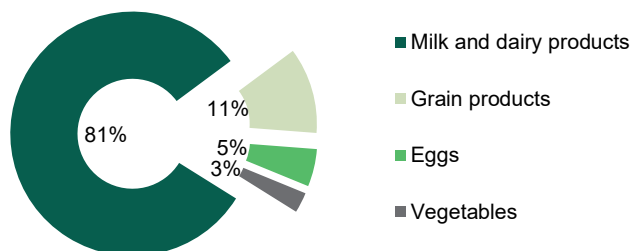
In 2024, the gross profit of the final consumption products segment amounted to EUR 0.42 million, compared to EUR 1.29 million in 2023. The largest impact on the segment's result in 2023 was the cooperative company "Grybai LT", and the segment's result in 2024 consists only of the organic dairy product line and the remaining sales of canned products.

FMCG segment results, million EUR	2024 12 month	2023 12 month	2022 12 minth	Difference 2024/23	Difference 2023/22
Revenue	3,56	5,94	8,12	-40%	-27%
Expenses	(3,13)	(4,65)	(6,38)	+33%	+27%
Gross profit	0,42	1,29	1,74	-67%	-26%

During the 12 months of 2024, the Group exported end-user products to 11 countries, but the main market for the products remains Lithuania.

The structure of revenue from sales of end-user products by product type in 2024 is presented in the graph below.

Revenue structure of the fast moving consumer goods sales, %



Balance

December 31				
	GROUP		COMPANY	
	2024	2023	2024	2023
ASSETS				
Non-current assets				
Tangible assets	88 460	90 816	897	1 130
Right-of-use assets	45 291	48 664	342	531
Investments in subsidiaries	-	-	91 238	108 745
Intangible assets	6 290	5 213	326	326
Trade and other receivables	-	536	7 054	3 265
Investments accounted for using the equity method	57	57	-	-
Other assets	1 718	1 718	66	66
Deferred income tax assets	2 891	2 292	74	-
Biological assets	13 978	10 686	-	-
Total non-current assets	158 685	159 982	99 997	114 062
Current assets				
Biological assets	20 686	23 073	-	-
Inventories	16 977	28 663	-	4
Trade and other receivables	7 647	10 118	12	2 773
Other assets	2 939	3 390	144	290
Cash and cash equivalents	1 718	3 455	3	10
Total current assets	49 967	68 699	159	3 077
TOTAL ASSETS	208 652	228 681	100 156	117 139
EQUITY AND LIABILITIES				
Equity				
Authorized capital	67 803	67 203	67 803	67 203
Share premium	6 707	6 707	6 707	6 707
Statutory reserve	2 041	2 041	2 041	2 041
Revaluation reserve	15 908	15 613	-	-
Reserve for granting shares to employees	2 693	2 893	2 693	2 893
Retained earnings	(59 642)	(33 060)	(19 010)	3 218
Equity attributable to shareholders of the Company	35 510	61 397	60 234	82 062
Non-controlling interest	318	394	-	-
Total equity	35 828	61 791	60 234	82 062
Non-current liabilities				
Financial debts	-	14 640	-	3 581
Lease liabilities	39 445	40 532	183	371
Grants	4 213	4 691	596	717
Deferred income tax liabilities	2 665	1 805	-	-
Total non-current liabilities	46 323	61 668	7 150	4 669
Current liabilities				
Financial debts	83 644	64 007	31 275	28 800
Lease liabilities	8 728	7 855	188	166
Trade payables	25 974	27 721	524	1 032
Other payables	8 155	5 639	785	410
Total current liabilities	126 501	105 222	32 772	30 408
Total liabilities	172 824	166 890	39 922	35 077
TOTAL ASSETS AND LIABILITIES	208 652	228 681	100 156	117 139

Statements of profit (loss) and other comprehensive income

INCOME STATEMENT

	Year ended December 31			
	GROUP		COMPANY	
	2024	2023	2024	2023
Continuing operations				
Sales revenue	85 369	77 442	3 289	2 545
Dividends from subsidiaries	-	-	1 079	4 701
Cost of sales	(77,966)	(70 892)	-	(1)
Change in fair value of biological assets	(10,760)	(8 960)		-
TOTAL PROFIT	(3,357)	(2 410)	4 368	7 245
Selling expenses	(1,209)	(2 142)	(308)	(973)
Administrative expenses	(10,799)	(11 836)	(4 170)	(4 572)
Impairment of investments	-	-	(18 696)	(3 839)
Net impairment losses on financial assets	(679)	197	(116)	-
Other income	461	152	13	447
Other net profit (loss)	1 101	137	8	(3)
OPERATING PROFIT	(14 482)	(15 902)	(18 901)	(1 695)
Financial operating expenses	(12 329)	(10 177)	(3 609)	(2 600)
PROFIT (LOSS) BEFORE TAX	(26 811)	(26 079)	(22 510)	(4 295)
Profit tax	(55)	(208)	75	-
PROFIT (LOSS) FROM CONTINUING OPERATIONS	(26 866)	(26 287)	(22 435)	(4 295)
Profit from discontinued operations (attributable to shareholders of the Company)	-	7 840	-	-
NET PROFIT (LOSS) FOR THE YEAR	(26 866)	(18 447)	(22 435)	(4 295)
NET PROFIT ATTRIBUTABLE TO:				
Company shareholders	(26 790)	(18 413)	(22 435)	(4 295)
Controlling interest	(76)	(34)	-	-
Basic and diluted earnings (loss) per share (EUR)	(0,12)	(0,08)	(0,1)	(0,02)
STATEMENT OF OTHER COMPREHENSIVE INCOME				

NET PROFIT (LOSS) FOR THE PERIOD		(26 866)	(18 447)	(22 435)	(4 295)
Other comprehensive income:					
Items that will not be reclassified to profit (loss)					
Land revaluation, excluding income tax effect	<u>5</u>	501	2 409	-	-
Deferred income tax liability on land revaluation	<u>19</u>	(80)	(361)	-	-
		(126)			
Impact of change in corporate tax rate					
Total other comprehensive income		<u>421</u>	<u>2 048</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u>(26 445)</u>	<u>(16 399)</u>	<u>(22 435)</u>	<u>(4 295)</u>
TOTAL INCOME (LOSS) ATTRIBUTED TO:					
To the Company's Shareholders		(26 369)	(16 365)	(22 435)	(4 295)
To the Non-Controlling Interest		<u>(76)</u>	<u>(34)</u>	<u>-</u>	<u>-</u>
		<u>(26 445)</u>	<u>(16 399)</u>	<u>(22 435)</u>	<u>(4 295)</u>

Cost of sales

	2024	2023
Wages and social security costs	20 043	19 150
Contract services	11 848	12 400
Depreciation of fixed assets	6 707	6 156
Raw materials	4 332	5 108
Packaging costs	6 557	6 733
Fuel costs	4 870	4 725
Animal feed	4 695	3 928
Fertilizers*	10 762	5 358
Seeds	4 503	4 122
Depreciation of right-of-use assets	4 936	5 289
Electricity and utilities	1 711	1 589
Spare parts and inventory	3 702	4 502
Inventory write-off costs	1 186	978
Medicines	491	359
Impairment (recovery) of inventories	30	(15)
Other costs	2 594	2 356
Less: direct government subsidies related to costs	(11 001)	(11 846)
Total	77 966	70 892

Subsidies related to expenses

In 2024, the Group recognized EUR 11,001 thousand of direct and ecological payments in the income statement (EUR 11,846 thousand was recognized in 2023). Since these payments are related to expenses, they were recognized by reducing cost.

The Group classifies subsidies related to grassland and pastures for livestock from the crop segment to the dairy segment in order to more accurately disclose the results of the segments.

Fertilizer costs increased due to the fact that in 2023 the Group transferred part of the cultivated land to conventional (chemical) agriculture, respectively, fertilizer costs are significantly higher. In 2023, the costs are lower, since conventional agriculture covers only the autumn season, while 2024 covers the full annual cycle.

Selling expenses

	GROUP		COMPANY	
	2024	2023	2024	2023
Marketing, advertising, brokerage	327	1 205	37	350
Salary and social security expenses	542	792	271	623
Other selling expenses	340	145	-	-
Total	1 209	2 142	308	973

The Company and the Group significantly reduced sales costs, as marketing costs were reduced in 2024, as they did not actively introduce new products and do not plan to increase these costs in the future.

Administrative costs

	GROUP		COMPANY	
	2024	2023	2024	2023
Salary and social security expenses	5 164	4 896	1 985	2 430
Depreciation of tangible fixed assets, right-of-use assets and amortization of intangible assets	765	1 206	301	379
Insurance and taxes	873	1 111	43	53
Office expenses	636	692	177	132
Share-based compensation expenses	607	657	607	657
Consulting and business plan preparation	732	613	496	386
Fuel	312	374	33	67
Transportation expenses	365	304	161	164
Rent and utilities	288	255	62	57
Credit institution services	73	118	5	19
Real estate registration and notary fees	135	99	-	1
Writings of tangible fixed assets	-	-	-	-
Change in impairment of tangible fixed assets	3	-	-	-
Provision for sanctions of the National Payments Agency	(81)	565	-	-
Other	927	946	300	227
Total	10 799	11 836	4 170	4 572

During 2024, the Company and the Group significantly reduced both sales and operating expenses. The slower-than-planned decrease in expenses was due to increased consulting expenses related to preparation for the bond issue and legal expenses related to restructuring processes.