



LINAS, AB
INTERIM CONSOLIDATED REPORT FOR SIX
MONTHS OF YEAR 2021



Linus AB
Company code 147689083
S. Kerbedzio 23, Panevezys

September 30, 2021

Following Art. 22 of the Law on Securities of the Republic of Lithuania and the Regulations for Drawing-up and Submission of the Periodic and the Additional Information issued by the Board of Lithuanian Bank, we, Vilita Skersienė, Director of Linas AB, Egidijus Mikeliūnas, Head of finance dept., and Irma Šlekytė, chief accountant, hereby confirm that to our best knowledge interim condensed unaudited consolidated six months financial statements of year 2021 of Linas AB Group of companies were drawn following the International Financial Reporting Standards (IFRS) adopted for use in the European Union and present the fair and accurate status of the consolidated assets, liabilities, financial condition and profit or loss and money flows of the Linas AB Group of companies.

We also confirm that Interim Consolidated Report for the six months period ended 30 June 2021 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

Director Linas AB

A handwritten signature in blue ink, appearing to be "V. Skersienė", with a horizontal line extending to the right.

Vilita Skersienė

Head of finance dept. Linas AB

A handwritten signature in blue ink, appearing to be "E. Mikeliūnas", with a long horizontal line extending to the right.

Egidijus Mikeliūnas

Chief accountant

A handwritten signature in blue ink, appearing to be "I. Šlekytė", with a horizontal line extending to the right.

Irma Šlekytė

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1. Accounting period for which the report is prepared

Linās, AB interim consolidated six months report is prepared for January-June months of year 2021.

2. Companies comprising the Company Group and their contact data

Principal Company data

Name	Linās, AB (hereinafter the Company)
Authorised (share) capital	6,971,307.10 Eur
Domicile address	S. Kerbedžio str. 23, LT-35114 Panevėžys
Telephone	(8-45) 506100
E-mail address	office@linas.lt
Webpage	www.linas.lt
Legal-organisational form	Public Limited Liability Company
Date and place of registration	08-03-1993, Company Register/ City of Panevėžys
Company registration number	AB 9329
Date and place of re-registration	September 9, 2004, Register of Legal Persons, Registration Certificate No. 003429.
Company code	1476 89083
VAT code	LT476890811
Legal Entity Identifier (LEI) code	52990054JBNAT4BLVY62

Principal subsidiary data

Name	Lino apdaila, UAB
Authorised (share) capital	2,896 Eur
Domicile address	S. Kerbedžio str. 23, LT-35114 Panevėžys
Telephone	(8-45) 506111
E-mail address	office@linas.lt
Legal –organisational form	Private Limited Liability Company
Date and place of registration	May 23, 2008 Register of Legal Persons, Registration Certificate No. 114552
Company code	3017 33421
VAT code	LT100004113316

3. Principal nature of activity

Principal nature of activity is production of textile products and sales.

On June 30, 2021 the Group of companies was comprised of Linās, AB and its subsidiary company Lino apdaila, UAB. Linās, AB holds 100% shares of the subsidiary company. The activity of Linās, AB is sales of linen textile items; other activity of Linās, AB - management of financial asset (shares and granted loans), supply of thermal energy. The activity of the textile products production is carried out at the subsidiary company Lino apdaila, UAB.

4. Contracts with intermediaries of public trading securities

On August 24, 2018 Linās, AB has signed the service contract with Šiaulių Bankas, AB (company code 112025254, Tilžės str. 149, Šiauliai) regarding the management of company's stock accounting.

5. Data on trading in securities of the Company in regulated markets

The total of 24,038,990 ordinary registered shares (ISIN code LT0000100661) the total nominal value of which is 6,971,307.10 Eur are included into the Baltic trading secondary list of the Vilnius Securities Exchange (VVPB symbol – LNS1L).

6. Fair review of entity's position, performance and development of the entity's business, description of the principal risks and uncertainties that it faces

2020 the outbreak of the COVID-19 virus also affected the Group's activities, so the main risk is a business liquidity risk:

Business continuity or liquidity risk relates to an organization's ability to continue as a going concern now and in the foreseeable future. The global pandemic declared to the World Health Organization, the state of emergency declared by the Government of the Republic of Lithuania and quarantine in the 1st half of 2021 had no significant effect. Indirectly outbreak of the COVID-19 virus had a positive impact on the Group's operations, due to increase of natural fibers demand and shortened supply chains.

In 2021 disorders in the supply of basic raw materials were insignificant. The group was able to reconcile an uninterrupted supply of raw materials.

The Group constantly evaluates alternative suppliers of manufacturing services, therefore, in case of unfavourable situation due to the continuity of the activities of current suppliers of manufacturing services (weaving and fabric processing), it has prepared a list of alternative suppliers of manufacturing services. Potential suppliers of production services are evaluated not only in Lithuania, but also outside Lithuania.

The Group has no financial liabilities that depend on the needs of the creditor, i.e. on demand. Also, no lawsuits are currently pending, so there are no negative consequences for financial obligations arising or likely to arise from an unfavourable court decision.

The only company with a guarantee (surety) for the Company's liabilities is the subsidiary UAB Lino apdaila. The risk of business continuity of the subsidiary is minimal, therefore the possibility of loss of the guarantee is minimal.

The amount of the Group's equity is constant and sufficient. No significant changes in the amount of equity are expected.

In 2021, in continue of pandemic, it wouldn't increase of liquidity.

By default, without assessing the outbreak of the COVID-19 virus, the Company manages liquidity risk by planning cash flows, which facilitates cash management and, in the absence of cash, the choice of financing method.

The company's conservative liquidity risk management allows it to maintain the required amount of cash, and the company seeks to maintain funding flexibility. In a company, liquidity risk management includes cash flow forecasting. The more detailed and accurate this forecast, the better the firm manages liquidity. Deferred payment for goods sold is from 14 to 30 days, in rare cases up to 60-90 days. Suppliers of services and goods are settled in an average of thirty days, and suppliers of raw materials in 15-60 days. This cash flow forecast predicts the nearest cash receipts and payments and allows you to plan short-term borrowing and investing money. At the end of the current year, the budget for the following year is drawn up. Long-term forecasting (over a year) is part of strategic business planning. These cash flow projections provide information about the amount of cash surplus and demand, when there will be a cash surplus or demand, how long the period of cash surplus or additional demand will last, how the cash surplus will be used or the demand will be financed.

Other risk factors related to the activities of the issuer:

Business risk. It is a group of risks related to the environment in which the Company operates and influences the financial results of the Company: the Company's competitiveness in comparison with other manufacturers of products.

The Company faces **business risk** in its environment. Business risk is more related to the environment in which the Company operates and affects the Company's financial performance, which is the Company's competitiveness; economic viability of the Company's major customers; the political and economic environment in the European Union; legal regulations for the purchase of the main raw material.

The company's sales are closely linked to fashion, the company faces another risk in comparing production when it comes to producing non-demand products.

The rise in the price of energy (gas and electricity) and the growth of wages have an impact on the Company, as production costs increase, as well as the cost of importing raw materials and transporting products increases.

By reducing the above-mentioned risks, the company streamlines production by digitizing and standardizing workplaces; improves planning processes; optimizes logistics routes.

Competitive risk. The Company faces competitive risks in the domestic and export markets, which is why the Company's primary objective is to increase sales to large dealers, supermarkets to produce large batches of recurring products and thus reduce production costs.

The Company faces the main financial risks, which are market risks, which can be divided into three parts: interest rate risk, exchange rate risk and commodity price risk, as well as liquidity risk and credit risk.

Currency risk. The Company operates internationally and is therefore exposed to **currency risk**. In international business, the company settles accounts in foreign currencies, which exposes it to exchange rate risk, which is mainly related to US dollars. Exchange rate risk arises from the purchase of raw materials from China as well as the export of products to the United States and other countries settling for goods in a currency other than the Company's functional currency. The main currency in which the Company reports is Euro.

The Company's operating income and expenses are largely independent of changes in market interest rates. However, the Company faces interest rate risk due to long-term loans. In order to determine the impact of interest rates on the Company's results of operations, it is necessary to identify the positions that give rise to interest rate risk. Assets and liabilities that are sensitive to changes in interest rates include actual transactions of the Company such as: investments, loans granted and any other on-balance-sheet and off-balance-sheet transactions that are subject to fixed or variable interest rates and are positively correlated with interest rate fluctuations. The Company does not use any financial instruments to hedge against interest rate risk.

Credit risk. In order to avoid customer / buyer non-payment, before signing the contract of sale or purchase, the responsible manager or market manager minimally checks the financial / economic situation of the Buyer in public sources (various bases, registers, etc.). Concentration of buyers may affect the Company's overall credit risk as these buyers may be similarly exposed to changes in economic conditions. The company has procedures in place to ensure that sales are made within the accepted credit risk limits, that is, the company evaluates the reliability of each customer when selling or purchasing goods or services. Sales of products (unloading of goods) within the company are started if there is a 90-100% payment guarantee. The company has various payment methods / guarantees, such as: 100% prepayment; credit insurance; pledging of liquid real estate (value is determined by property appraisers); Bank Guarantor (Bank Guarantee - a security for a settlement, but not a settlement instrument. It is triggered when a payment is not made); documentary letter of credit (L / C); mostly used trade credit limit insurance; collection of documents.

The company pays for the goods and services purchased on time, and evaluates, ranks, determines their reliability, i.e. what kind of hedging they can require, credit line and intraday credit, and constantly monitors their payments. Because this type of risk is extremely well-

managed, the company does not have any major new bad debts and can therefore plan its cash flow more easily.

Purchasing and supplier risks. Purchases of goods (basic, auxiliary materials, parts, equipment, etc.) and services in the company are carried out through public and restricted tenders or by sending inquiries to suppliers of services or goods. The supplier of the goods or services is usually selected from at least two offers submitted. The Company has procedures for identifying and analysing **purchasing and supplier risk** factors.

Liquidity risk. It is the Company's policy to maintain cash and cash equivalents or secure funding to meet its strategic plans and commitments. The Company's liquidity is determined by the ratio of assets to liabilities.

The Company manages its **liquidity risk** by planning cash flows that facilitate cash management and, if they are lacking, easier financing.

The Company's conservative management of liquidity risk enables cash to be maintained and the Company strives to maintain funding flexibility. Liquidity risk management within the company includes cash flow forecasting. The more complete and accurate this forecast is, the better the firm's liquidity management. Payment deferrals for goods sold range from 14 to 30 days, in rare cases up to 60-90 days. It takes an average of thirty days for suppliers of goods and services and 15-60 days for suppliers of raw materials. This cash flow forecast predicts your immediate cash receipts and payments and allows you to plan short-term borrowing and investing. At the end of the current year, the budget for the following year is established. Long-term forecast (over a year) is part of strategic business planning. These cash flow forecasts provide information about the amount of cash surplus and lack, when the cash surplus or lack will occur, how long the cash surplus or lack will last, how the excess cash will be used, or the need will be funded.

Reputation risk. These risks are related to the decisions made by the Company and the behaviour of employees.

Reputational risk is important to the company. The company values its reputation and reputation and takes measures to reduce reputational risk. The Company was approved a Code of Ethics. The Code of Ethics establishes standards of conduct for all Group employees, regardless of their position, scope of employment, etc.

Operational risk. It is the widest group of risks covering the risks related to the activities within the Company, including the safety, reliability, legal basis, and security of internal processes and operations.

Operational risk is the risk of an increase in loss, loss of goodwill, loss of confidence, which may be caused by external environmental factors (e.g. natural disasters, criminal acts of third parties, etc.) or internal factors (e.g. inefficiency and management, use, deficiencies in internal control, ineffective procedures, malfunctions of information systems, inadequate allocation of functions or responsibilities, etc.).

In order to manage operational risk, the Company implements appropriate organizational measures, procedures and information systems supporting business processes, all of which must ensure the proper functioning of the internal control system and proper cooperation with related third parties. The Company applies the following key elements of internal control: separation of business decision making and control functions, procedures for controlling the accounting of operations execution, limits and control of decision-making powers, making collegial decisions in business processes and so on.

Representatives of potential and existing clients visited the company to carry out independent audits and positively evaluate the state of the existing infrastructure, the organization of key operational and safety processes, the cooperation with interested third parties and the control system established.

The preparation of the Company's financial statements, internal control and financial risk management systems, and compliance with legal acts governing the preparation of financial statements are overseen by the Audit Committee. The Company is responsible for overseeing the preparation of the financial statements.

7. Information about the activity results of the Group

During the 1st half of year 2021 Group sold products and services for 8.55 million Eur. Compared to the results of the 1st half of year 2020 the incomes of sales decreased 2.47 million Eur or 40.7 %.

Item	1st half of year 2021	1st half of year 2020
Sales	8,548	6,074
Profit before taxes	753	67

During the 1st half of year 2021 the Group's sales and production volumes increased compared to the same period last year due to increased demand of natural fibres and shortened supply chains caused COVID-19.

Profit before taxes of 1st half of year 2021 was 0.75 million EUR when profit before taxes of January-June of year 2020 was 0.07 million EUR.

More information about the activity and financial results of 1st half of year 2021 of the Group is presented in the interim consolidated financial accountability of six months of year 2021 of Linas, AB.

8. Main events of the accounting period

On 18th January 2021 the board of the company made a decision to sell the acquired shares of the company. The company sold 1,385,833 pcs registered shares for 156.7 thousand Euros from 1st January 2021 until 22th March 2021. The shares were sold through the Nasdaq Vilnius Stock Exchange. The average selling price per registered share was Eur 0.114, while the purchase price per share was Eur 0.10.

On 3rd February 2021 was made an agreement between the parties on the cancellation of a transaction in acquired non-current assets held for resale made in 2020.

On 16th March 2021 preferential tax loan in the amount of EUR 139,032.77 was approved for the subsidiary UAB Lino apdaila. Repayment term is 31st December 2022.

On 30 April 2021 the general meeting of shareholders was confirmed:

- Audited consolidated annual financial statements of AB Linas for 2020, prepared in accordance with (IFRS) adopted by EU and approved the financial statements for 2020, and consolidated annual report.

- Company's profit (loss) allocation of year 2020

- Company's remuneration report for 2020. Re-elected the members of the Supervisory Board and the Audit Committee, and approves a new version of the Audit Committee regulations.

Repeated Annual General Meeting of Shareholders dated on 25 May 2021:

- To consider of having the Company's shares removed from NASDAQ OMX Vilnius stock exchange and suspension of public offer of shares.

- To authorize the head of the Company - the Director with the right to sub-delegate to another person, after the implementation of the official offer, to submit to the supervisory authority a request and other documents necessary for the decision to cease to consider the Company as the issuer.

- To approve UAB "Verslo dizainas" (code 302529076) as a legal person which will submit the official offer for the purchase of shares of the Company.

On 25 May 2021, Linas, AB got notification from Shareholder UAB “Verslo dizainas”. Following the Lithuanian Republic Law on Securities (hereinafter - the Securities Act) 33(6-7), 26(3) and in line to AB Linas General Meeting of Shareholders decision made on May 25, 2021 informs that the company UAB Verslo dizainas (legal entity code 302529076), represented by the director Laima Žemaitienė, acting in accordance with the company's Articles of Association, intends to announce a mandatory offer to buy shares from AB LINAS shareholders who did not vote for the decision to delist AB LINAS shares from trading on the Nasdaq OMX Vilnius stock exchange.

9. Important events after the end of the accounting period

On 9th July 2021 the Board and the Chairman of the Board of AB Linas have been elected.

On 30th July 2021 AB Linas received a notification from its shareholder UAB Verslo dizainas about the decision of the Bank of Lithuania to postpone decisions approval of circulars of tender offers submitted by UAB “Verslo dizainas”.

On 15th September is ending credit agreement (26/09/2016) with Luminor bank, sum - 840 thousands EUR.

10. References and additional explanatory notes regarding the date provided in the consolidated financial statements

The financial statements have been prepared following the International Financial Accounting Standards. The data provided in the six months financial reporting statements and in the explanatory note are sufficient and comprehensive.

11. Operating plans and forecasts of the Company Group

In 2021 the Group of Linas, AB plans to produce linen products to customers which put value upon combination of naturalness and modernity. Companies of the Group will vouch for reliable partnership with customers and suppliers; also will vouch for safe environment to employees as before. The main objectives of the Group are: to increase volume of sales, expanding market in foreign countries and Lithuania, and to decrease cost price of production, optimizing expenses of production, buying cheaper raw materials.

12. Information about research and development activities of the Company Group

The Company Group was not carrying out activities related to research and development.

13. Information about financial risk management objectives, its measures for hedging major types of forecasted transactions for which hedge accounting is used, and the Company Group's exposure to the scope of price risk, credit risk, liquidity risk and cash flow risk where the Company Group uses financial instruments and where this is of importance for the evaluation of the Group's assets, equity capital, liabilities, financial position and performance results.

The Company Group was not using the financial instruments which are of importance for the evaluation of the Group's assets, equity capital, financial position and performance results.

14. Information about branches and representative offices of the Company

The Linas, AB does not have any branches or representative offices.

15. Company's structure of authorised capital and encumbrances for transfer/disposal of said securities

The authorised capital registered in the company register of the Republic of Lithuania is equal to 6,971,307.10 Eur.

The structure of the authorised capital of the Linas, AB according to types of shares is as below:

Type of shares	Number of shares, pcs.	Nominal value, Eur	Total nominal value, Eur	Percentage in the authorised capital, %
Ordinary registered shares	24,038,990	0.29	6,971,307.10	100.00
Total:	24,038,990	-	6,971,307.10	100.00

All shares of the Linās, AB have been paid in full and they are not subject to any encumbrances for transfer/disposal of said securities.

The shares of the Company present the same property and non-property rights and liabilities according to the indications of Joint Stock Company's law.

16. Information about the own shares acquired and held by the Company and the Group and the same acquired and transferred during the reporting period

At the beginning of the reporting period, AB Linās had 1,835,833 pcs. or 7.64% of its own shares. During the reporting period, AB Linās sold 1,385,833 pcs. or 5.76% of its own shares. At the end of the reporting period, AB Linās owned 450,000 pcs. or 1.87% of its own shares.

17. Shareholders

The total number of shareholders of the Linās, AB at June 30, 2021 was 1,083.

The shareholders who hold or control more than 5 per cent of authorised capital of the Company acc. to the data of June 30, 2021 were:

Shareholder's name, surname, company's name, type, domicile address, code in the Register of Enterprises	Number of ordinary registered shares held on property ownership right, pcs.	Percentage of authorised capital held	Percentage of votes granted by the shares held on property ownership right
Asociacija „EEEE“, Savanorių pr. 192, Kaunas, company code 302572729	5,564,579	23.15%	23.59%
UAB „Verslo dizainas“, Savanorių pr. 192, Kaunas, company code 302529076	4,807,800	20.00%	20.38%
UAB „Vasana“, Partizanų g. 216-77, Kaunas, company code 305457041	4,755,318	19.78%	20.16%
„Rivena“, UAB, P. Žadeikos g. 13-35, Vilnius, company code 302521510	2,423,030	10.08%	10.27%

None of the shareholders of the Company have any special control rights. All shareholders have equal rights. The number of shares of Linās, AB carrying votes at the general meeting of shareholders on 30th June, 2021 is 23,588,990 (own shares have none voting rights).

The Company has not been notified any agreements between the shareholders due to shareholders could be consider acting together or the transfer of securities and/or voting rights could be encumbered.

18. Employees

The average number of listed employees in Linās, AB Company Group on the Ist half of year 2021 was 120. On the Ist half of year 2020 this average was 122. During the year the average number of employees decreased by 2 or 1.64 %.

Employees	I st half of year 2021		I st half of year 2020	
	Average number of listed employees	Average salary/wage, Eur	Average number of listed employees	Average salary/wage, Eur
Management personnel	8	2,686	5	2,746
Specialists and clerks	36	1,286	37	1,146
Workers	76	871	80	802
Total	120	1,113	122	986

The wages to the employees of the Group were paid observing the confirmed labour payment regulations, the Law on labour safety and health and other laws of the Republic of Lithuania and decisions by the Government. Average calculated wage in the 1st half of year 2021 was 1,113 Eur and compared to the 1st half of year 2020 increased by 12.88 %. (in the 1st half of year 2020 - 986 Eur).

The Collective Agreement in Linās, AB Group of companies indicates:

1. One-off irrevocable pay is paid:
 - when employee of the company dies and the family of employee grows children (adoptee) till 18 years old, also the oldest if they are studying at secondary schools at day shift, at professional or higher schools at day shift (including the period of academic holidays), but no longer till 24 – 6 base social pays;
 - when spouse of company's employee dies and the family of employee grows children (adoptee) till 18 years old, also the oldest if they are studying at secondary schools at day shift, at professional or higher schools at day shift (including the period of academic holidays), but no longer till 24 – 6 base social pays.
2. Additional paid holidays:
 - up to 3 calendar days in case of death of a family member (parents, husband, wife, child, brother, sister);
 - 1 calendar day for the marriage.
3. The employees who must undergo compulsory medical examination shall be paid average wage for the time spent for such medical check-up. The employer shall also cover all the costs related to such medical check-ups.

19. Procedure for amendment of the Articles of association of the Company

The Law on Companies of the Republic of Lithuania provides that the right to amend the Articles of Association shall be vested exclusively in the general meeting of shareholders. Adoption of amendment of the Articles of Association requires 2/3 majority vote of the shareholders attending the meeting.

20. Management bodies of the Company

As determined by the Articles of Association of Linās, AB the management bodies of the Company are:

- General meeting of shareholders;
- Supervisory Council of Linās, AB;
- The Board of Linās, AB;
- Head (Director) of Linās, AB.

The Supervisory Council shall not be formed.

General meeting of the shareholders is the highest body of the company.

Only General meeting of the shareholders has the right to:

- change the regulations of the company, except the exceptions indicated by Joint Stock Company's law of Lithuanian Republic;
- to elect and revoke members of the Supervisory Council;
- to elect and revoke a certified auditor or audit firm intended to carry out an audit of a set of annual financial statements, to establish terms and conditions of payment for audit services;
- to approve the set of annual financial statements;
- to confirm the set of intermediate financial reports which is done in order to achieve the decision regarding the pay of dividends for the period shorter than financial year;
- to make a resolution on allocation of dividends for a period of less than a financial year;
- to take the decision to increase the authorized capital;
- to indicate the shares class, number and nominal value of issued company's shares and the minimal price of the emission;
- to take the decision to cancel the priority right to all shareholders to obtain company's shares of concrete emission or convertible bonds;
- to take the decision to decrease authorized capital, except the exceptions indicated in Joint Stock Company's law of Lithuanian Republic;
- to take the decision to issue convertible bonds;
- to take the decision to convert company's one class shares into the other class, to confirm the order of shares convert;
- to take the decision to obtain own shares for the Company;
- to take the decision to liquidate the company, to cancel the liquidation of the company, except the cases indicated in Joint Stock Company's law of Lithuanian Republic;
- to elect and to cancel company's liquidator, except the cases indicated in Joint Stock Company's law of Lithuanian Republic;
- to take the decision regarding company's reorganization or separation and to confirm the conditions of reorganization or separation;
- to take the decision to reorganize the company;
- to take the decision to shake-up the company;
- to take the decision regarding the allotment of profit (loss);
- to take the decision regarding the reserves making, using, decreasing or cancelling.

General Meeting of shareholders can also solve other questions, which are not attributed to the competence of other company's bodies according to Joint Stock Company's law of Lithuanian Republic, and if they are not the function of other managing bodies.

The call order of General meeting of shareholders of the company doesn't differ from the order indicated in Joint Stock Company's law of Lithuanian Republic.

The Supervisory Council is a Collegial Body supervising company's activities. The Supervisory Council is headed by a chairman. The Supervisory Council shall be composed of 3 members. The Supervisory Council shall be elected and revoked by the general shareholders' meeting. The procedure of election and revocation of the Supervisory Council shall agree with provisions of the Law on Companies of the Republic of Lithuania.

The Supervisory Council shall be appointed for a four-year period. The Supervisory Council shall perform its functions within the period fixed in the Articles of Association or until a new Supervisory Council is elected, but not longer than until the ordinary general shareholders' meeting that is held in the year of expiry of cadence of the Supervisory Council. Number of cadences of a member of the Supervisory Council is not limited. The Supervisory Council shall elect a chairman of the Supervisory Council of its members.

The members of the Supervisory Council for their activity can get the bonuses acc. to the order indicated in the article No.59 of the law of Stock Companies. Competence and decision-making of the Supervisory Council shall agree with provisions of the Law on Companies of the Republic of Lithuania.

The order of call of the Supervisor's Meeting, voting in the Meeting of the Supervisor's Council and acceptance of decisions is not differing from the one which is indicated in the law of stock companies of Lithuania Republic. The meetings of the Supervisory Council should be recorded.

The procedure of work of the Supervisory Council shall be established by the rules of procedure adopted by the Supervisory Council.

The Board is the collegial management body of the company. The Board is elected by the Supervisory Council according to the order indicated in Joint Stock Company's law of Lithuanian Republic. If single members of the Board are elected, so they are elected only up to the end of existing Board cadence. The Board consists of 3 members for 4 years. The chief of the Board is elected by the Board from its members. The working order of the Board is indicated in the accepted work regulation of the Board.

The Supervisory Council can cancel all the Board or its single members if their cadence is still not over. The member of Board can resign from his post even if the cadence is still not over and to inform the company in written not later 14 days.

The competence of the Company's Board the procedure of it election and dismissal are not different from the same provided for in the Law on Companies of the Republic of Lithuania.

The Board shall consider and confirm:

- Activity strategy of the Company;
- Activity report of the Company;
- Organisation/management structure of the Company and list of positions;
- List of positions to which the employees are admitted following selection procedure;
- Regulations of branches and representative offices of the Company.

The Board shall elect the head of the Company and fix his salary, other terms and conditions of the employment contract with him, confirm his job description, apply motivation and disciplinary measures.

The Board shall decide on the information to be treated as commercial (production) secret of the Company.

The Board shall adopt:

- Decisions on becoming the founder or member of other legal persons;
- Decisions on establishing branches and representative offices of the Company;
- Decisions regarding the buying of long-term asset, investment, transfer, lease, mortgage and hypothec;
- Decisions regarding the sponson or guarantee of liabilities execution of other;
- Decisions regarding the support providing;
- Decision to reorganise the Company in cases provided for in Law on Reorganisation of Companies;
- Other decisions attributed to the competence of the Board by the Articles of Association or by resolutions of the General meeting of shareholders;

Before investing the funds or other assets into other legal persons the Board must notify the creditors with who the Company has not settled accounts in the event the total outstanding amount to such creditors is exceeding 1/20 of the authorised capital of the Company.

The Board shall analyse and assess the materials presented by the head of the Company concerning:

- Implementation of the strategy of Company's activities;
- Organisation of company's activities;
- Financial condition of the Company;
- Results of business activities, budgets for income and expenses, data of stocktaking and other changes related to assets of the Company;
- A project of a set of company's annual and interim financial statements as well as a project of distribution of profit (losses) and submit them to the Supervisory Council and the general shareholders' meeting accompanied by comments, relevant offers, and the annual report of the company;
- A project of allocation of dividends for the period of less than a financial year and a set of interim financial statements submitted for its approval, and submit them to the Supervisory Council and the general shareholders' meeting accompanied by comments, relevant offers, and the interim report of the company.

The competence of company's director, the order of his election or cancelation is not differ from the order indicated in Joint Stock Company's law of Lithuanian Republic.

Director of the company:

- organizes daily activity of the company, hires or fires employees, makes and terminates job contracts with them, motivates employees or signs penalties for them;
- indicates calculation normative of property deterioration of the company;
- acts in the name of the company and has the right to sign contracts autocratically;
- has to secure company's commercial (production) secrets which he knew being at this post;
- presents the questions to discuss to the Board of the company and to General Meeting of shareholders;
- represents the company at the court, in relationships with other juridical and physical persons;
- presents the authorization to other persons to execute ions which are at his competence;
- perform other functions established by the laws, other regulations of the Republic of Lithuania as well as by company's Articles of Association and job descriptions.

Director of the company is responsible for:

- organization of company's activity and execution of its goals;
- preparation of the set of annual financial statements and the annual report of the company;
- preparation of a resolution on the project of allocation of dividends for the period of less than a financial year, preparation of the set of interim financial statements and the interim report intended to adopt the resolution on the project of allocation of dividends for the period of less than a financial year;
- conclusion of an agreement with an auditor or an audit firm;
- presentation of information and documents for General Meeting of shareholders, for the Supervisory Council, for the Board, in the cases indicated in Joint Stock Company's law of Lithuanian Republic or according their request;
- presentation of company's documents and data to the manager of juridical persons' register;
- presentation of company's documents to the Securities Commission and to Central Security Depository of Lithuania;
- public announcement of information, indicated in Joint Stock Company's law of Lithuanian Republic, in newspaper "Lietuvos rytas";

- presentation of information to shareholders;
- presentation of all necessary documents which are indicated in the contract with an auditor or an audit company for concrete inspection;
- other post execution indicated in Joint Stock Company's law of Lithuanian Republic and other laws and regulations, also in regulations of the company and in job description of company's manager.

According to the decision of General meeting of Shareholders the Audit committee is formed at Linus, AB. Company's Audit committee consists of three members, two of which should be independent. General Meeting of shareholders elect or cancel members of Audit committee according to the offer of company's Board. The cadence period of the audit committee - four years. Continuous cadence period of the member of Audit committee could not be longer than twelve years.

Main duties of Audit committee:

- to present recommendations to company's Supervisory Council in relation with selection, nomination, repeated nomination and cancellation of external audit company and to present the contract conditions with audit company;
- to watch the execution process of external audit;
- to watch how external auditor keeps to the principles of objectivity and independence;
- to watch the preparation process of company's financial reports;
- to watch the system effectiveness of Company's internal control, risk management and internal audit, if it is working in the company;
- to execute other functions indicated in Lithuanian Republic laws and to keep providing recommendations of management codex of companies listed at Vilnius NASDAQ OMX.

21. Data about the Supervisory Council, the Board and Audit committee members and administration of the Company

VIRGINIJUS KUNDROTAS – independent member of the Supervisory Council. Director of UAB “Integral Leadership Initiatives” (company code 302339130, M. Sederavičiaus St. 11, Kaunas). Head of Baltic Management Development Association (company code 135963288, E. Ožėškienės St. 18, Kaunas). Does not hold shares of the Company.

DARIUS KAZLAUSKAS – independent member of the Supervisory Council. Commercial Director of UAB “Parnidis” (company code 300080024, Kampo g. 25-40, Kaunas). Does not hold shares of the Company.

ARŪNAS KETRYS – independent member of the Supervisory Council, chairman of Council. Deputy director of Alba UAB (company code 132713272, Neries kr. 16, Kaunas). Does not hold shares of the Company.

Members of the Supervisory Council were elected on April 30, 2021 by the General meeting of shareholders for four periods in office.

EGIDIJUS MIKELIŪNAS – Chairman of the Board and head of finance department. Holds 0,1 % shares of the Company.

VILITA SKERSIENĖ – member of the Board. Head of administration of the Company. Does not hold shares of the Company.

RENATA RAILIENĖ – member of the Board. Director of subsidiary UAB "Lino apdaila". Does not hold shares of the Company.

Members of the Board were elected on July 09, 2021 by the Supervisory Council for four periods in office.

INDRĖ GEČIAUSKIENĖ – Chief of accountant of the Company until 16 April, 2021. Does not hold shares of the Company.

IRMA ŠLEKYTĖ – Chief of accountant of the Company since 26 April, 2021. Does not hold shares of the Company.

The members of the management bodies of Linās, AB have never been convicted for property, business or financial offences.

Information about total amounts and averages per person of the salaries and annual payments from profit paid during the reporting period to the members of the Supervisory Council, the Board and head of administration:

Indicator	Salary for 1 st half of year 2021, Eur	Payment from profit for 1 st half of year 2021, Eur	Other payments from profit, Eur	Total, Eur
Average per member of the Supervisory Council	-	-	-	-
Total for all members of the Supervisory Council	-	-	-	-
Average per member of the Board	-	-	-	-
Total for all members of the Board	-	-	-	-
Average per member of administration	36,978	-	-	36,978
Total for all members of administration	73,955	-	-	73,955

Members of Audit committee were elected for four years' cadence during General meeting of shareholders on April 30, 2021. Authorizations are granted to the members of Audit committee and their executing functions are according to regulations of Audit committee.

ANA SIRIENĖ – independent member of Audit committee, chairman of the committee. Certified Internal Auditor. MB ELSAN Owner. Does not hold shares of the Company.

LINA BELICKIENĖ – independent member of Audit committee. Senior accountant of Panevėžio miesto greitosios medicinos pagalbos stotis, UAB since year 2008. Does not hold shares of the Company.

LINA LIESYTĖ – member of Audit committee. Senior accountant of Linās, AB since year 2008. Does not hold shares of the Company.

22. All material agreements to which the Company is a party and which would come into effect, be amended or terminated in case of change in the Company's control, also their impact except the cases where the disclosure of the nature of the agreements would cause significant damage to the Company

None.

23. All agreements of the Company and the members of its management bodies or the employee agreements providing for a compensation in case of the resignation or in case they are dismissed without due reason or their employment is terminated in view of the change of control of the Company

None.

24. Information on the significant transactions between related parties

During six months of year 2021 there were no related parties' contracts which could make large influence on financial situation or activity of the Group. All information regarding related parties' contracts will be presented in the notes of explanatory memorandum of annual financial accountability.

25. Information about companies' compliance to management codex

Company report about compliance to management codex of companies which are listed at Vilnius NASDAQ OMX was publicly announced and presented together with the consolidated annual report of year 2020. There were no changes in the information about companies' compliance to management codex during 1st half of year 2021.

26. Data about publicly disclosed information

During January – June of year 2021 the Company announced following essential events:

31/05/2021	Activity results of three months of year 2021 of company AB "Linus" group of companies. AB "Linus" not audited consolidated interim information of three months of year 2021
31/05/2021	Regarding intention to announce a mandatory offer
25/05/2021	Resolutions of the extraordinary General Meeting of Shareholders
30/04/2021	Activity results of year 2020 of AB "Linus" and the Group of companies
30/04/2021	Resolutions of the Annual General Meeting of Shareholders
26/04/2021	Notice on the intent to remove the shares of AB "Linus" from NASDAQ OMX Vilnius stock exchange and to suspend public offer of shares
26/04/2021	AB "Linus" the extraordinary General Meeting of Shareholders convocation
16/04/2021	Notification of the acquisition of a block of the voting rights
16/04/2021	Notification of the disposal of a block of the voting rights
09/04/2021	Draft Resolutions of the Annual General Meeting of Shareholders
31/03/2021	AB "Linus" the Ordinary General Meeting of Shareholders convocation
26/02/2021	Activity results of twelve months of year 2020 of company AB "Linus" Group of companies. AB "Linus" not audited consolidated interim information of twelve months of year 2020
19/01/2021	Regarding the sale of AB Linas own shares

All information on material events made public during 2021 is available on the Linas, AB webpage www.linus.lt.



LINAS, AB
INTERIM UNCONSOLIDATED CONDENSED UNAUDITED
FINANCIAL STATEMENTS REPORT FOR SIX MONTH OF
2021

30/06/2021

Consolidated Statement of Financial Position

	Notes	As at 30 June 2021	As at 31 December 2020
ASSETS			
Fixed assets			
Intangible assets	4	81.904	77.384
Tangible assets	Error! Reference source not found.		
Buildings and structures		1.114.931	1.168.026
Machinery and plant		9.603	8.319
Motor vehicles		55.809	63.645
Other equipment, fittings and tools		13.541	13.598
Constructions in progress and prepayments for tangible assets		63.800	1.443
Total tangible assets		1.257.684	1.255.031
Investment property	6	373.901	373.901
Long-term investments		290	290
Long-term loan from related parties	13	1.405.896	1.388.234
Long-term receivables		-	10.760
Deferred income tax asset		2.907	11
Total non-current assets		3.122.582	3.105.611
Current assets			
Stocks and prepayments			
Stocks	7	4.872.664	4.203.630
Fixed tangible assets held for sale		-	60.000
Current prepayments		358.456	267.766
Total stocks and prepayments		5.231.120	4.531.396
Accounts receivable			
Trade receivables		1.332.897	1.041.291
Other accounts receivable and contract assets		124.274	116.826
Total accounts receivable		1.457.171	1.158.117
Cash and cash equivalents		2.708.352	2.872.683
Total current assets		9.396.643	8.562.196
Total assets		12.519.225	11.607.807

(cont'd on the next page)

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

Consolidated Statement of Financial Position (cont'd)

	Notes	As at 30 June 2021	As at 31 December 2020
EQUITY AND LIABILITIES			
Equity			
Share capital	1	6.971.307	6.971.307
Legal and other reserves		356.934	317.709
Own shares (-)		(45.000)	(183.583)
Retained earnings		2.202.015	1.585.682
Total equity		9.485.256	8.691.115
Amount payable and other liabilities			
Non-current liabilities			
Non-current borrowings	8	1.080.000	1.330.000
Other non-current liabilities		-	49.655
Total non-current liabilities		1.080.000	1.379.655
Current liabilities			
Current borrowings	8	44.211	132.632
Trade payables		1.313.785	1.042.546
Contract liability		65.585	65.993
Liabilities related to employment relations		202.955	129.082
Accruals		6.826	10.181
Income tax payable		119.031	47.804
Other current liabilities		201.576	168.799
Total current liabilities		1.953.969	1.597.037
Total equity and liabilities		12.519.225	11.667.807

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

	Notes	As at 30 June 2021	As at 30 June 2021
Sales		8.548.260	6.073.788
Cost of sales		(6.778.889)	(5.171.405)
Gross profit		1.769.371	902.383
Operating and selling (expenses)	9	(1.085.396)	(983.668)
Other income	10	385.355	509.531
Other (expenses)	10	(312.204)	(367.340)
Operating profit		757.126	60.906
Income from financing activities	11	20.953	20.885
(Expenses) from financing activities	11	(24.539)	(14.523)
Profit (loss) before tax		753.540	67.268
Income tax		(116.135)	-
Net profit (loss)		637.405	67.268
Earnings (loss) per share Eur*		0,027	0,003
Net profit (loss)		637.405	67.268
Other comprehensive income		18.154	-
Total comprehensive income		655.559	67.268

*Basic the profit for one share is calculated dividing net profit (loss) of period in weighted average of ordinary shares issued during the period. The Group hasn't potentially converting ordinary shares, so the diluted profit attributed to one share correspond the basic profit which is given for one share.

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Comprehensive Income

	Notes	2Q of 2021	2Q of 2020
Sales		4.670.211	2.758.569
Cost of sales		(3.688.538)	(2.337.593)
Gross profit		981.673	420.976
Operating and selling (expenses)		(533.591)	(374.074)
Other income		189.130	172.795
Other (expenses)		(151.230)	(113.382)
Operating profit		485.982	106.315
Income from financing activities		15.534	13.373
(Expenses) from financing activities		(18.040)	(14.514)
Profit (loss) before tax		483.476	105.174
Income tax		(116.135)	-
Net profit (loss)		367.341	105.174
Earnings (loss) per share Eur*		0,015	0,004
Net profit (loss)		367.341	105.174
Other comprehensive income		-	-
Total comprehensive income		367.341	105.174

*Basic the profit for one share is calculated dividing net profit (loss) of period in weighted average of ordinary shares issued during the period. The Group hasn't potentially converting ordinary shares, so the diluted profit attributed to one share correspond the basic profit which is given for one share

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Changes in Equity

	Notes	Share capital	Own shares	Legal reserve and other reserve	Reserve for own shares	Retained earnings	Total
Balance as at 31 December 2019		6.971.307	-	214.890	264.429	909.495	8.360.121
Net profit for the year		-	-	-	-	437.269	437.269
Share of profit allocated to dividends		-	-	-	-	(370.000)	(370.000)
Own share		-	(55.187)	-	-	-	(55.187)
Transfer to reserves		-	-	(161.610)	-	161.610	-
Balance as at 30 June 2020		6.971.307	(55.187)	53.280	264.429	1.138.374	8.372.203
Net profit for the year		-	-	-	-	447.307	447.307
Own share		-	(128.396)	-	-	-	(128.396)
Balance as at 31 December 2020		6.971.307	(183.583)	53.280	264.429	1.585.681	8.691.114
Net profit for the year		-	-	-	-	637.405	637.405
Profit(loss) not recognized in the statement of profit (loss) and other comprehensive income		-	-	-	-	18.154	18.154
Total comprehensive income		-	-	-	-	655.559	655.559
Own share		-	138.583	-	-	-	138.583
Transfer to reserves		-	-	39.225	-	(39.225)	-
Balance as at 30 June 2021		6.971.307	(45.000)	92.505	264.429	2.202.015	9.485.256

The accompanying notes are an integral part of these financial statements

Consolidated Cash Flow Statement

Notes	As at 30 June 2021	As at 30 June 2020
Cash flows from operating activities		
Cash inflows of the reporting period (VAT included):	10.623.116	9.810.708
Cash inflows from customers	10.570.755	9.604.085
Other inflows	52.361	206.623
Cash outflows of the reporting period :	(10.492.203)	(8.902.695)
Cash paid to suppliers of goods and services (VAT included)	(9.586.768)	(8.222.530)
Cash outflows related to employment relations	(742.050)	(597.633)
Taxes paid into the budget	(140.679)	(36)
Other payments	(22.706)	(82.496)
Net cash flows from operating activities	130.913	908.013
Cash flows from investing activities		
Acquisition of fixed assets (excluding investments)	(75.902)	(31.399)
Disposal of fixed assets (excluding investments)		303.105
Net cash flows from investing activities	(75.902)	271.706
Cash flows from financing activities		
Cash flows related to entity's owners	156.736	(425.187)
Purchase of own shares	156.736	(55.187)
Dividends paid		(370.000)
Cash flows related to other financing sources	(376.542)	1.234.757
Borrowings received		1.330.000
(Repayments) of borrowings	(338.421)	(88.421)
Interest (paid)	(38.667)	(6.980)
Other increases in cash flows from financing activities	567	167
Other decreases in cash flows from financing activities s	(21)	(9)
Net cash flows from financing activities	(219.806)	809.570
Adjustments due to exchange rates on the balance of cash and cash equivalents	462	435
Increase (decrease) of net's cash flow	(164.333)	1.989.724
Cash and cash equivalents at the beginning of the period	2.872.683	381.447
Cash and cash equivalents at the end of the period	2.708.350	2.371.171

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

1. General Information

The Linas company was launched in 1957. A public limited company Linas (further called the Company) was registered on 8 March, 1993, the number of registration is 003429, registration code 147689083, the data are stored with the Register of Legal Entities. The Company is the company of limited property liability Address: S Kerbedžio Street 23, Panevezys; LT-35114 Telephone (370-45) 506100, fax (370-45) 506345 E-mail address: office@linas.lt; web page: www.linas.lt

As of 30th of June, 2021, the Linas, AB group of companies (further called as the Group) consisted of holding company Linas AB and its affiliated company Lino apdaila, UAB. Lino apdaila, UAB was registered on May 23, 2008 at Legal entity register, registration No 114552, company code 301733421. Affiliated company is registered at address S. Kerbedžio Str. 23, Panevezys. AB Linas own 100 % of affiliated company shares.

The shares of Linas AB are included into the current sales list of AB NASDAQ OMX Vilnius.

Authorized capital of Linas AB is 6.971.307 Eur, it is divided into 24.038.990 ordinary registered shares the nominal value of which is 0,29 Eur, there are no issued and not paid shares. There were no changes in authorized capital during accounting period.

The Company and its affiliated company do not have subsidiaries and representatives.

On 30th of June, 2021 the average number of listed employees of the Group was 119, on 30th of June, 2020 – 122 employees.

The Group's main activity is the production and sale of textiles. The main activities of the public limited liability company "Linās" are trading in linen textiles and provision of services; other activities carried out by the Company are the management of financial assets (shares and granted loans), heat supply, rental of property, revenues from accounting and administration services. The activities of UAB "Lino apdaila" are the provision of textile production services, i.e. textile production sewing services.

AB "Linās" Group of company supplies services from yarns preparation for dyeing till the presentation of final product to the customer.

AB "Linās" Group of company weaves natural, dyed, printed, two-plyed, jacquard linen and half linen fabrics, sews home textile items and garments

The exclusivity of the company is that produced linen products are natural, ecological and long-lived Company accepts individual orders to suit customers' demand, which require exclusivity, and stock collection to the customers who requires quick delivery terms.

The main incomes of Group of companies of 3 months of year 2021 were received from textile items sales activities and the services of textile items production.

During the 6 months of year 2021 the Group ordered to produce or to treat technologically: linen and tow yarns – 44 tons (6 months of year 2020 – 27 tons); raw fabrics – 425 thousand mtrs (6 months of year 2020 – 822 thousand mtrs); ready-made fabrics – 1.335 thousand mtrs (6 months of year 2020 – 1.039 thousand mtrs) 19 % of all produced fabrics were used for sewn items during 6 months of year 2021 (6 months of year 2020 – 20,4%).

(cont'd on the next page)

General Information(cont'd)

During 6 months of year 2021 the Group produced 460,5 thousand pcs sewn items (during 6 months of year 2020 – 509 thousand pcs), using 249 thousand mtrs of ready-made fabrics (during 6 months of year 2020 – 208 thousand mtrs).

The volume of exports during 6 months of 2021 was 72,87 % of the total product sales.

Linat AB group of companies sold linen textile goods and services for 8.548 thousand Eur during the 6 months of 2021. Comparing to the 6 months of 2020 the volume of sales increased by 2.474 thousand Eur or about 1,4 %.

During six months of 2021 the Group received 754 thousand Eur profit before taxation, the result of the same period of 2020 was 67 thousand Eur profit.

During six month of year 2021 the Group's operating results compared to 2020 during the same period was due to increased volumes of sales.

Due to the threat of spread of the coronavirus (covid-19) the Group reviewed and implemented the following business continuity and preventive measures. The Group are assessing and updating on a continuous basis, the impact of factors related to covid-19 on the Group performance, results of operations.

The Company's management assessed the potential disruptions in cash flows, availability of funding, also the impact on the demand for goods and services, risk of infection of employees fulfilling critical functions and risk of late fulfilment of projects, based on the analysis of information available as at the date of issue of the condensed financial statements about the Covid-19-related threats in the future, and did not identify any material circumstances that might cast doubt upon the Group's ability to continue as a going concern.

2. Accounting principles

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (here after 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 2020 financial year.

The financial statements currency is the Euro (Eur).

The consolidated condensed interim financial information of the Group for the 6-month period ended 30 June 2021 and 30 June 2020, has not been audited.

3. Segment information

For management purpose the group is organized into four operating textiles segments based on their products and services as follow: fabrics, sewn products, yarns, productions services. Segments performance is evaluated based on profit or loss.

The following is information on the textile business segments:

(cont'd on the next page)

Segment information (cont'd)

Group	Fabrics	Sewn products	Yarns	Production services	Total
As at 30 June 2021					
Income (third parties)	6.139.870	2.226.646	20.845	160.899	8.548.260
Cost price (third parties)	(4.896.072)	(1.766.000)	(29.438)	(87.379)	6.778.889
Gross profit (loss)	1.243.798	460.646	(8.593)	73.520	1.769.371
Operating expenses	-	-	-	-	1.085.396
Segment operating profit (loss)	1.243.798	460.646	(8.593)	73.520	683.975

Group	Fabrics	Sewn products	Yarns	Production services	Total
As at 30 June 2020					
Income (third parties)	4.090.034	1.815.359	21.092	147.303	6.073.788
Cost price (third parties)	3.497.835	1.391.674	33.563	248.333	5.171.405
Gross profit (loss)	592.199	423.685	(12.471)	(101.030)	902.383
Operating expenses	-	-	-	-	983.668
Segment operating profit (loss)	592.199	423.685	(12.471)	(101.030)	(81.285)

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Segment information (cont'd)

The following is information on the Group's geographical segments:

Group	Lithuania	European countries	Scandinavian countries	USA	Other countries	Total
As at 30 June 2021						
Income (third parties)	2.319.389	3.493.620	1.576.759	297.586	860.906	8.548.260
Cost price (third parties)	1.793.781	2.885.009	1.125.324	235.387	739.388	6.778.889
Gross profit (loss)	525.608	608.611	451.435	62.199	121.518	1.769.371
Operating expenses	-	-	-	-	-	1.085.396
Segment operating profit (loss)	525.608	608.611	451.435	62.199	121.518	683.975

Group	Lithuania	European countries	Scandinavian countries	USA	Other countries	Total
As at 30 June 2020						
Income (third parties)	1.869.241	2.497.905	703.156	187.391	816.095	6.073.788
Cost price (third parties)	1.687.536	2.091.254	564.958	137.008	690.649	5.171.405
Gross profit (loss)	181.705	406.651	138.198	50.383	125.446	902.383
Operating expenses	-	-	-	-	-	983.668
Segment operating profit (loss)	181.705	406.651	138.198	50.383	125.446	(81.285)

Intersegment revenue is eliminated consolidation

4. Intangible assets

	<u>Software</u>	<u>Total</u>
Cost:		
Balance as at 31 December 2019	104.694	104.694
Acquisitions	36.940	36.940
Balance as at 31 December 2020	141.634	141.634
Acquisitions	5.520	5.520
Balance as at 30 June 2021	147.154	147.154
Accumulated amortization:		
Balance as at 31 December 2019	58.265	58.265
Amortization	5.985	5.985
Balance as at 31 December 2020	64.250	64.250
Amortization	1.000	1.000
Balance as at 30 June 2021	65.250	65.250
Net book value as at 30 June 2021	81.904	81.904
Net book value as at 31 December 2020	77.384	77.384
Net book value as at 31 December 2019	46.429	46.429

Group has no internally generated intangible assets. Amortization of intangible assets is included in operating expenses in the statement of comprehensive income (note9).

5. Tangible assets

	Land	Buildings and structures	Machinery and equipment	Motor Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 31 December 2019	-	1.585.638	1.323.762	247.678	61.124	-	3.218.202
Acquisitions	-	-	-	5.500	4.104	1.443	11.047
Assets transferred to other person	-	-	(587.027)	(49.840)	-	-	(636.867)
Balance as at 31 December 2020	-	1.585.638	736.735	203.338	65.228	1.443	2.592.382
Acquisitions	-	-	4.200	-	1.270	63.800	69.270
Reclassifications	-	-	-	-	1.443	(1.443)	-
Balance as at 30 June 2021	-	1.585.638	740.935	203.338	67.941	63.800	2.661.652
Accumulated depreciation:							
Balance as at 31 December 2019	-	311.421	1.056.759	159.891	45.327	-	1.573.398
Depreciation	-	106.191	26.059	17.588	6.303	-	156.141
Assets transferred to other person	-	-	(354.402)	(37.786)	-	-	(392.188)
Balance as at 31 December 2020	-	417.612	728.416	139.693	51.630	-	1.337.351
Depreciation	-	53.095	2.916	7.836	2.770	-	66.617
Balance as at 30 June 2021	-	470.707	731.332	147.529	54.400	-	1.403.968
Net book value as at 30 June 2021	-	1.114.931	9.603	55.809	13.541	63.800	1.257.684
Net book value as at 31 December 2020	-	1.168.026	8.319	63.645	13.598	1.443	1.255.031
Net book value as at 31 December 2019	-	1.274.217	267.003	87.788	15.797	-	1.644.805

Depreciation of property, plant and equipment is included in operating and selling expenses in the statement of comprehensive income (note 10).

6. Investment property

Cost:	Land	Total
Balance as at 31 December 2019	415.901	415.901
Balance as at 31 December 2020	415.901	415.901
Balance as at 30 June 2021	415.901	415.901
Impairment losses		
Balance as at 31 December 2019	42.000	42.000
Balance as at 31 December 2020	42.000	42.000
Balance as at 30 June 2021	42.000	42.000
Net book value as at 30 June 2021	373.901	373.901
Net book value as at 31 December 2020	373.901	373.901
Net book value as at 31 December 2019	373.901	373.901

The Group's investment property consists of land that is held for capital appreciation.

7. Stocks

	As at 30 June 2021	As at 31 December 2020
Raw materials	2.561.378	2.166.353
Finished Productions	2.283.209	2.020.272
Work in progress	25.369	16.078
Goods for resale	2.708	927
Write-downs to net realisable value	-	-
Total	4.872.664	4.203.630

8. Borrowings

	As at 30 June 2021	As at 31 December
Non-current borrowings	1.080.000	1.330.000
Other non-current borrowings	1.080.000	1.330.000
Current borrowings	44.211	132.632
Current bank borrowings secured by the Group assets	44.211	132.632

145 thousand Eur credit sum is granted to the Company acc. to the account lending contract which was signed between the bank and AB "Linus" on 2012 04 10 Company's reserves, the balancing value of which are 1 448 thousand Eur according to the mortgage sheets, are mortgaged for the credit sum UAB "Lino apdaila" is guarantee for all credit sum and term to ensure credit sum The validation term of account credit contract is till March 31, 2023 Alternate interests are paid for used credit, which are accounted as three months term Eur EURIBOR plus bank margin.

(cont'd on the next page)

Borrowings (cont'd)

According to the financial obligations limit contract signed between the bank and AB “Linas” on 07 10 2013, the credit of 290 thousand Eur is granted to the Company, for which company resources are mortgaged with the latest mortgage, the balance value of which acc. to the mortgage sheets are 1 448 thousand Eur For the insurance of credit sum the warranty for all credit sum and term is received from UAB “Lino apdaila” The validation term of the financial obligations limit contract is till September 30, 2021. Alternate interests are paid for used credit, which are accounted as six months term Eur EURIBOR plus bank margin

According to the credit agreement, concluded on 26 09 2016 between the bank and Linas AB, the credit, amounting to EUR 840 thousand, was granted to the Company In order to ensure the performance of the Company’s obligations to the bank the maximum mortgage agreement was concluded, according to which the immovable property of Linas AB is mortgaged and surety ship of Lino Apdaila UAB is granted for the entire amount and period of credit The time period of the credit agreement is till 15 September 2021 Alternate interests are paid for used credit, which are accounted as six months term Eur EURIBOR plus bank margin .

According to the loan agreement, concluded on 17/04/2020 between Linas AB and Verslo dizainas, UAB was granted 1.330 thousand Eur. On 16 June 2021 the loan was taken over by Lidera, UAB according to the assignment agreement.

9. Operating Expenses

	As at 30 June 2021	As at 30 June 2020
Selling expenses		
Expenses on commissions	(154.110)	(117.825)
Wages and salaries and social security	(139.307)	(109.762)
Evaluate of customers creditworthiness and insurance costs of marketable credits	(10.134)	(9.749)
Expenses on productions advertising and fair	(5.386)	(50.210)
Expenses on transporting of sold production	(685)	(9.077)
Depreciation	(308)	(308)
Other sales expenses	(32.111)	(31.543)
	(342.041)	(328.474)
General and administrative expenses		
Wages and salaries and social security	(388.337)	(348.397)
Rent, operating and repairing expenses	(190.554)	(130.886)
Depreciation and amortization	(43.303)	(65.746)
Expenses of security services	(19.266)	(16.291)
Expenses of into technologies	(18.517)	(17.385)
Expenses of social guarantees, stated in collective agreement	(12.085)	(5.655)
Expenses of operating tax	(9.960)	(822)
Expenses of bank services	(8.737)	(8.904)
Legal services expenses	(7.058)	(3.400)
Expenses for the purchase of low-value inventory	(3.747)	(1.706)
Telecommunications expenses	(3.304)	(6.001)
Expenses of support provided	(2.676)	(1.120)
Representation expenses	(986)	(2.111)
Other expenses	(34.825)	(46.770)
	(743.355)	(655.194)
Total operating expenses	(1.085.396)	(983.668)

10. Other Income (Expenses)

	As at 30 June 2021	As at 30 June 2020
Other activity income		
Income for thermal heating supply	278.470	211.601
Income of rent	58.856	90.158
Income of various storages selling	24.026	160.377
Income for accounting and administration services	24.000	14.700
Gains of disposals of fixed assets	-	32.279
Other incomes	3	416
	385.355	509.531
Other activity (expenses)		
Expenses for thermal heating supply	(232.058)	(196.658)
Expenses for accounting and administration services	(35.629)	(14.507)
Deprecation of rent property, plant, equipment	(24.006)	(23.841)
Net cost of sold various storages	(20.511)	(132.334)
	(312.204)	(367.340)

11. Financial activity income (expenses)

	As at 30 June 2021	As at 30 June 2020
Financial activity income		
Income interest of borrowings	17.662	17.760
Foreign exchange gain	-	3.125
Other income	3.291	-
	20.953	20.885
Financial activity (expenses)		
Expenses of interest	(23.618)	(14.523)
Exchange rate loss	(806)	-
Fines and delay fees	(115)	-
	(24.539)	(14.523)

12. Commitments and Contingencies

As at 30 June 2021 the Group is committed to purchase property, plant and equipment for the total amount of Eur 330.642 (as at 30 June 2020 -0 Eur).

13. Related Parties Transactions

The parties are considered related when party has to possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Group for the years ended 30 June 2021 and 30 June 2020 were as follows:

Members of the board of the Company: Egidijus Mikeliūnas, Vilita Skersienė, Renata Railienė.

Subsidiary company Lino Apdaila, UAB

The Group's transactions with related parties in 6 month ended 30 June 2021 were as follow:

As at 30 June 2021	Purchases	Sales	Non-current loan receivable	Payables
UAB „Rivena“	-	17.662	1.405.896	-
Total	-	17.662	1.405.896	-

Transactions with related parties include sales of goods services, purchases of financing of ordinary activities, which are made on market terms. Interest payable is normally settled at the end of the loan term.

The Group has a real pledge linked to receivables for the loan granted to Rivena, UAB.

The Group's receivables from related parties were nor due neither impaired as at 30 June 2021 and 30 June 2020.

14. Subsequent events

On July 19, 2021 Linās, AB Supervisory Council elected Egidijus Mikeliūnas, Vilita Skersienė and Renata Railienė to the Board of Linās, AB.

On July 30,2021 Linās, AB received a notification from its shareholder Verslo dizainas, UAB about decision of the Bank of Lithuania to postpone decisions approval of circulars of tender offers submitted by Verslo dizainas, UAB.

On 15 September, 2021, the Credit agreement with Luminor Bank (26/09/2016) in the amount of Eur 840 thousand expired.