

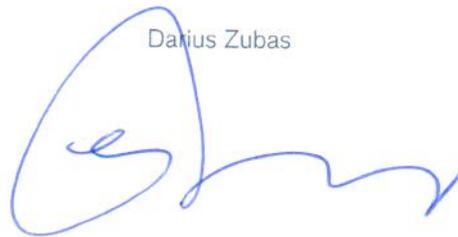
CONFIRMATION OF THE RESPONSIBLE PERSONS

Following the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodical and Additional Information of the Bank of Lithuania, we, Darius Zubas, CEO of AB Linas Agro Group and Mažvydas Šileika, CFO of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the unaudited Interim Consolidated Financial Statements of AB Linas Agro Group for the twelve months of the financial year 2022/23, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or losses and cash flow of AB Linas Agro Group and the Group as well. We also confirm that Interim Consolidated Report for the twelve months of the financial year 2022/23 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

CEO of AB Linas Agro Group

Darius Zubas

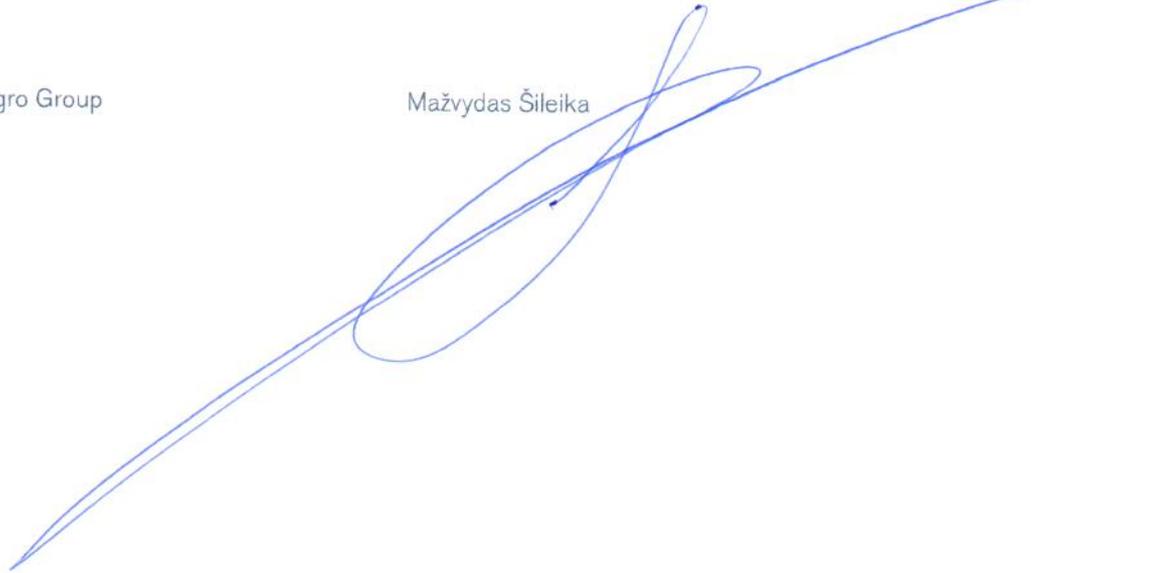
31 August 2023



CFO of AB Linas Agro Group

Mažvydas Šileika

31 August 2023





linas agro

AB LINAS AGRO GROUP
CONSOLIDATED INTERIM REPORT OF
2022/2023 FINANCIAL YEAR

FOR TWELVE MONTHS PERIOD
ENDED JUNE 30, 2023

This interim report is prepared for the 12 months of the financial year 2022/23, and all the figures are stated as at 30 June 2023, unless otherwise indicated.

All financial data in this report are prepared in accordance with Financial Reporting Standards unless otherwise stated. Financial result is unaudited.

AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as the Group in this report.

THE COMPANY AND THE GROUP

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the largest group of agricultural and food production companies in the Baltic States, operating in the entire food production chain.

The subsidiaries controlled by the Company produce, handle and merchandise agricultural and food products, also provide products and services for farming.

The Company performs only the management function and is not involved in any trading or production activities.

The Company does not have any branches and representative offices.

FOUNDED
1991

ANNUAL
REVENUE
2.0
BEUR

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

As at June 30, 2023:

4,887
EMPLOYEES

68 SUBSIDIARIES
2 ASSOCIATES

A SIGNIFICANT PLAYER IN FOOD CHAIN IN THE REGION

The largest agribusiness and food production group in the Baltics.

One of the largest exporters of Lithuanian and Latvian grain.

The largest poultry meat producer in Lithuania and Latvia.

A major milk producer in Lithuania with the most efficient dairy farms.

One of the leaders in supplying farmers with certified seeds, fertilizers, plant care products and agricultural machinery in Lithuania.

A leader in the production of instant foods in the Baltics.



ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

Consolidated revenue of AB Linas Agro Group in 612 months of 2022/23 financial year totaled EUR 1,999 million and was 5% more as compared to previous year (EUR 1,896 million).

The Group's sales volume reached 3.66 million tons of various products and was 1% less as compared to the corresponding period of the previous year (3.69 million tons).

The gross profit reached EUR 137 million and was 28% less as year before (EUR 189 million).

The Group's operating profit was EUR 41 million or 60% less as compared to the respective period of the previous year.

Consolidated EBITDA amounted to EUR 67 million and was 49% lower as compared to the previous year (EUR 132

million) Profit before tax amounted to EUR 25 million and was 72% lower as compared to EUR 91 million in previous year.

The net profit reached EUR 20 million and decreased by 74% y-o-y.

Consolidated revenue for the Q4 amounted to EUR 499 million being 9% lower as compared to the previous year (EUR 548 million). Gross profit for the Q4 decreased from EUR 86 million to EUR 24 million and operating profit from EUR 63 million to EUR 0.6 million of loss. Net loss for the Q4 amounted to EUR 4 million, compared to a net profit of EUR 51 million in the corresponding period of the previous year.

EXPLANATION OF TERMS

EBITDA	Equals operating profit before depreciation, amortization, and impairment losses.
Operating profit (EBIT)	Equals profit before net from investments and finance activities, and income tax.
Earnings before taxes (EBT)	Equals profit before income tax.
Profit margin of the period	Profit of the period expressed as a percentage of total revenue.
Net financial debt	Non-current, current liabilities to financial institutions and lease liabilities less cash and cash equivalent.
Capital employed	Shareholders' equity plus non-current and current liabilities to financial institutions.
Current ratio	Current assets divided by current liabilities.
Debt to equity ratio	Non-current and current borrowings as a percentage of Shareholders' equity.
Return on Equity (ROE), %	Net profit for the period as a percentage of average Shareholders' equity for the period.
Return on capital employed (ROCE), %	Operating profit (EBIT) for the period expressed as a percentage of capital employed for the period. The value of the denominator is calculated as the sum of equity, long-term and short-term loans as well as leasing liabilities not related to right of use assets.
Return on assets (ROA), %	Net profit for the period expressed as a percentage of total assets for the period. Calculated at the end of the financial year.
Price earnings ratio (P/E)	Closing Company's share price at Nasdaq Vilnius stock exchange at the end of reporting period divide by rolling 12 months' earnings per share.
Readily Marketable Inventories (RMI)	Inventories to which full unencumbered legal and beneficial title belongs to a member of the Group and are readily convertible into cash within less than 90 calendar days on the basis that such inventories are: (a) the subject of contracts traded on futures markets and/or price risk is covered by other forward sale and/or hedging transaction; (b) liquid and widely available in a range of markets due to homogenous product characteristics and international pricing; (c) such inventories are not held for processing and/or conversion into a more value-added product; and (d) liquidation of such inventories would not have a material adverse effect on the particular business franchise.
RMI adjusted Net financial debt	Net financial debt after deducting 90% of Readily Marketable Inventories of the relevant period.

FINANCIAL INDICATORS

<i>thousand EUR unless stated otherwise</i>	2018/19 12 months	2019/20 12 months	2020/21* 12 months	2021/22 12 months	2022/2023 12 months
Sales in tons	2,529,711	2,233,808	3,155,329	3,689,585	3,661,639
Sales revenue	742,542	657,700	942,442	1,895,667	1,999,310
Gross profit	28,871	45,664	51,201	188,859	136,758
Gross profit margin, %	3.89	6.94	5.43	9.96	6.84
EBITDA	5,578	25,923**	33,401**	132,173	66,950
EBITDA margin, %	0.75	3.94	3.54	6.97	3.35
EBITDA (Excluding the impact of IFRS 16)	5,578	23,860	29,267	127,113	62,210
EBITDA margin, % (Excluding the impact of IFRS 16)	0.75	3.63	3.11	6.71	3.11
Operating profit	(3,336)	14,827	19,467	103,619	41,124
Operating profit margin, %	(0.45)	2.25	2.07	5.47	2.06
Earnings before taxes EBT	(6,430)	11,931	16,797	90,841	25,318
Earnings before taxes margin, %	(0.86)	1.81	1.78	4.79	1.27
Net profit (thousand EUR)	(4,830)	10,004	14,189	77,257	20,462
Net profit margin, %	(0.65)	1.52	1.51	4.08	1.02
Readily Marketable Inventories (RMI) (thousand EUR)	18,374	13,735	21,224	26,798	36,007
Current ratio	1.26	1.31	1.44	1.25	1.26
Debt / Equity ratio	1.30	1.24	1.15	2.12	2.01
Net financial debt / EBITDA	25.54	5.38	3.23	2.08	4.71
RMI adjusted Net financial debt / EBITDA	22.24	4.85	2.66	1.90	4.22
Return on equity (ROE), %	(2.84)	5.52	7.23	27.60	6.88
Return on capital employed (ROCE), %	(1.04)	4.77	6.61	18.97	6.98
Return on assets (ROA), %	(1.23)	2.47	3.37	8.85	2.29
Basic and diluted earnings per share (EPS)	(0.03)	0.06	0.09	0.46	0.16
Price earnings ratio (P/E)	(20.83)	9.37	9.19	2.48	8.72
Dividends for the financial year paid per share, in euros	-	-	-	0.0312	-
Dividends paid for the financial year to net profit of the period, %				6.47	-

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

** Depreciation of biological assets (crops) sold during the reporting period and related to the previous reporting period, amounting to EUR 2,567 thousand, is also excluded (EUR 2,229 thousand for the period 2021/2022 and EUR 2,186 thousand for the period 2020/2021, the effect of such depreciation was not significant for the comparative periods)

Note: The EBITDA ratios were recalculated for financial years 2018 – 2021 based on 12 months rolling basis principle.

OVERVIEW

The activity of the Group companies within the latest quarters of the financial year 2022/2023, were combinedly shaped by the outlook of the materializing 2023/2024 GRAIN & OILSEEDS harvest, as well as dictated by the closing 2022/2023 actualities.

2022/2023 in brief:

- great wheat production somewhat offset with lower maize output resulted in slightly lower total world grain production; war and food shortage fears, supply limitations additionally fueled inflationary moods, to some extent suppressing consumption; yet the opened Black sea “transport corridor”, ample supply of record high Russian wheat, strong Australia’s deliveries started taking off the price pressure, ending the year with material price contractions compared to the beginning of the period;
- the oilseeds production numbers were quite strong – yet with tensions in Eastern side of the world, availability was the other factor; still, gradually discovered routes, easing off war tensions, accumulating stocks were supporting price normalizations;
- in Baltics consolidated grain and oilseeds harvest was exceeding the 5-year average harvest quantities approximately by 10%, yet the quality suffered a bit due to the late spring, lack of sun, less intensive fertilization in farms, delivering lower protein content and test weight grain; rapeseed quality was at the same time satisfying, with higher than average oil concentrations;

2023/2024 outlook:

- the world grain production is expected to land somewhere close to record year (2021/2022), delivering 2,294 million tons harvest compared to 2,263 million tons for 2022/2023 and 2,295 million tons for 2021/2022; maize quantities estimate is so far materially offsetting expected lower wheat and barley production results; while still delivering strong performance, outstanding Russia’s, Australia’s, Canada’s 2022/2023 wheat production results are anticipated to normalize with the coming harvest, raising some doubts on the quality (dry conditions in some parts of EU, Canada, untimely rains in China and again part of EU); maize yields on the contrary – if not to improve further, then at least to restore (US, Europe Argentina, Brazil);
- the world oilseed production is meanwhile aiming for another record, delivering 664 million tons harvest (compared to 629 million tons for 2022/2023), mainly thanks to higher soybean production for South America, higher sunflower seed for the EU, Ukraine,

Russia, though slightly deteriorated estimations for rapeseed due to droughts in Canada;

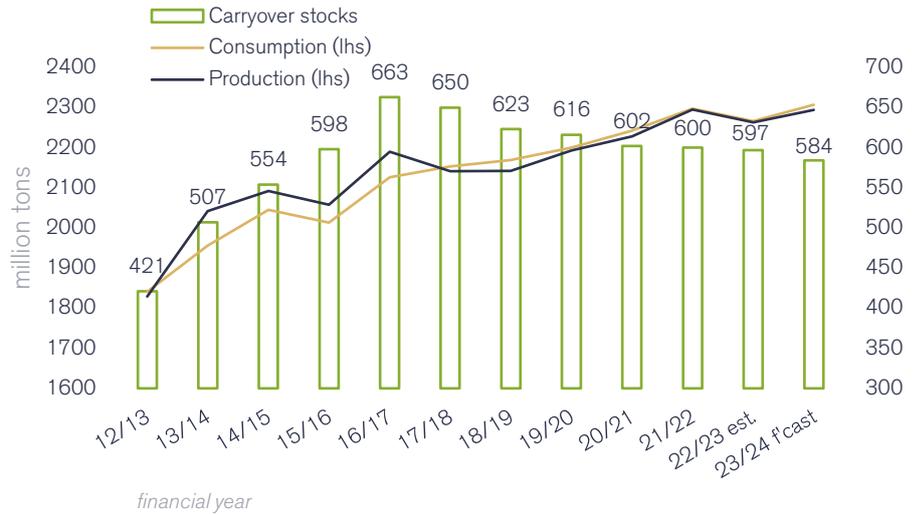
- following the trends of the 2022/2023, the prices of commodities were mainly decreasing latest months, with slight wheat and oilseeds upward reactions in July/August, despite seasonal pressure - reacting to uncertainty over Ukraine’s exports after Russia’s decision on July 17th, 2023 to withdraw from the safe “corridor” agreement, as well as following action damaging Ukraine’s port infrastructure. Yet it seems that longer non-instantaneous effect on the prices shall not be expected, having in mind that such action was to some extent counted in some time before, as well as having in mind that due to improved supplies of grain, situation is better compared to the months after the war in Ukraine started; however another sensitive factor to spring back inflation would be realization of ‘El Niño’ phenomenon, which based on early estimation could be expected second half of 2023; scientists and analysts are carefully looking at weather forecasts, though if assumed correctly, disruption of crop cycles is potential, adding further strain to global food output and prices;
- with prices normalized - the consumption is seen to restore compared to the 2022/2023 for both grain and oilseeds, expecting highest input from feed category;
- hence same positive production expectations and consumption outlook for both – world grain and oilseed classes bring very different outcomes on carry-over stocks. The inventory level of world grain (584 million tons) is about to land lowest since 2014/2015, while the 25.3% stock-to-use ratio – lowest since 2012/2013, illustrating the projections of consumption that exceeds production, contrasted with accumulations in oilseeds stocks (137 million tons), mainly thanks to materially higher soya harvests in South America;
- according to unofficial statements by Lithuanian and Latvian grain buyers and exporters, the grain and oilseeds harvest in the Baltics proved to be more resilient than feared in the beginning of the summer 2023, despite the unfavorable weather conditions expecting similar to average quantities. The farmers who have been following all agrotechnology programs, in most cases are receiving satisfying results, especially for winter crops. Of course, some locations were more severely damaged with droughts, some also with heavy rainstorms (especially Latvia), therefore yields will vary. Putting aside the quantities, the bigger issue shall be lower than export standard grain quality, which is expected to challenge activity of the traders; on the positive note - oil concentration of rapeseed – seem to exceed the expectations.

In addition to GRAIN & OILSEEDS market trends, which at higher or lower scale are impacting majority of Group's activities, the actualities of other essential positions, such as **VEGETABLE OIL, MILK, POULTRY, ENERGY** prices – are covered below:

- in the **vegetable oil categories** – after for a while diminishing prices, last month's curve showed some upward irritation, more or less illustrating the trends observed under oilseeds section; additionally, prices of palm oil reflected prospects of subdued production growth in leading producing countries, while rising world crude oil quotations also had spill-over effects on the vegetable oil prices
- **energy** – with from time to time occurring volatility, thanks to mild weather conditions, decreasing industries uptake, abundant LNG supplies, stronger renewable power generation prices were lately following the downward direction - considering energy inflation more or less contained; despite supply limiting efforts of OPEC countries, the oil prices stays substantially lower compared to 2022 peak months, natural gas prices 2023-Aug stood close to 10x lower compared to figures a year ago, supporting restored nitrogen fertilizer production activity an lowered prices;
- some positive signs in Europe's certain **milk** product prices, potentially impacted with hot weather seasonally declining milk supplies, still overall subsided market activities in Europe during the summer holidays and muted interest in import demand in the months ahead due to market uncertainty over the future directions of prices; in Lithuania raw milk prices were continuously falling since 2022 fall – some stabilization in the beginning of the spring 2023 was seen, yet prices remain low and challenge farmers' resilience, still seeing input costs in above average levels (please refer to graph *"Purchase prices for basic parameters milk in Lithuania"*);
- **average broiler carcass prices in Europe** showed some stabilization, meanwhile prices of the more expensive chicken parts continue being more volatile due to higher margins induced competition (please refer to the graph *"Fresh fillet price dynamics in Poland"* below, illustrating the price of the most profitable poultry product). While globally some price supporting positivity could be found, supply limitations in many regions arising from continuous widespread avian influenza outbreaks, as well as spill-over effect of rising price quotations in pork market, the overall competitive environment in Europe remains tense. Despite lately diminished domestic overproduction in Europe (projected 8% in 2023 compared to 14% in 2020), prices are still pressured due to very strong import volumes. For instance, Ukraine's [among the TOP10 world poultry meat exporters prior to the military actions] quantities exported to Europe during 2023 January-April, compared to same period last year, were close to 3 times higher, volumes from South American countries such as Brazil increased significantly as well, provoking competition in the realization of products produced at unequal costs.
- while the prices of food and energy products are mostly moving in the downward direction, the influence of the **rising cost of borrowed capital/financing** was already felt in the reporting period; with central banks actively pursuing the strategy of increasing interest rates, not only the cost of investments by companies, but also the financing of working capital is growing.

Figures as per latest data provided by International Grains Council (IGC)(17-Aug, 2023), United States Department of Agriculture (USDA) (11-Aug, 2023), Food and Agriculture Organization of the United Nations (FAO) (4 Aug, 2023), Baltic statistical offices and unofficial statements by grain buyers and exporters

THE WORLD TOTAL GRAIN PRODUCTION



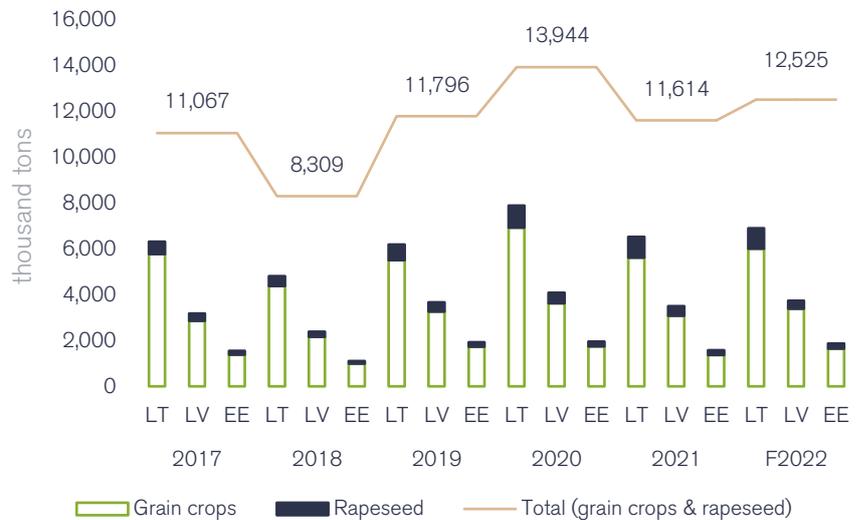
Data: International Grains Council (IGC)

THE WORLD TOTAL OILSEEDS PRODUCTION



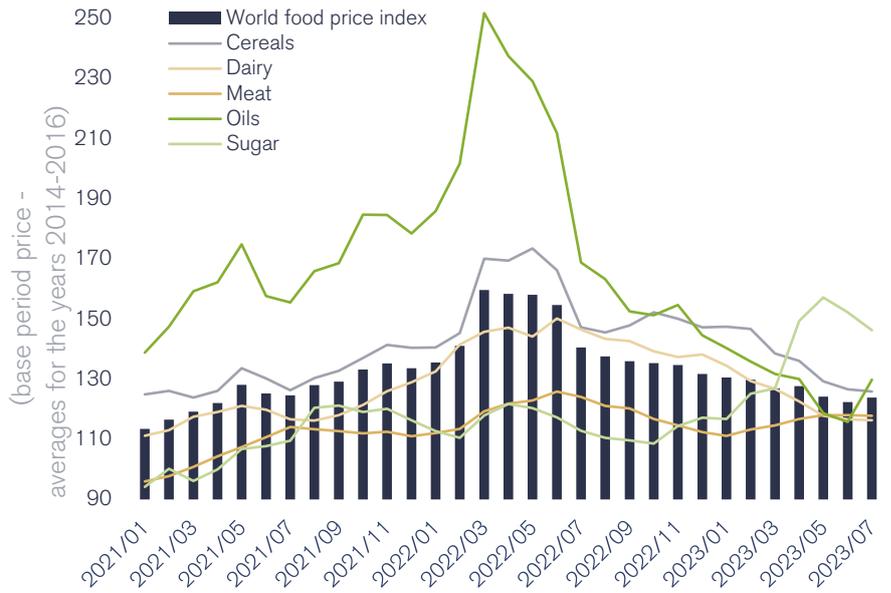
Data: United States Department of Agriculture (USDA)

GRAIN AND RAPESEED HARVEST IN THE BALTIC STATES



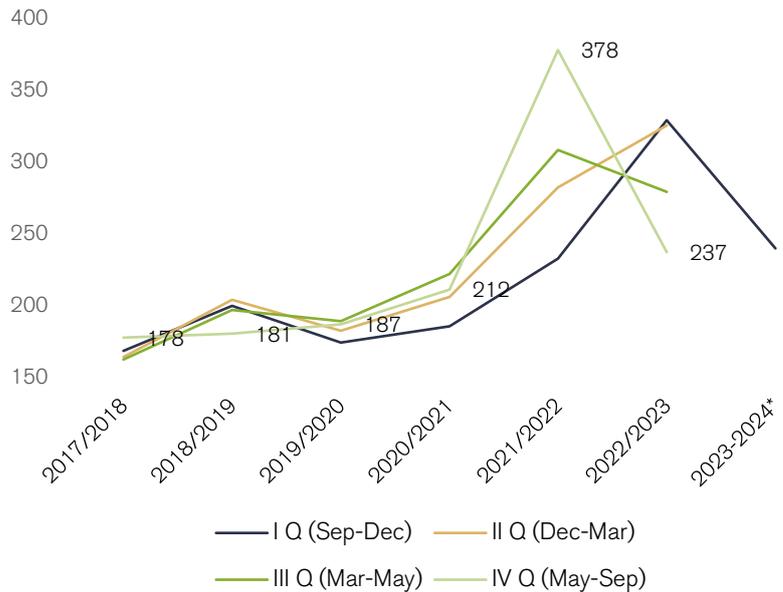
Data: Statistics Lithuania, Central Statistical Bureau of Latvia, Statistics Estonia

DYNAMICS OF WORLD FOOD PRICES 2021/2023



Data: Food and Agriculture Organization of the United Nations

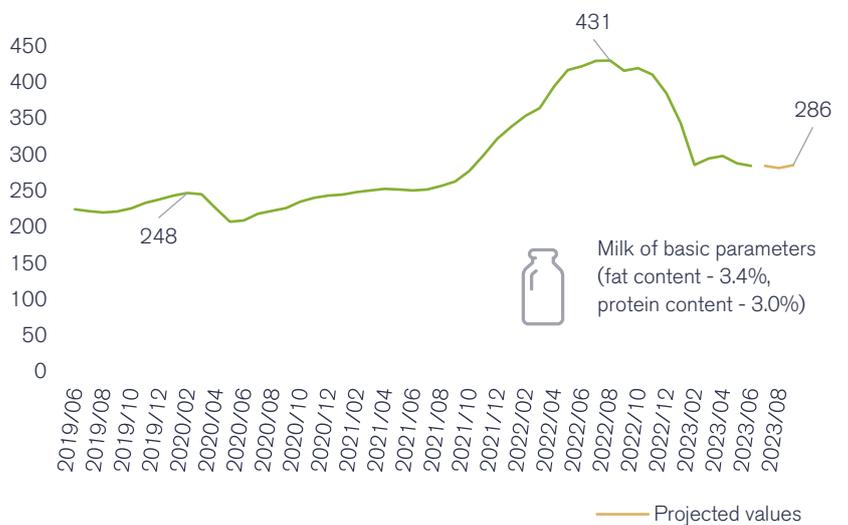
WHEAT FUTURES PRICE DYNAMICS



* IQ 2023/2024 average of non-finite period 1-Jul, 2023 to 29-Aug, 2023

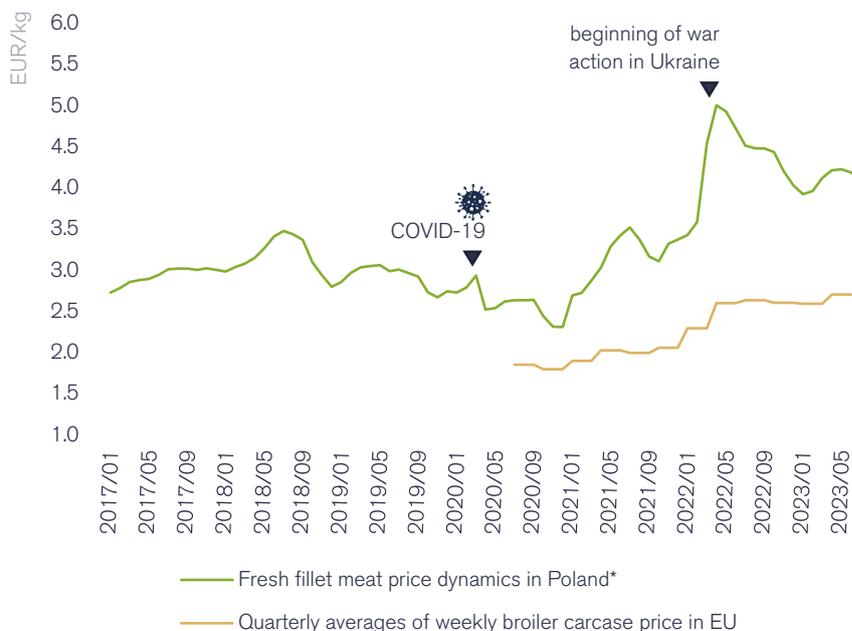
Data: Euronext

PURCHASE PRICES FOR BASIC PARAMETERS MILK IN LITHUANIA



Data: State Enterprise 'Žemės Ūkio Informacijos ir Kaimo Verslo Centras'

FRESH FILLET MEAT PRICE DYNAMICS IN POLAND*



Data: The Polish Ministry of Agriculture and Rural Development

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

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

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

● Significant impact

PERFORMANCE OF THE SEGMENTS

Activities of the Group are divided into five business Segments:

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

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

OPERATING PROFIT (LOSS) BY SEGMENTS

<i>thousand euro</i>	2018/2019 12 months	2019/2020 12 months	2020/2021 12 months	2021/2022 12 months*	2022/2023 12 months
Grain, Oilseeds, and Feed	(8,640)	6,225	6,053	51,266	16,767
Products and Services for Farming	2,950	3,555	8,758	45,319	9,665
Agricultural Production	3,230	6,358	11,433	15,078	12,515
Food Products	2,431	2,183	(2,040)	(1,790)	7,876
Other Activities	471	-	(75)	(1,967)	797

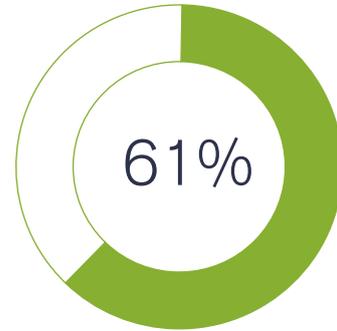
* To ensure more accurate representation of the activity, Company has revised the methodology relocating loss and/or gain from currency exchange line items to results of financial activity in the in separate and consolidated financial statements, therefore Operating profits were adjusted for the comparative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

GRAIN, OILSEEDS, AND FEED

since 1991

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

SHARE OF
REVENUE
IN GROUP'S
PORTFOLIO



KEY FACTS

-  the main export goods -Lithuanian and Latvian wheat
- 595** ktons storage capacity (535 ktons – silos, 60 ktons – on-ground intake stations) for various grains and other agricultural commodities in Lithuania and Latvia
- 301** ktons storage capacity at Lithuanian and Latvian ports
- 12** feed retail shops
- 288** ktons of annual compound feed production capacity in own factories in Lithuania (Kaunas, Alytus)
- 6** ktons of annual premixes production capacity in own factories in Lithuania (Kaunas), and Belarus*

OPERATING COMPANIES

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

* Company for sale

CERTIFICATES



OWN TRADEMARKS

- Vitamins and mineral supplements **VitaPrem**
- Compound feed 'Provitac'
- Feed **KG Nature**
- Effectus**
- Kauno Grūdai**

GRAIN STORAGE AND LOGISTIC SERVICES

This Segment includes handling of the grain for the export in elevators (cleaning, drying, storage, reloading) and logistic services.

Comparing the **quantities of grain accepted** by the Group companies with the same reporting period last year, 23% decrease was recorded. High yield expectations before the 2022 harvesting, have not translated itself into a record harvest mainly due to the dominant lower test weight measure (although still higher yields compared to 2021). The reason for the lower amount of grain accepted by the elevators remained the same - the purchase price being not in line with farmers' expectations; however, in the fourth quarter of the reporting period, even with prices continuously falling, deliveries (compared to the second and third quarters) became somewhat more active as farmers were preparing their storages for the reception of the new harvest.

Thanks to improving service rates during first quarter of the reporting period, as well as amended calculation methodology* - the **basis for income growth** was created. In the financial year 2022/2023, an increase in the income of all positions (storage, cleaning, drying) was recorded (EUR 10.4 million compared to EUR 5.5 million a year ago). This was also influenced by the poorer quality of grain delivered by farmers in the last quarter of the reporting year, accompanying infection, which meant longer storage and a greater need for cleaning services. Thanks to the revision of rates, increased storage capacity in beginning of the financial year, additional storage-cleaning earnings and at the end of the year in parallel decreasing costs (gas, electricity, other) - the overall **profitability** of the financial year 2022/2023 was record high.

878 thousand tons of grain collected through the elevator network:
71% - wheat,
13% - rapeseed,
6% - barley.



The transformation of the elevator segment, started already in the beginning of the 2022, was completed by the end of the reporting period, reducing the number of the Group's companies in the segment, consolidating operations in Lithuania and successfully integrating the elevators of Kauno Grūdai. Also, during the reporting period, about EUR 0.5 million worth **investments** in more advanced elevator equipment, speeding up the loading, enhancing drying work flexibility, optimizing energy costs, automating part of the processes, were made.

Grain Storage and Logistic Services	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	5,533	10,385	88
Gross profit (loss), <i>thousand EUR</i>	1,840	7,373	301

* at the beginning of the financial year 2022/2023, the accounting principles of income and expenses of the elevator companies of the Group, connected by the acquisition transaction of AB Kauno Grūdai were unified with the other elevator companies of the Group.

GRAIN AND OILSEED TRADING

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

Grain and oilseeds quantities sold by the Group companies within financial year 2022/2023 were similar to quantities a year ago, 80% of production was milling wheat. Sales revenue meanwhile grew by 12%, illustrating still higher average price of product basket, compared the compounded results within 12 months of the previous financial year. However, it should be noted that higher average price of the product basket was mostly positively influenced by the sales at the beginning of the financial year, compensating for the downward price corrections observed in the following quarters of the financial year 2022/2023 (about 30% lower price of wheat comparing the prices at the beginning and end of the year). Such decreases were mainly affected by balancing trade flows - solid harvests almost everywhere in the world (Australia, Brasil, Russia, other), created conditions for Ukrainian export throughout within the reporting period still open Black sea "corridor", continuous trade of Ukrainian corn and fodder wheat crossing the Ukrainian-Polish border.

With grain and oilseeds prices falling, Group companies experienced significant pressure on overall profitability. Russia, offering substantially cheaper than European wheat, distorted the competition and remained the main player in the export of food wheat; at the same time, extra challenge was the class of wheat purchased by the Group companies, which in most cases did not meet the standard wheat export quality and required improvement mixing with better parameters grain. Ensuring performance under the above conditions meant significant premium cuts. Accordingly, the total profitability of the Group companies in the reporting



During the reporting period, the volume of traded grain and oilseeds was

2.1 million tons.

period was 19% lower compared to the result of the same period previous financial year.

It should be noted that, compared to the situation of the previous financial year, due to the price factor, the activity of farmers was significantly lower and fewer preliminary sales contracts were made for the new 2023 harvest, making it difficult to assess the prospects of the future 2023/2024 financial year. Based on the information available on the date of publication of this report, the amount of harvest due to weather conditions and less fertilization in Latvia will be lower, and in Lithuania - similar to last year, however, challenges in the quality of the harvest are again expected.

Grain and Oilseed Trading	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	663,410	745,357	12
Gross profit (loss), <i>thousand EUR</i>	20,708	16,774	-19

FEED BUSINESS

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

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

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

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

At the date of the publication of this report (on which, the Russian and Belarusian premixes producing companies have already been sold), the activity solely is carried out in own factories in Lithuania (annual production capacity of

During the reporting period **841** thousand tons of compound feed, premixes and feed materials were sold.

294 thousand tons of compound feed and premixes). In Lithuania, the **retail trade of feed** is carried out through a network of retail stores managed by UAB KG Mažmena, covering approximately 70-80% of Lithuania's feed retail

market. Yet noting, that the gradual organic contraction of this market is felt for the second year in a row illustrating farms' shrinking and the prevention of bird flu.

The demand for **combined feed** remained high during the reporting period, more and more clients of the Group companies in Lithuania, livestock farms, chose to change their own feed to factory produced feed. During the reporting period, the companies of the Group increased the number of production lines by adding the line in Alytus to the capacity of the Kaunas factory. Despite increasing efficiency and growing production volumes, the overall profitability of the

compound feed category was decreasing during the reporting period. This was influenced by the normalization of the deliveries of feed raw materials, the increase in supply and active competition from Polish producers, putting pressure on the prices. With Group companies still using raw materials purchased in advance at a relatively higher price, the decrease in the selling price of production significantly affected the overall profitability of the category.

The slowing **feedstuff** consumption and decreasing, yet still volatile prices trend was characterizing to the reporting period. Over the first half of the financial year normalising supply chain activity, last quarter got complicated due to logistical constraints and hampered trade through the territory of Poland, as well as the transit blockade of Bulgaria, Slovakia, Hungary, and Romania. However, on the day of publication of this report, with indications of solid anticipated harvest of oilseeds in 2023/2024, not even the closing of the Black Sea transport "corridor" has caused much activity in the market. In financial year 2022/2023 Group companies have sold similar to previous year's production amounts, yet recorded 5% revenue decrease and 2% deterioration in gross profit. During the reporting period, the trade of soybean meal and other raw materials remained stable or even increased, while the trade volumes of vegetable oil and rapeseed decreased significantly.

Compound feed, premixes, feed material trade	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	513,938	460,017	-10
Gross profit (loss), <i>thousand EUR</i>	47,793	30,796	-36

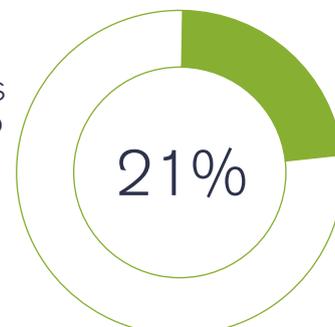
During the reporting period revenue of the Grain, Oilseeds and Feed segment increased by 3% to EUR 1.2 billion. Operating result amounted to EUR 16.8 million profit as compared to EUR 51.3 million operating profit for the corresponding period of the previous year. For 2022/2023 financial year revenue of this business segment constituted 61% and was in line with Group's management estimation.

PRODUCTS AND SERVICES FOR FARMING

since 1993

- Preparation of seed in own seed preparation factory
- Supply of seeds, plant care products, fertilizers to the farmers
- Supply of new and used agricultural machinery, spare parts, and service to the farmers
- Installation of grain cleaning, drying and storage facilities as well as livestock farms
- Software development
- Representation of worldwide known brands

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY FACTS

- 30** ktons of cereals and pulses seeds-total annual capacity of the seed production plant
- 185** ktons storage capacity for warehousing seeds, fertilizers and plant care products
- 16** sales outlets
- 13** service centers

OPERATING COMPANIES

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

* Company for sale

REPRESENTED MANUFACTURERS / BRANDS

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

Adjustable underground drainage system 'Ekodrena';
 Seeds, plant care products, fertilizers – 'Syngenta', 'Adama', 'Rapool', 'Yara', 'Ekoplón', 'Novagra', 'Nando', 'Haifa', 'Daymsa', 'Agritechno', other.

OWN TRADEMARKS



CERTIFICATES



UAB Dotnuva Baltic, SIA Dotnuva Baltic and AS Dotnuva Baltic have joined the Case IH international quality network Red Excellence, which unites companies representing the Case IH brand in Europe. UAB Dotnuva Baltic has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros, as well as a qualification certificate entitling to be a contractor for the construction of special structures.

PREPARATION OF SEED IN OWN SEED PREPARATION FACTORY

Since 2023 June 30 the seed preparation activities of UAB "Dotnuva Baltic" are separated and transferred to the newly established company UAB "Dotnuva Seeds". The company will continue the production of certified heavy seeds at the company's factory in Dotnuva (Kėdainiai district) under its own "Dotnuva Seeds" brand, as well as sales of grass and sidereal plant seeds.

Despite late 2022 harvesting, comparatively small 2021 harvest residues for the preparation of seeds ("transitional fund") as well as in the beginning of the financial year limited operation of seed certification laboratory, thanks to successful last quarter activity, increasing market of certified seeds and gains with summer crop seeding, the result of total reporting period ended up being 12% increase in heavy seeds production, compared to the corresponding period last year. UAB Dotnuva Baltic certified seed volumes in Lithuania account for approximately one third of all seeds certified in the country, placing the Group companies in a leading position.

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

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

24.6 thousand tons of the certified

'Dotnuva Seeds' cereals and pulses seeds, being 12% more than in previous year.



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

The majority of seed supply carried out by the Group's companies is ensured through the sourcing from UAB Dotnuva Baltic seed factory, where cereals, pulses, grass and sidereal plants seeds grown on Lithuanian farms are prepared; a smaller proportion is marketed by purchasing seeds directly from seed selectors or by representing the goods of well-known international brands, producing vegetables, flowers and other type of seeds. Seed supply activity is carried out by the Group companies in the Baltic States, as well as in Belarus.

During the reporting period Group companies sold:

30 thousand tons of seeds (23% less than in the previous year),

271 thousand tons of fertilizers (14% less than in the previous year),

26 thousand tons of plant care products and micronutrients (110% more than in the previous

During the reporting period demand fluctuations for quality **seeds** were felt, in Latvia requirement was decreasing as farmers calculated the increased costs and decreasing income due to falling grain prices, in Estonia at the same time a high demand for sidereal plant seeds was noticed. Over the reporting period due to time to time insufficient supply or

varying demand tendencies, the amount of seeds sold was lower. However gross profitability of seeds merchandising remained at a similar to previous year's level.

In the second half of the 2022/2023 financial year, **fertilizer** trade remained very dynamic, it can be noted that during the 12 months of the reporting period, it managed to act in two opposite directions - in the first half: from the lack of raw materials, the closing of factories, the increase in gas prices and, as a result, the increase in fertilizer prices, - in the second half: until the drop in gas prices, the recovery of production and respectively the significant decrease in fertilizer prices. When comparing fertilizer prices in the first and second half of 2022/2023, up to 60% reaching price contraction was recorded. In the third quarter of the financial year 2023/2024, with fertilizers selling prices falling significantly, farmers were in no hurry to buy large quantities

in advance, waiting for even "better" quotations; with prices stabilising in the fourth quarter (more favourable grain and fertilizer price proportion from client's perspective), the purchase of fertilizers recovered a little. Compared to the same reporting period a year ago, the fertilizer trade volume of Group companies decreased by 10%, revenue grew by 8%, illustrating still relatively high average prices of the period. However, due to the "lagging" more expensive stocks cost effect (higher relative weight of the latter), the total category's profitability of the entire reporting period bounced to its record lows.

Late spring, summer droughts, unexpected frosts in Latvia in June, as well as the decreasing price of the future harvest, led to the postponement of the farmers' decision to purchase **micronutrients and plant care products**; in the absence of supply shortages, there has been a tendency to seek express delivery only for the quantity and assortment that is

truly necessary and will be consumed shortly. However, the successful start of the financial year 2022/2023, as well as the search for cheaper alternatives to fertilizers, the introduction of new products (for example, sustainable solutions intended for nitrogen fixation in plants), resulted in over reporting period increased micronutrients, plant care products sales volumes and values (respectively 17% and 2% higher than the result of the corresponding period last year). Profitability remained at a similar level, however, when projecting the results of the future periods - pressure on margins can be expected – with decreasing mineral fertilizer prices, the demand for this category of goods is likely to decrease, also due to lower consumption throughout the financial year 2022/2023 the accumulated plant care products stocks in the market (in the opinion of the Group management - up to 30%) shall fuel the competition.

Trade in seeds, plant care products and fertilizers	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	289,694	307,571	6
Gross profit (loss), <i>thousand EUR</i>	56,633	18,489	-67

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

As every year, sales of agricultural machinery were mainly affected by harvest results, new sowing expectations, raw material and production purchase prices, the availability of support and financing, yet additionally this year – also continuously affected by uncertainty coming from geopolitical situation.

During the reporting period, the amounts of EU support in Lithuania and Latvia were quite significant. Thanks to the specific orientation of the support funds allocation, the growing precision technologies demand, sales of self-propelled and trailed sprayers, fertilization and spraying technologies for the crop farms, as well as trailed fodder distributors, and other trailed equipment for dairy farms have increased.

At the beginning of the reporting period, an optimistic assessment of better than average harvest of 2022, high grain and record milk prices, the continuing rise in the price of equipment and the desire to employ funds in an inflationary environment - acted as a strong incentive to invest. However, in the second half of the financial year - canceled EU support funds for the purchase of tractors,



UAB Dotnuva Baltic's market share:
For tractors (western type) – **11%**
For harvesters - **5%**

SIA Dotnuva Baltic's market share:
For tractors (western type) - **11%**
For harvesters - **26%**

AS Dotnuva Baltic's market share:
For tractors (western type) - **5%**
For harvesters - **4%**

harvesters, plows in the Baltic countries, downward milk price tendencies, for some time increased farm costs (fertilizers, feed, fuel, electricity, spare parts), as well as worries about the requirements of the 'green deal', rising financing costs, and in the last quarter additionally - fear of a

cold spring, dry weather, non-rebounding grain prices - led to more carefully taken investment decisions.

Even though while assessing results of financial year 2022/2023, such caution was only marginally noticeable due to strong results in the beginning of the reporting period (20% higher sales revenue and 51% higher gross profit compared to the period a year ago), a more moderate investment mood is expected to move into the next financial

year and possibly lead to increased competition in the agricultural machinery market. Group companies reduce the risk of such competition by providing the best quality service, ensuring the possibility to return part of the ordered parts to suppliers after the season, as well as developing long-term and short-term machinery rental activities, which are expected to be popular with farmers who have deferred investments.

Sales and rent of new and used agricultural machinery, spare parts sales, and servicing	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	81,974	98,170	20
Gross profit (loss), <i>thousand EUR</i>	9,644	14,597	51

SOFTWARE DEVELOPMENT

The start-up GeoFace initiated the launch of the intelligent farming system 'GeoFace' in Lithuania and Latvia in January 2021 and over more than a year has improved it as per farmers' requests. The product currently has the following main functions: crop fertilization and spray mapping, field grouping function, sowing planning and sowing task structuring, work calendar function, management of farm's finances, forming an electronic invoice template and preparing for the sales process, forecasting of the harvest, forecasting of stocks in the warehouse, direct declaration of used plant protection products, easy upload of the soil analysis data, sharing of information among farm employees, application subscription fee payment function, etc.

After several years of continuous software development, in the last quarter of the reporting period, the Geoface smart farming app started generating first sales to external

customers (until then, the service was provided free of charge).

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

As farms make decisions to invest in grain and farm equipment installation projects, for the most part, the same arguments were used as when deciding to invest in agricultural machinery. With purchase prices of raw milk and grain falling, a considerable number of farms slowed down or gave up investments, others - on the contrary, decided to invest precisely in order to become more resilient - to work more efficiently, at lower costs. Compared to the same reporting period a year ago, the revenue and gross profit of



the category decreased, though farmers were actively applying for support, expecting more significant investments for the 2024 harvest, including construction investments, which might be applicable for support with the new application phases.

Installation of grain cleaning, drying and storage facilities and livestock farms	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	12,221	10,366	-15
Gross profit (loss), <i>thousand EUR</i>	2,134	2,117	-1

Total operating Segment revenue grew by 8% to EUR 416 million; operating profit was 79% lower and amounted to EUR 10 million.

For 2022/2023 financial year revenue of this business segment constituted 21% and was in line with Group's management estimation.

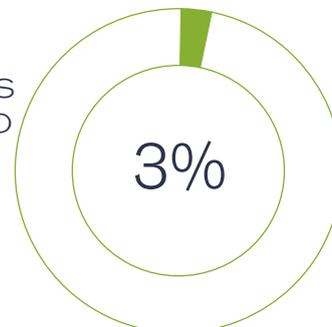


AGRICULTURAL PRODUCTION

since 2003

- Cultivation of cereals, oilseed rape, sugar beet and other crops
- Production of milk and beef cattle farming
- Rent and management of agricultural purposes land
- Management of subsidiary farming companies

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY FACTS

- 19,229** Cultivated land area, hectares
- 6,074** own land area, hectares
- 3,264** number of cows
- 37.3** ktons of milk produced
- 104** ktons of crop production produced

OPERATING COMPANIES

Companies in Lithuania:

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



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

During the reporting period, crop production harvested and sold by the operating companies of the Segment were respectively 15% and 14% higher as compared to the very

104 thousand tons of crop production sold during the reporting period (14% more than a year before).



same period last year. Greater quantities of the crop production were related with better 2022 harvest in Lithuania, exceeding the values of multiyear average. Regardless of country's harvest indications with dominating lower than average quality, as well as marginal gluten and protein parameters, the quality of crop produced by Group farming companies was fairly good – the indicators of winter wheat were in line with class I or II, oil content of rapeseed was acceptable. However, due to the cold and rainy spring of 2022, the quality of corn and malted barley suffered a bit.

High average grain selling prices in the beginning of the financial year, already end of the summer 2022 started decreasing with increasing availability of the crops; for instance, on the date of the publication of this report, the price of milling wheat has lost roughly 30% of its value from its peak price. Due to high costs of fertilizers, plant protection products, energy resources and other components, the grain harvested in summer-autumn of 2022 was grown at approximately 10-20% higher cost compared to the previous period (depending on the culture). Despite the aforementioned factors, Group farming

companies still managed to record good results during the reporting period, largely due to high selling prices at the beginning of the period, as well as significant part of pre-sale contracts and the risk policy of the Group companies to carry out the remaining sales in parts month by month.

On the last day of the reporting period, for the harvest of the year 2023, the Group's agricultural companies have sown more than 18 thousand hectares of cultivated land, yet the condition of the crop, contrary to the assessment most of the time during the financial year, was assessed on a much wider scale, some being called in the range of bad/satisfactory/good. Dry weather dominating the last quarter of the financial year and continuing after the end of the financial year, as well as a storm during the harvesting, raised concerns about possible 2023 production, however, on the day of the publication of this report, the initial harvest indications in the part of the Group agricultural companies even exceeded the yields of the previous year. According to the preliminary assesses harvest quantities, at the day of the publication this report, pre-sold production of the Group companies constituted – 55% of wheat, 70% of rapeseed, 40% of malted barley and 40% of beans.

During the reporting period, all crops of the Group companies were insured. In order to compensate for the frost of rapeseed, the fall of barley, and the consequences of rain/hail in the area of 300 ha, the insurance payment was requested, however, the losses are symbolic – about EUR 35 thousand.

Crop production sales	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, thousand EUR	20,996	30,496	45
Gross profit (loss), thousand EUR	9,838	8,889	-10

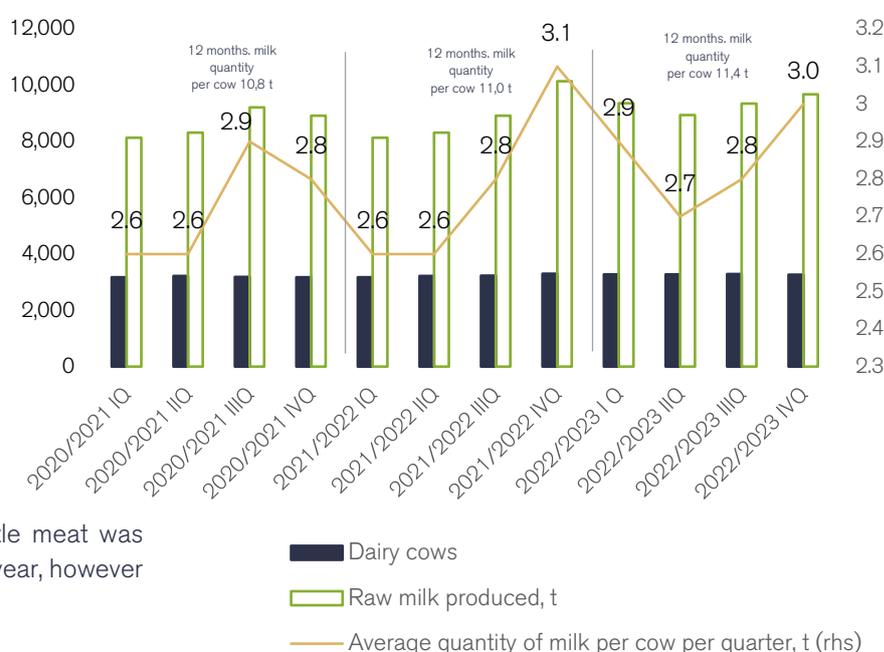
PRODUCTION OF MILK AND BEEF CATTLE FARMING

At the end of the reporting period, the quantities of dairy cows held were 1% lower, while the amounts of milk produced were even 7% greater compared to the results of same period previous financial year. It is noteworthy, that quantity of milk produced and its qualitative parameters vary depending on feed, temperatures, animal genetics and other factors, and usually does not characterize by direct correlation, therefore with milk yields increasing significantly over the reporting period, the weighted average protein and fat content indicator decreased slightly, even so the composition of milk produced was still excellent. During the first quarter of the financial year the purchase prices of raw milk peaked, however already in October of 2022 started to diminish and continued this direction within the following



months of the reporting period. Nevertheless, the successful start of the financial year 2022/2023 gave ground to sustain still slightly higher Group farming companies milk sales revenue compared to the very same period last year (9% increase in milk sales revenue). Unfortunately, due to the higher than average cost component prices, the results of general profitability deteriorated by almost a third.

RAW MILK PRODUCTION DYNAMICS IN AGRICULTURAL COMPANIES



During the reporting period, 6% less live cattle meat was grown compared to the same period in previous year, however revenue from meat sales increased by 4%.

Milk and live weight cattle sales	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, thousand EUR	18,137	19,693	9
Gross profit (loss), thousand EUR	4,901	3,366	-31

The revenue of the operating Segment increased by 28% during the reporting period, accounting for almost EUR 50.2 million. Meanwhile operating profit reached EUR 12.5 million compared to EUR 15.1 million in same period of previous year.

For 2022/2023 financial year revenue of this business segment constituted 3% and was in line with Group's management estimation.

FOOD PRODUCTS

since 2013

Whole cycle poultry business:

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

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

Provision of logistics, consulting, and management services

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY FACTS



The only producer of instant products in the region

#1

The biggest poultry producer in Lithuania and Latvia

#1

The biggest flour producer in Lithuania

100%

Poultry reared without antibiotics in Latvia

75%

Poultry reared without antibiotics in Lithuania

20

retail outlets in Latvia

OPERATING COMPANIES

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

BRANDS AND TRADEMARKS



Other:

Granfågel (non-Baltic export markets)

Nordichicken (export markets)

A'petito

Fiesta

Vištiena kitaip

Vištyčio

Premium

CERTIFICATES



POULTRY BUSINESS

Group companies together are the largest poultry meat producers in Lithuania and Latvia, owning best-known poultry meat brands in both countries'. Activities include whole cycle poultry business - from incubation of hatching eggs to retail sales of produced chicken meat / products. Production infrastructure include owned breeding houses, incubators, broilers houses, slaughterhouses, production sites, waste incineration and utilization units.

'Raised without antibiotics' - since the beginning of 2020 in Latvian companies broilers are 100% raised without antibiotics, in Lithuania the share of antimicrobial-free production in poultry farms is around 75%..

During the reporting period Group poultry companies produced 2% more of live weight poultry meat, however due to by one third lower quantities bought from third parties, delivered roughly 4% less carcass weight, as well as respectively produced and sold lower quantities of poultry and it's products compared to the very same period last year. Decreased slaughtered and production quantities were mostly related with the closure of the slaughterhouse in Kaišiadorys, since March, 2022 moving the slaughtering and meat processing of broilers raised in Kaišiadorys to the Vilnius Poultry Slaughter Complex, using its full capacity. Despite the lower volumes, the effect of the higher average production sales prices (approx. 20% higher compared to the same period a year ago) reflected in the top line of the reporting period (13% growth). However, both – due to continuously high prices of main cost components, as well as due to changes in consumers' product basket, still wasn't sufficient to achieve a positive net result, nor to improve gross profitability ratios. Due to stocks still available in the warehouses, raw materials for feed production remained expensive, meanwhile the infrastructure adaptation investments, aimed at replacement of natural gas for heating and production with a cheaper energy source - liquefied petroleum gas, were only completed in January and February of 2023. With continuous inflation, a change in consumer behaviour was noticed, refraining from more expensive ready-to-eat chicken products, choosing fresh meat more often and preparing it themselves. According to Nielsen survey, Latvian consumer expense on processed meat products remained similar (impact of inflation), yet the average weight of this production decreasing by roughly 16%.

It should be noted that during the reporting period Segment companies have received EUR around 2 million support aimed at the COVID-19 pandemic or war situation affected subjects.

The welfare of the animals and overall results of the farms over the reporting period remained sound. European Production Efficiency Factor (EPEF)¹, indicating efficient



During the reporting period Group's poultry companies

Produced

118 thousand tons
of live weight
poultry meat

Sold

96 thousand tons
of poultry meat
and its products

exploitation of breed's genetic potential, in Lithuanian and Latvian poultry farms stood at 380, feed conversion (FCR) ratios were one of the best historically, the health status of the birds – favourable.

With demand and average poultry prices on the day of publication of this report illustrating the positive phase (characteristic to summer season - grilling) – assessment of the possible financial year 2023/2024 results – still remain difficult. It is expected that the energy cost reduction investments made by the Group companies in 2021/2022, price hedges for the part of the necessary natural gas demand, strategic management of production quantities and possible growth in poultry demand as a result of expensive pork production substitution with chicken products - will have a positive impact in the following periods of the financial year 2023/2024. However, prediction of the fundamental factor determining the results - the movement of poultry production and feed raw material prices - on the day of publication of this report - remains complicated.

¹European Production Efficiency Factor (EPEF) - standardized measure of farm performance (includes feed conversion, mortality, and daily weight gain results), used to compare broiler performance from different flocks and different regions.

Poultry and poultry products	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	261,223	296,377	13
Gross profit (loss), <i>thousand EUR</i>	16,424	14,851	-10

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

By operating grain mill in Kaunas (70 thousand tons capacity per year), breading mixes preparation facility in Kaunas district (12 thousand tons capacity per year) and instant foods (IF - porridge and noodle cups, packets and boxes) production facilities in Kėdainiai and Alytus (265 million IF product units capacity per year), entities of the Group are engaged in production of flour, its mixtures, breading mixes, and instant foods products. Activities of these companies are integrated – part of flour products produced in the mill are supplied to the Group's companies producing noodles, breadcrumbs; breadcrumbs are used in production of poultry products, etc.

The **flour, flour mixtures and breadcrumbs** quantities sold by Group companies during the reporting period were 11% lower compared to the result in the previous financial year. Although the production volumes and demand for flour, its mixtures and coating systems remained at a similar to the last year's level, flour sales to third parties contracted due to a higher demand for flour internally in the Group (over the reporting period 23% of flour production was sold as supplies for instant food production), as well as turned down some marginal profitability contracts. Compared to corresponding period last year, sales volumes of breadcrumbs diminished by approx. 8%, to most extent explained with cancelation of trade relations with Russian buyers. However, successfully entering new markets (key geographies - UAE, Saudi Arabia, Poland, Baltic countries), gradual recovery of quantities are projected. Elevated cost due to high energy and cereal prices was offset with inflated selling prices, sustaining the gross profitability and recording 22% revenue increase in the flour, its mixtures and breadcrumbs product category compared to the very same period last year.

The **instant food** quantities sold by Group companies during the reporting period were 28% greater compared to the result in the previous financial year, income generated – respectively 49% higher. Higher production quantities was to some extent enabled thanks to the completion (first half of FY 2022/2023) of the investments in 2.5 thousand sq. m. IF warehouse in Kėdainiai, solving the problem of insufficient storage space. However significant increase in the revenue was related not only with higher production quantities, but also with higher IF prices, which, despite cost



During the reporting period Group companies

Produced

75 thousand tons

of flour, flour mixes, breadcrumbs

284 million pcs

of instant foods (IF) - porridges and noodles in cups, packages and boxes

Sold (not including quantities required for internal production).

56 thousand tons

266 million pcs

components prices (flour, oils, packaging, energy) remaining also high, still allowed to improve gross profitability ratios a bit compared to the same reporting period in the previous financial year. Majority of the IF production is exported to the markets of Great Britain, Spain, Czech Republic, Scandinavian and Baltic countries and sold under private

Flour and flour mixtures, instant food products, breadcrumbs, and breeding mixes	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	85,358	119,193	40
Gross profit (loss), <i>thousand EUR</i>	9,224	16,134	75

labels. Over the reporting period the accelerating instant noodles demand moods were felt - according to the latest data of World Instant Noodles Association (WINA) and Innova Market Insights, last year's results indicated 11% CAGR in Group's focus market (Europe, excluding Russia, Ukraine), while the projected CAGR for coming 5 years shall reach 5%. However Group companies working full capacity, satisfying this additional demand would be still only possible with further investments. Taking into account increasing appetite, already in the beginning of the 2023 Group's management announced the plan for EUR 32 million investment into Alytus IF plant expansion, expecting to have

increased IF production capacities already in 2024 (additional 240 million product units throughout the year).

Observing the growing demand for ready-to-eat food products, Group's management made a decision to expand segment's product basket. After the end of the reporting period, in July, 2023 the acquisition of a part of the third party's business was completed, aiming to continue the production of organic soups, stews, grain dishes and organic vegetables in pouches in a modern robotic factory in Lithuania (Širvintos), yet under Group's own brands. The impact of this acquisition will be gradually reflected in the results of the financial year 2023/2024.

Revenue of Food Products segment for the reporting period increased by 20% and amounted to EUR 416 million. Operating profit amounted to EUR 7.9 million, compared to the EUR 1.8 million loss for the same period last year.

For 2022/2023 financial year revenue of this business segment constituted 21% and was in line with Group's management estimation.

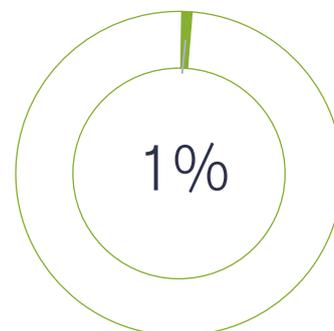


OTHER ACTIVITIES

since 2021

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

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY FACTS



Own plant of extruded products in Alytus

OPERATING COMPANIES

- AB Kauno Grūdai
- 000 KLM*
- UAB Baltic Fumigation Services

CERTIFICATES

AB Kauno Grūdai and 000 KLM* have pharmaceutical licenses for wholesale distribution

* Company for sale

OWN TRADEMARKS



REPRESENTED MANUFACTURERS / BRANDS

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

In the Other Activities business Segment, largest share of sales is generated by the wholesale and retail sale of worldwide well-known producers' veterinary pharmacy products in Lithuania, Belarus, production of pet food in Group's own production facilities of extruded products in Alytus, providing pest control services and selling hygiene products in Lithuania (prophylactical and interventional measures, aimed towards ensuring compliance with food safety requirements, also chemicals for both – professional use and daily cleaning of household premises).

During the reporting period, operation in wholesale and retail sale of **veterinary pharmacy products** was still slightly burdened with occurring supply disruptions, however demand of the production remained more or less stable, revenues of Group companies - in similar levels compared to previous year. In the second half of the financial year 2022/2023 initiated cooperation with the new supplier had positive impact on the results of the category, profitability ratios were improving.

Over the reporting period demand for pet food remained strong, thus with the Group's production base operating at



full load, management chose to commit for the most profitable orders, reducing the share of the cheaper economy class product in the production basket. Implementation of the mentioned strategy translated into contraction of **pet food** produced by Group companies quantities (7% less as compared to the same period last year), yet meanwhile into higher revenues, amounting EUR

During the reporting period the companies of the Group

Produced **Sold**
11 thousand tons **9** thousand tons
of the extruded products

9.4 million and being even 47% higher if compared to the result in the previous financial year. Worth noting, that the recovering profitability of the category was influenced not only by the product basket, but also by the declining cost of raw materials at the end of the reporting period.

During the reporting period, demand tendencies in **pest control and hygiene services/products** category were favourable; compared to the same period last year – revenues were increasing, gross profitability - improved. Achieving even better results at the end of the financial year was obstructed by lower orders for spraying services of empty warehouses, as farmers and agricultural companies could not free up storages due to still unsold last year's harvest.

It should be noted that after the acquisition of Kauno Grūdai group companies in July 2021, various minor activities were gradually allocated to and out of this Segment, therefore while assessing y-o-y dynamics, potential discrepancies related with this inconsistency shall be taken into account.

Pest control, provision of hygiene goods and services, petfood production and sales, wholesale and retail trade of veterinary pharmacy products and other activities	2021/2022 12 months	2022/2023 12 months	Difference, %
Revenue, <i>thousand EUR</i>	35,861	21,631	-40
Gross profit (loss), <i>thousand EUR</i>	6,306	3,372	-47

Revenue of the operating Segment covering above mentioned and other less material activities during this reporting period amounted to EUR 22 million, result was EUR 1 million operating profit.

For 2022/2023 financial year revenue of this business segment constituted 1% and was not in line with Group's management estimation. Business segment represents non-core activities, which are either in development stage or non-systemic, thus there is a high possibility of deviation.

MAJOR EVENTS

THE PUBLICLY DISCLOSED INFORMATION

During the reporting period ended 30 June 2023, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:

21/7/2023 16:15 EEST	AB Linas Agro Group completed the acquisition of part of the business from AUGA Group, AB
16/6/2023 8:00 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the person discharging managerial responsibilities
15/6/2023 16:52 EEST	The Board of Directors of AB Linas Agro Group approved the Dividend Policy
13/6/2023 17:17 EEST	Correction: AB Linas Agro Group seeks to acquire part of AUGA Group, AB food business
7/6/2023 17:42 EEST	AB Linas Agro Group seeks to acquire part of AUGA Group, AB food business
31/5/2023 16:30 EEST	9 months of the 2022/2023 financial year of AB Linas Agro Group: revenue up, profit down
26/5/2023 10:00 EEST	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 9 months of financial year 2022/2023
15/5/2023 8:23 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers of the Company
11/5/2023 8:19 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers of the Company
8/5/2023 16:05 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers and persons closely associated with the managers of the Company
4/5/2023 8:16 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers and persons closely associated with the managers of the Company
2/5/2023 9:06 EEST	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company
2023-04-26 16:19 EEST	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company
28/2/2023 18:22 EET	Six months of the 2022/23 financial year of AB Linas Agro Group: sales, revenue, and profit growth.
23/2/2023 9:30 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the half year of financial year 2022/2023.
20/2/2023 8:00 EET	Linas Agro Group invests EUR 32 million in the production of instant foods.
22/12/2022 16:05 EET	Chairman of the Supervisory Board of AB Linas Agro Group was elected.
6/12/2022 16:08 EET	Chairman of the Board of AB Linas Agro Group was elected.
2/12/2022 16:05 EET	Notification on the total number of voting rights granted by Linas Agro Group shares, the authorized capital amount, the number of shares and their nominal value.
2/12/2022 16:04 EET	New wording of the Articles of Association of AB Linas Agro Group, the Supervisory Board and the increase of the authorized capital are registered.
2/12/2022 9:00 EET	Correction: AB Linas Agro Group investors calendar for the 2023.
2/12/2022 8:30 EET	AB Linas Agro Group investors calendar for the 2023.

30/11/2022 18:41 EET	Revenue of AB Linas Agro Group for the three months of the 2022/2023 financial year grows by one third.
24/11/2022 8:08 EET	AB Linas Agro Group notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company.
23/11/2022 8:30 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 3 months of financial year 2022/2023.
16/11/2022 8:23 EET	AB Linas Agro Group sold IOOO Belfidagro, a company registered in Belarus.
3/11/2022 13:50 EET	Dividend Payment Procedure.
3/11/2022 9:54 EET	AB Linas Agro Group has permission to proceed with the sale of the Belarusian company.
28/10/2022 17:25 EEST	AB Linas Agro Group notification about the Annual information for the financial year 2021/2022.
28/10/2022 17:20 EEST	Decisions of the Annual General Meeting of Shareholders of AB Linas Agro Group held on 28 October 2022.
10/10/2022 9:53 EEST	Correction: The Board of AB Linas Agro Group approved draft resolutions and documents for the General Meeting of Shareholders.
7/10/2022 23:23 EEST	Correction: The Board of AB Linas Agro Group approved draft resolutions and documents for the General Meeting of Shareholders.
7/10/2022 23:01 EEST	The Board of AB Linas Agro Group approved draft resolutions and documents for the General Meeting of Shareholders.
4/10/2022 8:00 EEST	Annual General Meeting of Shareholders is convened.
26/9/2022 8:27 EEST	Linas Agro Group companies receive EUR 118 million to finance operations.
31/8/2022 18:00 EET	Revenue of AB Linas Agro Group for the twelve months of the 2021/2022 financial year approaches EUR 2 billion, net profit grows 4.6 times.
26/8/2022 8:30 EEST	AB Linas Agro Group sells subsidiaries in Russia and Belarus.
25/8/2022 14:15 EEST	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 12 months of the financial year 2021/2022.
1/8/2022 9:00 EEST	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company.
28/7/2022 16:00 EEST	Linas Agro receives EUR 170 million syndicated loan.
27/7/2022 11:03 EEST	Linas Agro Group to expand its operations.

OTHER EVENTS OF THE REPORTING PERIOD

2023/2024	The Group companies additionally acquired shares of UAB Šlaituva, AB Vilniaus Paukštynas, AB Kauno Grūdai and others.
27/6/2023	The Company acquired from AB Linas Agro shares of UAB Landvesta 1, UAB Landvesta 2, UAB Landvesta 3, UAB Landvesta 4, UAB Landvesta 5 and UAB Landvesta 6.
20/6/2023	UAB Kaišiadorių skerdykla was removed from the Register of Legal Entities.
16/6/2023	UAB KG Group LT was removed from the Register of Legal Entities.
9/6/2023	UAB Dotnuva Seeds established SIA Dotnuva Seeds.

9/5/2023	UAB Dotnuva Baltic split off finished and new edition of the Articles of Association of UAB Dotnuva Baltic registered, the authorized capital decreased by EUR 69,504.
8/5/2023	UAB Dotnuva Seeds was registered after UAB Dotnuva Baltic split off.
27/4/2023	The authorized capital of AS Dotnuva Baltic increased by EUR 800,00.
11/4/2023	A decision is taken to increase the authorized capital of LLC Linas Agro Ukraine by EUR 300 000.
30/3/2023	The authorized capital of LLC Linas Agro Ukraine increased by EUR 166,545,25.
20/3/2023	The authorized capital of UAB GeoFace increased by EUR 300,000.
17/3/2023	Conversion of Užupės ŽŪB into UAB Užupė was completed.
16/3/2023	Split off of UAB Dotnuva Baltic initiated.
6/3/2023	Liquidation of UAB Kaišiadorių Skerdykla initiated.
March, 2023	UAB TABA Holding additionally acquired shares in AB Kauno Grūdai.
January-March, 2023	The Company transferred 4,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
9/1/2023	UAB Kauno Grūdai ir Partneriai was removed from the Register of Legal Entities.
7/12/2022	AB Kauno Grūdai bought the rest shares of UAB Šlaituva and became the sole shareholder.
1/12/2022	The reorganization was completed, UAB Kauno Grūdai ir Partneriai was merged to UAB Linas Agro Grūdų Centrai.
30/11/2022	The share capital of Užupės ŽŪB was reduced by paying EUR 691,000.64 to its shareholders.
9/11/2022	100 percent of shares in IOOO Belfidagro were sold.
2/11/2022	The authorized capital of SIA Linas Agro increased by EUR 366,856 by a non-monetary contribution of SIA KG Latvija.
5/10/2022	Liquidation of UAB KG Group LT initiated.
27/9/2022	The sale of part in OOO VitOMEK (Moscow, Russian Federation) is registered.
5/9/2022	The authorized capital of UAB Linas Agro Grūdų Centrai has been increased by EUR 3,866,785 with a non-monetary contribution from AB Linas Agro.
1/9/2022	The sale of part in OOO VitOMEK (Tver region, Russian Federation) is registered.
25/8/2022	Agreements on sale of shares in OOO VitOMEK (Moscow, Russian Federation) and OOO VitOMEK (Tver, Russian Federation), also IOOO Belfidagro, registered in Belarus were concluded.
July, 2022	The Company transferred 11,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
22/7/2022	AB Linas Agro concluded a syndicated credit agreement in the amount of EUR 170 m with Credit Suisse AG, Swedbank, AB and AB SEB bank, and the Company guaranteed its fulfilment.
5/7/2022	Authorized capital of AB Linas Agro increased by EUR 5 134 480 by non-monetary contribution of AB Kauno Grūdai.

SUBSEQUENT EVENTS

22/8/2023	Split off from UAB Landvesta 1 initiated.
21/7/2023	AB Kauno Grūdai acquired 100% shares of KB Grybai LT.
7/7/2023	The Company transferred 3,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.

AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER

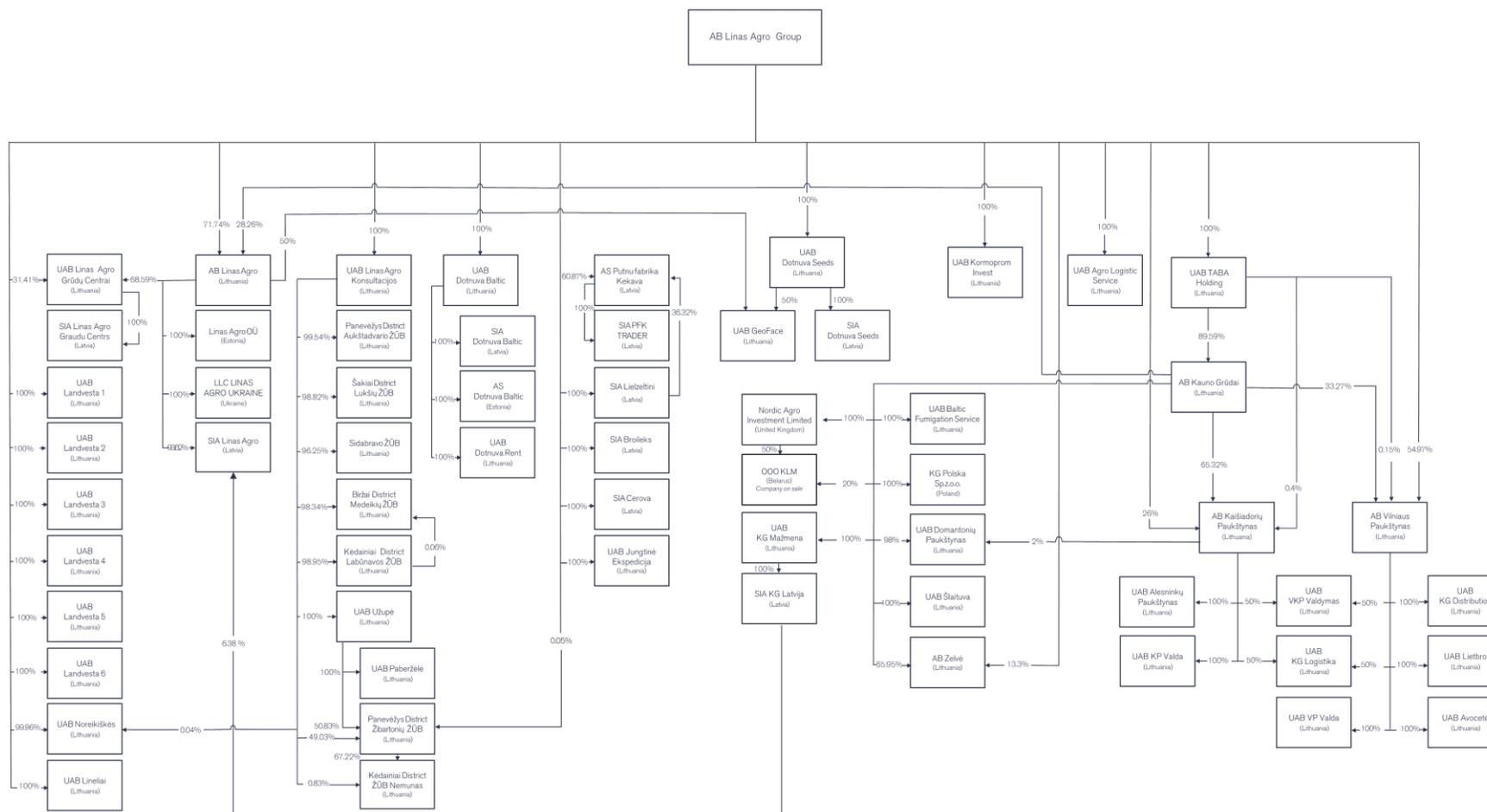
Information on changes in the prices of Company's shares and turnover from 1/7/2018 until the end of the reporting period, i. e. 30 June 2023, is presented in the following diagram:



Information on the fluctuations of the Company's share price and OMX Baltic Benchmark GI (OMXBBGI) and OMX Baltic Vilnius GI (OMXVGI) indices from 1/1/2020 until the end of the reporting period, i. e. 30 June 2023, is presented in the following diagram:



SUBSIDIARIES OF THE COMPANY



* As of June 30, 2023. The scheme excludes dormant, associated companies and the companies under liquidation: UAB Gerera (100% owned by AB Linas Agro), UAB Kekava Foods LT (100% owned by AB Linas Agro Group), Linas Agro A/S under liquidation (100% owned by AB Linas Agro), UAB Gastroneta (100% owned by AB Vilniaus Paukštynas), UAB Uogintai (100% of shares owned by AB Kaišiadorių Paukštynas), Kooperatyvas Baltųjų Plunksnelė (the companies UAB Domantonių Paukštynas, UAB Lietbro, AB Želvė, UAB Avocetė and UAB Alesninkų Paukštynas each own 20% stock), KG Khumex B. V. (associate, 50% owned by AB Linas Agro Group), KG Khumex Coldstore B.V. (associate, 25% owned by AB Kaišiadorių Paukštynas and 25% by AB Vilniaus Paukštynas).



CONTACT PERSON

Chief Financial Officer

MAŽVYDAS ŠILEIKA

Email m.sileika@linasagro.lt



linas  agro

AB LINAS AGRO GROUP
UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

FOR 12 MONTHS PERIOD OF
2022/2023 FINANCIAL YEAR
ENDED JUNE 30, 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2023	As at 30 June 2022
ASSETS			
Non-current assets			
Intangible assets	5	3,025	2,759
Property, plant, and equipment	6	174,462	166,215
Right-of-use assets	7	30,536	24,720
Investment property	8	399	562
Animals and livestock		11,731	13,233
Non-current financial assets			
Other investments		28	27
Prepayments for financial assets		503	–
Non-current receivables		5,049	815
Non-current receivables from related parties	16	750	750
Total non-current financial assets		6,329	1,592
Non-current prepayments		1,017	1,166
Deferred income tax asset		8,725	7,139
Total non-current assets		236,224	217,386
Current assets			
Crops		31,848	29,222
Livestock		10,091	8,302
Inventories	9	265,730	243,876
Current prepayments		5,581	11,588
Current accounts receivable			
Trade receivables		312,182	300,061
Receivables from related parties	16	4,670	5,817
Income tax receivable		–	67
Other accounts receivable and contract assets		10,554	8,684
Total current accounts receivable		327,406	314,629
Derivative financial instruments		1,530	1,182
Other current financial assets		2,044	3,022
Cash and cash equivalents		13,264	20,810
Non-current assets held for sale	10	–	22,958
Total current assets		657,494	655,589
Total assets		893,718	872,975

(cont'd on the next page)

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

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

	Notes	As at 30 June 2023	As at 30 June 2022
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,715	46,514
Share premium	1	23,928	23,642
Legal and other reserves		7,706	6,319
Own shares (-)		(426)	(440)
Foreign currency translation reserve		(130)	(17)
Amounts recognized directly in equity relating to non-current assets held for sale	10	-	(3,592)
Total foreign currency translation reserve		(130)	(3,609)
Retained earnings		205,144	197,383
Total equity attributable to equity holders of the parent		282,937	269,809
Non-controlling interest		14,450	10,142
Total equity		297,387	279,951
Liabilities			
Non-current liabilities			
Grants and subsidies		8,565	8,285
Non-current borrowings	11	28,415	22,305
Non-current trade payables		1	-
Lease liabilities	12	36,425	31,867
Deferred income tax liability		1,414	2,063
Non-current employee benefits		858	787
Other non-current liabilities		821	1,629
Total non-current liabilities		76,499	66,936
Current liabilities			
Current portion of non-current borrowings	11	16,120	20,641
Current portion of lease liabilities	12	9,494	7,659
Current borrowings	11, 16	237,879	213,550
Trade payables		198,651	205,687
Income tax payable		273	7,467
Derivative financial instruments		2,095	3,091
Contract liabilities		3,206	3,201
Other current liabilities		51,583	48,509
Liabilities related to non-current assets held for sale	10	-	16,283
Total current liabilities		519,832	526,088
Total equity and liabilities		893,718	872,975

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

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

(for the period from 1 July to 30 June)

	Notes	2022/2023 12 months	2021/2022 12 months
Revenue from contracts with customers	4	1,999,310	1,895,667
(Cost) of sales		(1,862,552)	(1,706,808)
Gross profit		136,758	188,859
Operating (expenses)	13	(98,791)	(96,356)
(Expenses) and reversal of impairment of trade receivables, contract assets and other receivables		196	(3,194)
Other income	14	13,508	22,691
Other (expenses)	14	(7,130)	(5,581)
Impairment loss on disposal of assets held for sale		–	(2,800)
Loss on disposal of a foreign operation		(313)	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal		3,104	–
Operating profit		41,124	103,619
Income from financial activities		3,725	2,293
(Expenses) from financial activities		(19,531)	(15,071)
Profit before tax		25,318	90,841
Current income tax and deferred tax benefit (expenses)		(4,856)	(13,584)
Net profit		20,462	77,257
Net profit attributable to:			
Equity holders of the parent		17,805	74,809
Non-controlling interest		2,657	2,448
Basic and diluted earnings per share (EUR)		0.13	0.48
Other comprehensive income			
Exchange differences on translation of foreign operations into Group's presentation currency related to disposal of a foreign operation reclassification to profit or loss		3,819	–
Exchange differences on translation of foreign operations into Group's presentation currency		(334)	(3)
Exchange differences on translation of foreign operations into Group's presentation currency related to assets held for sale		–	(3,660)
Cash flow hedges - effective portion of change in fair value		1,220	–
Cash flow hedges - reclassified to profit or loss		(680)	–
Total other comprehensive income, that may be reclassified to profit or loss in subsequent periods		4,025	(3,663)
Total comprehensive income, net of tax		24,487	73,594
Total comprehensive income attributable to:		24,761	73,594
The shareholders of the Company		21,761	71,214
Non-controlling interest		2,726	2,380

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

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

(for the period from 1 January to 30 June)

	Notes	2022/2023 IV quarter	2021/2022 IV quarter
Revenue from contracts with customers	4	498,951	547,789
(Cost) of sales		(475,312)	(461,352)
Gross profit		23,639	86,437
Operating (expenses)	13	(26,226)	(28,189)
(Expenses) and reversal of impairment of trade receivables, contract assets and other receivables		(672)	(1,980)
Other income	14	6,017	7,985
Other (expenses)	14	(2,097)	(1,608)
Operating profit		661	62,645
Income from financial activities		788	1,196
(Expenses) from financial activities		(5,162)	(5,000)
Share of profit of an associates and joint ventures		–	52
Profit before tax		(3,714)	58,893
Current income tax and deferred tax benefit (expenses)		(719)	(7,955)
Net profit		(4,433)	50,938
Net profit attributable to:		(4,433)	50,938
Equity holders of the parent		(4,589)	49,492
Non-controlling interest		156	1,446
Basic and diluted earnings per share (EUR)		(0,03)	0,33
Net profit		(4,433)	53,253
Other comprehensive income			
Exchange differences on translation of foreign operations into Group's presentation currency related to assets held for sale		–	(547)
Exchange differences on translation of foreign operations into Group's presentation currency		19	(1)
Cash flow hedges - effective portion of change in fair value		600	–
Cash flow hedges - reclassified to profit loss		(261)	–
Total other comprehensive income, that may be reclassified to profit or loss in subsequent periods		358	(548)
Total comprehensive income, net of tax		(4,075)	52,705
Total comprehensive income attributable to:		(4,075)	52,705
The shareholders of the Company		(4,276)	51,231
Non-controlling interest		201	1,474

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	N o t e s	Share capital	Own shares	Share premium	Legal reserve and other reserve	Foreign currency transla- tion reserve	Retain- ed earnings	Subtotal	Non- control- ling interest	Total
Balance as at 1 July 2021		46,093	(445)	23,038	6,146	(14)	119,333	194,151	2,070	196,221
Net profit		-	-	-	-	-	74,809	74,809	2,448	77,257
Amounts recognized directly in equity relating to non-current assets held for sale		-	-	-	-	(3,592)	-	(3,592)	(68)	(3,660)
Exchange differences on translation of foreign operations into the Group's presentation currency		-	-	-	-	(3)	-	(3)	-	(3)
Total other comprehensive income, that may be reclassified to profit or loss in subsequent periods		-	-	-	-	(3,595)	-	(3,595)	(68)	(3,663)
Total comprehensive income, net of tax		-	-	-	-	(3,595)	74,809	71,214	2,380	73,594
Acquisition of own shares		-	5	-	-	-	(5)	-	-	-
Dividends declared by the subsidiaries		-	-	-	-	-	-	-	(94)	(94)
Reserves made		-	-	-	33	-	(33)	-	-	-
Share capital increase	1	421	-	604	(1,025)	-	-	-	-	-
Non-controlling interest arising on acquisition of subsidiaries		-	-	-	-	-	-	-	10,776	10,776
Share-based payments		-	-	-	1,165	-	-	1,165	-	1,165
Acquisition of non-controlling interest		-	-	-	-	-	3,279	3,279	(4,990)	(1,711)
Balance as at 30 June 2022		46,514	(440)	23,642	6,319	(3,609)	197,383	269,809	10,142	279,951
Balance as at 1 July 2022		46,514	(440)	23,642	6,319	(3,609)	197,383	269,809	10,142	279,951
Net profit		-	-	-	-	-	17,805	17,805	2,657	20,462
Exchange differences on translation of foreign operations into Group's presentation currency related to disposal of a foreign operation		-	-	-	-	3,687	-	3,687	132	3,819
Exchange differences on translation of foreign operations into the Group's presentation currency		-	-	-	-	(208)	-	(208)	(126)	(334)
Cash flow hedge reserve increase (decrease)		-	-	-	477	-	-	477	63	540
Total other comprehensive income, that may be reclassified to profit or loss in subsequent periods		-	-	-	477	3,479	-	3,956	69	4,025
Total comprehensive income, net of tax		-	-	-	477	3,479	17,805	21,761	2,726	24,487
Acquisition of own shares		-	14	-	-	-	(14)	-	-	-
Dividends		-	-	-	-	-	(5,000)	(5,000)	-	(5,000)
Dividends declared by the subsidiaries		-	-	-	-	-	-	-	(1,638)	(1,638)
Share-based payments		-	-	-	843	-	-	843	-	843
Share capital increase	1	201	-	286	(487)	-	-	-	-	-
Non-controlling interest arising on acquisition of subsidiaries		-	-	-	-	-	(4,705)	(4,705)	(4,705)	-
Transfer to legal reserve		-	-	-	607	-	(607)	-	-	-
Transfer from other reserves		-	-	-	(53)	-	53	-	-	-
Disposal of non-controlling interest		-	-	-	-	-	-	-	(541)	(541)
Acquisition of non-controlling interest		-	-	-	-	-	229	229	(944)	(715)
Balance as at 30 June 2023		46,715	(426)	23,928	7,706	(130)	205,144	282,937	14,450	297,387

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022/ 2023 12 months	2021/ 2022 12 months
Cash flows from operating activities			
Net profit		20,462	77,257
Adjustments for non-cash items:			
Depreciation and amortisation	5, 6, 7, 8	26,852	26,926
Subsidies amortisation		(587)	(747)
(Gain) on disposal of property, plant, and equipment		(829)	(2,694)
Change in allowance and write-offs for receivables and prepayments		1,636	3,194
Impairment of investments in associates		–	202
Inventories write down and write off (reset) to net realisable value		2,753	(99)
Change of provision for onerous contracts		(8)	(39)
Change in contract assets and accrued expenses		4,209	6,260
Change in fair value of biological assets		(4,323)	(12,732)
Change in deferred income tax		(1,594)	378
(Loss) on the acquisition of subsidiaries		–	(1,272)
Impairment of non-current assets held for sale		–	2,800
Loss on disposal of assets held for sale		313	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal		3,104	–
Change in accrued share-based payments		843	1,165
Current income tax expenses		6,450	13,206
(Income) expenses from change in fair value of financial instruments		2,606	(3,873)
Interest (income)		(3,725)	(2,293)
Interest expenses		19,531	15,071
		77,693	122,710
Changes in working capital:			
Decrease (increase) in biological assets		682	(2,181)
(Increase) in inventories, including right of return		(23,759)	(53,074)
Decrease in prepayments		5,950	1,316
(Increase) in trade and other accounts receivable		(12,425)	(49,552)
Decrease (increase) in restricted cash		(56)	343
(Decrease) in trade and other accounts payable		(23,891)	(18,311)
Income tax (paid)		(9,492)	(7,128)
Net cash flows from operating activities		15,702	(5,877)

(cont'd on the next page)

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

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

	Notes	2022/ 2023 12 months	2021/ 2022 12 months
Cash flows from investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(29,929)	(19,294)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		3,885	12,309
(Acquisition) of subsidiaries		(660)	(66,689)
Disposal of subsidiaries		6,500	–
(Acquisition) of associates and joint ventures		–	(202)
Prepayments for financial assets		(503)	–
Loans (granted)		(364)	(392)
Repayment of granted loans		25	2,491
Interest received		3,725	2,293
Net cash flows from investing activities		(17,321)	(69,484)
Cash flows from financing activities			
Proceeds from loans		197,623	211,096
(Repayment) of loans		(174,358)	(109,141)
Lease (payments)		(9,928)	(10,637)
Interest (paid)		(13,627)	(15,071)
Subsidies received		1,675	3,722
Dividends (paid) to equity holders of the parent		(5,000)	–
Dividends (paid) to non-controlling interests		(1,638)	(94)
(Acquisition) of non-controlling interests		(715)	(1,711)
Net cash flows from financing activities		(5,968)	78,164
Net (decrease) increase in cash and cash equivalents		(7,587)	2,803
Net foreign exchange difference		(41)	–
Cash and cash equivalents at the beginning of the year		20,810	18,007
Cash and cash equivalents at the end of the year		13,264	20,810
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant, and equipment acquisitions, financed by lease		3,840	9,457
Acquisition of right-of-use assets		14,997	8,632

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

As at 30 June 2023 and as at 30 June 2022 the shareholders of the Company were:

	As at 30 June 2023		As at 30 June 2022	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	68.23 %	109,909,167	68.52 %
Darius Zubas	17,049,995	10.58 %	17,049,995	10.63 %
UAB INVL Asset Management	8,224,156	5.11 %	9,065,182	5.65 %
Other shareholders (private and institutional investors)	25,902,615	16.08 %	24,370,054	15.20 %
Total	161,085,933	100.00 %	160,394,398	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2023 (EUR 0.29 each as at 30 June 2022) and were fully paid as at 30 June 2023 and as at 30 June 2022.

The Company holds 737,972 of its own shares, percentage 0.46 %, as at 30 June 2023 (761,972 as at 30 June 2022). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2023 and as at 30 June 2022.

All of the Company's 161,085,933 ordinary shares are included in the Official list of Nasdaq Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in Nasdaq Vilnius stock exchange is LNA1L.

As at 30 June 2023 the number of employees of the Group was 4,887 (5,031 as at 30 June 2022).

During the period ended 30 June 2023 share capital was increased EUR 201 thousand (share capital was increased by EUR 421 thousand during the period ending 30 June 2022).

2. ACCOUNTING PRINCIPLES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2021/2022 financial year.

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

Accounting estimates according to war in Ukraine

Group operations in Belarus and Russian markets

During previous financial year and until the end of September of this financial year the Group had operations in the Russian market (Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening). Also, the Company has operations in the Belarussian market (Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening). As at the date of these interim financial statements, the Group had no significant positions of assets or liabilities in these markets.

Presented below is the Group's summarized exposure as at 30 June 2023:

	Total:	Total (subsidiaries registered in Russia and Belarus):
Trade and other receivables from Russian entities	8	8
Trade and other receivables from Belarus entities	5,126	5,121
Trade and other liabilities to the Russian entities	598	597
Trade and other liabilities to the Belarus entities	108	108

Below are presented the Group's Revenue from contracts with customers for the period ending 30 June 2023:

Revenue from contracts with customers from Russia only represent revenue by companies that are registered in Russia and Belarus (OOO VitOMEK (entity code 1117746107291), OOO VitOMEK (entity code 1157746009398), IOOO Belfidagro (feed additives trading) until full loss of control during 2022-2023 1st quarter).

Revenue from contracts with customers from Russia for the 12 months period ended 30 June 2023 were EUR 16,221 thousand, from which EUR 16,221 thousand are revenue of subsidiaries registered in Russia and Belarus.

Revenue from contracts with customers from Belarus mainly represent revenue by two companies that are registered in Belarus (until one of these full loss of control during 2022-2023 2nd quarter).

Revenue from contracts with customers from Belarus for the 12 months period ended 30 June 2023 were EUR 12,249 thousand, from which EUR 12,162 thousand are revenue of subsidiaries registered in Russia and Belarus.

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

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

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

The Group conducts operations in the Ukrainian market through its subsidiary, TOV LINAS AGRO UKRAINA (representative office). In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. As at the date these consolidated financial statements were authorised for issue, the situation in Ukraine is extremely volatile and inherently uncertain. Despite all the uncertainties caused by the military conflict, the Group considers that the impact of this conflict on the Group's financial statements was insignificant.

As at 30 June 2023 Group's property, plant and equipment, machinery, inventory, trade and other receivables, other assets, trade, and other liabilities, related to subsidiary operating in Ukraine were not significant. Revenue from contracts with customers during 12 months period ended 30 June 2023 of Group's subsidiary, operating in Ukraine was not significant.

The Group's revenue from contracts with customers from Ukraine during 12 month period ended 30 June 2023 were EUR 8,986 thousand.

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

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 June 2023 and as at 30 June 2022 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share stock held by the Group		Main activities
		30 June 2023	30 June 2022	
AB Linas Agro	Lithuania	97.06 %	100 %	Wholesale of grains, oilseeds, feed materials, and supply of products for crop growing
UAB Linas Agro Konsultacijos	Lithuania	100 %	100 %	Management services
UAB Dotnuva Baltic	Lithuania	100 %	100 %	Trade in agricultural machinery, equipment for grain elevators and farms, certified seeds production
UAB Linas Agro Grūdų Centrai	Lithuania	97.98 %	100 %	Preparation and warehousing of grains
UAB Jungtinė Ekspedicija	Lithuania	100 %	100 %	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Noreikiškės	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
AS Putnu Fabrika Kekava	Latvia	97.19 %	97.16 %	Poultry farming, production of chicken and its products
SIA PFK Trader	Latvia	97.19 %	97.16 %	Retail trade of food production
SIA Lielzeltīni	Latvia	100 %	100 %	Poultry farming, production of chicken and its products, compound feed production
SIA Cerova	Latvia	100 %	100 %	Egg incubation and chicken sale
SIA Broileks	Latvia	100 %	100 %	Poultry farming and chicken sales
UAB Kekava Foods LT	Lithuania	100 %	100 %	Dormant company
SIA Linas Agro	Latvia	96.58 %	100%	Wholesale of grains, oilseeds, and supply of products for crop growing
UAB Gerera	Lithuania	97.06 %	100 %	Dormant company
Linās Agro A/S (under liquidation)	Denmark	97.06 %	100 %	Dormant company
UAB Landvesta 3	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINE	Ukraine	97.06 %	100 %	Representative office
Linās Agro OÜ	Estonia	97.06 %	100 %	Supply of products for crop growing
Biržai District Medeikių ŽŪB	Lithuania	98.39 %	98.39 %	Crop growing
Šakiai District Lukšių ŽŪB	Lithuania	98.82 %	98.82 %	Mixed agricultural activities
Panevėžys District Aukštadvario ŽŪB	Lithuania	99.54 %	99.54 %	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	96.25 %	96.25%	Mixed agricultural activities
Kėdainiai District Labūnavos ŽŪB	Lithuania	98.95 %	98.95 %	Mixed agricultural activities
UAB Užupė	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100 %	100 %	Rent and management of agricultural purposes land
Panevėžys District Žibartonių ŽŪB	Lithuania	99.90 %	99.90 %	Mixed agricultural activities
SIA DOTNUVA BALTIC	Latvia	100 %	100 %	Trade in agricultural machinery and equipment for grain elevators
AS Dotnuva Baltic	Estonia	100 %	100 %	Trade in agricultural machinery and equipment for grain elevators
UAB GeoFace	Lithuania	98.53 %	100 %	Software development
UAB Dotnuva Rent	Lithuania	100 %	100 %	Rent of agricultural machinery and equipment
SIA Linas Agro Graudu Centrs	Latvia	97.98 %	100 %	Preparation and warehousing of grains
Kėdainiai district ŽŪB Nemunas	Lithuania	67.98 %	67.44 %	Mixed agricultural activities
UAB Dotnuva Seeds	Lithuania	100 %	–	Certified seeds production
SIA Dotnuva Seeds	Latvia	100 %	–	Certified seeds production

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

	Place of registration	Effective share stock held by the Group		Main activities
		30 June 2023	30 June 2022	
UAB Kormoprom Invest	Lithuania	100 %	100 %	Management services
UAB TABA Holding	Lithuania	100 %	100 %	Management services
AB Kauno Grūdai	Lithuania	89.59 %	89.09 %	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials; fumigation, disinfection, disinfection and deratization services
UAB KG Group LT ¹⁾	Lithuania	–	89.09 %	Dormant company
UAB Šlaituva	Lithuania	89.59 %	73.95 %	Production and wholesale of breadcrumbs and breeding mixes
UAB Baltic Fumigation Service	Lithuania	89.59 %	89.09 %	Fumigation services
UAB KG Mažmena	Lithuania	89.59 %	89.09 %	Retail trade
AB Zelvė	Lithuania	72.38 %	72.05 %	Broiler breeding
UAB Kauno Grūdai ir Partneriai ²⁾	Lithuania	–	89.09 %	Rent of real estate
AB Vilniaus Paukštynas	Lithuania	84.93 %	84.37 %	Chicken raising for meat and eggs production, production of poultry and its products
UAB KG Distribution	Lithuania	84.93 %	84.37 %	Consultation and business management
UAB Lietbro	Lithuania	84.93 %	84.37 %	Broiler breeding
UAB Avocetė	Lithuania	84.93 %	84.37 %	Management services
UAB Gastroneta	Lithuania	84.93 %	84.37 %	Dormant company
UAB VKP Valdymas	Lithuania	84.93 %	84.48 %	Consultation and business management
Cooperative Baltoji Plunksnelė	Lithuania	83.33 %	82.88 %	Dormant company
AB Kaišiadorių Paukštynas	Lithuania	84.92 %	84.60 %	Chicken raising for meat and eggs production, production of poultry and its products
UAB Domantonių Paukštynas	Lithuania	89.50 %	89.00 %	Broiler breeding
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	84.92 %	84.60 %	Dormant company
UAB Uogintai	Lithuania	84.92 %	84.60 %	Dormant company
UAB Kaišiadorių Skerdykla ³⁾	Lithuania	–	84.60 %	Dormant company
UAB Alesninkų Paukštynas	Lithuania	84.92 %	84.60 %	Broiler breeding
UAB KG Logistika	Lithuania	84.93 %	84.48 %	Freight transport services
UAB VP Valda	Lithuania	84.93 %	84.37 %	Rent of real estate
UAB KP Valda	Lithuania	84.92 %	84.60 %	Rent of real estate
SIA KG Latvia	Latvia	89.59 %	89.09 %	Production and wholesale of compound feed, wholesale of feed materials
KG Eesti OU	Estonia	89.35 %	89.09 %	Dormant company
KG Polska Sp. z o.o.	Poland	89.59 %	89.09 %	Wholesale of feed materials
Nordic Agro Investment Limited	United Kingdom	89.59 %	89.09 %	Management services
IOOO Belfidagro ⁴⁾	Belarus	–	89.09 %	Production and wholesale of premixes
OOO KLM	Belarus	62.72 %	62.37 %	Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening
OOO VitOMEK (entity code 1117746107291) ⁵⁾	Russia	–	97.27 %	Production of premixes
OOO VitOMEK (entity code 1157746009398) ⁵⁾	Russia	–	97.27 %	Wholesale of premixes, compound feed and feed materials
UAB Agro Logistic Service	Lithuania	100 %	100 %	Wholesale of feedstuffs for fodder and premixes production

¹⁾ On 16 June 2023 company UAB KG Group LT has been deregistered

²⁾ On 1 December 2022 after reorganization company UAB Kauno Grūdai ir Partneriai was merged with UAB Linas Agro Grūdų centrai and on 9 January 2023 company was deregistered.

³⁾ On 20 June 2023 company UAB Kaišiadorių Skerdykla has been deregistered

⁴⁾ On 9 November 2022 approval of the Belarusian competition authority MART (Ministry of Antitrust Regulation and Trade) was received and Belarusian registered company IOOO Belfidagro was sold, and Group has lost ownership rights and control.

⁵⁾ On 25 August 2022 OOO VitOMEK (entity code 1117746107291) and OOO VitOMEK (entity code 1157746009398) was sold. Ownership rights and control was transferred on 1 September 2022 and 27 September 2022.

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

Changes in the Group during the 12 month period ended 30 June 2023

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

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

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

On 31 August 2022 the Company signed loan contract with UAB Kormoprom Invest for an amount of EUR 2,800 thousand.

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

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

On 21 October 2022 the Company signed loan contract with UAB Kormoprom Invest for an amount of EUR 2,200 thousand.

On 2 November 2022 Authorized capital of SIA Linas Agro increased by EUR 367 thousand by non-monetary contribution of SIA KG Latvia.

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

On 30 November 2022 the share capital of Užupė ŽŪB was reduced by paying EUR 691 thousand to its shareholders.

On 1 December 2022 the reorganization was completed, UAB Kauno grūdai ir partneriai was merged to UAB Linas Agro Grūdų centrai. After reorganization UAB Linas Agro Grūdų centrai share capital has increased by EUR 3 743 thousand.

On 20 December 2022 the Company signed loan contract with UAB TABA Holding for an amount of EUR 11,100 thousand.

On 21 December 2022 the Company granted loan to AB Linas Agro for an amount of EUR 7,000 thousand.

During January - March 2023, the Company transferred 4,000 units of own shares to the employees of the group in accordance with the rules for granting shares of AB Linas Agro Group.

On 17 March 2023 Užupė ŽŪB was reorganized into UAB Užupė - the initial capital of the company was dissolved and a statutory capital of EUR 2,5 thousand was formed.

On 20 March 2023 the authorized capital of UAB GeoFace was increased by EUR 300 thousand.

On 30 March 2023 the authorized capital of TOV Linas Agro Ukraina was increased by EUR 167 thousand.

On 27 April 2023 the authorized capital of UAB Dotnuva Baltic was increased by EUR 800 thousand.

On 8 May 2023 was established new company UAB Dotnuva Seeds, the authorised capital is EUR 8 thousand.

On 9 May 2023 reorganisation of UAB Dotnuva Baltic was finalised and a new version of the articles of association was registered. The authorized capital of UAB Dotnuva Baltic was decreased by EUR 70 thousand.

On 9 June 2023 UAB Dotnuva Seeds established new company SIA Dotnuva Seeds, the authorized capital of the established company EUR 500 thousand.

On 27 June 2023 the Company bought the shares of UAB Landvesta 1, UAB Landvesta 2, UAB Landvesta 3, UAB Landvesta 4, UAB Landvesta 5 and UAB Landvesta 6 from AB Linas Agro.

On 29 June 2023 m. the Company transferred 9,000 units of own shares to the employees of the group in accordance with the rules for granting shares of AB Linas Agro Group.

On 30 June 2023 the Company granted loan to AB Dotnuva Baltic for an amount of EUR 1,500 thousand.

During December-June 2023 the Company bought subsidiary companies shares from non-controlling shareholders for an amount of EUR 715 thousand, the difference of EUR (229) thousand, between the amounts transferred and the book value of the purchased part, was recognized in equity. AB Kauno grūdai bought 15,15 % of UAB Šlaituva shares for EUR 550 thousand, UAB TABA Holding bought 0,5% of AB Kauno grūdai shares for EUR 133 thousand and other companies shares for EUR 32 thousand.

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

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

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

On 15 July 2021, the Company acquired controlling stakes in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and related companies, acting together as KG Group. Acquisition value – EUR 73,469 thousand (including EUR 200 thousand paid for joint venture company KG Khumex B.V., the acquisition was finalized on 9 September 2021). The Company acquired controlling stakes in 34 companies operating in the fields of poultry business, grain, flour, instant products production, feed and premix production, and trade in veterinary products. The main reasons for the acquisition – synergies between AB Linas Agro Group entities and KG Group entities, more variety in food business, potential to offer clients full chain from the field to the table". The business combination is accounted with acquisition method. In the case of the acquisition of this business, the minority share is valued at a proportional share of the identified net assets of the acquired entity. The acquisition costs incurred were written off by including them in the Groups' administrative expenses. The acquisition costs were capitalized in the Company's long-term financial assets. The companies are registered and operate in Lithuania, Latvia, Estonia, Poland, Belarus, Russia, and the Netherlands. The financial statements at the provisional fair value are presented below:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On 11 May 2022 the Company signed a loan agreement with UAB TABA Holding for EUR 1,700 thousand

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

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

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

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

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

4. SEGMENTS INFORMATION

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

- the grain, oilseed and feed include trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beet pulp, soymeal, vegetable oil, rapeseed cake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed, and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes whole cycle poultry business (incubation of hatching eggs, broiler breeding, production of poultry and its products, feed manufacturing for self-supply, retail sale of chicken meat and its products), production and wholesale of flour and flour mixes, instant foods, production, and wholesale of breadcrumbs and breeding mixes;
- the other products and services segment includes Trade in pest control and hygiene products, production and sales of extruded products, pet food, provision of veterinary pharmaceutical services and trade in products, provision of fumigation and sanitation services.

The Group's chief financial officer monitors the operating results of business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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

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

12 months period ended 30 June 2023

Group	Grain, oilseed, and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue from contracts with customers								
Third parties	1,127,161	405,584	34,980	413,727	17,858	–	–	1,999,310
Intersegment	88,599	10,523	15,209	1,843	3,773	–	(119,947) ¹⁾	–
Total revenue from contracts with customers	1,215,760	416,107	50,189	415,570	21,631	–	(119,947)¹⁾	1,999,310
Results								
Operating expenses	(28,355)	(25,822)	(5,265)	(27,598)	(3,285)	(8,466)	–	(98,791)
Segment operating profit (loss)	16,767	9,665	12,515	7,876	797	(6,496)	–	41,124

12 months period ended 30 June 2022

Group	Grain, oilseed, and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Revenue from contracts with customers								
Third parties	1,119,740	374,861	26,359	343,642	31,065	–	–	1,895,667
Intersegment	63,141	9,028	12,774	2,939	4,796	–	(92,678) ¹⁾	–
Total revenue from contracts with customers	1,182,881	383,889	39,133	346,581	35,861	–	(92,678)¹⁾	1,895,667
Results								
Operating expenses	(22,078)	(27,175)	(3,678)	(32,048)	(6,824)	(4,553)	–	(96,356)
Segment operating profit (loss)	51,266	45,319	15,078	(1,790)	(1,967)	(4,287)	–	103,619

¹⁾ Intersegment revenue is eliminated on consolidation.

4. SEGMENTS INFORMATION (CONT'D)

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

	12 month period ended	
	30 June 2023	30 June 2022
Revenue from external customers		
Lithuania	636,396	608,786
Europe (except for Scandinavian countries, CIS, and Lithuania)	698,663	583,850
Scandinavian countries	161,323	229,930
Asia	168,755	45,886
Africa	229,043	231,398
CIS	103,693	195,817
Other	1,437	–
	1,999,310	1,895,667

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

	30 June 2023	30 June 2022
Non-current assets		
Lithuania	147,262	131,879
Latvia	59,118	60,728
Estonia	2,010	1,641
Belarus	27	–
Ukraine	5	8
	208,422	194,256

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

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2021	1,580	680	1,974	4,234
Additions	157	319	–	476
Acquisition of subsidiaries (Note 3)	703	216	–	919
Write-offs	–	(2)	–	(2)
Reclassification	(29)	29	–	–
Reclassification to non-current assets held for sale	(1)	(2)	–	(3)
Balance as at 30 June 2022	2,410	1,240	1,974	5,624
Additions	147	558	–	705
Write-offs	(37)	(61)	–	(98)
Reclassification from property, plant, and equipment	62	40	–	102
Balance as at 30 June 2023	2,582	1,777	1,974	6,333
Accumulated amortization:				
Balance as at 30 June 2021	805	138	–	943
Charge for the year	575	243	–	818
Reclassification to non-current assets held for sale	(16)	(1)	–	(17)
Balance as at 30 June 2022	1,364	380	–	1,744
Charge for the year	444	86	–	530
Write-offs	(36)	(51)	–	(87)
Balance as at 30 June 2023	1,772	(415)	–	2,187
Impairment losses:				
Balance as at 30 June 2021	–	–	1,121	1,121
Balance as at 30 June 2022	–	–	1,121	1,121
Balance as at 30 June 2023	–	–	1,121	1,121
Net book value as at 30 June 2021	775	542	853	2,170
Net book value as at 30 June 2022	1,046	860	853	2,759
Net book value as at 30 June 2023	810	1,326	853	3,025

6. PROPERTY, PLANT AND EQUIPMENT

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant, and equipment	Construction in progress and pre-payments	Total
Cost:							
Balance as at 30 June 2021	19,170	114,139	65,000	6,421	6,488	2,212	213,430
Additions	2,038	847	7,472	1,797	927	9,061	22,142
Acquisition of subsidiaries (Note 3)	7,928	19,339	17,024	1,847	1,310	1,621	49,069
Disposals and write-offs	(3,845)	(102)	(6,115)	(840)	(162)	(62)	(11,126)
Reclassifications	52	3,961	1,335	75	147	(5,570)	-
Transfer from investment property	12	-	-	-	-	-	12
Reclassification to non-current assets held for sale	(435)	(595)	(395)	(387)	(111)	(6)	(1,929)
Transfer from inventories	-	-	1,100	-	-	-	1,100
Balance as at 30 June 2022	24,920	137,589	85,421	8,913	8,599	7,256	272,698
Additions	1,370	989	4,983	2,362	1,581	18,423	29,708
Disposals and write-offs	(126)	(62)	(4,278)	(954)	(275)	(1)	(5,696)
Reclassifications	137	7,644	3,534	6	224	(11,545)	-
Transfer from investment property	-	44	-	-	-	-	44
Transfer from inventories	2	2,904	(463)	-	12	-	2,455
Transfer to intangible assets	-	-	-	-	-	(102)	(102)
Balance as at 30 June 2023	26,303	149,108	89,196	10,326	10,141	14,031	299,105
Accumulated depreciation:							
Balance as at 30 June 2021	150	47,310	30,102	2,883	3,829	-	84,274
Charge for the year	35	8,743	12,260	1,336	1,337	-	23,711
Disposals and write-offs	-	(102)	(1,128)	(361)	(145)	-	(1,736)
Reclassification to non-current assets held for sale	-	(171)	(132)	(107)	(15)	-	(425)
Balance as at 30 June 2022	185	55,780	41,102	3,751	5,006	-	105,824
Charge for the year	34	7,909	10,585	1,335	1,210	-	21,073
Disposals and write-offs	(1)	(62)	(1,973)	(419)	(275)	-	(2,730)
Transfer to inventories	-	(53)	(118)	-	(20)	-	(191)
Balance as at 30 June 2023	218	63,574	49,596	4,667	5,921	-	123,976
Impairment losses:							
Balance as at 30 June 2021	-	629	-	-	30	-	659
Balance as at 30 June 2022	-	629	-	-	30	-	659
Impairment for the year	-	8	-	-	-	-	8
Balance as at 30 June 2023	-	637	-	-	30	-	667
Net book value as at 30 June 2021	19,020	66,200	34,898	3,538	2,629	2,212	128,497
Net book value as at 30 June 2022	24,735	81,180	44,319	5,162	3,563	7,256	166,215
Net book value as at 30 June 2023	26,085	84,897	39,600	5,659	4,190	14,031	174,462

7. RIGHT-OF-USE ASSETS

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
Cost:					
Balance as at 30 June 2021	21,211	2,597	2,185	3,349	29,342
Additions	6,769	273	840	750	8,632
Acquisition of subsidiaries (Note 3)	972	893	262	984	3,111
Disposals and write-offs	(5,106)	(667)	(391)	(10)	(6,174)
Reclassification to non-current assets held for sale	–	(285)	–	(76)	(361)
Balance as at 30 June 2022	23,846	2,811	2,896	4,997	34,550
Additions	6,692	2,021	3,318	2,966	14,997
Disposals and write-offs	(4,874)	(279)	(420)	(1,123)	(6,696)
Balance as at 30 June 2023	25,664	4,553	5,794	6,840	42,851
Accumulated depreciation:					
Balance as at 30 June 2021	3,271	786	1,204	1,528	6,789
Charge for the year	2,198	801	761	1,324	5,084
Disposals and write-offs	(1,374)	(90)	(352)	(131)	(1,947)
Reclassification to non-current assets held for sale	–	(76)	–	(20)	(96)
Balance as at 30 June 2022	4,095	1,421	1,613	2,701	9,830
Charge for the year	2,431	626	871	1,283	5,211
Disposals and write-offs	(1,307)	(134)	(417)	(868)	(2,726)
Balance as at 30 June 2023	5,291	1,913	2,067	3,116	12,315
Net book value as at 30 June 2021	17,940	1,811	981	1,821	22,553
Net book value as at 30 June 2022	19,751	1,390	1,283	2,296	24,720
Net book value as at 30 June 2023	20,445	2,640	3,727	3,724	30,536

8. INVESTMENT PROPERTY

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

Group	Land	Buildings	Total
Cost:			
Balance as at 30 June 2021	622	54	676
Additions	-	3	3
Acquisition of subsidiaries (Note 3)	-	215	215
Disposals and write-offs	(210)	(13)	(223)
Reclassification to tangible assets	(12)	-	(12)
Balance as at 30 June 2022	400	259	659
Disposals and write-offs	-	(93)	(93)
Reclassification to tangible assets	-	(44)	(44)
Balance as at 30 June 2023	400	122	522
Accumulated depreciation:			
Balance as at 30 June 2021	1	2	3
Charge for the year	-	40	40
Balance as at 30 June 2022	1	42	43
Charge for the year	-	41	41
Disposals and write-offs	-	(15)	(15)
Balance as at 30 June 2023	1	68	69
Impairment losses:			
Balance as at 30 June 2021	51	3	54
Balance as at 30 June 2022	51	3	54
Balance as at 30 June 2023	51	3	54
Net book value as at 30 June 2021	570	49	619
Net book value as at 30 June 2022	348	214	562
Net book value as at 30 June 2023	348	51	399

9. INVENTORIES

	30 June 2023	30 June 2022
RMI inventories	36,007	26,798
Other inventories	233,956	218,516
Net realisable value decrease	(4,233)	(1,438)
Net book value	265,730	243,876

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

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

10. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale comprised as follows:

	30 June 2023	30 June 2022
Non-current assets, held for sale	–	22,958
	–	22,958

Movements of non-current assets held for sale during 2022 – 2023 financial year 12 months were:

Net book value as at 1 July 2021	–
Reclassified from:	
Intangible assets	7
Property, plant, and equipment	1,506
Right of Use Assets	369
Financial assets	204
Deferred tax assets	751
Current assets	22,921
Impairment loss of non-current assets held for sale	(2,800)
Net book value as at 30 June 2022	22,958
Disposals and write-offs	(20,854)
Reclassified from current assets held for sale to:	
Right of Use Assets	(41)
Deferred tax assets	(628)
Inventory	(1,494)
Trade receivables	(1,923)
Cash	(233)
Other current assets	2,215
Net book value as at 30 June 2023	–

(cont'd on the next page)

10. NON-CURRENT ASSETS HELD FOR SALE

(cont'd)

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

	30 June 2023	30 June 2022
Liabilities related to non-current assets held for sale	–	16,283
	–	16,283

Movements of liabilities related to non-current assets held for sale during 12 months of financial year 2022/2023 were:

Net book value as at 1 July 2021	–
Reclassified from:	
Non-current liabilities	1,722
Contract liabilities	749
Current liabilities	6,889
Lease liabilities	706
Trade accounts payable	4,749
Current income tax payable	80
Other current liabilities	1,388
Net book value as at 30 June 2022	16,283
Disposals and write-offs	(12,316)
Reclassified from non-current liabilities held for sale to:	
Non-current borrowings	(1,778)
Non-current lease liabilities	(138)
Current borrowings	(1,358)
Lease liabilities	(149)
Trade accounts payable	(2,906)
Income tax payable	(8)
Other current liabilities	2,370
Net book value as at 30 June 2023	–

On 28 January 2023 Belarusian government issued the list of companies whose shareholders are prohibited from transferring their shares. Due to the tightened legislation, the sale of the company OOO KLM operating in Belarus is not likely in the next 12 months, the company's assets and liabilities from 28 January 2023 are no longer classified as intended for sale (30 June 2022 within the line item of the disposal group the Group recognized assets of subsidiaries IOOO Belfidagro, OOO KLM, OOO VitOMEK (entity code 111774610729) and OOO VitOMEK (entity code 1157746009398) – EUR 22,958 thousand).

As at 30 June 2023 loss of EUR 313 thousand from the sale of companies operating in Russia and Belarus was recognized in the profit (loss) statement. In the financial year ending 30 June 2022 an impairment loss of non-current assets held for sale of EUR 2,800 thousand was recognized in profit (loss) statement and foreign currency translation reserve related to a foreign operation disposal recognized in other comprehensive income of EUR 3,104 thousand on 30 June 2023 was reclassified to profit (loss) statement. Total amount of losses from the sale of companies recognized over two years due to IOOO Belfidagro, OOO VitOMEK (entity code 111774610729) and OOO VitOMEK (entity code 1157746009398) amounted to EUR 6,216 thousand.

11. BORROWINGS

	As at 30 June 2023	As at 30 June 2022
Non-current borrowings		
Bank borrowings secured by the Group assets	28,415	22,305
	28,415	22,305
Current borrowings		
Current portion of non-current bank borrowings	16,120	20,641
Current bank borrowings secured by the Group assets	234,459	207,014
Current borrowings from the parent (Note 16)	3,420	6,536
	353,999	234,191
	282,414	256,496

Interest payable is normally settled monthly throughout the financial year.

During the year ended on 30 June 2023 AB Linas Agro Group, AS Putnu Fabrika Kekava, SIA Lielzeltini, have not fulfilled part of covenants under credit agreements and received bank confirmations by the end of the financial year that no sanctions will be taken for non-fulfilment of the contractual terms.

12. LEASE LIABILITIES

	As at 30 June 2023	As at 30 June 2022
Non-current		
Lease liabilities related to right-of-use assets	30,623	25,134
Lease liabilities related to other assets	5,802	6,733
	36,425	31,867
Current		
Lease liabilities related to right-of-use assets	5,751	4,748
Lease liabilities related to other assets	3,743	2,911
	9,494	7,659
	45,919	39,526

13. OPERATING (EXPENSES)

	2022/2023 12 months	2021/2022 12 months ¹
Wages and salaries and social security	(57,784)	(55,034)
Advertisement, marketing, representation	(7,509)	(6,881)
Vehicle, premises lease and maintenance	(7,499)	(5,714)
Depreciation and amortization	(3,704)	(4,136)
Taxes	(3,273)	(2,535)
Inventories, trade receivables and other insurance	(3,060)	(1,557)
Consulting expenses	(2,511)	(3,595)
Office supplies and services	(2,190)	(1,546)
Bank fees	(1,694)	(1,683)
Environmental and waste management costs	(712)	(738)
Support	(499)	(494)
Telecommunications	(293)	(375)
Training	(271)	(185)
Currency exchange profit	(69)	(220)
Other	(7,723)	(11,663)
	(98,791)	(96,356)

¹ To reflect more accurately the distribution of operating expenses, the Group's management in 2023 reviewed the expenses grouping methodology and adjusted the comparative year 2021-2022.

14. OTHER INCOME (EXPENSES)

Other income	2022/ 2023 12 months	2021/ 2022 12 months
Grants received for agriculture activity	5,115	3,930
Grants, related to COVID-19, for poultry activity	–	3,722
Grants for poultry activity	1,675	–
Rental income from investment property and property, plant, and equipment	361	588
Gain from disposal of investment property and property, plant, and equipment	904	2,765
Dividend income	11	–
Change in fair value of financial instruments	983	3,903
Gain on the acquisition of subsidiaries	–	1,272
Other income	4,459	6,511
	13,508	22,691
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(413)	(456)
Loss from disposal and write-off of property, plant and equipment and right-of-use assets	(75)	(71)
Change in fair value of financial instruments	(3,589)	(30)
Impairment of investments in associates	–	(202)
Other expenses	(3,053)	(4,822)
	(7,130)	(5,581)

15. COMMITMENTS AND CONTINGENCIES

As at 30 June 2023 the Group is committed to purchase property, plant, and equipment for the total amount of EUR 1,596 thousand (EUR 1,309 thousand as at 30 June 2022).

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

Sidabravo ŽŪB and UAB Linas Agro Grūdų Centrai are committed not to discontinue operations related to agricultural up to 2028, Panevėžys District Žibartonių ŽŪB – up to 2027 November, Kėdainiai District Labūnavos ŽŪB – up to the end of 2027 and 2030.

SIA Lielzeltini and AS Putnu Fabrika Kekava received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products and compound feed production up to 2025, AS Putnu Fabrika Kekava – up to the end of 2028.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 3,060 thousand as at 30 June 2023 (EUR 2,234 thousand as at 30 June 2022). Group has no plans to discontinue above mentioned operations.

Almex, former customer, has filed an appeal to the Court of Appeal in Serbia regarding the refusal of the Commercial Court to rule in the case concerning the alleged damages of EUR 1,800 thousand. As at 30 June 2023 and as at 30 June 2022 the Group's management is of the opinion that the appeal has no sound grounds, therefore no provision was recorded in the consolidated accounts regarding this matter.

16. RELATED PARTIES TRANSACTIONS

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

The related parties of the Company and Group for the period ended 30 June 2023 and 30 June 2022 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
Dainius Pilkauskas;
Arūnas Zubas;
Andrius Pranckevičius;
Tomas Tumėnas (until 28 October 2022);
Mažvydas Šileika;
Jonas Bakšys.

Members of the supervisory board:

Tomas Tumėnas (chairman of the board);
Arūnas Bartusevičius (independent member);
Carsten Højland (independent member).

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

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

Related parties through members of the board and supervisory board:

UAB Darius Zubas Holding (same ultimate controlling shareholder);
UAB PICUKĖ – 100% of shares are owned by UAB Darius Zubas Holding;
UAB Palūšės Turas – 100% of shares are owned by UAB PICUKĖ;
Lobiu Sala AS (Sweden) – Jonas Bakšys was a member of the board until 10 January 2023;
Vividum UAB – Jonas Bakšys joint community property with spouse together;
UAB Dvi T – 100% of shares are owned by Jonas Bakšys;
10xreturns, UAB – 25% shares owned together by Mažvydas Šileika and his spouse;
UAB Baltic Fund Investments – Tomas Tumėnas is a director of this company;
UAB Nacionalinė farmacijos grupė – Tomas Tumėnas is a member of the board;
UAB Valstybės investicijų valdymo agentūra – Tomas Tumėnas is a member of Investment committee;
VĮ Regitra – Tomas Tumėnas is a Member of the Board and member of Audit committee;
Turing College, UAB – Tomas Tumėnas is a member of board;
CEPD NV – Tomas Tumėnas is a chief financial officer of this company;
Kredito unija Saulėgraža – Tomas Tumėnas is the member of supervisory board;
Admenta Sweden AB (Sweden) – Tomas Tumėnas is a member of the board;
ATEA Baltic, UAB – Arūnas Bartusevičius is a chief executive officer of this company;
UAB Nex Group – Arūnas Bartusevičius is a director of this company;
UAB Sonex consulting – Arūnas Bartusevičius is a director of this company.

16. RELATED PARTIES TRANSACTIONS (CONT'D)

As at 30 June 2023 Group had direct and indirect investments in these joint ventures and associates (effective share stock held by the Group stated below):

KG Khumex B.V. (The Netherlands) – 50.00%;
 KG Khumex Coldstore B.V. (The Netherlands) – 42.30%;

The Group's transactions with related parties in 12-month period ended 30 June 2023 were as follows:

2022/2023 3 months	2022/2023 12 months				30 June 2023			
	Purchases	Sales	Income from financial activities	Expenses from financial activities	Trade receivables	Non-current loans receivable	Other current payables	Current payable loans
Akola ApS group companies	1,196	43,747	–	238	286	–	273	3,420
KG Khumex B.V.	578	39,589	–	–	4,384	–	–	–
KG Khumex Coldstore B.V.	–	–	13	–	–	750	–	–
Total	1,774	83,336	13	238	4,670	750	273	3,420

	2021/2022 12 months				30 June 2022		
	Purchases	Sales	Income from financial activities	Expenses from financial activities	Trade receivables	Non-current loans receivable	Current payable loans
Akola ApS group companies	958	52,228	–	359	170	–	6,536
KG Khumex B.V.	10	36,583	–	–	5,647	–	–
KG Khumex Coldstore B.V.	–	7	7	–	–	750	–
SIA NOVOBALTIC	63	5,423	–	–	–	–	–
Total	1,031	94,241	7	359	5,817	750	6,536

During financial years 2021/2022 and 12 month-period of 2022/2023 there were no significant transactions between Group and Members of management board.

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

On 24 November 2022 Member of the Board of the Company has submitted notice to the Company regarding the use of the option based on agreement signed on 29 June 2018. Member of the board of the Company has acquired 286 690 shares (EUR 200 thousand). The New Shares are granted free of charge, and they are paid by the Company from the reserve set up by the Company for shares issue.

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

Terms and conditions of the financial assets and liabilities:

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

On 30 June 2023 the Group's receivables from related parties were overdue and impairment for an amount of EUR 300 thousand was formed (on 30 June 2022 receivables from related parties were not overdue and were impaired).

17. SUBSEQUENT EVENTS

On 21 July 2023 AB Kauno Grūdai bought 100% of the cooperative company Grybai LT shares by paying the sellers a total amount of EUR 12,949 thousand. EUR AB Kauno grūdai also refinanced the loans granted in the past to the cooperative company Grybai LT by the bank and one of the sellers - UAB Baltic Champs, granting the cooperative company Grybai LT new loans, the total amount of which is EUR 4,122 thousand.