AB Akola Group

Consolidated and Company 's Financial Statements and Consolidated Annual Report

For the financial year ended June 30, 2024

Prepared in accordance with
International Financial Reporting Standards,
as adopted by the European Union,
presented together with Independent Auditor's Report

Content

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 Akola Group and Mažvydas Šileika, CFO of AB Akola Group, hereby confirm that, to the best of our knowledge, the audited Annual Consolidated Financial Statements of AB Akola Group for the financial year 2023/24, 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 Akola Group and the Group as well. We also confirm that Annual Consolidated Report for the financial year 2023/24 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

CEO of AB Akola Group

Darius Zubas

9 October, 2024

CFO of AB Akola Group

Mažvydas Šileika

9 October, 2024

AB Akola Group

Consolidated and Company's Financial Statements

For the financial year 2023/2024 ended 30 June 2024

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Content

All amounts in thousands of euros, unless otherwise stated 2

Consolidated and Company's statements of financial position

Consolidated and Company's statements of financial position

ASSETS	Notes	Group		Company	
		30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Non-current assets					
Intangible assets	5	9,280	3,025	113	134
Property, plant and equipment	6	205,593	174,463	884	890
Right-of-use assets	7	37,217	30,536	276	68
Investment property		742	399	–	–
Biological assets	9	16,442	11,786	–	–
Investments in subsidiaries	3	–	–	222,488	179,876
Investments in associates and joint venture	3	1,464	–	4,272	2,799
Other investments and prepayments for financial assets		61	531	10	513
Non-current financial assets					
Non-current receivables	8	7,054	5,048	–	–
Non-current receivables from related parties	8, 32	1,450	750	4,400	84
Net investment, related with sublease	8	–	–	12,593	11,071
Total non-current financial assets		8,504	5,798	16,993	11,155
Non-current prepayments	8	828	1,017	–	–
Deferred income tax asset	28	8,436	8,323	76	284
Total non-current assets		288,567	235,878	245,112	195,719
Current assets					
Biological assets	9	32,042	34,300	–	–
Inventories	10	222,776	266,637	–	–
Current prepayments	11	10,547	5,564	204	305
Current accounts receivable					
Trade receivables	12	295,809	312,204	–	–
Receivables from related parties	32	2,398	4,670	19,350	14,884
Income tax receivable		3,112	1,057	–	–
Total current accounts receivable		301,319	317,931	19,391	14,927
Contract assets	13	5,733	3,614	–	–
Other current assets	13	6,320	6,993	41	43
Current net investment, related with sublease	8	–	–	314	418
Derivative financial instruments	14	1,593	1,531	–	–
Other current financial assets	14	1,127	972	–	–
Cash and cash equivalents	15	16,037	13,264	305	114
Total current assets		597,494	650,806	20,216	15,764
Total assets		886,061	886,684	265,328	211,483

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

[1] The amounts restated in the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 3

Consolidated and Company's statements of financial position

Consolidated and Company's statements of financial position / continued

EQUITY AND LIABILITIES	Notes	Group		Company	
		30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Equity attributable to shareholders of the Company					
Share capital	1	48,479	46,715	48,479	46,715
Share premium	1	25,779	23,928	25,779	23,928
Legal and other reserves	16	4,847	8,593	4,737	8,116
Own shares (-)	16	(411)	(426)	(411)	(426)
Foreign currency translation reserve	16	96	(130)	–	–
Retained earnings		216,844	199,301	122,464	50,908
Total equity attributable to equity holders of the Company		295,634	277,981	201,048	129,241
Non-controlling interest	33	16,685	14,157	–	–
Total equity		312,319	292,138	201,048	129,241
Liabilities					
Non-current liabilities					
Grants and subsidies	17	8,415	8,565	–	–
Non-current borrowings	18, 32	60,017	28,415	26,500	1,136
Lease liabilities	19	35,777	35,098	12,027	10,916
Non-current trade payables		1	1	1	1
Deferred income tax liability[1]	28	1,399	242	–	–
Provisions[1]	20	1,218	1,150	17	28
Other non-current liabilities	22	1,181	458	–	–
Total non-current liabilities		108,008	73,929	38,545	12,081
Current liabilities					
Current portion of non-current borrowings	18,32	18,477	9,175	5,300	–
Lease liabilities	19	14,949	10,820	524	430
Current borrowings	18, 32	188,404	244,824	1,765	64,494
Trade payables	21	185,235	198,631	55	16
Payables to related parties	32	272	273	17,335	4,682
Income tax payable		179	1,765	–	–
Derivative financial instruments	14	161	531	–	–
Contract liabilities	22	3,622	3,206	–	–
Provisions[1]	20	3,663	3,644	–	–
Other current liabilities[1]	22	50,772	47,748	756	539
Total current liabilities		465,734	520,617	25,735	70,161
Total equity and total liabilities		886,061	886,684	265,328	211,483

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 4

Consolidated and Company's statements of profit (loss) and other comprehensive income

Consolidated and Company's statements of profit (loss) and other comprehensive income

	Notes	Group		Company	
		30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Revenue from contracts with customers	4	1,506,238	1,999,617	1,633	1,601
Cost of sales	23	(1,355,122)	(1,869,287)	–	–
Gross profit (loss)		151,116	130,330	1,633	1,601
Operating (expenses)					
Selling (expenses	24	(42,700)	(44,974)	–	–
General and administrative (expenses	25	(65,627)	(50,672)	(3,149)	(2,302)
Total operating (expenses)		(108,327)	(95,646)	(3,149)	(2,302)
Expenses and reversal of impairment of trade receivables, contract assets and other receivables	8,11,12,13,32	145	(3,495)	–	–
Other income	26	10,224	13,126	44,051	53
Dividend income	26	–	–	37,310	9,177
Other (expenses)	26	(7,062)	(7,045)	(1,349)	(817)
Loss on disposal of a foreign operation		–	(313)	–	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal		–	(3,104)	–	–
Operating profit (loss)		46,096	33,853	78,496	7,710
Income from financing activities	27	5,359	3,607	1,554	843
(Expenses) from financing activities	27	(24,477)	(19,339)	(3,922)	(3,179)
Share of profit of an associate and a joint ventures		13	–	–	–
Profit (loss) before tax		26,991	18,121	76,128	5,374
Income tax and deferred income tax income (expenses)	28	(2,078)	(3,797)	(208)	(409)
Net profit (loss)		24,913	14,324	75,920	4,965
Net profit (loss) attributable to:					
Shareholders of the Company		21,934	11,963	75,920	4,965
Non-controlling interest		2,979	2,361	–	–
		24,913	14,324	75,920	4,965
Basic earnings per share (EUR)	29	0.15	0.09	–	–
Diluted earnings per share (EUR)	29	0.15	0.09	–	–
Other comprehensive income					
Other comprehensive income (loss), to be reclassified to profit (loss) in subsequent periods:					
Exchange differences on translation of foreign operations into the Group's presentation currency		350	(334)	–	–
Exchange differences on translation of foreign operations into the Group's presentation currency related to disposal of a foreign operation reclassification to profit (loss)		–	3,819	–	–
Cash flow hedges – effective portion of change in fair value	14	400	1,220	–	–
Cash flow hedges – reclassified to profit (loss)	14	(816)	(680)	–	–
Total other comprehensive income (loss) to be reclassified to profit (loss) in subsequent periods		(66)	4,025	–	–
Other comprehensive income (loss) not to be reclassified to profit (loss) in subsequent periods:		–	–	–	–
Total other comprehensive income (loss) not to be reclassified to profit (loss) in subsequent periods		–	–	–	–
Total other comprehensive income (loss), net of tax		(66)	4,025	–	–
Total comprehensive income, net of tax		24,847	18,349	75,920	4,965
Total comprehensive income, net of tax attributable to:					
The shareholders of the Company		21,794	15,919	75,920	4,965
Non-controlling interest	33	3,053	2,430	–	–
		24,847	18,349	75,920	4,965

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

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 5

Consolidated statement of changes in equity

Consolidated statement of changes in equity

	Notes	Attributed to the shareholders of the Company								Non-controlling interest	Total
		Share capital	Own shares	Share premium	Cash flow hedge reserve	Legal and other reserve	Foreign currency translation reserve	Retained earnings	Subtotal		
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 (loss) (Previously stated)		–	–	–	–	–	–	18,134	18,134	2,683	20,817
Adjustment on correction of error (net of tax)[1]	2.22	–	–	–	–	–	–	(6,171)	(6,171)	(322)	(6,493)
Net profit (loss) (Restated)[1]								11,963	11,963	2,361	14,324
Total other comprehensive income (loss), that may be reclassified to profit or loss in subsequent periods		–	–	–	476	–	3,479	–	3,956	69	4,025
Total comprehensive income, net of tax (Restated)[1]		–	–	–	476	–	3,479	11,963	15,919	2,430	18,349
Disposal of own shares	3	–	14	–	–	–	–	(14)	–	–	–
Dividends declared by the Company	16	–	–	–	–	–	–	(5,000)	(5,000)	–	(5,000)
Dividends declared by the subsidiaries	33	–	–	–	–	–	–	–	–	(1,638)	(1,638)
Share-based payments	29	–	–	–	–	1,730	–	–	1,730	–	1,730
Share capital increase	1	201	–	286	–	(487)	–	–	–	–	–
Non-controlling interest arising due to changes in ownership	3	–	–	–	–	–	–	(4,705)	(4,705)	4,705	–
Reserves made	16	–	–	–	–	(53)	–	53	–	–	–
Disposal of non-controlling interest	3	–	–	–	–	–	–	–	–	(540)	(540)
Transfer to legal reserve	16	–	–	–	–	607	–	(607)	–		
Acquisition of non-controlling interest	3	–	–	–	–	–	–	228	228	(942)	(714)
Balance as at 30 June 2023 (Restated)[1]		46,715	(426)	23,928	476	8,116	(130)	199,301	277,981	14,157	292,138
Balance as at 1 July 2023 (Restated)[1]		46,715	(426)	23,928	476	8,116	(130)	199,301	277,981	14,157	292,138
Net profit (loss)		–	–	–		–	–	21,934	21,934	2,979	24,913
Total other comprehensive income (loss), that may be reclassified to profit or loss in subsequent periods		–	–	–	(366)	–	226		(140)	74	(66)
Total comprehensive income, net of tax		–	–	–	(366)	–	226	21,934	21,794	3,053	24,847
Disposal of own shares	3	–	15	–	–	–	–	(15)	–	–	–
Dividends declared by the Company	16	–	–	–	–	–	–	(4,169)	(4,169)	–	(4,169)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(1,385)	(1,385)
Share capital increase	1	1,764	–	1,851	–	(3,615)	–	–	–	–	–
Non-controlling interest arising on acquisition of subsidiaries	3	–	–	–	–	–	–	–	–	1,095	1,095
Share-based payments	29	–	–	–	–	56	–	–	56	–	56
Transfer to legal reserve	16	–	–	–	–	153	–	(153)	–	–	–
Reserves made	16	–	–	–	–	27		(27)	–	–	–
Disposal of non-controlling interest		–	–	–	–	–	–	–	–	(205)	(205)
Non-controlling interest arising due to changes in ownership	3	–	–	–	–	–	–	(113)	(113)	113	–
Acqusition of non-controlling interest	3	–	–	–	–	–	–	85	85	(143)	(58)
Balance as at 30 June 2024		48,479	(411)	25,779	110	4,737	96	216,844	295,634	16,685	312,319

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

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 6

Company's statement of changes in equity

Company's statement of changes in equity

	Notes	Share capital	Own shares	Share premium	Legal reserve and other reserves	Retained earnings	Total
Balance as at 1 July 2022		46,514	(440)	23,642	6,319	51,511	127,546
Net profit (loss)		–	–	–	–	4,965	4,965
Total other comprehensive income (loss), that may be reclassified to profit (loss) in subsequent		–	–	–	–	–	–
Total comprehensive income, net of tax		–	–	–	–	4,965	4,965
Dividends	16	–	–	–	–	(5,000)	(5,000)
Share-based payments	29	–	–	–	1,730	–	1,730
Disposal of own shares		–	14	–	–	(14)	–
Share capital increase	1	201	–	286	(487)	–	–
Transfer to legal reserve	16	–	–	–	607	(607)	–
Reserves made	16	–	–	–	(53)	53	–
Balance as at 30 June 2023		46,715	(426)	23,928	8,116	50,908	129,241
Balance as at 1 July 2023		46,715	(426)	23,928	8,116	50,908	129,241
Net profit (loss)		–	–	–	–	75,920	75,920
Total other comprehensive income (loss), that may be reclassified to profit (loss) in subsequent		–	–	–	–	–	–
Total comprehensive income, net of tax		–	–	–	–	75,920	75,920
Dividends	16	–	–	–	–	(4,169)	(4,169)
Share-based payments	29	–	–	–	56	–	56
Disposal of own shares		–	15	–	–	(15)	–
Share capital increase	1	1,764	–	1,851	(3,615)	–	–
Transfer to legal reserve	16	–	–	–	153	(153)	–
Reserves made	16	–	–	–	27	(27)	–
Balance as at 30 June 2024		48,479	(411)	25,779	4,737	122,464	201,048

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

All amounts in thousands of euros, unless otherwise stated 7

Consolidated and Company's statements of cash flow

Consolidated and Company's statements of cash flow

	Notes	Group		Company	
		30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Cash flow from (to) operating activities					
Net profit (loss)		24,913	14,324	75,920	4,965
Adjustments for non-cash items:					
Depreciation and amortization	5, 6, 7	25,660	27,685	143	135
Subsidies amortization	17	(846)	(587)	–	–
(Gain)/Loss on disposal of property, plant and equipment	26	(1,372)	(829)	–	40
Subsequent measurement of sublease		–	–	(414)	758
Change in allowance and write-offs for receivables	8,11,12,13,32	(145)	3,495	–	–
(Reversal) inventories write down to net realizable value		(216)	2,684	–	–
Change of provision for onerous contracts		30	(8)	–	–
Change in contract assets, provisions and accrued expenses		(1,155)	4,009	46	(270)
Change in fair value of biological assets	9	(3,669)	3,261	–	–
Change in accrued share-based payment	29	56	1,730	56	43
Loss on disposal of a foreign operation		–	313	–	–
(Gain)/Loss on disposal of subsidiaries and associates and joint ventures	26	–	–	(43,583)	–
Impairment loss on non-current financial assets and prepayments for financial assets		377	–	1,320	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal		–	3,104	–	–
Change in deferred income tax	28	(126)	(2,338)	208	409
Current income tax expenses	28	2,204	6,135	–	–
Expenses (income) from change in fair value of financial instruments	26	2,448	2,606	–	–
Share of profit of an associates and joint ventures		(13)	–	–	–
Dividend (income)		–	–	(37,310)	(9,176)
Interest (income) and other financial (income)	27	(5,359)	(3,607)	(1,554)	(843)
Interest and other financial expenses	27	24,477	19,339	3,922	3,179
		67,264	81,316	(1,246)	(760)
Changes in working capital:					
(Increase) decrease in biological assets		3,561	1,502	–	–
(Increase) decrease in inventories incl. right of return asset		46,517	(28,074)	7	–
(Increase) decrease in prepayments		(4,893)	5,967	101	47
(Increase) decrease in trade and other accounts receivable		4,410	(12,454)	210	(2,154)
(Increase) decrease in restricted cash	14	(170)	(56)	–	–
Increase (decrease) in contract liabilities, refund liabilities, trade, and other accounts payable		(16,794)	(25,782)	(4,830)	2,011
Income tax (paid)		(6,160)	(9,492)	–	–
Net cash flow from (to) operating activities		93,735	12,927	(5,758)	(856)

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

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 8

Consolidated and Company's statements of cash flow

Consolidated and Company's statements of cash flow / continued

	Notes	Group		Company	
		30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Cash flow from (to) investing activities					
(Acquisition) of intangible assets, property, plant and equipment and investment property	5, 6, 7	(42,078)	(27,056)	(104)	(30)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		4,527	3,806	11	112
(Acquisition) of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods	3	(12,667)	(660)	–	(687)
(Acquisition) of associates	3	(1,450)	–	(1,450)	–
Disposal of subsidiaries (less disposed cash balance in the Group)	3	–	6,500	–	–
Decrease (increase) in prepayments for financial assets		132	(503)	132	(503)
(Gain)/Loss from disposal of other investments		333	–	–	–
Loans (granted)		(923)	(364)	(16,103)	(8,505)
Repayment of granted loans		249	25	8,700	8,678
Interest received	27	5,359	3,725	104	492
Dividends received		–	–	12,425	11,432
Net cash flows from (to) investing activities		(46,518)	(14,527)	3,715	10,989
Cash flows from (to) financing activities					
Proceeds from loans	30	68,411	197,623	33,033	16,100
(Repayment) of loans	30	(73,178)	(174,358)	(23,513)	(18,470)
Lease (payments)	30	(14,352)	(9,928)	(830)	(708)
Grants received	30	3,451	1,675	–	–
Interest (paid)	30	(22,899)	(13,627)	(2,287)	(2,163)
Dividends (paid)	16	(4,169)	(5,000)	(4,169)	(5,000)
Dividends (paid) to non-controlling interest	33	(1,385)	(1,638)	–	–
(Acquisition) of non-controlling interest[1]		(58)	(714)	–	–
Net cash flows from (to) financing activities		(44,179)	(5,967)	2,234	(10,241)
Net (decrease) increase in cash and cash equivalents		3,038	(7,567)	191	(108)
Net foreign exchange difference	15	265	(21)	–	-
Cash and cash equivalents at the beginning of the year	15	13,264	20,810	114	222
Cash and cash equivalents at the end of the year		16,037	13,264	305	114
Non-cash investing activity:					
Property, plant and equipment acquisitions financed by lease		4,726	3,840	–	–
Dividends received		–	–	23,713	–
Acquisition of right-of-use assets		16,626	14,956	269	40

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

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 9

Notes to the financial statements

1. General information

AB Akola Group(former 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 with the Register of Legal Entities managed by the public institution the Centre of Registers. The Company code 148030011. The Company has been founded for an indefinite period.

The address of the Company's registered office is: Subačiaus g. 5, LT-01302 Vilnius, Lithuania.

The financial statements have been prepared for the year ended 30 June 2024, and include the financial statements of the parent company AB Akola Group and the consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the "Group").

The Group's principal activities are described in **Note 4**.

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

The Group separately discloses shareholders who own more than 5% of the shares; all other shareholders, whose ownership is less than 5%, are classified as "Other shareholders (private and institutional investors)."

As at 30 June 2024 and as at 30 June 2023 the Company's shareholders were:

	30/6/2024		30/6/2023	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	65.75 %	109,909,167	68.23 %
Darius Zubas	17,049,995	10.20 %	17,049,995	10.58 %
UAB SB Asset Management (former UAB INVL Asset Management)	8,449,906	5.05%	8,224,156	5.11 %
Other shareholders (private and institutional investors)	31,761,413	19,00 %	25,902,615	16.08 %
Total	167,170,481	100,00 %	161,085,933	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2024 (EUR 0.29 each as at 30 June 2023) and were fully paid as at 30 June 2024 and as at 30 June 2023.

The Company holds 711,972 of its own shares, percentage 0.43%, as at 30 June 2024 (737,972 as at 30 June 2023). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2024 and as at 30 June 2023.

All of the Company's 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 AKO1L.

As at 30 June 2024 the number of employees of the Group was 4,959 (4,887 as at 30 June 2023).

As at 30 June 2024 the number of employees of the Company was 21 (20 as at 30 June 2023).

The Company's management approved these financial statements on 9 October 2024. The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of financial statements.

During the financial year ending 30 June 2024, the Company's authorized capital was increased by EUR 1,764 thousand and amounted to EUR 48,479 thousand as at the end of the financial year. During the financial year ending 30 June 2023, the authorized capital has been increased in the EUR 201 thousand and amounted to EUR 46,715 thousand as at 30 June 2023.

2. Material accounting policies

2.1. Basis of preparation of the financial statements

2. Material accounting policies

If not stated otherwise, the Company's separate financial statements are prepared using the same accounting policies as the ones used by the Group.

The principal accounting policies adopted in preparing the Group's financial statements for the year ended 30 June 2024 are as follows:

2.1. Basis of preparation

These financial statements have been prepared on the historical cost basis, except for biological assets (Note 2.20.), commitments to purchase agricultural produce (unrecognized firm commitment) (Note 2.12.), derivative financial instruments (Note 2.12.), which have been measured at fair value.
These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU).

These financial statements comprise the Group's consolidated financial statements and the Company's separate financial statements. The Group and Company have prepared the financial statements on the going concern basis.

In these financial statements, all amounts are presented in euros and rounded to the nearest thousand, unless otherwise indicated. Considering that the amounts in the financial statements are calculated in thousands of euros, there may be discrepancies between the figures in the tables. Such discrepancies are considered insignificant in the financial statements.

IFRSs and their interpretations, announced and adopted by the European Union, effective for the current reporting period

The accounting policies adopted are consistent with those of the previous financial year except for the following IFRS and amendments to IFRS which have been adopted by both the Group and Company as of 1 July 2023:

- IFRS 17 Insurance Contracts;
- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting policies (Amendments);
- IAS 12 Income taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments);
- IAS 12 Income taxes International Tax Reform - Pillar Two Model Rules (Amendments);
- IAS 8 Accounting policies, Changes in Accounting Estimates and Error Definition of Accounting Estimates (Amendments).

These changes were not relevant to the Company and Group, except for the following:

- IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments);

The Amendments are effective for annual periods beginning on or after January 1, 2023. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The Group and Parent assessed its accounting policy's disclosure and disclosed only material accounting policies

- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments):

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The Group's management has assed that the newly adopted standard has no impact on the financial statements.

2. Material accounting policies

- IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments);

The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The Group has implied the amendment and disclosed in the Note 28. The impact on the financial statements is considered to be insignificant.

- IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments);

The Group has adopted the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) upon their release on 23 May 2023. The amendments provide a temporary exception from deferred tax accounting for the top-up tax, which is effective immediately and require new disclosures about the Pillar Two exposure. The mandatory exception applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted as at 30 June 2023 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the financial statements.

The Group operates in Lithuania, Latvia, Estonia, Poland, Ukraine, United Kingdom and Denmark. As at 30 June 2024, only Denmark and United Kingdom have enacted the new legislation to implement the global minimum top-up tax. However, since the newly enacted tax legislation is only effective from 1 July 2024 for the Group, there is no current tax impact for the year ended 30 June 2024. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as current, when it is incurred.

Standards issued but not yet effective and not early adopted

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments);

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The Group's management has not yet assessed the impact of the amendment on both the Group's and Company's financial statements.

2. Material accounting policies

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments);

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The Group's management has not yet assessed the impact of the amendment on both the Group's and Parent's financial statements.

- IFRS 18 – Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB issued the IFRS 18 – *Presentation and Disclosure in Financial Statements* which replaces IAS 1 – *Presentation of Financial Statements*. IFRS 18 is the result of the IASB's Primary Financial Statements project, and it becomes effective for annual reporting periods beginning on or after January 1, 2027. The new standard has not yet been endorsed by the EU. The Group's management has not yet assessed the impact of the amendment on both the Group's and Parent's financial statements.

- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The standard was issued by the IASB on 9 May 2024. IFRS 19 permits reduced disclosures for subsidiaries who do not have public accountability and whose parent company applies IFRS Accounting Standards in their consolidated financial statements, while still applying the recognition, measurement and presentation requirements in other IFRS Accounting standards. The new standard becomes effective for annual reporting periods beginning on or after January 1, 2027. The new standard has not yet been endorsed by EU. The Group's management has not yet assessed the impact of the amendment on both the Group's and Parent's financial statements

- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments);

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments supplement requirements already in IFRS and require an entity to disclose the terms and conditions of supplier finance arrangements. Additionally, entities are required to disclose at the beginning and end of reporting period the carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented as well as the carrying amounts of financial liabilities and line items, for which the finance providers have already settled the corresponding trade payables. Entities should also disclose the type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable. Furthermore, the amendments require an entity to disclose at the beginning and end of the reporting period the range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements. The amendments have not yet been endorsed by the EU. The Group's management has not yet assessed the impact of the amendment on both the Group's and Parent's financial statements.

2. Material accounting policies

The standards/amendments that are not yet effective and they have not yet been endorsed by the European Union

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments);

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The amendments have not yet been endorsed by the EU. The Group's management has not yet assessed the impact of the amendment on both the Group's and Parent's financial statements.

- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group's management has not yet assessed the impact of the amendment on both the Group's and Company's financial statements.

2. Material accounting policies

2.2. Principles of consolidation

2.3. Investments into associates and subsidiaries

2.4. Intangible assets and goodwill

2.2. Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting date, using consistent accounting policies.

In preparing the consolidated financial statements, the results of operations and financial position of each entity are presented in euros, which is the functional currency of the Company and the Group, as well as the presentation currency of the consolidated financial statements.

Business combinations are accounted for using the acquisition method.

2.3. Investments into associates, subsidiaries and joint ventures

The Group accounts associates and joint venture using equity method. Impairment assessment of investments into associates and joint venture is performed when there is an indication that the asset may be impaired, or the impairment losses recognized in prior years no longer exist.

Investments into associates and joint ventures in the Company's separate financial statements are carried at cost less impairment.

In the Company's separate financial statements investments into subsidiaries are accounted for using the cost method. The carrying value of investments is reduced to recognize an impairment loss of the value of the investments, such reduction being determined and made for each investment individually.

The impairment expenses of the subsidiaries, associates and joint ventures are accounted in the profit (loss) and other comprehensive income statements under the other expenses.

2.4. Intangible assets and goodwill

Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the Company and the cost of assets can be measured reliably.

The useful lives of intangible assets can be either definite or indefinite. Intangible assets are accounted for at acquisition cost, less accumulated amortization and impairment losses. The cost of intangible assets acquired in business combinations is recorded at fair value on the acquisition date.

Amortization is calculated using the straight-line method, ensuring that the asset's value is evenly written off over its entire useful life:

Software	3-10 years
Licenses	3–20 years
Other Intangible assets	4–10 years

The amortization expenses of intangible assets are recognized in the statement of profit (loss) and other comprehensive income under the cost of sales, selling expenses and general administrative expenses, and other expenses.

Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. Material accounting policies

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the statement of profit (loss) and other comprehensive income under the other income (expenses).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment of goodwill is recognized in the statement profit (loss) and other comprehensive income under other expenses. The assessment of goodwill impairment is detailed in Note 2.20.

2.5. Property, plant and equipment

2.5. Property, plant, and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent expenditures are added to the carrying amount of the asset or recognized as a separate asset only if it is probable that the Company and the Group will derive economic benefits from the asset and the cost of the asset can be reliably measured. All other expenses, such as repairs and maintenance, incurred after the long-term tangible asset is ready for use according to its intended use, are generally recognized in the profit (loss) and other comprehensive income statement in the period in which they are incurred.

Depreciation is computed on a straight-line basis over the following useful lives:

Buildings and structures	5-80 years
Machinery and equipment	2-25 years
Vehicles	1-25 years
Other property, plant and equipment	1-99 years

Depreciation expenses for property, plant and equipment are accounted for in the profit (loss) and other comprehensive income statements as part of the cost of sales, selling expenses, general and administrative expenses and other expenses.

The useful lives, residual values and depreciation method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from items in property, plant and equipment.

If the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount. Impairment of property, plant and equipment is reviewed each reporting period (Note 2.20). Impairment and impairment reversals of assets during the year are accounted for in the profit (loss) and other comprehensive income statements under the general and administrative expenses.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statements of profit (loss) and other comprehensive income under the other income (expenses) in the year the asset is derecognized.

Construction in progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and ready for the intended use.

Borrowing costs that are directly attributable to the acquisition, construction or production of an item of property, plant and equipment where substantial period of time is necessary to get ready the asset for its intended use, are capitalized as part of cost of the asset. When the period is shorter than 12 months, borrowing costs are recognized as expenses in the profit (loss) and other comprehensive income statements under the expenses of financial activity.

2. Material accounting policies

2.6. Financial assets (except for derivative financial instruments designated as hedging instruments)

Financial assets initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit (loss).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the both Company's and Group's business model for managing them. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The both Company's and Group's business model for managing financial assets refers to how the Group and Company manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets subsequent measurement

After initial recognition, the Group measures a financial asset at:

- Amortized cost (debt instruments)
- Fair value through OCI with recycling of cumulative gains and losses upon derecognition (debt instruments). As at 30 June 2024 the Group had a hedging instruments (commitments to purchase gas and grains). For additional information see Note 14
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).
- Fair value through profit or loss.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit (loss) and other comprehensive income when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes trade, cash and its equivalents, other current and non-current receivables, loans granted.

For short-term trade receivables that do not have a significant financing component, the Group applies a simplified approach as required by IFRS 9 and accounts for impairment losses against lifetime credit losses from the initial recognition of the receivables. The group's decision on the individual assessment of the availability of information on the credit history of a specific loan, financial data of the manager's assessment, including forward-looking information, which would allow the identification of a significant increase in the credit risk of a particular borrower, thus allowing the management to make a decision on credit losses for the entire period of validity. recognition in relation to a specific debtor.

The principles of financial asset impairment assessment and accounting are presented in Notes 2.20., 8, 13, 14

2. Material accounting policies

2.7. Financial liabilities and supplier/customer financing arrangements (Factoring)

Financial liabilities initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's and Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivatives, and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. The Group has not designated any financial liabilities as at fair value through the statement of profit (loss) and other comprehensive income during the years ended 30 June 2023 and 2024.

After initial recognition, loans, borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit (loss) and other comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

- Financial liabilities at amortized cost.

This is the category most relevant to the Group and The Company. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statements of profit (loss) and other comprehensive income

- Supplier Financing Arrangement (Factoring)

The Group presents liabilities that are part of a reverse factoring arrangement as part of trade payables only when those liabilities have a similar nature and function to trade payables. However, these liabilities are presented separately when the size, nature or function of those liabilities makes separate presentation relevant to an understanding of the Group's financial position. In assessing whether it is required to present such liabilities separately, the Group considers the amounts, nature and timing of those liabilities. In the separate and consolidated statement of financial position, the Group's liabilities under the supplier financing arrangements are presented under the same line item as trade payables. The Group presents the supplier financing arrangements as cash flows from financing activities in its consolidated statement of cash flows.

- Customer Financing Arrangement (Factoring)

The Group's companies alienate rights to receivables due at a future date according to invoices. Factoring transactions of the Group comprise factoring transactions with and without regress right. The factoring expenses comprise a lump-sum contract fee charged on the conclusion of the contract, commission fees charged for processing the invoices, and interest expenses depending on the duration on the payment term set by the debtor. Customer financing arrangement (factoring) is accounted at amortized cost.

2. Material accounting policies

2.8. Derecognition of financial assets and liabilities

2. Material accounting policies / continued

2.8. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

The financial liability is derecognized when it is settled, extinguished, or reaches its maturity.

2.9. Inventories

2.9. Inventories

Inventories are valued at the lower of cost and net realizable value, after impairment evaluation for obsolete and slow-moving items. Cost of raw materials that are segregated for specific projects is determined using specific identification method; cost of other inventory is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs based on a normal operating capacity. Unrealizable inventory has been fully written off.

Under inventories caption the Group also accounts for commitments to purchase agricultural produce (the change in the fair value of the firm commitment).

2.10. Cash and cash equivalents

2.10. Cash and cash equivalents

Cash includes cash on hand and cash in bank accounts. For the purposes of the cash flows statement, cash and cash equivalents comprise cash on hand and in current bank accounts as well as deposits in bank with original term of 3 months or less.

Restricted cash held as a deposit for trading in the futures exchange is accounted as other current financial assets.

2. Material accounting policies

2.11. Biological assets

2.11. Biological assets

The Group's biological assets include animals and livestock, poultry, and crops.

Animals and livestock are accounted for at fair value less costs to sell. The fair value of milking cows is measured using discounted cash flows method (level 3). Other livestock is measured at comparable market prices (level 2).

Poultry is accounted for at fair value less costs to sell. The fair value of poultry is measured based on future value of chickens/meat broilers/eggs less costs to maintain (level 3).

Crops are accounted for at fair value less costs to sell. The fair value of crops is measured at comparable market prices based on expected yield (level 3).

Agricultural produce harvested from an entity's biological assets is measured at its fair value less estimated costs to sell at the point of harvest. The measured value of the harvested yield is then considered to be the cost of inventories.

As at 30 June 2024 and 30 June 2023, the management of the Group treats all animals and livestock (excluding eggs and broilers) as non-current assets and all crops, eggs and broilers as current.

All changes in fair value of biological assets were accounted for under cost of sales caption in the statements of profit (loss) and other comprehensive income.

2. Material accounting policies

2.12. Derivative financial instruments and hedge accounting

2.12. Derivative financial instruments and hedge transactions

The Group engages in derivative financial instruments transactions, such as futures contracts, to hedge purchase and sale price fluctuation risk and interest rate swaps to hedge cash flows fluctuation risk. On the agreement date and subsequently derivative financial instruments are accounted for at fair value. Fair value is derived from quoted market prices for futures (level 1) and using valuation models for interest rate swaps (level 2 and 3). The estimated fair values of these contracts are reported in the statement of financial position as assets for contracts having a positive fair value and liabilities for contracts with a negative fair value. Gain or losses from changes in the fair value of derivative financial instruments are recognized in the statements of profit (loss) and other comprehensive Income under the costs of sales.

Other derivatives not used for hedge accounting are also accounted for at fair value (level 2 and 3 as described in Note 2.20) with gains or losses from changes in the fair value recognized in the statements of profit (loss) and other comprehensive income under the other income (expenses).

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; and (b) cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a forecasted transaction.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging transactions qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.

The hedging relationship ratio is the same as that calculated by comparing the amount of insured units with the amount of the hedging instrument that the Group actually uses to insure the hedged items.

Fair value hedges

In relation to fair value hedges, which meet the conditions for hedge accounting, any gains or losses from remeasuring the hedging instrument to fair value is recognized immediately in the statement of profit (loss). The hedged item is adjusted for fair value changes relating to the risk being hedged and the difference is recognized as an asset or liability with a corresponding gain or loss recognized in the statements of profit (loss) the cost of sales.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the statements of profit (loss) and other comprehensive income under the other income (expenses).

Any gains or losses arising from changes in the fair value of the hedging instruments, which do not qualify for hedge accounting, are taken directly to the statement of profit (loss) under the other (expenses).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

2. Material accounting policies

2.12. Derivative financial instruments and hedge accounting / continued

Cash flow hedges

In relation to cash flow hedges, which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized initially in the profit (loss) and other comprehensive income statements and the ineffective portion is recognized in the statements of profit (loss). The gains or losses on effective cash flow hedges recognized initially in equity are either transferred to the statements of other comprehensive income in the period in which the hedged transaction impacts the statements of other comprehensive income or included in the initial measurement of the cost of the related asset or liability.

For hedges, which do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to the statements of profit (loss).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in equity remains in equity until the forecasted transaction occurs. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to the statements of profit (loss) and other comprehensive income profit (loss).

2.13. Right-of-use assets and lease liabilities

2.13. Right-of-use assets and lease liabilities

The determination of whether an arrangement is or contains a lease is based on the substance of the Group arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

The Group and the Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The commencement date (i.e., the date from which the underlying asset is put into use) is when the Company and the Group recognize the right-of-use asset. At the commencement date, the Group and the Company measures the right-of-use asset at cost.

After initial recognition under the cost model, the Group and the Company measures a right-of-use asset at cost less any depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated under the depreciation requirements of IAS 16, Property, Plant and Equipment. If, under the lease agreement, ownership of the leased asset transfers to the Company and the Group at the end of the lease term or the cost reflects the exercise of a purchase option, the Group and the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset.

Land	from 4 to 99 years
Buildings and structures	from 5 to 65 years
Machinery and equipment	from 2 to 25 years
Vehicles	from 1 to 12 years
Other rights-of-use assets	from 1 to 30 years

Depreciation expenses for right-of-use assets are accounted for in the profit (loss) and other comprehensive income statements as part of the cost of sales, selling expenses, general and administrative expenses and other expenses.

2. Material accounting policies

Lease liabilities

At the commencement date, the Group and the Company measure the lease liabilities at the present value of lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group and the Company use the incremental borrowing rate.

After the commencement date, a lessee measures the lease liability by increasing the carrying value to reflect interest on the lease liability; reducing the carrying value to reflect the lease payments made; and remeasuring the carrying value to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

After the commencement date, the Group and the Company recognize in profit or loss, unless the costs are included in the carrying value of another asset applying other applicable Standards: interest on the lease liability; and variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

After the commencement date, the lease liability is remeasured to reflect changes to the lease payments. The Group and the Company recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying value of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss.

The Group and the Company reassess the lease liability by discounting the revised lease payments using an updated discount rate if the lease term changes.

The Group and the Company present lease liabilities separately from other liabilities in the statement of financial position. Interest expenses on the lease liability are presented separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of expenses on financing activities, which is presented in the statements of profit (loss) and other comprehensive income.

Short-term and low-value lease

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply low-value asset lease recognition exemption to office equipment that are considered to be low value.

2. Material accounting policies

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

When the Group is an intermediate lessor, it accounts for its lease and sublease components separately. It assesses the classification of the sublease based on the right-of-use asset arising from the head lease, rather than the underlying asset. If the head lease is a short-term lease to which the Group applies the above-mentioned exemption, then it classifies the sublease as an operating lease

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

Assets leased out under operating leases are included in property, plant and equipment and investment property in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment of the Group. Rental income is recognized on a straight-line basis over the lease term.

2.14. Non-current employee benefits

2.14. Non-current employee benefits

Share-based payments

Employees of the Group and Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). As further described in Note 29, employees of the Group are granted share options.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 29.

That cost is to be recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's and Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statements of profit (loss) and other comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 29)

All amounts in thousands of euros, unless otherwise stated 24

2. Material accounting policies

2.15. Income tax

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation. The charge for taxation included in these financial statements is based on the calculation made by the management in accordance with tax legislation of the Republic of Lithuania and respective countries, where the Group companies are registered.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

In the year ended 30 June 2024 and 30 June 2023, the standard income tax rate for the Group non-co-operative companies operating in Lithuania was – 15%.

For companies operating in Lithuania tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments not designated for hedging. The transferable tax loss cannot cover more than 70% of the taxable profit of the current year. Such carrying forward is disrupted if the company changes its activities due to which these losses were incurred except when the company does not continue its activities due to reasons which do not depend on the company itself.

The losses from disposal of securities and/or derivative financial instruments not designated for hedge (as described in Note 14) can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. For companies operating in Latvia and Denmark tax losses can be carried forward for indefinite period.

Income tax for the foreign subsidiaries is accounted for according to tax legislation of those foreign countries. The standard income tax rates in the foreign countries are as follows:

	Financial year ended	
	30/6/2024	30/6/2023
Republic of Latvia[1]	-	-
Republic of Estonia[2]	-	-
Kingdom of Denmark	22%	22%
Ukraine	18%	18%
Belarus	20%	20%

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the reporting date.

[1] In Latvia, effective from 1st January 2018 Under the Corporate Income Tax Law, corporate income tax is payable at the time when profit is distributed. As a result, the taxable base comprises distributed profits and notional distributed profits. Resident companies are subject to tax at a rate of 20% on the gross taxable amount. The net taxable base (distributed profits and notional distributed profits) is divided by coefficient of 0.8 when determining the gross taxable base for the tax period.

[2] In Estonia, the taxation of profit of operating subsidiaries is deferred until the profit appropriation moment, i.e. payment of dividends. The dividends paid by the Group's companies in Estonia are taxed at the withholding tax rate of 20% as at 30 June 2024 (20% as at 30 June 2023).

2. Material accounting policies

2.16. Revenue recognition

2.15. Income tax / continued

Deferred tax assets have been recognized in the statement of financial position to the extent the management believes they will be realized in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax is not going to be realized, this part of the deferred tax asset is not recognized in the financial statements.

2.16. Revenue recognition

Revenue from sales of grain, feedstuff, fertilizers, seeds, agricultural production and other food products

Revenue from contracts with customers is recognized at a point in time when control of the goods (grain, feedstuff, fertilizers, seeds, agricultural production and cattle, milk and poultry food products) is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements, except for Neuss/Spyck contracts described in Note 2.20, because:

- The Group controls the goods before transferring them to the customer;
- The Group is primarily responsible for goods supply and bears risk of non-performance;
- The Group has latitude in establishing price either directly or indirectly.

Where the Group has signed master framework agreements with the clients, majority of such contracts are not enforceable on their own without a specific purchase order. Every purchase order generally represents a contract with the customer in these cases, and each contract includes a single performance obligation.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, transportation, storage). Generally, the Group's contracts do not include such promises.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that significant revenue reversal will not occur when the associated uncertainty is resolved. Some contracts for the sale of equipment provide customers with a right of return which gives rise to variable consideration. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover the goods from a customer.

Revenue from sales of machinery and equipment

In some contracts, the Group not only transfers control of an equipment to a customer, but also grants the customer the right to return the product for various reasons after the use of the term. An asset recognized for the Group's right to recover the equipment from a customer on settling a refund liability shall initially be measured by reference to the former carrying amount of the equipment less any expected costs to recover those products (including potential impairment of returned products to the Group). At the end of each reporting period, the Group updates the measurement of the asset arising from changes in expectations about products to be returned. The Group presents the asset separately from the refund liability, under captions: Inventories (Note 10) and Other non–current liabilities (Note 22).

Revenue from customer long-term project contracts

Performance obligations arising from the project contracts with customers (for example to install grain storage facilities) are fulfilled over time and respectively the revenue is recognized over time if any of the following criteria are met: (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. If the Group can reasonably measure its progress towards complete satisfaction of the performance obligation, the Group recognizes revenue and expenses in relation to each contract over time, based on the progress of performance.

The progress of performance is assessed based on the proportion of the costs incurred in fulfilling the contract up to date over to the total estimated costs of the contract. Group uses an input method in measuring progress because there is a direct relationship between the Group's effort (i.e., based on the labour hours incurred, and materials used) and the output produced which provides a faithful depiction. When the Group is not be able to reasonably measure the outcome of a performance obligation (for example, in the early stages of a contract), but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognizes revenue only to the extent of the costs incurred until such. When it is determined that the costs of the contract are expected to exceed the revenue, the entire estimated loss amount is recognized in the statements of profit (loss) and other comprehensive income.

Contract modification (scope or price, or both) is accounted for as a separate contract with customer, if the scope of the contract increases because of the addition of promised goods or services that are distinct and the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised goods or services in the circumstances of the particular contract. Otherwise, the contract modification is accounted as (a) termination of the existing contract and the creation of a new contract, if the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification or (b) part of the existing contract if the remaining goods or services are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification.

The effect that the contract modification has on the transaction price, and on the Group's measure of progress towards complete satisfaction of the performance obligation, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification.

Provisions for loss making contracts are recognized when the Group has a present obligation (legal or constructive) to complete the construction contract for the third party for the price that is lower than the total estimated cost to perform the contract as of the date of the financial statements. The difference (loss) between the contract price and the total estimated cost of delivery under the contract is recognized in the statement profit (loss) and other comprehensive income.

When fulfilling the contracts, the Group can receive short-term prepayments from its customers. Applying the practical expedient, the Group is not adjusting the price allocation by the financing component, if at the inception of the contract it is expected that the time period from the customer payment for goods/services till the delivery of these goods/services will not exceed one year.

In addition, the Group applied the practical expedient and did not disclose the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period because each performance obligation is part of a contract that has an original expected duration of one year or less.

The Company recognizes revenue from management services over time, using a delivery method to measure provision of the services, because the customer simultaneously receives and consumes the benefits provided by the Parent.

2. Material accounting policies

2. Material accounting policies / continued

2.16. Revenue recognition / continued

Other income

Other occasional revenue from the sale property, plant or equipment is recognized at a point in time, when sold items are delivered to client and control is transferred.

Dividend income is recognized when the right to receive payment is established.

Under Other income caption grants related to income for agricultural activity are recognized. The income-related grants are recognized as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

In addition, the management considers the effect of other matters to the revenue recognition such as the existence of significant financing components, non-cash consideration, consideration payable to the customer and warranties. None of these are present in the Group's contracts with the customers, except of what is being disclosed further.

The Group's companies also purchase marketing services from its customers. Based on agreements marketing related services acquired from customers (retailers) do not represent distinct services related to various advertising and marketing activities provided to the Group's Companies, and therefore all such marketing expenses incurred over the financial period are accounted as revenue reduction in the Group's statement of profit (loss) and other comprehensive income under the revenue from contracts with customers.

Contract assets - accrued revenue

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets, Note 2.6.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs under the contract.

2.17. Impairment of non-financial assets

2.17. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required (e.g. goodwill), the Group estimates the asset's recoverable amount. The non-financial assets recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Impairment losses are recognized in the statements of profit (loss) and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For non-financial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

2. Material accounting policies

2.18. Fair value measurement

2.19. Provisions

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements

2. Material accounting policies / continue

2.18. Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Valuations are performed by the Group's management at each reporting date. For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities based on the nature, characteristics and risks of asset or liability and the level of the fair value hierarchy as explained above.

2.19. Provisions

A provision is recorded if and only if the Group has a valid obligation (legal or constructive) as a result of a past event, and it is probable that resources providing economic benefits will be required to settle it, and the amount of the obligation can be reliably estimated. Provisions are reviewed each reporting date and adjusted to reflect the most accurate current estimate. More detailed valuation and types of provisions are disclosed in Note 20.

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies.

Significant accounting judgments

The significant areas of judgment used in the preparation of these financial statements are described as follows.

Principal versus agent assessment

The Group determined that, as a general it acts as the principal in providing goods and services because:

- controls goods and services before they are delivered to the customer;
- is responsible for the overall execution of the contract with the client and is at risk of default;
- has a choice of price setting.

Accounting for trading contracts

Within grains and oilseeds as well as feedstuffs segments, the Group's activity is an agricultural goods intermediary (buying and selling different types of grain, oilseeds, rapeseed, etc.). The Group buys and sells agricultural goods at a fixed price for a specified delivery period in the future. The terms of the Group's contracts permit net settlement; however, in practice, contracts result in physical delivery, except for rapeseed extraction delivered on term FOB Neuss/Spyck. The Group acts as an intermediary by entering into purchase and sales contracts with producers and users of the agricultural goods, creating links within the value chain for the agricultural goods for a stable customer base, making profits from a distributor margin rather than from fluctuations in price or a broker traders' margin. As a result, the Group's purchases and sales contracts are entered into in accordance with the expected purchase and sale requirements and, therefore, have not been accounted for as derivatives within the scope of IFRS 9, except for those contracts which are hedged (Note 2.12) and contracts concluded on terms FOB Neuss/Spyck which are usually net cash settled.

All amounts in thousands of euros, unless otherwise stated 29

2. Material accounting policies

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements / continued

Receivables from agricultural produce growers and payments on agricultural produce growers' behalf

Within its agricultural inputs segment, the Group is engaged in selling fertilizers and plant protection products to agricultural produce growers as well as pays on behalf of agricultural produce growers to suppliers of seeds or directly pays to agricultural produce growers (Notes 11 and 12). The balances arising from these transactions are non-interest bearing and are generally settled within 120 – 360 days by delivering grain to the Group. These transactions constitute common arrangements in the industry, they are entered into between distributors and agricultural produce growers under similar terms, and usual settlement is by delivery of grain, as opposed to an unconditional right to receive cash. Trade receivables arising on sales of fertilizers and plant protection products are presented within trade receivables caption in the statement of financial position, while payments on behalf of agricultural produce growers, which do not derive from sales transactions, are presented as prepayments in the statement of financial position.

Significant accounting estimates

The significant areas of estimation used in the preparation of these financial statements relate to depreciation and amortization (Notes 2.4, 2.5, 5, 6), fair value estimation of biological assets (Notes 2.11 and 9), impairment evaluation (Notes 2.18, 5, 6, 7, 8, 10, 11, 12, 13), estimation of fair value of assets acquired and liabilities assumed in business combinations (Note 3), assessment of net realizable value of inventories (Note 2.9 and Note 10), assessment of provision for onerous contracts (Note 2.20), assessment of fair value of derivatives (Note 14) and assessment of fair value of share based payments (Note 29). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed further.

Accounting estimates regarding war in Ukraine

- Group operations in Belarus and Russian markets

During previous financial the Group had operations in the Russian market (Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening). In the financial period ended as at 30 June 2024, the Group had limited operations in the market of Russia. Also, the Group 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 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 2024 (in EUR'000):

	Total:	Total: (subsidiary registered in Belarus)
Trade and other receivables from Russian entities	3,303	3,297
Trade and other liabilities to the Russian entities	55	53
Trade and other receivables from Belarus entities	761	761
Trade and other liabilities to the Belarus entities	1,804	1,804

Revenue from contracts with customers in Russia and Belarus includes only the revenue of one subsidiary registered in Belarus.

Revenue from contracts with customers in Russia for the financial year ended 30 June 2024, amounted to EUR 311 thousand. Revenue from contracts with customers in Belarus for the financial year ended 30 June 2024, amounted to EUR 8,494 thousand.

- Subsidiaries registered in Belarus controlled by the Group

The Group had operations in Belarusian markets through subsidiary OOO KLM (feed materials and feed additives trading, supply of seeds, plant care products, fertilizers, provision of veterinary pharmaceutical services and trade in products).

- Subsidiaries registered in Ukraine controlled by the Group and Group's operations in Ukrainian market

The Group conducts operations in the Ukrainian market through its subsidiary, LLC LINAS AGRO UKRAINE (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 authorized for issue, the situation in Ukraine is extremely volatile and inherently uncertain.

As at 30 June 2024 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 this year ended 30 June 2024 of Group's subsidiary, operating in Ukraine was not significant.

The Group's revenue from contracts with customers from Ukraine this year ended 30 June 2024 were EUR 8,010 thousand. (30 June 2023 the Group's revenues from the contracts with the customers 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, net realizable value of inventory, classification of financial instruments as current and non-current, lease contracts. Based on the assessment of the Group's the effect of the war in Ukraine on financial statements was not significant; however, due to dynamics and volatility of the military operations in Ukraine it is difficult to reliably measure the ultimate financial impact.

Valuation of biological assets

As at 30 June 2024 and 30 June 2023, the Group did not have an independent appraisal of its biological assets. According to IFRS, such assets must be recorded at fair value. Biological assets mostly consist of three groups: animals and livestock, poultry and crops which are accounted for at fair value less costs to sell (Note 2.11).

The fair value of biological assets of the Group is determined on a recurring basis. The management determines key assumptions based on historical figures and the best estimate as at the reporting date. Applied unobservable assumptions are challenged on a regular basis and adjusted after back testing is performed. Other observable inputs used are based on publicly available sources (prices in the market). The management of the Group constantly analyses the changes in fair value and assesses what has the biggest influence on it – quantity produced, sales prices and etc.

All amounts in thousands of euros, unless otherwise stated 31

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2. Material accounting policies

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements / continued

Animals and livestock are valued in two ways: milking cows are valued using discounted cash flows method less costs to sell (level 3) and other groups of livestock at market prices less cost to sell at the reporting date (level 2). Crops are valued at market prices based on expected yield less costs to sell at the reporting date (level 3).

Poultry are valued in the following way: hatching chicken are valued based on the future value of the produced eggs less costs to maintain the chicken until end of its production period, slaughter costs as well as costs to sell at the reporting date (level 3). Meat broilers are valued based on average age of the chicken and its respective market value between the value range of day one and value at the moment of slaughtering the chicken (level 3).

- Milking cows

The Group's management estimates the fair value of dairy cows using the discounted cash flow method because there is no active and reliable market for this type of cattle and this valuation method is the most accurate estimate of the fair value of dairy cows.

As at 30 June 2024, the main assumptions used to determine the fair value of the dairy cows are the expected selling prices of milk over the useful life of the dairy cow used to calculate the future net revenue streams (for the years ending 30 June 2025 and 30 June 2026: €0.427 and €0.427, respectively), which have been determined on the basis of publicly available mid-market prices and the pre-tax discount rate before income tax (8.96%).

As at 30 June 2023, the main assumptions used to determine the fair value of the dairy cows are the expected selling prices of milk over the useful life of the dairy cow used to calculate the future net revenue streams (for the years ending 30 June 2024 and 30 June 2025: €0.403 and €0.403, respectively), which have been determined on the basis of publicly available mid-market prices and the pre-tax discount rate before income tax (8.94%).

The following table demonstrates the sensitivity of the fair value of milking cows to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30/6/2024		30/6/2023	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Milk price	+ 15%	969	+ 15%	495
Milk price	- 15%	(969)	- 15%	(495)
Discount rate	+ 1 p.p.	(97)	+ 1 p.p.	(73)
Discount rate	- 1 p.p.	99	- 1 p.p.	73

- Crops

As at 30 June 2024 and 2023, the key assumptions used to determine fair value of crops are the estimated yield ranges depending on the type of crops (2.48– 10.0 tons/ha for grain cultures and 60 – 70 tons/ha for beet cultures for the year ending 30 June 2024 and 2.9– 10.0 tons/ha for grain cultures and 60 – 65 tones/ha for beet cultures for the year ending 30 June 2023) and the expected sales price, which was based on the estimated future grain, oilseeds and beet cultures sales price of the deliveries taking place September – December of the respective year.

All amounts in thousands of euros, unless otherwise stated 32

2. Material accounting policies

2. Material accounting policies / continued

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements / continued

The following table demonstrates the sensitivity of the fair value of crops to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30/6/2024		30/6/2023 (Restated)[1]	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Yield	+ 5 %.	905	+ 5 %.	1 311
Yield	- 5%.	(905)	- 5%.	(1 311)
Price	+ 5 %.	905	+ 5 %.	1 311
Price	- 5%.	(905)	- 5%.	(1 311)

- Poultry

As at 30 June 2024 and 2023, the main assumptions used to determine fair value of hatching chicken are the price of the incubation eggs (EUR 0.24 – 0.32 for the unit; EUR 0.15-0.24 for the unit in previous financial year) which was estimated based on publicly available yearly average market price and the average number of hatching eggs produced per hatching chicken in the lifetime 179 units for financial year (178.8 units – previous financial year).

The following table demonstrates the sensitivity of the fair value of hatching chickens to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30/6/2024		30/6/2023	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Number of eggs per lifecycle/price of eggs	+ 5 %.	61	+ 5 %.	60
Number of eggs per lifecycle/price of eggs	- 5%.	(61)	- 5%.	(60)

As at 30 June 2024 and 2023, the main assumptions used to determine fair value of broilers are the market price of chickens (from EUR 0.45 to EUR 0.57 for 1 day old and EUR 1.60 for 36 days old and EUR 1.59 for 38 days old.) which was estimated based on actual purchases/sales taking place close to the 30 June 2024 and broiler weight from 2.28 to 2.48 kg as at 36 days old and 38 days old respectively (as at 30 June 2023 – 2.39 kg as at 36 days old).

The following table demonstrates the sensitivity of the fair value of broilers to a reasonably possible change in key assumptions and its effect on profit or loss. There is no effect to other comprehensive income.

	30/6/2024		30/6/2023	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Weight	+ 5 %	383	+ 5 %	391
Weight	- 5%	(383)	- 5%	(391)
Price	+ 5 %	71	+ 5 %	133
Price	- 5%	(71)	- 5%	(133)

[1] *The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.*

Impairment of property, plant and equipment (excluding land)

The Group makes an assessment, at least annually, whether there are any indications that property, plant and equipment have suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of cash-generating units (CGU) is determined based on value in use calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested.

As at 30 June 2024 and 30 June 2023, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of property, plant and equipment to exceed its recoverable amount, except for the already impaired assets.

Impairment of land (accounted for as property, plant and equipment and investment property)

The Group makes an assessment, at least annually, whether there are any indications that land accounted for as property, plant and equipment and investment property has suffered impairment. If that is the case, the Group makes an impairment test. The recoverable amount of land is determined as fair value less cost to sell based on comparable market prices for similar land provided by independent valuators.

As at 30 June 2024 and 30 June 2023, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of land to exceed its recoverable amount, except for the already impaired assets.

Impairment of the Company's investments in subsidiaries and loans granted

As at 30 June 2024 and 30 June 2023, the Company has investments in subsidiaries and associates. The Company makes an assessment, at least annually, whether there are any indications that investments in subsidiaries and associates have suffered impairment.

As at 30 June 2024 the recoverable amount of Latvian poultry business cash generating unit (CGU), comprising investments into and loans granted to AS Kekava Foods (Reorganized subsidiary, for more details 3 Note), was determined based on the value in use calculations that use a discounted cash flow model. Carrying value of the Company's investments and loans amounts to EUR 18,995 thousand as at 30 June 2024.
The above-mentioned subsidiary was assessed as one cash generating unit. Cash generating unit was determined to be all entity operating in poultry business in a specific geographical location (Latvia). The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2024, the recoverable amount of the investment into subsidiaries AS Kekava Foods is most sensitive to the pre-tax discount rate of 8,62 % which is used for the discounted cash flow model. As at 30 June 2024, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into AS Kekava Foods to exceed its recoverable amount.

As at 30 June 2023 the recoverable amount of Latvian poultry business cash generating unit (CGU), comprising investments into and loans granted to AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks, was determined based on the value in use calculations that use a discounted cash flow model. Carrying value of the Company's investments and loans amounts to EUR 18,965 thousand as at 30 June 2023. The above-mentioned subsidiaries were assessed as one cash generating unit. Cash generating unit was determined to be all entities operating in poultry business in a specific geographical location (Latvia). The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. As at 30 June 2023, the recoverable amount of the investment into subsidiaries AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks is most sensitive to the pre-tax discount rate of 10.06 % which is used for the discounted cash flow model.

2. Material accounting policies

2. Material accounting policies / continued

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements / continued

As at 30 June 2024 the subsidiaries such as AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas did not have any impairment indication, thus impairment test were not performed, except AB Zelvė.

As at 30 June 2024 the recoverable amount of business cash generating unit (CGU), comprising investment into and loans granted to AB Zelvė was determined based on the value in use calculations that use a discounted cash flow model. The carrying value of these investment and loans amounts to EUR 363 thousand as at 30 June 2024. As at 30 June 2024, the recoverable amount of the investment into subsidiary is most sensitive to the pre-tax discount rate of 8.42%which is used for the discounted cash flow model. As at 30 June 2024, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into the subsidiary to exceed its recoverable amount.

As as 30 June 2023 the recoverable amount of Lithuanian poultry business cash generating unit (CGU), comprising investments into and loans granted to Vilniaus Paukštynas AB, Kaišiadorių Paukštynas AB and Zelvė AB was determined based on the value in use calculations that use a discounted cash flow model. The carrying value of these investments and loans amounts to EUR 9,537 thousand. The above-mentioned subsidiaries have been assessed as separate cash generating units. The cash flows are derived from the forecast for the next five years and a terminal value which was calculated with a terminal growth of 2%. The recoverable amount of the investment into subsidiaries Vilniaus Paukštynas AB, Kaišiadorių Paukštynas AB and Zelvė AB is most sensitive to the pre-tax discount rate of 10.85% which is used for the discounted cash flow model. There were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into the before mentioned companies to exceed its recoverable amount.

The recoverable amount of business cash generating unit (CGU), comprising investments into and loans granted to UAB Dotnuva Baltic was determined based on the value in use calculations that use a discounted cash flow model. The carrying value of these investment and loans amounts to EUR 25,618 thousand as at 30 June 2024. As at 30 June 2024, the recoverable amount of the investment into subsidiary is most sensitive to the pre-tax discount rate of 9.62%which is used for the discounted cash flow model. As at 30 June 2024, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into the subsidiary to exceed its recoverable amount. No impairment indications as at 30 June 2023

On 30 June 2024, the Company recognized a EUR 950 thousand impairment of its investment in UAB "Kormoprom Invest," based on identified impairment indicators. The liquidation process of UAB "Kormoprom Invest" was initiated in the 2023-2024 financial year, and therefore, no asset impairment test was performed. The impairment was fully accounted for the total investment, assessing the net asset value expected to be recovered upon the completion of the liquidation process.

There were no indications of impairment of investments in other subsidiaries, except for the ones described above.

All amounts in thousands of euros, unless otherwise stated 35

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2. Material accounting policies

2. Material accounting policies / continued

2.20. Use of significant accounting judgments and estimates in the preparation of financial statements / continued

Impairment of goodwill

The amount of EUR 1,971 thousand goodwill was recognized upon the acquisition of SIA Paleo. This goodwill was assigned to a cash-generating unit associated with the fertilizer trade in Latvia. As at 30 June 2017 an impairment of EUR 1,121 thousand was accounted in the statement of financial position (Note 5).

The Group performed its annual impairment test as at 30 June 2024 and 30 June 2023. The tests showed that there is no need for additional impairment of goodwill as at 30 June 2024 and 30 June 2023.

The recoverable amount of mentioned cash generating unit was determined based on the value in use calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next five years. The impairment test was performed using the following key assumptions:

Percentage:	30/6/2024	30/6/2023
Discount rate	10.16%	8.61%
Terminal growth rate	2%	2%

Assessment of inventories net realizable value

The management of the Group makes estimates and assumptions in order to value inventories at lower of cost or net realizable value. The main factors incorporated in management assessment of inventories net realizable value are the follows:

1) ageing of inventories,
2) subsequent sales prices,
3) signed contracts to sell,
4) market prices.

Future events may occur which will cause the assumptions to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

Trade receivables allowance

The determination as to whether a trade receivable is collectable involves management judgment and significant estimates. Specific factors management considers, when determining if allowance for trade receivable must be accounted for are as follows:

1) age of the balance,
2) location of customers,
3) existence of collateral,
4) recent historical payment patterns as well as data on subsequent collections,
5) forward looking estimates (expected inflation rate, GDP or etc.).

Future events may occur which will cause the assumptions to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

2.22. Offsetting and comparative figures

2.21. Offsetting and comparative figures

When preparing the financial statements, assets, and liabilities, as well as revenue and expenses are not set off, except for the cases when certain IFRS specifically requires or allows such set-off. Where necessary, comparative figures have been adjusted to reflect the presentation changes for the current year.

2. Material accounting policies

2.22. Correction of error of the previous period

1) Correction of error

Considering the best practice of application and implementation of international accounting standards and in order to achieve a better comparability of the Group's financial results with other international companies of a similar type of activity, a retrospective correction was carried out. The changes are related to the application of IFRS 13 Fair Value Measurement (International Financial Reporting Standards). This standard presents the principles of fair value measurement of biological assets and describe the data to be used from market transactions and market information. The fair value of beets and sugar beets was determined using Bloomberg indices for the year ended 2022/2023.The fair value based on the indices used, was higher than the actual contract prices of these biological assets items and the management of the Group identified that the indices selected for fair value measurement are not the proper ones:

- Sugar beets price selected represents further product of sugar beets, not sugar beet by itself as a raw product;
- Beets prices selected represents prices in a market, which is not accessible for the Group due to unbearable potential transportation costs.

Therefore, more suitable market prices (for particular product and in principle market) for the specific evaluated object were selected in determining the fair value of biological assets of this year and remeasuring of the last year. The most appropriate observable and unobservable inputs have been reviewed in the measurement of certain units of biological assets, for which there was no liquid and readily available market data information, in order to more accurately reflect the fair value of biological assets

Also, during review of the model an error in calculation was identified and corrected retrospectively. Changes were made retrospectively, i.e. adjusting the comparative 2022/2023 financial information. No effect and no corrections is needed for the periods before 2022/2023.

2) Correction of error

During the previous financial year, a portion of provisions, refund liabilities, and other current liabilities were accounted for under incorrect line in the statement of financial position due to the incorrect classification of financial liabilities. Some provisions in the previous financial period were accounted as ‘other non-current liabilities’ and ‘other current liabilities,’ and the refund liabilities was classified under provisions due to incorrect interpretation of financial liabilities. This error has been retrospectively corrected in the current financial year. The adjustments made as of June 30, 2023, are detailed below. The retrospective correction of the error has no impact on both profit (loss) and other comprehensive income or cash flow statements. For the period 2021-2022 only the adjustment in the statement of the financial position was made, no impact on both the profit (loss) and other comprehensive income and cash flow statements.

All amounts in thousands of euros, unless otherwise stated 37

2. Material accounting policies

2. Material accounting policies / continued

2.22. Correction of error of the previous period

The retrospective correction of errors in the consolidated statement of financial position as of 30 June 2023

Consolidated Statement of Financial Position	30/6/2023 (Accounted before the correction)	1) Correction of error	2) Correction of error	30/6/2023 (Accounted after the correction)
ASSETS				
Total non-current assets	235,878	–	–	235,878
Biological assets	41,939	(7,639)	–	34,300
Other current assets	616,506	–	–	616,506
Total current assets	658,445	(7,639)	–	650,806
Total assets	894,323	(7,639)	–	886,684
EQUITY AND LIABILITIES				
Retained earnings	205,472	(6,171)	–	199,301
Other equity attributable to equity holders of the parent	78,680	–	–	78,680
Equity attributable to equity holders of the parent	284,152	(6,171)	–	277,981
Non-controlling interest	14,479	(322)	–	14,157
Total equity	298,631	(6,439)	–	292,138
Liabilities				
Deferred income tax liability	1,401	(1,146)	(13)	242
Provisions	1,642	–	(492)	1,150
Other non-current liabilities	105		353	458
Other not mentioned non-current liabilities	72,079	–	–	72,079
Total non-current liabilities	75,227	(1,146)	(152)	73,929
Provisions	552	–	3,092	3,644
Other current liabilities	50,688	–	(2,940)	47,748
Other not mentioned current liabilities:	469,225	–	–	469,225
Total current liabilities	520,465	–	152	520,617
Total equity and liabilities	894,323	(7,639)	–	886,684

All amounts in thousands of euros, unless otherwise stated 38

2. Material accounting policies

2. Material accounting policies / continued

2.22. Correction of error of the previous period

The retrospective correction of errors in the consolidated statement of profit (loss) and other comprehensive income for the year ended 30June 2023.

Consolidated Statement of Profit (Loss) and other comprehensive Income	30/6/2023 (Accounted before the correction)	1) Correction of error	30/6/2023 (Accounted after the correction)
Revenue from contracts with customers	1,999,617		1,999,617
Cost of sales	(1,861,648)	(7,639)	(1,869,287)
Gross profit (loss)	137,969	(7,639)	130,330
Operating (expenses)	(95,646)	–	(95,646)
Selling (expenses)	(44,974)	–	(44,974)
General and administrative (expenses)1	(50,672)	–	(50,672)
Expenses and reversal of impairment of trade receivables, contract assets and other receivables	(3,495)	–	(3,495)
Other income	13,126	–	13,126
Other (expenses)	(7,045)	–	(7,045)
Loss on disposal of a foreign operation	(313)	–	(313)
Reclassification of foreign currency translation reserve related to a foreign operation disposal	(3,104)	–	(3,104)
Operating profit (loss)	41,492	(7,639)	33,853
Income from financial activities	3,607	–	3,607
(Expenses) from financial activities	(19,339)	–	(19,339)
Profit (loss) before tax	25,760	(7,639)	18,121
Income tax and deferred income tax income (expenses)	(4,943)	1,146	(3,797)
Net profit (loss)	20,817	(6,492)	14,324
Net profit (loss) attributable to:			
The shareholders of the Company	18,134	(6,171)	11,963
Non-controlling interest	2,683	(322)	2,361
Basic earnings per share (EUR)	0.13	(0.04)	0.09
Diluted earnings per share (EUR)	0.12	(0.03)	0.09
Total other comprehensive income (loss), net of tax	4,025		4,025
Total comprehensive income (loss), net of tax	24,842	(6,493)	18,349
Total other comprehensive income, net of tax attributable to:			
The shareholders of the Company	22,090	(6,171)	15,919
Non-controlling interest	2,752	(322)	2,430

All amounts in thousands of euros, unless otherwise stated 39

2. Material accounting policies

2.22. Correction of error of the previous period

The retrospective correction of errors in the consolidated statement of cash flows for the year ended 30 June 2023.

Consolidated Statement of Cash Flows	30/6/2023 (Accounted before the correction)	1) Correction of error	30/6/2023 (Accounted after the correction)
Net profit (loss)	20,817	(6,493)	14,324
Change in fair value of biological assets	(4,378)	7,639	3,261
Change in deferred income tax	(1,192)	(1,146)	(2,338)
Other adjustments for non-cash items:	66,069	–	66,069
Total adjustments for non-cash items:	81,316	–	81,316
Decrease (increase) in biological assets	1,502	–	1,502
Other changes in working capital:	(69,891)	–	(69,891)
Total changes in working capital:	(68,389)	–	(68,389)
Net cash flows from (to) operating activities	12,927	–	12,927
Net cash flows from (to) investing activities	(14,527)	–	(14,527)
Net cash flows from (to) financing activities	(5,967)	–	(5,967)
Net (decrease) increase in cash and cash equivalents	(7,567)	–	(7,567)
Net foreign exchange difference	(21)	–	(21)
Cash and cash equivalents at the beginning of the year	20,810	–	20,810
Cash and cash equivalents at the end of the year	13,264	–	13,264

All amounts in thousands of euros, unless otherwise stated 40

3. Group structure and changes within the Group

As at 30 June 2024 and as at 30 June 2023, the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

Investments into Company's subsidiaries

	Place of registration	Effective share of the stock held by the Group		Cost of investment in the Company		Main activities
		30/6/2024	30/6/2023	30/6/2024	30/6/2023	
AB Linas Agro	Lithuania	97.78%	97.06%	109,709	60,273	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Akola farming[1]	Lithuania	100%	100%	9,384	9,384	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	10,618	10,618	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuva Seeds	Lithuania	97.78%	100%	–	69	Production of certified seeds
UAB "Linas Agro" Grūdų Centrai	Lithuania	97.78%	97.98%	–	5,507	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	97.78%	100%	–	341	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100%	100%	1,967	1,973	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100%	100%	793	793	Rent and management of agricultural purposes land
UAB Landvesta 3	Lithuania	100%	100%	636	636	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100%	100%	1,136	1,136	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100%	100%	1,570	1,570	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100%	100%	1,004	1,004	Rent and management of agricultural purposes land
Noreikiškės UAB	Lithuania	100%	100%	765	765	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	714	714	Rent and management of agricultural purposes land
AS Kekava Foods[2]	Latvia	97.58%	97.19%	12,861	6,139	Broiler breeding, slaughtering and sale of products
SIA Lielzeltini[2]	Latvia	–	100%	–	5,854	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova[2]	Latvia	–	100%	–	790	Egg incubation and chicken sale
SIA Broileks[2]	Latvia	–	100%	–	47	Chicken breeding and sale
UAB Akola Poultry[3]	Lithuania	100%	100%	9	3	Dormant company
UAB Kormoprom Invest (Under Liquidation)	Lithuania	100%	100%	1,081	1,081	Management services
UAB Akola Foods[4]	Lithuania	100%	100%	62,693	62,693	Management services
AB Vilniaus Paukštynas	Lithuania	85.02%	84.93%	6,776	6,770	Chicken raising for meat and eggs production, production of poultry and its products
UAB Agro Logistic Service	Lithuania	100%	100%	1,716	1,716	Wholesale of feedstuffs for fodder and premixes production
UAB Sunvesta[5]	Lithuania	100%	–	6	–	Dormant company
	Investments into subsidiaries at acquisition costs			223,439	179,876	
	(Less) impairment			(950)	-	
	Investments into subsidiaries			222,489	179,876	

[1] On 5 December 2023, the name of the UAB Linas Agro Konsultacijos has been changed to UAB Akola Farming.
[2] On 1 February 2024, the reorganization process in Latvia was completed. As part of AS Kekava Foods (formerly known as AS Putnu fabrika Kekava), SIA Lielzeltini, SIA Cerova, SIA Broileks were merged.
[3] On 5 December 2023, the name of the UAB Kekava Foods LT has been changed to UAB Akola Poultry.
[4] On 5 December 2023, the name of the UAB TABA Holding has been changed to UAB Akola Foods.
[5] On 10 October 2023 the Company UAB Sunvesta has been registered.

All amounts in thousands of euros, unless otherwise stated 41

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3. Group structure and changes within the Group

Investments into Company's associates

	Place of registration	Effective share of the stock held by the Group		Cost of investment in the Company		Main activities
		30/6/2024	30/6/2023	30/6/2024	30/6/2023	
SIA Linas Agro	Latvia	97.26%	96.58%	–	–	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera[1]	Lithuania	97.78%	97.06%	–	–	Dormant company
Linas Agro A/S (under liquidation)	Denmark	97.78%	97.06%	–	–	Dormant company
LLC LINAS AGRO UKRAINE	Ukraine	97.78%	97,06%	–	–	Representative office
Linas Agro OŬ	Estonia	97.78%	97.06%	–	–	Supply of products for crop growing
SIA PFK Trader	Latvia	97.58%	97.19%	–	–	Retail trade of food production
Biržai District Medeikių ŽŪB	Lithuania	98.39%	98.39%	–	–	Growing and sale of crops
Šakiai District Lukšių ŽŪB	Lithuania	98.82%	98.82%	–	–	Mixed agricultural activities
Panevėžys District Aukštadvario ŽŪB	Lithuania	99.54%	99.54%	–	–	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	96.25%	96.25%	–	–	Mixed agricultural activities
Kėdainiai District Labūnavos ŽŪB	Lithuania	98.95%	98.95%	–	–	Mixed agricultural activities
UAB Užupė	Lithuania	100.00%	100%	1	1	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100.00%	100%	–	–	Rent and management of agricultural purposes land
Panevėžys District Žibartonių ŽŪB	Lithuania	99.90%	99.90%	1	1	Mixed agricultural activities
SIA Dotnuva Baltic	Latvia	100.00%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
AS Dotnuva Baltic	Estonia	100.00%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
SIA Dotnuva Seeds	Latvia	97.78%	100%	–	–	Production of certified seeds
UAB GeoFace	Lithuania	97.78%	98.53%	–	–	Software development
UAB Dotnuva rent	Lithuania	100.00%	100%	–	–	Rent of agricultural machinery and equipment
SIA Linas Agro Graudu Centrs	Latvia	97.78%	97.98%	–	–	Preparation and warehousing of grains
Kėdainiai District ŽŪB Nemunas	Lithuania	67.98%	67.98%	–	–	Mixed agricultural activities
UAB Šlaituva	Lithuania	89.59%	89.59%	–	–	Production and wholesale of breadcrumbs and breading mixes
UAB Baltic Fumigation Service	Lithuania	89.59%	89.59%	–	–	Fumigation service
UAB KG Mažmena	Lithuania	89.59%	89.59%	–	–	Retail trade
AB Zelvė	Lithuania	72.38%	72.38%	363	363	Broiler breeding
UAB Avocetė	Lithuania	85.02%	84.93%	–	–	Management services
AB Kauno Grūdai	Lithuania	89.59%	89.59%	–	–	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; wholesale of feed materials' fumigation, disinsection, disinfection and deratization services

[1] On 28 June 2024 the reorganization of UAB "Gerera" into UAB "Linas Agro" Grūdų centrai was completed. On 8 July 2024, the company was deregistered.

All amounts in thousands of euros, unless otherwise stated

3. Group structure and changes within the Group

3. Group structure and changes in the Group /continued

Investments into Company's associates

	Place of registration	Effective share of the stock held by the Group		Cost of investment in the Company		Main activities
		30/6/2024	30/6/2023	30/6/2024	30/6/2023	
UAB KG Distribution (Liquidated)[1]	Lithuania	–	84.93%	–	–	Consultation and business management
UAB Lietbro	Lithuania	85.02%	84.93%	–	–	Broiler breeding
UAB GASTRONETA (Liquidated)[2]	Lithuania	–	84.93%	–	–	Dormant company
UAB VPK Valdymas (Liquidated)[3]	Lithuania	–	84.93%	–	–	Consultation and business management
KB Baltoji plunksnelė	Lithuania	83.45%	83.33%	–	–	Dormant company
AB Kaišiadorių Paukštynas	Lithuania	85.31%	84.92%	2,458	2,435	Chicken raising for meat and eggs production, production of poultry and its products
UAB Domantonių Paukštynas	Lithuania	89.51%	89.50%	–	–	Broiler breeding
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	85.31%	84.92%	–	–	Dormant company
UAB Uogintai	Lithuania	85.31%	84.92%	–	–	Dormant company
UAB Alesninkų Paukštynas	Lithuania	85.31%	84.92%	–	–	Broiler breeding
UAB KG Logistika (Liquidated)[4]	Lithuania	–	84.93%	–	–	Freight transport services
UAB VP Valda	Lithuania	85.02%	84.93%	–	–	Rent of real estate
UAB KP Valda	Lithuania	85.31%	84.92%	–	–	Rent of real estate
SIA KG Latvija	Latvia	89.59%	89.59%	–	–	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing
KG Eesti OÜ	Estonia	89.59%	89.59%	–	–	Dormant company
KG Polska Sp.zo.o.	Poland	89.59%	89.59%	–	–	Wholesale of feed materials
Nordic Agro Investment Limited	United Kingdom	89.59%	89.59%	–	–	Management services
OOO "KLM"	Belarus	62.72%	62.72%	–	–	Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening
SIA Kekava Bioenergy[5]	Latvia	97.58%	–	–	–	Dormant company
UAB Grybai LT[6]	Lithuania	89.59%	–	–	–	Production of canned vegetables and mushrooms, ready-to-eat soups, and other ecological food products
Other investments in associated Companies	–	–	–	1,652	202	
	Investments into associates and joint ventures at acquisition cost			4,474	3,001	
	(Less) impairment			(202)	(202)	
	Investments in associates and joint venture			4,272	2,799	

[1] On 9 February 2024, UAB “KG Distribution’ was liquidated.
[2] On 26 January 2024, UAB "Gastroneta" was liquidated.
[3] On 6 February 2024, UAB "VKP Valdymas" was liquidated.
[4] On 9 February 2024, UAB "KG Logistika" was liquidated.
[5] On 21 June 2024 SIA KEKAVA BIOENERGY has been registered.
[6] On 21 July 2023 AB Kauno Grūdai acquired an entity UAB Grybai LT.

All amounts in thousands of euros, unless otherwise stated 43

3. Group structure and changes within the Group

The Group has both associates and joint venture that are accounting for using the equity method in the consolidated financial statements and are not individually material. As at 30 June 2024 Group had direct and indirect investments in these joint ventures and associates:

- Joint venture companies
  - KG Khumex B.V. (The Netherlands)
- Associated companies
  - KG Khumex Coldstore B.V. (The Netherlands)
  - UAB OMG Bubble Tea (Lithuania)
  - BRITE DRINKS LTD (The United Kingdom)

To determine whether the investment in the company is an associated company, the Group estimates both the effective ownership interest and other significant influence exerted.

If the Group holds less than 20% of effective ownership interest but determines that the Group exerts a significant influence on the company through the Group's representative's participation in the company's board over the decisions making related to the company's activities, the Group considers an investment as an associated company and accounts it by the equity method.

The following table contains a summary of the aggregated income statement data and aggregated carrying amounts of the associates and joint venture accounted for using the equity method:

	Associates		Joint venture	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Profit (loss) for the year (continuing operations)	357	(17)	182	(160)
Other comprehensive income	–	–	–	–
Total comprehensive income	357	(17)	182	(160)
Group's share of profit for the year				
Share of total comprehensive income after income taxes	13	(7)	90	(80)
Carrying amount as of 30 June 2024	1,464	–	–	–

On 30 June 2024 and on 30 June 2023, the associated companies as KG Khumex B.V. and KG Khumex Coldstore were fully impaired of amount EUR 202 thousand.

The associates and joint ventures had no contingent liabilities, capital commitments or restrictions on ability to transfer funds as at 30 June 2024 and 30 June 2023.

The unrecognized share of joint ventures and associated companies' profit in the reporting period amounts of EUR 90 thousand (as at 30 June 2023 – loss of EUR 87 thousand), and the accumulated amount as at 30 June 2024 makes up EUR 114 thousand (As at 30 June 2023 – EUR 204 thousand)

All amounts in thousands of euros, unless otherwise stated

3. Group structure and changes within the Group

Changes in the Group and the Company during the financial year ended 30 June 2024

7/7/2023	The Company transferred 3,000 units to the employees of the Group of own shares in accordance with AB Akola Group (former AB Linas Agro Group) share allocation policy.
21/7/2023	The Group acquired the effective share of the stock 89.59% of UAB Grybai LT. Acquisition value – EUR 12,789 thousand. The Company acquired controlling stakes in the company operating in the field of production of canned vegetables and mushrooms, ready-to-eat soups, and other ecological food products. The business combination is accounted for using the acquisition method. In this acquisition, the non-controlling interest was valued proportionally to the identified net assets of the acquired entity. Acquisition costs were expensed, including them in the Group's administrative expenses. At the acquisition of the subsidiary a goodwill of EUR 3,358 thousand has been accounted for. The goodwill appears due to synergies, which are expected to be derived from vertical expansion of business. As of 30 June 2024, the Group's management has fully completed the valuation of the acquired net assets. The Group disclosed amounts of assets and liabilities. Financial statements at the fair value are presented below.

UAB Grybai LT — Acquisition date for consolidation purposes 31 July 2023

	EUR'000		EUR'000
Fair value		Trade payables	(723)
Intangible assets	3,260	Prepayments received	(13)
Property, plant and equipment	9,467	Wages and salaries and related liabilities	(273)
Right-of-use assets	1,122	Total liabilities	(7,229)
Inventories	1,542	Total identifiable net assets at fair value	10,526
Trade receivables	2,214	Non-controlling interest arising on acquisition of the subsidiary	(1,095)
Other accounts receivable	27	Goodwill arising on acquisition	3,358
Cash and cash equivalents	123	Cash consideration transferred	12,789
Total assets	17,755	Net of cash of acquiring the subsidiary	
Non-current borrowings and financial liabilities	(9)	Cash consideration transferred	(12,789)
Lease liability	(352)	Cash acquired	123
Deferred tax liability	(1,006)	Total purchase consideration, net of cash acquired	(12,666)
Current borrowing	(4,853)		

All amounts in thousands of euros, unless otherwise stated

3. Group structure and changes within the Group

Changes in the Group and the Company during the financial year ended 30 June 2024 / continued

11/10/2023	UAB Sunvesta UAB is founded, following its separation from UAB Landvesta 1.
11/10/2023	The spin-off of UAB Landvesta 1 is completed and the new version of the Articles of Association of UAB Landvesta 1 is registered, resulting in a reduction of capital by EUR 5,847.
26/10/2023	AB Akola Group (former AB Linas Agro Group) transferred the shares of UAB Linas Agro Grūdų Centrai, UAB Jungtinė Ekspedicija and UAB Dotnuva Seeds to joint stock company Linas Agro pursuant to the share subscription agreement of AB Linas Agro.
30/10/2023	The authorized capital of AB Linas Agro was increased by a non-cash contribution of AB Akola Group (former. AB Linas Agro Group) in the amount of EUR 5,942,022.
29/11/2023	The authorized capital of UAB GeoFace was increased by the contribution of AB Linas Agro in the amount of EUR 300,000.
05/12/2023	The names of the Group companies were changed: UAB Akola Farming instead of UAB Linas Agro Konsultacijos, UAB Akola Foods instead of UAB TABA Holding and UAB Akola Poultry instead of UAB Kekava Foods LT.
05/12/2023	The name of AB Linas Agro Group was changed to AB Akola Group.
05/12/2023	AB Akola Group (former AB Linas Agro Group) has increased the share capital of the Company from EUR 46,714,920 up to EUR 48,479,439, by issuing 6,084,548 new ordinary registered shares with the par value of EUR 0.29 and both issue price of 691,535 shares equal to EUR 0.705, and issue price of 5,393,013 shares equal to EUR 0,58, issued for the purpose of granting shares of the Company free of charge to the employees and/or members of the Company's corporate bodies. The total issue price of all New Shares equals to EUR 3,615,479 of which EUR 1,764,518 shall be the nominal value of the New Shares and EUR 1,850,960 shall be the share premium.
October 2023– June 2024	The Company bought subsidiary companies shares from non-controlling shareholders for an amount of EUR 18 thousand, the difference of EUR (45) thousand, between the amounts transferred and the book value of the purchased part, was recognized in equity. AB Akola Group bought 0.39 % of AB Kaišiadorių Paukštynas shares, and AB Vilniaus Paukštynas shares of 0,09%.
11/01/2024	The Company transferred 23,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
26/01/2024	UAB Gastroneta removed from the Register of Legal Entities after liquidation.
01/02/2024	The reorganization in Latvia is finished, SIA Lielzeltini, SIA Cerova and SIA Broileks were merged to AS Kekava Foods (while changing the name instead of AS Putnu Fabrika Kekava). Accordingly, the share capital of AS Kekava Foods increased by EUR 1,505 thousand
06/02/2024	UAB VKP valdymas removed from the Register of Legal Entities after liquidation
09/02/2024	UAB KG Distribution removed from the Register of Legal Entities after liquidation.
13/02/2024	UAB KG Logistika removed from the Register of Legal Entities after liquidation.
01/03/2024	UAB Grybai LT was registered, restructured from KB Grybai LT.
25/03/2024	AB Akola Group invested in UAB OMG Bubble Tea, a beverage startup. The investment amount is EUR 1, 900 thousand, which consist of 1,000 thousand of direct investment in start-up shares, and EUR 900 thousand long-term loan with the option to convert into sahres. Additionally, the Company AB Akola Group has gotten the place as representative as a board member.

All amounts in thousands of euros, unless otherwise stated

3. Group structure and changes within the Group

Changes in the Group and the Company during the financial year ended 30 June 2024 / continued

08/04/2024	AB Akola Group invested in BRITE DRINKS LTD a natural functional drinks start-up. The investment amount is EUR 450 thousand. Additionally, the Company AB Akola Group has gotten the place as representative as a board member.
08/05/2024	The authorized capital of LLC LINAS AGRO UKRAINE was increased in the amount of UAH 12,000 thousand (EUR 325 thousand).
18/06/2024	Liquidation of UAB Kormoprom Invest has been initiated.
21/06/2024	SIA KEKAVA BIOENERGY has been registered.
28/06/2024	The reorganization is finished, UAB Gerera was merged to UAB Linas Agro Grūdų Centrai. Accordingly, the share capital of UAB Linas Agro Grūdų Centrai increased in the amount of EUR 103 thousand

Changes in the Group and the Company during the financial year ended 30 June 2023

5/7/2022	The authorized capital of AB Linas Agro was increased by EUR 5,134 thousand by non-monetary contribution from AB Kauno Grūdai.
22/7/2022	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.
25/8/2022	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. The sum of sales transactions of both companies operating in Russia and IOOO "Belfidagro" is EUR 7,500 thousand.
1/8/2022	The Company signed loan contract with UAB Kormoprom Invest for an amount of EUR 2,800 thousand.
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.
5/9/2022	The authorized capital of UAB Linas Agro Grūdų Centrai was increased by EUR 3,867 thousand with a non-monetary contribution from AB Linas Agro.
21/10/2022	The Company signed loan contract with UAB Kormoprom Invest for an amount of EUR 2,200 thousand.
2/11/2022	Authorized capital of SIA Linas Agro increased by EUR 367 thousand by non-monetary contribution of SIA KG Latvia.
9/11/2022	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.
30/11/2022	The share capital of Užupės ŽŪB was reduced by paying EUR 691 thousand to its shareholders.
1/12/2022	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.

All amounts in thousands of euros, unless otherwise stated 47

3. Group structure and changes within the Group

3. Group structure and changes within the Group / continued

1/12/2022	A new wording of the Articles of Association of AB Linas Agro Group was registered in the Register of Legal Entities. The new wording of the Articles of Association was approved on 28 October 2022 during the Annual General Meeting of the Company's Shareholders, together with the decision to increase the authorized capital of the Company by EUR 201 thousand, issuing 691,535 new ordinary registered shares, and to change the number of members of the Company's Board of Directors from 6 to 7 and to establish the Company's Supervisory Board, which is to be made up of three members. The newly issued shares were acquired by employees and/or members of the corporate bodies of the Company who had entered into a share option agreement with the Company back in 2018 and provided the Company with a notice of exercise of the option in 2022. The shares are fully paid by the Company from the reserve set up by the Company for share granting.
20/12/2022	The Company signed loan contract with UAB TABA Holding for an amount of EUR 11,100 thousand.
21/12/2022	The Company granted loan to AB Linas Agro for an amount of EUR 7,000 thousand.
January–March 2023	The Company transferred 4,000 of the own shares to the employees of the group in accordance with the rules for granting shares of AB Linas Agro Group.
17/3/2023	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.
20/3/2023	The authorized capital of UAB GeoFace was increased by EUR 300 thousand.
30/3/2023	The authorized capital of LLC LINAS AGRO UKRAINE was increased by EUR 167 thousand.
27/4/2023	The authorized capital of UAB Dotnuva Baltic was increased by EUR 800 thousand.
8/5/2023	A new company UAB Dotnuva Seeds with the authorized capital of EUR 8 thousand was founded.
9/5/2023	Reorganization of UAB Dotnuva Baltic was authorized and a new version of the articles of association was registered. The authorized capital of UAB Dotnuva Baltic was decreased by EUR 70 thousand.
9/6/2023	UAB Dotnuva Seeds established new company SIA Dotnuva Seeds with the authorized capital of EUR 500 thousand.
27/6/2023	The Company bought the shares of UAB Landvesta 1, UAB Landvesta 2, UAB Landvesta 3, UAB Landvesta 4, Landvesta 5, UAB Landvesta 6 from AB Linas Agro.
29/6/2023	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.
30/6/2023	The Company granted loan to UAB Dotnuva Baltic for an amount of EUR 1,500 thousand.
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.

4. Segment information

4. Segment information

In the year 2022/2023 a new strategy of the Group was approved. This strategy sets out four main lines of business for the Group – "Partners for farmers", "Farming", "Food products" and "Other products and services." Following the adoption of the new strategy, steps have been taken to refine the actions due to the changes. The Group management follows its performance by operating segments that are consistent with the line of business specified in the Group's strategy:

- The "Partners for farmers" include trade of wheat, rapeseed, barley, and other grains and oilseeds, including suncake and sunmeal, sugar beet pulp, soymeal, vegetable oil, rapeseed cake, and other feedstuffs, along with offering grain storage and logistics services, and it includes the 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 "Farming" 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 production" 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 of canned vegetables and mushrooms, ready-to-eat soups, and other ecological food products, production, and wholesale of breadcrumbs and breading 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 comparative information of 30 June 2023 is refined and disclosed according to the changes implemented.

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.

All amounts in thousands of euros, unless otherwise stated

4. Segment information

4. Segment information / continued

Financial year ended 30 June 2024

Group	Partners for farmers	Farming	Food production	Other products and services	Adjustments and eliminations[1]	Total
Revenue from contracts with customers						
Third parties	1,059,063	34,585	398,137	14,453	–	1,506,238
Intersegment	78,682	9,036	549	4,792	(93,059)	–
Total revenue from contracts with customers	1,137,745	43,621	398,686	19,245	(93,059)	1,506,238
Results						
Operating expenses	(56,725)	(8,851)	(38,358)	(4,393)	–	(108,327)
Depreciation and amortization	(8,113)	(2,792)	(13,414)	(495)	–	(24,814)
Provisions for onerous contracts	(30)	–	–	–	–	(30)
Write-off bad debts and change in provisions for doubtful debts	447	1	(263)	(40)	–	145
Impairment of property plant and equipment	19	(1)	(12)	–	–	6
Segment operating profit (loss)	19,595	6,049	20,450	2	–	46,096
Interest income	4,848	1	446	66	–	5,359
Interest (expenses)	(16,200)	(1,108)	(4,739)	(2,430)	–	(24,477)
Income tax and deferred tax (expenses)/income	(2,046)	222	87	(341)	–	(2,078)
Assets						
Investments in non-current assets[2]	12,779	6,398	26,917	748	–	46,842
Non-current assets[3]	83,733	85,529	110,348	9,284	(327)	288,567
Current assets[4]	499,374	38,591	88,879	27,919	(57,269)	597,494
Total assets	583,107	124,120	199,227	37,203	(57,596)	886,061
Non-current liabilities	27,236	24,089	20,304	36,463	(84)	108,008
Current liabilities[5]	367,931	25,789	107,937	21,088	(57,011)	465,734

[1] Intersegment revenue is eliminated on consolidation.
[2] Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.
[3] The amount includes not rented investment property, part of property, plant and equipment, other investments, prepayments for financial assets, non-current loans receivable from related parties, non-current loans receivable from employees and deferred income tax asset.
[4] The amount includes current loans receivable from related parties, part of other accounts receivable (excluding receivable from National Paying Agency), restricted cash, cash and cash equivalents.
[5] As at 30 June 2024 and 30 June 2023, the amount mainly includes income and other taxes payable, current payables to and current loans payable to related parties, and part of borrowings, which are managed on the Group basis.

All amounts in thousands of euros, unless otherwise stated 50

4. Segment information

4. Information by Segment / continued

Financial year ended 30 June 2023

Group	Partners for farmers	Farming	Food production	Other products and services	Adjustments and eliminations[1]	Total (Restated)[2]
Revenue from contracts with customers						
Third parties	1,536,204	34,981	413,941	14,491	–	1,999,617
Intersegment	125,629	15,209	4,036	5,544	(150,418)	
Total revenue from contracts with customers	1,661,833	50,190	417,977	20,035	(150,418)	1,999,617
Results						
Operating expenses	(58,633)	(5,265)	(27,804)	(3,944)	–	(95,646)
Depreciation and amortization	(6,867)	(2,035)	(13,460)	(901)	–	(23,262)
Provisions for onerous contracts	8	–	–	–	–	8
Write-off bad debts and change in provisions for doubtful debts	(3,470)	16	(145)	104	–	(3,495)
Segment operating profit (loss)	33,325	4,907	7,293	(11,672)	–	33,853
Interest income	3,054	–	452	101	–	3,607
Interest (expenses)	(13,841)	(526)	(2,724)	(2,248)	–	(19,339)
Income tax and deferred tax (expenses)/income	(2,748)	268	(773)	(544)	–	(3,797)
Assets						
Investments in non-current assets[2]	6,013	5,538	18,384	477	–	30,412
Non-current assets[3]	70,882	73,614	80,087	16,242	(4,947)	235,878
Current assets	632,927	51,487	99,345	46,004	(178,957)	650,806
Total assets	703,809	125,101	179,432	62,246	(183,904)	886,684
Non-current liabilities	28,563	24,903	14,989	10,279	(4,805)	73,929
Current liabilities [6]	479,740	26,202	118,558	76,085	(179,968)	520,617

[1] Intersegment revenue is eliminated on consolidation.
[2] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.
[2] Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.
[3] The amount includes not rented investment property, part of property, plant and equipment, other investments, prepayments for financial assets, non-current loans receivable from related parties, non-current loans receivable from employees and deferred income tax asset.

All amounts in thousands of euros, unless otherwise stated 51

4. Segment information

4. Segment information / continued

Revenue from contracts with customers

Income includes:	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Revenue from contracts with customers	1,506,238	1,999,617	1,633	1,601
	1,506,238	1,999,617	1,633	1,601

Revenue from contracts with customers by their geographical segments

	Group	
	30/6/2024	30/6/2023
Lithuania	599,504	636,395
Europe (excluding Scandinavian countries, CIS and Lithuania)	556,172	698,973
Scandinavian countries	162,739	161,321
Africa	134,859	229,043
Asia	3,917	168,755
CIS	44,661	103,693
Other	4,386	1,437
	1,506,238	1,999,617

Revenue from the largest customer amounted to EUR 45 714 thousand for the year ended 30 June 2024. Revenue from the largest customer amounted to EUR 172,130 thousand for the year ended 30 June 2023. Sales for largest customers are accounted for Partners for farmers business segment for the years ended 30 June 2024 and 2023.

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

Non-current assets	Group	
	30/6/2024	30/6/2023
Lithuania	192,063	147,263
Latvia	58,468	59,118
Estonia	1,782	2,010
Belarus	502	27
Ukraine	17	5
	252,832	208,423

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

All amounts in thousands of euros, unless otherwise stated 52

5. Intangible assets

5. Intangible assets

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
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
Acquisition of subsidiaries (Note 3)	–	3,260	3,358	6,618
Additions	53	286	–	339
Write-offs	(27)	(24)	–	(51)
Reclassification from property, plant and equipment	193	–	–	193
Balance as at 30 June 2024	2,801	5,299	5,332	13,432
Accumulated amortization:				
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
Charge for the year	316	554	–	870
Write-offs	(16)	(24)	–	(40)
Reclassification from property, plant and equipment	14	–	–	14
Balance as at 30 June 2024	2,086	945	–	3,031
Impairment losses:				
Balance as at 30 June 2022	–	–	1,121	1,121
Balance as at 30 June 2023	–	–	1,121	1,121
Balance as at 30 June 2024	–	–	1,121	1,121
Net book value as at 30 June 2022	1,046	860	853	2,759
Net book value as at 30 June 2023	810	1,362	853	3,025
Net book value as at 30 June 2024	715	4,354	4,211	9,280

Due to the acquisition of UAB Grybai LT on July 21, 2023, goodwill for the amount of EUR 3,358 thousand was recognized (Note 3). The Group has no internally generated intangible assets.

Part of the intangible assets of the Group with the acquisition value of EUR 1,097 thousand as at 30 June 2024 was fully amortized (EUR 907 thousand as at 30 June 2023) but was still in active use. As at 30 June 2023, the Group had no pledged intangible assets.

As at 30 June 2024, the Group's intangible assets were pledged with the net book value of EUR 333 thousand to banks as collateral for the loans (Note 18). As at 30 June 2023 the Group and the Company did not have any intangible assets pledged.

The Group's amortization charge for the years ended 30 June 2024 and 30 June 2023 was included into the following captions:

	30/6/2024	30/6/2023
Cost of sales	133	80
Operating expenses	737	450
	870	530

All amounts in thousands of euros, unless otherwise stated 53

6. Property, plant and equipment

6. Property, plant and equipment

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
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	(125)	(50)	(4,785)	(1,221)	(215)	(1)	(6,397)
Reclassifications	137	8,179	2,941	6	282	(11,545)	–
Transfer from investment property	–	44	–	–	–	–	44
Transfer from inventories	2	2,904	73	–	12	–	2,991
Transfer to intangible assets	–	–	–	–	–	(102)	(102)
Effect of movement in exchange rate	–	–	(1)	210	–	–	209
Balance as at 30 June 2023	26,304	149,655	88,632	10,270	10,259	14,031	299,151
Additions	1,071	3,682	6,127	3,507	1,080	31,036	46,504
Acquisition of subsidiaries (Note 3)	47	5,751	3,478	44	147	–	9,467
Disposals and write-offs	(94)	(927)	(3,367)	(1,448)	(379)	(129)	(6,344)
Reclassifications	56	6,752	6,371	1,256	335	(14,770)	–
Transfer to investment property	(63)	(214)	–	–	(102)	–	(379)
Transfer to/from inventories	–	394	(63)	130	258	(9)	710
Transfer to intangible assets	–	–	–	–	–	(193)	(193)
Effect of movement in exchange rate	–	(110)	(181)	(2)	–	–	(293)
Balance as at 30 June 2024	27,321	164,616	101,364	13,757	11,598	29,966	348,623
Accumulated depreciation:							
Balance as at 30 June 2022	185	55,780	41,102	3,751	5,006	–	105,824
Charge for the year	34	8,394	10,911	1,335	1,229	–	21,903
Disposals and write-offs	–	(45)	(2,793)	(475)	(196)	–	(3,509)
Transfer to investment property	–	(1)	–	–	–	–	(1)
Effect of movement in exchange rate	–	–	(188)	–	–	–	(188)
Balance as at 30 June 2023	219	64,128	49,032	4,611	6,039	–	124,029
Charge for the year	34	8,273	9,641	1,480	1,311	–	20,739
Disposals and write-offs	–	(193)	(1,856)	(796)	(343)	(13)	(3,201)
Reclassifications	–	(44)	–	–	44	–	–
Transfer to investment property	–	(12)	–	–	(21)	–	(33)
Transfer from inventories	–	419	–	158	257	–	834
Effect of movement in exchange rate	–	–	–	1	–	–	1
Balance as at 30 June 2024	253	72,571	56,817	5,454	7,287	(13)	142,772
Impairment losses:							
Balance as at 30 June 2022	–	629	–	–	30	–	659
Balance as at 30 June 2023	–	629	–	–	30	–	659
Charge for the year	–	–	–	–	2	–	2
Balance as at 30 June 2024	–	629	–	–	32	–	661
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	84,898	39,600	5,659	4,190	14,031	174,463
Net book value as at 30 June 2024	27,068	91,416	44,547	8,303	4,279	29,979	205,593

All amounts in thousands of euros, unless otherwise stated 54

6. Property, plant and equipment

6. Property, plant and equipment / continued

The Group's depreciation charge for the years ended 30 June 2024 and 30 June 2023 was included into the following captions:

	30/6/2024	30/6/2023
Cost of sales	17,849	19,350
Operating expenses	2,093	1,523
Other expenses	175	227
Biological assets	622	803
	20,739	21,903

As at 30 June 2024, part of Group depreciation charge was capitalized in biological assets in the statement of financial position and amounted to EUR 622 thousand (as at 30 June 2023 capitalized EUR 803 thousand).

Depreciation amount was decreased in the statements of profit (loss) and other comprehensive income by EUR 846 thousand for the year ended 30 June 2024 (EUR 587 thousand for the year ended 30 June 2023) by the amortization of grants received by the Group (Note 17).

As at 30 June 2024, part of property, plant and equipment of the Group with the net book value of EUR 144,916 thousand (EUR 154,025 thousands as at 30 June 2023), was pledged to banks as a collateral for the loans (Note 18).

Part of property, plant and equipment with the acquisition cost of EUR 67,608 thousand was fully depreciated as at 30 June 2024 (EUR 57,326 thousand as at 30 June 2023), but was still in active use.

As at 30 June 2024, the Group capitalized interest amounted to EUR 274 thousand (as at 30 June 2023, capitalized interest amounted to EUR 3 thousand). The rate used to determine the amount of borrowing cost eligible for capitalization was in the range from 5 % to 7.37%. The Group's subsidiaries calculate the capitalization rate individually.

As at 30 June 2024 the Group is committed to purchase property, plant, and equipment for the total amount of EUR 30,785 thousand (EUR 1,596 thousand as at 30 June 2023).

All amounts in thousands of euros, unless otherwise stated 55

7. Right-of-use assets

7. Right-of-use assets

Group	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
Cost:					
Balance as at 30 June 2022	23,846	2,811	2,896	4,997	34,550
Additions	6,692	1,980	3,318	2,966	14,956
Disposals and write-offs	(4,874)	(279)	(430)	(1,113)	(6,696)
Reclassifications	–	–	164	(164)	–
Reclassification from/(to) non-current assets held for sale	–	41	–	–	41
Balance as at 30 June 2023	25,664	4,553	5,948	6,686	42,851
Additions	7,499	1,002	4,375	3,750	16,626
Acquisition of subsidiaries (Note 3)	–	1,122	–	–	1,122
Disposals and write-offs	(4,925)	(963)	(989)	(1,475)	(8,352)
Reclassification from/(to) non-current assets held for sale	–	81	–	–	81
Effect of movement in exchange rate	–	(53)	(11)	(4)	(68)
Balance as at 30 June 2024	28,238	5,742	9,323	8,957	52,260
Accumulated depreciation:					
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)	(419)	(866)	(2,726)
Reclassifications	–	–	75	(75)	–
Balance as at 30 June 2023	5,219	1,913	2,140	3,043	12,315
Charge for the year	2,815	772	1,715	1,865	7,167
Disposals and write-offs	(1,730)	(614)	(942)	(1,266)	(4,552)
Reclassification from/(to) non-current assets held for sale	–	54	–	–	54
Effect of movement in exchange rate	–	59	1	(1)	59
Balance as at 30 June 2024	6,304	2,184	2,914	3,641	15,043
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	3,808	3,643	30,536
Net book value as at 30 June 2024	21,934	3,558	6,409	5,316	37,217

The Group's depreciation charge for the years ended 30 June 2024 and 30 June 2023 was included into the following captions:

	30/6/2024	30/6/2023
Cost of sales	2,140	1,435
Operating expenses	2,435	1,736
Biological assets	2,592	2,040
	7,167	5,211

As at 30 June 2024 and 30 June 2023, Interest expenses included in result of financing activities was:

	30/6/2024	30/6/2023
Interest expense included in the result of financing activities (Note 27)	(851)	(451)
	(851)	(451)

As at 30 June 2024, part of Group depreciation charge was capitalized in biological assets in the statement of financial position and amounted to EUR 2,592 thousand (as at 30 June 2023 capitalized EUR 2,040 thousand).

Within the Group, leases relate to real estate, land, vehicles and equipment. In many cases the leases contain extension options. Leases may also contain index-based lease payments that is linked to the Consumer Price Index.

As at 30 June 2024, part of right of use assets of the Group with the net book value of EUR 259 thousand (EUR 1,074 thousands as at 30 June 2023), was pledged to banks as a collateral for the loans (Note 18).

All amounts in thousands of euros, unless otherwise stated 56

8. Non-current receivables and prepayments

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Trade receivables from agricultural produce growers due after one year	6,320	4,028	–	–
Other trade receivables	1,617	2,153	–	–
Loans receivable from related parties after one year (Note 32)	1,450	750	4,400	84
Other receivable after one year	–	19	–	–
Net investment, related with sublease	–	–	12,593	11,071
Less: allowance for doubtful non-current receivables	(883)	(1,152)	–	–
	8,504	5,798	16,993	11,155
Non-current prepayments for services	828	1,017	–	–
Non-current prepayments	828	1,017	–	–

The Group company AB Linas Agro and SIA KS Terminal are signed a long-term cooperation agreement for expansion of a grain terminal. AB Linas Agro participates in financing expansion of the grain terminal and have a right to use the warehouses stowing 49 thousand tons of grain and to use the terminal for loading. As at 30 June 2024, the balance of prepayments was EUR 1,028 thousand, according to the agreement. The amounts were disclosed as non-current prepayments EUR 828 thousand (EUR 1,017 thousand as at 30 June 2023) and current prepayments EUR 200 thousand (EUR 200 thousand as at 30 June 2023).

Movements in the allowance for impairment of the Group's non-current receivables were as follows:

	Individually impaired
Balance as at 30 June 2022	152
Changed for the year	1,000
Reversed during the year	–
Balance as at 30 June 2023	1,152
Changed for the year	–
Reversed during the year	(269)
Balance as at 30 June 2024	883

Net investment as at 30 June 2024:

	Company
Less than 1 year	789
1 – 2 years	789
2 – 3 years	789
3 – 4 years	789
4 – 5 years	789
More than 5 years	12,678
Total undiscounted lease receivable	16,623
Unearned finance income	(3,716)
Net investment in the lease	12,907

As at 30 June 2024, part of non-current receivables of the Group with the net book value of EUR 6,493 thousand (EUR 4,028 thousand as at 30 June 2023) was pledged to banks as a collateral for the loans (Note 18).

All amounts in thousands of euros, unless otherwise stated 57

9. Biological assets

Management determined key assumptions and their sensitivity used in biological assets valuation presented in Note 2.20.

Fair value of the Group's animals and livestock:

	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Poultry (level 3)	Other	Total animals and livestock
Fair value as at 30 June 2022	7,093	2,468	225	11,671	78	21,535
Acquisition	–	26	3	14,644	3,245	17,918
Births	–	159	122	430	–	711
Makeweight	–	3,029	760	109,250	–	113,039
Transfers between groups	2,083	(1,969)	(114)	–	–	–
Disposals	(1,629)	(358)	(1,011)	(120,664)	(2,846)	(126,508)
Write-offs and falls	(157)	(37)	(31)	(541)	(358)	(1,124)
Change in fair value of biological assets (Note 23)	(1,328)	–	(15)	(2,443)	92	(3,694)
Fair value as at 30 June 2023	6,062	3,318	(61)	12,347	211	21,877
Acquisition	–	–	3	11,416	37	11,456
Births	–	162	111	694	–	967
Makeweight	313	3,976	962	92,604	–	97,855
Transfers between groups	2,547	(2,790)	243	578	(578)	–
Disposals	–	(612)	(1,406)	(105,756)	–	(107,774)
Write-offs and falls	(208)	(50)	(29)	(694)	–	(981)
Change in fair value of biological assets (Note 23)	2,137	–	(114)	582	–	2,605
Fair value as at 30 June 2024	10,851	4,004	(291)	11,771	(330)	26,005

As at 30 June 2024, part of poultry amounting to EUR 9,563 thousand is presented as current assets (EUR 10,091 thousand as at 30 June 2023).

Quantity according to biological assets group:	Milking cows (level 3)	Heifers (level 2)	Bulls and fattening cattle (level 2)	Poultry (level 3)	Total animals and livestock
As at 30 June 2024	3,210	3,594	861	3,399,340	3,407,005
As at 30 June 2023	3,264	3,534	922	3,863,386	3,871,106
Output according to biological assets group for the year ended (t) (unaudited):					
As at 30 June 2024	39,111	897	229	147,203	187,440
As at 30 June 2023	38,210	859	331	183,684	223,084

All amounts in thousands of euros, unless otherwise stated 58

9. Biological assets

Fair value of the Group's crops (level 3):

	Winter crops	Summer crops	Rapeseed	Forage crops	Total crops
Fair value as at 30 June 2022	12,423	7,418	6,619	2,762	29,222
Additions	10,926	4,061	6,236	6,299	27,522
Harvested assets	(13,487)	(7,311)	(7,295)	(4,792)	(32,885)
Reclassifications	–	13	(13)	–	–
Write-offs	(38)	(2)	(7)	(35)	(82)
Fair value adjustment on biological assets (Note 23)	462	432	(462)	–	432
Fair value as at 30 June 2023 (Restated)[1]	10,286	4,611	5,078	4,234	24,209
Additions	9,176	4,870	5,966	6,030	26,042
Harvested assets	(11,426)	(4,630)	(6,114)	(6,664)	(28,834)
Write-offs	–	–	(2)	–	(2)
Fair value adjustment on biological assets (Note 23)	822	202	(94)	134	1,064
Fair value as at 30 June 2024	8,858	5,053	4,834	3,734	22,479

Crops by type:	Winter crops	Summer crops	Rapeseed	Forage crops	Total crops
Total hectares sown as at 30 June 2024	6,718	5,305	3,247	3,631	18,901
Total hectares sown as at 30 June 2023	7,081	4,213	3,298	3,583	18,175

Harvested crops by type (unaudited):	Winter crops	Summer crops	Rapeseed	Forage crops	Total crops
Total harvest for the year ended 30 June 2024 (t)	51,378	22,266	11,941	123,574	209,159
Total harvest for the year ended 30 June 2023 (t)	48,867	24,767	11,344	76,351	161,329

During the years ended 30 June 2024 and 2023, there were no transfers between the different levels of fair value hierarchy.

As at 30 June 2024, part of animals and livestock of the Group with the carrying value of EUR 4,845 thousand (EUR 4,160 thousand as at 30 June 2023) were pledged to banks as a collateral for the loans (Note 18).

[1] *The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.*

All amounts in thousands of euros, unless otherwise stated 59

10. Inventories

	Group	
	30/6/2024	30/6/2023
Purchased goods for resale	151,134	198,946
Raw materials and other inventories	75,317	72,414
Right- of -return assets	1,037	–
Commitments to purchase agricultural produce (Note 14)	(461)	(541)
Less: net realizable value allowance	(4,251)	(4,182)
Net realizable value	222,776	266,637

Write down to net realizable value for the Group's inventories are accounted for in the statements of profit (loss) and other comprehensive.

The acquisition cost of the Group's inventories accounted for at net realizable value as at 30 June 2024 amounted to EUR 22,749 thousand (EUR 21,925 thousand as at 30 June 2023). As at 30 June 2024, the amount recognized as expenses of inventories written down to net realizable value is EUR 216 thousand (as at 30 June 2023, the amount of EUR 2,684 thousand was recognized as the reversal of inventories written down to net realizable value), and is recognized in the cost of sales of the statements of profit (loss) and other comprehensive income. The most significant amount of reversals of inventories written down to net realizable value is under Partners for farmers business segment.

As at 30 June 2024, part of inventories of the Group with the carrying value of EUR 179,883 thousand (EUR 220,033 thousand as at 30 June 2023) were pledged to banks as collateral for the loans (Note 18).

	Group	
	30/6/2024	30/6/2023
Readily marketable inventories	17,823	37,689
Other inventories	209,203	233,130
Less: Net realizable value allowance	(4,251)	(4,182)
Net realizable value	222,776	266,637

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; and
b) liquid and widely available in a range of markets due to homogenous product characteristics and international pricing; and
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.

All amounts in thousands of euros, unless otherwise stated

11. Prepayments

11. Prepayments

	Group	
	30/6/2024	30/6/2023
Prepayments to agricultural produce growers	3,090	1,310
Prepayments to other suppliers	7,345	4,186
Prepayments for services (Note 8)	213	200
Less: allowance for doubtful prepayments to other suppliers	(101)	(132)
	10,547	5,564

During year ended 30 June 2024 and 30 June 2023, prepayments were made directly to agricultural produce growers of production growers or other suppliers. These payments are non-interest bearing and are generally collectible from the agricultural produce growers within 120 – 360 days by delivering grain to the Group.

As at 30 June 2024, part of prepayments of the Group with the carrying value of EUR 7,240 thousand (EUR 2,529 thousand as at 30 June 2023) were pledged to banks as collateral for the loans (Note 18).

All amounts in thousands of euros, unless otherwise stated 61

12. Trade receivables

12. Trade receivables

	Group	
	30/6/2024	30/6/2023
Trade receivables from agricultural produce growers	199,528	224,911
Trade receivables from other customers	104,733	95,171
Less: allowance for doubtful trade receivables	(8,452)	(7,878)
	295,809	312,204

Trade receivables from other customers are non-interest bearing and are generally collectible on 30–90 days term. Trade receivables from agricultural produce growers are non-interest bearing and are generally settled within 120–360 days by delivering grain to the Group.

IFRS 9 requires the Group and the Company to recognize expected credit losses for all debt instruments that are not measured at fair value through profit or loss and for assets arising from contracts with clients.

The Group and the Company uses the expected loss rate (ELR) matrix to calculate expected credit losses (ECL) of trade receivables. Expected credit loss rates are based on the client's past history, which is grouped by client type. The ELR matrix is based on the historical information of the Group and the Company on client default. The Group and the Company adjusts the matrix values to include predictable future information. For example, if the economy of the next year is likely to deteriorate/slow down according to future forecasts (e.g. GDP level), which may increase the rate of default, historical expected loss rates will be adjusted to reflect future forecasts. Historical credit loss rates are reviewed in each reporting period.

When assessing the allowance of trade receivables, individual client debts are grouped according to the past due period. Below are the expected credit loss rates used to calculate ECL:

	Non-overdue	Past due				
		1 – 30 days	31 – 60 days	61-90 days	91-180 days	More than 180 days
2023	0.04 %	0.08 %	1.13 %	1.98 %	7.31 %	17.62 %
2024	0.03 %	0.06 %	0.95 %	1.20 %	3.85 %	11.01 %

Movements in the allowance for impairment of the Group's trade receivables were as follows:

	Impairment assessed on a collective basis and on an individual basis
Balance as at 30 June 2022	6,200
Charge for the year	3,019
Reversed during the year	(700)
Written-off during the year	(641)
Balance as at 30 June 2023	7,878
Charge for the year	1,268
Reversed during the year	(288)
Written-off during the year	(405)
Balance as at 30 June 2024	8,452

All amounts in thousands of euros, unless otherwise stated 62

12. Trade receivables

12. Trade receivables / continued

Changes in allowance for trade receivables for the years ended 30 June 2024 and 30 June 2023 were included into expenses of impairment of trade receivables, contract assets and other receivables in the statement profit and loss and other comprehensive income under the Expenses of impairment of trade receivables, contract assets and other receivables.

The ageing analysis of the Group's trade receivables as at 30 June 2024 and 30 June 2023 is as follows (less allowance):

	Amounts receivable from customers whose payment term has not passed	Amounts receivable from customers whose payment term has already passed			Total
		less than 90 days	91-180 days	more than 180 days	
2023	295,480	16,125	187	412	312,204
2024	271,684	19,973	1,148	3,004	295,809

As at 30 June 2024, the Group transferred rights to part of its trade receivables with the value of EUR 257,872 thousand (EUR 282,813 thousand as at 30 June 2023) to banks as collateral for the loans (Note 18). Factorized trade receivables in the amount of EUR 64,670 thousand as at 30 June 2024 (EUR 217,715 thousand as at 30 June 2023) are included in aggregate amount of collateral for the loans.

The fair value of the Group's and the Company's trade receivables approximate their carrying amount.

All amounts in thousands of euros, unless otherwise stated 63

13. Other accounts receivable and contract assets

13. Other accounts receivable and contract assets

	Group	
	30/6/2024	30/6/2023
Financial assets		
National Paying Agency	3,590	3,817
Loans receivable	239	248
Loans granted to the Group employees	14	12
Interest receivable	3	3
Contract assets	5,733	3,614
Receivable for assets held for sale	100	380
Other receivables	1,197	954
Less: allowance for doubtful other receivables	(548)	(667)
	10,328	8,361
Non-financial assets		
VAT receivable	1,568	2,204
Other recoverable taxes	157	42
	1,725	2,246
	12.053	10,607

Changes in allowance for other accounts receivables for the years ended 30 June 2024 and 2023 were included into expenses of impairment of trade receivables, contract assets and other receivables in the statements profit (loss) and other comprehensive income.

The impairment for the contract assets is measured based on the ECL model as Trade receivables. See Note 2.20, Note 12

The National Paying Agency is a state institution that administers support for agriculture and rural development and fisheries, EU common agricultural policy money.

The fair value of the Group's and the Company's other receivables approximate to their carrying amount.

Movements in the allowance for impairment of the Group's other accounts receivable were as follows:

	Individually impaired
Balance as at 30 June 2022	206
Written-off during the year	461
Balance as at 30 June 2023	667
Reversed during the year	(119)
Balance as at 30 June 2024	548

The ageing analysis of the Group's other receivables (except for non-financial assets) as at 30 June 2024 and 30 June 2023 is as follows:

	Other accounts receivable neither past due nor impaired	Past due but not impaired				Total
		less than 90 days	91-180 days	180 -270 days	more than 271 days	
2023	8,361	-	-	-	-	8,361
2024	10,328	-	-	-	-	10,328

All amounts in thousands of euros, unless otherwise stated 64

14. Other financial assets and derivative financial instruments

14. Other financial assets and derivative financial instruments

The Group uses the hierarchy described in Note 2.18 for determining and disclosing the fair value of financial instruments by valuation technique:

		Group	
		30/6/2024	30/6/2023
Derivative financial instruments			
Derivative financial instruments used to hedge the price risk (current portion) – assets (liabilities)	Level 1	1,471	1,264
Derivative financial instruments used to hedge the interest risk (current portion) – assets (liabilities)	Level 1	(125)	(240)
Foreign exchange forward and swap contracts – assets[1]	Level 2	122	41
Foreign exchange forward and swap contracts – liabilities[1]	Level 2	(36)	(63)
Other derivatives		–	(2)
		1,432	1,000
Other financial assets			
Restricted cash		916	746
Other financial assets		211	226
		1,127	972

The Group concludes forward agreements with fixed price with Lithuanian and Latvian agricultural production growers for purchase/sale of agricultural produce. For part of such agreements the Group does not have agreed sales/purchases contracts with fixed price.

As at 30 June 2024, to hedge the arising risk of price fluctuations for the total amount of such unutilized purchase or sales commitments the Group concluded futures contracts that are traded on NYSE Euronext Paris SA exchange.

The Group uses over-the-counter (OTC) transactions, which are traded on the Rotterdam and Neuss Spyck OTC markets, to prevent the risk of fluctuations in the prices of rapeseed oil and rapeseed meal.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the forward agreement match the terms of the commodity future contract (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity future contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items;
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

[1] In the comparative figures of the 2022/2023 financial statements, the comparative information and disclosures were adjusted to provide a more reliable view to the users of the reports, relating to forward foreign exchange contracts and currency swap transactions.

All amounts in thousands of euros, unless otherwise stated 65

14. Other financial assets and derivative financial instruments

The Group has disclosed in the statement of financial position the following derivative financial instruments:

Group	30/6/2024	30/6/2023
Fair value hedge - Commitments to purchase agricultural produce (hedged item) (Note 10)	(461)	(541)
Fair value derivative financial instrument used to hedge the price risk of grains (designated as hedging instruments)	1,198	652
Cash flow derivative financial instrument used to hedge the price risk of grains (designated as hedging instruments)	272	478
Cash flow derivative financial instrument used to hedge the price risk of natural gas (designated as hedging instruments)	(125)	(108)
Cash flow derivative financial instrument used to hedge the foreign exchange rate risk (not designated as hedging instruments)	87	(22)

The result of derivative financial instruments designated as hedging instruments is recorded in the cost of sales of the statements of profit (loss) and other comprehensive income.

The result of derivative financial instruments not designated as hedging instruments is recorded in other income (expenses) of the statements of profit (loss) and other comprehensive income.

As at 30 June 2024 and 30 June 2023, restricted cash balance mostly consists of cash at bank account, held as a deposit for trading in the futures exchange and reserved for other purposes.

All amounts in thousands of euros, unless otherwise stated 66

14. Other financial assets and derivative financial instruments

The Group is holding the following derivative financial instruments.

As at 30 June 2024	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
Foreign exchange forward contracts (Highly probable forecast purchase)						
Amount EUR thousand	39	42	5	–	–	86
Average forward rate	1.0790	1.0866	–	–	–	–
Commodity forward contracts						
Amount tons thousand	–	6	152	–	(5)	153
Amount EUR thousand	–	(47)	1,351	–	167	1,471
Average hedged price	–	(7.8333)	8.9117	–	37.0900	–
Commodity forward contracts						
Amount Mwh	–	4,542	3,979	–	–	8,521
Amount EUR thousand	–	(72)	(53)	–	–	(125)
Average hedged price	–	(15.9316)	(13.2959)	–	–	–

As at 30 June 2023	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
Foreign exchange forward contracts (Highly probable forecast purchase)						
Amount EUR thousand	(20)	5	(7)	–	–	22
Average forward rate	1.0790	1.0866	–	–	–	–
Commodity forward contracts						
Amount tons thousand	–	68	54	1	–	123
Amount EUR thousand	–	(360)	1 461	29	–	1,130
Average hedged price	–	(5.3260)	27.0475	28.8600	–	–
Commodity forward contracts						
Amount Mwh	–	6,318	31,518	17,605	10,190	65,631
Amount EUR thousand	–	(79)	(57)	64	(36)	(108)
Average hedged price	–	(12.5559)	(1.8062)	3.6170	(3.4869)	–

All amounts in thousands of euros, unless otherwise stated 67

15. Cash and cash equivalents

15. Cash and cash equivalents

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Cash at bank	15,850	12,883	305	114
Cash in transit	76	279	–	–
Cash on hand	111	102	–	–
	16,037	13,264	305	114

As at 30 June 2024, the Group pledged cash of EUR 4,713 thousand (EUR 3,940 thousand as at 30 June 2023) to banks as collateral for the loans (Note 18).

As at 30 June 2024 the Group had restrictions on the disposal of funds in pledged bank accounts in the amount of EUR 30 thousand. As at 30 June 2023, there were no restrictions on use of cash balances held in the pledged accounts (Note 18).

Fair value of cash and cash equivalents in 2024 and 2023 June 30 approximately equal to their residual value. The Group has also assessed the expected credit losses (ECL) for cash and cash equivalents the overall effect was immaterial.

For the purposes of the consolidated cash flow statement, cash and cash equivalents as of 30 June 2024, and 30 June 2023, amounted to:

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Cash at bank	15 850	12 883	305	114
Cash in transit	76	279	–	–
Cash on hand	111	102	–	–
	16 037	13 264	305	114
Overdraft	–	–	–	–
Cash and cash equivalents	16 037	13 264	305	114

All amounts in thousands of euros, unless otherwise stated

16. Equity attributable to shareholders of the company

Dividends

Dividends declared by the parent company during the year:

	Dividend per share, in euro		Amount of dividends declared EUR thousand	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Declared during the year	0.02	0.03	4,169	5,000
	0.02	0.03	4,169	5,000

Dividends were not paid for the 2022/2023 fiscal year or the interim period of the 2023/2024 financial year.

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5% of net profit, calculated in accordance with International Financial Reporting Standards, are compulsory until the reserve reaches 10% of the share capital.

As at 30 June 2024, the legal reserve is EUR 4,672 thousand (as at 30 June 2023 – EUR 4,518 thousand). Legal reserve was not fully formed as at 30 June 2024 and 30 June 2023.

Own shares

During the year ended 30 June 2024, the Company disposed of 26,000 own shares, net result of this transaction is recognized directly to the statement of changes in equity. During the year ended 30 June 2023, the Company disposed of 24,000 own shares, net result of this transaction is recognized directly to the statement of changes in equity.

Foreign currency translation reserve

The Foreign Currency Translation Reserve stems from currency exchange rate variances encountered during the consolidation process of Linas Agro A/S, LLC Linas Agro Ukraine, KG Polska Sp.zo.o., OOO KLM.

Share-based payment reserve

As at 30 June 2024, the Group / Company accounted EUR 56 thousand (as at 30 June 2023 – EUR 1,730 thousand) of expenses related to employees participating in share options incentive. Additional information is disclosed Note 29.

All amounts in thousands of euros, unless otherwise stated 69

17. Grants and subsidies

The movement of grants related with asset, received by the Group is as follows:

Balance as at 30 June 2022	8,509
Received	1,396
Grants used	(624)
Amortization	(716)
Balance as at 30 June 2023	8,565
Received	925
Grants used	(103)
Amortization	(972)
Balance as at 30 June 2024	8,415

As at 30 June 2024, the amount is presented in the statement of financial position as non-current liabilities of EUR 8,415 thousand. As at 30 June 2023, EUR 8,565 thousand as non-current liabilities.

The major part of the Group's grants consists of the funds received from the European Union and National Paying Agency for the purpose of an acquisition of machinery and equipment (property, plant and equipment).

The amortization of grants of the Group for the years ended 30 June 2024 and 30 June 2023 was included into the following captions:

	Group	
	30/6/2024	30/6/2023
Cost of sales (reducing the depreciation expenses of related assets)	810	587
Operating expenses (reducing the depreciation expenses of related assets)	36	–
Biological assets	126	129
	972	716

For the year ended 30 June 2024, the Group received the subsidies for the poultry activities, livestock, related to the compensation for cost increases for the production resources such as: gas, electricity, fodder raw materials in amount of the EUR 235 thousand (Note 26). For the year ended 30 June 2023, the Group received the subsidies for the poultry activities, livestock, related to the compensation for cost increases for the production resources such as: gas, electricity, fodder raw materials in amount of the EUR 1,670 thousand (Note 26). Also, for the year ended 30 June 2023 the Group received the subsidy related to the maintenance of the Ukraine refugees in amount of EUR 5 thousand (Note 26).

All amounts in thousands of euros, unless otherwise stated 70

18. Borrowings

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Non-current borrowings				
Bank borrowings secured by the Group assets	60,017	28,415	26,500	–
Other non-current related parties' borrowings (Note 32)	–	–	–	1,136
	60,017	28,415	26,500	1,136
Current borrowings				
Current portion of non-current bank borrowings	18,477	9,175	5,305	–
Current bank borrowings secured by the Group assets	188,404	241,404	1,761	32,048
Other current related parties' borrowings (Note 32)	–	–	17,335	29,026
Current stockholders' borrowings (Note 32)	–	3,420	–	3,420
	206,881	253,999	24,401	64,494
	266,898	282,414	50,901	65,630

Interest payable is normally settled monthly throughout the financial year.

As at 30 June 2024 and 30 June 2023, part of shares, intangible assets, property, plant and equipment, biological assets, derivative financial instruments, non-current receivables, inventories, other accounts receivable and contract assets, trade receivables, cash and cash equivalents were pledged to banks as a collateral for the loans (Notes 3, 5, 8, 9, 10, 11, 13, 14, 17).

Compliance with the covenants of the borrowing agreements

As at 30 June 2024 the Group's Companies OOO KLM and UAB Dotnuva Baltic have not fulfilled part of conditions under agreements with OOO Alfa-Bank and AS Luminor bank respectively. Therefore, EUR 2,343 thousand non-current liabilities transferred to current liabilities. The Group's companies took initial actions to rectify the breach of conditions after the financial statements' preparation date.

As at 30 June 2024 the Group's Company AS Kekava Foods has not fulfilled part of the conditions under agreements with Swedbank AS. The Group Company has received the waiver before the end of the financial year, that no sanctions will be taken for non-fulfilment of contractual conditions.

As at 30 June 2024 the Group's Company AB Linas Agro has not fulfilled part conditions under the agreements with Swedbank AB, SEB AB. The Group Company received the waiver before the end of the financial year, that no sanctions will be taken for non-fulfilment of contractual conditions.

As at 30 June 2024 the Group's company OU Linas Agro has not fulfilled part of the conditions under the agreements with AB SEB. No reclassification of the overdraft was made, as it is already accounted as current borrowings. The Group's company took initial actions to rectify the breach of conditions after the financial statement's preparation date.

Weighted average effective interest rates of borrowings outstanding at the year-end:

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Current borrowings	5.38%	4.54%	5,68%	1.79%
Non-current borrowings	6.08%	5.10%	6,05%	5.51%

All amounts in thousands of euros, unless otherwise stated 71

18. Borrowings

18. Borrowings / continued

Borrowings at the end of the year in national and foreign currencies (EUR equivalent):

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Borrowings denominated in:				
Euro	264,470	279,609	50,901	65,630
US Dollar	797	28	–	–
Belarusian rouble	1,626	2,261	–	–
Russian rouble	5	516	–	–
	266,898	282,414	50,901	65,630

As at 30 June 2024, the Group's not utilized credit lines comprise 227,818 thousand (EUR 203,191 thousand as at 30 June 2023).

The fair value of the Group's and the Company's borrowings approximate to their carrying amount.

The fair values of the Group's interest-bearing loans and borrowings are evaluated by the Group based on parameters such as unsystematic risk premium, specific country risk factors, equity market risk premium, market interest rate, similar duration bond rate and etc. Based on this evaluation the fair value approximates the carrying amount.

19. Lease liabilities

19. Lease liabilities

The assets leased by the Group under lease contracts consist of land, premises, machinery and equipment, vehicles and other property, plant and equipment. The terms of lease do not include restrictions on the activities of the Group in connection with the dividends, additional borrowings or additional lease agreements.

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Non-current lease liabilities				
Lease liabilities related to right of use assets	32,463	30,068	12,027	10,916
Lease liabilities related to other assets	3,314	5,030	–	–
	35,777	35,098	12,027	10,916
Current lease liabilities				
Lease liabilities related to right of use assets	9,138	6,304	524	430
Lease liabilities related to other assets	5,811	4,516	–	–
	14,949	10,820	524	430
	50,726	45,918	12,551	11,346

As at 30 June 2024, the Group's companies Biržai District Medeikių ŽŪB, Sidabravo ŽŪB, Panevėžys District Aukštadvario ŽŪB and Kėdainiai District ŽŪB Nemunas have not fulfilled part of conditions under agreements with SEB AB. At the end of the financial year EUR 673 thousand non-current "Lease liabilities related to other assets" has been reclassified to current "Lease liabilities related to other assets". The Group took initial actions to rectify the breach of conditions after the statement of the financial position date.

As at 30 June 2024, the Group's companies UAB Dotnuva Baltic and UAB Dotnuva Rent have not fulfilled part of conditions under agreements UAB Luminor Lizingas. At the end of the financial year EUR 3,152 thousand non-current "Lease liabilities related to right-of-use assets" has been reclassified to current "Lease liabilities related to right-of-use assets". The Group took initial actions to rectify the breach of conditions after the statement of the financial position date.

Future lease payments under the above-mentioned lease contracts are disclosed in Note 30.

All amounts in thousands of euros, unless otherwise stated 72

20. Provisions

20. Provisions

	Group	
	30/6/2024	30/6/2023 (Restated)[1]
Non-current provisions	1,218	1,150
Current provisions	3,663	3,644
	4,881	4,794

The movement of the Group's provisions was as follows:

Group	Provision for employee benefits	Assurance type Warranty	Tax risk	Other provisions	Total:
Balance as at 30 June 2022 (Previously stated)[1]	1,080	789	–	188	2,065
Adjustment on correction of error[1]	(151)	221	2,283	81	2,161
Balance as at 30 June 2022 (Restated)[1]	929	1 010	2 283	269	4 491
Utilised (-)	-30	(296)	–	(59)	(385)
Additionally formed (+)	241	252	226	29	748
Unused amounts reversed (-)	17	42	–	–	(60)
Unwinding of discount and changes in the discount rate	–	–	–	–	–
Balance as at 30 June 2023 (Restated)[1]	1,123	923	2,509	239	4,794
Utilised (-)	(47)	(451)	–	(140)	(639)
Additionally formed (+)	278	550	664	–	1,492
Unused amounts reversed (-)	(1)	(76)	(681)	–	(758)
Unwinding of discount and changes in the discount rate	(9)	–	–	–	(9)
Balance as at 30 June 2024	1,344	946	2,492	98	4,881
Non-current part	959	775	–	88	1,218
Current part	385	171	2,492	10	3,663

- Provision for employee benefits

Provisions for employee benefits include a statutory retirement benefit payable to the Group’s employees. The period of non-current provision is calculated according to each employee using actuarial assumptions that include the age of employee, mortality risk, index of staff turnover, discount rate and the expected salary growth rate. The key assumptions applied in determining the Group's projected benefit obligation for the employees are as follows:

	30/6/2024	30/6/2023
Discount rate	3.718%	1.106%
Staff turnover rate[2]	11%	15%
Statistical annual salary increase[3]	4.81%	4%

- Assurance type warranty

The Group recognizes an assurance type warranty for expected warranty claims related to equipment sold during the year, based on past experience with repairs and returns. It is anticipated that these costs will be incurred in the following financial year. The assumptions used to calculate the warranty provision are based on the current sales level and available information regarding returns within the warranty period for the sold equipment.

[1] *The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22*
[2] In the financial statements, the Group disclosed the average employee turnover rate at the group level because of turnover rates, which vary significantly among our diverse companies.
[3] In the financial statements, the Group disclosed the average Statistical annual salary increase at the group level because of salary growth rates, which vary significantly among our diverse companies.

All amounts in thousands of euros, unless otherwise stated 73

20. Provisions

20. Provisions/continued

- Tax risk

The Group's companies in Latvia utilized packaging services provided by third parties. A potential tax risk was identified that these services could be classified as employee hiring, which may result in the obligation to pay social security and personal income tax (PIT). In response to this risk and in accordance with the precautionary principle, the Group's company established a provision covering 50% of the potential tax liability.

21. Trade payables

21. Trade payables

Trade payables are non-interest bearing and are normally settled on 360-day term. Most part of Group trade payables was payables for goods and services as at 30 June 2024.

22. Other non–current liabilities, other current liabilities, and contract liabilities

22. Other non–current liabilities, other current liabilities, and contract liabilities

	Group	
	30/6/2024	30/6/2023 (Restated)[1]
Other non-current liabilities		
Refund liability	1,181	353
Other long-term liabilities	–	105
Total other non-current liabilities	1,181	458
Contract liabilities		
Contract liabilities	3,622	3,206
Other current liabilities		
Bonuses to employees	11,987	12,663
Vacation accrual	13,127	11,748
Payroll related liabilities	11,012	10,191
VAT payable	9,277	7,713
Current portion of grants		802
Other liabilities	5,369	4,631
Total other current liabilities	50,772	47,748

Other current liabilities are non-interest bearing and have an average settlement term of three months.

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 74

23. Cost of sales

23. Cost of sales

	Group	
	30/6/2024	30/6/2023 (Restated)[1]
Cost of inventories recognized as an expense	(1,137,300)	(1,620,987)
Wages, salaries, and social security	(89,038)	(79,952)
Logistics expenses	(74,900)	(94,013)
Utilities expenses	(26,828)	(38,817)
Depreciation (Notes 5, 6, 7)	(19,670)	(19,326)
Provision of onerous contract	(30)	8
Change in fair value of biological assets (Note 9)[1]	3,668	(3,261)
Change in fair value of financial instruments (Note 14)	62	239
Other	(11,086)	(13,178)
	(1,355,122)	(1,869,287)

24. Selling (expenses)

24. Selling (expenses)

	Group	
	30/6/2024	30/6/2023
Wages, salaries and social security	(20,718)	(23,418)
Premises, vehicles, and other equipment lease and maintenance	(5,817)	(4,268)
Advertisement, marketing, representation	(5,499)	(4,754)
Depreciation and amortization	(2,677)	(1,888)
Consulting expenses	(977)	(2,217)
Office supplies and services	(737)	(655)
Logistics expenses	(710)	(498)
Employees trainings	(153)	(115)
Telecommunication expenses	(98)	(81)
Other	(5,314)	(7,080)
	(42,700)	(44,974)

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 75

25. General and Administrative expenses

25. General and Administrative expenses

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Wages, salaries and social security	(40,533)	(34,876)	(2,017)	(1,446)
Premises, vehicles, and other equipment lease and maintenance	(3,065)	(3,231)	(112)	(89)
Taxes	(2,973)	(1,076)	(39)	(36)
Advertisement, marketing, representation	(2,736)	(2,755)	(129)	(109)
Inventories and trade receivables insurance	(2,332)	(3,089)	–	–
Depreciation and amortization	(2,291)	(1,816)	(123)	(79)
Office supplies and services	(1,910)	(1,535)	(17)	(8)
Environmental and waste management costs	(1,702)	(631)	–	–
Consulting expenses	(1,690)	(2,396)	(267)	(276)
Bank fees	(681)	(1,196)	(36)	(38)
Employees trainings	(474)	(272)	(10)	(21)
Support	(449)	(499)	(97)	(65)
Telecommunication expenses	(282)	(293)	(8)	(8)
Currency exchange profit	–	(69)	–	–
Other	(4,509)	(3,062)	(294)	(127)
	(65,627)	(50,672)	(3,149)	(2,302)

26. Other income (expense)

26. Other income (expenses)

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Other income				
Grants received for agriculture activity	4,085	5,115	–	–
Support for poultry farming activities	235	1,675	–	–
Rental income from investment property and property, plant and equipment	262	361	6	6
Gain from disposal of investment property and property, plant and equipment	1,372	829	1	–
Change in fair value of financial instruments	819	983	–	–
Dividend income	–	11	37,310	9,175
Gain from disposal of subsidiaries, associated and joint venture Companies	–	–	43,521	–
Other income (Sales of surplus equipment and inventory, sublease income, legal settlements income and other miscellaneous income)	3,451	4,152	524	47
	10,224	13,126	81,362	9,228
Other (expenses)				
Direct operating expenses arising from rented and not rented investment properties	(269)	(413)	(20)	(777)
Loss from disposal of property, plant and equipment	–	–	–	(40)
Change in fair value of financial instruments	(3,267)	(3,589)	–	–
Impairment of investments into associates/joint ventures and subsidiaries		–	(949)	–
Loss on disposal of other investments and prepayments for financial assets	(47)	–	(380)	–
Other expenses (Sales of surplus equipment and inventory, sublease expenses, legal settlements expenses and other miscellaneous expenses)	(3,479)	(3,043)	–	–
	(7,062)	(7,045)	(1,349)	(817)

All amounts in thousands of euros, unless otherwise stated

27. Income (expenses) from financing activities

27. Income (expenses) from financing activities

	Group		Company	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023
Income from financing activities				
Interest income	4,690	3,164	1,545	843
Gain from foreign exchange rate differences	–	–	9	–
Income from overdue payments	669	443	–	–
	5,359	3,607	1,554	843
(Expenses) from financing activities				
Interest expenses	(23,858)	(16,505)	(3,922)	(3,178)
Loss from foreign exchange rate differences	(330)	(2,722)	–	–
Expenses for overdue payments	(289)	(112)	–	(1)
	(24,477)	(19,339)	(3,922)	(3,179)

All amounts in thousands of euros, unless otherwise stated 77

28. Income tax

	Group	
	30/6/2024	30/6/2023 (Restated)[1]
Current income tax (expense)	(2,562)	(6,276)
Income tax correction for prior periods	359	141
Deferred income tax income (expense) [2]	125	2,338
Income tax income (expenses) recorded in the statement of comprehensive income	(2,078)	(3,797)
Deferred tax gain (loss) recorded in other comprehensive income	256	95

	Group	
	30/6/2024	30/6/2023 (Restated)[1]
Deferred income tax asset		
Tax loss carry forward (available indefinitely)	2,038	854
Tax loss carry forward (available to carry forward 5 years)	883	329
Accruals	1,679	1,687
Differences in tax base of trade receivables	1,443	1,362
Impairment of prepayments	2	–
Impairment of investment property	74	78
Allowance for inventories	287	487
Fair value of financial instruments	–	128
Other	4,595	3,967
Fair value of biological assets	31	1,146
Lease liabilities	4,228	5,409
Total deferred income tax asset	15,260	15,447
Deferred income tax liability		
Property, plant and equipment and investment property (difference between tax and accounting values)	(1,003)	(393)
Fair value of biological assets	(98)	(1,301)
Fair value of financial instruments	(111)	–
Acquisition of subsidiaries	(1,006)	–
Right of use assets	(4,461)	(5,401)
Other	(454)	(284)
Total deferred income tax liability	(7,133)	(7,379)
Deferred tax impairment	(1,009)	–
Deferred income tax, net	7,037	8,068
Accounted for as deferred income tax asset in the statement of financial position restated [2]	8,436	9,469
Accounted for as deferred income tax liability in the statement of financial position	(1,399)	(1,401)

The Group's deferred income tax asset and liability were set-off to the extent they relate to the same tax administration institution and the same taxable entity.

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

[2] Deferred tax income mostly relates to recognition of accumulated tax losses as at 30 June 2024 and as at 30 June 2023.

All amounts in thousands of euros, unless otherwise stated 78

28. Income tax

As at 30 June 2024 and 30 June 2023, the Group has not recognized deferred tax asset for the following temporary differences (temporary differences basis is provided below before application of income tax rate):

	Group	
	30/6/2024	30/6/2023
Tax loss carry forward[1]	10,796	4,690
	10,796	4,690

Deferred tax asset has not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that have a history of losses.

According to paragraph 39 of IAS 12, the Group shall recognize a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates except the cases than recognition exception apply. The Group has determined that the recognition exception in paragraph 39 of IAS 12 does apply to it because it is not probable that the temporary difference will reverse in the foreseeable future, i.e. no distribution of undistributed profits in Estonia and Latvia are planned in the foreseeable future.

The income tax can be reconciled to the theoretical amount, which would be calculated by applying the basic income tax rate to the Group's profit before tax as follows:

	Group	
	30/6/2024	30/6/2023 (Restated)[2]
Profit (loss) before tax	26,991	18,121
Income tax (income) expenses, applying the statutory rate in Lithuania (15%)	5,579	8,719
Effect of different tax rates in Estonia, Latvia, Denmark, Ukraine, Belarus and Russia (Note 2.15.)	(282)	(614)
Income tax correction for prior periods	(359)	(141)
Non-deductible expenses for tax purposes	(145)	(4 167)
Tax incentive	(2,715)	–
Total income tax (income) expenses	2,078	3,797
Effective income tax rate	8%	21%

Tax incentive includes investment project incentive, support incentive and tax loss incentive.

[1] As at 30 June 2024 tax losses are available to carry forward indefinitely EUR 4,912 thousand and EUR 5,884 thousand available to carry forward for 5 years (EUR 2,494 thousand and EUR 2,196 thousand available to carry forward for 5 years).

[2] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 79

29. Basic and diluted earnings per share

29. Basic and diluted earnings per share

Basic earnings per share

- Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The weighted average number of ordinary shares for the years ended 30 June 2024 and 30 June 2023 was as follows:

Calculation of weighted average for the year ended 30 June 2024	Number of shares	Par value (EUR)	Issued/ 365 (days)	Weighted average
Shares issued as at 30 June 2023	160,347,961	0.29	7/365	3,061,444
Disposal of own shares 7 July 2023	3,000	0.29	151/365	66,336,973
Shares issued as at 5 December 2023	6,084,548	0.29	37/365	16,871,545
Disposal of own shares 11 January 2024	23,000	0.29	171/365	77,984,671
Shares issued as at 30 June 2024	166,458,509			164,254,633

Calculation of weighted average for the year ended 30 June 2023	Number of shares	Par value (EUR)	Issued/ 365 (days)	Weighted average
Shares issued as at 30 June 2022	159,632,426	0.29	1/365	437,349
Disposal of own shares 1 July 2022	2 000	0.29	3/365	1,312,064
Disposal of own shares 4 July 2022	1 000	0.29	4/365	1,749,429
Disposal of own shares 8 July 2022	1 000	0.29	5/365	2,186,800
Disposal of own shares 13 July 2022	6 000	0.29	5/365	2,186,883
Disposal of own shares 18 July 2022	1 000	0.29	135/365	59,046,199
Shares issued as at 30 November 2022	691 535	0.29	44/365	19,328,050
Disposal of own shares 13 January 2023	2 000	0.29	5/365	2,196,397
Disposal of own shares 18 January 2023	1 000	0.29	48/365	21,085,540
Disposal of own shares 7 March 2023	1 000	0.29	114/365	50,078,470
Disposal of own shares 29 June 2023	9 000	0.29	1/365	439,309
Shares issued as at 30 June 2023	160,347,961			160,046,490

Calculation of the basic earnings per share is presented below:

	30/6/2024	30/6/2023 (Restated)[1]
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	24,913	14,324
Weighted average number of ordinary shares outstanding for the year	164,254,633	160,046,490
Basic earnings per share (in EUR)	0.15	0.09

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

29. Basic and diluted earnings per share

29. Basic and diluted earnings per share / continued

- Share-based payments and diluted earnings per share

The share option agreements signed on both 1st July 2018 and 29th February 2020 have been exercised as at 30 June 2024. During the financial period ending 30 June 2024 there were no related expenses accounted for those share option agreements. (As at 30 June 2023 – EUR 1,706 thousand of related expenses were accounted.)

On 29 October 2021 AB Akola Group signed an option contract with AB Akola Group's employees for 106,620 ordinary registered shares of AB Akola Group. Based on the terms and conditions set forth in the option scheme, in 2024-2026, employees will be able to exercise the right to receive the above-mentioned number of ordinary nominal shares of Akola Group AB with a nominal value of EUR 0.29, which are granted to the employees free of charge in accordance with the conditions and provisions set forth in the rules.

50% of all stock options are vest after 3 years from the signing of the options, 25% - after the 4th year, and the remaining 25% - after 5th year. There are no other vesting conditions other than the requirement that the individual has been employed by the Group for the period specified above, i.e. 50% of stock options will be granted if a specific person has worked in the Group for 3 years from the signing of the stock option, 25% of stock options will be granted if the person has worked in the Group for 4 years from the signing of the stock option, and the remaining 25% of stock options will be granted if the person has worked in the Group for 5 years from the signing of the stock option. Stock options are exercisable within two months of each specific expiration period.

The market price of the underlying shares on the date of grant, which was 0.938 EUR for one ordinary nominal share. The contractual term of the share options is five years and two months and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlement for these awards.

As at 30 June 2024 the Group and the Company have accounted for EUR 56 thousand (as at 30 June 2023 - EUR 24 thousand) of related expenses corresponding to the given period in these financial statements.

All amounts in thousands of euros, unless otherwise stated 81

29. Basic and diluted earnings per share

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Quantity	WAEP
Balance sheet at 30 June 2022	6,772,891	–
Change in the estimate on the number ultimately expected to be exercised	182,610	–
Exercised	(691,535)	–
Balance sheet at 30 June 2023	6,263,966	–
Change in the estimate on the number ultimately expected to be exercised	(72,798)	–
Exercised	(6,084,548)	–
Balance sheet at 30 June 2024	106,620	–

The expected life of the share options is based on options agreements and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all diluted potential ordinary shares (options described above) into ordinary shares.

All amounts in thousands of euros, unless otherwise stated 82

29. Basic and diluted earnings per share

29. Basic and diluted earnings per share/ continued

The weighted average number of ordinary and potential diluted shares for the year ended 30 June 2024 and 30 June 2023 was as follows:

Calculation of weighted average for the year ended 30 June 2024	Number of shares	Par value (EUR)	Issued/ 365 (days)	Weighted average
Shares and potential shares issued as at 30 June 2023	167,120,852	0.29	7/365	3,205,057
Disposal of own shares 7 July 2023	3,000	0.29	151/365	69,138,909
Change in the estimate on the number ultimately expected to be exercised 23 November 2023	130,249	0.29	49/365	22,453,290
Disposal of own shares 11 January 2024	23,000	0.29	171/365	81,157,724
Shares and potential shares issued as at 30 June 2024	167,277,101			167,670,949

Calculation of weighted average for the year ended 30 June 2023	Number of shares	Par value (EUR)	Issued/ 365 (days)	Weighted average
Shares and potential shares issued as at 30 June 2022	166,405,317	0.29	1/365	455,905
Disposal of own shares 1 July 2022	2,000	0.29	3/365	1,367,731
Disposal of own shares 4 July 2022	1,000	0.29	4/365	1,823,653
Disposal of own shares 8 July 2022	1,000	0.29	5/365	2,279,580
Disposal of own shares 13 July 2022	6,000	0.29	5/365	2,279,662
Disposal of own shares 18 July 2022	1,000	0.29	135/365	61,551,241
Shares issued as at 30 November 2022	691,535	0.29	44/365	20,144,508
Disposal of own shares 13 January 2023	2,000	0.29	5/365	2,289,176
Disposal of own shares 18 January 2023	1,000	0.29	48/365	21,976,222
Disposal of own shares 7 March 2023	1,000	0.29	114/365	52,193,839
Disposal of own shares 29 June 2023	9,000	0.29	1/365	457,865
Shares and potential shares issued as at 30 June 2023	167,120,852			166,819,382

The calculation of diluted earnings per share is presented below:

	30/6/2024	30/6/2023 (Restated)[1]
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	24,913	14,324
Weighted average number of ordinary plus potential ordinary shares outstanding for the year	167,670,949	166,819,382
Diluted earnings per share (EUR)	0.15	0.09

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 83

30. Financial assets and liabilities and risk management

Credit risk

None of the Group's customers comprise more than 10% of the Group's trade receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group's procedures are in force to ensure that sales are made to customers with an appropriate credit history and do not exceed an acceptable credit exposure limit. As at 30 June 2024, part of the Group's trade receivables were insured with the insurance limit equal to equivalent of EUR 27,843 thousand (EUR 73 192 thousand as at 30 June 2023).

The Group keeps stable cash and its equivalents, which reveals the Group's proper and prudent financial management. As well, the positive cash flow from operation activities ensures the company's ability to keep cash on hand in the event of economic market changes.

The Group does have a guaranteed obligations of other parties. The Company does have a guaranteed obligation for the Group's companies (Note 31)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, if any, in the statements of financial position. Consequently, the Group's management considers that its maximum exposure is reflected by the amount of trade, related party and other accounts receivable and cash, net of allowance for doubtful accounts recognized at the reporting date. Part of the trade and other accounts receivable is secured with pledged assets (Notes 13 and 14).

The risk of counterparties defaulting is managed by entering into transactions with reliable financial institutions (or subsidiaries of such institutions) with a long-term credit rating (in foreign currency). The Group's major part of the transactions with the financial institutions are not lower than "A" – according to the rating agency Fitch Ratings (or an equivalent rating of other rating agencies).

Interest rate risk

A major part of the Group's borrowings is with variable rates, related to EURLIBOR, EURIBOR which creates an interest rate risk.

The sensitivity analysis of the pre-tax profit of the Group, considering that all other variables will remain constant, to possible changes in the interest rates is presented in the table below. There is no direct effect to equity from changes in interest rate.

Effect on the profit before income tax for the year ended (in EUR thousand)

	Increase (decrease) of basis points	30/6/2024	Increase (decrease) of basis points	30/6/2023
Euros	+150	(3,998)	+150	(4,225)
Euros	-30	800	-30	845

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to meet its commitments at a given date in accordance with its strategic plans. The Group's liquidity (total current assets / total current liabilities) and quick ((total current assets – crops, current portion of animals and livestock and inventories) / total current liabilities) ratios as at 30 June 2024 were 1.28 and 0.74 respectively (as at 30 June 2023, 1.25 and 0.67, respectively) [1].

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

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30. Financial assets and liabilities and risk management

The tables below summarize the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Group	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings	2	1,652	7,747	5,303	12,211	6,577	33,492
Lease liabilities	431	1,271	7,792	4,857	16,046	15,522	45,919
Current borrowings	32,778	81,300	106,835	–	–	–	220,913
Current borrowings from related parties	–	3,427	3,420	–	–	–	6,847
Trade payables	3,573	143,747	51,311	–	–	–	198,631
Payables to related parties	–	273	–	–	–	–	273
Derivative financial instruments	–	324	207	–	–	–	531
Balance as at 30 June 2023	36,784	231,994	177,312	10,160	28,257	22,099	506,606
Non-current borrowings	1,900	3,257	17,115	28,407	34,850	169	85,698
Lease liabilities	3,413	2,301	8,894	10,512	17,598	18,129	60,847
Current borrowings	21,292	70,554	115,176	–	–	–	207,022
Trade payables	10,410	128,281	46,544	–	–	–	185,235
Current borrowings from related parties	–	272	–	–	–	–	272
Derivative financial instruments	–	161	–	–	–	–	161
Balance as at 30 June 2024	37,015	204,826	187,729	38,919	52,448	18,298	539,235

Company	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Non-current borrowings from related parties	–	–	–	–	1,321	–	1,321
Lease liabilities	–	5	700	703	2,081	11,104	14,593
Current borrowings	33,086	–	–	–	–	–	33,086
Current borrowings from related parties	–	–	33,540	–	–	–	33,540
Payables to related parties	–	–	4,682	–	–	–	4,682
Trade payables	–	–	16	–	–	–	16
Balance as at 30 June 2023	33,086	5	38,938	703	3,402	11,104	87,238
Non-current borrowings	–	–	7,052	6,722	21,245	–	35,019
Lease liabilities	–	16	821	835	2,503	11,770	15,945
Current borrowings	1,844	–	–	–	–	–	1,844
Current borrowings from related parties	–	–	17,799	–	–	–	17,799
Trade payables	–	55	–	–	–	–	55
Balance as at 30 June 2024	1,844	71	25,672	7,557	23,748	11,770	70,662

All amounts in thousands of euros, unless otherwise stated 85

30. Financial assets and liabilities and risk management

The Company liquidity (total current assets / total current liabilities) and quick ((total current assets – crops, current portion of animals and livestock and inventories) / total current liabilities) ratios as at 30 June 2024 were 0.79 and 0.29 respectively (as at 30 June 2023, 0.22 and 0.22, respectively).

As at 30 June 2024, the Company reported a net current liability position of EUR 5,519 thousand. Most part of liabilities are borrowings from related parties and the amount of EUR 31,800 thousand of syndicated loan liabilities. The syndicated loan maturity till 2026. In addition, the Company is able to ensure timely fulfilment of its remaining current liabilities with receivable dividends from earned and distributable profit of subsidiaries. No dividends are expected from the subsidiaries from Latvia and Estonia. The financial statements have been prepared on a going concern basis.

Foreign exchange risk

Major currency risks of the Group occur due to the fact that the Group borrows foreign currency denominated funds as well as is involved in imports and exports. The Group's policy is to match cash flows arising from highly probable future sales and purchases in each foreign currency. When the Group opens a position in USD (i.e., goods are bought in USD and sold in EUR or vice versa), it manages USD exposure by changing positions in its credit line, i.e., buys or sells USD to close the open position.

The major part of the Group's monetary assets and liabilities as at 30 June 2024 and 2023 is denominated in EUR, consequently the management of the Group believes that foreign exchange risk on EUR is insignificant. The Group used financial derivatives to manage the USD foreign currency exchange risk.

Monetary assets and liabilities stated in various currencies as at 30 June 2024 and 30 June 2023 were as follows (EUR equivalent):

	30/6/2024		30/6/2023	
Group	Assets	Liabilities	Assets (Restated)[1]	Liabilities (Restated)[1]
Euros	340,088	546,787	341,766	566,757
US dollars	1,516	12,142	3,256	14,881
Danish Krone	29	15	555	23
Polish zloty	1,002	63	3,712	1,219
Belarusian ruble	2,284	2,389	2,748	2,240
British Pound Sterling	33	73	6	–
Other	29	72	24	2
	344,981	561,541	352,067	585,122

The following table demonstrates the sensitivity to a reasonably possible change in respect of currency exchange rate, with all other variables held constant of the Group's profit before tax (due to change in the fair value of monetary assets and liabilities).

	Increase/ decrease in exchange rate	Effect on the profit before income tax for the year ended (in EUR thousand)	
		30/6/2024	30/6/2023
US dollars	+ 15.00%	(1,594)	(1,744)
US dollars	- 15.00%	1,594	1,744
Polish zloty	+ 15.00%	141	374
Polish zloty	- 15.00%	(141)	(374)
Belarusian rouble	+ 15.00%	(16)	76
Belarusian rouble	- 15.00%	16	(76)

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

All amounts in thousands of euros, unless otherwise stated 86

30. Financial assets and liabilities and risk management

The is no effect on the Group's equity due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investments, as they are in the functional currency.

The sensitivity of the Danish krone, the British pound sterling and the Ukrainian hryvnia to a reasonable change is not disclosed as it is not significant to the financial statements.

Changes in liabilities arising from financing activities

Group	1/7/2023	Cash flows to/(From) financing activities	Acquisition of subsidiary (Note 3)	New leases	Other movements[1]	30/6/2024
Loans	282,414	(4,767)	–	–	(10,749)	266,898
Grants	9,367	3,451	–	–	(4,891)	7,927
Interest (paid)	–	(22,899)	–	–	22,899	–
Dividends	–	(4,169)	–	–	4,169	–
Lease liabilities	45,918	(14,352)	365	21,136	(2,342)	50,725
	337,699	(42,736)	365	21,136	9,086	325,550

Group	1/7/2022	Cash flows to/(From) financing activities	Acquisition of subsidiary (Note 3)	New leases	Other movements[1]	30/6/2023
Loans	256,496	23,265	–	–	2,653	282,414
Grants	9,032	1,675	–	–	(1,340)	9,367
Interest (paid)	–	(13,627)	–	–	13,627	–
Dividends	–	(6,638)	–	–	6,638	–
Lease liabilities	39,526	(9,928)	–	21,546	(5,226)	45,918
	305,054	(5,253)	–	21,546	16,352	337,699

Company	1/7/2023	Cash flows to/(From) financing activities	Acquisition of subsidiary (Note 3)	New leases	Other movements[1]	30/6/2024
Loans	65,630	9,520	–	–	(24,249)	50,901
Interest (paid)	–	(2,287)	–	–	2,287	–
Dividends	–	(4,007)	–	–	4,007	–
Lease liabilities	11,346	(830)	–	1,732	303	12,551
	76,976	2,396	–	–	(15,920)	63,452

Company	1/7/2022	Cash flows to/(From) financing activities	Acquisition of subsidiary (Note 3)	New leases	Other movements[1]	30/6/2023
Loans	67,711	(2,370)	–	–	(289)	50,901
Interest (paid)		(2,163)	–	–	2,163	–
Dividends		(5,000)	–	–	5,000	–
Lease liabilities	8,874	(708)	–	2,241	939	11,346
	76,585	(10,241)	–	2,241	(6,338)	62,247

[1] The 'Other movements' column includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time, the accrual, and the effect of accrued but not yet paid interest on borrowings, including lease liabilities.

30. Financial assets and liabilities and risk management

Strategy for managing financial risks arising from biological assets

The Group is engaged in wholesale trade of milk, therefore, is exposed to risks arising from changes in milk prices. The Group's wholesale agreements for milk not related with financial instruments but represent a significant price risk. The Group does not anticipate that milk prices will be in prolonged decline in the foreseeable future (at current period price increase noted) and, therefore, has not entered into derivative or other contracts to manage the risk of the decline in milk prices. The Group reviews its outlook for milk prices regularly in considering the need for active risk management.

Strategy for managing financial risks arising from derivative instruments

- Derivatives not designated as hedging instruments

The Group uses foreign exchange forward and swap contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

- Derivatives designated as hedging instruments
  - Fair value hedges

Commodity price risk

The Group purchases/sells agriculture production on an ongoing basis as some contracts have a fixed purchase price. Some of such contracts are not covered with a fixed price. As grains are commodities, the prices of them are largely determined by the market, thus, the Sellers and the Buyers of grain negotiate and set the sales price close to the market price, however, if the price is set using variable method the Sellers are responsible for choosing when to fix the MATIF price. MATIF a commodity exchanged which provides the floating rates for grain.

To manage the emerging risk of price fluctuations, the Group has entered into MATIF futures contracts, which the Group trades on the stock exchange NYSE Euronext Paris SA. To hedge the risk of rapeseed oil and rapeseed meal prices, the Group uses over-the-counter transactions, which traded on the over-the-counter markets of Rotterdam and Neuss Spyck.

These contracts, are expected to reduce the volatility attributable to price fluctuations of grains trade. Hedging the price volatility of forecast grains purchases/sales is in accordance with the risk management strategy outlined by the Group.

There is an economic relationship between the hedged items and the hedging instruments as the terms of commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedging inefficiencies can arise from:

- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
- Differences in timing of cash flows of the hedged item and hedging instrument;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument and hedged item.

For more information see Note 14.

30. Financial assets and liabilities and risk management

- Cash flow hedges

Commodity price risk

The Group purchases grains and gas needed for its manufacturing process of various products: combined feed, flour, poultry and other. In grain and gas market, when concluding purchase contracts, the prices are not known and change until they are fixed . The MATIF values are used when determining grain prices. To manage the emerging risk of grain price fluctuations, the Group has entered into MATIF futures contracts. To manage the emerging risk of gas price fluctuations, the Group has entered into gas future contracts. The Group uses a layering tactic where price fixing is done for the planned quantity in parts (in parts, 5% - 10% of the total amount). The insured object is future cash flows for energy for expenses. As the Group carries out and plans to continue to carry out production activities, it can estimate future energy needs.

These grains and gas future contracts, are expected to reduce the volatility attributable to price fluctuations of grains and gas in Group manufacturing process. Hedging the price volatility of forecast grains and gas purchases is in accordance with the risk management strategy outlined by the Group.

There is an economic relationship between the hedged items and the hedging instruments as the terms of commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedging inefficiencies can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments;
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items;
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

For more information see Note 14

Market price risk

The Group is exposed to the grain market price risk which is managed with the hedge accounting described in Note 14.

Fair value of financial instruments

The Group's principal financial instruments not carried at fair value are trade, related party and other accounts receivable, trade, related party and other payables, non-current and current borrowings.

Fair value is defined as disclosed in Note 2.19. Fair values of assets and liabilities are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The carrying amounts of the Group's financial assets and liabilities (which are not carried at fair value) approximate fair value and are classified as level 3 according to the fair value hierarchy described in the Note 2.19.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a) The carrying amount of trade, related party and other accounts receivable, current trade, related party and other accounts payable and current borrowings approximates fair value (level 3).

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30. Financial assets and liabilities and risk management

b) The fair value of non-current debt is based on discounting future cash flows related to debt using market interest rate and also considering own credit risk immaterial. The fair value of non-current borrowings with variable and fixed interest rates approximates their carrying amounts (level 3).

Capital management

For capital management purposes the Group's capital is equal to total equity in the statement of financial position amounting to EUR 312,319 thousand as at 30 June 2024 (EUR 292,138 thousand as at 30 June 2023)[1].

The primary objective of the Group's capital management is to ensure that it maintains a strong creditworthiness and healthy capital ratios in order to support its business and maximize shareholder value. The Group holds high capital for possible future expansion and further development of the Group.

The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2023.

The Company and the Group's subsidiaries registered in Lithuania and Estonia are obliged to keep its equity at no less than 50% of its share capital, as imposed by the Laws on Companies of the Republic of Lithuania and the Republic of Estonia. As at 30 June 2024 the both Company and the Group's subsidiaries registered in Lithuania and Estonia comply with this requirement, except the subsidiaries Kaišiadorių paukštyno mažmena UAB, Baltoji Plunksnele KB, Uogintai UAB, KG Esesti OU, Dotnuva Rent UAB, Akola poultry UAB, Linas Agro OU.

As at 30 June 2023 all the subsidiaries registered in the Lithuania and Estonia complied with the requirements, except the subsidiaries Kaišiadorių Paukštyno Mažmena UAB, Baltoji Plunksnelė KB, Gastroneta UAB, Dotnuva Rent UAB, Akola Poultry UAB, Gerera UAB, KG Eesti OU, Dotnuva Baltic AS.

Group's subsidiaries registered in the Republic of Latvia are obligated to keep their equity higher than 0, as it is imposed by the Laws on Companies of the Republic of Latvia. All the subsidiaries, except SIA PFK Trader, complied with the requirements.

The Group and the Company manages capital using a leverage ratio, which is 1 minus total equity divided by total assets of the Group and the Company. The Group's policy is to keep the leverage ratio below 75%.

	Group		Company	
	30/6/2024	30/6/2023 (Restated)[1]	30/6/2024	30/6/2023
Total equity	312,319	292,138	201,048	129,241
Total assets	886,061	886,684	265,328	211,483
Total equity / Total assets	35%	33%	76%	61%
Leverage ratio	65%	67%	24%	39%

[1] The amounts do not match the financial statements prepared for the year ended 30 June 2023, due to the retrospective correction of errors from the previous period. More information is disclosed in Note 2.22.

31. Commitments and contingencies

31. Commitments and contingencies

A few Group companies (UAB Linas Agro Grūdų Centrai, Kėdainiai District Labūnavos ŽŪB, Sidabravo ŽŪB, and Panevėžys District Žibartonių ŽŪB, Šakiai District Lukšių 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 activity up to 2028, Panevėžys District Žibartonių ŽŪB – up to 2027 November, Kėdainiai District Labūnavos ŽŪB – up to the end of 2030 and 2031, Šakių rajono Lukšių ŽŪB – up to 2030.

AS Kekava Foods received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. AS Kekava Foods is committed not to discontinue broiler breeding, slaughtering and sale of products and compound feed production 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 3,726 thousand as at 30 June 2024 (EUR 3,060 thousand as at 30 June 2023). Group has no plans to discontinue above mentioned operations.

As at 30 June 2024, the Group has guaranteed EUR 5,623 thousand (as at 30 June 2023 – EUR 5,385 thousand) for the third parties to Banks for the granted loans. As at 30 June 2024, the Company has guaranteed EUR 273 thousand (30 June 2023 – EUR 319 thousand) for the Group's companies to Banks for the granted loans.

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 2024 and as at 30 June 2023 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.

During the year 2023/2024 the regulatory institution - the Bank of Lithuania financial market supervision department, carrying out financial market supervision, performed an inspection over Group's consolidated financial statements and other public information, presented to investors.

The Group's management reviewed the conclusions and findings noted in the Bank of Lithuania inspection report and provided answers to the regulatory institution. The decision of the Bank of Lithuania over any potential enforcement measures has not yet been made and further internal evaluation procedures are carried out.

The Group actively communicates with regulatory institution and takes into account all recommendations of the Bank of Lithuania, several recommendations already implemented as at the date management approved these financial statements.

The Group is waiting for the answers and final decisions from the Bank of Lithuania and the management of the Group assess that it is not probable that an outflow of resources embodying economic benefits will be required. If necessary, the Bank of Lithuania could apply possible enforcement measures. Currently sufficiently reliable estimate of the amount of the possible obligation, in case it would be applied, cannot be made.

On 17 November 2023, the Environmental Protection Department under the Ministry of Environment issued a mandatory order to the Group's company, AB Vilniaus Paukštynas, to cease the excessive pollution from its Rudamina division. The company was instructed to notify the department and provide evidence of compliance once the pollution was stopped. On 18 September 2024, the court granted the Company's request for the application of interim measures. The defendant, the Environmental Protection Department under the Ministry of Environment, did not object to the Company's request for interim measures, and the court ruling has entered into force.

In order to prevent potential cases of excessive pollution and manage the associated risks, AB Vilniaus Paukštynas engaged in consultations and discussions with specialists from the Environmental Protection Department and the Environmental Protection Agency. Additionally, the Company prepared and submitted an action and modernization plan, under which it intends to implement measures worth EUR 852 thousand Furthermore, steps have been taken to initiate a new project aimed at connecting one pollution source to another to eliminate uncertainties and risks arising from the Rudamina division's pollution source.

All amounts in thousands of euros, unless otherwise stated 91

32. 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. A close member or the family of the key management personnel is considered to be related parties.

The related parties of the Company and the Group as at 30 June 2024 and 30 June 2023 are listed below.

Akola ApS Group companies:

Name	Place of registration	Type
Akola ApS	Denmark	Immediate parent entity
UAB Darius Zubas Holding	Lithuania	Ultimate parent entity
UAB MESTILLA	Lithuania	Sister entity

Key management personnel:

Key management personnel of the Company and both immediate and ultimate parent entities:

- The Management Board;
- The Supervisory Board;
- The Audit Committee;
- Chief Executive Officer;
- Deputy Chief Executive Officer;
- Chief Financial Officer.

Members of the Management Board	Members of the Supervisory Board	Members of the Audit Committee
Darius Zubas (Chairman of the Board, ultimate controlling shareholder); Dainius Pilkauskas (till 30/4/2024); Arūnas Zubas; Andrius Pranckevičius; Mažvydas Šileika; Jonas Bakšys.	Tomas Tumėnas (Chairman of the Board); Arūnas Bartusevičius (independent councillor); Carsten Højland (independent).	Lukas Kuraitis (independent member of the Committee); Arūnas Bartusevičius (independent member of the Audit Committee)(from 27/12/2023); Skaistė Malevskienė (Independent Member of the Committee); Irma Antanaitienė (until 16/10/2023).

Subsidiaries: See Note 3 for a list.

Related parties through the Company's key management personnel:

- UAB "Dvi T" - 100 % owned by Jonas Bakšys;
- UAB Vividum is jointly owned by Jonas Bakšys and his spouse;
- UAB "Kirtimų logistikos centras" - 100% of the shares are owned by Skaistė Malevskienė's spouse, who is the final beneficiary;
- UAB "Kirtimų logistika" - 100% of the shares are owned by Skaistė Malevskienė's spouse, who is the final beneficiary;
- Urban Properties UAB - 100% of the shares are owned by Skaiste Malevskienė's spouse, who is the final beneficiary;
- Agmesta UAB - 100% of the shares are owned by Skaiste Malevskienė's spouse, who is the ultimate beneficiary.

A close member or the family of the key management personnel is considered to be related parties.

All amounts in thousands of euros, unless otherwise stated 92

32. Related parties' transactions

The Group's transactions with related parties during the financial years ended 30 June 2024 and 30 June 2023:

2023/2024

	Purchases	Sales	Expenses from financial activities	Income from financial activities	Current receivables from related parties	Non-current loans receivable	Non – Current and current borrowings to related parties	Payables to related parties
Akola ApS group companies	3,137	42,097	69	–	268	–	–	272
KG Khumex B.V.	19	22,194	–	–	2,090	–	–	–
KG Khumex Coldstore B.V.	–	–	–	13	–	550	–	–
UAB OMG Bubble Tea	–	–	–	40	40	900	–	–
	3,156	64,291	69	53	2,399	1,450	–	272

2022/2023

	Purchases	Sales	Expenses from financial activities	Income from financial activities	Current receivables from related parties	Non-current loans receivable	Non – Current and current borrowings to related parties	Payables to related parties
Akola ApS Group companies	1,196	43,747	238	–	286	–	3,420	273
KG Khumex B.V.	578	39,589	–	–	4,384	–	–	–
KG Khumex Coldstore B.V.	–	–	–	13	–	750	–	–
	1,774	83,336	238	13	4,670	750	3,420	273

The Company's transactions with related parties during the financial years ended 30 June 2024 and 30 June 2023:

2023/2024

	Purchases	Sales	Expenses from financial activities	Income from financial activities	Current receivables from related parties	Non-current loans receivable	Non – Current and current borrowings to related parties	Payables to related parties
Akola ApS Group companies	–	–	69	–	–	–	–	–
UAB OMG Bubble Tea	–	–	–	40	40	900	–	–
Subsidiaries	1	39,701	1,404	1,187	19.310	3,500	17,335	–
	1	39,701	1,473	1,227	19,350	4,400	17,335	–

2022/2023

	Purchases	Sales	Expenses from financial activities	Income from financial activities	Current receivables from related parties	Non-current loans receivable	Non – Current and current borrowings to related parties	Payables to related parties
Akola ApS Group companies	–	–	238	–	–	–	3,420	–
Subsidiaries	2	10,829	895	843	14,884	84	30,162	4,682
	2	10,829	1,133	843	14,884	84	33,358	4,682

All amounts in thousands of euros, unless otherwise stated 93

32. Related parties' transactions

32. Related parties' transactions / continued

As at 30 June 2024, interest rates of the Company for current loans receivable from related parties are 3.5% and 6,5% (as at 30 June 2023 – 3.5% and 5%), non-current loans receivables from related parties are 6% (as at 30 June 2023, 5,5%).

As at 30 June 2024, interest rates of the Company for current loans payable to related parties are 3-month EURIBOR + 2.2% margin, 6.5% and 5%, interest rates of non-current loans of the Company payable to related parties are 3.2%. As at 30 June 2023, interest rates of the Company for current loans payable to related parties are from 3.5% to 5%, and interest rates of the Company's non-current loans payable to related parties was 3-month EURIBOR + 2.7% margin, and 3.5%.

The Group has a guarantee from the related party Akola ApS under the guarantee agreement.

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 2024 there was no impairment formed for the Group's receivables from related parties. On 30 June 2023 there was an impairment of EUR 300 thousand formed.

<u>The Group's transactions with key management personnel in 12-month period ended 30 June 2024 and 30 June 2023 were as follows:</u>

	2023/2024	2022/2023
Short-term employee benefits - Wages, salaries and other	1,853	1,943
Payment for work in the Management board	83	93
Payments for work in audit committee	2	1
Payments for work in Supervisory Board	67	39
Post-Employment pension and medical benefits	4	4
Share-based payments transactions	56	1,730
	2,065	3,810

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

On both 23 November 2023 and 24 November 2023 Key personnel management have submitted notice to the Company regarding the exercise of the options based under the share-option agreements signed on both 29 June 2018 and 28 February 2020. On 8 December 2023 the Key management personnel acquired 3,879,032 shares (EUR 2,285 thousand). The new Shares are granted free of charge, and they are paid by the Company from the reserve formed by the Company to grant its own shares.

On 24 November 2022 Key personnel management have submitted notice to the Company regarding the exercise of the options based under the share-option agreement signed on 29 June 2018. On 8 December 2023 Key management personnel 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 formed by the Company to grant its own shares.

In a 12-month period of financial year 2023/2024, EUR 590 thousand of dividends were paid to the key management personnel. (In the financial year 2022/2023, EUR 714 thousand of dividends had been paid).

All amounts in thousands of euros, unless otherwise stated

33. Partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Company name	Country of incorporation and operation	30/6/2024	30/6/2023	Company name	Country of incorporation and operation	30/6/2024	30/6/2023
AB Kauno Grūdai	Lithuania	10.41%	10.41%	KG Polska Sp.zo.o.	Poland	10.41%	10.41%
UAB Grybai LT	Lithuania	10.41%	–	Nordic Agro Investment Limited	United Kingdom	10.41%	10.41%
UAB Šlaituva	Lithuania	10.41%	10.41%	UAB Dotnuva Seeds	Lithuania	2.22%	–
UAB Baltic Fumigation Service	Lithuania	10.41%	10.41%	OOO KLM	Belarus	37.28%	37.28%
UAB KG Mažmena	Lithuania	10.41%	10.41%	SIA Dotnuva Seeds	Latvia	2.22%	–
AB Zelvė	Lithuania	27.62%	27.62%	Panevėžys District Aukštadvario ŽŪB	Lithuania	0,46%	0.46%
UAB Jungtinė ekspedicija	Lithuania	2.22%	–	Kėdainiai District Labūnavos ŽŪB	Lithuania	1,05%	1.05%
AB Vilniaus Paukštynas	Lithuania	14.98%	15.07%	Šakiai District Lukšių ŽŪB	Lithuania	1,18%	1.18%
UAB KG Distribution	Lithuania	–	15.07%	Biržai District Medeikių ŽŪB	Lithuania	1,61%	1.61%
UAB Lietbro	Lithuania	14.98%	15.07%	Sidabravo ŽŪB	Lithuania	3,75%	3.75%
UAB Avocetė	Lithuania	14,98%	15.07%	Panevėžys District Žibartonių ŽŪB	Lithuania	0,10%	0.10%
UAB GASTRONETA	Lithuania	–	15.07%	Kėdainiai District ŽŪB Nemunas	Lithuania	32.02%	32.02%
UAB VKP Valdymas	Lithuania	–	15.07%	AS Kekava Foods	Latvia	2.42%	2.81%
Cooperative Baltoji Plunksnelė	Lithuania	16.55%	16.67%	SIA PFK Trader	Latvia	2.42%	2.81%
AB Kaišiadorių Paukštynas	Lithuania	14.69%	15.08%	AB Linas Agro	Lithuania	2.22%	2.94%
UAB Domantonių Paukštynas	Lithuania	10.49%	10.50%	UAB Linas Agro Grūdų Centrai	Lithuania	2.22%	2.02%
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	14.69%	15.08%	SIA Linas Agro	Latvia	2.74%	3.42%
UAB Uogintai	Lithuania	14.69%	15.08%	UAB Gerera	Lithuania	2.22%	2.94%
SIA Kekava Bioenergy	Latvia	2.42%	–	Linas Agro A/S (under liquidation)	Denmark	2.22%	2.94%
UAB Alesninkų Paukštynas	Lithuania	14.69%	15.08%	LLC LINAS AGRO UKRAINE	Ukraine	2.22%	2.94%
UAB KG Logistika	Lithuania	–	15.07%	Linas Agro OŰ	Estonia	2.22%	2.94%
UAB VP Valda	Lithuania	14.69%	15.07%	UAB Geoface	Lithuania	2.22%	1.47%
UAB KP Valda	Lithuania	14.69%	15.08%	SIA Linas Agro Graudu Centrs	Lithuania	2.22%	2.02%
SIA KG Latvija	Latvia	10.41%	10.41%				
KG Eesti OÜ	Estonia	10.41%	10.41%				

All amounts in thousands of euros, unless otherwise stated 95

33. Partly owned subsidiaries

33. Partly owned subsidiaries / continued

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized statement of profit (loss) and other comprehensive income

- Financial year ended 30 June 2024

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Revenue from contracts with customers	309,174	199,944	39,574	31,430	926,117
Net profit (loss)	8,271	6,666	85	388	9,503
Total comprehensive income	8,271	6,666	85	388	9,503
Attributable to non-controlling interests	861	999	12	40	880
Dividends paid to non-controlling interests	1,282	-	-	-	103

- Financial year ended 30 June 2023

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Revenue from contracts with customers	329,899	204,051	47,757	41,486	1,678,012
Net profit (loss)	25,205	(8,192)	1,544	1,748	32,916
Total comprehensive income	25,604	(8,051)	1,544	1,748	32,916
Attributable to non-controlling interests	2,623	(1,235)	233	182	880
Dividends paid to non-controlling interests	1,501	-	-	-	137

Summarized statement of financial position

- Financial year ended 30 June 2024

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Current assets	104,970	34,875	8,758	8,771	440,121
Non-current assets	113,010	35,684	14,369	2,008	123,496
Current liabilities	84,234	43,313	8,482	5,475	324,231
Non-current liabilities	17,457	4,470	2,955	72	83,054
Total equity	116,289	22,775	11,691	5,232	156,332
Attributable to non-controlling interests	4,811	(2,976)	2,271	2,144	10,436

All amounts in thousands of euros, unless otherwise stated 96

33. Partly owned subsidiaries

- Financial year ended 30 June 2023

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Current assets	91,399	25,546	5,782	9,535	500,104
Non-current assets	89,865	44,157	17,356	2,182	219,434
Current liabilities	47,314	43,223	8,382	6,668	380,949
Non-current liabilities	7,768	3,882	1,236	140	44,596
Total equity	132,413	19,142	15,381	7,087	301,656
Attributable to non-controlling interests	6,231	(3,455)	1,862	2,178	7,341

Summarized cash flow statement

- Financial year ended 30 June 2024

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Net Cash flows from (to) operating activities	22,958	1,883	(2,109)	(1,335)	(11,553)
Net cash flows from (to) investing activities	(37,086)	2,940	401	1,276	17,942
Net cash flows from (to) financing activities	13,346	(4,717)	1,727	(178)	(13,063)
Net increase/(decrease) in cash and cash equivalents	(782)	106	20	(237)	(6,674)

- Financial year ended 30 June 2023

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	SIA KG Latvija	Other
Net Cash flows from (to) operating activities	111,009	(6,582)	(240)	(3,292)	(70,673)
Net cash flows from (to) investing activities	(44,433)	1,246	3,734	5,653	(30,036)
Net cash flows from (to) financing activities	(68,500)	5,079	(3,507)	(1,918)	95,894
Net increase/(decrease) in cash and cash equivalents	(1,924)	(258)	(13)	443	(4,815)

All amounts in thousands of euros, unless otherwise stated

34. Subsequent events

34. Subsequent events

02/07/2024	UAB Gerera was removed from the Register of Legal Entities after reorganization.
18/07/2024	AB Linas Agro has signed a EUR 155 000 thousand credit agreement with the AB Swedbank, AB SEB and the OP Corporate Bank plc Lithuanian branch.
2024 July/August	The Company transferred 50,000 of its own shares to employees of the Group under the Rules for Shares Issue.
01/08/2024	The shares of associates KG Khumex Coldstore B.V. and Khumex Holding B.V. have been sold.
07/08/2024	The shares of SIA KG Latvija have been acquired by AB Kauno Grūdai from UAB KG Mažmena.
12/08/2024	The Company sold shares of UAB Sunvesta.
06/09/2024	SIA Linas Agro, an indirectly controlled company of AB Akola Group, has agreed to acquire a company in Latvia - it is buying 100% of SIA Elagro Trade for a preliminary amount of EUR 22,000 thousand. The final transaction price will depend on the net working capital of the target company at the closing date. The shares are to be purchased from Agrolats Holding AS and three natural persons. The transaction, which is subject to the approval of the Latvian Competition Council, should be completed in 2024 or early 2025.
10/09/2024	SIA Dotnuva Seeds has agreed with Swedbank AS on financing the construction and equipment of a seed preparation factory in Latvia. The loan amounting to EUR 7,000 thousand was granted for ten years. AB Akola Group itself became the guarantor of the loan.
24/9/2024	The authorized capital of UAB Dotnuva Seeds was increased by the amount of EUR 3,530,000.
27/09/2024	AB Kauno Grūdai received EUR 5,000 thousand loan from SEB Bank for the construction of the breadcrumb factory in Kėdainiai.
27/9/2024	The authorized capital of SIA Dotnuva Seeds was increased by the amount of EUR 3,177,000.

AB Akola Group

Consolidated annual report

For the Financial year 2023/2024
Ended 30 June 2024

Content

Contact person

Chief Financial Officer	Mažvydas Šileika
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1. CEO’s Foreword

Dear shareholders,

The financial year that ended was a successful year for Akola Group – with strong business performance and acquisitions. The year was characterized by improved risk management. We divested from low-yielding transactions, which led to a decrease in our primary revenue source - grain trading. Our focus is not just on increasing revenue but on doing so profitably. Despite lower volumes and declining revenue, our financial performance was better than the previous year. Our consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) were 18% higher than the previous year. We are satisfied with the financial results for the year, as they align with our long-term financial goals and our strategy of diversifying our activities.

The Food Production Segment's contribution to the overall profitability of the Group is growing stronger. While food production used to operate at a loss, particularly due to challenges in the poultry sector, it has turned around in recent years. For the first time in history, food production outperformed another important area of our business - cooperation with farmers - in terms of profits, which has experienced a decline in sales and profits.

We plan to continue growing our core activities – cooperation with farmers and food production.

When acquiring new companies, integrating new activities and businesses into the Group's overall strategy is a major challenge. However, we have successfully managed this, as evidenced by the merger of four poultry companies in Latvia. Today, all our poultry companies in Latvia and Lithuania work in unison, have joint professional teams, and are managed from a single control center.

In July 2023, at the start of the financial year, we acquired the ready-to-eat food plant Grybai LT in Širvintos. The plant specializes in producing pre-packaged soups, porridges, stews, and cereal dishes. Since we acquired a production unit instead of brands, most of the reporting period was focused on developing our own brands and packaging, preparing for their launch in the market, and seeking partners. As a result, the production unit operated at partial capacity. We are set to introduce the new brands by the end of 2024 and anticipate maintaining our growth in exports.

Our commitment to invest in food industry is further demonstrated by our investment in two promising soft drinks producers - OMG Bubble Tea and Brite. While we are minority shareholders in these companies, we are actively involved in their management, ensuring their continued growth and success. Both companies are undergoing intensive development.

All projects started during the year or ongoing during the year are very important for the future of the company - some of them will pay off in the next financial year.

The construction of the noodle factory in Alytus was completed after the end of the financial year. Our new developments are designed to be sustainable, so the new factory building is A++ energy efficient, and we are installing electric car charging stations. Production is currently being tested, and operations will commence later this calendar year. We plan to double our production of instant foods and are actively preparing for sales. We anticipate that more than 90% of our production will continue to be exported.

Construction of the new state-of-the-art breadcrumb factory in Kėdainiai is set to commence soon and should be fully operational by spring. Once operational, our breadcrumb coatings production capacity will double. We mostly export our breadcrumb coatings outside the Baltic States.

Despite the overall trend in the agricultural sector, our Group has continued to be a reliable partner for farmers. While the segments ‘Partners for Farmers’ and 'Farming' showed a contraction in profits, our services to farmers from a network of grain elevators, fertilizer trading, and the certified seed business all showed gross profit growth. Identifying areas where we could profitably expand, we decided to invest in Latvia in the next financial year, increasing the scale of our operations in the neighboring country. We are starting our investments with a seed preparation factory in Iecava, Latvia, which we plan to build within a year and open in the summer of next year. The seed production and marketing business is one of the most promising activities, and having another seed production plant will further enhance our role as a helpful partner for farmers in Latvia and Estonia –the supply of varieties will increase, and seed delivery times and logistics costs will reduce.

Our commitment to sustainability is a key aspect of our business strategy. In the past financial year, we made two significant investments in infrastructure for servicing agricultural machinery. These investments not only strengthen our service to farmers in the regions but also demonstrate our dedication to sustainable practices. We opened two agricultural machinery sales and service centers - one in Lithuania, near Šiauliai, in October and another in Latvia, in Jekabpils, in April. The center in Šiauliai is a prime example of our sustainability efforts, being fully energy independent, with geothermal heating and capillary cooling systems, a solar power plant, and charging stations for electric vehicles. Similar solutions have been implemented in Jekabpils. We are also using solar energy in older buildings - during the reporting period, we installed solar power plants in Dotnuva and Kekava. Thanks to our own solar power plants, we generated 4,501 MWh of energy during the year – 5% of the total electricity consumed by the Group was generated by own solar panels. More than 20% of the Group's energy consumption is renewable energy.

We are currently considering two biogas plants, which would revolutionize waste management. These plants would produce biomethane from poultry and agricultural waste and feed it into the gas distribution network. The first plant in Šakiai district is already under construction, and we are considering building another plant near the Kaišiadorys poultry company. Anticipated to be fully operational by 2025 and 2026, these biogas plants would annually produce an impressive 122 GWh of renewable energy in the form of biomethane each year, saving around 42,000 tons of CO_2 annually.

We are committed to maximizing the potential of biogas plant in Šakiai district by recycling the substantial organic waste generated by our milk farms, which house over 3,000 cows. Our dedication to efficiency is evident in the exceptional performance of our dairy farms, with two of them consistently ranking among the top three most efficient Lithuanian dairy producers. In 2023, the agricultural companies Šakiai District Lukšių ŽŪB and Sidabravo ŽŪB shared first and second place. As we look ahead to 2024, we are confident that our farms will continue to lead the way in sustainable and efficient agricultural practices.

Our companies are either leaders in their field or strive for leadership. I am optimistic about the robustness of our integrated business model and the flexibility of our corporate teams, which are successfully adapting to a fast-changing world. Thank you for your partnership and I pay tribute to the more than 4,900 Group employees. And thank you, dear shareholders, for the trust you have placed in our company.

Warm regards,

Darius Zubas, CEO

2. Key Data about the Company and the Group

This Annual Consolidated Report has been prepared on the basis of the results of operations for the financial year 2023 /2024 and all figures are presented as at 30 June 2024, unless otherwise stated.

All financial data presented in this consolidated annual report are calculated in accordance with International Financial Reporting Standards as adopted by the EU, based on audited financial statements.

The preparation of the company's financial statements, internal control and financial risk management systems are monitored and managed based on the legal acts governing the preparation of financial statements.

The Company's auditor is UAB "ERNST & YOUNG BALTIC". During the period from 1 July 2023 to 30 June 2024, the Group purchased audit services from an audit company for the amount of EUR 553 thousand and non audit services related to tax consultations for the amount of EUR 4 thousand.

AB Akola Group (formerly AB Linas Agro Group), together with its directly and indirectly controlled entities (hereinafter - subsidiaries), is the largest agri-food group in the Baltics, operating across the entire food production chain.

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

The Company itself has only a management function and does not engage in trading or manufacturing activities. The Company has no branches or representative offices.For the purposes of this announcement, AB Akola Group may also be referred to as the Company and the Company together with its subsidiaries as the Group.

Company name	AB Akola Group (AB Linas Agro Group until 4/12/2023)
Legal form	Public limited company
Date and place of registration	27 November 1995, Panevėžys
Code of legal entity	148030011
LEI code	529900UB9QON717IL030
VAT identification number	LT480300113
Company registers	State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)
Registered office address	Subačiaus St. 5, LT-01302 Vilnius, Lithuania
Phone	+370 663 83888
Email	info@akolagroup.lt
Website	www.akolagroup.lt
Bank account	LT077044060002637111, AB SEB Bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	AKO1L
Start of the financial year	1 July

As at 30 June 2024 AB Akola Group had:

4,959 Employees

64 Subsidiaries

1 Joint-stock venture

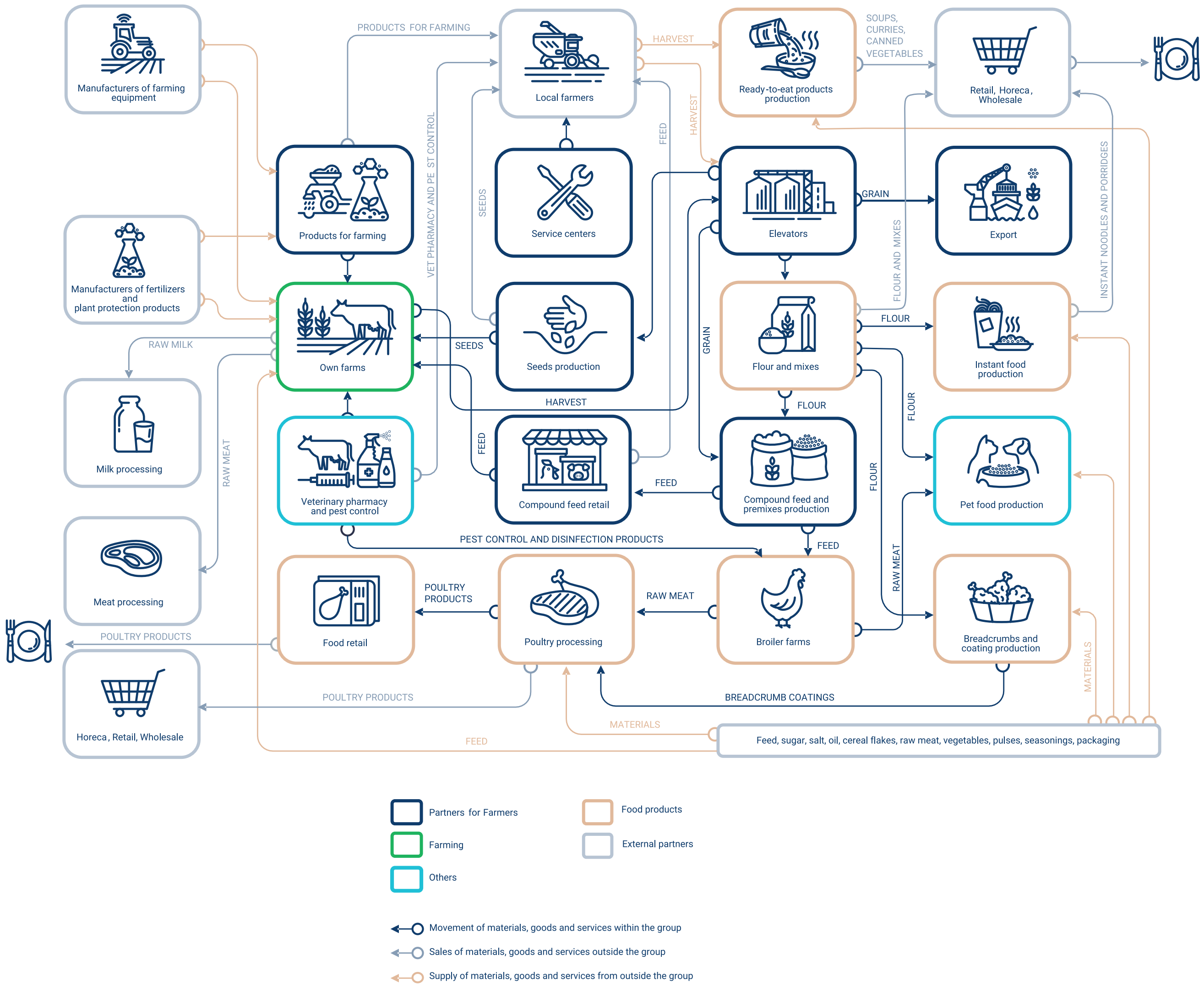
3 Associate companies

2.1. The Group's business model

The Group aims to be among the top three agricultural partners in all the Baltic States, to have a sustainable agricultural business, and to become more visible on the international market as a producer of wholesome and varied food.

The Group's core products are grain, oilseed, compound feed, feed materials and additives, milk, poultry meat and poultry products, flour and flour products, instant food and ready-to-eat food, pet food, veterinary pharmaceuticals, and goods to the farmers.

The field-to-table production chain provides self-sufficiency in raw materials, ensures process traceability and the quality of the products produced.



Vision

New era of sustainable agriculture and nourishing food.

Mission

Unlocking the potential of the agriculture and food industry.

3. Overview of the Group's Performance and Finances

Significant player in food value chain in the region

Revenue

1.5

Billion EUR

In Fiscal Year 2023/2024

- The largest agribusiness and food production group in the Baltics.
- One of the largest exporters of Lithuanian cereals in Lithuania and Latvia.
- The largest producer of poultry meat in Lithuania and Latvia.
- A major dairy producer in Lithuania with the most efficient dairy farms.
- One of the leading suppliers of certified seeds, fertilizers, plant care products and agricultural machinery to farmers in Lithuania.
- Leader in the production of instant foods in the Baltic States.

299 kt fertilizers sold

16 kt plant health products sold

3,226 cows

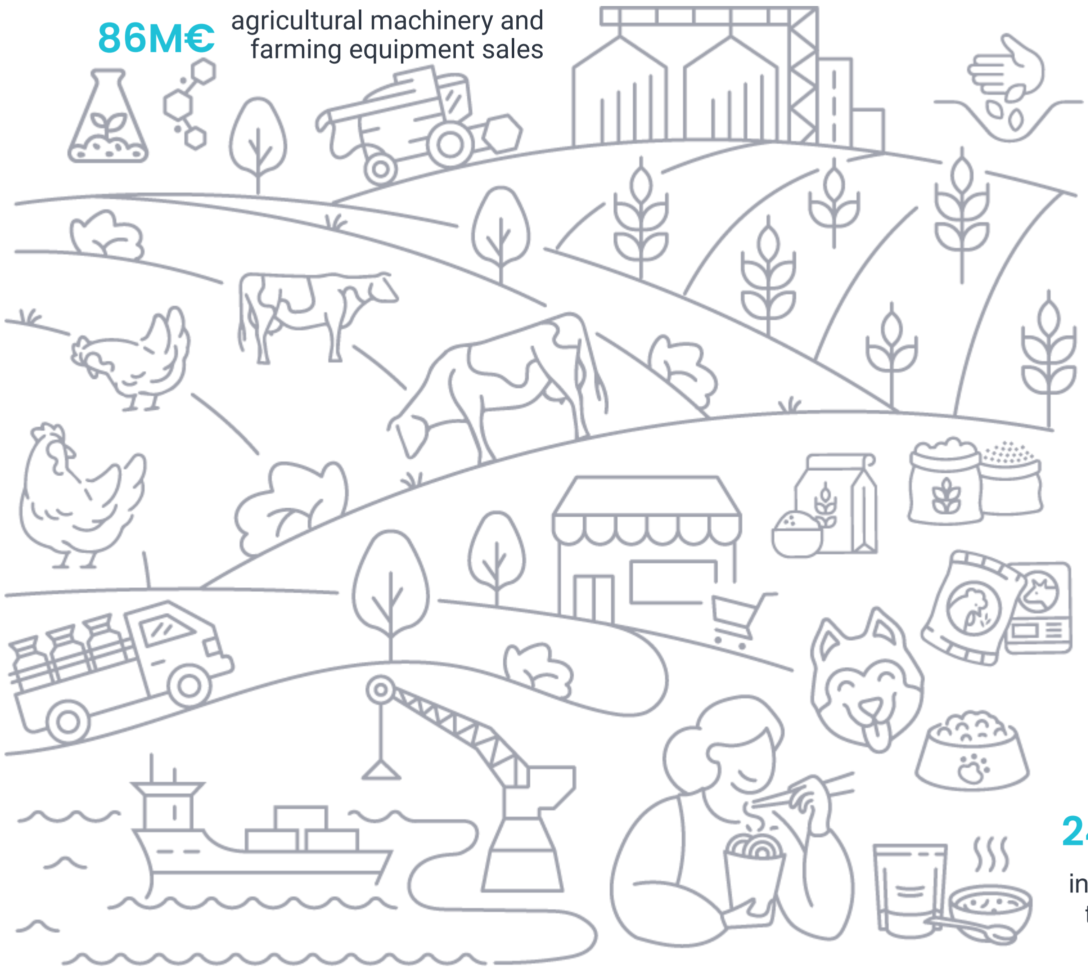
58 M broilers raised

100 kt poultry and its products sold

38 kt milk production

1.5 M t grain exports

86M€ agricultural machinery and farming equipment sales



32/35 kt prepared/ sold seeds

128 kt crop production

44 kt flour and flour mixes sold

300 kt compound feed sales

10 kt pet food sold

241 M units instant and ready-to-eat foods sold

Explanation of terms

EBITDA	Equals operating profit before depreciation, amortization and impairment losses.
Operating profit	Equals profit before net from investments and finance activities, and income tax.
Profit before tax (EBT)	Equals profit before income tax.
Profit margin for the period	Profit of the period expressed as a percentage of total revenue.
Net financial debt	The amount of cash and cash equivalents has been deducted from non-current liabilities, current liabilities to financial institutions and lease liabilities.
Capital employed in the company's activities	The sum of equity and long-term and short-term liabilities to financial institutions.
Current solvency, coefficient	Current assets divided by current liabilities.
Debt/Equity ratio	Long-term and short-term liabilities as a percentage of Shareholders' equity.
Return on equity (ROE), %	Net profit for the period as a percentage of average Shareholders' equity for the period.
Return on capital employed (ROCE), %	Operating profit (EBIT) for the period expressed as a percentage of capital employed for the period. The value of the denominator is calculated as the sum of equity attributable to shareholders, long-term and short-term loans as well as leasing liabilities not related to right of use assets.
Profit/price 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.

3.1. Financial Indicators

EUR thousand, unless otherwise stated	2019/2020	2020/2021	2021/2022*	2022/2023***	2023/2024
Sales in tons	2,233,808	3,155,329	3,689,585	3,708,821	3,025,143
Revenue	657,700	942,442	1,895,667	1,999,617	1,506,238
Gross profit	45,664	51,201	188,859	130,330	151,116
Gross profit margin, %	6.94	5.43	9.96	6.52	10.03
EBITDA**	25,923	33,401	132,173	62,407	73,547
EBITDA margin, %	3.94	3.54	6.97	3.12	4.88
EBITDA (excluding the impact of IFRS 16)	23,860	29,267	127,113	59,072	66,987
EBITDA margin (excluding the impact of IFRS 16), %	3.63	3.11	6.71	2,95	4.45
Operating profit	14,827	19,467	103,619	33,853	46,096
Operating profit margin, %	2.25	2.07	5.47	1.69	3.06
Profit before tax (EBT)	11,931	16,797	90,841	18,121	26,991
Profit before tax margin, %	1.81	1.78	4.79	0.91	1.79
Net profit	10,004	14,189	77,257	14,324	24,913
Net profit margin, %	1.52	1.51	4.08	0.72	1.65
Readily marketable inventories (RMI)	13,735	21,224	26,798	37,689	17,823
Current ratio	1.31	1.44	1.25	1.25	1.28
Debt/Equity ratio	1.24	1.15	2.12	2.04	1.84
Net financial debt / EBITDA	5.38	3.23	2.08	5.05	4.10
RMI-adjusted net financial debt /EBITDA	4.85	2.66	1.90	4.51	3.88
Return on equity to shareholders, %	5.52	7.23	27.60	4.90	7.98
Return on capital employed in the company's activities, %	4.77	6.61	18.97	5.80	7.83
Return on assets (ROA), %	2.47	3.37	8.85	1.62	2.81
Basic and diluted earnings per share (EPS)	0.06	0.09	0.46	0.09	0.15
Price earnings ratio (P/E)	9.37	9.19	2.48	15.22	7.87
Dividends for the financial year paid per share, in euros	-	-	0.0312	0.0259	-
Dividends paid for the financial year to net profit of the period, %	-	-	6.47	29.11	-

* 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.

** Excludes depreciation of EUR 2,647 thousand (EUR 2,567 thousand for the financial year 2022/2023; EUR 2,229 thousand for the financial year 2021/2022, and EUR 2,186 thousand for the financial year 2020/2021) on biological assets (crops) sold during the period and related to the previous period (for the other comparative periods, the impact of such depreciation was not material).

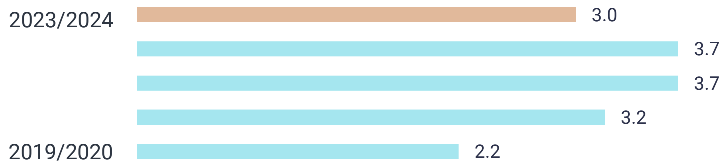
*** Taking into account the best practice of application and implementation of International Accounting Standards (IAS) and in order to achieve a better comparability of the Group's financial results with other international companies of a similar type of activity, a retrospective correction was carried out. The changes are related to the application of IFRS 13 Fair Value Measurement (International Financial Reporting Standards). These standards present the principles of fair value measurement of biological assets and describe the data to be used from market transactions and market information. The most appropriate observable and unobservable inputs have been reviewed in the measurement of certain units of biological assets, for which there was no liquid and readily available market data information, in order more accurately reflect the fair value of biological assets. Changes were made retrospectively, i.e. adjusting the comparative 2022/2023 financial information. The implemented changes did not affect the Group's cash flows, and the fair value of biological assets decreased by 6 million EUR, the cost of sales increased by EUR 6 million EUR, the net profit decreased by 5.1 million EUR for the year ended 30/6/2023. Detailed information about the implemented changes and their influence on individual articles of the statement of financial position and statement of profit and loss and other comprehensive income is provided in Note 2.22 of the consolidated and the Company's annual audited financial information.

The consolidated revenue of Akola Group for the financial year 2023/2024 exceeded EUR 1,506 million and was 25% lower than in the corresponding period of the previous year. The group sold 3,025 thousand tons of various products, or 18% less than in the same period last year. Gross profit increased by 16% to EUR 151 million and operating profit by 36% to EUR 46 million. Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 73.5 million, 18% higher than the previous year. Net profit increased by 74% to EUR 25 million.

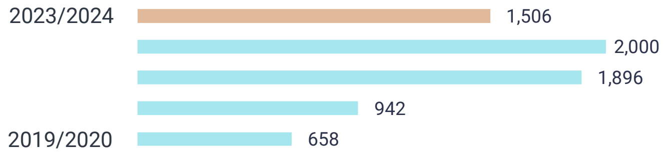
Comparison of results

Over five reporting periods

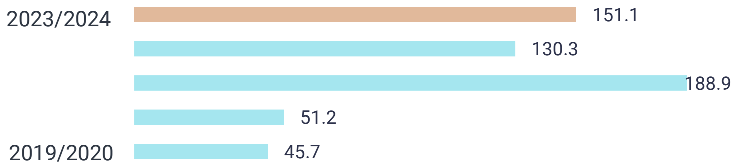
Production sold, million tons



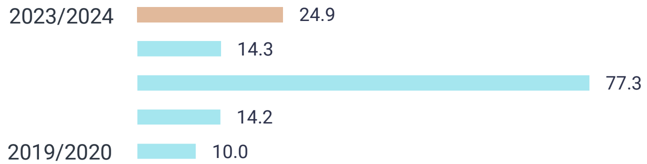
Revenue, MEUR



Gross profit, MEUR



Net profit, MEUR



3.2. Overview

Impact of food and other input prices on the Group's operations

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:

Operating Segments	Activity category	Prices					
		Cereals, oilseeds, feed ingredients	Milk	Meat	Energy resources	Industrial metals	Cost of borrowed capital
Partners for farmers	Grain storage and logistics services				•		
	Trade in cereals and oilseeds	•					•
	Feed business	•			•		
	Supplying seeds, plant protection products and fertilizers to farmers	•			•		•
	Provision of agricultural machinery, spare parts, servicing and rental services to farmers				•	•	•
	Other services for farmers					•	
Farming	Growing cereals, oilseed rape, sugar beet and other crops	•			•		
	Dairy production and beef cattle farming	•	•	•			
Food production	Poultry farming business	•		•	•		
	The business of manufacturing fast-moving products	•			•		
	The business of manufacturing flour and flour mixtures, breadcrumbs and breadcrumbs	•			•		
Other products and services	Trade in veterinary medicines, production of pet food, etc.	•			•		

- Significant influence

2024/2025 harvest early indications

The activity of the Group companies within financial year 2023/2024, was to high extent shaped by the outlook and indications for both - materializing 2023/2024 (please refer to previously published reports of the Group) and coming 2024/2025 GRAIN & OILSEEDS harvest. At the date of publication of this report, 2024/2025 harvesting has already progressed, enabling the preliminary outline of the financial year 2024/2025.

2024/2025 harvesting progress and expectations:

- so far based on condition of completed, as well as approaching harvesting crop – indications of 2024/2025 output look optimistic; based on 2024 September data provided by International Grains Council (IGC) - the **world grain production** is expected to pencil in another record year, delivering 2,315 million tons harvest compared to 2,304 million tons estimate for 2023/2024 (+0.5%):
    - without predominant impact from one producing country, increases for United States, Canada, Kazakhstan, China, India, Pakistan, including higher expectations for Australia, Argentina, harvest shall ensure offset of decreases from Russia, Ukraine, Europe, expecting world wheat production result to be potentially the second largest on record;
    - IGC projects global maize output in 2024/2025 to stay close to last season's record, attributing mainly to strong results in Brazil and broadly favourable conditions in China;

- the **world oilseed production** is also aiming for another record, delivering 687 million tons harvest (compared to 658 million tons estimate for 2023/2024), connected with anticipated soya output peak and projected production increases for United States, Argentina, also Brazil; estimate for high-oil content seeds indicates minor uptick in rapeseed production and somewhat more noticeable drop in global sunflower seed output, mainly related with adverse weather conditions in Ukraine, Russia, Europe;

- **consumption** for both – coarse grain and oilseeds is set to increase, yet stock to use ratios for two categories will continue diverging into different directions (coarse grain stock-to-use ratio is seen the lowest since 2012/2013, oilseeds – highest since 2018/2019); wheat and maize shall be absorbed in full, slightly exceeding production amounts and adding up to again lower **inventory level** y-o-y, while oilseeds inventories on the contrary - shall be further piling up;

- regardless of different availabilities, both categories were dominated by a lower **price environment** so far; while downward tendencies for soya are quite well explained with abundant supply, coarse grains shall theoretically have more potential for future recovery, though perhaps limited by the fact that (despite lower anticipated harvests) - Russian wheat outputs shall remain significant enough to keep this cheaper origin in leading exporter seat; overall, excluding some short-lived price increases in Apr-May, 2024 (*mainly related with spring dryness and May frosts in Russia, as well as concerns over setting in EU, South America*) and Aug-Sep, 2024 (*mainly related with further Russian war action and escalation of the Black sea conflict*) - conditions globally are considered more or less favourable and lately increasing seasonal availability from ongoing harvests in the northern hemisphere continues pressuring cereal prices after the end of the reporting period.

- According to unofficial data of farms and analysts, the grain harvest of 2024 might be one of the largest, reaching approx. 13.5 million tons in three **Baltic countries** altogether, 7.5m million tons of which allocating to Lithuania; such early projections does not estimate impact of end of July, 2024 storm in Lithuania, though expectations remain more or less positive.

Price actualities of other essential positions

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:

- **vegetable oil** – while continuously demonstrating positivity in combined vegetable oils category, specifically prices of sunflower and rapeseed oils showed some price nervousness coming closer to the publishing date of this report, largely reflecting harvesting pressures, as well as potential slowdown in global demand;

- **energy:**
  - ongoing hostilities near key **natural gas** transit station in Sudzha (Russia's Kursk region, close to the border with Ukraine) converted itself into inclines of European natural gas futures values in Aug, 2024; still, latter illustrated no drastic change in the curve, as for the interest of all parties Russian gas continues to flow through Ukraine and potentially will do so until the gas transit agreement expiration at 2024 year end; overall it's fair to say, that despite increases lately, European natural gas prices shall be considered both - relatively stable, as well as affordable during the latest financial year, relating mainly to solid Europe's gas storage inventories in the recent past (filled approx. 77% at the end of both - FY 2022/2023 and FY 2023/2024, in comparison to approx. 58% at the end of FY 2021/2022);
  - United States **crude oil** inventories at it's lows, supply concerns from other extraction points, , expectations towards future purchase increases from TOP oil importer China – were factors recently supporting crude oil price increases; still, in combination with Middle East conflict escalation risks going back and forth, the overall trend remains difficult to define; despite that, throughout the reporting period Brent crude oil futures values were conveniently fluctuating in somewhat isolated (even if elevated) corridor of 75-90$ per barrel;
  - meanwhile – while average monthly wholesale **electricity** prices in Lithuania demonstrated occasional variations throughout the reporting period (playing in the wide range of 60-120 EUR per MWh), such were still far away from extreme hikes back in 2022;

- despite far-off the highs recorded in 2022, the European **milk** prices stayed relatively stable lately, while Lithuanian market seen ongoing declines until the end of FY 2023/2024, demonstrating characteristics typical of a small market with intense competition and causing continuous headaches for the local farmers; and despite returning positivity in the beginning of FY 2024/2025, in Lithuania FY 2023/2024 prices were roughly 13 percent lower compared to prices withing FY 2022/2023 (please refer to graph 'Purchase prices for basic parameters milk in Lithuania');

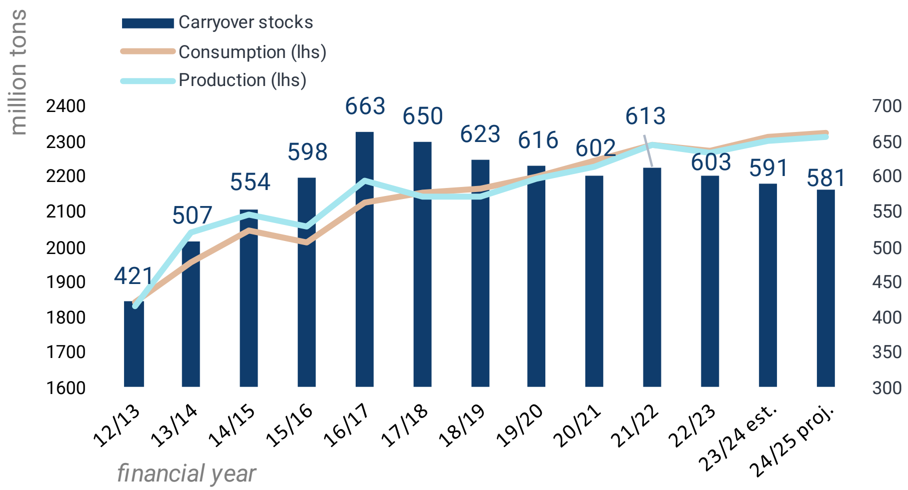
- average **poultry** prices were looking fine lately – presenting very satisfactory spread between continuously quite stable average broiler carcass prices in Europe and more expensive chicken parts (please refer to the graph 'Fresh fillet price dynamics in Poland' below, illustrating the price of the most profitable poultry product). Production in EU markets seems to be stable and high (or close to maximum capacities), demand is meanwhile increasing, seeing continuous consumer preference for poultry meat; on top of that – the pace of European exports in the beginning of 2024 was higher, compared to the pace of imports into Europe, in the meantime noticing slightly different import countries composition (less cheap origin), explaining favourably higher prices; latter, in combination with lower feed costs seems to be supporting the business case in the sector lately, though further favourable price dynamics are indeed not guaranteed; while there is a potential for positive effect of European import quota for Ukraine (into force since June, 2024 until June, 2025), one can fear over other shifts in trade flows coming as well (lower imports by China, might cause pressure on cheaper cuts price, coming from quantities of China's key suppliers, such as United States, Brazil, Russia); also, additional future price pressure factors could be - sports events (such as Olympic games, football championships) driven consumption cool-off, increasing capacities by competitors, including possibilities of transition between different livestock;

- central banks campaign of consecutive interest rate increases resulted in elevated cost of investments, as well as financing of working capital for two years already; after market's well predicted interest rate cuts by ECB in June and September of 2024, the number and severity of subsequent cuts is redebated by investors again and again, lately changing especially often in the context of US economy health and speculations around further FED's action (*finally initiated first "post-pandemic" cut in September, 2024*); anyhow, gradually decreasing Group companies' **borrowed capital** expense in already started financial year is considered a base case (*only materiality of it remains a question*).

Figures as per data provided by International Grains Council (IGC)(19 September, 2024), United States Department of Agriculture (USDA) (12 September, 2024), Food and Agriculture Organization of the United Nations (FAO) (6 September, 2024), Baltic statistical offices and unofficial statements by grain buyers and exporters.

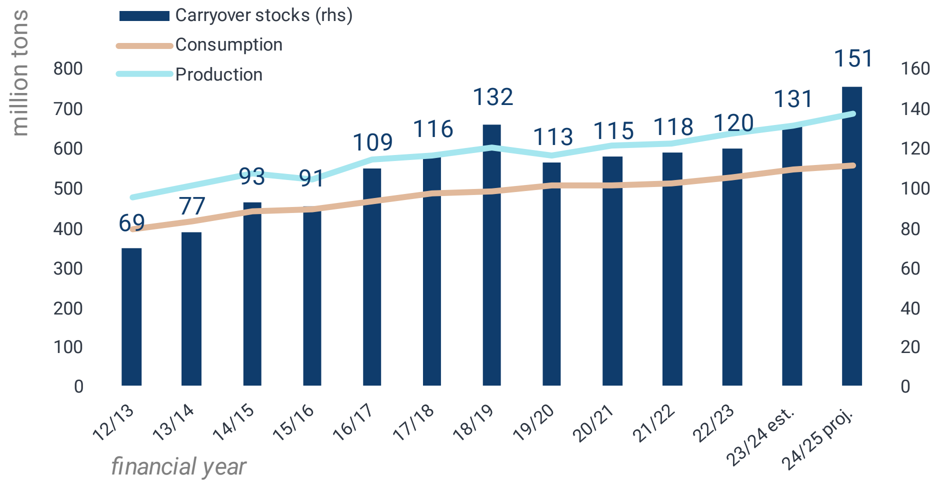
World Grain Production

Data: International Grains Council IGC

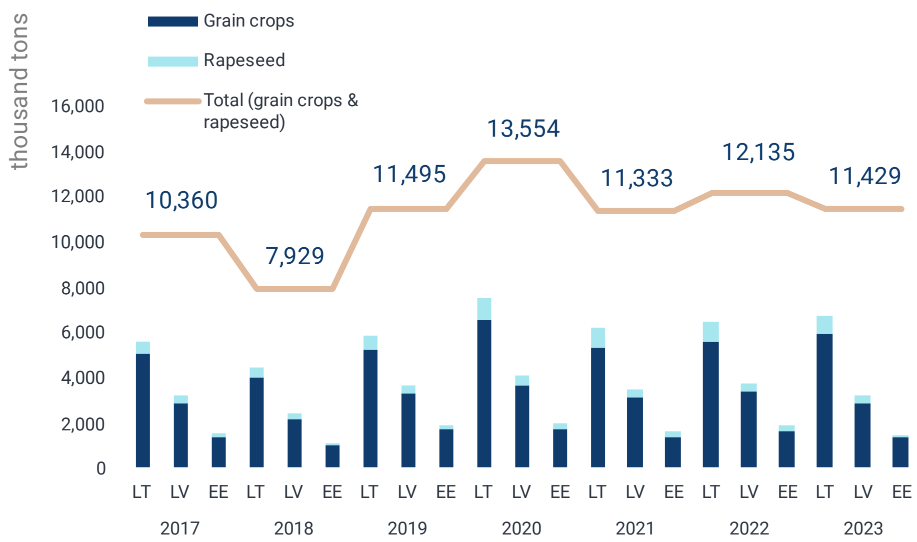


World Oilseed Production

Data: United States Department of Agriculture

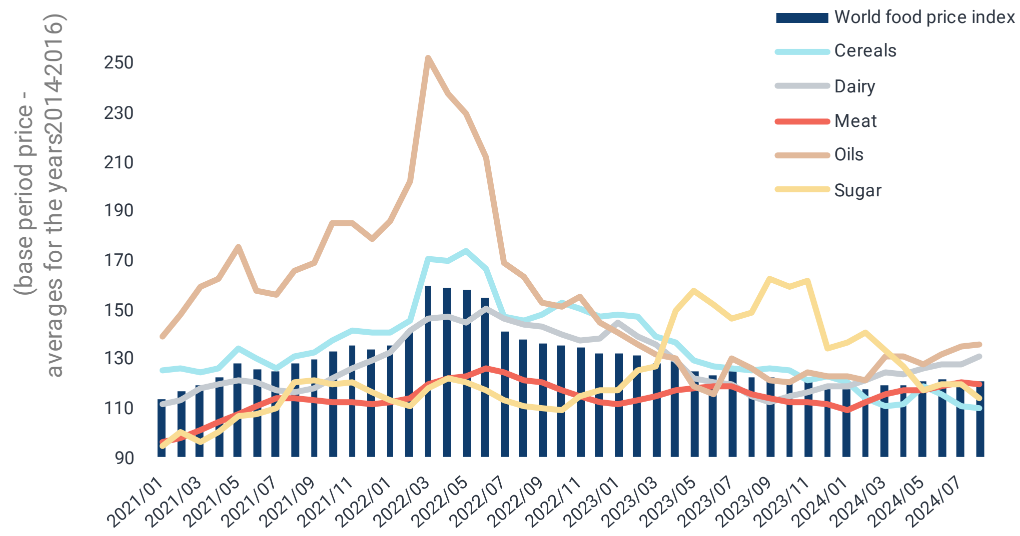


Grain and Rapeseed Yields in the Baltics

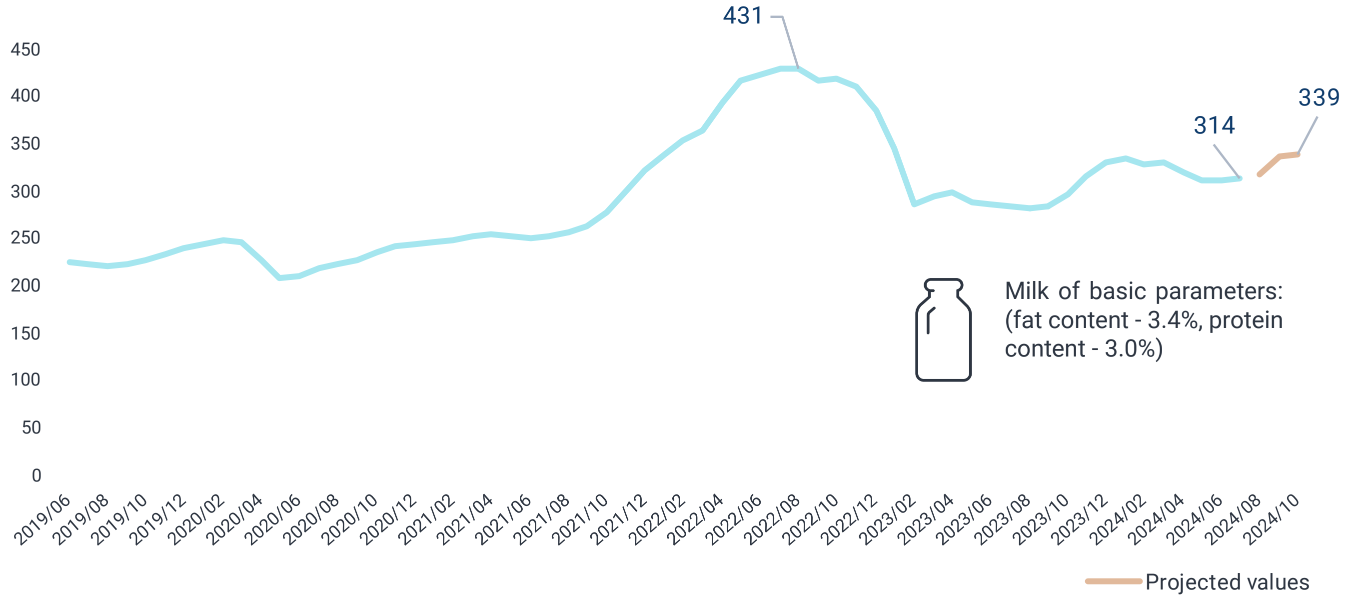


Global food price dynamics 2021-2024

Data: Food and Agriculture Organization of the United Nations

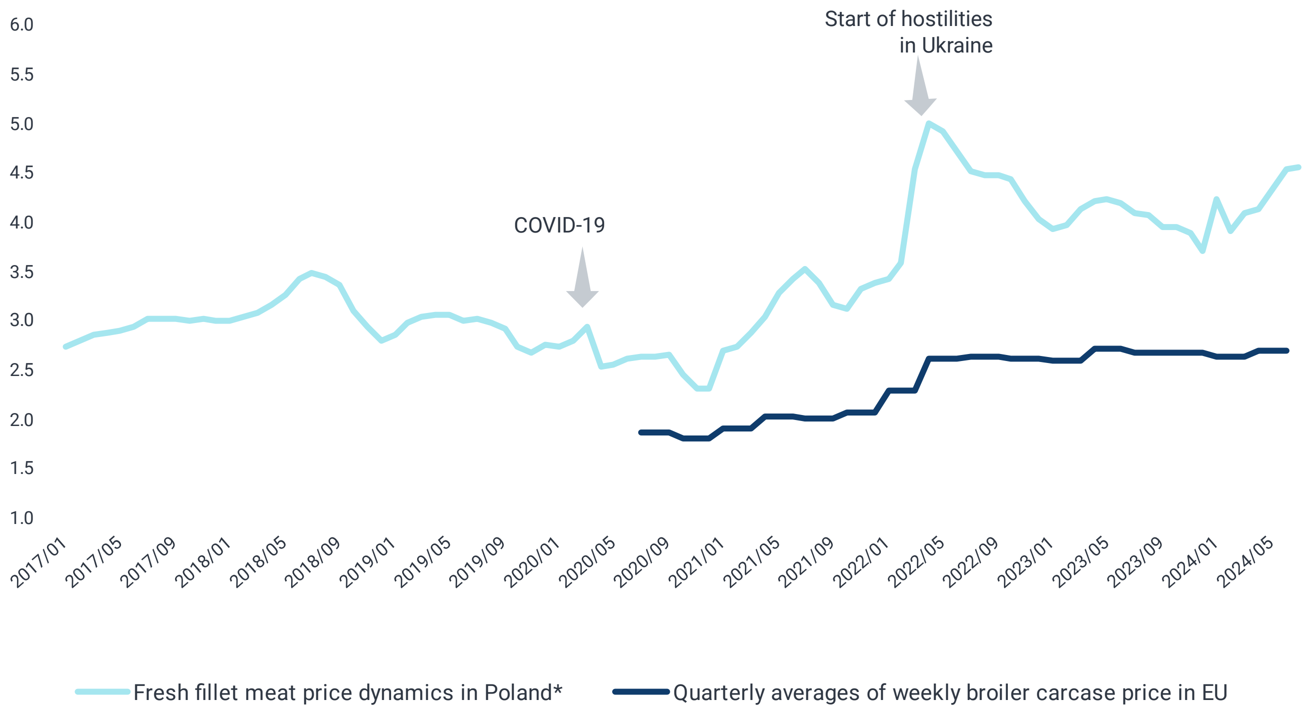


Milk purchase prices for basic parameters milk in Lithuania



Data:
State Enterprise Agricultural Information and Rural Business Centre (EARICBC)

Price volatility of fresh fillet meat in Poland*



Data from: Polish Ministry of Agriculture and Rural Development.

*Poland is one of the main exporters of poultry meat, accounting for around 20% of EU poultry meat production

3.3. Segment Performance

At the beginning of the 2023/2024 financial year, the Company's Management reviewed the principle of segmentation of the Group's activities and simplified the structure, adapting it better for Group's strategic vision implementation assessment, emphasizing circularity. The main change is merging the previously applied segments 'Grains, oilseeds, and feed' and 'Products and services for farming' into one segment and renaming it 'Partners for farmers,' providing concentrated information on farmer-related activity, excluding the farming itself. Other segments, apart from the slightly changed name, remained unchanged:

- The 'Partners for farmers' Segment include the trade of wheat, rapeseed, barley, and other grains and oilseeds, including wheat, rapeseed, maize, and other grains and oilseeds, sun cake and sun meal, soy meal, vegetable oils, other feedstuffs, compound feed, premixes, fertilizers, seeds, plant protection products, agricultural machinery and equipment, grain storage and livestock farms equipment. It also includes grain storage, logistics, machinery services, and other services to farmers and farming companies;
- The segment 'Farming' covers agricultural activities, including the rearing of livestock and milk production, the production and sale of crop products such as cereals, oilseed rape, and other crops, and the sale of milk and livestock. Milk is sold to local dairy companies; part of the other production is used within the Group and part is sold;
- 'Food production' Segment covers the whole cycle poultry business (incubation of hatching eggs, broiler rearing, production and retail sale of poultry and its products, feed manufacturing for self-supply), the production and wholesale of flour and baking mixes, instant foods, ready-to-eat foods - soups, stews, vegetables, and pulses; production of breadcrumbs and breading mixes;
- The 'Other products and services' Segment includes trade in pest control and hygiene products, production and sales of extruded products, including pet food, sales of veterinary pharmaceuticals, provision of fumigation and sanitation services.

Operating profit (loss) by Segments

NOTE: information in the brackets provide reference to activity segmentation applied until financial year 2023/2024.

Historical Segment Operating Profit and Loss figures have been restated based on the new segment structure.

thousand EUR	2020/2021	2021/2022[1]	2022/2023	2023/2024
Partners for farmers ('Grain, oilseeds, and feed' and 'Products and services for farming')	14,084	95,259	33,325	19,595
Food production ('Food products')	(2,340)	(1,566)	7,293	20,450
Farming ('Agricultural production')	11,339	15,734	4,907[2]	6,049
Other products and services ('Other activities')	(3,491)	(5,808)	(11,672)	2

[1] To ensure a more accurate representation of operations, the Company has revised the methodology for allocating exchange losses/gains to the result of financing activities in the Company's and the consolidated financial statements, resulting in an adjustment to the operating profit figures for the comparative period 2021/2022.

[2] retrospective correction of 2022/2023 figures was carried out in relation to application of IFRS 13 Fair Value Measurement; detailed information about the implemented changes and their influence on individual articles of the statement of financial position and statement of profit and loss and other comprehensive income is provided in Note 2.22 of the consolidated and the Company's annual audited financial information.

Partners for Farmers

since 1991

Share of revenue in Group's portfolio

76%

Revenue, thous. EUR	1,137,745
Gross profit, thous. EUR	81,635
Operating profit, thous. EUR	19,595

The main export commodities are Lithuanian and Latvian wheat

607 thousand tons of cereals and other agricultural raw material storage capacity

296 thousand tons ports' storage capacity

12 feed retail outlets

336 thousand tons annual production capacity for compound feed, premixes at the own factory in Lithuania (Kaunas, Alytus)

30 thousand tons - total annual seeds production capacity

194 thousand tons storage capacity for seeds, fertilizers, and plant health products

16 trading points

13 technical service points

- Grain storage and logistics services
- Trade in grain, oilseeds and raw materials for feed
- Compound feed and premixes production and sales
- Seed preparation in own seed preparation factory
- Supply of seeds, plant protection products, fertilizers for 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

Operating Companies

In Lithuania: AB Linas Agro, UAB Linas Agro Grūdų Centrai , UAB Jungtinė Ekspedicija, AB Kauno Grūdai, UAB KG Mažmena, UAB Agro Logistic Service, UAB Geoface, UAB Dotnuva Baltic, UAB Dotnuva Rent, UAB Dotnuva Seeds.
In Latvia: SIA Linas Agro, SIA Linas Agro Graudu Centrs, SIA KG Latvija, SIA Dotnuva Baltic, SIA Dotnuva Seeds.
In Estonia: Linas Agro OÜ, AS Dotnuva Baltic.
In other countries: LLC LINAS AGRO UKRAINE (Ukraine), KG Polska Sp. zo.o. (Poland), OOO KLM (Belarus)*.

* Company for sale

Manufacturers & brands represented

Agricultural machinery, spare parts, equipment for grain cleaning, drying and storage complexes and livestock farms – 'Kverneland', 'Cimbria', 'Quicke', 'Case IH', 'Einbock', 'Bin', 'Agrifac', 'Siloking', 'Shaffer', 'Swimer', 'Boumatic', 'Arska', 'Mandam', 'Agrisem', 'MacDon', 'Wielton', 'Jeantil', 'Kongskilde', 'Symaga', 'Pellon', 'Roka', 'Spinder', 'CMP Impianti Srl'; 'Champion', 'Field Bee', 'UMEGA', 'Rotar'. **Regulated drainage system** - 'Ecodrena'. **Seeds, plant protection products, fertilizers** – 'Syngenta', 'Adama', 'Rapool', 'Yara', 'Ekoplon', 'Novagra', 'Nando', 'Haifa', 'Daymsa', 'Agritechno', 'OCP' / 'Helm', 'Granmax', 'UHB Agro', 'Rosier', 'Achema', 'LV Agro', 'BASF', 'Corteva', 'Bayer', 'Nufarm', 'KWS', 'Agronutrition', 'Van Iperen', 'Sicit GROUP', 'IKAR', 'Tracegrow', 'Nordkalk'.

Own trademarks

Certificates

UAB Dotnuva Baltic, SIA Dotnuva Baltic and AS Dotnuva Baltic have joined the Case IH international quality network Red Excellence, which brings together companies representing the Case IH brand in Europe. Dotnuva Baltic also holds a certificate of qualification to be a contractor for the construction of special buildings.

Grain Storage and Logistic Services

Activities include the preparation of grain in grain storage facilities (cleaning, drying, storage, reloading) and logistics services. The Group's companies have elevators in Lithuania (19) and Latvia (6).

The main cost components of this business are human resources, energy and transport costs, while the quantity and quality of the local harvest, the location of the network of elevators and the infrastructure available to the farmers also have a significant impact on the profitability of the category.

During the reporting period:

- compared to the previous year the Group's **elevators** in Lithuania and Latvia together received a similar volume of grain; the harvesting period was prolonged due to the wet weather, and consequently, the grain delivered at the beginning of the harvesting period was wetter than usual; these factors enabled the Group to generate more income from drying services, as well as to manage the flow of grain delivered to the elevators more smoothly, and to make more efficient use of the existing fleet of railway wagons; at the closing date of the reporting period - the grain residue in the elevators accounted for approx. 10% of the total elevators’ capacity, being less than quantities a year ago;
- although storage income stayed relatively consistent, revenue generated by the Group's elevators increased due to the additional services provided (mainly drying); energy costs stayed at the similar level proportionally, though inflationary moods were mostly visible in the remuneration expense line; regardless of aforementioned – gross profitability margin of the category was in line with results a year ago.

Grain storage and logistic services	2022/2023	2023/2024	Change, %
Quantity of grain received, thousand tons, of which:	828.8	802.5	(3.2)
wheat, %	73	75	↑
rapeseed, %	14	14	-
barley, %	6	6	-
Revenue, thousand EUR	10,385	13,222	27.3
Gross profit (loss), thousand EUR	8,582	11,061	28.9

Partners for Farmers

Grain and Oilseed Trading

Wheat, barley, maize and some other cereals are called "grains", rapeseed, sunflower and linseed – “oilseeds”.

A large part of this segment's activity consists of trade in cereals grown in Lithuania and Latvia, as well as trade in Ukrainian harvests.

The main export destinations are Norway, Belgium, Finland, Spain, Poland, Germany, Nicaragua, Kenya, Morocco, etc. The results of the category are significantly influenced by the dynamics of the local and global harvest, competitive environment, demographic, as well as macroeconomic and geopolitical factors.

During the reporting period:

- although the quantities of grain accepted by the own elevator network remained similar, taking into account the additional purchases through the ports, the total quantities of grain purchased by the Group companies were lower than in the corresponding period a year ago; this contraction is related with weaker 2023 harvest results in Latvia, as well as with overall tactical decisions dictated by the market;
- **wheat** remained the leading crop with a dominant class II; as every year, **rapeseed** trade was active as well, the quality and oil content of the latter was solid;
- the amount of grain and oilseeds sold was also lower than in the corresponding period of the previous year, however to high extent correlated with lower purchase quantities; loads of raw materials, transported from Ukraine through the Ukraine-Poland border, decreased significantly due to Polish import and transit restrictions, limiting access;
- within the latest quarter of the reported period MATIF Milling wheat exchange price was fluctuating in the range of 220-274 EUR/t, compared to the 229-265 EUR/t playing field during the Q4 a year ago, meanwhile MATIF Rapeseed exchange price was hovering around 446-497 EUR/t compared to 378-489 EUR/t range during the Q4 of financial year 2022/2023; and yet while the last quarter of the FY 2023/2024 delivered some price positivity, average contract prices of Group companies throughout the year were 25-30% lower than a year ago, translating both – into decreased revenue and gross profit; still, due to lower purchase prices, strategic management of traded quantities and contract timing - 12 months gross profitability margin of the category exceeded historical average (3.4% compared to 5Y avg. of 1.5%), mainly thanks to improved wheat trading margin;
- at the date of publication of this report, forward sales contracting for the 2024 harvest has been already started and advanced way more intensively compared to the period a year ago; preliminary pricing conditions seem to well correspond with competitive conditions in the market.

Grain and Oilseed Trading	2022/2023	2023/2024	Change, %
Grain and oilseeds purchased, thousand tons	2,353.3	1,664.7	(29.3)
Sales volume of grain and oilseeds in thousands of tons, of which:	2,110.6	1,471.7	(30.3)
wheat, %	73	71	↓
rapeseed, %	9	14	↑
other, %	18	15	↓
Revenue, thousand EUR	745,730	387,655	(48.0)
Gross profit (loss), thousand EUR	16,664	13,080	(21.5)

Partners for Farmers

Feed Business

The business includes the production and sales of loose and pre-packaged feed for poultry, pigs, cattle and other animals, as well as the merchandising of raw materials and feed additives (e.g. sunflower, rapeseed cake, sunflower, soybean meal, sugar beet granules, vegetable oils, licks, premixes, vitamins, amino acids, etc.).

The production of compound feeds is carried out in owned factories in Lithuania (336 thousand tons annual production capacity of compound feeds and premixes), with the majority of the production sold on the local Baltic market and a part of the production sold through the network of retail stores in Lithuania managed by KG Mažmena UAB (covering about 70-80% of the Lithuanian feed retail market).

When trading in raw materials and additives for feed, the geography of sales is very wide: Europe, Asia, Africa, the Middle East.

During the reporting period:

- by increasing the number of production lines in the spring of 2023, higher quantities of production were manufactured compared to the previous financial year; the demand for **combined feed** remained stable;- lower sales quantities compared to last year's result are explained with different comparable base, as two companies in feed business (Russia and Belarus) were still in the perimeter of the Group in Q1 of 2022/2023 (not part of the Group in 2023/2024); if excluding quantities of these two companies, sold volumes would be very similar; with decreased cost of feed production, pressure for customer price corrections was felt and already translated into Group companies product quotations; , however reductions were made to well controlled extent - achieving same gross profitability margin as a year ago;
- despite abundant trade volumes of **raw materials and feed additives**, gross profitability of sub-category suffered significantly; Poland's unilateral import and transit restrictions introduced on Ukrainian raw materials meant limited availability; however the whole pre-process (started with Polish farmers' protests) impacted the Group companies notably, as orders throughout this period in many cases meant uncontrollable delivery times, the consequences of which had to be compensated with Group's earnings; on top of that - competition remained tough with Russian and Belarusian origin raw materials circulating in the market, which together with other market fundamentals – supported lower selling prices.

Compound feed, premixes, feed material	2022/2023	2023/2024	Change, %
Production of compound feed, premixtures, thousand tons	261.6	296.0	13.1
Sales of compound feed and premixtures, thousand tons	338.2	300.2	(11.2)
Raw materials and feed additives sold, thousand tons	549.7	553.4	0.7
Revenue, EUR thousand, of which:	486,309	390,451	(19.7)
compound feeds, premixtures, %	37	32	↓
raw materials, feed additives, %	63	68	↑
Gross profit (loss), thousand EUR	29,600	21,946	(25.9)

Supply of Certified Seeds, Plant Care Products, and Fertilizers to the Farmers

The Group companies sell seeds, plant protection products, and fertilizers to Lithuanian and Latvian farms mainly.

Supply of production is ensured from various countries and regions of the world (Morocco, Egypt, Jordan, USA, China, Europe, Uzbekistan, Kazakhstan, etc.), while most of the seeds sold are produced at the company's certified seed factory in Dotnuva (Kėdainiai district) using its own "Dotnuva Seeds" brand name.

During the reporting period:

- owned seed production factory in Lithuania was working in full capacity and produced more **certified seeds** compared to the corresponding period of previous year, additionally in the autumn of 2023 – some small-scale seed multiplication and production were also carried out in Latvia and Estonia. Sales were higher thanks to strong cereal, as well transitional crop, "greening" seed demand, illustrating positive impact of subsidies for the latter group; during the Q3 strong demand for summer cereal seed was felt in Europe, as well as in Lithuania, where comparatively lower sowings in autumn of 2023 were made, in LV meanwhile - such demand was related with winter kill; the dynamics of seed prices was different for individual varieties, however, the average price basket was lower than in the corresponding period a year ago; however with costs of key components decreasing as well, the general profitability of the seed trade increased, delivering second highest gross profitability margin since FY 2016/2017;
- roughly 6% higher **fertilizers** sales quantities were generated throughout the reporting period (compared to volume of FY 2022/2023), limiting stronger recovery of quantities due to relatively low grain prices (still limited affordability), as well as some winter crop damages in Latvia, Estonia; revenue of the sub-category was 33% less than last year, owing to normalised market environment, meaning both – lower prices as well as more predictable profitability; adapting to sanctions implied changes in the supply chain (Russian and Belarusian origin renounced), Group companies have shifted to other origin suppliers a while ago, though latter also meant logistical changes, shifting from railway deliveries to ship deliveries through ports; as this brought its own challenges last year, solution of minimizing bigger quantities risk was made – Group companies started partnership with big trading companies intermediaries founded in the Baltics;
- during the reporting period – trade volumes slightly increased, revenue showed minor decrease, though profitability of **plant protection and micronutrient products** contracted significantly comparing to results a year ago; in Lithuania - second half of the year was more active, preliminary seeing favourable condition of the crops, however due to still expensive warehouse stock and high competition in the market – results were hardly satisfactory.

Certified seeds, plant care products and fertilizers	2022/2023	2023/2024	Change, %
Certified heavy seed production, thousand tons	27.6	31.6	14.7
Seeds sales volume, thousand tons	29.7	35.3	18.6
Plant protection products and micronutrients sales volume, thousand tons	14.6	15.9	9.3
Fertilizers sales volume, thousand tons	282.7	299.2	5.8
Revenue, thousand EUR	307,544	246,147	(20.0)
Gross profit (loss), thousand EUR	19,377	20,453	5.6

Supply of new and used Agricultural Machinery, Spare Parts, Service and Rent to the Farmers

This category of activities is carried out in Dotnuva Baltic's own and rented sales and service outlets in Lithuania, Latvia and Estonia, representing world-famous brands of agricultural machinery, providing technical service, as well as long- and short-term rental service of machinery to farmers and agricultural companies.

The category's performance is generally influenced by local harvest results and expectations for new sowing, input and output prices, availability of support and financing, borrowing costs, regulation and the geopolitical situation.

During the reporting period:

- **agricultural machinery sales** took place in an extremely competitive market - the majority of machinery sellers have larger than average stock piles in the warehouses, while at the same time farmers were hesitant to invest (the harvest of 2023 met expectations of some farms only, low prices for both - crop production and milk, high financing costs, contracted subsidy pay-outs); despite certain limitations, sales were to some extent fostered by support fund programmes for plant care equipment, sprayers and fertilizer spreaders, in livestock farms – fodder preparation, grass processing equipment; and while altogether revenue of this sub-category decreased 16% y-o-y - overall it's fair to say, that farmers activity was different in three Baltic countries, highly linked to 2023 harvesting results and prospects for 2024 (in Lithuania – more optimistic, in Estonia – severely limited);
- during the H1 of the 2023/2024, it was felt that, for the similar reasons, customers were trying to limit or postpone the **technical inspections** of the equipment; to employ the service staff Estonian teams even found new opportunities from outside Agriculture sector, servicing construction equipment rental company machines. Luckily, starting with Q3 - activity had picked up somewhat, initiating pre-seasonal preparations of key agri-machinery units; all in all, despite remaining customers' sensitivity to price, high effort resulted in the income from **spare parts** and inspection services staying similar to results of 12 months a year ago;
- with farmers income decreasing – the demand of **rental services** was improving and revenue of this category increased by 16%; still, competition in the market remained strong, and those who offered option to rent agri-machinery together with operator service, had competitive advantage; therefore Group companies were working on wider rental services offering, adding precision sowing, strip tilling and lime and manure shaking services (to the already offered grain processing); despite so far quite insignificant share of revenue Group wise, the prospects of this sub-category are good and continuous demand is expected in the future, especially among farmers who have postponed investments, farms that do not meet criteria to receive support funds or the ones that has problems finding qualified machinery operators;
- linked to both - deteriorated revenue and market's pressure for discounts, gross profitability of the category has decreased; however, on the positive side - revenue to inventory ratio improved (59% compared to 74% year ago) and future pipeline seems quite promising, supported by so far satisfactory 2024 harvest indications, as well as expected new support fund programmes in Lithuania and Latvia, coming autumn of 2024;
- within the reporting period construction of two modern agricultural machinery trade and service centres (including service workshops, warehouses, office premises) was completed, moving Joniskis (LT) and Jekabpils (LV) branches from rented to owned premises; altogether investment amounted to approx. EUR 3.9 million.

Note: market share of tractors and harvesters sold is evaluated based on official data, in Lithuania provided by Agricultural Data center ("Žemės ūkio duomenų centras") - https://is.vic.lt/, in Latvia – by State Technical Supervision Agency ("Valsts techniskas uzraudzibas agentura") - Sākumlapa | VTUA, in Estonia – by Estonian Transport Administration ("Transpordiamet") - https://www.transpordiamet.ee/soidukitega-tehtud-toimingute-statistika

Sales and rent of new and used agricultural machinery, spare parts sales, and servicing		2022/2023	2023/2024	Change, %
Market share of tractors sold (western type), %	LT	11	17	↑
	LV	11	13	↑
	EE	5	4	↓
Market share of harvesters sold, % of sales	LT	5	15	↑
	LV	26	3	↓
	EE	4	9	↑
Size of rental fleet, units		no data	35	-
Revenue, EUR thousand		94,209	86,013	(8.7)
Gross profit (loss), EUR thousand		13,617	11,027	(19.0)

The income dynamics of this category are generally influenced by the same or similar factors that determine the decision to invest in agricultural machinery.

Partners for Farmers

Other Services for Farmers

Other services for farmers include the sale and installation of equipment for grain cleaning, drying, storage and livestock farms, as well as the development of the GeoFace smart farming system in Lithuania and Latvia, also other activity, not attributable to main categories of the Segment.

Other services for farmers	2022/2023	2023/2024	Change, %
Revenue, thousand EUR, of which:	17,656	14,257	(19.3)
sales/installation of equipment, thousand EUR	10,366	8,573	(17.3)
other, thousand EUR	7,290	5,684	(22.0)
Gross profit (loss), thousand EUR	4,117	4,068	(1.2)

Food Production

since 2013

Share of revenue in Group's portfolio

26%

Revenue, thous. EUR	398,686
Gross profit, thous. EUR	58,254
Operating profit, thous. EUR	20,450

The only producer of instant products in the region

#1 The largest poultry meat producer in Lithuania and Latvia

#1 The largest flour producer in Lithuania

100% Poultry raised without antibiotics in Latvia

80% Poultry raised without antibiotics in Lithuania

10 Retail outlets in Latvia

- Whole cycle poultry business cycle:
  - incubation of hatching eggs
  - rearing broilers
  - production of poultry meat and poultry products
  - feed manufacturing for self-supply
  - retail sale of chicken meat and its products
- Manufacture and wholesale of flour, flour mixes, instant foods and ready-to-eat products, production and wholesale of breadcrumbs and breading mixes
- Provision of logistics, consulting, and management services

Operating companies

In Lithuania: AB Kauno Grūdai, AB Vilniaus Paukštynas, AB Kaišiadorių Paukštynas, UAB Alesninkų Paukštynas, UAB Domantonių Paukštynas, UAB Lietbro, AB Zelvė, UAB Avocetė, UAB Šlaituva, UAB KP Valda, UAB VP Valda, UAB Grybai LT.

In Latvia: AS Kekava Foods, SIA PFK Trader.

Own trademarks and product labels

Others: 'Granfågel' (export markets outside the Baltic States), 'Nordichicken' (export markets), 'A'petito', 'Fiesta', 'Chicken otherwise', 'Vištyčio', 'Premium'

Certificates

Food production

Poultry

Together, the Group's companies are the largest poultry meat producers in Lithuania and Latvia, owning the best-known poultry meat brands in both countries. The companies' activities cover the entire poultry production cycle, from incubation of hatching eggs to the retail sale of chicken meat/products. The production infrastructure consists of own breeding farms, incubators, poultry houses, slaughterhouses, production buildings, waste incineration and recovery facilities.

Roughly half of the Group's poultry production is exported, the main export markets being Denmark, Sweden, the Netherlands, France, Finland, Ireland, Romania, Bulgaria, Kyrgyzstan, Uzbekistan, Kazakhstan, and others.

The main cost components of poultry farms are feed and energy costs. The results of the category are also significantly influenced by the spread of zoonotic viruses, infections, protectionist actions of countries, competitors, as well as other supply-demand factors, which consequently determine the price of poultry meat.

During the reporting period:

- Group's **poultry** companies produced slightly more live weight meat, consequently buying less from the market; the carcass weight, further used for fresh meat and poultry products processing, was highly comparable y-o-y; increase in production quantities sold was therefore related with warehouse stock;
- the health of the birds remained good, animal welfare and overall growth performance was positive; EPEF and FCR (feed conversion) indicators showed efficient use of the breed's genetic potential and high feed conversion; proportion of broilers reared without antibiotics was continuously measured;
- minor decrease in revenue illustrates subtle price correction downwards, overall still playing in favourable price environment; meanwhile, the material decrease in feed input (price of the 2023 harvest) and energy costs, compared to the same period a year ago, led to a recovery in the gross profitability of the Group's poultry farms;
- after the end of the reporting period poultry company AB Kaišiadorių Paukštynas announced about it's investment plans in biomethane gas production plant, expecting construction on the company's land plot in Kaišiadorys district to be preliminary completed in the first quarter of 2026.

Poultry and poultry products	2022/2023	2023/2024	Change, %
Live weight of chicken produced, thousand tons	118.2	120.0	1.5
Live weight chicken ready for slaughter, thousand tons	137.3	136.2	(0.8)
Carcass weight, thousand tons	102.5	102.4	0.0
Sales of fresh chicken and chicken products, thousand tons	96.3	99.7	3.5
EPEF[1], LT/LV	380/380	385/378	LT↓, LV ↑
Poultry meat % raised without antibiotics, LT/LV	75/100	80/100	↑
Revenue, thousand EUR	291,018	285,004	(2.1)
Gross profit (loss), thousand EUR	16,967	33,912	99.9

[1]European 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.

Food Production

Instant Foods (IF) and Ready-to-Eat (RTE) Products

The Group's company AB Kauno Grūdai produces instant porridges and noodles in its factories located in Kėdainiai and Alytus (IF capacity - 265 million units per year), as well as organic soups, stews, cereal meals and organic vegetables in pouches (RTE) in a modern robotized factory in Širvintos (RTE capacity – 9 million units per year).

Majority of the IF production is private label orders, mainly exported to the UK, Spain, the Czech Republic, Scandinavia and the Baltic markets.

The RTE goods are mainly branded ones, exported to US, Germany, Baltics, Azia.

The main cost components of this production business are flour, oils, vegetables, packaging

During the reporting period:

- the Group's factories produced fewer units of **porridge and noodles packs, cups and boxes (IF),** with sales volumes showing contraction compared to the same period a year ago; as indicated in Group's 2023/2024 Q1 report - due to relatively high 2023 warm season sales (in terms of historical activity), it was evident that major Scandinavian buyers have restocked their warehouses and that no growth in quantities shall be expected in the next few quarters; at the date of publication of this report - higher pace activity has already returned, however will be visible in the results of the FY2024/2025; while FY 2023/2024 was still ensuring high gross profitability due to higher share of smaller scale contracts (tend to have higher margin) and efforts to limit repricing, the price decrease tendency is gradually coming to this production category as well, expecting lower gross profitability for coming year;
- following the completion of the acquisition of the cooperative 'Grybai LT' in the first month of the reporting period, the results of its production - **ready-to-eat soups, vegetables, stews and cereal-based dishes (RTE)** - are reflected in the Group's consolidated results from I-st of August, 2023; accordingly, the 12 months of the financial year 2023/2024 includes 11 months of operations in which the plant was running at close to 70% of capacity; the sales quantities from existing clients in United States were moderate due to extra orders made previous year (similarly as with Scandinavian clients in IF sub-category);
- investment in the expansion of the Alytus IF production plant continued (started in 2023), with the expectation of having increased IF production capacity already in Q2 of 2024/2025 (additional 240 million units per year).

Instant and ready-to-eat products	2022/2023	2023/2024	Change, %
IF production, million units	284.4	240.6	(15.4)
RTE production, million units	-	6.1	-
IF and RTE sales, million units	265.6	241.2	(9.2)
Share of IF export (outside the Baltics) and private label orders, %	94/92	94/93	↑
Share of RTE export (outside the Baltics) and private label orders, %	72/23	72/18	↓
Revenue, thousand EUR	84,982	80,933	(4.8)
Gross profit (loss), thousand EUR	9,058	13,446	48.4

Food production

Flour and Flour Mixtures, Breadcrumbs and Breading Mixes

The Group companies AB Kauno Grūdai and UAB Šlaituva produce flour, breadcrumbs and coating systems at the grain mill in Kaunas (70 thousand tons capacity per year) and at the breading preparation plant in Kaunas district (12 thousand tons capacity per year). The companies operate in an integrated manner: part of the flour produced at the mill is supplied to the Group's companies for the production of noodles and breadcrumbs; breadcrumbs are used in the preparation of poultry meat products, etc.

Most of the production of breadcrumbs is exported, with the main export destinations being Great Britain, Poland and Hungary; sales of flour and flour mixes are more than 90% directed to the Baltic markets.

The main cost components of this production business are grain and energy costs; the profitability of the category is significantly influenced by the efficient management of cost and output prices, the proportion of retail to wholesale orders, as well as the longevity of the partnerships and contracts.

During the reporting period:

- despite minor demand contraction inside the Group (noodles and breadcrumbs production), the production volumes of **flour and flour mixes** was relatively stable; meanwhile third party sales quantities increased, owing mostly to the active beginning of the year with one-off bulk orders from old-time client; still, despite growth in volume, revenue was contracting and illustrating lower grain prices, which with some delay – though still incorporate itself into flour product prices;
- throughout the Q4 of the FY 2023/2024 - the demand for **breadcrumbs** remained comparatively stable, production plant was working in full capacity, Group companies were successfully expanding its client base; it should be noted that the difference in produced and sold quantities is mainly related with internal sales to Group's poultry companies (not included in the sales quantities below), suggesting overall strong sales volumes for the full FY 2023/2024; while decreasing production costs gradually reflect itself into lower sales prices, the pace of production repricing was still comparatively slow, favourably impacting gross profitability.

Flour and flour mixtures, breadcrumbs and breading mixes		2022/2023	2023/2024	Change, %
Flour and flour mixtures produced, thousand tons		64.8	65.6	1.2
of this amount directed to	IF production, %	23.8	23.5	↓
	Breadcrumbs production, %	14.3	13.6	↓
Breadcrumbs production, thousand tons		9.8	9.8	(0.1)
Flour and flour mixtures sales, thousand tons		47.2	43.6	(7.6)
Share of exports of flour and flour mixtures (outside the Baltic States), %		3.2	2.0	↓
Sales of breadcrumbs, thousand tons		8.7	8.0	(7.8)
Share of breadcrumb exports (outside the Baltic States), %		92	87	↓
Revenue, EUR thousand		34,385	23,416	(31.9)
Gross profit (loss), EUR thousand		3,385	4,342	28.3

Farming

since 2003

Share of revenue in Group's portfolio

3%

Revenue, thous. EUR	43,621
Gross profit (loss), thous. EUR	7,232
Operating profit (loss), thous. EUR	6,049

19,072 hectares of cultivated land

6,217 hectares of own arable land

3,226 cows

38 thousand tons of milk produced

128 thousands of tons of crop production

- 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

Operating companies

Companies in Lithuania:

UAB Akola Farming
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
UAB Užupė
UAB Paberžėlė
UAB Lineliai

Farming

Cereals and Other Crops Growing

The Group operates seven agricultural companies located in fertile areas of Lithuania - Panevėžys, Kėdainiai, Šakiai and Biržai districts. The companies grow cereals, rapeseed, sugar beet and other crops on land owned and leased by the Group companies.

The main cost components of these companies are seeds, fertilizers, plant protection products, chemicals, fuel, rent and financing costs. The results in this category are significantly influenced by market prices for crop production, subsidy policies and climatic conditions.

- For the 2023 harvest, the Group's agricultural companies harvested similar to the previous year planted areas; despite of weaker performance of summer **crops** (malting barley, beans), which suffered unfavourable weather conditions in the spring of 2023, winter crops yield was in line with or even above long-term averages, additionally Group companies have increased sugar beet production (more than 2 times), which due to naturally higher outputs per hectare, delivered increased total harvested quantities; at the closing date of the reporting period, the Group's agricultural companies have had 100% of the 2023 harvest quantities sold, unfortunately recording decline in revenue and weak gross profit for the period under review; latter reflected contraction in market prices for crop production (approx. 30% lower), somewhat different quality and dominant class of grain, as well as elevated costs related with older stock of inputs;
- it shout be noted that, as per Group's accounting policy, throughout the FY 2023/2024 total EUR 3.2 million write-down of the sold inventory cost was gradually made (calculated on the basis of the biological assets fair value as at 30 June 2023 after retrospective changes*), at the end of the financial year (at 30 June 2024) also booking biological assets fair value amount of EUR 3.7 million, consequently altogether bringing roughly EUR 0.5m positive impact on annual gross profitability;
- at the closing date of reporting period, for the harvest of the 2024 Group companies have had 19 thousand hectares sown; the number indicates slightly higher area compared to the sowings a year ago and is related with less strict EU requirements for fallow areas this year; based on information available at the date of publication of this report100% of the grain fields were already harvested (does not include maize, sugar beets and beets) in Group's faming companies, preliminary stating above average yields for winter wheat and close to average yields for malting barley and winter rapeseed; roughly 60% of 2024 harvest was already sold under forward sales contracts.

Cereals and other crops	2022/2023	2023/2024	Change, %
Harvested production, thousand t	109.7	128.2	16.9
Main crops harvested and their average yields:			
Winter wheat	45%, 7.3 t/ha	40%, 7.4 t/ha	-
Malting barley	16%, 5.8 t/ha	11%, 5.3 t/ha	-
Winter rape	11%, 3.6 t/ha	9%, 3.7 t/ha	-
Sugar beet	14%, 67.4 t/ha	28%, 67.4 t/ha	
Other	14%	11%	-
Dominant class of wheat harvested	1-2 cl.	2 cl.	-
Quantity of crop production sold during the reference period, thousand t	105.4	125.5	19.0
% of the total, including forward contracts, of the 2023 (2022) harvest sold	n/a	100%	-
Area under cultivation, ha	19,229	19,072	↓
Areas sown for future harvest, ha	18,320	18,962	3.5
Total forward sales of the future 2024 harvest, (at the day of publication of this report)	65%	60%	↓
Revenue, thousand EUR	32,353	27,553	(14.8)
Gross profit (loss), thousand EUR	1,407*	3,087	119.4

* retrospective correction of 2022/2023 figures was carried out in relation to application of IFRS 13 Fair Value Measurement; detailed information about the implemented changes and their influence on individual articles of the statement of financial position and statement of profit and loss and other comprehensive income is provided in Note 2.22 of the consolidated and the Company's annual audited financial information.

Farming

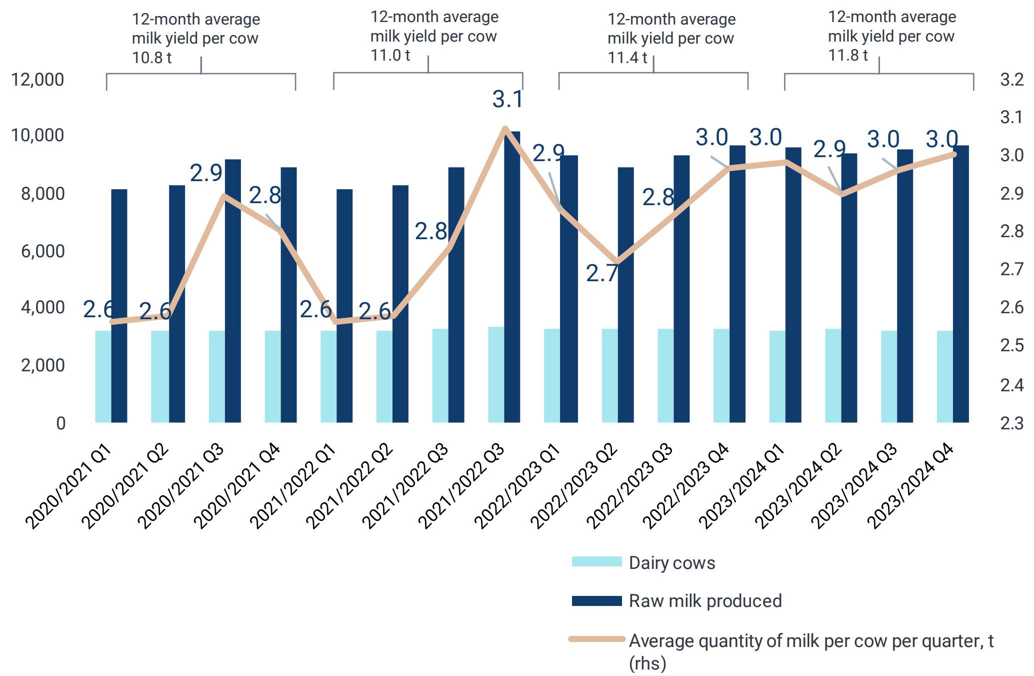
Milk and Beef Cattle Farming

Five of the seven Group's agricultural companies are active in dairy production and beef cattle farming.

The main cost components in this category are feed, energy and financing costs, while the category's results are also significantly influenced by market prices for raw milk and the subsidy policies. Dairy companies are constantly striving to improve the efficiency of their farms; the quantity and quality of milk produced by a cow varies according to feed, temperature, animal genetics and other factors, and does not usually show a direct correlation.

- Despite slightly lower number of dairy cows at the end of the period, the volume of **milk** produced during the reporting period not only increased, but also managed to keep the weighted average coefficient for protein and fat content relatively stable; the average milk quantities per dairy cow throughout the financial year further improved, reaching 11.8 t, compared to 11.4t a year ago;
- the dynamics of revenue and gross profit for the 12 months of the FY 2023/2024 reflect continuously low raw milk purchase prices in combination to still relatively expensive cost components, consequently leading to a sparse (even if y-o-y improved) profitability of the milk category; it should be noted, that significant part of milk production cost is feed cost, which in part is produced by the farming companies themselves; and while lately market is giving discount for feedstuffs, own production cost reflected actual and comparatively higher expenses.

Dynamics of raw milk production in agricultural companies



Milk and beef cattle farming	2022/2023	2023/2024	Change, %
Number of dairy cows at the end of the period	3,264	3,226	(1.2)
Milk production, thousand tons	37.3	38.2	2.3
Revenue, thousand EUR	17,837	16,068	(9.9)
Gross profit (loss), thousand EUR	3,222	4,145	28.6

Other Products and Services

since 2021

Share of revenue in Group's portfolio

1%

Revenue, thous. EUR	19,245
Gross profit, thous. EUR	3,995
Operating profit, thous. EUR	2

own extruded products production base in Alytus

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

Operating companies

AB Kauno Grūdai, UAB Baltic Fumigation Services

Own trademarks

Manufacturers/brands represented

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, etc.

Certificates

AB Kauno Grūdai has license for wholesale distribution of veterinary pharmaceuticals.

Other products and services

Extruded Products, Pest Control, Veterinary Pharmacy

In the Other Products and Services Segment, the largest share of sales is generated by production of pet food in own extruded products production base in Alytus, wholesale and retail sales of veterinary preparations from well-known manufacturers in Lithuania and Belarus, pest control services and sales of hygiene products in Lithuania (prophylactic and intervention products to ensure food safety requirements, chemical products for both professional use and everyday cleaning of household premises).

During the reporting period:

- the Group's **pet food production** plant was working close to full capacity, demand of the product remains strong; producing unit is working on new products and gradually decreasing proportion of economy category pet food (approx. 50% of total); revenue accelerated thanks to higher sales volume (warehouse stock) and product portfolio improvement, as well as efforts maintaining higher customer product prices; in the effect of decreasing costs – the gross profitability of the category was continuously improving;
- during the Q4 of the FY 2023/2024 **veterinary pharmaceuticals** category income advanced in similar pace as within quarters before - however total annual turnover and gross profit decreased by approx. one fourth if compared to previous year's result, still indicating comparatively stable gross profit margin; despite somewhat contracted activity in the Group companies, overall demand in local market remained high, market for the small animals' veterinary service was gradually expanding;
- in the Q4 of the FY 2023/2024 price increases for services not under long-term contracts was initiated in **pest control, disinfection and hygiene** category; comparing y-o-y - total annual revenue increased slightly, while gross profitability showed solid improvement.

Other products and services	2022/2023	2023/2024	Change, %
Produced extruded products, thousand tons	11.1	10.7	(4.4)
Sold extruded products, thousand tons	9.2	9.8	6.6
Revenue, thousand EUR, of which:	20,035	19,245	(3.9)
Share of extruded products and other, %	60	61	↑
Share of pest control, disinfection, and hygiene products, %	9	10	↑
Share of veterinary pharmaceuticals, %	31	29	↓
Gross profit (loss), thousand EUR	2,477	3,995	61.3

4. Investments

AB Akola Group and its subsidiaries invested EUR 46.8 million during the reporting period. Main investments by type:

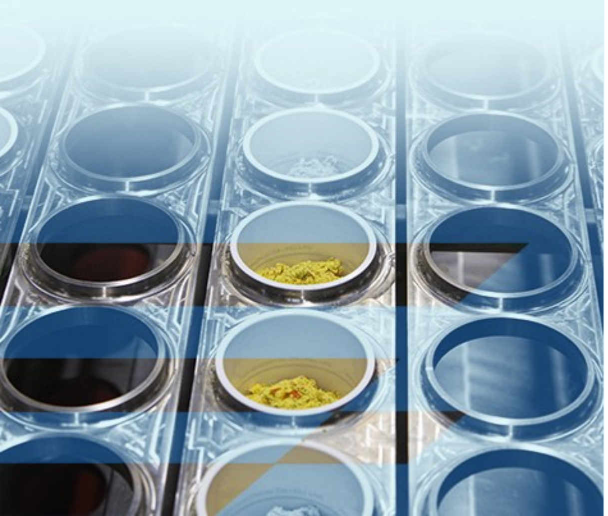
Investments by segment	Amount of investment, EUR thousand
Partners for farmers	12,779
Food production	26,917
Farming	6,398
Other products and services	748
Not allocated to any segment	-

In the financial year 2023/2024, the majority of the Group's total investments were directed towards the Food Production segment, where several major investments were announced. The largest of them is the instant noodle factory in Alytus, Lithuania, EUR 32 million in total which will double the existing production capacity to 505,000 thousand units per year for the segment and become operational in Q1 of the financial year 2024/2025. The second largest investment is the breadcrumb coatings factory in Kėdainiai, which is planning to start operations at the end of Q3 of the financial year 2024/2025.

The second largest segment by investments was Partners for farmers whereas the largest investments were directed to new showrooms construction in Šiauliai, Lithuania, and Jekabpilis, Latvia. Other investments were mainly connected with ongoing maintenance.

Investments in the Farming segment were mainly connected to the renewal of agri machinery, purchase of farmland, and maintenance of the farms.

Group is not undertaking any significant R&D or scientific research activity.



5. Major Events

5.1. The Publicly Disclosed Information

During the period ended 30 June 2024, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.akolagroup.lt the following information:

23/05/2024 16:00 EEST	Summary of the Investor Conference webinar of the 9-month unaudited results of AB Akola Group for the financial year 2023/2024
22/5/2024 15:07 EEST	Nine months of AB Akola Group: impacted by low raw material prices
14/5/2024 9:15 EEST	AB Akola Group will hold an Investor Conference Webinar to introduce the financial results for the 9 months of financial year 2023/2024
30/4/2024 15:00 EEST	AB Akola Group: notification on acquisition of voting rights
8/4/2024 07:55 EEST	AB Akola Group invests in 'Brite', a natural functional drinks start-up
27/3/2024 9:00 EET	AB Akola Group to build a seed factory for EUR 9.5 million
19/3/2024 9:00 EET	Resignation of a member of the Management Board of AB Akola Group
15/3/2024 8:30 EET	AB Akola Group invests in a promising Lithuanian beverage startup
22/2/2024 16:00 EET	Summary of the Investor Conference webinar of the 6-month unaudited results of AB Akola Group for the financial year 2023/2024
21/2/2024 17:48 EET	Six months of AB Akola Group: grain trade retreated, food production grew profitably
19/2/2024 12:58 EET	AB Akola Group will hold an Investor Conference Webinar to introduce the financial results for the 6 months of financial year 2023/2024
13/12/2023 9:13 EET	AB Akola Group investors calendar for the 2024
8/12/2023 9:48 EET	A new ticker of AB Akola Group securities on Nasdaq Vilnius
7/12/2023 9:04 EET	AB Akola Group: notification on disposal of voting rights
5/12/2023 8:35 EET	Notification on the total number of voting rights granted by AB Akola Group shares, the authorized capital amount, the number of shares and their nominal value
5/12/2023 8:30 EET	New wording of AB Akola Group Articles of Association is registered, the name of the company changes and the authorized capital is increased
4/12/2023 18:34 EET	AB Linas Agro Group: notification on disposal of voting rights
4/12/2023 16:21 EET	AB Linas Agro Group: notification on acquisition of block of shares of the Company

1/12/2023 11:46 EET	Summary of the Investor Conference webinar of the 3-month unaudited results of AB Linas Agro Group for the financial year 2023/2024
30/11/2023 18:17 EET	AB Linas Agro Group results for the 3 months of 2023/2024 financial year
27/11/2023 9:03 EET	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
24/11/2023 17:11 EET	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
24/11/2023 11:12 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 3 months of financial year 2023/2024
27/10/2023 14:02 EEST	Dividend Payment Procedure for shareholders of AB Linas Agro Group
27/10/2023 13:56 EEST	AB Linas Agro Group notification about the Annual information of the financial year 2022/2023
27/10/2023 13:40 EEST	Decisions of the Annual General Meeting of shareholders of AB Linas Agro Group held on 27 October 2023
6/10/2023 17:39 EEST	Update: Draft resolutions and documents for the Annual General Meeting of Shareholders of AB Linas Agro Group to be held on October 27,2023
6/10/2023 9:00 EEST	AB Linas Agro Group plans to change its name
5/10/2023 16:40 EEST	Notice on convening the Annual General Meeting of Shareholders of AB Linas Agro Group
8/9/2023 7:50 EEST	Linas Agro Group-owned Dotnuva Baltic starts construction of a new agricultural trade and service center in Latvia
5/9/2023 16:00 EEST	Summary of the Investor Conference webinar of the 12-month unaudited results of AB Linas Agro Group for the financial year 2022/2023
31/8/2023 20:38 EEST	AB Linas Agro Group results for the 12 months of 2022/2023 financial year: challenges for agribusiness and recovery for food businesses
28/8/2023- 10:38 EEST	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 12 months of the financial year 2022/2023
21/7/2023 16:15 EEST	AB Linas Agro Group completed the acquisition of part of the business from AUGA Group, AB

5.2. Other Events of the Reporting Period

28/6/2024	The reorganization is completed, UAB Gerera was merged to UAB Linas Agro Grūdų Centrai. Accordingly, the share capital of UAB Linas Agro Grūdų Centrai increased in the amount of EUR 103,000.
21/6/2024	SIA KEKAVA BIOENERGY has been registered.
18/6/2024	Liquidation of UAB Kormoprom Invest has been initiated.
8/5/2024	The authorized capital of LLC LINAS AGRO UKRAINE was increased in the amount of UAH 12,000,000 (EUR 325,000).
30/4/2024	Dainius Pilkauskas, member of the Management Board of the Company, resigned from the office.
11/4/2024	The Reorganization was initiated, UAB GERERA will be merged into UAB Linas Agro Grūdų Centrai and will terminate as a legal entity.
8/4/2024	The Company acquired shares of BRITE DRINKS LTD.
1/3/2024	UAB Grybai LT was registered, restructured from KB Grybai LT.
13/2/2024	UAB KG Logistika removed from the Register of Legal Entities after liquidation.
9/2/2024	UAB KG Distribution removed from the Register of Legal Entities after liquidation.
1/2/2024	The reorganization in Latvia is finished, SIA Lielzeltini, SIA Cerova and SIA Broileks were merged to AS Kekava Foods (while changing the name instead of AS Putnu Fabrika Kekava). Accordingly, the share capital of AS Kekava Foods increased by EUR 1,504,877.
26/1/2024	UAB Gastroneta removed from the Register of Legal Entities after liquidation.
11/1/2024	The Company transferred 23,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.
5/12/2023	The names of some Group companies have changed: UAB Akola Farming instead of UAB Linas Agro Konsultacijos, UAB Akola Foods instead of UAB TABA Holding, and UAB Akola Foods instead of UAB Kekava Foods LT.
29/11/2023	The authorized capital of UAB GeoFace was increased by the contribution of AB Linas Agro in the amount of EUR 300,000.
30/10/2023	The authorized capital of AB Linas Agro was increased by a non-cash contribution of AB Linas Agro Group in the amount of EUR 5,942,022.
26/10/2023	AB Linas Agro Group transferred the shares of UAB Linas Agro Grūdų Centrai, UAB Jungtinė Ekspedicija and UAB Dotnuva Seeds to joint stock company Linas Agro pursuant to the share subscription agreement of AB Linas Agro.
16/10/2023	Reorganization of merging SIA Broileks, SIA Cerova and SIA Lielzeltini to AS Putnu Fabrika Kekava has been initiated.
11/10/2023	The spin-off of UAB Landvesta 1 is completed and the new version of the Articles of Association of UAB Landvesta 1 is registered, resulting in a reduction of capital by EUR 5,847.
11/10/2023	UAB Sunvesta is founded, following its separation from UAB Landvesta 1.
29/9/2023	The liquidation of UAB KG Distribution, UAB KG Logistika, UAB VKP Valdymas and UAB Gastroneta has been initiated with effect from 02/10/2023.
22/8/2023	The split-off from Landvesta 1 UAB is initiated.
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.

5.3. Subsequent Events

5.3.1. The Publicly Disclosed Information

10/9/2024 9:19 EEST	The construction of the Akola Group seed factory in Latvia will be financed by Swedbank AS
6/9/2024 16:00 EEST	AB Akola Group plans to acquire a prominent Latvian grain exporter
22/8/2024 16:00 EEST	Summary of the Investor Conference webinar of the 12-month unaudited results of AB Akola Group for the financial year 2023/2024
21/8/2024 16:48 EEST	Twelve months of AB Akola Group: profits grow while revenue decline
14/8/2024 10:20 EEST	AB Akola Group will hold an Investor Conference Webinar to introduce the financial results for the 12 months of financial year 2023/2024
25/7/2024 8:55 EEST	AB Akola Group plans another investment in biomethane gas production

5.3.2. Other Events

27/9/2024	The authorized capital of SIA Dotnuva Seeds was increased by the amount of EUR 3,177,000.
24/9/2024	The authorized capital of UAB Dotnuva Seeds was increased by the amount of EUR 3,530,000.
12/8/2024	The Company sold shares of UAB Sunvesta.
7/8/2024	AB Kauno Grūdai acquired shares in SIA KG Latvija from UAB KG Mažmena.
1/8/2024	The stake in KG Khumex Coldstore B.V. and Khumex Holding B.V. have been sold.
2024 July/August	The Company transferred 50,000 of its own shares to employees of the Group under the Rules for Shares Issue.
2/7/2024	Gerera UAB was deregistered from the Register of Legal Entities following a reorganization.

6. Scope of Risk and Management thereof

		Magnitute (potential impact)				Likelihood			
		Low <2%	Medium 2-3%	High 3-5%	Very high >5%	Low	Medium	High	Very high
Liquidity and financing associated risks	debt servicing				●		●		
	interest rate				●		●		
Trade position's management	open position mismanagement				●		●		
Credit and counterparty risk	farmers' defaults		●				●		
Investment projects management	cost or execution time overrun				●		●		
Information security and IT	loss or disclosure of key information, leakage, cyberattacks		●				●		
	interruption of business processes and decisions		●				●		
Non-compliance risk	interruption of business processes, limited or prohibited activity		●				●		
Supplier, sourcing risk, loss of partnerships	loss of representation exclusivities, limited substitution, leading to potentially limited activity			●		●			
Occupational health and safety mismanagement	legal procedures, fines		●			●			
	difficulties hiring and keeping employees		●			●			
Food quality and safety mismanagement	legal procedures, fines			●			●		
Risk of not reaching ESG targets	complicated relationship with key stakeholders, loss of image, brand deterioration		●				●		
	potentially limited offerings to finance, increased margins			●		●			
Biological assets mismanagement	improper maintenance of biological assets (animal housing condition, feed quality, infection prevention measures, insurance)				●	●			
Political risks	reduction of agricultural subsidies			●		●			
Corruption and bribery risk	legal procedures, fines		●				●		
HR risks	loss of employees		●				●		
	inability to hire new employees		●				●		
Reputation risk	Public opinion		●			●			
	Brand image			●		●			
Climate risks	Extreme climate conditions impacting crop production			●			●		
	Extreme climate conditions impacting ability to operate production business			●		●			

6.1. Market Risks

A market risk is understood as the risk of receiving a lower return than planned in the event of unfavourable market conditions. A market risk in the activities of the companies of the Group could occur through fluctuations in market prices of certain goods, emergence of new competitors in the market or a merger/formation of a group by competitors, relevant crop harvest quality/quantity in a given period, emergence of new goods and production technologies that lead to a fall in the market prices of specific goods, etc.

In order to manage the potential impact of a market risk, the employees of the companies of the Group:

- Constantly monitor the market of specialized products;
- Manage trading positions on the basis of permissible limits of open trading positions and criteria for their liquidation;
- Use derivatives;
- Etc.

In the financial year 2023/2024, Group companies did not experience significant commodity price volatility. Higher market volatility is evident in tractor sales, where the market contracted by 15–20%, and harvest in Latvia and Estonia was 5–10% lower. However, the diversification of the Group's activities helped to balance the overall result.

The probability of the occurrence of market risk in future periods remains high due to the specifics of the Group's normal business operations. Also, inflationary pressures are expected to have a negative impact on consumer purchasing power in the short term. However, due to complex forecasting of market movement trends, it is not possible to anticipate the consequences of encountering this risk.

6.2. Trade and Credit Risk

A trade and credit risk is understood as the risk of a lower-than-expected profit if, due to reasons that are dependent or not dependent on the employees of the companies of the Group, improper performance of the terms and conditions of contracts is encountered.

A trade risk in the activities of the companies of the Group could occur through non-delivery of purchased goods, refusal of the buyer to accept the sold goods, non-compliance with contractual terms and conditions concerning the quantity, range, completeness, quality or other characteristics of the goods, inaccuracies in the procedures of the companies of the Group or of outsourced service providers, failure to ensure a due process, and criminal operation of parties to a transaction.

A credit risk in the activities of the companies of the Group could occur through the sale of goods with deferred payment, lending money, payment of an advance for the future delivery of goods or services, extension of an overdue payment term, etc.

To manage the potential impact of a trade and credit risk, the employees of the companies of the Group:

- Conduct a thorough screening of customers prior to starting trade operations and assesses the availability of additional security at the start of the cooperation;
- Observe the credit limit values set for the trade operations of the companies of the Group, perform continuous customer monitoring, and make use of insurance options;
- Ensure control over activities of outsourced service providers;
- Properly document the execution of trade operations and other procedures;
- Etc.

In the financial year 2023/2024, the Company and the Group managed the risk in an orderly manner, significant financial impact or above regular default rates were not observed.

The manifestation of this risk is closely related to the market risk aspects and in some cases can be provoked by them. However, the Group estimates the probability of occurrence of trade and credit risk in future periods as moderate, however the situation in Latvia and Estonia is monitored closely where due to lower harvest farmer ability to pay may deteriorate.

6.3. Political Risks

In the European Union, agriculture is a highly regulated and supervised industry. Although this regulation and supervision is aimed at ensuring a sufficient income for those engaged in agricultural activities, political changes may affect the situation in the market in which the Group operates. Political risks could arise from the reduction of agricultural subsidies, the tightening of financial assistance-related requirements (which would have a negative impact not only on the activities of agricultural companies managed by the Group, but also on the enterprises supplying those companies), as well as the adoption political decisions such as embargoes, quotas, import or export bans.
To minimize the consequences of such risks, the employees of the companies of the Group monitor the economic situation in Lithuania and all other countries with which they trade and assess possible changes that would result from certain political decisions.

In the financial year 2023/2024, the Company and the Group did not encounter political risk.

Having in mind high geopolitical uncertainty, the probability of the occurrence of political risks to the Group in future periods is assessed as moderate.

6.4. HR Risks

The ability of the Group to maintain a competitive position and implement its growth strategy is determined by the experience and knowledge of the management. Loss of employees and/or inability to hire new employees with relevant knowledge may adversely affect the business prospects and financial position of the Group. HR-related risks in the activities of the companies of the Group could also be encountered in connection with the confidential information available to the staff members, the decisions made by the staff, the responsibility granted to the staff members based on their rights and duties, improperly designed employee motivation systems, etc.

To manage HR Risks:

- Non-compete agreements have been concluded with certain executives of the Group;
- Requirements and responsibility concerning the storage of confidential information are set for employees;
- The motivational system is developed, etc.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

The probability of the occurrence of the HR risks in future periods is assessed as low.

6.5. Funding and Liquidity Risks

Examples of funding and liquidity risks include funding supply risk, lack of liquidity, short-term investment risk, foreign exchange risk, interest rate risk, etc.

Information on the financial risk management objectives and used hedging instruments that are subject to hedge accounting, as well as the information on the extent of the price risk, credit risk, liquidity risk and cash flow risk arising for the Group when the Group makes use of financial instruments, all of which is important in assessing the assets, equity, liabilities, income and expenses of the Group, are disclosed in Note 30 to the Financial Statements of the Group for the FY 2023/2024.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of funding and liquidity risks in future periods is low/moderate due to the annual credit limits set by the Group, significant diversification of bank financing sources, and hedging instruments used. The most significant impact in the coming financial year is expected to be due to the active monetary policy of the central banks and the increase in the interbank interest rate, however, it should be noted that the Group's management has considered the impact of this factor in advance in the formulation of the budget for the coming year and does not anticipate a material negative impact.

6.6. Risks of Change in Biological Assets, Climate Risks

The risk of change in biological assets used in the operations of the Group (cattle, birds and crops) is related to improper maintenance of biological assets, possible out-breaks of diseases, and other factors that may cause the loss of such assets.

To minimize potential losses relating to the risk of change in biological assets, the employees of the companies of the Group monitor the condition of the soil, use plant protection products and fertilizers, carefully control the quality of cattle and poultry feed, continuously improve animal housing conditions, apply infection prevention measures and make use of insurance options.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

In the opinion of the Group, although the probability of occurrence of the risk of change in biological assets in future periods is low due to the systems implemented in the companies of the Group and a strict control, it is still possible to encounter such risk in case of extremely unfavorable weather conditions independently of the Group’s actions.

6.7. Security Risks

The security risk could be encountered by the Group due to information technology security vulnerabilities, malware, viruses, illegal and criminal activities of third parties encroaching on the information systems in order to seize information and steal funds. This risk may also be encountered in the course of storage and archiving of copies of electronic and written documents, and when carrying out the protection and surveillance of the premises and the area of the companies of the Group.

In order to manage the security risks within the Group, the installation of antivirus programs, archiving digital and paper documents in accordance with the established rules and with the assistance of third parties, and installation of office environment surveillance systems are carried out and updated on a regular basis.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of safety risks in future periods is low due to the systems implemented in the companies of the Group and strict controls.

6.8. Consumption Patterns and Technological Change Risks

The risks posed by changes in consumption patterns and technology are related both to temporary trends and to consistent changes caused by increased education and better living conditions or scientific progress.

To manage these risks, the companies of the Group that produce, prepare and sell agricultural and food products, and supply goods and provide services to farmers perform ongoing monitoring of market trends, sustainability, consumer value and functionality perspectives, assess changes in supply and demand, analyze new products and market penetration of such products.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of these risks in future periods is low due to the continuous promotion of innovation and the first necessity and high-energy value product.

6.9 Reputation Risks

Reputation risks are related to the image of the Group and the companies managed by the Group in the course of building and maintaining relationships with employees, suppliers, customers and the public.

To prevent the occurrence of these risks, the actions of the companies of the Group must comply with the values represented, the mission and vision set, as well as correlate with the provisions of the Code of Business Ethics and social responsibility objectives of the Group. Any deviations from the above could lead to a diminished trust in the Group by its partners, more complicated supply or lower demand for products, as well as reduced attractiveness of the Group's companies as employers.

In the financial year 2023/2024, the Company and the Group did not encounter these risks.

In the opinion of the Group, the probability of occurrence of these risks in future periods is low due to the standards set by the Group and the responsibility in applying the provisions of the Code of Business Ethics and performing its content revisions and compliance checks.

6.10. Risks related to Investment Project Management

While expanding existing or introducing new business lines, Group companies and management initiate investment projects, which in most cases require specific knowledge, involves third parties, bringing significant technological, time management, cost overrun or similar risks.

To manage these risks Group uses extensive planning and forecasting procedures, where available using external consultancy.

In the financial year 2023/2024, the Company and the Group managed the risk without any major impact on activities.

6.11. Non-Compliance Risks

Existing product and service portfolio of Group companies require certain licensing, certifications, technical assurances, etc. Non-compliance with the aforementioned requirements, can translate into significant financial losses due to both – material fines (regulatory perspective), as well as loss of markets, trust in the provider of the product/service (behavioral perspective).

To manage these risks Group establishes policies, internal procedures and control mechanism, which are updated regularly to be of highest quality as well as compliant to latest regulation and laws.

In the first half of the financial year 2023/2024, Group's company AB Vilniaus Paukštynas received two letters regarding non-compliance with pollution permits. The Company has taken measures to correct the situation and preventive measures to stay compliant in the future. Other Group companies managed the risk without any major impact on the activities.

6.12. Supplier, Sourcing Risk, Loss of Partnerships

Delivering the results in all the business lines, Group companies are highly dependent on it's suppliers and partners in various sectors and geographies. Discontinued cooperation in some cases might translate into lost time, differences in final product outcome or overall spectrum of the offering.

To manage these risks Group establishes strategies to manage supplier concentration, diversifies customer base. Extensive supply chain planning is performed with alternative suppliers, routes or substitutes.

In the financial year 2023/2024, the Company and the Group managed the risk without any major impact on the activities.

6.13. Occupational safety and health risks

Manufacturing activity in mills, elevators, factories, slaughterhouses, baking and other units includes various risk factors for Group employees. Mismanagement of occupational health and safety risks can cause various incidents, physical trauma, long-term disability, or even death.

To manage these risks, Group establishes the highest standard health and safety rules and procedures, provides employees with quality and necessary means for work, and prepares the safe workplace.

In the financial year 2023/2024, the Company and the Group managed the risk without any major impact on the activities.

6.14. Risk of not reaching ESG-Targets

Group's sustainability report 2021/2022 establishes commitment to deliver progress in all the areas of the sustainability, stating economic, environmental, social and governance KPIs in 5-year horizon. Failure to reach the targets would mean failure to meet the expectations of our key stakeholders, which could to a higher or lower extent, limit future partnership with the Group.

To manage these risks, Group regularly revises the progress and targets, assesses the results and makes plans going forward. Part of achieving the goals is connected to technological advance and investment need, where both depend on the market or financial position of the Group.

6.15. Corruption and bribery risk

Group has identified corruption and bribery risk within its organization whereas undue conduct of its employees as individuals bring losses or risks for the organization as a whole. Furthermore, the Group or its separate entities have to conduct business according to law and ethics to avoid putting the whole Group and its shareholders under this risk as Group is a substantial purchaser, seller of used items and in regular dialog with government institutions as well as regulators.

Group has identified those risks and has established or updated its corruption and bribery policy as well as business code of ethics. Furthermore, Group identified the most exposed processes and companies in this area and undertakes additional surveylance as well as risk assessment procedures.

In the financial year 2023/2024, the Company and the Group managed the risk without any major impact on the activities.

7. Strategic Goals

The Group's overall strategy is to grow profitably and sustainably, to develop all core activities and to achieve synergies between businesses. The group's long-term strategic goals were to achieve an operating profit margin of at least 3% and a return on capital employed in the company's operations (ROCE) of at least 12%.

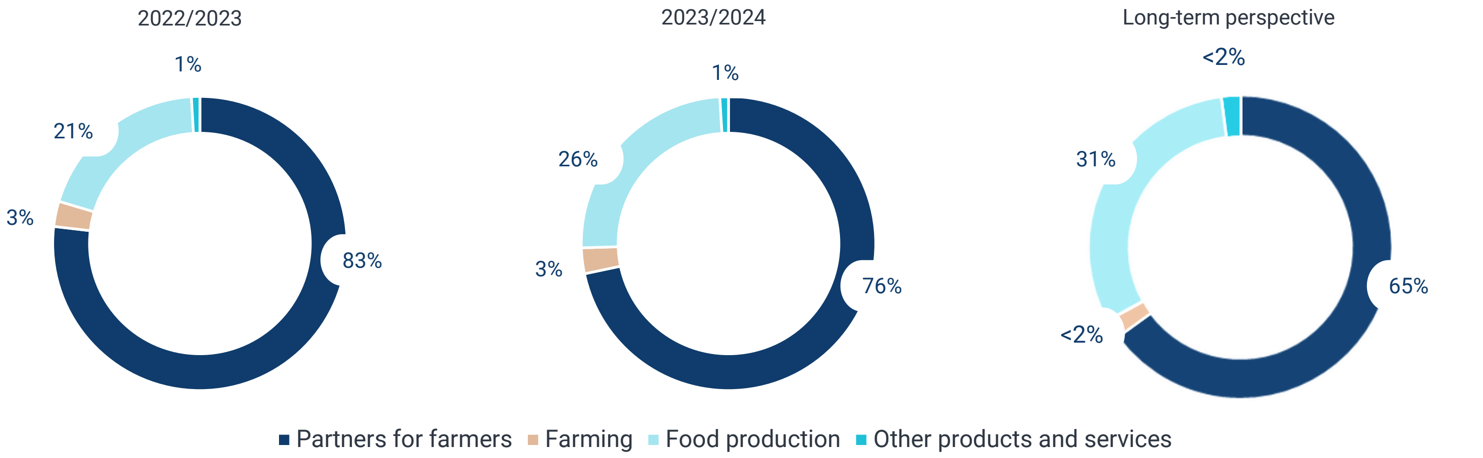
- Key financial goals

Target	2022/2023	2023/2024	Long-term objective
Operational efficiency	1.69%	3.06%	Operating profit margin >/=3%
Optimal return on capital	5.80%	7.83%	Return on capital employed (ROCE) >/= 12%
Sustainable debt level	4.51	3.88	RMI-adjusted net financial debt /EBITDA </= 4.0
Target EBITDA level, thousand EUR	62,407	73,547	EBITDA >/= 70,000 – 90, 000 thousand EUR
Creating value for shareholders	6.47%	29.11%	Dividends paid within financial year to net profit of the previous financial year >/= 20 %

- Strategic diversification objectives

The Group strategically diversifies activities to maximise the long-term value of the Company by focusing on activities that create more value.

Revenue split (Percentages do not add up to 100 due to activity between segments):



- Business objectives

Within each of the five main operating segments, the Group has separate objectives to achieve the goals of these segments.

Partners for farmers

The Group's management's objective is to export grain from the Baltic States on a sustainable basis in order to increase profitability in this activity. The grain trade performance is measured in terms of the ratio of the volume of grain purchased at the Group's elevators to the regional harvest (target: >/= 7%).

The main challenge in this segment is to grow profitably while ensuring a reasonable income for the farmer. It is also about finding and bringing to the market solutions that help crops adapt to changing climatic conditions. To have one of the best agricultural machinery service networks in the Baltics. To develop investment in GeoFace, to offer modern solutions for farmers using smart technologies. The segment's performance is measured in terms of market share of new tractors and combine harvesters (target: Top 3 in each country), segment's operating profit margin (target: >/= 1.5%), etc.

Food production

The objective of the management of the Group is the efficient management of the companies in the segment and further development of poultry farming capacities through the modernization and automation of packaging, refrigeration, and logistics solutions, as well as reduction of gas consumption in poultry farming facilities. When assessing achievements in the segment, the following is taken into account: brand awareness regarding the brands represented (target: to remain No. 1 in the Latvian & Lithuanian market), poultry farming without usage of antibiotics (target: 100% raised antibiotic-free), operating profit margin (target: >/= 3.5 percent), etc.

The objective of the management of the Group in the segment of grain-based food is to maintain leadership of branded products in the Baltic states, expand and capitalize on private label production for export. The emphasis for the upcoming year goes to implementation of the investment and expansion projects which will further increase the earning capacity of the segment. A special interest will be designated towards acquisitions in the sector with wider scope than Baltics. When assessing achievements of the segment special attention is being brought to operating margin (target: >/= 4 percent).

Farming

The development of this area of activity is limited by the area of managed land, therefore, the respective strategic objectives of the Group are to further increase the productivity of crop and dairy farms and to expand the volume of raw milk production through the modernization of production processes and cow herd expansion. When assessing achievements in the segment, the following is taken into account: milk yield (target: >/=12 thousand kg of milk per year per cow), yields of various cereals (winter wheat average yield target: >/=7.2 tons per hectare of crop, EBITDA gained per one hectare planted (target: >/= EUR 300), etc.

Other products and services

The businesses in this segment are not significant in the context of the Group, and consequently, due to their small size, their profitability is often lower than that of competitors. The Group's management's objective is to find a competitive advantage (e.g., expanding production of higher margin premium products, increasing brand awareness, maintaining, and expanding supplier representation contracts, and achieving the right scale, ensuring an efficient result from the activities.

8. Authorized capital and shares

4 December 2023, the authorized capital of AB Akola Group was increased and registered in the Register of Legal Entities.

The Company's authorized capital was increased by EUR 1,764,518.92 by issuing 6,084,548 new ordinary registered uncertificated shares of the Company with a nominal value of EUR 0.29 each and an issue price of 691,535 shares was EUR 0.705, and issue price of 5,393,013 shares was EUR 0.58 each. The total issue price of all new shares amounted to EUR 3,615,479.72, of which EUR 1,764,518.92 is the nominal value of the new shares and EUR 1,850,960.80 is the share premium. The new shares were issued in order to exercise part of the options granted to the Group's employees and/or members of the Group's bodies in 2018 and 2020, by granting the shares free of charge and paid for with the Company's funds from the Company's reserve for the granting of treasury shares. The information on the shares to be optioned is disclosed in the 2023/2024 Annual Financial Statements, Note 29.

Company's share data as at 30/6/2024:

Share type	Ordinary registered shares
ISIN	LT0000128092
Nominal, EUR	0.29
Total number of shares	167,170,481
The authorized capital of the Company, EUR	48,479,439.49
Own shares acquired by the Company	711,972
Total number of shares under option	106,620

All the shares of the Company are fully paid, and they are not subject to any restrictions of the transfer of securities. All shares issued by the Company grant equal rights to the Company’s shareholders. Company has not issued any shares of a class other than the aforementioned ordinary shares. One ordinary registered share of the Company carries one vote at a general meeting of the Company's shareholders (other than the Company's own ordinary registered shares, which carry no voting rights). The Company's Articles of Association do not contain any limitations on the rights conferred by the Company's shares or any special rights of control over shareholders.

The Company's subsidiaries have not acquired shares in the Company.

9. Trade in the Company's Securities on Regulated Markets

During the reporting period from 1 July 2023 to 30 June 2024, all the Company's shares were listed on the Official List of the Nasdaq Vilnius Stock Exchange (ISIN code LT0000128092). The trading code of the shares on the AB Nasdaq Vilnius Stock Exchange is AKO1L as of 8 December 2023, and before that it was LNA1L. The Company's shares have been traded on the AB Nasdaq Vilnius since 17 February 2010.

On 24 July 2017, the Company has signed an agreement for the management of the Issuer's securities accounting with AB Šiaulių bankas, represented by the Securities Operations Department (code 112025254, address - Šeimyniškių st. 1A, LT-09312 Vilnius).

The securities of the Company's subsidiaries are not traded on regulated markets.

9.1 Trade in the Company's shares

Information on auto-execution transactions, prices and turnover of shares traded on the AB Nasdaq Vilnius Stock Exchange during the period 1 July 2023 - 30 June 2024:

Year and quarter	Price, EUR				Turnover, EUR		Last trading days of the period			Total turnover	
	Opening	Max	Average	Min	Max	Min	Price EUR	Turnover, EUR	Date	Units	EUR
2023 III	1.370	1.375	1.307	1.225	67,174	463	1.230	2,371	29/9/2023	596,344	776,027
2023 IV	1.225	1.260	1.194	1.130	196,379	675	1.135	3,465	29/12/2023	561,727	676,537
2024 I	1.135	1.140	1.077	0.980	76,581	106	1.000	12,854	28/3/2024	546,557	581,388
2024 II	0.990	1.220	1.074	0.936	47,895	870	1.180	14,035	28/6/2024	796,414	858,120

9.2. Capitalization of the Company's shares

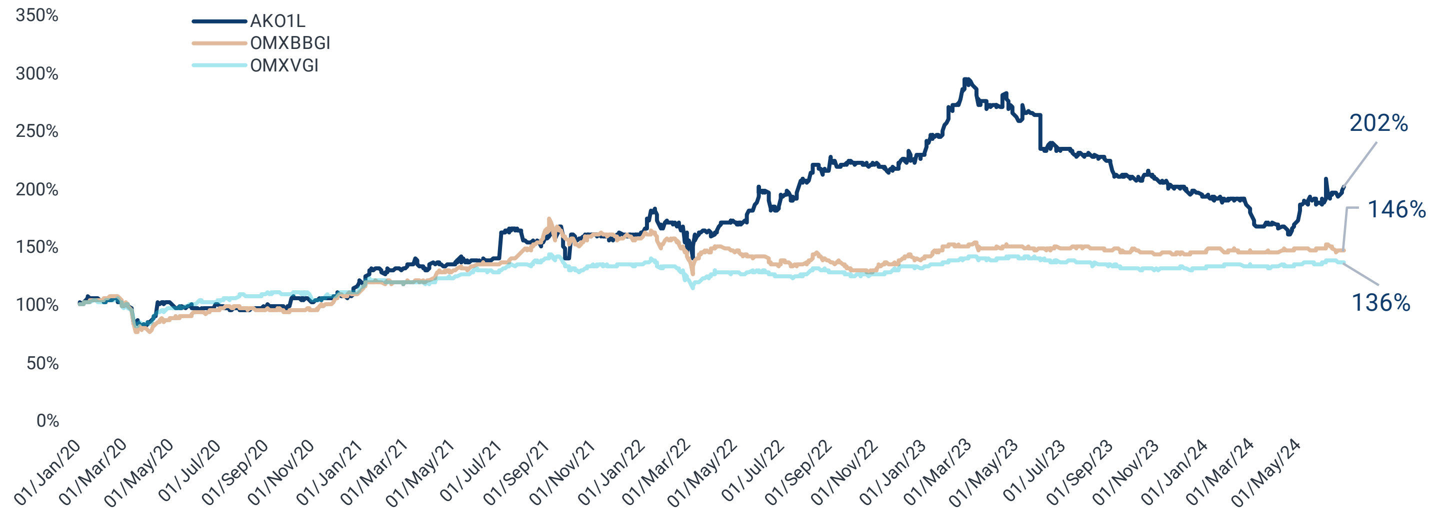
Date	Capitalization, EUR	Share price, EUR
29/09/2023	198,135,698	1.230
29/12/2023	189,738,496	1.135
28/03/2024	167,170,481	1.000
28/06/2024	197,261,168	1.180

9.3. The Company's share price and turnover

The period from 1 July 2019 to 30 June 2024:

9.4. Share price with OMX Baltic Benchmark GI (OMXBBGI) and OMX Baltic Vilnius GI (OMXVGI) indices

The period from 1 January 2020 to 30 June 2024:



10. Shareholders

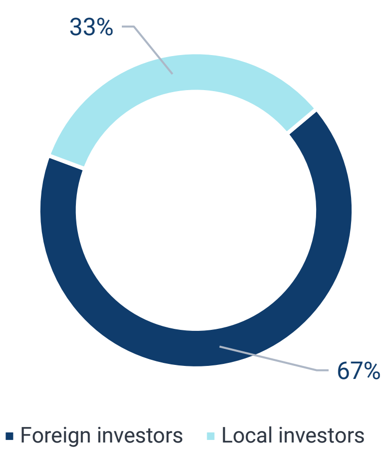
10.1. Shareholders by country of residence and legal form

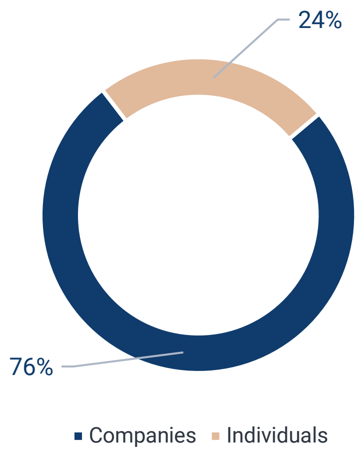
According to the list of holders of ordinary registered shares provided by securities account operator AB Šiaulių Bankas, the (data as at the end of 30 June 2024), the total number of shareholders of the Company at the end of the reporting period amounted to 4,365.

Distribution of shareholders by country of residence and legal form at 30 June 2024:

Investors	Shares held Number of units, pcs.	Authorized capital share, %
Foreign investors:	111,620,268	66.77
Companies	110,871,384	66.32
Individuals	748,884	0.45
Local investors*:	55,550,213	33.23
Companies	15,760,003	9.43
Individuals	39,790,210	23.80
Total	167,170,481	100.00

*Baltic investors are considered as local





10.2. Major shareholders

Shareholders holding more than 5% of the Company's share capital as at 30 June 2024:

	Number of shares held	Portion in the authorized capital. %
Akola ApS (limited liability company, code 25174879, registration address Thistedvej 68, st., 9400 Norresundby, Denmark)	109,909,167	65.75
Darius Zubas	17,049,995	10.20
UAB SB Asset Management (private limited liability company, registration address Gynėjų g. 14, LT-01109 Vilnius, Lithuania)	8,449,906	5.05

10.2. Rights and agreements of shareholders

Shareholders of the Company have all the property and non-property rights specified in the Articles 15 and 16 of the Law of the Republic of Lithuania on Companies.

There are no Company shareholders possessing special control rights; the Company's ordinary non-certificated shares grant equal rights to all shareholders of the Company.

The Company does not have any further information about any agreements between shareholders due to which the shareholders' and/or voting rights might be limited.

11. Procedure for amending the Company's Articles of Association

Articles of Association shall be amended exclusively by the general meeting of shareholders under the Law of the Republic of Lithuania on Companies. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law of the Republic of Lithuania on Companies.

12. Essential agreements to which the company is a party

During the reporting period, no essential agreements to which the Company is a party and which entered into force were amended or expired in case of change in the control of the Company were concluded. There were also no transactions with related parties entered into by the company under abnormal market conditions and/or not in the ordinary course of business.

13. Governance

The Company complies with the company management procedures stipulated in the Law of the Republic of Lithuania on Companies. The Company complies with the essential management principles indicated in the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius.

The bodies of the Company are the General Meeting of Shareholders, the Supervisory Board, the Manmagement Board of the Company, and the Head of the Company (Chief Executive Officer). The Company has an Audit Committee. The detailed information on compliance with the Corporate Governance Code is disclosed in Annex No 6 to this Annual Report.

The members of the management bodies of AB Akola group have no criminal convictions for crimes against property, good housekeeping and financial irregularities.

13.1. General Meeting of Shareholders

The General Meeting of Shareholders is the supreme body of the Company. The procedure for the convening and organization of a General Meeting of Shareholders, and for passing decisions is established in the Law on Companies of the Republic of Lithuania.

During the period under review, one Ordinary General Meeting of the Company was held on 27 October 2023. It was attended by the Company's shareholders holding 87.06% of the total number of votes attached to the Company's shares.

13.2. The Management Board

The Management Board consists of six members elected for four years period. The Management Board of the Company was elected at the Ordinary General Meeting of Shareholders of the Company on 28 October 2022 in accordance with the prodcedure established by the Law on Companies of the Republic of Lithuania. The Supervisory Board elects members of the Board and may remove the entire Board or indiviual members under the valid edition of the Company's Articles of Asssociation.

There are no independent members on the Board.

Dainius Pilkauskas, a member of the Management Board, resigned on 30 April 2024. The Chairman of the Management Board is also the Company's Chief Executive Officer (CEO).

During the period under review, the Company did not grant any loans, guarantees or sureties to the members of the Management Board to secure the fulfilment of their obligations, nor did it transfer any assets to them.

During the period under review, 34 Management Board decisions were taken with 100% participation of Board members.

The competence of the Board is established in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company.

The composition of the Management Board at 30 June 2024:

Name, surname	Position within the Board	Cadence started	Cadence ends	Number of the Company's shares held
Darius Zubas	Chairman	28/10/2022	27/10/2026	17,049,995
Andrius Pranckevičius	Vice Chairman	28/10/2022	27/10/2026	2,237,106

Mažvydas Šileika	Member	28/10/2022	27/10/2026	1,100
Arūnas Zubas	Member	28/10/2022	27/10/2026	480,281
Jonas Bakšys	Member	28/10/2022	27/10/2026	5,197,671

Darius Zubas

The principal founder of the Group.

Graduated from Veterinary Academy of Lithuanian University of Health Sciences.

Serves as CEO at AB Akola Group since 1996.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Group's companies:		
UAB Dotnuva Seeds. 306313873, Tilto St. 2C, Dotnuva, Kėdainiai district, Lithuania	Chairman of the Board	2024
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Chairman of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius district, Lithuania	Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys, Lithuania	Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės vill., Elektrėnai municipality, Lithuania	Chairman of the Board	2021
UAB Akola Farming, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Deputy Chairman of the Board	2020
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai district, Lithuania	Chairman of the Board	2024
AS Kekava Foods, 50003007411, Ziemelu St. 22, Kekava, Latvia	Chairman of the Council	2014
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Chairman of the Board	2006
Other companies:		
UAB Darius Zubas Holding, 305363909, Subačiaus St. 5, Vilnius, Lithuania	Chairman of the Board	2019
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Chairman of the Board	2006

Andrius Pranckevičius

Holds a Bachelor's degree in Business Administration and a Master's degree in Marketing Management from Kaunas University of Technology. Joined the Group in 1999 and serves as Deputy CEO at AB Akola Group since 2009.

Activities in other companies:

Name, code and registered office of the legal entity	Position	Since
Group's companies:		
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	CEO Deputy Chairman of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius district, Lithuania	Vice Chairman of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys, Lithuania	Deputy Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Dаučiuliškės vill., Elektrėnai municipality, Lithuania	Deputy Chairman of the Board	2021
UAB Akola Farming, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Chairman of the Board	2020
AS Kekava Foods, 50003007411, Ziemelu St. 22, Kekava, Latvia	Chairman of the Board	2015
Other companies:		
Lithuanian Confederation of Industrialists, 110058241, Vilniaus St. 31, Vilnius, Lithuania	Vice-President	2024
Association of Lithuanian Agricultural Companies, 110055327, Tilto St. 35-6, Vilnius, Lithuania	Presidium Member	2022
Lithuanian Poultry Association, 120748664, Verkių St. 5, Vilnius, Lithuania	Chairman of the Council	2022
Latvian Poultry Association LAPNA, 50008102661, Republikas laukums 2, Rīga, Latvia	Member of the Council	2021

Mažvydas Šileika

Graduated from the University of Leeds with a Bachelor of Management degree and from City University London Bayes Business School with a Master of Science (MSc) degree in Shipping, Commodity Trading and Finance. Joined the Group in 2020 and since then serves as CFO at AB Akola Group.

Activities in other companies:

Name, code and registered office of the legal entity	Position	Since
Group's companies:		
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai district, Lithuania	Member of the Board	2024
UAB OMG Bubble Tea, 305971338, Elektronikos St. 12-2, Panevėžys, Lithuania	Member of the Board	2024
Brite Drinks LTD, 71-75 Shelton Street, London, United Kingdom	Member of the Board	2024
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės St. 2C, Panevėžys, Lithuania	Deputy Chairman of the Board	2024
SIA Linas Agro, 53603019011, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Deputy Chairman of the Council	2024
UAB Akola Poultry, 304784428, Subačiaus St. 5, Vilnius, Lithuania	Director	2023
AS Kekava Foods, 50003007411, Ziemelu St. 55, Kekava, Latvia	Member of the Council	2022
UAB Akola Foods, 304141581, Subačiaus St. 5, Vilnius, Lithuania	Director	2021
UAB Kormoprom Invest, 304141542, Subačiaus St. 5, Vilnius, Lithuania	Director	2021
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Member of the Board	2021
AB Vilniaus Paukštynas, 186107463, Gamyklos St. 27, Rudamina, Vilnius district, Lithuania	Member of the Board	2021
AB Kaišiadorių Paukštynas, 158891218, Paukštininkų St. 15, Kaišiadorys, Lithuania	Member of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės vill., Elektrėnai municipality, Lithuania	Member of the Board	2021
UAB Akola Farming, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Member of the Board	2021
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Member of the Board	2021
Other companies:		
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Member of the Board	2023

Jonas Bakšys

Holds a BA in International Economics from Concordia University (USA) and an MSc in Business Administration from the University of Surrey (UK). Joined the Group in 2004.

Activities in other companies:

Name, code and registered office of the legal entity	Position	Since
Group's companies:		
SIA Dotnuva Seeds, 40203489925, 'Iecavas baze', Iecava, Bauskas district, Latvia	Chairman of the Council	2023
UAB Dotnuva Seeds, 306313873, Tilto St. 2C, Dotnuva, Kėdainiai district, Lithuania	Deputy Chairman of the Board CEO	2023 2023
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės St. 2C, Panevėžys, Lithuania	Chairman of the Board	2024
UAB GeoFace, 304781617, Karaliaus Mindaugo av. 37, Kaunas, Lithuania	Director Chairman of the Board	2022 2022
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	Member of the Board	2021
Linas Agro OU, 16071924, Savimäe 7, Vahi, Tartu district, Estonia	Chairman of the Council	2024
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai district, Lithuania	Deputy Chairman of the Board CEO	2019 2019
SIA Linas Agro, 53603019011, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Chairman of the Council	2024
SIA Dotnuva Baltic, 43603041881, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Chairman of the Council	2024
AS Dotnuva Baltic, 12019737, Savimäe 7, Vahi, Tartu district, Estonia	Chairman of the Council	2024
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	CEO Deputy Chairman of the Board	2024 2024

Arūnas Zubas

Holds a Master's degree in Food Production Technology from Kaunas University of Technology. He was employed within the Group from 1995 to 2005 and serves as Business Development Director at AB Akola Group since 2022.

Activities in other companies:

Name, code and registered office of the legal entity	Position	Since
Group's companies:		
AS Kekava Foods, 50003007411, Ziemelu Str. 55, Kekava, Latvia	Deputy Chairman of the Council	2018
Other companies:		
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Deputy Chairman of the Board CEO	2018 2005

Members of the Management Board the Company controlling more than 5% of other Companies shares and votes:

First name Last name	Participation in the authorized capital of other companies
Darius Zubas	UAB Darius Zubas Holding-100%; UAB MESTILLA-14.3%
Jonas Bakšys (joint community property with spouse)	UAB Vividum-100%; Dvi T, UAB-100%
Mažvydas Šileika (joint community property with spouse)	10xreturns, UAB-25 %

Andrius Pranckevičius, Arūnas Zubas and Dainius Pilkauskas do not have more than 5% of shares in the other companies.

13.3. Supervisory Board

From 1 December 2022, the Company has a Supervisory Board whose members are elected for a term of 4 (four) years. The Supervisory Board is composed of 3 members, two of whom are independent.

During the period under review, 6 meetings of the Supervisory Board were held, with 100% attendance of Supervisory Board members.

During the reporting period, the Company did not grant any loans to the members of the Supervisory Board, nor did it grant any guarantees or sureties to secure the fulfilment of their obligations, nor did it make any transfers of assets to them.

Members of the Board of Supervisors as at 30 June 2024:

Name, surname	Status on the Supervisory Board	Cadence started	Cadence to end	Number of the Company's shares held
Tomas Tumėnas	Chairman	1/12 2022	30/11/2026	2,200
Arūnas Bartusevičius	Independent Member	1/12 2022	30/11/2026	484,561
Carsten Højland	Independent Member	1/12 2022	30/11/2026	649,477

Tomas Tumėnas

Tomas Tumėnas obtained MBA in Economics at Vilnius University, MSc Certificate in International Business Economics from the University of Aalborg, MBA in Finance at Manchester Business School of the University of Manchester. Tomas Tumėnas is not considered as an independent member of the Supervisory Board as he is a Director and Board Member of UAB Darius Zubas Holding, as well as a Director of Akola ApS and UAB Baltic Fund Investments. Tomas Tumėnas' main employer was AB KN Energies. He was an independent member of the Board of Directors of the State Enterprise Regitra and the State Enterprise UAB Valstybės Investicijų Valdymo Agentūra. Also he is a member of the Supervisory Board of KU Saulėgrąža and member of the Board of Turing College, UAB.

Arūnas Bartusevičius

Arūnas Bartusevičius holds a master's degree in economics from Vilnius University and an EMBA from the Baltic Management Institute. CEO of ATEA Baltic, UAB, Director of UAB Nex Group and UAB Sonex Consulting.

Carsten Højland

Carsten Højland graduated from the Management programs at Business school of St. Gallen and holds an Academy Economist degree from the Aarhus School of International Business. Has many years of management experience in multinational companies in the UK and Germany and is currently unemployed.

13.4. Committees formed by the Company

Since 28 October 2010, the Company has had an Audit Committee whose members are elected for a term of 4 (four) years. The Audit Committee is composed of 3 members. Following the resignation of Irma Antanaitiene, a member of the Audit Committee, a new member of the Audit Committee, Arūnas Bartusevičius, was approved by the General Annual Meeting of the Company Shareholders on 27 October 2023.

Members of the Audit Committee during the reporting period:

Name, surname	Status In the Committee	Cadence started	Cadence to end	Number of the Company's shares held
Lukas Kuraitis	Independent Member	28/10/2022	27/10/2026	0
Skaistė Malevskienė	Independent Member	28/10/2022	27/10/2026	0
Arūnas Bartusevičius	Independent Member	27/10/2023	27/10/2026	484,561
Irma Antanaitienė	Member	28/10/2022	16/10/2023	0

Lukas Kuraitis

Skaistė Malevskienė

Arūnas Bartusevičius

Lukas Kuraitis is the Managing Director of UAB BJK, UAB Timis and UAB Lizus.

Skaistė Malevskienė is Commercial Director at UAB Kirtimų Logistikos Centras.

For information on Arūnas Bartusevičius, see section 13.3 *Supervisory Board*.

The Audit Committee held 6 meetings during the reporting period at which they had 100% attendance.

They resolved issues assigned for the competence of the Committee:

- Unadjusted audit corrections and auditors' recommendations;
- Transfer pricing documentation for intercompany transactions and potential tax risks;
- Risk management matrix and risk mitigation measures;
- Non-audit services (NAS) list and independence evaluation;
- Related party transactions and their regulation;
- Supervisory authority inspections and their impact on the Group's operations;
- Unusual and new transactions;
- Audit progress and audit plan discussion.

13.5. The Head and Senior Executives of the Company

Darius Zubas

Andrius Pranckevičius

Mažvydas Šileika

The Head of the Company is the single-person management body of the Company. In his activities, the Head of the Company follows laws, other legal acts, the Articles of Association, decisions of the General Meeting of Shareholders and the Board, and his office regulations.

The Head of the Company (Chief Executive Officer) is Darius Zubas, he is also the Chairman of the Board.

The senior executives of the Company work under open-ended contracts of employment. Details of the senior executives remained unchanged during the reporting period.

There are no separate agreements between the Company and its employees providing for compensation in the event of resignation or dismissal without a justified reason.

The remuneration charged to the Company's Senior Executives during the period under review for their duties in the Company amounted to EUR 1,662 thousand (EUR 1,648 thousand a year ago). They did not receive any bonuses for serving on the boards of other Group companies.

Company Management (30 June 2024):

Name, surname	Position	Employed since	Number of the Company's shares held
Darius Zubas	Chief Executive Officer	1/9/1996	17,049,995
Andrius Pranckevičius	Deputy Chief Executive Officer	19/11/2009	2,237,106
Mažvydas Šileika	Chief Financial Officer	15/4/2020	1,100

Information about Senior Executives who are also the Members of the Board, is provided in chapter 13.2 *The Management Board.*

14. Employees

As at 30 June 2024 the number of employees of AB Akola Group and its subsidiaries was 4,959 or 72 employees more than as at 30 June 2023 (4,887). The increase in the number of employees is mainly due to the acquisition of UAB Grybai LT (formerly KB Grybai LT).

The number of employees of the Company was 21 (20 as at 30 June 2023).

AB Akola Group has no collective agreement.

All employment contracts concluded by the Group with the Company's and Group's employees are entered into in accordance with the Labor Code of the Republic of Lithuania and respective legal requirements in Latvia, Estonia, Ukraine, Denmark, Poland, UK, Belarus. Both hiring and dismissal of employees is carried out pursuant to the requirements of the Labor Code. No special rights or obligations of employees are provided for in employment contracts.

Employees have undertaken the obligation of non-disclosure of confidential information. Some Board members and key executives have signed confidentiality and non-competition agreements.

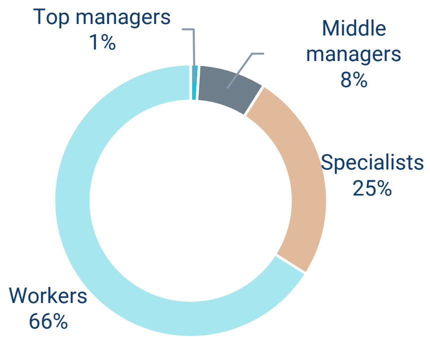
14.1. Distribution of employees

By position

By gender

By country

30/6/2024



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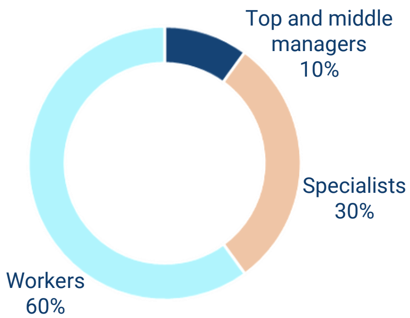
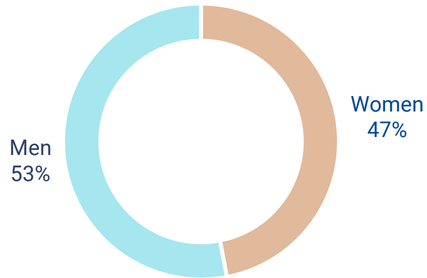




14.2. Average monthly salary

Monthly salary before taxes, EUR:

	2022/2023	2023/2024
Top and Middle managers*	4,514	5,542
Specialists	2,002	2,865
Workers	1,437	1,738

Note: average monthly salary before taxes considering the average number of employees in the Group over the reporting period

*Over the reporting period Top managers average salary before taxes – 10,320 EUR (included in the average salary of Top and Middle managers in the table above), Middle managers average salary before taxes – 4,845 EUR (included in the average salary of Top and Middle managers in the table above).

14.3. Remuneration policy

Detailed information on the remuneration system applicable to the Company’s management is provided in the Remuneration Policy document, which could be found on the Company’s website. Information on how the Group has implemented the guidelines of this policy in the financial year 2023/2024 can be found in Annex 7 of this Report - the Remuneration Report of AB Akola Group.

14.4. Implementation of the Rules of Shares Issue

30 June 2024 the Company had in force the version of the Company's Rules for Shares Issue (the "Rules") as approved by the Ordinary General Meeting of Shareholders of the Company on 28 October 2022.

During the financial year 2023 /2024, the following shares were granted to employees for no consideration:

- 6,084,548 shares of the Company were granted in accordance with the provisions of Clause 1.3.1 of the Rules to those Employees with whom the Company had entered into Share Option Agreements. These shares were issued as part of the Company's share capital increase and were paid by the Company out of the Company's own share premium reserve. The shareholders' resolution was made at the Ordinary General Meeting of the Company held on 27 October 2023, and the shares were granted to the Employees following the registration of the Company's Articles of Association with the Register of Legal Entities on 4 December 2023;
- 26,000 treasury shares have been transferred by the Company to the Employees in accordance with the provisions of Clause 1.3.2 of the Rules, i.e. 1,000 shares were granted to each of the Employees who the companies of Akola Group have continuously employed for 20 years. Accordingly, 3,000 shares of the Company were transferred on 7 July 2023 and 23,000 shares on 11 January 2024.

No shares were granted in the financial year 2023/2024 by the provisions of point 1.3.3 of the Rules and no new Share Option Agreements have been concluded.

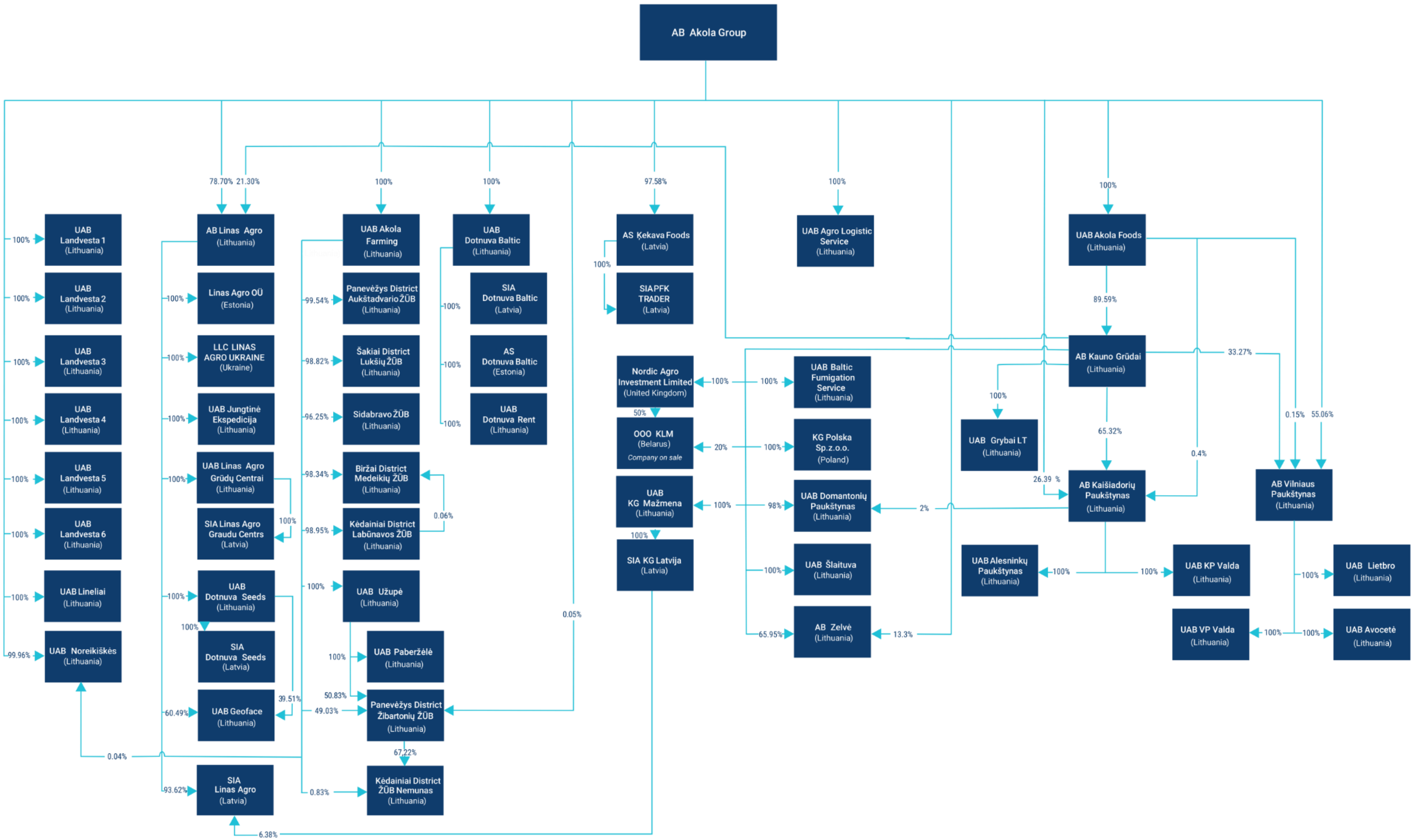
The rest maximum amount of the issued share capital of the Company under Clause 1.3.1 is 1,769,917 shares of the Company.

Further information on employee relations is disclosed in the AB Akola Group's social reporting section – *16. Sustainability Report*.

15. Subsidiaries

As at 30 June 2024.

The scheme excludes dormant, associated companies and the companies under liquidation: SIA KEKAVA BIOENERGY(founded 21/6/2024, 100% owned by AS Kekava Foods), UAB Gerera (100% owned by AB Linas Agro), deregistered on July 2, 2024, UAB Kormoprom Invest (under liquidation, 100% owned by AB Akola Group), UAB Akola Poultry (100% owned by AB Akola Group), UAB Sunvesta (100% owned by AB Akola Group), Linas Agro A/S under liquidation (100% owned by AB Linas Agro), UAB Kaišiadorių Paukštyno Mažmena (99% of shares owned by UAB Uogintai and 1% - by AB Kaišiadorių Paukštynas), KG Eesti OU (100% of shares owned by AB Kauno Grūdai), UAB Uogintai (100% of shares owned by AB Kaišiadorių Paukštynas), Kooperatyvas Baltoji plunksnelė (20% of shares owned by each of UAB Domantonių Paukštynas, UAB Lietbro, AB Zelvė, UAB Avocetė and UAB Alesninkų Paukštynas), KG Khumex B.V. (associate, 50% owned by AB Akola Group), KG Khumex Coldstore B.V. (associate, 25% owned by AB Kaišiadorių Paukštynas and 25% - by AB Vilniaus Paukštynas), UAB OMG Bubble Tea (associate, minority stake owned by AB Akola Group), Brite Drinks Ltd (associate, minority stake owned by AB Akola Group).



15.1. Subsidiaries

As at 30 June 2024

Dormant companies and the companies under liquidation, as well as associates not attributable to the Group are not included:

1. UAB Gerera (dormant, the Group owns 97.78% stock)- a private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
2. UAB Akola Poultry (dormant, the Group owns 100% stock)- a private limited liability company, founded 8/3/2018, code of legal entity 304784428, address Subačiaus St. 5, LT-01302 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
3. UAB Sunvesta (dormant, the Group owns 100% shares)- a private limited liability company, founded 11/10/2023, legal entity code 306546703, address Smėlynės St. 2C-3, LT-35143, Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
4. Linas Agro A/S (under liquidation, the Group owns 97.78% stock)-a private limited liability company, founded 15/3/1994, code of legal entity CVR 17689037, address Vinkel Allé 1, DK-9000 Aalborg, Denmark, company register – Danish Commerce and Companies Agency;
5. Kooperatyvas Baltoji Plunksnelė (dormant, the Group owns 83.45% stock)- a cooperative, founded 22/11/2007, code of legal entity 301293559, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania; company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
6. SIA KEKAVA BIOENERGY (dormant, the Group owns 97.58% stock), limited liability company, founded 21/06/2024, code of legal entity 40203570435, address Ziemeļu St. 55, Ķekava, LV-2123, Latvia; company register– The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs);
7. UAB Kormoprom Invest (under liquidation, the Group owns 100% stock), limited liability company, founded 24/11/2015, code of legal entity 304141542, address Subačiaus St. 5, LT-01302 Vilnius, Lithuania; company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
8. UAB Kaišiadorių Paukštyno Mažmena (dormant, the Group owns 85.31% stock)- a private limited liability company, founded 2/6/1999, code of legal entity 158986919, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
9. KG Eesti OU (dormant, the Group owns 89.59% stock)- a private limited liability company, founded 12/7/2016, code of legal entity 14079784, address P. Suda 11, 10118 Tallinn, Estonia, company register – Centre of Registers and Information Systems (RIK);
10. UAB Uogintai (dormant, the Group owns 85.31% stock)- a private limited liability company, founded 10/11/2006, code of legal entity 300614873, address Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
11. KG Khumex Coldstore B.V. (associate, the Group owns 42.58% stock)- private limited liability company, founded 16/11/2016, code of legal entity 67283845, address Landauer 11, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel);
12. KG Khumex B.V. (joint-stock company, the Group owns 50% stock)- private limited liability company, founded 17/12/2012, code of legal entity 56668317, address Landauer 9, 3897AB Zeewolde, the Netherlands; company register – Chamber of Commerce (Kamer van Koophandel).
13. UAB OMG Bubble Tea (associate company, the Group owns 6.21% stock), limited liability company, founded 5/11/2022, code of legal entity 305971338, address Elektronikos St. 12-2, LT-35116 Panevėžys, Lithuania; company register – State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras);
14. Brite Drinks LTD (associate company, the Group owns 5.32% stock), private limited company, incorporated on 21/3/2021, code of legal entity 13279987, address 71-75 Shelton Street, London, United Kingdom; company register WC2H 9JQ - Companies House.

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
UAB Akola Farming	100%	Management of agricultural subsidiaries	23/6/2003, code of legal entity 248520920, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Žibuoklių St. 20, LT-57128 Kėdainiai, Lithuania Ph. +370 686 53692 E-mail farming@akolagroup.lt
UAB Akola Foods	100%	Corporate management	2015-11-24, code of legal entity 304141581, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Subačiaus St. 5, LT-01302 Vilnius, Lithuania Ph. +370 619 19403 E-mail foods@akolagroup.lt
AB Linas Agro	97.78%	Wholesale trade of grains, oilseeds, feedstuffs, and agricultural inputs supply	8/7/1991, code of legal entity 1473 28026, public limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C-3, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt
UAB Dotnuva Baltic	100%	Sale of agricultural machinery, equipment for grain elevators and farms, seeds production	5/3/1996, code of legal entity 261415970, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Parko St. 6, Akademija, LT-58351 Kėdainiai district, Lithuania Ph. +370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvabaltic.lt www.dotnuvabaltic.lt
UAB Dotnuva Rent	100%	Rent of agricultural machinery	25/6/1998, code of legal entity 161452398, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Parko St. 6, Akademija, LT-58351 Kėdainiai district, Lithuania Ph. +370 347 37030 E-mail info@dotnuvarent.lt
UAB Dotnuva Seeds	97.78%	Seed production	8/5/2023, code of legal entity 306313873, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Tilto St. 2C, Dotnuva, LT-58373 Kėdainiai district, Lithuania Ph. +370 612 20179 E-mail info@dotnuvaseeds.lt
UAB Linas Agro Grūdų Centrai	97.78%	Grain processing and storage	10/7/2002, code of legal entity 148451131, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.Centras@linasagro.lt
UAB Jungtinė Ekspedicija	97.78%	Logistics and forwarding services	17/2/1998, code of legal entity 141642963, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Nemuno St. 2A, LT-91199 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt www.je.lt
Biržai District Medeikių ŽŪB	98.39%	Growing and sale of crop	5/10/1992, code of legal entity 154771488, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Biržų St. 32, Medeikiai vill., LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 E-mail medeikiai@akolagroup.lt

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
Panevėžys District Aukštadvario ŽŪB	99.54%	Mixed agricultural activities	9/3/1993, code of legal entity 168573274, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Pirties St. 3, Aukštadvaris vill., LT-38255 Panevėžys district, Lithuania Ph. +370 45 592 651 E-mail aukstadvaris@akolagroup.lt
Sidabravo ŽŪB	96.25%	Mixed agricultural activities	20/4/1993, code of legal entity 171331516, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Pergalės St. 1A, Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 E-mail sidabravas@akolagroup.lt
Panevėžys District Žibartonių ŽŪB	99.90%	Mixed agricultural activities	22/5/1992, code of legal entity 168521815, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 E-mail zibartoniai@akolagroup.lt
Šakiai District Lukšių ŽŪB	98.82%	Mixed agricultural activities	30/10/1992, code of legal entity 174317183, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Lukšiai vill. 2, LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 E-mail luksiai@akolagroup.lt
Kėdainiai District Labūnavos ŽŪB	98.95%	Mixed agricultural activities	25/2/1992, code of legal entity 161228959, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Serbinų St.19, Labūnava vill., LT-58173 Kėdainiai district, Lithuania Ph. + 370 347 34 180 E-mail labunava@akolagroup.lt
Kėdainiai District ŽŪB Nemunas	67.98%	Mixed agricultural activities	21/10/1992, code of legal entity 161268868, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Žibartonių St.74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 E-mail nemunas@akolagroup.lt
UAB Landvesta 1	100%	Rent and management of agricultural purposes land	21/10/2005, code of legal entity 300501060, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 2	100%	Rent and management of agricultural purposes land	21/10/2005, code of legal entity 300501085, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 3	100%	Rent and management of agricultural purposes land	21/10/2005, code of legal entity 300501092, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 4	100%	Rent and management of agricultural purposes land	23/04/2007, code of legal entity 300709428, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
UAB Landvesta 5	100%	Rent and management of agricultural purposes land	16/8/2007, code of legal entity 301019661, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Landvesta 6	100%	Rent and management of agricultural purposes land	14/1/2008, code of legal entity 301520074, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail info@landvesta.lt
UAB Noreikiškės	100%	Rent and management of agricultural purposes land	16/8/2012, code of legal entity 302841649, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Žibartonių St. 70, Žibartoniai vill., LT-38323 Panevėžys district, Lithuania Ph. +370 45 507 406 E-mail noreikiskes@akolagroup.lt
UAB Užupė	100%	Mixed agricultural activities	6/4/2011, code of legal entity 302612561, agricultural company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 620 55 611 E-mail uzupe@akolagroup.lt
UAB Paberžėlė	100%	Rent and management of agricultural purposes land	30/6/2008, code of legal entity 301772627, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58 583 E-mail paberzele@akolagroup.lt
UAB Lineliai	100%	Rent and management of agricultural purposes land	9/3/2012, code of legal entity 302740714, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Smėlynės St. 2C-3, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 E-mail lineliai@akolagroup.lt
UAB Geoface	97.78%	Software developing	12/03/2018, code of legal entity 304781617, private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Brastos St.14, LT-47185 Kaunas, Lithuania Ph. +370 374 09 999 E-mail info@geoface.com www.geoface.com
AB Kauno Grūdai	89.59%	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; wholesale of feed materials; fumigation, disinsection, disinfection and deratization services	15/10/1993, code of legal entity 133818917, a public company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania Ph. +370 37 223317 E-mail info@kaunogrudai.lt www.kaunogrudai.lt
AB Vilniaus Paukštynas	85.02%	Chicken raising for meat and eggs production, production of poultry and its products	21/1/1993, code of legal entity 186107463, public company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Tel. +370 5 2687331 E-mail vilniaus.paukstynas@paukstynas.lt www.paukstynas.lt

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Kaišiadorių Paukštynas	85.31%	Chicken raising for meat and eggs production, production of poultry and its products	20/05/1993, code of legal entity 158891218, a public company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 346 51034 E-mail kaisiadoriu.paukstynas@paukstynas.lt www.paukstynas.lt
UAB Šlaituva	89.59%	Production and wholesale of breadcrumbs and breading mixes	30/3/1994, code of legal entity 134019827, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Sodų St. 7, LT-53290 Linksmakalnis Kaunas district, Lithuania Ph. +370 37 473446 E-mail a.jukenas@kaunogrudai.lt
AB Zelvė	72.38%	Broiler breeding	10/3/1995, code of legal entity 181323215, public company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Tiesioji St. 21, Daučiuliškės, Vievio sen., Elektrėnai municipality, LT-21364 Lithuania Ph. +370 528 26536 E-mail e.zienka@paukstynas.lt
UAB Baltic Fumigation Service	89.59%	Fumigation services	7/3/2005, code of legal entity 300094020, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Stoties St. 38, LT-70484 Pilviškiai, Vilkaviškis district, Lithuania Ph. +370 655 62153 E-mail j.aghasaryan@kaunogrudai.lt
UAB KG Mažmena	89.59%	Retail trade	14/3/2011, code of legal entity 302602745, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	H. ir O. Minkovskių St. 63, LT-46550 Kaunas, Lithuania Ph. +370 656 50366 E-mail info@kaunogrudai.lt
UAB Lietbro	85.02%	Broiler breeding	13/12/2004, code of legal entity 300073371, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Nevėžio St. 70, Velžys, Panevėžys district, LT-38129 Lithuania Ph. +370 642 72857
UAB Avocetė	85.02%	Management services	17/12/2003, code of legal entity 186758285, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 685 17342
UAB Domantonių Paukštynas	89.51%	Broiler breeding	2/6/2004, code of legal entity 300030822, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Muiželėnai vill., Alytus district, Lithuania Ph. +370 615 51259
UAB Alesninkų Paukštynas	85.31%	Broiler breeding	28/2/2005, code of legal entity 300092247, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Tiesioji St. 21, 21364 Daučiuliškės, Elektrėnai municipality, Lithuania Ph. +370 528 26536
UAB VP Valda	85.02%	Rent of own real estate	24/5/2021, code of legal entity 305776014, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 614 23749 E-mail t.sprindziunas@paukstynas.lt

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
UAB KP Valda	85.31%	Rent of own real estate	24/5/2021, code of legal entity 305775535, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 614 23749 E-mail t.sprindziunas@paukstynas.lt
UAB Agro Logistic Service	100%	Wholesale of feedstuffs for fodder and premixes production	6/3/2013, code of legal entity 303014392, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	H. ir O. Minkovskių St. 120 LT-46550 Kaunas, Lithuania Ph. +370 640 59608 E-mail info@agrols.eu www.agrols.eu
UAB Grybai LT	89.59%	Production of canned vegetables and mushrooms, ready-to-eat soups, and other ecological food products	17/4/2012, code of legal entity 302765404, a private limited liability company, State Enterprise Centre of Registers (Valstybės Įmonė Registrų Centras)	Zibalų str. 37, 19124 Širvintos, Lithuania Ph. +370 382 41798 E-mail infogrybai@kaunogrudai.lt
SIA Linas Agro	97.26%	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, code of legal entity 53603019011, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Baltijas Ceļš, Brankas, Cenu district, Jelgava municipality, LV-3043, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.linasagro.lv
SIA Linas Agro Graudu Centrs	97.78%	Grain processing and storage	2/5/2013, code of legal entity 43603059101, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Jaunsalieši, LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv
LLC LINAS AGRO UKRAINE	97.78%	Representative office	30/7/2018, code of legal entity 42340549, The United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine	Verhniy Val St. 28, Kyiv, 04071, Ukraine Ph. + 380 96 634 24 02 E-mail info.ukraine@linasagro.lt
SIA Dotnuva Baltic	100%	Sale of agricultural machinery and equipment for grain elevators	26/4/2010, code of legal entity 43603041881, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Baltijas Ceļš, Brankas, Cenu district, Jelgava municipality, LV-3043, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvabaltic.lv www.dotnuvabaltic.lv
SIA Dotnuva Seeds	97.78%	Seed production	9/6/2023, code of legal entity 40203489925, limited liability company, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	"Iecavas bāze", Iecavas municipality, Bauskas district, LV-3913 Latvia Ph. +371 20270712 E-mail m.dimante@linasagro.lv

Company name	Share of the stock held by the Group	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AS Dotnuva Baltic	100%	Sale of agricultural machinery and equipment for grain elevators	11/11/2010, code of legal entity 12019737, limited liability company, Centre of Registers and Information Systems (RIK)	Savimäe 7, Vahi 60534, Tartu district, Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvabaltic.ee www.dotnuvabaltic.ee
AS Kekava Foods	97.58%	Poultry farming, production and marketing of poultry and poultry products	11/6/1991, code of legal entity 50003007411, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Ziemelu St. 55, Kekava, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@kekavafoods.lv www.vistas.lv
SIA PFK TRADER	97.58%	Food retail	26/8/2013, code of legal entity 40103703853, limited liability company ,The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
Linas Agro OŪ	97.78%	Products for crop growing	8/10/2020, code of legal entity 16071924, limited liability company, Centre of Registers and Information Systems (RIK)	Tallinna St. 86, Peetrimoisa, 71073 Viljandi district, Estonia Ph. +372 6602810 Email info@linasagro.ee www.linasagro.ee
SIA KG Latvija	89.59%	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing	2/4/2014, code of legal entity 40103775495, limited liability company, Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Škunu St 2. Peltes, Sigulda Parish, Sigulda Municipality, LV-2150, Latvia Ph. +371 2240 1142
KG Polska Sp.zo.o.	89.59%	Wholesale of feed materials	26/10/2011, code of legal entity 200655918, limited liability company, National Court Register (Krajowy Rejestr Sądowy)	Sejnenska St. 51, Suwalki, Poland Ph. +487 565 08 01
Nordic Agro investment Limited	89.59%	Management services	9/5/2011, code of legal entity 07625931, limited liability company, Companies House	93 Tudor drive, Kingston, Surrey, England, KT2 5NP, UK Ph. +44 (0)20 8974 5252
OOO KLM	62.72%	Wholesale of products for crop growing, veterinary products, premixes and seeds for gardening	7/9/2007, code of legal entity 69608281, limited liability company, Ministry of Justice of the Republic of Belarus	Sosnovaja St. 7, office 9, Sonečnij vill., Minsk region, Belarus Ph. +375 172379980 E-mail office@klm-agro.by www.klm-agro.by

AB Akola Group

Consolidated Sustainability Report

For the financial year 2023/2024
Ended June 30, 2024

About this report

This is our third annual sustainability report in accordance with the GRI Standards for the fiscal year 2023/24. In line with GRI, we have adopted the Sector Standard GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022, ensuring enhanced transparency and accountability.

With our recent rebranding as AB AKOLA GROUP, which stands for "Authentic knowledge of the land's alphabet," we aim to reflect our expertise and identity across the food chain. Akola Group's mission remains grounded in delivering affordable, nutritious, and accessible meals while managing global challenges.

Throughout this year, our team has strengthened sustainability integration across the Group. The process remains complex, involving coordination with stakeholders, internal departments, and companies. As we progress with reporting and implementation, more and more information is being integrated online. Please feel free to click on the links throughout the report for more detailed information.

In addition to meeting GRI standards, we are preparing to introduce **double materiality** assessments in the coming reporting period, aligning with **European Sustainability Reporting Standards (ESRS)** requirements. This will allow us to address both the financial and non-financial impacts of our operations.

Adjustments to the previous year's data were made due to improved methodologies. Key revisions include merging the *'Grain, oilseeds, and feed', 'Products and Services for Farming'* segments into *'Partners for Farmers' segment (as more thoroughly indicated in our Financial reports for FY 2023/24)*. No recalculation of KPIs was required as a result of these changes.

REPORTING PRINCIPLES:

- *Accuracy:* Ensuring data precision with clear measurements.
- *Balance:* Providing a transparent view of trends, covering both positive and negative impacts.
- *Clarity:* Presenting information in a clear, easily accessible format.
- *Comparability:* Adopting international standards for consistent reporting.
- *Completeness:* Disclosing all information critical to understanding our impacts. Sustainability report aligns with our financial reporting (except for minimal scope discrepancies related with companies not included in this report, namely OOO KLM, Nordic Agro investment Limited, as well as dormant companies, or companies undergoing liquidation).
- *Sustainability Context:* Aligning our impacts with global objectives, such as the Paris Agreement and UN human rights principles.
- *Timeliness:* Reporting in a timely manner while maintaining high-quality standards.
- *Verifiability:* Backing data with evidence and ensuring transparency.

SUSTAINABILITY TARGETS:

We track progress on our sustainability agenda aligned with the UN's Sustainable Development Goals, approved by the Board, and cascading through all subsidiaries. As a leading food exporter, AB Akola Group is linked to both domestic and international markets. With over half of our production directed internationally, we remain committed to addressing sustainability challenges both locally and globally.

The GRI reporting process and the final report have been produced by the independent third-party consultancy, Sustainability.lt.

For any feedback or questions related to this report, please contact: Dovilė Revutaitė, e-mail: d.revutaite@akolagroup.lt

While scrolling through the report – reader will notice different colored hearts, representing different areas of sustainability:

- social
- environment
- governance
- economic

Four Hearts
it's time!

Table of Content

About Us

Inspired by land and food and applying our experience, authentic knowledge, and cutting-edge technologies, we grow daily to shape an era of sustainable agriculture and nourishing food.

VERTICALLY INTEGRATED GROUP

Our core operations focus on the production and distribution of a wide variety of products, including grains, oilseeds, compound feeds, feed ingredients and additives, raw milk, poultry and its derivatives, milled products, instant foods, pet food, veterinary medicines, and vital agricultural supplies such as equipment, fertilizers, and plant protection products.

Click here to discover more

HISTORY

The first company within Akola Group began its journey over three decades ago, focusing on rapeseed exports. Today, we have grown to become one of the most prominent agricultural and food production groups in the Baltic region, with a strong presence across more than 60 locations and four core business segments. Our operations span grain trade, farming, milling, and the poultry business, with over 33 years of experience in grain trade, 31 years in providing products and services to farmers, 21 years in farming, 11 years in the poultry industry, and 3 years in milling.

Click here to discover more

FOUR HEARTS

Four Hearts it's time!

We are dedicated to driving change at every step. Our sustainable development initiative, 'Four Hearts,' brings together each company within the Group, with employees actively involved in this collective effort.

Click on the Four Hearts logo to learn more.

LEADERSHIP

The Management Board

Click on the links to learn more on collective knowledge and experience of members of the Management Board

MEMBER
ARŪNAS ZUBAS

DEPUTY CHAIRMAN
ANDRIUS PRANCKEVIČIUS

CHAIRMAN
DARIUS ZUBAS

MEMBER
JONAS BAKŠYS

MEMBER
MAŽVYDAS ŠILEIKA

THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the supreme body of the Company. The last Annual General Meeting was held on 27 October 2023.

THE MANAGEMENT BOARD

The Management Board consists of six members; none are independent. Dainius Pilkauskas resigned in April, 2024.

THE HEAD OF THE COMPANY

The Head of the company is also the Chairman of the Management Board. Elected by The General Meeting of Shareholders

OTHER MANAGEMENT BODIES

Click on the corresponding box to learn more

The Supervisory Board

The Audit Committee

OWNERSHIP

Click here to discover more

Akola Group shares have been
Traded in Nasdaq Vilnius since February 17, 2010
Total number of shares 167,170,481
The Company's number of shareholders
as at 30 June 2024 was 4,364.

2023/24: Key Events

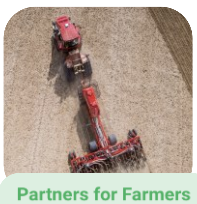
CHANGE OF BUSINESS SEGMENTS

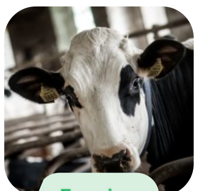
The structure and resource allocation within segments were streamlined to better align with the Group's strategic vision and focus on circular activities. The "Grain, Oilseeds, and Feed" segment was streamlined and merged with the "Products and Services for Farming" segment. Except for AB Kauno Grūdai, which continues to operate across three segments, all other companies within the Group are now focused on delivering results within a single segment. The change is reflected in the data reported for better comparison, and historic data has been rearranged accordingly. *Click on the pictures below to learn more.*

Group Segments up until 30/06/2023:

Grain, Oilseeds, and Feed | Products and Services for Farming | Agricultural Production | Food Products | Other Activities

Group Segments starting with 01/07/2023:


Partners for Farmers


Farming


Food production


Other Products and Services

ACQUISITION OF GRYBAI LT

On July 21, 2023, AB Kauno Grūdai completed the acquisition of Grybai LT for EUR 12.95m. Grybai LT, based in Širvintos, produces ready-to-eat organic meals, including soups, curries, and vegetables, exporting to over 30 countries.
We are on track to expand Grybai LT's production by 3.7 times over 5-6 years, investing EUR 4.4m. The deal includes a transitional period of 18 months during which AB Akola Group can use the AUGA brand for Grybai LT's products, after which they will rebrand under the "Activus" name (in LT market).

REBRANDING

We officially became AB AKOLA GROUP in December of 2023. The name 'Akola' conveys 'Authentic Knowledge of the Land's Alphabet' and reflects our group's expertise and identity. As we continue expanding the food production chain, starting with agriculture, we are increasingly focused on developing new food products and brands and establishing them in Western European markets.

AB VILNIAUS PAUKŠTYNAS CASE

In 2023 AB Vilniaus Paukštynas (Rudamina utilization unit) three violations related to exceeded pollution norms stipulated in the Integrated Pollution Prevention and Control (IPK) permit were recorded; recording of three violations within 12 months period constitutes the basis for the Environmental Protection Agency to revoke the IPK permit, i.e. restrict activities; In order to prevent possible cases of over-normative pollution, the company submitted an action and modernization plan, the actions of which are already in process on the date of publication of this report. Accordingly, the Court confirmed in its ruling that activity limitation will not be initiated during the implementation period of the modernization plan.

MERGER OF LATVIAN POULTRY COMPANIES

In February 2024, AS Putnu fabrika Ķekava merged with SIA Lielzeltiņi, SIA Broileks, and SIA Cerova, forming a unified company under the name AS Ķekava Foods. The merger preserved jobs while streamlining internal processes to reduce costs and bureaucracy.

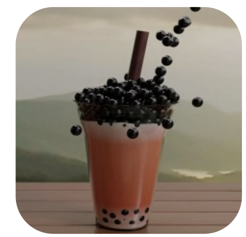
KEKAVA FOODS
a'kola GROUP

CHANGES IN THE MANAGEMENT BOARD

Dainius Pilkauskas resigned as a board member of Akola Group and as trade director for the Baltic countries, transitioning to a consultant role in grain trading.

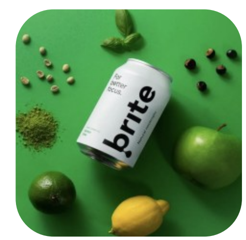
INVESTMENT IN OMG BUBBLE TEA

In March 2024, we invested EUR 1.9 million to acquire a minority stake in OMG Bubble Tea, a fast-growing Lithuanian startup that produces natural bubble tea. Founded in 2022, OMG Bubble Tea exports 95% of its products to countries like France, Germany, and the UK. The company has 143 employees and operates a production facility in Panevėžys.



INVESTMENT IN BRITE DRINKS

In April 2024, AB Akola Group invested EUR 450,000 in Brite Drinks Ltd, a UK-based startup founded by Lithuanians specializing in natural functional drinks. The investment grants Akola Group a minority stake and a seat on the company's board. Brite Drinks produces healthy, nootropic-based beverages designed to enhance cognitive function, free from added sugars, sweeteners, and preservatives.



2023/24 In Numbers

AKOLA GROUP

INPUTS

4,959
employees

19,072 ha cultivated / 6,217 ha own land

58 M
broilers raised

3,226
dairy cows

203 thous. t.
feed purchased

12.83 thous. t.
packaging

10.9 thous. t.
fertilizers used

260.4 GWH
natural gas

92.1 GWH
electricity

70 GWH
Fuel (diesel and gasoline)

OUTPUTS

PRODUCTS & SERVICES*

100 thous. t.
poultry and its products sold

38 thous. t.
milk production

19.7 thous. t.
instant food

1.5 million t.
grain export

300 thous. t.
compound feed sold

32/35 thous. t.
seeds prepared/sold

44 thous. t.
flour and baking mixes sold

128 thous. t.
harvest

11 thous. t.
pet food sold

15.9 thous. t.
plant care products sold
299 thous. t.
fertilizers sold

Revenue
86 M EUR-
agricultural machinery sales, rent, service

Revenue
8.6 MEUR -
installation of farming equipment

FINANCIAL RESULTS

1,506 MEUR
revenue

73.5 MEUR
EBITDA

158 MEUR
accrued wages incl. taxes

6.2 MEUR
income tax paid

197 MEUR
market capitalisation

4.4 MEUR
subsidies received

4.2 MEUR
dividend pay-out

NEGATIVE OUTPUTS

137.7 thous. t.
scope 1 ghg emissions

2.48 thous. t.
waste directed to landfill

219 t.
incinerated waste

2.6 thous. t.
recycled waste

0.79
TRIR

NOTE:
**Products and services figures do not exclude intra Group transactions*
We do not include evaporation from grain drying process.

The infographic illustrates all volumes of key inputs and our outputs for society, value generation to shareholder and effects on environment.

GRI: 2-6, 2-7, 201-1, 201-4, 301-1, 302-1, 305-1, 306-2, 403-9

Stakeholder Assesment

Our sustainable development is strongly connected to how well we meet the expectations of our key stakeholders, including business partners, employees, shareholders, regulators, and local communities. By addressing their expectations and grievances, we ensure our business activities align with sustainability goals, enhance relationships, and drive long-term success.

STAKEHOLDER ENGAGEMENT PROCESS

Benchmarking: Assessing best practices in the industry.

Identification: Mapping stakeholders based on their influence and interest in our success.

Engagement: Implementing effective communication channels to gather feedback and address grievances.

Analysis: Reviewing feedback, identifying key concerns, and acting on them.

Our approach integrates stakeholder feedback into our operations, ensuring we meet expectations while staying true to our sustainability and business objectives. Furthermore, by continuously addressing concerns and focusing on responsible practices, we are not only achieving business goals but also creating positive impacts across the entire value chain.

FURTHER STEPS

As we transition to ESRS reporting, we will engage a wider range of external stakeholders, with a specific focus on their concerns about environmental and societal impacts ensuring we derive more value from these interactions and strengthen our ongoing relationships

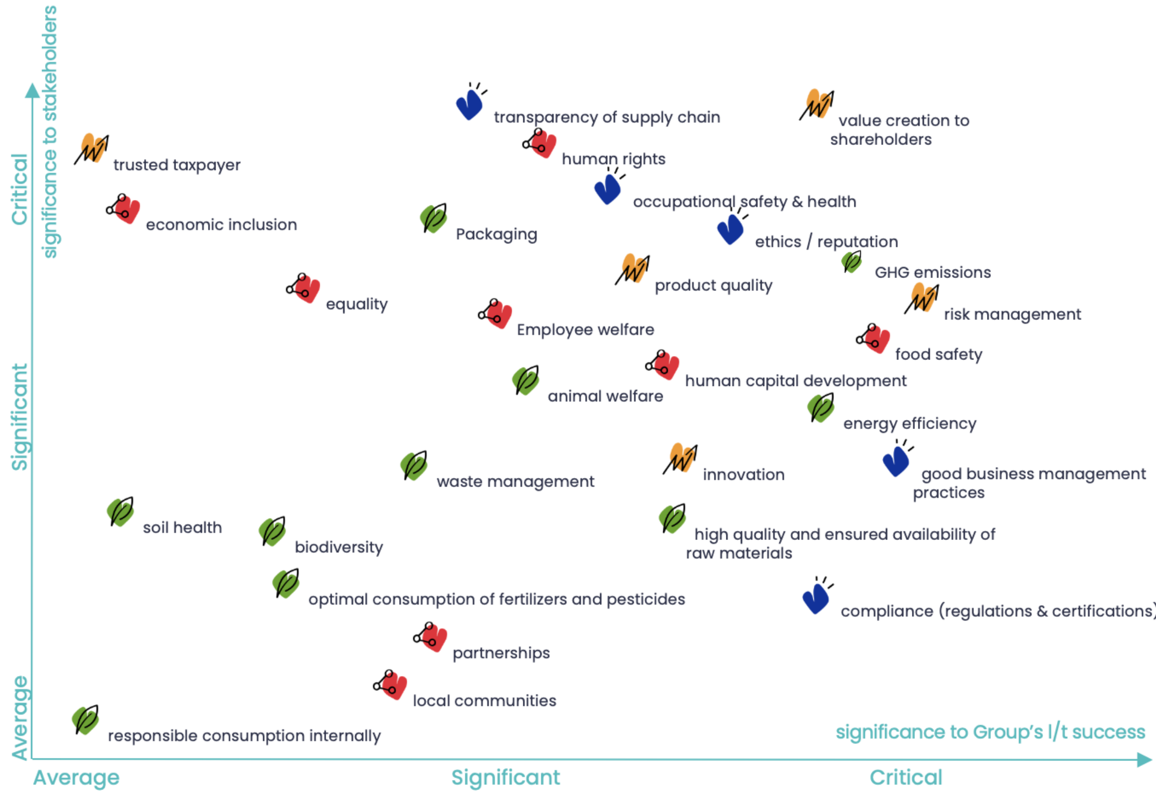
STAY IN TOUCH

We manage more than 20 social media accounts, operate online shops and run retail business. Let us know your expectation, grievancies and suggestions. Follow our official social media engage with us directly or connect via hot lines.

	EXPECTATIONS	OUR ACTIONS
 OUR PEOPLE	Honest treatment Career development Occupational safety Fair pay Participation in decision-making	Strengthening dialogue within cross-functional teams. Providing career growth through personal development opportunities, regular performance reviews, and employee training. Ensuring transparent and fair salary practices. Hosting team-building events, fostering a sense of pride
 CLIENTS	Quality products Reliable execution of contracts Transparency Environmental responsibility Accountability Animal welfare	Focus on producing only high-quality, nutritious food products. Transparent and efficient processes, maintaining open communication. Active participation in industry events and trade shows. Setting sustainability goals, focusing on reducing pollution and optimizing packaging
 SUPPLIERS	Fair and transparent contracts Reliable communication Environmental stewardship	Fulfilling contractual terms in a timely and honest manner. Actively reducing negative impacts throughout the supply chain. Promoting responsible use of pesticides and fertilizers. Ensuring open dialogue with suppliers to meet shared sustainability goals.
 CAPITAL PROVIDERS	Financial return Operational efficiency Transparent reporting	Ensuring consistent communication through financial reports, shareholder meetings, and other channels. Prioritizing risk management, compliance, and CO_2 emissions reduction. Building trust by maintaining transparency and delivering on financial expectations.
 COMMUNITIES	Economic inclusion, Environmental responsibility Supporting local development	Strengthening ties with economically stressed communities. Supporting local initiatives that promote education, health, and agricultural innovation. Offering financial support to vulnerable groups and fostering community resilience.
 REGULATORS	Compliance with laws Timely reporting Product safety	Full compliance with relevant standards and regulations. Promoting transparent communication regarding our environmental and social actions. Regularly evaluating and improving practices to meet the highest regulatory standards.

Materiality

Our materiality process is fundamental to both our financial and sustainability reporting, serving as the foundation for shaping decisions that matter most to our stakeholders, especially investors. For us, materiality is not just about compliance; it's about identifying the critical topics essential to our long-term success and ensuring we meet our social and legal responsibilities.
Guided by Global Reporting Initiative (GRI) standards, we meticulously assess the significance of each material topic, ensuring alignment with our business continuity and stakeholder expectations. This process allows us to enhance transparency, reinforcing our commitment to sustainability while building trust and support from all those we engage with.
In 2023, our materiality assessment took a deep dive into the issues that matter most to us, informed by both our Lithuanian and Latvian operations. By considering the unique aspects of our activities across these regions, we captured a more holistic view of the challenges and opportunities we face.
1.Stakeholder Engagement: We strive to have reliable insights on industry-specific challenges, regulatory factors, and emerging sustainability concerns.
2.Identification of Material Topics: Based on stakeholder feedback and industry analysis, we identified and prioritized the issues most significant to our business and sustainability goals.
3.Impact Measurement: We evaluated both qualitative and quantitative impacts, assessing how our resources, emissions, and social contributions affect our employees, communities, and the environment.
4.Sustainability Risk Assessment: We rigorously assessed the risks associated with each material issue, ensuring we are prepared for long-term challenges, particularly in environmental management, compliance, and operational efficiency.
5.Prioritization and Validation: With input from senior leadership, we validated the most critical issues to ensure they align with our strategic goals and long-term sustainability efforts.



This materiality assessment was performed a year ago, and we are now preparing to produce a double materiality assessment in the upcoming reporting period to comply with ESRS (European Sustainability Reporting Standards) requirements. This step will allow us to more comprehensively assess both our impacts on the environment and society, and how these factors influence our business.

Economic
Social
Environmental
Governance and compliance

Click on UN SDG17 wheel for information on material topics and global agenda

Our Commitments (I)

	COMMITMENTS	MEASURE	UNIT	BASE YEAR 2021/22	2022/23	2023/24	GOAL BY 2026/2027
SOCIAL	Occupational health and safety	TRIR*		0.78	0.85	0.79	< 0.62 (20% reduction)
	Employee turnover	Employee turnover ratio (full time employees)	%	55.3 / 35**	26	27	Not more than 35%
	Employee retention	Employee retention ratio (employees with Group >1Y)	%	90.8	86	90	Higher than 85%
	Healthier food: Antibiotics usage	Farms / cows: active antibiotic substance per liveweight of cows	mg per 1 kg PCU***	29	17.6 (previously 23)	17.1	Decrease cows antibiotic usage by 25% compared to base year
		Poultry: antibiotics free production share in LV and LT	%	100 and 65	100 and 75	100 and 80	
GOVER-NANCE	No tolerance to breaches	number of breaches		0	1	17	0
	Revision and establishment of new policies	revised policies		no	initiated	ongoing	yes
	Transparency	Consistency in reporting, annual publishing		yes	yes	yes	yes
	Whistle blower system (internal & external)	Established and functional whistle blower system		no	initialted	ongoing	yes

A safe work environment doesn't just protect employees from harm, it also improves morale, productivity, and fosters trust. By lowering the TRIR, we show our dedication to our workforce, leading to a stronger reputation and greater employee satisfaction. Reducing turnover means fewer costs related to hiring and training, while a stable workforce helps maintain institutional knowledge and a sense of community.

Having experienced employees creates stability, which supports both operational efficiency and a positive workplace culture. We also focus on building trust and equitable relationships with local partners through transparency and ethical operations. This helps us create sustainable partnerships and strengthens our reputation in the community. By avoiding legal issues and maintaining ethical standards, we improve relationships with stakeholders.

Active engagement with local communities through support and collaboration on beneficial initiatives builds goodwill and creates mutual growth. It strengthens ties with our operating regions and can open doors for new collaborations and opportunities.

As consumers become more health-conscious and selective about food sources, we aim to lead in sustainable food production. This way increasing trust and aligning with global health standards

PROGRESS

We've made significant strides in improving workplace safety, with a decrease in TRIR and zero fatal accidents. The number of registered incidents dropped from 39 to 33 in FY 2023/24. Turnover rates saw a slight increase, but employee retention improved, now standing at 90%.

RECOGNITION AND STANDARDS

Our dedication to top performance is reflected in AB Kauno Grūdai being named a Top Employer of the Year, underscoring our commitment to employee well-being.

Additionally, several of our operations undergo SMETA audits, ensuring we meet the highest standards of ethical and sustainable business practices.

ANTIBIOTICS

Our farming practices continue to evolve, with a focus on improving animal welfare and feeding conditions. Last year, monensin was wrongly classified as an antibiotic in some farms, even though due to structure of the cattle's digestive tract it has no antibiotic effects for ruminants. This led to an overestimation of antibiotic use, but after correcting the classification, the reported usage was adjusted downward.
Group's Latvian poultry operations do not use antibiotics for a while already. Lithuanian poultry operations have shown further progress, reinforcing our commitment to healthier, sustainable practices.

COMPLIANCE

Over the reporting year, 17 various violations were recorded. The majority (12 violations) and the most significant recorded cases were identified in AB Vilniaus Paukštynas. Read more about the legal processes of AB Vilniaus Paukštynas in 2023/24: KEY EVENTS. Other violations are indicated in the COMPLIANCE section.
On a group scale, the total amount of fines reaches EUR2 thous.

*TRIR –Total *recordable incident rate (TRIR) =total recordable incidents * 200 000 / total manhours worked*
*** - including and excluding Kaišiadorių Paukštynas AB*
*** - PCU (population correction unit or standardised average weight of animals as per The Veterinary Medicines Directorate)

Our Commitments (II)

		COMMITMENT	MEASURE	UNIT	BASE YEAR	RESULT 2022/23	RESULT 2023/24	GOAL BY 2026/2027
ENVIRONMENTAL	ENERGY EFFICIENCY	Improving energy efficiency	Energy efficiency as one of investment approval criteria				yes	Prioritised investments improving energy efficiency
		Regular energy efficiency audits for energy intensive companies	Regularity of energy efficiency audits			yes	yes	At least once per every 4 years
			Energy consumption per ton of total output*	MWH/t	adj. 0.681 (prev. 0.6)	0.635	0.643	To reflect actual impacts, new improved KPIs for specific product categories to be approved in FY2024/25
	PACKAGING	Increase share of renewable packaging	Renewable packaging % of total packaging	%	45.7	50.1	59.7	50%
	GHG EMISSIONS	Develop low carbon agriculture	N fertilizers application	kg of N_2Oper Ha (kg CO_2eq)	4.26 N_2O (1,269kgCO_2e)	4.19 N_2O (1,240kgCO_2e)	4.00 N_2O (1,174kgCO_2e)	3-5% reduction compared to base year
		Reduce GHG intensity in milk	C02eq kg per ton of ECM** milk	kgCO_2eq/t	378	334	325	5% reduction compared to base year
		Improve energy mix	Share of renewable energy (Scope 1)	%	1.2	2.4	0.7	at least 25% to be delivered with the results of FY 2027/2028.
	WATER	Maintain water use intensity	Water use intensity per ton of total output*	m3/t	adj. 3.2 (prev. 2.6)	3.119	3.084	3.2 m3/t
	WASTE	Reduce waste directed to disposal	Waste directed to disposal per ton of total output*	kg/t	adj. 5.868 (prev. 4.7)	5.521	4.077	5% reduction compared to base year

Energy efficiency has become a critical factor in investment decisions. Future audits are scheduled for 2026, with ongoing feasibility studies focusing on gas and electricity savings.

LOW CARBON AGRICULTURE

The Group continues to optimize fertilizer use through soil testing, crop rotation, and nitrogen-fixing crops, which reduce emissions, particularly nitrous oxide (N_2O). In spring 2023, a CO_2 credits certification program began on 2,000 hectares of land to explore carbon sequestration and improve soil quality

ENERGY CONSUMPTION

Group was advised by the stakeholders that such universal energy consumption KPI for all product categories altogether would bring limited value for interested parties, suggesting to establish several separate energy efficiency parameters for main product groups; to align with suggested methodology, Group will aim to estimate potential commitments throughout the coming year

ENERGY MIX IMPROVEMENTS

The Group's leadership identifies the 25% renewable energy (Scope 1) target as its most challenging, due to significant involvement and investment.

Poultry operations, which account for about 70% of the Group's total Scope 1 energy use, are the most energy-intensive, driven by energy demands in bird rearing, slaughtering, production, and freezing. Other contributors include grain-based food and feed production, and energy use in farming

CLIMATE-POSITIVE INNOVATIONS

We focus on sustainable farming by promoting advanced agro-technologies, reducing pesticide use, and incorporating organic compounds. Stakeholders can follow agro-innovations and sustainability tips on the company's YouTube podcasts.

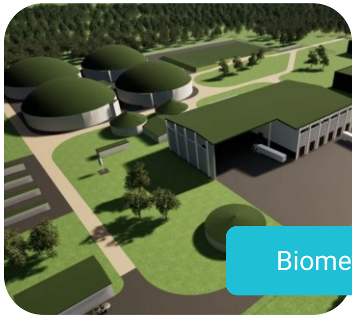
FINANCIAL COMMITMENTS

Financial commitments and results are discussed in more detail in the section 3.1 Financial indicators.

Ton of total output: produced products - poultry meat, flour, flour mixes, compound feed, pet food
***ECM - Energy-corrected milk (ECM) determines the amount of energy in the milk based upon the milk, fat and protein included*

GRI: 2-22, 2-23, 2-24, 2-25, 3-3, 302-4, 302-5, 305-1, 305-5

Investments and Projects



Biomethane plants

AB Akola Group is investing in two major biomethane production projects that aim to enhance sustainability and manage organic waste more effectively. They will both play pivotal roles in managing organic waste more effectively, and contributing significantly to Lithuania's green energy transition.

ŠAKIAI DISTRICT BIOMETHANE PLANT

Lukšių ŽŪB, is developing a biomethane plant, expected to be completed by the end of 2025. This facility will produce biogas using manure from the Group's own farms, supplemented by chicken manure from our farms. The biogas, consisting of approximately 60% methane, will be purified and then fed into Lithuania's natural gas grid. The project will be a key contributor to both waste management and renewable energy production, supported by the European Union's NextGenerationEU program and the Economic Recovery and Resilience Facility. The plant will play an essential role in sustainably managing waste and will also significantly boost Lithuania's renewable energy capacity.

KAIŠIADORYS BIOMETHANE PLANT

AB Kaišiadorių Paukštynas is spearheading another major investment with a planned eur19.4m biomethane production plant in Kaišiadorys. This facility, expected to begin operations in the second quarter of 2026, will process 120-140 thousand tons of bio-waste per year, including chicken and cow manure. The plant will generate 85 GWh of renewable energy annually.

UAB DOTNUVA BALTIC SOLAR PARK

Akola Group's subsidiary, UAB Dotnuva Baltic, installed two solar power plants with a total capacity of 0.2 MW on a 5,000 square meter area. These plants are expected to generate 0.214 GWh of electricity in 2024, meeting around 45% of Dotnuva Baltic's electricity needs and 15% for UAB Dotnuva Seeds.

AS ĶEKAVA FOODS SOLAR PARK

AS Kekava Foods invested EUR 1.14m in a solar park with a capacity of 2 MW. This solar park is forecasted to produce 1.97 GWh of electricity annually, covering 12.7% of the company's electricity consumption. The investment is expected to save approximately EUR0.25m annually, with a payback period of 2.7–3 years

NEW INSTANT NOODLE FACTORY IN ALYTUS

In 2023, AB Kauno Grūdai began expanding its existing instant food factory in Alytus by adding a new unit, increasing the facility's overall production capacity. This will be the company's second instant food unit and its third production unit in the city. The factory, a EUR 32 million investment, will create 250-300 new jobs, with 96% of its production destined for export markets.

The facility will meet A++ energy efficiency standards and include modern production and storage spaces, employee recreational areas, 22 electric vehicle charging stations, and improved site infrastructure such as access roads and parking.

This project reflects our commitment to sustainable production, regional economic growth, and strengthening Lithuania's food production industry.

SEED FACTORY IN LATVIA

In 2024, AB Akola Group invested EUR 9.5 m to build a new seed factory in Iecava, Latvia. Operated by SIA Dotnuva Seeds, the 4,600-square-meter facility will be operational by mid-2025, producing up to 30,000 tons of cereal and legume seeds annually.

This investment aims to meet growing demand for certified seeds and reduce logistics costs for Latvian and Estonian farmers, complementing Dotnuva's existing facility in Lithuania and boosting seed production capacity in the Baltic region.

EU TAXONOMY

Consolidated overview of the taxonomic activities carried out by AB Akola Group together with its subsidiaries and compliance with the criteria of the Taxonomy according to the main indicators (income, CapEx,OpEx) is provided in the ANNEX IV.

Climate Change Risks

		FINANCIAL IMPACTS AND OPPORTUNITIES	OUR ACTIONS
PHYSICAL RISKS	Extreme weather	• Infrastructure damage • Higher insurance costs • Supply chain disruption • Reduced yields • Damaged crops	• Employing sustainable agriculture practices • Developing precision farming tools • Assessing and implementing advanced control of the microclimate • Operating broiler houses at full capacity with bird flocks of uniform size is a common practice, one which enables more accurate control of the microclimate inside the barn and improves efficiency • Improved Climate Change Scenario analysis • Promoting climate-positive agriculture innovation in products and services for farms • Early adoption of low-carbon technologies, renewable energy use, energy efficiency measures • Build disaster-resilient infrastructure • Diversify supply chains • Improve emergency planning • Investment in cooling systems • Selecting heat-resistant breeds
	Temperature Rise	• Disease and pest proliferation • Higher cooling costs in poultry/dairy • Deduced productivity • Higher livestock mortality rates due to increase in temperature and number of hot days • Reduced conception rates • Milk quality decline • Reduced energy demands for heating of farms • Increased water demands for cooling of farms • Possible shift in species of profitable crops • Increased yields of crops	
TRANSITION RISKS	Regulatory Changes	• Higher compliance costs for emissions • Financing restrictions related to GHG emissions • Shift in procurement practices, such as strict environmental assessment downstream the supply chain • Opportunity to enhance reputation and brand value • Opportunity to engage with stakeholders consistently	• Expanding product lines to include sustainable and plant-based products • Diversify suppliers, switch to alternative feed crops, long-term supply agreements • Prioritization of energy-efficient investments • Tracking and implementing sustainable innovations • Improving livestock productivity in order to reduce GHG emissions associated with milk production • Vertical integration of feed production business • Shift to renewable electricity • Improving energy efficiency
	Market Shifts	• Higher input costs due to raw material volatility • Reduced availability of inputs	
	Consumer Preferences	• Shift to plant-based products • Loss in traditional market share • Opportunity for sustainable goods	• Improving transparency (regular non-financial reporting) • Improved accounting of non-financial impacts on environment and society • Internal education to avoid greenwashing • Monitoring changes in regulation through supply chain • Develop assessment metrics for suppliers • Active engagement with stakeholders
	Reputation Risks	• Shift in Public and Investor Perception • Opportunity to enhance brand through sustainability	

We conducted a qualitative climate change risk assessment following the TCFD (Task Force on Climate-related Financial Disclosures) reporting framework. In the coming year, we plan to quantify the potential risks and impacts to all our business operations, livestock, assets, and all locations, preparing a detailed assessment and mapping of all our assets across locations in the fiscal year 2024/25."Please consult ANNEX III GHG INVENTORY for specific climate change disclosures published by the Group.

Energy

	Partners for Farmers			Farming			Food Products			Total Group*		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Biofuel	0	0	0	0	0	0	2.7	8.6	4.5	2.7	8.6	4.5
Renewable Electricity	13.7	13.6	20.9	7.2	3.3	3.4	71.2	69.5	67.3	92.1	86.3	91.7
Natural gas	14.1	19.1	36	0	0	0	246.4	244.8	261.5	260.5	263.9	297.5
Electricity	0.9	0.5	0.2	0	0.1	0	0	0.8	0.3	0.9	1.3	0.5
Diesel for transportation	14.9	12.6	8.2	4.3	3.8	0	20.1	20.7	17	39.3	37.3	25.2
Diesel for heating of elevators	0.6	0.1	0.6	1.8	1.5	2	0	0	0	2.4	1.6	2.5
Diesel in agriculture	0	0.2	0	19.1	25.1	24.5	0	0	0	19.1	25.3	24.5
Petrol for transportation	4.6	2.6	1	0.1	0.1	0.1	2.8	2.8	1.9	7.4	5.5	3
LPG for transportation	0.1	0.1	0	0	0	0	0.6	0.4	0.2	0.7	0.5	0.3
LPG for heat production	4.2	1.5	4.2	1.6	0.5	0.4	29	17.9	0	34.8	19.9	4.5
Heating	0.1	0.4	0.8	0	0	0	0	0	0.1	0.1	0.5	0.9
TOTAL ENERGY USED	**53.2**	**50.7**	**71.9**	**34.1**	**34.3**	**30.3**	**372.8**	**365.5**	**352.8**	**460**	**450.5**	**455**
% of renewable energy	**25.8%**	**26.8%**	**29.1%**	**21.2%**	**9.6%**	**11.2%**	**19.8%**	**21.4%**	**20.4%**	**20.6%**	**21.1%**	**21.1%**

Energy consumption GWh, AB AKOLA GROUP, 2021/22-2023/24
** Includes 0.2 GWh of energy consumed by companies from others segment*

During 2023/24, total energy consumption increased by 9.5 GWh, reaching 460 GWh, up from 450.5 GWh in the previous year.
Group-wide, natural gas consumption continued to dominate energy usage, accounting for 56.6% of total energy, or 260.5 GWh. The Food Products segment was the largest consumer of natural gas, using 246.4 GWh, representing nearly 95% of the group's total natural gas consumption. Natural gas remains essential for maintaining production stability, particularly in food processing, where precise temperature control is critical. In sectors like poultry production, where strict biosafety and animal welfare standards must be met, the potential for energy reductions remains limited.

To mitigate the effects of fluctuating gas prices, the group increased its use of LPG for heat production, which rose from 19.9 GWh to 34.8 GWh. This shift helped reduce reliance on natural gas and diversified the group's energy portfolio.

Renewable energy usage increased, with 20.61% of total energy coming from renewable sources, slightly down from 21.07% the previous year. Importantly, 5% of the total electricity consumed was generated by the group’s own solar panels, contributing to sustainability efforts. Most of the group's renewable electricity consumption occurred in the Food Products segment, which accounted for 71.2 GWh.

In the Partners for Farmers segment, fuel consumption for transportation increased, with diesel and petrol usage rising due to improved data collection. Additionally, crop cultivation remained a significant contributor to fuel consumption, with sustainable farming practices enhancing efficiency and reducing overall energy use in agricultural operations.

1.52 MWH/T

Energy intensity, instant food, AB AKOLA GROUP 2023/24

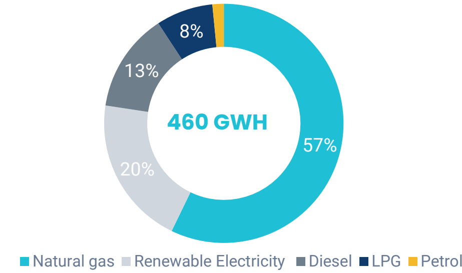
2.69 MWH/T

Energy intensity poultry production, AB AKOLA GROUP, 2023/24

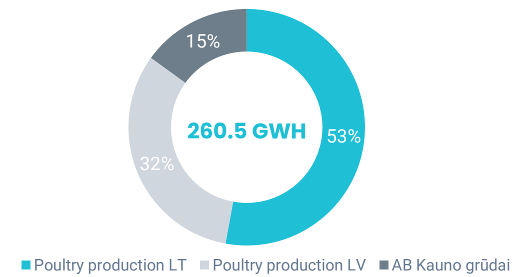
0.09 MWH/T

Energy intensity, compound feed production, AB AKOLA GROUP, 2023/24

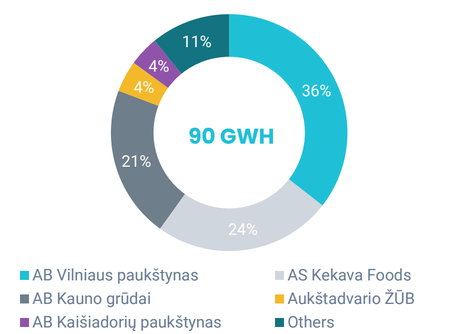
GROUP ENERGY MIX 2023/24



NATURAL GAS CONSUMPTION2023/24



ELECTRICITY CONSUMPTION2023/24



Climate Change

	Partners for Farmers			Farming			Food Products			Total Group*		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Scope 1	8.9	7.6	9.8	50.2	54.9	55.0	78.7	72.6	69.0	137.7	135.15	133.8
Scope 2 (location-based)	2.2	2.7	3.1	1.1	0.6	0.7	10.1	12.1	17.1	13.3	15.5	21
Scope 2 (market-based)	0.5	0.3	0.1	0.0	0.03	0.0	0.0	0.4	0.2	0.5	0.7	0.3
Scope 3	311.3	348.5	436.4	23.2	24.2	25.9	207.6	178.3	90.2	542.1	551	552.5
Total (location-based)	313.5	358.8	449.3	74.4	79.7	81.7	296.33	263.1	176.3	693.1	701.6	707.3
TOTAL (market-based)	**311.8**	**356.4**	**446.3**	**73.3**	**70.1**	**80.9**	**286.27**	**251.3**	**159.4**	**692.3**	**686.8**	**686.6**

GHG emissions by business segments, thousand tCO_2eq, AKOLA GROUP, AB, 2021/22 – 2023/24

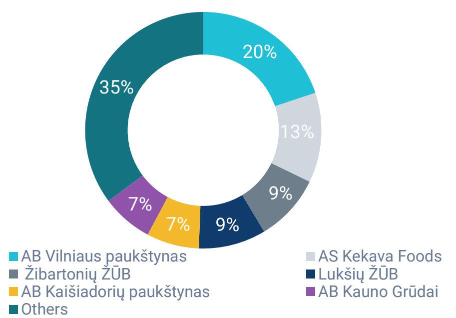
* Includes 300 tCO2eq by companies from Other Products and Services segment

Type of key GHG gases	CO_2	N_2O	CH_4	CO_2	CO_2	CH_4	N_2O CH_4	HFCS
Source	NATURAL GAS AND LPG	SOIL MANAGMENT	CATTLE ENTERIC GHG	FUEL	DIESEL IN AGRICULTURE	POULTRY ENTERIC GHG	MANURE MANAGEMENT	REFRIGERANTS
% share in Scope 1 not adjusted for sequestration	**41.4 %**	**17.5 %**	**14 %**	**9.2 %**	**3.6 %**	**6.7 %**	**6.4 %**	**1.2 %**
% share in Scope 1 adjusted for sequestration	**43.2 %**	**2.1 %**	**16.9 %**	**13.3 %**	**5.9 %**	**9.2 %**	**7.3 %**	**2.1 %**

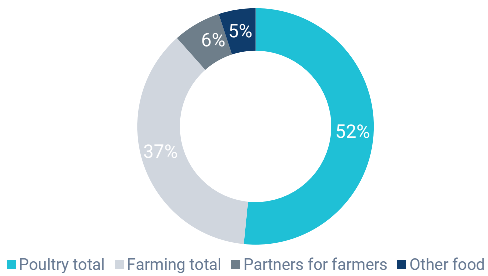
Scope 1 GHG emissions by source, thousand tCO_2eq, AKOLA GROUP, AB, 2023/24

SCOPE 1: Direct GHG emissions occur from sources that are owned or controlled by the Group. GHG emissions not covered by the Kyoto Protocol, e.g., CFCs, NOx, etc., are not included in Scope 1. Total Scope 1 GHG emissions over the reported period amounted to 137.7 thousand tons of CO2eq. We estimate that the sequestration of organic carbon in managed soil could account for 21 thousand tons of CO2eq, which could potentially reduce our Scope 1 emissions down to 117.7 thousand tons of CO_2eq.
Cows: Ruminant GHG emissions account for 14.1% of the Group's total Scope 1 GHG emissions. We are focused on improving milk production efficiency, successfully lowering GHG emissions below 0.3 tCO_2e per ton of ECM. In 2023, we managed some of the most efficient farms in Lithuania, with Lukšių žemės ūkio bendrovė ranked first and Sidabravo žemės ūkio bendrovė ranked third.
Poultry production emits methane (CH_4) and nitrous oxide (N_2O), especially from manure which amount to 11% of total Scope 1 emissions.
For detailed GHG inventory and methodology, please consult ANNEX III GHG INVENTORY

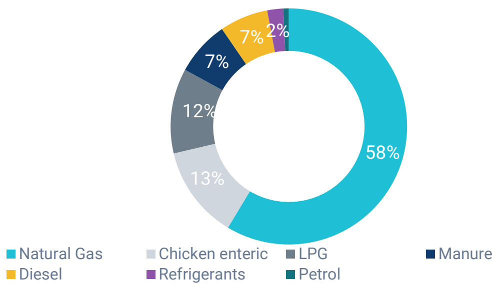
SCOPE GHG EMISSIONS 1 BY COMPANIES 2023/24



SCOPE 1 GHG EMISSIONS 1 BY SEGMENTS 2023/24



SCOPE 1 GHG EMISSIONS BY SOURCE POULTRY 2023/24



*ECM: Energy Corrected Milk is a measure used to standardize milk production based on fat and protein content

Water

	Partners for Farmers			Farming			Food Products			Total Group		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Tap water	37	39	103	1.2	1.4	1.0	121	121	32	159.3	161.7	135.3
Water from well	1	0	0	193	201	187	1,834	1,840	1,784	2,028.4	2,040.4	1,971.5
Surface water	0	0	0	17	10	11	0	0	0	16.9	9.9	10.6
TOTAL WATER	38	39	103	212	212	199	1,955	1,961	1,816	2,204.6	2,212.0	2,117.4

Water withdrawal by source, million litres, AB AKOLA GROUP, 2021/22-2023/24

NOTE:
Not all rented offices have individual waste metering system.
Water embedded in processed materials was not estimated.

In 2023/24, total water withdrawal slightly decreased to 2,204.6 million liters, equivalent to 2.4 Olympic swimming pools daily. 93% of this water came from our own wells.
The poultry sector remains the most water-intensive, accounting for 86% of total withdrawal. Besides water for chicken consumption, we use water to clean poultry houses after each cycle (every 37-42 days).
Water use for cooling livestock, especially chickens, is expected to rise due to increased heat from climate change. Starting with data of 2023/24 FY, we have excluded water supplied to external companies and local residents (previously included in AS Kekava Foods data).

Increased water consumption in the Latvian poultry sector is attributed to higher meat production and increased biosecurity risks, which required more intensive cleaning and washing in both production units and broiler houses. Additionally, to reduce the use of chemicals, more water was utilized in the cleaning process.

Water consumption in Lithuanian poultry operations decreased by about 5% during 2023/24. Water pressure monitoring systems were installed at AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas, helping detect and repair leaks more efficiently. Over half of Rudamina's broiler drinking systems were upgraded with more efficient models across 18 poultry houses. In AB Vilniaus Paukštynas 80 meters of old piping in the hot water system were replaced to prevent frequent breakdowns. Additionally, a new well was drilled to ensure a steady and reliable water supply, and another well was replaced due to significant wear and tear.

Dotnuva Seeds, UAB reuses all water in its operations, while AS "Kekava Foods" recirculates water for prewashing plastic boxes and transporting animal byproducts. UAB "Grybai LT" reuses water from vegetable peeling for primary washing and employs a closed system for water reuse in autoclaving.
Several companies in the data set have established wastewater treatment facilities to manage pollutants and reduce environmental risks.

Dotnuva Baltic, UAB uses biological wastewater treatment systems with active sludge to process domestic sewage. Oil separators and sand traps are in place to prevent contamination. However, a failure in the system could lead to pollution in the nearby Dotnuvėlė stream.

Kekava Foods, AS operates a biological and chemical wastewater treatment plant at Bauska Poultry Farm. The plant discharges pollutants, including nitrogen compounds and phosphorus, into the river Mēmele. The main risks include surface and groundwater pollution, as well as bad odors affecting the local community.

AB Vilniaus Paukštynas treats wastewater through a three-stage process (mechanical, chemical, and biological) before discharging it into the Rudamina river. Risks associated with the facility include groundwater contamination, odors, and noise pollution.

Domantonių paukštynas, UAB uses a closed-type sewage treatment facility for both domestic and industrial wastewater. The treated water is eventually pumped to the local city's treatment plant. Risks here include odor pollution and potential groundwater contamination.

	Partners for Farmers			Farming			Food Products			Total Group		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Untreated directed to third party treatment facilities	26.6	14.9	86.8	2.0	6.0	2.2	152.7	152.7	436.2	181,8	173.6	525.2
Partially treated directed to third party treatment facilities	0.0	0.0	0.0	0.0	0.0	0.0	419.5	384.9	316.9	419.5	384.9	316.9
Completely treated	1.0	1.2	1.2	0.0	0.1	0.0	979.7	901.0	770.9	980.6	902.3	772.1
TOTAL EFFLUENTS	27.6	16.1	88.0	2.0	6.1	2.2	1,551.9	1,438.6	1,524.0	1,581.9	1,460.8	1,614.2

Effluent by type of discharge, AB AKOLA GROUP, million litres, 2021/22 – 2023/24

Materials

Dairy and poultry production are circular businesses; virtually all material inputs for the business segment are renewable. In turn, manure is used to fertilize crops which are consequently used as feed for the animals or processed into grain-based products. This closed-loop system minimizes waste and enhances resource efficiency. Additionally, the nutrient-rich manure not only improves soil fertility but also reduces the reliance on synthetic fertilizers, promoting sustainable farming practices. Through this cycle, dairy and poultry farms contribute to a more resilient agricultural ecosystem, balancing productivity with environmental stewardship."

In total, renewable materials (primarily grain) make up 93% of the materials consumed by the group. This section focuses primarily on non-renewable materials used during the reporting period, such as **fertilizers, cleaning agents, and packaging**.

CLEANING PRODUCTS

Cleaning products are essential in poultry farming to prevent viruses and maintain biosecurity. They reduce the risk of outbreaks like avian influenza and salmonella by eliminating pathogens from surfaces and equipment. Regular cleaning limits the introduction of diseases from external sources, improving animal welfare and ensuring food safety.
This year, groupwide cleaning product usage grew to 56 thousand tonnes due to a higher threat of viral outbreaks, particularly in Latvia. Poultry farms implemented extra biosecurity measures, increasing the use of disinfectants to protect their flocks. These precautions have been crucial in preventing disease spread, ensuring safe operations, and maintaining compliance with regulations, safeguarding both poultry health and food quality.

Packaging Material	Partners for Farmers	Farming	Food Products	Total Group
Paper	221.1	0	5,680.6	5,901.7
Wood	115	0	1,661.9	1,776.9
Plastic	2,489.5	12.8	2,615.9	5,118.2
Metal	11.8	0	21.2	33
Mixed	0	0	34	34
Total	2,837.4	12.8	10,013.6	12,863.8
% renewable	11.8%	0%	73.3%	59.7%

Packaging, AB AKOLA GROUP, t, 2023/24

PACKAGING

Poultry products. Poultry packaging materials are designed to ensure safety, freshness, and compliance with regulations. Common materials include:
- Plastic Films: Polyethylene (PE) and Polypropylene (PP) are widely used for their moisture resistance and durability, often in vacuum-sealed or overwrapped formats.
-MAP Films: Multi-layer films used in Modified Atmosphere Packaging (MAP) extend shelf life by controlling oxygen and moisture levels.
- Rigid Trays: PET or expanded polystyrene (EPS) trays provide structure and support for fresh poultry.
- Paper & Cardboard: Used for labelling and additional protection, often combined with plastic for enhanced durability.

With the retail shift towards packaged meat, the need for innovative and efficient packaging solutions is growing. While we seek better ways to ensure safe packaging, it is unlikely that plastic packaging will decline any time soon.

Compound feed. During the reporting period, compound feed made up the majority of our production, with nearly 40% of total output sold in bulk packaging. This accounted for 40% of the total plastic packaging used across the group.

Soups. A new addition to our portfolio, soups and preserves, introduces vegetables and uses a total volume of 45.7 tonnes of plastic packaging. This contributes less than one percent to the total non-renewable packaging consumption groupwide.

Grain based products. The development of more intense value-added product lines, such as flour mixes and instant food, has led to increased use of semi-manufactured foods and additives like dried fruits, vegetables, broth, spices, and sugar. Nearly all of these ingredients are plant-based and renewable. This segment accounts for 65% of paper packaging (mainly for flour), while instant food, despite its more intense use of plastic packaging relative to the weight of the product, only represents 5% of the total plastic used across the group.

FERTILIZERS

Farming. On average, 82% of total feed material was cultivated and prepared internally by our agricultural companies. Over half of the remaining feed was sourced within the Group. The Group's combined agronomic expertise and use of innovative solutions support the sustainable management of crop fields. We continuously strive to improve crop productivity, ensuring better value for society through food production, while minimizing environmental impact. In terms of absolute volume, organic fertilizers, such as slurry and solid manure, made up 90.5% of the total input used for crop production on our fields.

Waste

	Hazardous offsite			Non-hazardous onsite			Non-hazardous offsite			Total		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
DIVERTED FROM DISPOSAL												
Manure and sludge	0	0	0	153,724	157,855	209,533	92,644	100,047	39,800	246,368	257,903	249,333
Reuse	0	0	0	93	669	1	581	0	0	675	669	1,000
Recycling	18	1	0	1	324	144	2,643	2,114	1,996	2,661	2,439.10	2,139.8
Other recovery operations	33	86	11	0	0	257	10,518	9,032	7,052	10,551	9,117.60	7,320.4
TOTAL DIVERTED FROM DISPOSAL	51	87	11	153,818	158,848	210,934	106,386	111,193	48,848	260,255	270,128	259,793
DIRECTED TO DISPOSAL												
Incineration (with energy recovery)	3.779	0	0	0	0	0	300.29	562.3	602.7	304.1	562.3	602.7
Incineration (without energy recovery)	25.2	20	66	0	0	0	0	0	1,108.5	25.2	20	1,174.5
Landfilling	96.7	6	73.84	0	0	0	2,485.9	3,268.5	2,050	2,582.7	3,274.9	2,123.8
Other disposal operations	1.35	53	16	0	0	0	1.35	5.1	0	2.7	57.8	15.7
TOTAL DIRECTED TO DISPOSAL	127.0	79	156	0	0	0	2,787.6	3,835.9	3761	2,914.6	3,915.1	3,916.6
Total waste	178.2	166	167	153,818	158,848	210,934	109,173	115,029	10,813	263,170	273,856	263,707
WASTE EXCLUDING MANURE	**178.2**	**166**	**167**	**94.0**	**993.1**	**1,401.2**	**16,529.5**	**14,981.5**	**12,809.1**	**16,801.7**	**16,140.7**	**14,376.8**

Waste generated t, AB AKOLA GROUP, 2021/22 – 2023/24

NUTRIENT CYCLE

The manure from poultry is used as a high-quality fertilizer, which helps in enriching the soil for crop production. This nutrient-rich manure can significantly reduce the need for chemical fertilizers, which are more expensive and environmentally taxing. Similar to poultry, cow manure is an excellent fertilizer that enriches the soil with organic matter and essential nutrients like nitrogen, phosphorus, and potassium.

HAZARDOUS WASTE

In 2023/24, 178.2 tons of hazardous waste were directed to disposal through third party partners. This included 96.7 tons sent to landfills, 25.2 tons incinerated without energy recovery, and 3.8 tons incinerated with energy recovery.

NON-HAZARDOUS WASTE

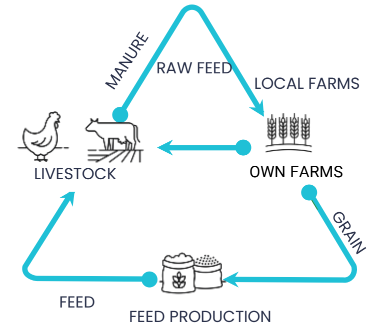
Excluding manure and sludge, 13,742 tons of non-hazardous waste were diverted from disposal offsite. This includes 2,643 tons recycled and 10,518 tons recovered through other operations, such as upcycling and reuse of materials.

SPECIFIC WASTE MANAGEMENT REQUIREMENTS

Specialized containers are used for paper, plastics, hazardous, and general waste. Animal by-products and deceased animals are stored in sealed containers under biosafety rules. Waste is tracked in the GPAIS system, and containers are regularly cleaned to prevent contamination, odors, and pests.

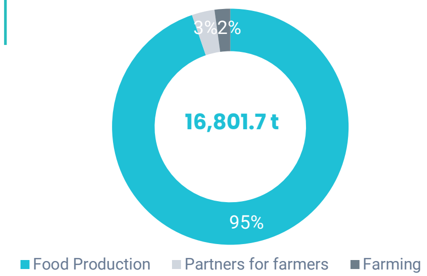
RISKS ASSOCIATED WITH WASTE MANAGEMENT

Improper hazardous waste storage can lead to environmental contamination and health risks for employees. Incorrect sorting hampers recycling and raises costs. Poor organic waste collection causes bacterial contamination, odors, and pests. Leaky containers may pollute soil and groundwater. Failure to document or manage hazardous waste may lead to legal issues and health risks.



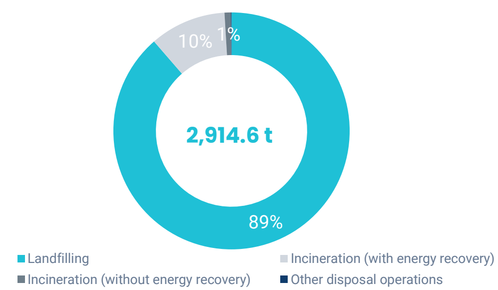
Nutrition loop, AB AKOLA GROUP

WASTE GENERATED BY SEGMENTS 2023/24



Total waste generated t, AB AKOLA GROUP, 2023/24

WASTE DIRECTED TO DISPOSAL 2023/24



Total waste directed to disposal t, AB AKOLA GROUP, 2023/24

FOOD SAFETY

Ensuring food safety is a top priority for the group. Contaminated poultry products can lead to foodborne illnesses such as salmonellosis and campylobacteriosis, posing significant public health risks. Comprehensive preventive measures are in place, with a focus on Salmonella control, one of the leading causes of foodborne illness globally. Salmonellosis, which can cause symptoms like diarrhea and fever, is particularly dangerous for vulnerable populations.
Strict biosecurity measures are enforced across farms and processing plants, ensuring proper hygiene, regular testing, and monitoring at every stage of production. Poultry feed undergoes rigorous testing and heat treatment to eliminate potential contamination. Processing facilities perform Salmonella testing on final products to ensure safety before distribution to consumers.

Packaging solutions also play a role in helping consumers minimize food waste and prepare food safely, reducing contamination risks during storage and cooking.

TRAINING AND EDUCATION

Educational efforts also stress proper food handling, including cooking poultry to safe temperatures and avoiding cross-contamination during preparation and storage.

ANTIBIOTIC STEWARDSHIP

As a leader in antibiotic-free poultry production, AS Kekava Foods for some time already produces 100% antibiotic-free chicken meat in Latvia, in Lithuania this metric accounts to 80% of total. Optimal living conditions for chickens reduce the need for antibiotics, minimizing the risk of antibiotic-resistant bacteria and promoting healthier consumer diets.

TRACEABILITY

Detailed records of each poultry batch are maintained, tracking origin, feed history, health records, processing details, and distribution. This ensures swift and effective responses in case of any food safety concerns.

PRODUCT RECALL

During the reporting period, no food products were recalled due to food safety breaches, reflecting the effectiveness of rigorous quality controls and a commitment to consumer health.

SAFE PRODUCT DESIGN

Food processing machinery in our production sites is designed with user safety in mind, reducing accident risks and contributing to community well-being. Equipment is regularly inspected to meet safety standards and promote responsible use in production processes.

CERTIFICATIONS

BRC FOOD AA CERTIFIED
- ✓ AS Kekava Foods
- ✓ AB Vilniaus Paukštynas

BRC FOOD AA+ CERTIFIED
- ✓ AB Vilniaus Paukštynas
- ✓ Kekava Foods, AS

FSSC 22000
- ✓ AS Kekava Foods
- ✓ AB Vilniaus Paukštynas:

IFS Food
- ✓ AS Kekava Foods
- ✓ AB Vilniaus Paukštynas

ISO

ISO 22000 Certification:
- ✓ AB Kaišiadorių Paukštynas
- ✓ AB Kauno grūdai

HALAL
- ✓ AS Kekava Foods
- ✓ AB Vilniaus Paukštynas
- ✓ AB Kaišiadorių Paukštynas
- ✓ UAB Šlaituva

KFC

KFC Supplier Approval:
- ✓ AS Kekava Foods
- ✓ AB Vilniaus Paukštynas
- ✓ AB Kaišiadorių Paukštynas

Kvalitatīvs produkts
- ✓ AS Kekava Foods

GMP+ Feed Safety Assurance
- ✓ AB Kauno grūdai

Nacionalinė kokybė Lietuva
- ✓ AB Vilniaus Paukštynas
- ✓ AB Kaišiadorių Paukštynas
- ✓ AB Zelvė
- ✓ UAB Domantonių paukštynas
- ✓ UAB Alesninkų paukštynas
- ✓ UAB Lietbro

BRCGS Food Safety
- ✓ UAB Grybai LT
- ✓ UAB Šlaituva

CAPACITY BUILDING

- Training in modern farming and poultry-keeping practices
- Education on grain and flour quality standards for access to international markets
- Workshops on efficient use of machinery and fertilisers
- Making high quality fertilisers available for better crop yields
- Providing quality feed and health products for farm animals, birds and pets
- Producing and distributing flour to ensure availability of staple foods
- Reducing dependencies on imports by empowering local production through quality inputs
- Providing warranties or support services for machinery
- Offering tailored financial solutions to farmers for purchasing seeds, machinery, or fertilisers

STRONGER FARMING SECTOR

The Grūdo kelias project by Linas Agro highlights the application of modern agricultural techniques through regional crop trials across Lithuania. It focuses on precision farming, tailoring solutions to specific soil and climate conditions to optimize crop yields.
Farmer involvement is central to the project, with participants invited to observe the trials and learn from the results. An annual event gathers over a thousand farmers, specialists, and suppliers to share insights and foster collaboration.

Grūdo kelias also functions as an educational initiative, helping farmers understand the effectiveness of new farming technologies. Through workshops and demonstrations, farmers gain knowledge on precision farming and sustainable agricultural practices.

SUSTAINABLE FARMING PRACTICES

Soil health: since 2016 applicable sustainable agricultural practices, with emphasis on reduced tillage, cover crops, crop rotation, and organic fertilizers.

CERTIFIED SEEDS

Certified seeds: Foundation of food production; enhances crop diversity and yields.

FOOD LOSS PREVENTION

We provide a full range of tools for rodent control and insect prevention, essential for protecting the food industry. Pests in storage facilities, particularly cereal pests, can cause severe damage, with fumigation available for affected warehouses. Additionally, our disinfection services help prevent mold and microorganisms, ensuring safety in public spaces like schools, hospitals, and food processing plants, as well as livestock and poultry farms.

NUTRITION AND FOOD PRODUCTS

Poultry production: Chicken is a highly efficient and cost-effective source of protein. Broiler chickens are raised quickly and space-efficiently, offering affordable and nutritious meat.

Milk is an essential source of nutrients, providing a rich combination of calcium, vitamin D, protein, and other essential vitamins and minerals. These nutrients support bone health, muscle function, and overall growth, making milk a staple in many diets worldwide.

Affordable staple foods: Production of flour, dairy, and poultry products helps address malnutrition by providing accessible and essential nutrients.

COMMUNITY AND SOCIAL IMPACT

Economic inclusion: Supporting communities in economically stressed areas, creating jobs, and promoting local farming.

GIVING BACK TO SOCIETY

We are honoured and committed to supporting social initiatives that reflect our core values, including:

- Local community development,
- Projects aimed at building a resilient society,
- Farmers' and agricultural organizations,
- Training and educational institutions,
- Programs for children and youth engagement,
- Initiatives supporting vulnerable groups, such as individuals with physical or mental challenges,
- Foster homes and child medical institutions,
- Health and environmental promotion projects,
- And steadfast support for the Ukrainian armed forces.

1 NO POVERTY 2 ZERO HUNGER 11 SUSTAINABLE CITIES AND COMMUNITIES

People

	Number of Employees*	Full time Employees	Temporary contract Employees	Part-time contract Employees
Female	2,293	95%	174	103
Male	2,608	96%	179	139
Total	4,901	95%	353	242

Employees by type of contract and gender, 30 Jun 2024

NOTE: does not include employee data in OOO KLM (Belarus), Nordic Agro investment Limited, dormant companies or companies under liquidation

	2023/24	2022/23	2021/22
Employee turnover rate	27.2%	25.9%	55.3%
Employee retention rate	89.5%	86.1%	90.8 %

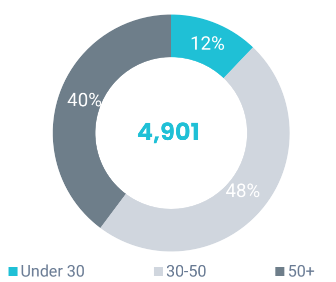
Our group employs a total of 4,959 (including OO KLM (Belarus), Nordic Agro investment Limited) individuals, with 4,771 full-time equivalents (FTEs). Of these, 94% are full-time employees, demonstrating a strong reliance on permanent staff. Temporary contracts make up 6.7% of the workforce, while part-time contracts account for 4.6%. The gender distribution is relatively balanced, with 46.8% female employees and 53.2% male employees, indicating near parity in gender representation across the organization.

NEWLY HIRED EMPLOYEES

Over the reporting period, we hired 1,401 new employees (a 1.7% increase from 2022/23). Among them, 542 or 38.7% were female hires. The distribution by age was similar for both female and male hires, reflecting a balanced approach to recruitment.

A notable portion of new hires (39% male, 28% female) were under 30 years of age, highlighting our focus on engaging young talent.
Aged 30-50 group constituted the largest share of new hires (40% male, 47% female), indicating a robust workforce in their prime working years.

EMPLOYEES BY AGE 2023/24



EMPLOYEE TURNOVER

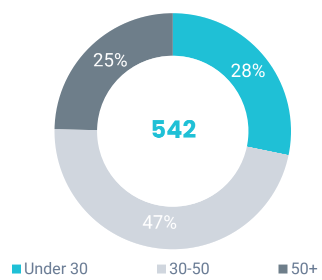
Employee turnover rate refers to the total number of workers who leave a company over a certain time period, divided by the average number of employees. As a result of the reorganization of the Latvian poultry segment, all employees of SIA Lielzeltini, SIA Cerova, SIA Broileks were transferred to AS Kekava Foods. All individuals employed before June 30, 2023, are treated as long-term employees, regardless of their migration within the group.

EMPLOYEE RETENTION

Long-term employees, defined as those working for over 12 months, accounted for 89.5% of the workforce. This means nine out of ten people have been with us for over a year.

Retention rates naturally vary depending on the position and business segment. For example, managers tend to stay with the company longer than line workers, which is viewed as a positive indicator that strengthens our long-term business prospects.

NEWLY HIRED FEMALE BY AGE 2023/24



RENTED WORKERS WHO ARE NOT EMPLOYEES

By the end of the reporting period, we engaged 436 rented workers, all within the poultry division. Additionally, there were 2 self-employed individuals working as part of our own workforce. These workers contribute to maintaining operational efficiency within the poultry sector.

EMPLOYEES WITH DISABILITIES

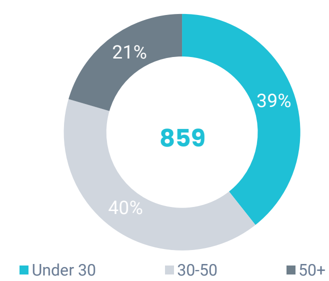
As of June 30, 2024, our workforce included 79 female employees and 43 male employees with disabilities, reflecting our commitment to an inclusive workplace.

FAMILY-RELATED LEAVES

Throughout the year, a total of 980 employees (including 472 women) took family-related leave as mandated by law, and 350 employees utilized family-related sick leave.

Specifically, 42 females took maternity leave, while 15 males took long-term paternity leave. During the same period, 45 women and 5 men returned to work after completing their maternity or paternity leave.

NEWLY HIRED MALE BY AGE 2023/24



GRI: 2-7, 2-8, 2-24, 3-3, 401-1, 401-2, 401-3, 405-1

Health and Safety at Work

akola GROUP

HEALTH AND SAFETY POLICY IN OUR GROUP COMPANIES

The Occupational Health and Safety (OHS) policies within our group companies are designed to comply with all relevant regulations and cover both employees and contractors. Our primary goal is to build a safety culture where each individual takes responsibility for adhering to safety guidelines, with a focus on prevention, risk management, and open communication.

Key measures include:

- Regular safety training, tailored to specific industry risks.
- Provision of personal protective equipment (PPE) to reduce hazards.
- Maintenance of working surfaces to prevent slips, trips, and falls.
- Safe chemical storage and ventilation in work areas.
- Frequent inspections of potentially hazardous equipment and workspaces.
- Clear reporting systems for potential health risks.
- Health assessments for employees and resources for maintaining operational safety.
- Employees have the right to refuse unsafe work, with managers responsible for ensuring safety protocols and emergency preparedness.

HEALTH HAZARDS

We operate in sectors with significant hazards, particularly in agriculture and grain handling, where risks include:

- Machinery-related hazards (entrapment, engulfment, and amputation).
- Environmental hazards such as exposure to chemicals, high noise levels, vibration, heat, and stress.
- Musculoskeletal disorders are common due to repetitive movements, improper lifting, and forced postures.
- In poultry processing, risks include slippery conditions, hot surfaces, and potential zoonotic infections.

WORK-RELATED ILL HEALTH AND FATALITIES

- No fatalities or significant recordable cases of work-related ill health were reported.
- The main health issue identified is musculoskeletal disorders, often stemming from physical overload and repetitive tasks.
- A total of 196 days were lost due to work-related injuries and illnesses.

HEALTH PROMOTION

Our companies promote employee health through various initiatives, including:

- Annual health insurance covering medical treatments, rehabilitation, and wellness activities.
- Access to the Stebby platform, which offers wellness options such as sports, swimming, and massages.
- Discounted medical services and wellness activities, including participation in marathons and sports competitions.
- Ergonomic equipment.
- Group sports programs and provision of vitamins (Vitamin C and D) twice a year.

OCCUPATIONAL HEALTH STANDARDS AND ALCOHOL TESTING

- While no formal voluntary OHS certifications are held, we follow strict internal safety protocols.
- Mandatory alcohol testing is implemented in several companies, with random checks conducted before work and during shifts to ensure a safe working environment.

ACCIDENTS AND INJURIES

The main types of work-related injuries include:

- Careless movements
- Falls from height
- Slips, stumbles, and improper foot placement
- Tool-related injuries such as cutting or jumping from machinery
- Bruises and fractures
- Finger strain, collarbone fracture, and knee strain during washing tasks
- Limited space for maintenance work causing injuries.

RATE OF INJURIES

In 2023/24, the total number of incidents decreased to 33 from 39 in 2022/23. Despite a slight reduction in total man hours worked the Total Recordable Incident Rate (TRIR) also showed improvement, dropping to 0.79 from 0.85 in 2022/23.

	2023/24	2022/23	2021/22
Total number of incidents	33	39	32
Total man hours worked per year	8,589,485	9,178,870	8,379,359
TRIR	0.79	0.85	0.78

Total hours worked and rate of injuries, AB AKOLA GROUP, 2021/22-2023/24

TRIR means the total recordable incidents per 200,000 man hours worked.

RENTED WORKERS

Workers who are not direct employees clocked in 1,253,983 hours during the reporting period. Four accidents were recorded among this rented workforce, resulting in injuries.

The Total Recordable Incident Rate (TRIR) for this group is calculated at 0.64, reflecting the safety performance of the rented workforce.

3 GOOD HEALTH AND WELL-BEING

GRI: 2-24, 2-25, 2-29, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

Equality

ECONOMIC INCLUSION

Most of our sites operate in economically stressed areas.
We believe that geographic diversity serves local communities and helps building rural resilience:

- Enhanced skills and knowledge
- Creating job opportunities, especially in rural areas, can be a direct way to combat poverty
- Reliable partnerships with local farmers
- Availability of our products within reasonable distance (specialised retail shops)
- Career opportunities: attracting young professionals to rural areas
- Promoting positive and innovative image of farming

EDUCATION

In undergraduate and graduate education, females slightly outnumber males (867 vs. 809), showing higher female representation in advanced academic programs. However, in higher education including college, males almost double the number of females (1,378 vs. 759), indicating male dominance.

A significant gap is seen in professional education, where males (575) greatly outnumber females (85), suggesting men favor vocational or specialized training, while women lean more towards academic tracks.
In secondary education (12 years), males (470) significantly surpass females (51), showing a strong male presence. Similarly, in 9-10 years education, males (446) outnumber females (289), though the gap is narrower.

Overall, women are more represented in higher academic qualifications, while men dominate at professional, secondary, and college education levels. This reflects differing trends in educational paths, with women more focused on higher education and men leaning toward mid-level or professional qualifications.

STRUCTURE

	TOP management	Management	Specialists	Line workers
Female	8	156	636	1,493
Male	43	218	615	1,732
Total	51	374	1,251	3,225

Employees by positions and gender, AB AKOLA GROUP, 2023/24

In TOP management, women represent 15.7% of the workforce, with 8 female leaders out of a total of 51 positions. In the management category, the gender gap is narrower, with women making up 41.7% (156 out of 374). Among specialists and line workers, women hold 50.8% and 46.3%, respectively, indicating a more balanced representation in non-leadership roles.

COMPENSATION

	Under 30	30-50	50+	Total
Female	1,932	2,183	1,745	1,967
Male	2,013	3,044	2,554	2,735
Total	1,983	2,650	2,139	2,373

Average monthly compensation by age and gender, AB AKOLA GROUP, 2023/24

Among specialists, employees aged 50+ earn slightly more than those aged 30-50, reflecting a smaller but noticeable increase in pay with experience. For Management, employees in the 30-50 range earn an average of EUR 4,744, with compensation increasing modestly for the 50+ group. Line Workers show relatively stable pay across age groups, with the 30-50 group earning EUR 1,836, indicating that while experience is rewarded, the difference in pay is more subtle for non-senior roles. In Top Management, the compensation reflects the higher responsibilities and typically long tenure, with employees aged 50+ earning EUR 11,946 on average, significantly more than their EUR 9,821 counterparts in the 30-50 age group.

PAY GAP

The gender pay gap remains consistent at 26% in Top Management, Management, and Specialist positions, indicating that women earn 26% less than their male counterparts on average across these categories. Among Line Workers, the gap is slightly smaller, at 22%. This reflects a relatively uniform pay disparity across different roles, with a modest reduction at the operational level.

CHALLENGES

Addressing the gender pay gap is challenging, especially with long-term employees and managers who have secured higher positions and established pay. Adjusting compensation fairly while maintaining these structures requires careful planning, along with a focus on transparency and equal opportunities for progression.

FEEDBACK

A total of 2,746 employees, representing 55% of the workforce, underwent formal performance reviews. Female participation was slightly higher at 58%, compared to 53% for males. This increase is largely due to the efforts of Kekava Foods, where nearly all employees received formal performance feedback.

HUMAN CAPITAL DEVELOPMENT

Over the reporting period, we registered a total of 139,000 hours of formal training, with male employees receiving an average of 16 hours and female employees 14.5 hours. Management and Specialist roles received the largest portion of training across the group. UAB Grybai LT and AB Kauno Grūdai led in training for line workers, with averages of 14 and 11 hours respectively.

REGULATORY ENVIRONMENT

Besides general regulations applied for all businesses, the European Union (EU) enforces a comprehensive regulatory framework to ensure food safety, animal welfare, and compliance in agricultural and food production sectors. Veterinary oversight is critical at every stage, ensuring the health of animals and the safety of food products.

In dairy farming, regulations like the EU Animal Welfare Directive and Veterinary Medicinal Products Regulation require the ethical treatment of animals and strict controls on medicine use. Veterinarians are responsible for regular inspections and ensuring that dairy products meet safety standards.

The poultry industry, from hacking to processing, is one of the most strictly regulated sectors. Veterinary compliance ensures biosecurity, disease prevention, and hygiene. Regular health checks, vaccinations, and proper processing practices are enforced to ensure food safety.

Crop cultivation is regulated under the Common Agricultural Policy (CAP) and the Sustainable Use of Pesticides Directive, with veterinary professionals ensuring that chemical use does not adversely affect livestock or food safety.

In segments like instant food production, fertilizers, pesticides, and compound feed, veterinary supervision plays a key role in managing risks. Compliance with EU food safety laws ensures that products, especially those involving animal-based ingredients, are safe for consumption and free of contaminants.

In addition, we operate water wells, effluent treatment facilities, farms, energy-intensive elevators, factories, and other food processing units, which makes us responsible for managing all potential adverse impacts and ensuring proper risk management practices are followed.

INTERNAL AUDITS ANDS ASSESMENTS

We estimate that group-wide, more than 400 internal and external assessments and audits are performed yearly. These include a variety of critical areas such as:
Occupational safety: Regular checks on workplace safety, dangerous machinery, state labour inspection, and fire safety.
Environmental audits: Annual environmental permit reviews, waste management, air and water emissions monitoring, and inspections by the Government agencies.
Energy Efficiency Audits: Regular ISO 50001 audits, including internal assessments and external recertifications.
Veterinary Audits: Focus on ensuring hygiene in birdhouses and regular FVS visits for food safety.
Quality Audits: Comprehensive internal and external audits for certifications like BRC, FSSC, and Halal. Supplier audits and product quality checks are conducted regularly, along with hygiene and laboratory inspections.
Organisation Development and Sustainability: Sustainability evaluations and compliance with stakeholders' requests.
Technical and Metrology Audits: Includes inspections of gas station tanks, measurement tools, water meters, and grain dryers. Regular calibration of equipment ensures operational safety and compliance.

These audits help us maintain high standards across safety, environmental management, product quality, and operational efficiency.

CHALLENGES

AB Vilniaus Paukštynas: the Environmental Protection Department identified three violations for air pollution, five for waste management, one for unregistered pollution sources, and one for unmarked pollution sources at Vilniaus Paukštynas. A mandatory order to stop pollution from source No. 082 was not fulfilled, and legal proceedings are ongoing. Other orders at AB Vilniaus Paukštynas, including waste registration and inventorying rooftop axial fans, have been fulfilled.

Food safety: AB Kauno Grūdai, has issued a recall for pet food products due to increased levels of enterobacteria found in raw materials (poultry meat and bone meal) and in the final products.

AS Kekava Foods: 1. Exceeded EU limits for Campylobacter in chicken neck skin. 2. Exceeded EU limits for Salmonella in chicken neck skin.
AB Vilniaus Paukštynas recorded three Salmonella breaches

Social: UAB Dotnuva Baltic: CEO of the company had not undergone mandatory checks of his knowledge in the field of employee safety and health. The inspection also revealed that the risk assessments at the company were not updated across all divisions.

GROUP POLICIES

Our goal is to become a key player in advancing agriculture in the Baltics and a leader in the food industry, while also being recognized as an attractive employer. We strive to achieve these objectives through ethical and transparent business practices, along with a strong commitment to people, the environment, and society.

Scope of application: AB Akola Group and its subsidiaries. Exception: The Dividend Policy, Remuneration Policy, and Equal Treatment Policy apply exclusively to AB Akola Group.

The Group maintains a zero-tolerance approach to violations of Corporate Policies and encourages reporting of any breaches through the designated email addresses provided in each policy.

Click here to discover more

Data Center

KEY FINANCIAL DATA	UNIT	2023/24	2022/23*
Revenue	thous. EUR	1,506,238	1,999,617
Gross profit	thous. EUR	151,116	130,330
Gross profit margin	%	10.03	6.52
EBITDA	thous. EUR	73,547	62,407
EBITDA margin	%	4.88	3.12
Operating profit	thous. EUR	46,096	33,853
Operating profit margin	%	3.06	1.69
Earnings before taxes EBT	thous. EUR	26,991	18,121
Earnings before taxes margin	thous. EUR	1.79%	0.91%
Net profit	thous. EUR	24,913	14,324
Net profit margin	thous. EUR	1.65	0.72
Grants received for agriculture activity	thous. EUR	4,083	5,115
Grants for poultry activity	thous. EUR	235	1,675

GROUP CAPACITY	UNIT	2023/24	2022/23
Employees	persons	4,959	4,956
Total hours worked	thous. hours	8,589	9,179
Arable land (ha)	ha	19,072	19,229
Own land (ha)	ha	6,217	6,074
Total cattle	headcount	7,398	7,434
Dairy cattle	headcount	3,226	3,264
Broilers raised	million birds	58	49.8
Size of parental flock	headcount	424,466	479,443

INPUTS	UNIT	2023/24	2022/23
Grain consumed for production	tones	333,867	368,273
Feed for livestock (cattle and birds)	tones	83,040	81,872
Semi-manufactured food and additives	tones	40,087	28,945
Plastic packaging	tones	5,118	7,165.8
Paper packaging	tones	5,902	6,317
Metal packaging	tones	33	167
Wood packaging	tones	1,777	1,055
Raw meat	tones	17,070	29,357
Food oil	tones	18,281	10,187
Fertilisers	tones	10,940	9,490
Plant protection	tones	72.5	167
Seeds	tones	2,180	2,145

ENERGY CONSUMED	UNIT	2023/24	2022/23
Natural gas	GWH	260.5	264
Diesel for transportation	thous. litres	3,933	3,726.3
Petrol for transportation	thous. litres	853,9	613.9
Diesel for agriculture	thous. litres	1,975.8	2,514
LPG	thous. kg	9,627	2,895
Diesel for heat production	thous. litres	240.4	156.0
Certified green electricity	Gwh	92.1	86.3
Not certified electricity	Gwh	0.9	1.3
Heating purchased	Mwh	0.14	0.45

SOCIAL EFFECTS		2023/24	2022/23
Wages and salaries and social security	thous. EUR	157,814	143,493
Income tax (paid)	million EUR	6.2	9.5
TRIR		0.79	0.85

INTENSITY OF EMISSIONS	UNIT	2023/24	2022/23
SCOPE 1 emission per employee	tCO_2eq	27.8	27.8
SCOPE 1 emission million Eur (revenue)	tCO_2eq	91.4	67.6
SCOPE 1 emission ton ECM	tCO_2eq	0.325	0.334
SCOPE 1 emission poultry meat (live weight)	tCO_2eq	0.585	0.555
SCOPE 1 emission ton of wheat	tCO_2eq	0.242	0.252
SCOPE 1 emission ha arable soil	tCO_2eq	1.174	1.240

PRODUCTION OUTPUT	UNIT	2023/24	2022/23
Compound feed	thous. t.	296.0	261.6
Flour and mixes	thous. t.	65.6	64.8
Raw milk (ECM)	thous. t	38.2	37.3
Harvest	thous. t	128.2	109.7
Poultry meat live weight	thous. t	120.0	118.2
Pet food	thous. t	10.7	11.1
Instant food	thous. t	19.7	21.5
Breadcrumbs	thous. t	9.8	9.8
Seeds	thous. t	31.6	27.6
Cattle meat	thous. t	1.2	1.2

ENVIRONMENTAL EFFECTS	UNIT	2023/24	2022/23
Scope 1 GHG emissions	thous tCO_2eq	137.7	135.2
Scope 2 GHG emissions (market-based)	thous tCO_2eq	0.5	0.7
Scope 3 GHG emissions	thous tCO_2eq	542.1	551
CO_2 sequestration in soil	tCO_2eq	-21,479	-21,584
Waste directed to disposal	tones	2,914.6	3,915.1
Waste directed from disposal	tones	260,255	270,128

* retrospective correction of 2022/2023 figures was carried out in relation to application of IFRS 13 Fair Value Measurement; detailed information about the implemented changes and their influence on individual articles of the statement of financial position and statement of profit and loss and other comprehensive income is provided in Note 2.22 of the consolidated and the Company's annual audited financial information.

GRI: 201-1, 201-4, 301-1, 302-1, 305-1, 305-2, 305-3, 305-4, 306-2, 403-9

Brands and products we represent

akola GROUP

AGRICULTURAL MACHINERY

CASE IH AGRICULTURE
Kverneland
Quicke
Einböck
AGRISEM
mandam go farming!
agrifac
SILOKING
MacDon
LAUMETRIS SINCE 1993

FARM EQUIPMENT

SWIMER
CMP ANIMAL WELFARE
Schäffer
PELLON
BouMatic
Jeantil

SEEDS

LIETUVOS AGRARINIŲ IR MIŠKŲ MOKSLŲ CENTRAS
DSV
Dotnuva SEEDS
syngenta Seeds
MARIBO
RAGT SEEDS Grow to expect the best
BAYER
SAATBAU Saat gut, Ernte gut.
SAATEN UNION Züchtung ist Zukunft
DLF
KWS
BASF We create chemistry
Lantmännen Seed
rapool Der Raps

PLANT CARE PRODUCTS, FERTILISERS

EKOPLON
AgriTecno
ADOB
Haifa
rapool Der Raps
syngenta
NOVAGRA
nando
ADAMA
Daymsa Europe's leading producer of Leonardite
YARA

GRAIN CLEANING, DRYING, AND STORAGE FACILITIES

CIMBRIA
BIN
ARSKA
spinder DAIRY HOUSING CONCEPTS
SYMAGA SILOS

ADJUSTABLE DRAINAGE SYSTEM

Eko Drena

VETERINARY PHARMACY & SUPPLEMENTS

Phibro ANIMAL HEALTH CORPORATION
KRKA
LAVET PHARMACEUTICALS YOU LOVE WE CARE
zoetis
vetoquinol ACHIEVE MORE TOGETHER
interchemie
bioveta
PROFEED Herbal supplements – natural effect
Nukamel
WOOGENE B&G
-Heel Healthcare designed by nature
Virbac
Бровафарма
Anpario Direct Nature's Answer
innovad CREATE TRUST

Group companies are fostering close relations with a wide array of world-class producers. Our extensive network allows us to offer the best possible solutions for the needs of local farmers and agricultural companies.

ACCOUNTING PRINCIPLES

This marks our third consecutive year of conducting consolidated GHG emissions accounting, following the guidelines set by the Greenhouse Gas Protocol.

Relevance
We conducted an in-depth analysis of the Group's entire value chain to ensure that the GHG inventory accurately represents all Group-related activities and emissions. Detailed descriptions of these activities can be found in our sustainability report.

Completeness
All GHG emission sources and activities within the defined inventory boundary are fully accounted for and reported. The underlying contextual information for all reported results is provided, and any exclusions along with their justifications are clearly listed.

Consistency
We apply consistent methodologies to facilitate meaningful year-over-year comparisons of emissions data. All emission factors and relevant indicators are thoroughly documented to ensure reliability.

Transparency
We address all pertinent issues in a factual and coherent manner, utilizing relevant activity data. Our methods and assumptions used in the accounting process are disclosed, and we assess the reliability of the results.

Accuracy
Final results are quantified in a comparable format and reported in standardized units (tCO2 equivalent).

Accounting approach
We account for 100% of GHG emissions from operations controlled by the companies included in this report.

SCOPE 1: DIRECT EMISSIONS

Direct emissions and sequestration occur from GHG sources or sinks within the Group boundaries and are owned or controlled by the organisation.

KEY DIRECT EMISSIONS WITHIN THE GROUP

CO_2 (carbon dioxide) emissions occur from direct combustion of fossil fuels (natural gas, diesel, LPG, petrol) by stationary and mobile machinery.

HFC (hydrofluorocarbon) emissions are direct results of cooling, refrigeration, and freezing of production, mainly occurring in poultry processing processes.

N_2O (nitrous oxide) emissions are the result of application of chemical nitrogen fertilisers and manure to agricultural soils.

CH_4 (methane) emissions are directly related to livestock (ruminants and birds) enteric fermentation process and manure management.

SOC (soil organic carbon) sequestration (trapping of carbon within soil) is a result of farming practices in an attempt to reduce environmental effects of crop production process.

HFC (hydrofluorocarbon) emissions are direct results of cooling, refrigeration, and freezing of production, mainly occurring during poultry processing.

STATIONARY COMBUSTION

The Group operates a network of 25 modern grain storage facilities, which includes 19 facilities in Lithuania and 6 in Latvia, farming companies also run their own grain drying and storage facilities. Poultry business is responsible for 85% of natural gas consumption within the Group.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2 eq
Natural gas	MWH	260,491.68	50,040
Diesel	1000 l	240.4	604
LPG	1000 kg	3,275.1	9,635
Total			**60,279**

GHG emissions from stationary machinery AB AKOLA GROUP, 2023/24

MOBILE COMBUSTION

The direct emissions from mobile sources are divided into two key categories: fuel consumed for agricultural production and other activities, such as transportation of products and inputs by tractors and vehicle owned and/or leased by the Group companies.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2eq
Diesel in agriculture	1,000 l	1,975.8	6,315.2
Diesel for other activities	1,000 l	3,933.8	9,884.8
Petrol	1,000 l	853.9	1,779.9
Total			**17,979.9**

GHG emissions from mobile machinery, AB AKOLA GROUP, 2023/24

EMISSIONS FROM COOLING AND FREEZING

We account for industrial use of refrigerants in poultry production. Refrigerants used for cooling our offices and vehicles are procured as a service and not included in Scope 1 calculations.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2eq
Refrigerants	t	0.959	1,588
Total			**1,588**

GHG emissions from refrigerants, AB AKOLA GROUP, 2023/24

N_2O (NITROUS OXIDE) EMISSIONS

Direct emissions from managed soils: the method is based on Chapter 11, N_2O emissions from managed soils and CO_2 emissions from lime and urea application, of the IPCC Guidelines for National Greenhouse Gas Inventories (GNGGI). The assessment of soil emissions considers, to some extent, soil types and climate.

Reliability: moderately high. Data collected directly from company records.

Source	Unit	Quantity	tCO2eq
Application of chemical fertilisers	t	10,935	17,880
Emissions from residuals			6,016
Total			23,896

GHG emissions from managed soils, AB AKOLA GROUP, 2023/24

* The composition of all fertiliser was broken down to estimate the actual content N (Nitrogen) based on composition declared by manufacturers.

DIRECT EMISSIONS FROM LIVESTOCK

Methane is produced by animals as a result of enteric fermentation, a digestive process by which carbohydrates are broken down by microorganisms into simple molecules. Digestive systems and feed intakes are two major parameters influencing the rate of methane emissions.

The assessment of GHG emissions from enteric fermentation is based on the IPCC, Tier 2 simplified method for all livestock categories.

The rate of methane emissions depends on diet (DMI/day), gross energy (MJ/day), and a methane conversion factor per animal, and the type of diet.

Globally, cattle is the leading methane emission source, poultry is not a major contributor to emissions from enteric fermentation emissions.

The reliability of CH4 depends on an organization's ability to compile data on dry matter intake per animal as well as other parameters, such as animal weight and days spent gazing etc.

All relevant data can be tracked back to company records; thus, the reliability of CH4 calculations is estimated to be high.

Direct N_2O emissions from the treatment and storage of manure are estimated with the IPCC method, Tier 2.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2eq
All ruminants*	Animal	6,307	19,418
Poultry	Animal	51,093,739	9,867.2
Manure management			8,702
Total			37,987.2

GHG emissions from livestock, AB AKOLA GROUP, 2022/23
** Average headcount of cattle (cows, bulls, heifers)*

GHG SEQUESTRATION

Soil organic carbon (SOC) is the balance between plant inputs and biologically mediated losses. The amount of SOC is so large compared to anthropogenic CO_2 fluxes to the atmosphere that small changes in the SOC pool could have a major impact on the concentration of CO_2 in the atmosphere (Cox et al., 2000; Crowther et al., 2016).

The methodology for the estimation of GHG sequestration is mostly based on the IPCC guidelines for national greenhouse gas inventories – Volume 4: Agriculture, forestry and other land use.
The precise estimation of annual change in carbon storage is an extremely complex multilevel exercise requiring detailed investigation, testing, and analysis of specific crops' ability to absorb and soil's capacity to retain CO_2 from the atmosphere.

Our estimate is based on the IPCC guidelines, taking into account the changes in soil management practices and Tier 2 specification level of soil. Calculating total possible sequestration volumes, we assumed the worst-case scenario, thus we are confident the estimated amount is a conservative representation of change in CO_2 sinks in soils managed by our companies.

Reliability: low. No sampling of soil nor crops were performed.

Source	Unit	Quantity	tCO_2eq
Change in SOC in soil	ha	19,072	-21,479
Total			**-21,479**

GHG sequestration, AB AKOLA GROUP, 2023/24

SCOPE 2

Scope 2 represents emissions that our companies caused indirectly when the energy we purchased is produced by third party providers.

Estimating location-based GHG emissions for electricity consumption, we apply emission factors published in 2023 European Residual Mix.

GHG emissions related to acquired heating energy are estimated based on supplier-specific emission factors.

Below, we present GHG calculations for Scope 2, the location-based amount of CO_2 for green electricity represents avoided GHG emissions by switching to clean energy consumption in all production and virtually all administrative sites operated by the Group.

Since our fiscal year does not coincide with the calendar year, this year we adjusted historical Scope 2 calculations. Now, the historical data reflects emissions based on annual AIB factors, while the current year's emissions are calculated using 2023 factors and will be adjusted once the 2024 factors are known.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2eq
Green electricity (market-based)	GWh	92.1	0
Not certified electricity (market-based)	GWh	0.9	498
Heating (market-based)	MWh	0.1	32
Total market-based			**530**

Scope 2 market-based GHG emissions AB AKOLA GROUP, 2022/23

Source	Unit	Quantity	tCO_2eq
Green electricity (location-based)	Gwh	92.1	13,195
Not certified electricity (location-based)	Gwh	0.9	129
Heating (location-based)	Mwh	0.1	21.1
Total location-based			**13,345.1**

Scope 2 location-based GHG emissions AB AKOLA GROUP, 2023/24

SCOPE 3

Scope 3 represents indirect GHG emissions that occur because of our operations from sources not owned nor controlled by the Group companies.

Reliable data for Scope 3 emissions can be difficult to obtain, thus we used a variety of generally accepted emissions factors in order to represent the extent of our impacts to the indirect GHG emissions.

Evaluating our supply chain and assessing the materiality of our impact, we identified theses Scope 3 categories as relevant to our GHG calculation:

- *Purchased materials;*
- *Fuel and energy related activities;*
- *Transportation and distribution;*
- *Waste generated in operations;*
- *End of life treatment of packaging of sold goods.*

EMISSIONS ASSOCIATED WITH PURCHASED MATERIALS

Consistent tracking of consolidated Scope 3 GHG emissions was initiated in 2022.

- Estimating GHG emissions related to packaging we use DEFRA 2024 emission factors.
- GHG emissions from fertiliser production process are estimated based on composition of fertilisers applied.
- Calculating GHG emissions related to grain based products we assume that grain production emission factor are similar to CO_2 emissions per tone of output produced within our Group.

Reliability: average. The supplier specific data was not collected.

Source	Unit	Quantity	tCO_2eq
Grain and for production (purchased outside the Group)	t	205,567.6	69,115.7
Soya	t	81,019.3	20,254.5
Cleaning agents and other petrochemicals	t	56,520.5	96,084.9
Food additives	t	40,087.8	12,026.3
Food oil	t	18,281.2	52,920.5
Purchased raw meat	t	17,070.5	59,746.6
Purchased feed	t	15,321.0	4,596.2
Fertilisers	t	10 935.0	17,125.8
Paper packaging	t	5,901.7	4,131.2
Plastic packaging	t	5,118.1	15,950.0
Vegetables	t	2,744.9	960.7
Wooden packaging	t	1,776.9	710.7
Seeds	t	2,180	470.5
Grain products	t	462.7	128.0
Plant protection	t	52.8	89.6
Metal packaging	t	33.0	31.5
Total			**354,342.6**

Scope 3 GHG emissions from input production, AB AKOLA GROUP 2022/23

FUEL AND ENERGY RELATED ACTIVITIES

We apply DEFRA 2024 emission factors to estimate GHG emissions related to extraction, production, and transportation of fuels and energy consumed within the Group over the reporting period, not already accounted for in scope 1 or scope 2.

Reliability: average. The supplier specific data was not collected.

SOURCE	UNIT	QUANTITY	tCO_2eq
Transmission and distribution losses of electricity	Gwh	93.0	1,676.6
Well to tank (natural gas)	1,000 m3	24,464.7	8,235.0
Well to tank (diesel)	1,000 l	6,150.1	3,845.6
Well to tank (LPG)	1,000 kg	3,333.5	1,164.3
Well to tank (petrol)	1,000 l	853.9	495.3
Total			**5,416.86**

Scope 3 GHG emissions from fuel and energy related activities, AB AKOLA GROUP 2022/23

TRANSPORTATION AND DISTRIBUTION

In order to estimate SCOPE 3 transportation and distribution emissions we used average traveling distances for inputs procured as well as for the goods sold. The table below accounts for third party transportation emissions by:

- Rail transport
- Road transport
- Marine transport

DEFRA emission factors for transportation by different means were employed.

Reliability: average. The supplier specific data was not available.

Source	Unit	Quantity	tCO_2eq
Upstream transportation of inputs	tkm	45,197,190	24,590
Downstream transportation of products	tkm	66,505,329	40,430
Transportation of goods for farmers	tkm	3,700,200	21,794
Transportation of grain (trade)	tkm	1,427,600,000	82,965
Total			**169,780**

Scope 3 GHG emissions from upstream and downstream transportation, AB Akola Group2023/24

tkm A ton-kilometer, abbreviated as tkm, is a unit of measure of freight transport which represents the transport of one ton of goods over a distance of one kilometer.

WASTE TREATMENT EMISSIONS

We apply DEFRA emission factors to estimate GHG emissions factors to evaluate end-of-life related emissions for waste diverted to disposal assuming no packaging was recycled by our clients.

Reliability: average. The supplier specific data was not available.

Source	Unit	Quantity	tCO_2eq
Waste directed to disposal	t	2,925	61.4
End of life for packaging sold	t	12,864	2572.7
Total			**2,634**

Scope 3 GHG emissions from waste treatment, AB Akola Group 2023/24

EXCLUDED EMISSION SOURCES

Our calculations of GHG emissions are based on materiality criteria: emission sources accounting for less than 1% of total Group emissions are not included.

- Capital goods, such as buildings and other fixed assets: Scope 3 GHG indirect emissions exclude indirect emissions related to processing of materials for buildings.
- We exclude indirect GHG emissions related to materials and processing of owned fixed assets, such as machinery, elevators, farm equipment, etc.
- Investments: We do not add indirect emissions associated with materials and processing activities related to investments.
- Emissions related to employee commuting: 99% of our employees are from local communities; thus, commuting is not material.
- Emissions related to work from home.
- Emissions related to heating/cooling and maintenance of rented offices not controlled by the company.
- Processing of sold goods: We have no capacity to estimate further processing of raw milk, flour products, instant food, poultry meat, etc.
- GHG sequestration by trees, groves, and other CO_2 sinks not used in agriculture.

EU Taxonomy Disclosures

The European Union (EU) Taxonomy Regulation, (EU) 2020/852, and the delegated acts adopted thereon (hereinafter - taxonomy) is a classification system for environmentally sustainable economic activities, which aims to encourage private investment in activities contributing to the European Green Deal. The taxonomy defines the following environmental objectives:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and control.
- Protecting and restoring biodiversity and ecosystems.

A taxonomy-eligible economic activity is defined as an activity described in the relevant delegated acts of the Taxonomy Regulation, i.e. it is included in the taxonomy and falls under at least one of the six environmental objectives. Once the economic activities of an undertaking have been identified as taxonomy-eligible, the activities are evaluated according to the technical screening criteria defined in the taxonomy, based on scientific evidence. Taxonomy-eligible activities that meet all the criteria are considered environmentally sustainable.

In this overview, we present consolidated information on the taxonomy-eligible activities of AB Akola Group together with its subsidiaries (hereinafter - the Group) and their compliance with the taxonomy criteria by key performance indicators (Turnover, CapEx, OpEx). The information is provided for the financial year 2023/2024 (hereinafter – FY 2023/2024), starting on 1 July of the calendar year and ending on 30 June of the following calendar year. This overview should be read together with the Group's annual financial statements.

We note that certain terms and phrases in the Taxonomy and its associated delegated acts remain open to various interpretations without official clarification. In this overview, we provide the calculated Taxonomy indicators and elucidate the interpretations applied to meet Taxonomy requirements. It is important to note that future disclosures and the methodology for calculating indicators may be adjusted based on potential new official EU interpretations of the Taxonomy.

Compared to the information provided in the previous Sustainability Report, this report provides a more detailed, updated and expanded description of the taxonomy assessment. For the FY 2023/2024 taxonomy assessment, the Group has taken into account the latest interpretations of the taxonomy, the comments and recommendations made by the Bank of Lithuania to publicly listed companies, and the updated list of taxonomy activities under Delegated Act (EU) 2023/2486. In this report, the Group presents a broader list of activities that meet the definitions of taxonomy-eligible activities and, for the first time, the calculated taxonomy OpEx indicator.

Identifying taxonomy-eligible activities and calculating indicators

The key performance indicators of the taxonomy - turnover, CapEx and OpEx - are disclosed in template tables (see Tables 1, 2, 3 of ANNEX IV). All key performance indicators related to the taxonomy are weighted and calculated in such a way as to avoid double counting (i.e. activities contributing to several environmental objectives are only included once in the calculation of an indicator). The taxonomy assessment does not include revenues generated, costs incurred or assets acquired as a result of transactions between Group companies.

Turnover

The Group's main business segments (Partnerships with farmers, Farming, Food production, Other products and services), from which the Group's companies derive their income, are not included in the taxonomy at this date, – taxonomy-eligible activities by revenue account for a minor part of the Group's activities. The fact that a Group's main activities are not included in the taxonomy does not mean that they cannot be carried out in an environmentally sustainable manner. The list of activities and criteria in the taxonomy is continuously updated and the list of activities applicable to the Group in the taxonomy may be extended in the future.
The Group's share of activities in terms of revenue in the FY 2023/2024 corresponds to the following taxonomy-eligible activities:

- Lease of owned and right-of-use buildings to third parties - Acquisition and ownership of buildings.
- Collection and transport of non-hazardous waste to prepare it for reuse or recycling (e.g. biodegradable waste from agricultural activities sold for energy production; animal waste sold for use in the production of fertilizers and animal feeds) - Collection and transport of non-hazardous waste in source segregated fractions.
- Operation of railway vehicles (wagons) - Freight rail transport.
- Transportation by M1, N1, L category (passenger) vehicles when they comply with EURO 5 or EURO 6 - Transport by motorbikes, passenger cars and light commercial vehicles.
- Transportation with vehicles of categories N1, N2, N3 (freight) when they comply with EURO 6 Stage E - Freight transport services by road.

The share of revenues from taxonomy-eligible activities is calculated by dividing the revenues from products and services related to taxonomy-eligible activities by the Group's total revenues. For the FY 2023/2024, 0.44% of the Group's revenues were taxonomy-eligible (see Table 1 of ANNEX IV).

Capex

A significant proportion of the Group's capital expenditure (43.76%) relates to the purchase of output from taxonomy-eligible economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. The capital expenditure for taxonomy-eligible activities is calculated by dividing the investment related to the activities defined in the taxonomy by the total capital expenditure (see Table 2 of ANNEX IV).

Unlike the previous reporting period, where only buildings that were completed and registered in the real estate register were included in the calculation, this period's calculation of capital expenditure for new buildings (taxonomy activity: Construction of new buildings) includes all newly constructed buildings, including those still under construction. For the purposes of this report, the allocation of buildings to the taxonomy-eligible activities Construction of new buildings and Acquisition and ownership of buildings has been based on the definition of a building in the Law on Construction of the Republic of Lithuania (excluding various civil engineering structures which do not comply with the following definition): Building - a roofed structure, the main part of which consists of rooms. According to the most recent definition

of taxonomy-eligible activities, the activity Transport by motorbikes, passenger cars and light commercial vehicles included only cars of categories M1, N1, L (passenger) purchased and/or owned during the reporting period and which comply with the EURO 5 or EURO 6 standard, and the activity Freight transport services by road included only vehicles of categories N1, N2, N3, when they meet the Euro 6 standard stage E.

Part of the Group's capital expenditure in the FY 2023/2024 corresponds to the following taxonomy-eligible activities:

- New buildings under construction (acquisitions) - Construction of new buildings.
- Improvements to owned and right-of-use buildings - Acquisition and ownership of buildings.
- Major renovation of owned and right-of-use buildings - Renovation of existing buildings.
- Acquisition of individual (stand-alone) energy efficiency measures - Installation, maintenance and repair of energy efficiency equipment.
- Acquisition of instruments and equipment for measuring, regulating and controlling the energy performance of buildings - Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.
- Acquisition of solar power plants - Installation, maintenance and repair of renewable energy technologies.
- Acquisition of water collection, treatment and supply systems (e.g. water boreholes) - Construction, extension and operation of water collection, treatment and supply systems; systems renewal - Renewal of water collection, treatment and supply systems.
- Acquisition of equipment for the collection and transport of non-hazardous waste (e.g. purchase of a manure telehandler) - Collection and transport of non-hazardous waste in source segregated fractions.
- Installation of biogas production facilities - Recovery of bio-waste by anaerobic digestion or composting.
- Railway repair - Infrastructure for rail transport.
- Purchase, financing, hire, leasing of M1, N1, L (light) vehicles of categories EURO 5 or EURO 6 - Transport by motorbikes, passenger cars and light commercial vehicles.
- Purchase, finance, leasing of vehicles of categories N1, N2, N3 (freight) when complying with EURO 6 Stage E - Freight transport services by road.

OpEx

The taxonomy's definition of OpEx differs from the definition normally used in financial accounting and covers a much smaller proportion of costs. According to the taxonomy, the denominator includes only direct, non-capitalised costs associated with research and development, building renovation measures, short-term rentals, maintenance and repairs, and all other direct costs that relate to the day-to-day servicing of property, plant and equipment by the enterprise or by a third party engaged for that purpose, and that are necessary to ensure the continued and efficient use of such assets. For the purposes of this definition, the Group's taxonomy OpEx calculation includes only maintenance and repair costs and short-term rental costs.

The Group's operating expenses, as defined by the taxonomy, amounted to EUR 4,839 thousand for the FY 2023/2024. Of these, 4.47% of the Group's operating and sales expenditure was taxonomy-eligible based on the data available for the FY 2023/2024 (see Table 3 of ANNEX IV).

It is important to note that the Group's current accounting system is not designed to readily extract the operating expenses related to taxonomy-eligible property, plant and equipment, and therefore the estimated ratios may be subject to future adjustments.

Some of the Group's operating expenses in the FY 2023/2024 correspond to the following taxonomy-eligible activities:

- Maintenance and repair of owned and right-of-use buildings, cleaning costs, rent - Acquisition and ownership of buildings.
- Major renovation of owned and right-of-use buildings - Renovation of existing buildings.
- Maintenance and repair of individual (stand alone) energy efficiency measures - Installation, maintenance and repair of energy efficiency equipment.
- Maintenance and repair of renewable energy technologies - Installation, maintenance and repair of renewable energy technologies.
- Maintenance and repair of water collection, treatment and supply systems - Construction, extension and operation of water collection, treatment and supply systems.
- Renting (at cost), maintenance and repair of railway vehicles (wagons) - Freight rail transport.
- Maintenance, cleaning and repair of M1, N1, L (light) vehicles of categories M1, N1, L, when complying with EURO 5 or EURO 6 - Transport by motorbikes, passenger cars and light commercial vehicles.
- Maintenance, cleaning and repair of vehicles of categories N1, N2, N3 (freight) when complying with EURO 6 Stage E - Freight transport services by road.

Evaluating alignment with the technical screening criteria

The review of activities according to the taxonomy identified that the Group is engaged in taxonomy-eligible activities and/or invests in taxonomy-eligible measures that can contribute to climate change mitigation and circular economy objectives. The Group has not identified any activities that may contribute to other objectives of the taxonomy. The Group does not currently have a climate change risk and vulnerability assessment completed and therefore activities that are classified as climate change adaptation activities are not included in the expenses of the taxonomy-eligible activities in this report. Some of the information needed to assess taxonomy alignment is not available. Based on the available information, it is concluded that the Group has not carried out any activities that meet the taxonomy alignment criteria for the FY 2023/2024.

In future, the aim will be to provide even more precise information and to take into account the taxonomy criteria when planning investments, so that as much as possible is attributed to environmentally sustainable activities.

The Group meets the minimum safeguards criteria for social and governance sustainability: it has put in place the recommended measures for socially responsible and ethical business as set out in the Organisation for Economic Co-operation and Development's (OECD) Guidelines for Multinational Enterprises, and adheres to the United Nations Guiding Principles on Business and Human Rights.

EU Taxonomy Disclosures

Table 1 of ANNEX IV. Revenue by taxonomy for the FY 2023/2024.

				Substantial Contribution Criteria						Do No Significant Harm Criteria										
Economic activity	NACE code*	Absolute revenue 2023/2024	Proportion of revenue 2023/2024	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards criteria	Taxonomy-aligned proportion of revenue 2023/2024	Taxonomy-aligned proportion of revenue 2022/2023	Category (enabling)	Category (transitional)
		Thousand Eur	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T
A. Taxonomy-eligible activities:																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
n/a	-	0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Yes	0%	0%	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Acquisition and ownership of buildings	L68	72	0.00%																	
Collection and transport of non-hazardous waste in source segregated fractions	E38.11	2 980	0.20%																	
Freight rail transport	H49.20, N77.39	2 537	0.17%																	
Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	287	0.02%																	
Freight transport services by road	H49.4.1, H53.10, H53.20, N77.12	777	0.05%																	
Total: A.1 + A.2		6 653	0.44%																	
B. Taxonomy-non-eligible activities																				
Revenue of Taxonomy-non-eligible activities (B)		1 509 809	99.56%																	
TOTAL: A + B		1 516 462	100%																	

Note: *The NACE codes in the table correspond to the codes assigned to the taxonomy-eligible activities in the Taxonomy Delegated Acts - these codes do not necessarily correspond to the economic activities carried out by the Group.

EU Taxonomy Disclosures

TABLE 2 OF ANNEX IV. CAPITAL EXPENDITURE (CAPEX) BY TAXONOMY FOR THE FY 2023/2024

				Substantial Contribution Criteria						Do No Significant Harm Criteria										
Economic activity	NACE code*	Absolute CapEx 2023/2024	Proportion of CapEx 2023/2024	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards criteria	Taxonomy-aligned proportion of CapEx 2023/2024	Taxonomy-aligned proportion of CapEx 2022/2023	Category (enabling)	Category (transitional)
		Thousand Eur	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T
A. Taxonomy-eligible activities:																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
n/a	-	0	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	Taip	0%	0%	-	-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Construction of new buildings	F41.1, F41.2	12 363	19.48%																	
Acquisition and ownership of buildings	F41.1, F41.2, F43	2 916	4.59%																	
Renovation of existing buildings	F41, F43	1 154	1.82%																	
Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12,	933	1.47%																	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	151	0.24%																	
Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	2 155	3.40%																	

EU Taxonomy Disclosures

TABLE 2 OF ANNEX IV. CAPITAL EXPENDITURE (CAPEX) BY TAXONOMY FOR THE FY 2023/2024

				Substantial Contribution Criteria						Do No Significant Harm Criteria										
Economic activity	NACE code*	Absolute CapEx 2023/2024	Proportion of CapEx 2023/2024	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards criteria	Taxonomy-aligned proportion of CapEx 2023/2024	Taxonomy-aligned proportion of CapEx 2022/2023	Category (enabling)	Category (transitional)
		Thous. EUR	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E	T
operation of water collection, treatment and supply systems	F42.99	87	0.14%																	
Renewal of water collection, treatment and supply systems	E36.00, F42.99	78	0.12%																	
Collection and transport of non-hazardous waste in source segregated fractions	E38.11	119	0.19%																	
Recovery of bio-waste by anaerobic digestion or composting	E38.21, F42.9	1 515	2.39%																	
Infrastructure for rail transport	C25.99, C27.9, C30.20, F42.12, F42.13, M71.12, M71.20, F43.21, H52.21	12	0.02%																	
Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	3 450	5.44%																	
Freight transport services by road	H49.4.1, H53.10, H53.20, N77.12	2 843	4.48%																	
Total: A.1 + A.2		27 776	43.76 %																	
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		35 692	56.24%																	
TOTAL: A + B		63 469	100.00 %																	

Note: *The NACE codes in the table correspond to the codes assigned to the taxonomy-eligible activities in the Taxonomy Delegated Acts - these codes do not necessarily correspond to the economic activities carried out by the Group.

EU Taxonomy Disclosures

akola GROUP

TABLE 3 OF ANNEX IV. OPERATING EXPENSES (OPEX) BY TAXONOMY FOR FY 2023/2024

				Substantial Contribution Criteria						Do No Significant Harm Criteria										
Economic activity	NACE code*	Absolute OpEx 2023/2024	Proportion of OpEx 2023/2024	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards criteria	Taxonomy-aligned proportion of OpEx 2023/2024	Taxonomy-aligned proportion of OpEx 2022/2023	Category (enabling)	Category (transitional)
		Thous. EUR	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	E	T
A. Taxonomy-eligible activities:																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
n/a	-	0	0%	n/a																
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Acquisition and ownership of buildings	F41.1, F41.2, F43	746	0.69%																	
Renovation of existing buildings	F41, F43	16	0.02%																	
Installation, maintenance and repair of energy efficiency equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12,	265	0.24%																	
Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	6	0.01%																	
Construction, extension and operation of water collection, treatment and supply systems	E36.00, F42.99	4	0.00%																	
Freight rail transport	H49.20, N77.39	1411	1.30%																	

TABLE 3 OF ANNEX IV. OPERATING EXPENSES (OPEX) BY TAXONOMY FOR FY 2023/2024

				Substantial Contribution Criteria						Do No Significant Harm Criteria										
Economic activity	NACE code*	Absolute OpEx 2023/2024	Proportion of OpEx 2023/2024	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change adaptation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards criteria	Taxonomy-aligned proportion of OpEx 2023/2024	Taxonomy-aligned proportion of OpEx 2022/2023	Category (enabling)	Category (transitional)
		Thous. EUR	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	E	T
Infrastructure for rail transport	C25.99, C27.9, C30.20, F42.12, F42.13, M71.12, M71.20, F43.21, H52.21	1	0.00%																	
Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	1305	1.20%																	
Freight transport services by road	H49.4.1, H53.10, H53.20, N77.12	1084	1.00%																	
Total: A.1 + A.2		1 084	4.47%																	
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		103 488	95.53%																	
TOTAL: A + B		108 327	100.00%																	

Note: *The NACE codes in the table correspond to the codes assigned to the taxonomy-eligible activities in the Taxonomy Delegated Acts - these codes do not necessarily correspond to the economic activities carried out by the Group.

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUES/EXTERNAL LINKS
Statement of use		AB Akola Group has reported the information cited in this GRI content index for the period July 1, 2023 – Jun 30, 2024 with accordance to the GRI Standards.		
GRI 1 used		GRI 1: Foundation 2021		
Applicable GRI Sector standards		GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022		
THE ORGANIZATION AND ITS REPORTING PRACTICES				
2-1	Organizational details			AB Akola Group, is a holding company that has a management function only and does not engage in trading or manufacturing activities. Code of legal entity: 148030011 VAT No: LT480300113 LEI code 529900UB9QON717IL030 ISIN code LT0000128092, Ticker in AB Nasdaq Vilnius – AKO1L Subačiaus St. 5, LT-01302 Vilnius, Lithuania
2-2	Entities included in the organization's sustainability reporting			All active companies, apart from OOO KLM, Nordic Agro investment Limited, are included in this report to reflect their impacts, Group companies https://www.akolagroup.lt/en/our-companies/
2-3	Reporting period, frequency and contact point			Annual report for fiscal year Jul 1, 2023 – Jun 30, 2024.
2-4	Restatements of information			none
2-5	External assurance			none
ACTIVITIES AND WORKERS				
2-6	Activities, value chain and other business relationships		77, 78, 100	https://www.akolagroup.lt/en/business-model/
2-7	Employees		78, 92	
2-8	Workers who are not employees	13.21.2		
GOVERNANCE				
2-9	Governance structure and composition		76	https://www.akolagroup.lt/en/management-bodies/
2-10	Nomination and selection of the highest governance body		76	The General Meeting of Shareholders is the supreme body of the company. The Head of the company is also the Chairman of the Management Board is elected by The General Meeting of Shareholders. https://www.akolagroup.lt/wp-content/uploads/2024/04/Darius_Zubas_CV.pdf?x20193
2-11	Chair of the highest governance body		76	
2-12	Role of the highest governance body in overseeing the management of impacts			Direct
2-13	Delegation of responsibility for managing impacts		80	By functional fields
2-14	Role of the highest governance body in sustainability reporting			Approval of strategy, supervision and approval of report
2-15	Conflicts of interest			https://www.akolagroup.lt/wp-content/uploads/2024/10/Darius_Zubas_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/07/Andrius_Pranckevicius_CV.pdf?x20193 https://www.akolagroup.lt/wp-content/uploads/2024/10/Mazvydas_Sileika_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/10/Jonas_Baksys_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/10/Arunas_Zubas_CV.pdf?x53400
2-16	Communication of critical concerns		79	
2-17	Collective knowledge of the highest governance body		76	https://www.akolagroup.lt/wp-content/uploads/2024/10/Darius_Zubas_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/07/Andrius_Pranckevicius_CV.pdf?x20193 https://www.akolagroup.lt/wp-content/uploads/2024/10/Mazvydas_Sileika_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/10/Jonas_Baksys_CV.pdf?x53400 https://www.akolagroup.lt/wp-content/uploads/2024/10/Arunas_Zubas_CV.pdf?x53400
2-18	Evaluation of the performance of the highest governance body		76	The Chairman is accountable to The General Meeting of Shareholders.

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUES/EXTERNAL LINKS
2-19	Remuneration policies			Board members are not paid for their duties on Management Board
2-20	Process to determine remuneration			
2-21	Annual total compensation ratio			30.51
STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy		81, 82	
2-23	Policy commitments			Group policies: https://www.akolagroup.lt/en/corporate-policies/ Group vision and values: https://www.akolagroup.lt/en/about-us/
2-24	Embedding policy commitments		77, 79, 80, 82, 84,	
2-25	Processes to remediate negative impacts		82, 87	
2-26	Mechanisms for seeking advice and raising concerns		79	Direct, via hotlines, unions, employee councils, social media, The General Meeting of Shareholders, company audits, negotiations, trade shows
2-27	Compliance with laws and regulations			
2-28	Membership associations			ESTONIA: Seed Association, Chamber of Agriculture and Commerce, INTERNATIONAL: Grain and Feed Trade Association (GAFTA), LATVIA: Association for Personnel Management, Chamber of Commerce and Industry, Egg and Poultry Producers Association, Federation of Food Companies, Seed Producers Association, Latvian Association of Agricultural Machinery Manufacturers and Dealers LITHUANIA Klaipėda Chamber of Commerce, Industry and Crafts, Agrochemical Products and Fertilisers' Industry and Trade Association, Association of Agricultural Companies, Association of Planters and Ornamental Plant Growers, Poultry Breeders Association, Association of Shipping Agents and Forwarders, L Cattle Breeders Association, LAssociation of Grain Processors, L Plant Protection Association, Seed Producers Association, Panevėžys Chamber of Commerce, Industry and Crafts, Several associations for users of drainage systems, Marketing Association, Agricultural Machinery Association
STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement		79	
2-30	Collective bargaining agreements			Applicable to AB Vilniaus Paukštynas and AB Kaišiadorių Paukštynas
DISCLOSURES ON MATERIAL TOPICS				
3-1	Process to determine material topics	13.1.1	79-80	Accoriding to GRI
3-2	List of material topics		80	
3-3	Management of material topics	13.3.1, 13.4.1 13.5.1,13.6.2	77, 81-94	
ECONOMIC PERFORMANCE 2016				
GRI 201:1	Direct economic value generated and distributed	13.22.2	78, 95	
GRI 201:2	Financial implications and other risks and opportunities due to climate change	13.2.2, 13.22.3	84	
GRI 201:3	Defined benefit plan obligations and other retirement plans			n/a
GRI 201:4	Financial assistance received from government		78	EUR4,413,614
MARKET PRESENCE 2016				
GRI 202:1	Ratios of standard entry level wage by gender compared to local minimum wage			n/a
GRI 202:2	Proportion of senior management hired from the local community			100%

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUES/EXTERNAL LINKS
INDIRECT ECONOMIC IMPACTS 2016				
GRI 203:1	Infrastructure investments and services supported	13.22.3	83	
GRI 203:2	Significant indirect economic impacts	13.22.4	91	
PROCUREMENT PRACTICES 2016				
GRI 204:1	Proportion of spending on local suppliers			78.5%
ANTI-CORRUPTION 2016				
GRI 205:1	Operations assessed for risks related to corruption	13.26.2		none
GRI 205:2	Communication and training about anti-corruption policies and procedures	13.26.3		yes
GRI 205:3	Confirmed incidents of corruption and actions taken	13.26.4		none
ANTI-COMPETITIVE BEHAVIOR 2016				
GRI 206:1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	13.25.2		none
TAX 2019				
GRI 207:1	Approach to tax			Our group ensures full tax compliance across all operating countries in the EU, strictly following national laws and EU tax directives, while managing double taxation risks and maintaining transparency.
GRI 207:2	Tax governance, control, and risk management			https://www.akolagroup.lt/en/risk-management/
GRI 207:3	Stakeholder engagement and management of concerns related to tax			We work closely with tax authorities to ensure compliance, timely reporting, and maximum transparency, addressing any concerns or queries effectively
GRI 207:4	Country-by-country reporting			Each company within the group reports to the relevant institutions in their country of registration
MATERIALS 2016				
GRI 301:1	Materials used by weight or volume		88	
GRI 301:2	Recycled input materials use		88	Cardboard.
GRI 301:3	Reclaimed products and their packaging materials		88	No recliamed products are used in food industry.
	Use of pesticides	13.6.2		The use of pesticides in the EU is strictly regulated by laws like Regulation (EC) No 1107/2009 and Directive 2009/128/EC, ensuring safety, sustainable use, and traceability to company books. Total consumption of pesticides amounted to 89thous liters. (68% herbicides, 29% fungicides, 3% insecticides)
ENERGY 2016				
GRI 302:1	Energy consumption within the organization		78	
GRI 302:2	Energy consumption outside of the organization		85	
GRI 302:3	Energy intensity		85	
GRI 302:4	Reduction of energy consumption		82, 85	
GRI 302:5	Reductions in energy requirements of products and services		85	
WATER AND EFFLUENTS 2018				
GRI 303:1	Interactions with water as a shared resource	13.7.2	87	
GRI 303:2	Management of water discharge-related impacts	13.7.3	87	
GRI 303:3	Water withdrawal	13.7.4	87	
GRI 303:4	Water discharge	13.7.5	87	
GRI 303:5	Water consumption	13.7.6	87	

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUES/EXTERNAL LINKS
BIODIVERSITY 2016				
GRI 304:1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	13.3.2		none
GRI 304:2	Significant impacts of activities, products, and services on biodiversity	13.3.3		Directly - none
GRI 304:3	Habitats protected or restored	13.3.4		none
GRI 304:4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	13.3.5		none
GRI13	Natural ecosystem conversion	13.4		Directly - none
ANIMAL WELFARE				
	Animal health and welfare standards	13.11.2		Animal welfare is a core responsibility for our organization, firmly anchored in EU legislation such as Council Directive 98/58/EC, which outlines the protection standards for animals kept for farming purposes. We are rigorously monitored and evaluated not only by local government agencies but also through thorough audits conducted by our clients, who require various confirming certifications to ensure compliance and best practices in animal welfare. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31998L0058
EMISSIONS 2016				
GRI 305:1	Direct (Scope 1) GHG emissions	13.1.2	76, 78, 82, 86	
GRI 305:2	Energy indirect (Scope 2) GHG emissions	13.1.3	86, 97, 98	
GRI 305:3	Other indirect (Scope 3) GHG emissions	13.1.4	86, 98, 99	
GRI 305:4	GHG emissions intensity	13.1.5	81, 82, 86	
GRI 305:5	Reduction of GHG emissions	13.1.6	86	
GRI 305:6	Emissions of ozone-depleting substances (ODS)	13.1.7	86	n/a
GRI 305:7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	13.1.8		PM: 393t, NOx: 54.6t, Sox: 4.2t
WASTE 2020				
GRI 306:1	Water discharge by quality and destination	13.8.2	87	
GRI 306:2	Waste by type and disposal method	13.8.3	78, 89	
GRI 306:3	Significant spills	13.8.4	89	
GRI 306:4	Transport of hazardous waste	13.8.5	89	Third party
GRI 306:5	Water bodies affected by water discharges and/or runoff	13.8.6	89	None
ENVIRONMENTAL COMPLIANCE				
GRI 307:1	Non-compliance with environmental laws and regulations		95	
GRI 308:1	New suppliers that were screened using environmental criteria			Limited to food ingredients and requirements by law.
GRI 308:2	Negative environmental impacts in the supply chain and actions taken		none	In alignment with the Regulation (EU) 2023/1115, we have carefully reviewed all product categories potentially affected by deforestation-related risks. Any uncertainty regarding compliance triggers immediate substitution of those product categories. To ensure our supply chain is fully compliant, we work with suppliers who can provide clear and complete documentation proving adherence to the EUDR requirements

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUES/EXTERNAL LINKS
EMPLOYMENT 2016				
GRI 401:1	New employee hires and employees turnover		92	1,401 newly hired employees. Employee turnover 27%, employee retention 90%
GRI 401:2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		92	n/a
GRI 401:3	Parental leave		92	All individuals entitled to childcare, paternity, and maternity leave were granted their full requested time. Specifically, 42 women took maternity leave, while 15 men took long-term paternity leave. During the same period, 45 women and 5 men returned to work.
FOOD SAFETY				
GRI13	Food loss and product recalls	13.10.2	90, 93	
LABOR/MANAGEMENT RELATIONS 2016				
GRI 402:1	Minimum notice periods regarding operational changes			In line with local regulations
OCCUPATIONAL HEALTH AND SAFETY 2018				
GRI 403:1	Occupational health and safety management system	13.19.2	93	
GRI 403:2	Hazard identification, risk assessment, and incident investigation	13.19.3	93	
GRI 403:3	Occupational health services	13.19.4	93	
GRI 403:4	Worker participation, consultation, and communication on occupational health and safety	13.19.5	93	
GRI 403:5	Worker training on occupational health and safety	13.19.6	93	
GRI 403:6	Promotion of worker health	13.19.7	93	
GRI 403:7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	13.19.8	93	
GRI 403:8	Workers covered by an occupational health and safety management system	13.19.9	93	
GRI 403:9	Work-related injuries	13.19.10	78, 81, 93	
GRI 403:10	Work-related ill health	13.19.11	93	
TRAINING AND EDUCATION 2016				
GRI 404:1	Average hours of training per year per employee		94	
GRI 404:2	Programs for upgrading employee skills and transition assistance programs		94	
GRI 404:3	Percentage of employees receiving regular performance and career development reviews		94	
DIVERSITY AND EQUAL OPPORTUNITY 2016				
GRI 405:1	Diversity of governance bodies and employees	13.15.2	76	On the Group level: https://www.akolagroup.lt/en/management-bodies/
GRI 405:2	Ratio of basic salary and remuneration of women to men	13.15.3		No basic salary across the Group
	Differences in employment terms and approach to compensation based on workers' nationality or migrant status, by location of operations	13.15.5		None
NON-DISCRIMINATION 2016				
GRI 406:1	Incidents of discrimination and corrective actions taken	13.15.4		None
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016				
GRI 407:1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	13.18.2		No cases identified

GRI Index

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUE AND EXTERNAL LINKS
CHILD LABOR 2016				
GRI 408:1	Operations and suppliers at significant risk for incidents of child labor	13.17.2		No cases identified
FORCED OR COMPULSORY LABOR 2016				
GRI 409:1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	13.16.2		No cases identified
SECURITY PRACTICES 2016				
GRI 410:1	Security personnel trained in human rights policies or procedures			n/a
RIGHTS OF INDIGENOUS PEOPLES 2016				
GRI 411:1	Incidents of violations involving rights of indigenous peoples	13.14.2		n/a
	Locations of operations where indigenous peoples are present or affected by activities of the organization.	13.14.3		n/a
	Seeking free, prior, and informed consent (FPIC) from indigenous peoples	13.14.4		n/a
HUMAN RIGHTS ASSESSMENT				
GRI 412:1	Operations that have been subject to human rights reviews or impact assessments			none
GRI 412:2	Employee training on human rights policies or procedures			Informal
GRI 412:3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening			none
LOCAL COMMUNITIES 2016				
GRI 413:1	Operations with local community engagement, impact assessments, and development programs	13.12.2		None
GRI 413:2	Operations with significant actual and potential negative impacts on local communities	13.12.3		All production cites operating under IPPC permits, notably poultry companies.
LAND AND RESOURCE RIGHTS				
GR1#	Locations of operations, where land and natural resource rights may be affected by the organization's operations.	13.12.2		none
	Number, size in hectares, and location of operations where violations of land and natural resource rights occurred and the groups of rightsholders affected.	13.13.3		none
SUPPLIER SOCIAL ASSESSMENT				
GRI 414:1	New suppliers that were screened using social criteria			Limitted o declarations or/and code of conduct
GRI 414:2	Negative social impacts in the supply chain and actions take			n/a
PUBLIC POLICY 2016				
GRI 415:1	Political contributions	13.24.2		Prohibited by law
CUSTOMER HEALTH AND SAFETY 2016				
GRI 416:1	Assessment of the health and safety impacts of product and service categories			Routine and specific assessments by local veterinatian agencies. Assessments related to external audits and the third party certifications. Internal quality and safety control procedures.
GRI 416:2	Incidents of non-compliance concerning the health and safety impacts of products and services			

DISCLOSURE NUMBER	DISCLOSURE TITLE AND DESCRIPTION	SECTOR STANDARD	PAGE(S)	VALUE AND EXTERNAL LINKS
MARKETING AND LABELLING 2016				
GRI 417:1	Requirements for product and service information and labeling			The main legislation for food labeling in the EU is **Regulation (EU) No 1169/2011** on the provision of food information to consumers. This regulation ensures that consumers are provided with clear and accurate information about the contents of food products, helping them make informed choices. https://food.ec.europa.eu/safety/labelling-and-nutrition/food-information-consumers-legislation_en
GRI 417:2	Incidents of non-compliance concerning product and service information and labeling		95	
GRI 417:3	Incidents of non-compliance concerning marketing communications			none
CUSTOMER PRIVACY 2016				
GRI 418:1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			none
SOCIOECONOMIC COMPLIANCE				
GRI 419:1	Non-compliance with laws and regulations in the social and economic area		95	

Information on Compliance with the Corporate Governance Code

Annex No6 to Consolidated Annual Report of AB Akola Group for the Financial Year 2023/24

Summary

AB Akola Group (hereinafter referred to as the “Company”), acting in compliance with Article 12 (3) of the Law of the Republic of Lithuania on Securities and paragraph 25.4 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form must be provided.

The bodies of the Company are the General Shareholders‘ Meeting, Supervisory Board, the Board and CEO, also the Company has the Audit Committee. The Remuneration Committee and the Nomination Committee are not formed in the Company.

Content

1. General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights

The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.

Disclosure of compliance with the recommendations

Principle 1. General meeting of shareholders, equitable treatment of shareholders, and shareholders' rights

Principles | Recommendations	Yes | No Not Applicable	Commentary
1.1.All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	Yes	The Company's documents and other information required by the legal acts are available on the Company's website www.akolagroup.lt and via informational system of stock-exchange Nasdaq Vilnius. All shareholders have the equal rights to participate in the General Meetings of Shareholders.
1.2.It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	Yes	The share capital of the Company consists of ordinary registered shares, that gives equal rights to each shareholder.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Articles of Association of the Company, stipulating all the rights of shareholders, are publicly available on the Company's webpage in Lithuanian and English languages.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	Yes	The shareholders approve all the transactions that, following the Law on Companies and the Articles of Association of the Company, should be approved by the shareholders.
1.5.Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	Yes	The Company convenes General Shareholders' Meetings and implements other related procedures in accordance with the procedure established in the Law on Companies of the Republic of Lithuania and provides all shareholders with equal opportunities to participate in the meeting, get familiarized with the draft resolutions and materials necessary for adopting the decisions. The notice of the General Meetings of Shareholders shall specify the date the shareholders may submit the proposed draft resolutions in writing.

Principles | Recommendations	Yes | No Not Applicable	Commentary
1.6.With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	Yes	The notice of the General Meeting of Shareholders and all related documents and information are published in advance in Lithuanian and English via regulatory news dissemination system and on the Company's website. After the General Meeting of Shareholders, information related to the meeting are publicly announced: number of participants, number of votes, information on the submitted advance General Voting Ballots, adopted resolutions and voting results.
1.7.Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Yes	Shareholders of the Company may exercise their right to participate in the General Meeting of Shareholders in person or through a representative upon issuance of proper proxy or having concluded an agreement on the transfer of their voting rights in the manner compliant with the legal regulations, also the shareholder may vote by completing the General Voting Ballot in the manner provided by the Law on Companies.
1.8.With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	No	In the future the Company will discuss such possibilities by taking into account necessary financial resources, current legal regulations and objective distribution of the Company's shareholders as well as their wishes. So far there were no such requests received from the shareholders of the Company.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	Yes	The nominees to the collegial bodies and all information about their educational background, work experience and other positions held are each time publicly announced when General Meeting of Shareholders is convened to elect the members. The General Meeting of Shareholders decides on the renumeration of the Supervisory Board. The suggested amount of annual compensation (tantiemes) to the members of the Board and the Supervisory Board is provided in the draft of the Profit allocation statement presented to the General Meeting of Shareholders. The name of proposed audit company and proposed remuneration for the audit services are presented in advance as a draft decision for the General Meeting of Shareholders.

Principles | Recommendations	Yes | No Not Applicable	Commentary
1.10.Members of the company's collegial management body, heads of the administration[1] or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	No	On October 27, 2023, the annual general meeting of shareholders of the Company was attended and information provided by the Company's CFO and Chief Legal Officer.

2. Supervisory Board

2.1. Functions and liability of the Supervisory Board

The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.

The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.

Principle 2. Supervisory Board

Principles | Recommendations	Yes | No Not Applicable	Commentary
2.1.1.Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	Yes	These provisions are established in the Articles of Association of the Company, and all members of the Supervisory Board are committed to follow them. The Supervisory Board was elected on October 28, 2022 and consists of 3 members, including 2 independent members. Their term started on December 1, 2022, when new edition of the Articles of Association of the Company was registered in the Register of Legal Entities of the Republic of Lithuania.
2.1.2.Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	Yes	The Supervisory Board meets regularly and prepares minutes/decisions of the meetings with particular points raised for management which is followed by recommendations.
2.1.3.The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	Yes	The member of the Supervisory Board must inform the shareholders and the Supervisory Board about any circumstances that have or may have an impact on the independent and impartial performance of the duties of a member of the Supervisory Board.

[1] For the purposes of this Code, heads of the administration are the employees of the company who hold top level management positions.

Principles | Recommendations	Yes | No Not Applicable	Commentary
2.1.4.Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent[2] members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	Yes	Two out of three members are independent and do not have any interest in the Company outside the duties of being Supervisory Board members.
2.1.5.The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	Yes	The Company regularly informs the Supervisory Board about tax planning practices but does not engage in aggressive tax planning practices as it operates in similar tax jurisdictions.
2.1.6.The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	Yes	The Company appoints employees of the Company to organize and record meetings of the Supervisory Board, and also provides the premises of the Company with all necessary equipment provided for the meetings of the Supervisory Board. The Supervisory Board elected the Chief Legal Officer of the Company as the Secretary on 7 November, 2023.

2.2. Formation of the supervisory board

The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.

Principles | Recommendations	Yes | No Not Applicable	Commentary
2.2.1.The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	Yes	The Supervisory Board members were chosen to cover variety of competences including finance, risk management, IT and cyber security, trading and business development. .

[2] For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

Principles | Recommendations	Yes | No Not Applicable	Commentary
2.2.2.Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	Yes	Term of the Supervisory Board is 4 years.
2.2.3.Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	No	Chairman of the Supervisory Board, who is connected to the main shareholder, was elected to the Supervisory Board after ending term in the Board. Having 2 independent members the balance of experience regarding the Company and recent connection is maintained.
2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	Yes	The members of the Supervisory Board are aware of the following duties. Regular meetings are organized, and members have accommodated the duties accordingly, and attend meeting 100 percent.
2.2.5.When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	Yes	Two members are independent and publicly presented.
2.2.6.The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	Yes	The General Meeting of Shareholders approved the annual remuneration fund.
2.2.7.Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.	Yes	The Supervisory Board prepared the Annual Report.

3. Management board

3.1. Functions and liability of the management board

The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.

Principle 3. Management board

Principles | Recommendations	Yes | No Not Applicable	Commentary
3.1.1.The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	Yes	The strategy of the Group was approved by the Supervisory Board and the Board acts accordingly to it.
3.1.2.As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs *inter alia* the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	Yes	The Board performs the specified functions through regular meetings.
3.1.3.The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	Yes	The Board performs the specified functions through regular meetings.
3.1.4.Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance[3] on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	Yes	The Company implements the recommendations of good practice through the Social Responsibility Policy, which is published on the Company's website.
3.1.5.When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	Yes	

[3] Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: https://www.oecd.org/daf/anti-bribery/44884389.pdf

3.2. Formation of the management board

Principles | Recommendations	Yes | No Not Applicable	Commentary
3.2.1.The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	Yes (except gender diversity)	The members of the Company's Board have experience in the fields, where the Company performs its main activities; also, all members have versatile knowledge in the fields of finance, economics, investment management and maintenance.
3.2.2.Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. If supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.	Yes	The General Meeting of Shareholders shall submit the curricula vitae of the candidate members of the Board providing complete information of the respective candidate's educational background, professional experience and his/her competence. The information about members of the Board is on a regular basis updated and submitted in the annual reports prepared by the Company and on its internet website.
3.2.3.All new members of the management board should be familiarized with their duties and the structure and operations of the company.	Yes	The Members of the Company's Board are familiar with the Rules of Procedures of the Management Board, their other duties.
3.2.4.Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	Yes	The Board is elected for a term of 4 (four) years with the right to be re-elected.
3.2.5.Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	Yes	The Supervisory Board has been formed, and the Chair of the Board is as well the Head of the Company (CEO) and re-elected to the Board.

Principles | Recommendations	Yes | No Not Applicable	Commentary
3.2.6.Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	Yes	Members of the Company's Board, each individually and all collectively, pay sufficient time and attention to have the function attributed to the competence of the Board duly performed. The members of the Board take part in the sessions, the time of which is agreed among the members so that all members of the Board could take part in the session. If any of the members cannot participate in the session due to a valid excuse, the conditions are arranged for the member to cast his advance vote in writing. During the 2023/24 financial year, the Members of the Company's Board were all 100 percent involved in making the decisions.
3.2.7.In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent[4], it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	Not applicable	During the financial year 2023/24 there were no independent Board members in the Board of the Company, however the Supervisory Board was formed.
3.2.8.The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	Yes	The General Meeting of the Company's Shareholders while approving the Profit allocation statement sets the annual compensations (tantiemes) to the members of the Board for their activity in the Board.
3.2.9.The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements, and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	Yes	All members of the Board are acting in a good faith in respect of the Company, in the interest of the Company but not in the interest of their own or third parties, pursuing principles of honesty and rationality, following obligations of confidentiality and property separation.
3.2.10.Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	Not applicable	So far there has been no practice in the Company for the Board to perform the assessment of its activities.

[4] For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

4. Rules of procedure of the supervisory board and the management board of the company

The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.

Principle 4. Rules of procedure of the supervisory board and the management board of the company

Principles | Recommendations	Yes | No Not Applicable	Commentary
4.1.The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform he supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.	Yes	The Company's Board cooperates with the Supervisory Board to benefit the Company and its shareholders.
4.2.It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	Yes	The Company's Board meetings are held according to the preliminary approved meeting schedule, once per month. In need, the sessions of the Board are held more frequently. The Supervisory Board meets quarterly.
4.3.Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	Yes	
4.4.In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	Yes	

5. Nomination, remuneration and audit committees

5.1. Purpose and formation of committees

The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organize its work in such a way that the decisions it takes would be free of material conflicts of interest.

Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.

Principle 5. Nomination, remuneration and audit committees

Principles | Recommendations	Yes | No Not Applicable	Commentary
5.1.1.Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[5].	Yes	The Company has formed the Audit Committee. According to the scope of the Company's activities, results and objective needs as well as the fact that the Board consists of 6 (six) members (although after resignation of one Board member there were 5 (five) Board members at the end of financial year 2023/2024), the Company is not in a need of establishment of other committees indicated in this recommendation though the foundation of Nomination and Remuneration Committees will be considered in the future. Additionally Supervisory board was formed and currently it is evaluated as sufficient working together with Audit committee.
5.1.2.Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	Yes	
5.1.3.In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	Not applicable	
5.1.4.Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	Yes	During the reporting period, the Audit Committee was composed of three members, including two independent members, starting from 27 October 2023 all three members of the Audit Committee are independent. The Chairman of the Committee was an independent member.

[5] The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

Principles | Recommendations	Yes | No Not Applicable	Commentary
5.1.5.The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	Yes	The Audit Committee chooses its operation order and procedures autonomously and operates in accordance with the Regulations of the Audit Committee, approved at the General Meeting of the Company’s Shareholders. The Company’s Audit Committee activity report for the financial year is announced once per financial year, presented at the Annual General Meeting of Company’s Shareholders, after the meeting together with other related documents is publicly announced on the Company's website. The Company also announces about the members of its Audit Committee in its Consolidated Annual Report.
5.1.6.With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	Yes	The Audit Committee is provided all conditions for holding meetings of the committee, furthermore, at the discretion of the committee, the employees responsible for the areas considered at the committee may be invited to meetings of the committee or requested to submit required information.

5.2. Nomination committee

Principles | Recommendations	Yes | No Not Applicable	Commentary
5.2.1.The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	Not applicable	The Nomination Committee is not formed in the Company.
5.2.2.When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	Not applicable	

5.3. Remuneration committee

Principles | Recommendations	Yes | No Not Applicable	Commentary
The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	Not applicable	The Remuneration Committee is not formed in the Company.

5.4. Audit committee

Principles | Recommendations	Yes | No Not Applicable	Commentary
5.4.1.The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee[6].	Yes	The Audit Committee follows the functions assigned to it.
5.4.2.All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	Yes	The members of the Audit Committee are informed accordingly as per assigned functions.
5.4.3.The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	Yes	The Audit Committee has the necessary conditions to carry out its activities.
5.4.4.The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	Yes	
5.4.5.The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	Yes	
5.4.6.The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	Yes	

[6] Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

6. Prevention and disclosure of conflicts of interest

The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.

Principle 6. Prevention and disclosure of conflicts of interest

Principles | Recommendations	Yes | No Not Applicable	Commentary
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	Yes	The members of the Board and the Supervisory Board avoid situations where their personal interests may conflict with the interests of the Company. The members of the Board and the Supervisory Board abstain from voting or refuse to vote when the matter is related to his person.

7. Remuneration policy of the company

The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.

Principle 7. Remuneration policy of the company

Principles | Recommendations	Yes | No Not Applicable	Commentary
7.1.The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	Yes	On October 28, 2022 Annual General Meeting of the Company's Shareholders approved the remuneration policy of the Company, which defines the requirements and guidelines for determining the remuneration of the Company's Managing Director, members of the Board and the Supervisory Board, as well as the requirement to regularly review this policy to comply with the Company's long-term strategy. The Company's remuneration policy is published on the Company's website.
7.2.The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.3.With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	Yes	The recommendations are included in the Remuneration Policy of the Company.

Principles | Recommendations	Yes | No Not Applicable	Commentary
7.4.The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.5.In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	No	The financial incentive scheme is not included in the Remuneration Policy of the Company, but taking into account the changes to the Rules for Shares Issue is planned Remuneration Policy will also be adjusted in the future.
7.6.The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	Yes	The recommendations are included in the Remuneration Policy of the Company.
7.7.It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	Yes	The recommendations are included in the Remuneration Policy of the Company. Rules for Shares Issue are approved at the General Meeting of Shareholders and provide the schemes for granting shares to members of collegial body and employees.

8. Role of stakeholders in corporate governance

The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.

Principle 8. Role of stakeholders in corporate governance

Principles | Recommendations	Yes | No Not Applicable	Commentary
8.1.The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	Yes	The Company performs its activities and is managed following the legal and other normative acts of the Republic of Lithuania, according to the reasonable and lawful interests of the community and the third parties, which do not contradict and do not cause the threat to violate the reasonable and lawful interests of the Company.
8.2.The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	Yes	All persons concerned and the third parties may access the publicly disclosed information about the activities of the Company via regulatory news dissemination system and on website of the Company. All persons concerned can address the Company's Investor Relations Specialist orally or in written form.
8.3.Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	All necessary information is available via regulatory news dissemination system and on website of the Company.
8.4.Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	No	Such an option will be considered in the future.

9. Disclosure of information

The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.

Principle 9. Disclosure of information

Principles | Recommendations	Yes | No Not Applicable	Commentary
9.1.In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following[7]:		
9.1.1.operating and financial results of the company;	Yes	The Company publishes interim reports and financial statements on operating and financial results on a quarterly basis.
9.1.2.objectives and non-financial information of the company;	Yes	The Company publishes interim reports and financial statements on operating and financial results on a quarterly basis.
9.1.3.persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	Yes	Information is disclosed in annual reports and/or financial statements and on the website.
9.1.4.members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	Yes	Information is disclosed in annual reports and/or financial statements and on the website.
9.1.5.reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.6.potential key risk factors, the company's risk management and supervision policy;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.7.the company's transactions with related parties;	Yes	Information is disclosed in annual reports and/or financial statements.

[7] This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.

Principles | Recommendations	Yes | No Not Applicable	Commentary
9.1.8.main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	Yes	Information is disclosed in annual reports and/or financial statements and Remuneration Report.
9.1.9.structure and strategy of corporate governance;	Yes	Information is disclosed in annual reports and/or financial statements.
9.1.10.initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects.	Yes	Information is disclosed in annual reports and/or financial statements.
9.2.When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	Yes	By presenting the information specified in this clause the Company announces the consolidated information of both the Company and the Group.
9.3.When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	Yes	The Company supplies the information specified in this clause in its annual reports.
9.4.Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	Yes	The information specified in this clause is announced via regulatory news dissemination system and on the Company's website in Lithuanian and English languages. The Company makes efforts to present all material events and information to investors not during the trade session, but before the session starts or after it ends.

10. Selection of the company's audit firm

The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.

Principle 10. Selection of the company's audit firm

Principles | Recommendations	Yes | No Not Applicable	Commentary
10.1.With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	Yes	The independent firm of auditors assesses the annual report and the annual statements.
10.2.It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	Yes	The Supervisory Board approved and proposed to elect Ernst&Young Baltic, UAB as the audit company for the next four financial years after being acquainted with the survey data of audit companies.
10.3.In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	Yes	Information is disclosed in annual reports.

Annex No7 to the Annual Consolidated Report for the Financial Year 2023/2024

APPROVED
By Resolution No. __
Dated __ ___________ 2024
of AB Akola Group

AB Akola Group Remuneration Report

For the 12 (twelve) month period ended on 30 June 2024

This Remuneration Report (hereinafter referred to as 'the Remuneration Report') of AB Akola Group (hereinafter referred to as 'the Company') provides information on the Company's compliance with the requirements and guidelines of the Company's Remuneration Policy (hereinafter referred to as 'the Remuneration Policy') updated and approved by the General Meeting of Shareholders on October 28, 2022 in determining the remuneration of the Chief Executive Officer, members of the Management Board and members of the Supervisory Board of the Company in the financial year 2023/2024.

Conclusion: no deviations were recorded in the implementation of the Remuneration Policy during the reporting period, however, due to no specific criteria for the relation between remuneration and performance results provided in the Remuneration Policy, it is not possible to reasonably assess how much the remuneration actually contributes to the achievement of long-term results.

Remuneration of the members of the Management Board

With reference to Remuneration policy provision 3.1-3.5.: "Members of the Board, who are also employees of the Company, get remuneration according to the signed employment contracts. Separate agreements for the activities of the Management Board member are not concluded. *Members of the Board may be remunerated with the payments for their activities (fr. tantième). The Company does not pay any other additional benefits to the members of the Board for their work as members of the Board. Members of the Board may be granted shares of the Company or remunerated with share options only in accordance with the rules for shares issue of AB Akola Group, which are approved by the General Meeting of Shareholders of the Company. The Board member shall be entitled to reimbursement of all reasonable expenses, provided that they have been agreed in advance in writing with the Chairman of the Board, <...>".*

In the financial year 2023/2024 all members of the Management Board of the Company were employees of the Company or of the Entities controlled by the Company, elected by the General Meeting of Shareholders on October 28, 2022, for a new 4-year term; there are no independent members of the Board; on April 30, 2024 Dainius Pilkauskas resigned as a member of the Board.

During the reporting period, no loans, guarantees and sureties were provided to the members of the Board to secure the fulfilment of their obligations, nor were any assets transferred. There are no separate agreements between the Company and the members of the Board providing for compensation in the event of their resignation or dismissal without a valid reason. During the reporting period, the option to recover variable remuneration was not exercised.

Fixed and variable amounts, as well as other benefits are presented under accrual principle.

The benefits related to the signing of the option agreement or the issue of shares upon exercise of the option are specified by evaluating the option conditions, the number of shares and the market price of the share on the day of the conclusion of the option agreement (not according to the accrual, accumulation principle).

Note 1: on 23/11/2023 Andrius Pranckevičius gratuitously acquired: 283,690 shares, the price of which is 0.705 EUR per share, and the value of the transaction is 200,001.45 EUR (share subscription agreements, implementing the share option agreement of June 29, 2018) and 1,797,671 shares, the price of which is 0.58 EUR per share, and the value of the transaction is 1,042,649.18 (share subscription agreement, implementing the share option agreement of February 28, 2020).

Note 2: on 23/11/2023 Jonas Bakšys gratuitously acquired: 1,797,671 shares, the price of which is 0.58 EUR per share, and the value of the transaction is 1,042,649.18 EUR (share subscription agreements, implementing the share option agreement of February 28, 2020).

Note 3: on 21/11/2022 Andrius Pranckevičius gratuitously acquired: 283,690 shares, the price of which is 0.705 EUR per share, and the value of the transaction is 200,001.45 EUR (share subscription agreements, implementing the share option agreement of June 29, 2018).

Member of the Board	Dependent / Independent	Remuneration, including payments received under employment contracts in the Company or Entities controlled by the Company											
		Fixed, EUR (%)		Variable, including tantième, bonuses EUR (%)		Other benefits, EUR (%) (e.g.: health, pension, civil insurance, study funding, housing rent and similar costs coverage)		In total (not including with share options related benefits),EUR (%)		Benefits related to the Company's share options: Signing Company's share option agreement		Issue of Company's shares by exercising an option agreement	
		2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024
Darius Zubas	All members are dependent (either work in the Company or in its subsidiaries)	130,745	122,217	10,005	19,125	4 880	1,898	145,630	143,240	-	-	-	-
		90%	85%	7%	13%	3%	1%	100%	100%				
Arūnas Zubas		35,262	38,547	566	1,789	230	6	36,058	40,342	-	-	-	-
		98%	96%	2%	4%	1%	0%	100%	100%				
Andrius Pranckevičius		396,371	404,673	346,393	369,223	9,199	14,786	751,963	788,682	-	-	200,001	1, 242,651
		53%	51%	46%	47%	1%	2%	100%	100%			21/11/2022, implementing the share option agreements of 29/06/2018 / Note 3	23/11/2023, implementing the share option agreements of 29/06/2018 and 20/02/28 / Note 1
Dainius Pilkauskas (until 30/4/2024)		231,217	183,470	353,940	192,678	6,544	8,542	591,701	384,690	-	-	-	-
		39%	48%	60%	50%	1%	2%	100%	100%				
Jonas Bakšys		298,675	298,375	3,795	0	4 ,867	3,907	307,337	302,282	-	-	-	1,042,649
		97%	99%	1%	0%	2%	1%	100%	100%				24/11/2023, implementing the share option agreements of 20/02/28 / Note 2
Mažvydas Šileika		119,725	166,331	83,657	110,943	4,556	4,936	207,938	282,209	-	-	-	-
		58%	59%	40%	39%	2%	2%	100%	100%				

At the end of the reporting period member of the Board Mažvydas Šileika had a share option agreement concluded in the previous financial period, the implementation deadline of which has not yet expired (share option agreement of 29/10/2021).

Remuneration of the members of the Company's Supervisory Board

With reference to Remuneration policy provision 2.1.-2.5: "Members of the Supervisory Board get remuneration on the basis of the supervisory board membership agreements. Members of the Supervisory Board are paid a fixed fee approved by the General Meeting of Shareholders of the Company. The Chairman of the Supervisory Board is paid a fixed fee which is subject to up to 1.6 coefficient. Members of the Supervisory Board may be remunerated with the payments for their activities (fr. tantième). The Company does not pay any other additional benefits to the members of the Supervisory Board for their work as members of the Supervisory Board. Members of the Supervisory Board may be granted shares of the Company or remunerated with share options only in accordance with the rules for shares issue of AB Akola Group, which are approved by the General Meeting of Shareholders of the Company. <...>". Agreements with the members of the Supervisory Board does not establish any additional pensions or early retirement conditions, as well as no payments related to termination of the agreement are established.

In the 2023/2024 financial year, all the members of the Supervisory Board continued their work. They were either employees of the related Company, or independent members, elected for a 4-year term by the shareholders under the decision of General Meeting of Shareholders in October 28, 2022.

Member of the Supervisory Board	Dependent / Independent	Remuneration, including payments received under employment contracts in the Company or Entities controlled by the Company											
		Fixed, EUR (%)		Variable, including tantième, bonuses EUR (%)		Other benefits, EUR (%) (e.g.: health, pension, civil insurance, study funding, housing rent and similar costs coverage)		**In total** (not including with share options related benefits), EUR (%)		Benefits related to the Company's share options: Signing Company's share option agreement		Benefits related to the Company's share options: Issue of Company's shares by exercising an option agreement	
		2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024
Tomas Tumėnas	Employee of the related Company, Chairman	17,080	29,280	0	0	0	0	17,080	29,280				
		100%	100%	0%	0%	0%	0%	100%	100%				
Arūnas Bartusevičius	Independent member	10,920	18,720	0	0	0	0	10,920	18,720		-		
		100%	100%	0%	0%	0%	0%	100%	100%				
Carsten Højland	Independent member	10,920	18,720	0	0	0	0	10,920	18,720				
		100%	100%	0%	0%	0%	0%	100%	100%				

Remuneration of the Chief Executive Officer of the Company

With reference to Remuneration policy provision 4.1.-4.9.: „The remuneration of the Chief Executive Officer shall be in line with market conditions and competence, as well as reflect the requirements and responsibilities that the position entails and financial results of the Company. *The remuneration package of the Chief Executive Officer consists of a fixed and a variable part; share option programs may also be applied. The fixed part is determined and approved by the Board and paid in accordance with the rules applicable in the Company. The variable part is paid after closing of the financial year by the decision of the Board, taking into account the approved strategy, financial and non-financial objectives, such as: Company's financial activity, annual results, budget execution, strategic business development, performance of transactions and projects that contribute to implementation of the Company's strategy, goals and mission, achievement of relevant financial ratios or specific financial objectives. At the initiative of the Board, the Chief Executive Officer may be additionally granted an incentive payment to encourage a well-done work or well-performed important project that ensures the implementation of the Company's strategy. The incentive payment is not guaranteed and/or not binding on the Company. The Chief Executive Officer may be granted shares of the Company or remunerated with the share options only in accordance with the* rules for shares issue of *AB Akola Group, which are approved by the General Meeting of Shareholders of the Company. The Company may provide other benefits to the Chief Executive Officer, which are subject to market conditions and may change from time to time. Additional benefits may include entitlement to the Company's car, health and medical services, pension schemes, other. The allocated annual variable portion of the remuneration shall not be deferred. However, it might be recovered within 12 months after allocation, if it transpires that allocation was calculated on the basis of false or misleading information provided by the Chief Executive Officer. The decision is taken by the Board. In case of resignation, voluntarily or at the initiative of the Company, the compensation is not defined, but it either way cannot exceed amount of 24 fixed salaries. Other conditions are determined in accordance with the applicable legislation.Agreement with the Chief Executive Officer does not establish any additional pensions or early retirement conditions*".

During the reporting period, the Chief Executive Officer of the Company did not change, the employment agreement is open-ended.

	Remuneration, including payments received under employment contracts in the Company or Entities controlled by the Company											
Chief Executive Officer	Fixed, EUR (%)		Variable, including tantième, bonuses EUR (%)		Other benefits, EUR (%) (e.g.: health, pension, civil insurance, study funding, housing rent and similar costs coverage)		**In total** (not including with share options related benefits), EUR (%)		Benefits related to the Company's share options: Signing Company's share option agreement		Issue of Company's shares by exercising an option agreement	
	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024	2022/ 2023	2023/ 2024
Darius Zubas	130,745	122,217	10,005	19,125	4,880	1,898	145,630	143,240		-		
	90%	85%	7%	13%	3%	1%	100%	100%				

Bonus recovery was not initiated during the reporting period.

Correlation between the performance of the Company, Entities Controlled by the Company and changes in Annual Salary

In the Financial Years 2018/2024

Comparing salary information of previous periods with data of reporting period, following has to be taken into account:

2018/2019, 2019/2020, 2020/2021, 2022/2023, 2023/2024 salary data illustrate average salary before taxes, using the average number of employees in the Group over the reporting period, while 2021/2022 salary information is provided as salary before taxes average, calculated for the employees, who worked in the Group at the end of the financial year.

The report contains the recalculated results of the Company and Entities controlled by the Company for 2022/2023. Performance data based on note 2.22 in the financial report.

Financial Year	The monthly salary of the Company and Entity controlled by the Company, EUR			Group's Sales Volume, in Tons	Group's Revenue, thous. EUR	EBITDA of the Group, thous. EUR	Group's Net Profit, thous. EUR
	Managers[1]	Specialists	Workers				
s2018/2019	3,276	1,296	1,180	2,529,711	742,542	5,578	-4,830
2019/2020	5,087	2,200	1,166	2,233,808	657,700	25,923	10,004
(change, %)	(+55%)	(+70%)	(-1%)	(-12%)	(-11%)	(+365%)	(-307%)
2020/2021	5,211	2,010	922	3,155,329	942,442	33,401	14,189
(change, %)	(+2%)	(-9%)	(-21%)	(+41%)	(+43%)	(+29%)	(+42%)
2021/2022	3,980	2,215	1,360	3,689,585	1,895,667	132,173	77,257
(change, %)	(-24%)	(+10%)	(+48%)	(+17%)	(+101%)	(+296%)	(+444%)
2022/2023	4,514	2,002	1,437	3,708,821	1,999,617	62,407	14,324
(change, %)	(+13%)	(-10%)	(+6%)	(+1%)	(+5%)	(-53%)	(-81%)
2023/2024	5,542	2,865	1,738	3,025,143	1,506,238	73,547	24,913
(change, %)	(+23%)	(+43%)	(+21%)	(-18%)	(-25%)	(18%)	(+74%)

Analyzing the changes in the average monthly salary, the changes in the methodology described next to it should be taken into consideration, as well as the significant increase in the number of employees in the period 2021/2022, related to the acquisition of KG group companies (July 15, 2021).

[1] 2020/2024 The salary data of managers also includes the salary of employees who are members of management and supervisory bodies.