



Linās AB
Company code 147689083
S. Kerbedžio 23, Panevėžys

September 30, 2022

APPROVAL OF RESPONSIBLE PERSONS

Following Art. 22 of the Law on Securities of the Republic of Lithuania and the Regulations for Drawing-up and Submission of the Periodic and the Additional Information issued by the Board of Lithuanian Bank, we, Vilita Skersienė, Director of Linas AB and Egidijus Mikeliūnas, Finance manager hereby confirm that to our best knowledge interim condensed unaudited consolidated six months financial statements of year 2022 of Linas AB Group of companies were drawn following the International Financial Reporting Standards (IFRS) adopted for use in the European Union and present the fair and accurate status of the consolidated assets, liabilities, financial condition and profit or loss and money flows of the Linas AB Group of companies.

We also confirm that Interim Consolidated Report for the six months period ended 30 June 2022 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

Director Linas AB

A handwritten signature in blue ink, appearing to be "V. Skersienė".

Vilita Skersienė

Finance manager Linas AB

A handwritten signature in blue ink, appearing to be "E. Mikeliūnas".

Egidijus Mikeliūnas



LINAS, AB
INTERIM CONSOLIDATED REPORT FOR SIX
MONTHS OF YEAR 2022

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1. Accounting period for which the report is prepared

Linās, AB interim consolidated six months report is prepared for January-June months of year 2022.

2. Companies comprising the Company Group and their contact data

Principal Company data

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

Principal subsidiary data

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

3. Principal nature of activity

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

On June 30, 2022 the Group of companies was comprised of Linās, AB and its subsidiary company Lino apdaila, UAB. Linās, AB holds 100% shares of the subsidiary company. The activity of Linās, AB is sales of linen textile items; other activity of Linās, AB - management of financial asset (shares and granted loans), supply of thermal energy. The activity of the textile products production is carried out at the subsidiary company Lino apdaila, UAB.

4. Contracts with intermediaries of public trading securities

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

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

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

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

In 2022 due to crisis of raw materials, the war in Ukraine, the increase in the prices of energy resources, also affected the activities of the issuer, so currently the main risk is the risk of business continuity:

Business continuity or liquidity risk relates to an organization's ability to continue operating now and in the foreseeable future. The company's management assessed possible disruptions in cash flows, attracting financing sources and the impact on the demand for goods and services. Analysing all the information available at the time of issuing this report on the prices of raw materials and energy resources, no significant circumstances were identified that could raise doubts about the continuity of the Group's activities.

In 2022 due to the crisis of raw materials and the war in Ukraine, since a significant part of raw materials was purchased from Belarus, the supply of raw fabrics was partially disrupted. There are no disruptions in the supply of yarn, production services and auxiliary raw materials. The company has always evaluated alternative suppliers of raw materials, therefore during the first half of 2022, the Company carried out a regrouping of the supply of raw fabric. Supply disruptions had no significant impact on the Company's operations.

The company has prepared a plan of measures to reduce the influence of energy resource prices. In order to maintain competitiveness, the Company will cover part of the increased costs of energy resources with its own funds.

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

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

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

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

In 2022 due to the increased prices of raw materials and energy resources, the risk of business continuity of the Group's activities should not increase significantly.

By default, the Company manages liquidity risk by planning cash flows, which facilitates cash management and, in the absence of cash, the choice of financing method.

The company's conservative liquidity risk management allows it to maintain the required amount of cash, and the company seeks to maintain funding flexibility. In a company, liquidity risk management includes cash flow forecasting. The more detailed and accurate this forecast, the better the firm manages liquidity. Deferred payment for goods sold is from 14 to 30 days, in rare cases up to 60-90 days. Suppliers of services and goods are settled in an average of thirty days, and suppliers of raw materials in 0-30 days. This cash flow forecast predicts the nearest cash receipts and payments and allows you to plan short-term borrowing and investing money. At the end of the current year, the budget for the following year is drawn up. Long-term forecasting (over a year) is part of strategic business planning. These cash flow projections provide information about the amount of cash surplus and demand, when there will be a cash surplus or demand, how long the period of cash surplus or additional demand will last, how the cash surplus will be used or the demand will be financed.

Other risk factors related to the activities of the issuer:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. Information about the activity results of the Group

During the 1st half of year 2022 Group sold products and services for 8.99 million Eur. Compared to the results of the 1st half of year 2021 the incomes of sales decreased 0.45 million Eur or 5.2 %. Profit before taxes of 1st half of year 2022 was 0.61 million EUR when profit before taxes of January-June of year 2021 was 0.75 million EUR.

Item	1st half of year 2022	1st half of year 2021
Sales	8,993	8,548
Profit before taxes	605	753

The Group's sales income increased due to increased sales of sewn products, which leads to higher added value, but due to the increased costs of raw materials, energy resources and logistics, the Group's profit decreased.

More information about the activity and financial results of 1st half of year 2022 of the Group is presented in the interim consolidated financial accountability of six months of year 2022 of Linas, AB.

8. Main events of the accounting period

At April 12, 2022 The Financial Market Supervision Committee of the Bank of Lithuania approved:

- a circular of a mandatory non-competitive tender offer to delist the shares of Linas AB from trading on a regulated market (hereinafter - OS due to delisting);
- a mandatory non-competitive tender for the 2006 the circular of control of the acquired joint-stock company LINAS (hereinafter - OS for the performance of the duty).

Resolutions of Linas, AB Annual General Meeting of Shareholders dated 29 April 2022:

- Attention is paid to the auditor's conclusions confirming Linas, AB consolidated and Company's financial accountability of year 2021 and was agreed to the consolidated annual report of the company of year 2021.
- Linas, AB consolidated and company's annual financial statements for the year 2021 was confirmed and was agreed to consolidated annual report for the year 2021.
- Company's profit (loss) allocation of year 2021 was confirmed.
- Company's remuneration report for 2021 was approved.

At May 20, 2022 has completed implementation of official offers submitted by UAB Verslo dizainas for the repurchase of Linas, AB shares. During the period of implementation of the official offers from April 19 till May 18 Verslo dizainas, UAB purchased 2,274,969 ordinary registered shares of Linas, AB which representing 9,46% of all issued shares and votes.

At May 25, 2022 the Company has submitted a request to AB Nasdaq Vilnius to delist the Company's shares from trading on the regulated market.

9. Important events after the end of the accounting period

There was no important events after the end of the accounting period.

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

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

11. Operating plans and forecasts of the Company Group

In 2022 the Group of Linas, AB plans to produce linen products to customers which put value upon combination of naturalness and modernity. Companies of the Group will vouch for reliable partnership with customers and suppliers; also will vouch for safe environment to employees as before. The main objectives of the Group are: to increase volume of sales, expanding market in foreign countries and Lithuania, and to decrease cost price of production, optimizing expenses of production, buying cheaper raw materials.

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

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

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

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

14. Information about branches and representative offices of the Company

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

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

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

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

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

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

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

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

At the beginning of the reporting period, AB Linas had 450,000 pcs. or 1.87% of its own shares. During the reporting period was no changes in own shares.

17. Shareholders

The total number of shareholders of the Linas, AB at June 30, 2022 was 1,170.

The shareholders who hold or control more than 5 per cent of authorised capital of the Company acc. to the data of June 30, 2022 were:

Shareholder's name, surname, company's name, type, domicile address, code in the Register of Enterprises	Number of ordinary registered shares held on property ownership right, pcs.	Percentage of authorised capital held	Percentage of votes granted by the shares held on property ownership right
UAB „Verslo dizainas“, Savanorių pr. 192, Kaunas, company code 302529076	7,092,769	29.51%	30.07%
Asociacija „EEEE“, Savanorių pr. 192, Kaunas, company code 302572729	5,564,579	23.15%	23.59%

UAB „Vasana“, Partizanų g. 216-77, Kaunas, company code 305457041	4,755,318	19.78%	20.16%
„Rivena“, UAB, P. Žadeikos g. 13-35, Vilnius, company code 302521510	2,423,030	10.08%	10.27%

None of the shareholders of the Company have any special control rights. All shareholders have equal rights. The number of shares of Linas, AB carrying votes at the general meeting of shareholders on 30th June, 2022 is 23,588,990 (own shares have none voting rights).

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

18. Employees

The average number of listed employees in Linas, AB Company Group on the 1st half of year 2022 was 127. On the 1st half of year 2021 this average was 120. During the year the average number of employees decreased by 7 or 5.8 %.

Employees	1 st half of year 2022		1 st half of year 2021	
	Average number of listed employees	Average salary/wage, Eur	Average number of listed employees	Average salary/wage, Eur
Management personnel	9	2,860	8	2,686
Specialists and clerks	33	1,349	36	1,286
Workers	87	891	76	871
Total	127	1,141	120	1,113

The wages to the employees of the Group were paid observing the confirmed labour payment regulations, the Law on labour safety and health and other laws of the Republic of Lithuanian and decisions by the Government. Average calculated wage in the 1st half of year 2022 was 1,141 Eur and compared to the 1st half of year 2021 increased by 2.5 %. (in the 1st half of year 2021 – 1,113 Eur).

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

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

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

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

20. Management bodies of the Company

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

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

The Supervisory Council shall not be formed.

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

Only General meeting of the shareholders has the right to:

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

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

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

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

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

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

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

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

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

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

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

The Board shall consider and confirm:

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

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

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

The Board shall adopt:

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

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

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

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

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

Director of the company:

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

Director of the company is responsible for:

- organization of company's activity and execution of its goals;

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

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

Main duties of Audit committee:

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

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

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

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

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

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

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

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

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

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

IRMA ŠLEKYTĖ – Chief of accountant of the Company until 15 March, 2022. Does not hold shares of the Company.

JOLITA SABALIENĖ – Chief of accountant of the Company since 9 May, 2022. Does not hold shares of the Company.

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

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

Indicator	Salary for 1 st half of year 2022, Eur	Payment from profit for 1 st half of year 2022, Eur	Other payments from profit, Eur	Total, Eur
Average per member of the Supervisory Council	-	-	-	-
Total for all members of the Supervisory Council	-	-	-	-
Average per member of the Board	-	-	-	-
Total for all members of the Board	-	-	-	-
Average per member of administration	41,498	-	-	41,498
Total for all members of administration	82,995	-	-	82,995

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

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

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

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

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

None.

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

None.

24. Information on the significant transactions between related parties

During six months of year 2022 there were no related parties' contracts which could make large influence on financial situation or activity of the Group. All information regarding related parties' contracts will be presented in the notes of explanatory memorandum of annual financial accountability.

25. Information about companies' compliance to management codex

Company report about compliance to management codex of companies which are listed at Vilnius NASDAQ OMX was publicly announced and presented together with the consolidated annual report of year 2021. There were no changes in the information about companies' compliance to management codex during 1st half of year 2022.

26. Data about publicly disclosed information

During January – June of year 2022 the Company announced following essential events:

06/06/2022	The Board of Nasdaq Vilnius, AB decision due to removal of Linas, AB shares from the Secondary List
31/05/2022	Activity results of three months of year 2022 of company AB "Linus" group of companies. AB "Linus" not audited consolidated interim information of three months of year 2022
26/05/2022	Submitted request to delist AB "Linus" shares from trading on the regulated market
20/05/2022	Notification of the acquisition of a block of the voting rights
20/05/2022	The statement of the implementation of official offers
29/04/2022	Activity results of year 2021 of AB "Linus" and the Group of companies.
29/04/2022	Resolutions of the Annual General Meeting of Shareholders
28/04/2022	CORRECTION: Draft Resolutions of the Annual General Meeting of Shareholders
22/04/2022	Opinion on the announced official offers of the board of AB "Linus"
13/04/2022	Decision on the approval of circulars for a mandatory non - competitive official offer in order to remove the shares of Linas, AB from trading on a regulated market
08/04/2022	Draft Resolutions of the Annual General Meeting of Shareholders
30/03/2022	AB "Linus" the Ordinary General Meeting of Shareholders convocation

28/02/2022 Activity results of twelve months of year 2021 of company AB “Linus” Group of companies. AB “Linus” not audited consolidated interim information of twelve months of year 2021

All information on material events made public during 2022 is available on the Linas, AB webpage www.linus.lt.

LINAS, AB

INTERIM CONSOLIDATED CONDENSED UNAUDITED FINANCIAL STATEMENTS REPORT FOR SIX MONTHS OF 2022

30/06/2022

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 30 June 2022	As at 31 December 2021
ASSETS			
Non-current assets			
Intangible assets	4	135	89
Tangible assets	5	1,140	1,164
Investment property	6	374	374
Right-of-Use assets	7	345	356
Investments in subsidiaries		-	-
Loans granted from associates		-	-
Loans granted		-	-
Deferred income tax asset		17	17
Total non-current assets		2,011	2,000
Current assets			
Inventories	8	6,349	5,105
Tangible assets held for sale		-	-
Prepayments		804	805
Amounts receivable within one year:			
Trade accounts receivable		1,255	1,154
Trade accounts receivable from related companies		1,669	-
Short-term loans receivable from related companies	14	-	1,424
Other accounts receivable		54	147
Cash and cash equivalents		540	2,136
Total current assets		10,671	10,771
TOTAL ASSETS		12,682	12,771

(continued on next page)

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	As at 30 June 2022	As at 31 December 2021
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		6,971	6,971
Legal reserve and other reserves		357	357
Own shares (-)		(45)	(45)
Retained earnings		3,133	2,607
Total Equity		10,416	9,890
Liabilities			
Non-current liabilities			
Loans received	9	-	1,080
Other non-current liabilities		-	-
Obligations under finance lease	7	305	269
Long term provision for defined employee benefits		32	32
Total non-current liabilities		337	1,381
Current liabilities			
Loans received	9	-	-
Obligations under finance lease current year part	7	57	98
Trade accounts payable		564	450
Trade accounts payable for related companies		736	443
Contracts liabilities		67	24
Employment obligations		281	198
Accrued expenses		-	11
Income tax payable		79	153
Other current liabilities		145	123
Total current liabilities		1,929	1,500
TOTAL EQUITY AND LIABILITIES		12,682	12,771

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	As at 30	
		June 2022	June 2021
Revenue of sales		8,993	8,548
Cost of sales		(7,260)	(6,779)
GROSS PROFIT		1,733	1,769
Operating and selling expenses	10	(1,421)	(1,085)
Other operating income	11	2,659	385
Other operating expenses	11	(2,391)	(312)
PROFIT (LOSS) FROM OPERATIONS		580	757
Financial income	12	39	21
Financial expenses	12	(14)	(25)
PROFIT (LOSS) BEFORE TAX		605	753
Income tax benefit (expense)		(79)	(116)
NET PROFIT		526	637
Earnings (loss) per share, Eur*		0,022	0,027
Net profit		526	637
Other comprehensive income		-	18
Total comprehensive income		526	655

* Basic earnings per share is calculated by dividing net profit (loss) for the period by the weighted average number of ordinary shares in issue during the period. The Group has no potential convertible ordinary shares, so diluted earnings per share equals basic earnings per share.

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	<u>2Q of 2022</u>	<u>2Q of 2021</u>
Revenue of sales		4,675	4,670
Cost of sales		(3,752)	(3,668)
GROSS PROFIT		923	1,002
Operating and selling expenses	10	(701)	(530)
Other operating income	11	1,873	189
Other operating expenses	11	(1,690)	(151)
PROFIT (LOSS) FROM OPERATIONS		405	510
Financial income	12	25	15
Financial expenses	12	(14)	(18)
PROFIT (LOSS) BEFORE TAX		416	507
Income tax benefit (expense)		(49)	(116)
NET PROFIT		367	391
Earnings (loss) per share, Eur*		0,015	0,016
Net profit		367	391
Other comprehensive income		-	-
Total comprehensive income		367	391

* Basic earnings per share is calculated by dividing net profit (loss) for the period by the weighted average number of ordinary shares in issue during the period. The Group has no potential convertible ordinary shares, so diluted earnings per share equals basic earnings per share.

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

THE GROUP'S STATEMENTS OF CHANGES IN EQUITY

Notes	Share capital	Own shares (-)	Legal and other reserves	Reserve for own shares acquisition	Retained Earnings (loss)	Total
Balance as of 31 December 2020	6,971	(184)	54	264	1,581	8,686
Impact of IFRS 16 adoption	-	-	-	-	(3)	(3)
Balance as of 31 December 2020 (corrected)	6,971	(184)	54	264	1,578	8,683
Net profit	-	-	-	-	1,050	1,050
Unrecognized gain (loss) in the statement of comprehensive income	-	-	-	-	18	18
Total comprehensive income	-	-	-	-	1,068	1,068
Own shares	-	139	-	-	-	139
Transfers to reserves	-	-	39	-	(39)	-
Balance as of 31 December 2021	6,971	(45)	93	264	2,607	9,890
Net profit	-	-	-	-	526	526
Unrecognized gain (loss) in the statement of comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	526	526
Own shares	-	-	-	-	-	-
Transfers to reserves	-	-	-	-	-	-
Balance as of 30 June 2022	6,971	(45)	93	264	3,133	10,416

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

CASH FLOW STATEMENTS

	Notes	As at 30 June 2022	As at 30 June 2021
Cash flows to operating activities			
Net profit		526	637
Recovery of non-monetary costs (income):			
Depreciation and amortization	4,5,7	119	68
Interest expense	12	11	24
Interest income	12	(7)	(18)
Gain (loss) on disposal and write offs of non-current assets		-	-
Impairment of inventories		-	-
Impairment (reversal) of accounts receivable		-	-
Change in accrued charges		49	42
Income tax expense for the period		79	116
Decrease (increase) in deferred tax asset		-	(3)
Changes in working capital:			
(Increase) decrease in inventories		(1,244)	(609)
(Increase) decrease in trade receivables		(1,676)	(299)
(Increase) decrease in other receivables		-	-
(Increase) decrease in prepayments		1	(91)
(Decrease) increase in trade payables		397	253
Increase (decrease) in contractual obligations		-	-
(Decrease) increase income tax payables		(50)	-
Increase (decrease) in other payables and current liabilities		-	-
Net cash flows from operating activities		(1,795)	120
Cash flows from (to) investing activities			
Acquisition of intangible assets (except investment)	4,5,7	(448)	(76)
Transfer of intangible assets (except investment)		354	-
Loan recovery	14	1,171	-
Interest received	14	260	11
Net cash flows (to) investing activities		1,337	(65)
Cash flows from (to) financing activities			
Loans received		-	-
Loans granted	9	(1,080)	(338)
Paid interest		(11)	(39)
Financial lease payments		(47)	-
Own shares transfers		-	157
Net cash flows from (to) financial activities		(1,138)	(220)
Net increase (decrease) in cash and cash equivalent		(1,596)	(165)
Cash and cash equivalents at the beginning of the year		2,136	2,873
Cash and cash equivalents at the end of the year		540	2,708

The accompanying explanatory notes are an integral part of these consolidated and Company's financial statements.

FINANCIALS STATEMENTS EXPLANATORY NOTES

1. General Information

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

As of 30th of June, 2022, the Linas, AB group of companies (further called as the Group) consisted of holding company Linas AB and its affiliated company Lino apdaila, UAB. Lino apdaila, UAB was registered on May 23, 2008 at Legal entity register, registration No 114552, company code 301733421. Affiliated company is registered at address S. Kerbedžio Str. 23, Panevėžys. AB Linas own 100 % of affiliated company shares.

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

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

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

On 30th of June, 2022 the number of listed employees of the Group was 129, on 30th of June, 2021 – 119 employees.

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

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

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

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

The main incomes of Group of companies of 6 months of year 2022 were received from textile items sales activities and the services of textile items production.

During the 6 months of year 2022 the Group ordered to produce or to treat technologically: linen and tow yarns – 28,3 tons (6 months of year 2021 – 44 tons); raw fabrics – 388,4 thousand mtrs (6 months of year 2021 – 425 thousand mtrs); ready-made fabrics – 1,022,9 thousand mtrs (6 months of year 2021 – 1,335 thousand mtrs). 19,64% of all produced fabrics were used for sewn items during 6 months of year 2022 (6 months of year 2021 – 19,0%).

During 6 months of year 2022 the Group produced 537,8 thousand pcs sewn items (during 6 months of year 2021 – 460,5 thousand pcs), using 271 thousand mtrs of ready-made fabrics (during 6 months of year 2021 – 249 thousand mtrs).

The volume of exports during 6 months of 2022 was 72 % of the total product sales.

(cont'd on the next page)

General Information(cont'd)

Linās AB group of companies sold linen textile goods and services for 8,993 thousand Eur during the 6 months of 2022. Comparing to the 6 months of 2021 the volume of sales increased by 445 thousand Eur or about 5%.

During six months of 2022 the Group received 605 thousand Eur profit before taxation, the result of the same period of 2021 was 753 thousand Eur profit.

The Group's sales income increased due to increased sales of sewn products, which leads to higher added value, but due to the increased costs of raw materials, energy resources and logistics, the Group's profit decreased. Due to the threat of the spread of coronavirus (covid-19) and the dynamics of energy resource prices, the Group reviewed and implemented measures to ensure the continuity of activities and prevent measures, the influence of related factors on the Group's activities and results in constantly assessed.

The Company's management assessed the potential disruptions in cash flows, availability of funding, also the impact on the demand for goods and services, possible increases in costs due to increase in energy resource prices, the risk of infection of employees performing critical functions and risk of delays in ongoing projects, based on the analysis of information available as at the date of issue of the condensed financial statements about the Covid-19-related threats in the future and price forecasts of energy resources, and did not identify any material circumstances that might cast doubt upon the Group's ability to continue as a going concern.

2. Accounting principles

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

The financial statements currency is the Euro (Eur).

The consolidated condensed interim financial information of the Group for the 6-month period ended 30 June 2022 and 30 June 2021, has not been audited.

3. Segment information

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

The following is information on the textile business segments:

(cont'd on the next page)

Segment information (cont'd)

The Group	Fabrics	Sewn items	Yarns	Manufacturing services	Total
June 30, 2022					
Income (third parties)	5,961	2,779	11	242	8,993
Cost (third parties)	(4,798)	(2,322)	(11)	(129)	(7,260)
Gross profit (loss)	1,163	457	0	113	1,733
Operating and selling expenses	-	-	-	-	(1,421)
Segment operating profit (loss)	1,163	457	0	113	312

The Group	Fabrics	Sewn items	Yarns	Manufacturing services	Total
June 30, 2021					
Income (third parties)	6,140	2,226	21	161	8,548
Cost (third parties)	(4,896)	(1,766)	(29)	(88)	(6,779)
Gross profit (loss)	1,244	460	(8)	73	1,769
Operating and selling expenses	-	-	-	-	(1,085)
Segment operating profit (loss)	1,244	460	(8)	73	684

Inter-segment transactions are eliminated on consolidation

(Continued on next page)

Segment information (cont'd)

The following is information on the textile business geographical segments of the Group:

The Group	Lithuania	Europe countries	Scandinavian countries	USA	Other countries	Total
June 30, 2022						
Income	2,522	3,788	1,116	361	1,206	8,993
Cost	(1,831)	(3,213)	(899)	(268)	(1,049)	(7,260)
Gross profit (loss)	691	575	217	93	157	1,733
Operating and selling expenses	-	-	-	-	-	(1,421)
Segment operating profit (loss)	691	575	217	93	157	312

The Group	Lithuania	Europe countries	Scandinavian countries	USA	Other countries	Total
June 30, 2021						
Income	2,319	3,494	1,577	298	860	8,548
Cost	(1,794)	(2,885)	(1,125)	(235)	(740)	(6,779)
Gross profit (loss)	525	609	452	63	120	1,769
Operating and selling expenses	-	-	-	-	-	(1,085)
Segment operating profit (loss)	525	609	452	63	120	684

4. Intangible assets

	Software	Other intangible assets	Prepayments for unfinished projects	Total
Costs:				
Balance as at 31 December 2020	142	-	-	142
Acquisitions	10	3	-	13
Overwriting from one article to another	(87)	18	69	-
Balance as at 31 December 2021	65	21	69	155
Acquisitions	-	-	49	49
Overwriting from one article to another	-	-	-	-
Balance as at 30 June 2022	65	21	118	204
Accumulated amortization:				
Balance as at 31 December 2020	64	-	-	64
Amortization	1	1	-	2
Balance as at 31 December 2021	65	1	-	66
Amortization	-	3	-	3
Balance as at 30 June 2022	65	4	-	69
Net book value as at 30 June 2022	0	17	118	135
Net book value as at 31 December 2021	0	20	69	89
Net book value as at 31 December 2020	77	77	-	77

The Group has no internally generated intangible assets. Amortization of intangible assets is included in operating expenses in the statement of comprehensive income (Note 10).

5. Non-current tangible assets

	Land	Buildings and structures	Machinery and equipment	Motor Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Balance as at 31 December 2020	-	1,586	737	203	65	1	2,592
Acquisitions	-	-	4	-	12	32	48
Assets sold and written off	-	-	(2)	-	(13)	-	(15)
Reclassifications to other tangible assets	-	-	-	(6)	-	-	(6)
Reclassifications	-	-	20	(20)	1	(1)	-
Balance as at 31 December 2021	-	1,586	759	177	65	32	2,619
Acquisitions	-	-	13	-	6	380	399
Reclassifications	-	-	15	-	43	(412)	(354)
Balance as at 30 June 2022	-	1,586	787	177	114	0	2,664
Accumulated depreciation:							
Balance as at 31 December 2020	-	418	729	139	51	-	1,337
Depreciation	-	106	5	16	6	-	133
Assets sold and written off	-	-	(2)	-	(13)	-	(15)
Reclassifications to other tangible assets	-	-	-	(1)	-	-	(1)
Reclassification	-	-	20	(20)	-	-	-
Balance as at 31 December 2021	-	524	752	134	45	-	1,455
Depreciation	-	53	3	7	6	-	69
Balance as at 30 June 2022	-	577	755	141	51	-	1,524
Net book value as at 30 June 2022	-	1,009	32	36	63	0	1,140
Net book value as at 31 December 2021	-	1,062	7	43	20	32	1,164
Balance as at 31 December 2020	-	1,168	8	64	14	1	1,255

Depreciation of non-current tangible assets is included in operating and selling expenses and other operating expenses in the statement of comprehensive income (Notes 10, 11).

6. Investment property

Cost:	Land	Total
Balance as at 31 December 2020	416	416
Balance as at 31 December 2021	416	416
Balance as at 30 June 2022	416	416
Impairment losses		
Balance as at 31 December 2020	42	42
Balance as at 31 December 2021	42	42
Balance as at 30 June 2022	42	42
Net book value as at 30 June 2022	374	374
Net book value as at 31 December 2021	374	374
Net book value as at 31 December 2020	374	374

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

7. Right-of-use assets and lease liabilities

	Land	Buildings and structures	Machinery and equipment	Motor Vehicles	Total
Cost:					
Balance as at 31 December 2020	189	164	125	5	483
Acquisitions	80	1		-	81
Assets sold and written off				(5)	(5)
Balance as at 31 December 2021	269	165	125	0	559
Acquisitions	-	47	-	-	47
Assets sold and written off	-	(39)	-	-	(39)
Balance as at 30 June 2022	269	173	125	0	567
Accumulated depreciation:					
Balance as at 31 December 2020	7	75	31	4	117
Depreciation	4	39	47	1	91
Assets sold and written off	-	-	-	(5)	(5)
Balance as at 31 December 2021	11	114	78	0	203
Depreciation	2	22	23	-	47
Assets sold and written off	-	(28)	-	-	(28)
Balance as at 30 June 2022	13	108	101	0	222
Net book value as at 30 June 2022	256	65	24	0	345
Net book value as at 31 December 2021	258	51	47	0	356
Net book value as at 31 December 2020	182	89	94	1	366

8. Stocks

	As at 30 June 2022	As at 31 December 2021
Raw materials	4,032	2,515
Finished Productions	2,372	2,633
Work in progress	22	27
Goods for resale	7	14
Write-downs to net realizable value	(84)	(84)
Total	6,349	5,105

9. Borrowings

	As at 30 June 2022	As at 31 December 2021
Non-current borrowings	-	1,080
Other non-current borrowings	-	1,080

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

According to the financial obligations limit contract signed between the bank and AB "Linās" on 07 10 2013, the credit of 290 thousand Eur is granted to the Company, for which company resources are mortgaged with the latest mortgage, the balance value of which acc. to the mortgage sheets are 1 448 thousand Eur For the insurance of credit sum the warranty for all credit sum and term is received from UAB "Lino apdaila" The validation term of the financial obligations limit contract has been extended until 2022 September 30,. Alternate interests are paid for used credit, which are accounted as six months term Eur EURIBOR plus bank margin.

March 18, 2022 The company has finished covering its long-term debt to UAB Lidera LT. During 2022 March. the entire remaining loan was repaid - 1,080 thousand EUR and the full balance of accrued interest - 3 thousand. Eur. The company no longer has any debt obligations to UAB Lidera LT.

10. Operating Expenses

	As at 30 June 2022	As at 30 June 2021
Selling expenses		
Expenses on commissions	(104)	(154)
Wages and salaries and social security	(136)	(139)
Evaluate of customers creditworthiness and insurance costs of marketable credits	(10)	(10)
Expenses on productions advertising and fair	(40)	(26)
Expenses on transporting of sold production	(52)	(1)
Depreciation	(3)	-
Other sales expenses	(26)	(12)
	(371)	(342)
General and administrative expenses		
Wages and salaries and social security	(438)	(388)
Rent, operating and repairing expenses	(350)	(172)
Depreciation and amortization	(92)	(43)
Expenses of security services	(22)	(19)
Expenses of info technologies	(21)	(19)
Expenses of operating tax	(14)	(10)
Expenses of social guarantees, stated in collective agreement	(26)	(12)
Expenses of bank services	(11)	(9)
Legal services expenses	(3)	(12)
Expenses of support provided	(4)	(3)
Telecommunications expenses	(3)	(3)
Representation expenses	(1)	(1)
Other expenses	(65)	(52)
	(1,050)	(743)
Total operating expenses	(1,421)	(1,085)

11. Other Income (Expenses)

	As at 30 June 2022	As at 30 June 2021
Other activity income		
Income for thermal heating supply	776	278
Income of rent	87	59
Income of various storages selling	1,772	24
Gains of disposals of fixed assets	-	-
Other incomes	24	24
	2,659	385
Other activity (expenses)		
Expenses for thermal heating supply	(663)	(232)
Deprecation of rent property, plant, equipment	(24)	(24)
Net cost of sold various storages	(1,665)	(20)
Other expenses	(39)	(36)
	(2,391)	(312)

12. Financial activity income (expenses)

	As at 30 June 2022	As at 30 June 2021
Financial activity income		
Income interest of borrowings	7	18
Foreign exchange gain	32	-
Other income	-	3
	39	21
Financial activity (expenses)		
Expenses of interest	(8)	(24)
Loss of foreign exchange	-	(1)
Other expenses	(6)	-
	(14)	(25)

13. Off-balance sheet liabilities and contingencies

The Company's subsidiary UAB Lino apdaila has provided the Bank Guarantees in the amount of EUR 435 thousand (December 31, 2021: EUR 435 thousand) for loans received by AB Linās. UAB Lino apdaila is obliged to fully cover the Company's liabilities to the bank if AB Linās is unable to do so. The Group's management believes that the Company for which the guarantee has been provided will meet its obligations to creditors. June 30 2022 and 2021 did not record in the financial statements any liabilities relating to that guarantee.

14. Related Parties Transactions

The Group's transactions with related parties in 6 month ended 30 June 2022 and in 12 month ended 31 December 2021 were as follow:

As at June 30, 2022	Purchases	Sales	Non-current loan receivable	Receivable	Payables
UAB „Rivena“	-	7	-	-	-
UAB „Lidera LT“	6	-	-	-	-
UAB „Verslo dizainas“	-	-	-	-	-
UAB “Audilina“	2,639	2,410	-	1,669	736
Total	2,645	2,417	-	1,669	736

(continued on next page)

Related Parties Transactions (cont'd)

As at December 31, 2021	Purchases	Sales	Non-current loan receivable	Payables
UAB „Rivena“	-	36	1,424	-
UAB „Lidera LT“	18	-	-	1,083
UAB „Verslo dizainas“	18	-	-	-
UAB “Audilina“	4,896	942	-	440
Total	4,932	978	1,424	1,523

At March 15, 2022 UAB Rivena has completed the repayment of the entire loan and interest to the Company in accordance with the November 19, 2014 financing agreement. The total amount of covered debt is 1,431 thousand. EUR (EUR 1,171 thousand loan and EUR 260 thousand interest). UAB Rivena no longer has any debt obligations to the Company.

15. Subsequent events

There were no significant subsequent events.