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AB LINAS AGRO GROUP

CONSOLIDATED AND COMPANY 'S FINANCIAL STATEMENTS AND CONSOLIDATED ANNUAL REPORT

FOR THE FINANCIAL YEAR
ENDED JUNE 30, 2023

Prepared in accordance with international
Financial reporting standards,
As adopted by the european union,
Presented together with independent auditor's report

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CONFIRMATION OF THE RESPONSIBLE PERSONS

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

CEO of AB Linas Agro Group — Darius Zubas

6 October 2023

CFO of AB Linas Agro Group — Mažvydas Šileika

6 October 2023

AB LINAS AGRO GROUP
CONSOLIDATED AND COMPANY 'S
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2022/2023

ENDED JUNE 30, 2023

PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS,
AS ADOPTED BY THE EUROPEAN UNION,
PRESENTED TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION

ASSETS	Notes	Group		Company	
		As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Non-current assets					
Intangible assets	5	3,025	2,759	134	156
Property, plant and equipment	6	174,463	166,215	890	1,067
Right-of-use assets	7	30,536	24,720	68	44
Investment property	8	399	562	–	–
Biological assets					
Animals, livestock and poultry	10	11,786	13,233	–	–
Non-current financial assets					
Investments in subsidiaries	3	–	–	179,876	173,016
Investments in associates	3	–	–	2,799	3,241
Other investments and prepayments for financial assets		531	27	513	10
Non-current receivables	9	5,048	815	–	–
Non-current receivables from related parties	9, 33	750	750	84	6,053
Net investment, related with sublease	9	–	–	11,071	9,739
Total non-current financial assets		6,329	1,592	194,343	192,059
Non-current prepayments	9	1,017	1,166	–	–
Deferred income tax asset	29	8,323	7,139	284	693
Total non-current assets		235,878	217,386	195,719	194,019
Current assets					
Biological assets					
Crops	10	31,848	29,222	–	–
Poultry	10	10,091	8,302	–	–
Inventories	11	266,637	243,876	–	–
Current prepayments[1]	13	5,564	11,588	305	352
Current accounts receivable					
Trade receivables	14	312,204	300,061	–	–
Receivables from related parties	33	4,670	5,817	14,884	11,169
Income tax receivable		1,057	67	–	–
Other accounts receivable and contract assets	15	10,607	8,684	43	6
Total current accounts receivable		328,538	314,629	14,927	11,175
Current net investment, related with sublease	9	–	–	418	314
Derivative financial instruments	16	1,531	1,182	–	–
Other current financial assets	16	972	3,022	–	–
Cash and cash equivalents	17	13,264	20,810	114	222
Non-current assets held for sale	12	–	22,958	–	–
Total current assets		658,445	655,589	15,764	12,063
Total assets		894,323	872,975	211,483	206,082

(cont'd on the next page)

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

[1] *Comparative information for marked groups has been recalculated in the financial statements. In 2023, the Company reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2021/2022 in order to reflect more accurately the amount of lease liabilities. In the Comparative figures 2021/2022, the figures were reclassified in amount EUR 312 thousand from "Current prepayments" to the" Current portion of lease labilities", in order to more accurately reflect the Company liabilities under the requirements of IFRS 16.*

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 3

CONSOLIDATED AND COMPANY'S STATEMENTS OF FINANCIAL POSITION (CONT'D)

EQUITY AND LIABILITIES	Notes	Group		Company	
		As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Equity attributable to shareholders of the Company					
Share capital	1	46,715	46,514	46,715	46,514
Share premium	1	23,928	23,642	23,928	23,642
Legal and other reserves	18	8,593	6,319	8,116	6,319
Own shares (-)	18	(426)	(440)	(426)	(440)
Foreign currency translation reserve	18	(130)	(17)	–	–
Amounts related to non-current assets held for sale recognized directly in equity	18, 12	–	(3,592)	–	–
Total foreign currency translation reserve	18	(130)	(3,609)	–	–
Retained earnings		205,472	197,383	50,908	51,511
Total equity attributable to equity holders of the parent		284,152	269,809	129,241	127,546
Non-controlling interest	34	14,479	10,142	–	–
Total equity		298,631	279,951	129,241	127,546
Liabilities					
Non-current liabilities					
Grants and subsidies	19	8,565	8,285	–	–
Non-current borrowings	20, 33	28,415	22,305	1,136	4,386
Lease liabilities	21	35,098	31,867	10,916	8,831
Non-current trade payables		1	–	1	–
Deferred income tax liability	29	1,401	2,063	–	–
Provisions[3]	22	1,642	1,913	28	35
Other non-current liabilities[2-3]	24	105	503	–	189
Total non-current liabilities		75,227	66,936	12,081	13,441
Current liabilities					
Current portion of non-current borrowings	20,33	9,175	20,641	–	–
Current portion of lease liabilities[1]	21	10,820	7,659	430	43
Current borrowings	20, 33	244,824	213,550	64,494	63,325
Trade payables	23	198,631	205,687	16	40
Payables to related parties	33	273	–	4,682	296
Income tax payable		1,765	7,467	–	–
Derivative financial instruments	16	531	3,091	–	–
Contract liabilities[2]	24	3,206	3,201	–	296
Provisions[3]	22	552	610	–	–
Other current liabilities[2-3]	24	50,688	47,899	539	1,095
Liabilities related to non-current assets held for sale	12	–	16,283	–	–
Total current liabilities		520,465	526,088	70,161	65,095
Total equity and liabilities		894,323	872,975	211,483	206,082

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

[1] *Comparative information for marked groups has been recalculated in the financial statements. In 2023, the Company reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2021/2022 in order to reflect more accurately the amount of lease liabilities. In the Comparative figures 2021/2022, the figures were reclassified in amount EUR 312 thousand from "Current prepayments" to the" Current portion of lease labilities", in order to more accurately reflect the Company liabilities under the requirements of IFRS 16.*

[2] *Comparative information for marked groups has been recalculated in the financial statements. In 2023, the Company reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2021/2022 in order to reflect more accurately the distribution of items in the financial statements. In the Comparative figures 2021/2022, the figures were reclassified in amount EUR 296 thousand from "Other current liabilities" to the" Contract liabilities", in order to more accurately reflect the Company liabilities under the requirements of IFRS 15. 116-118.*

[3] *Comparative information for marked groups has been recalculated in the financial statements. In 2023, the Group reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2021/2022 in order to reflect more accurately the distribution of items in the financial statements. As Group does have a significant amount of the provisions, in order to represent, the more accurate figures, the Company under the IAS 1,54(l), has disclosed the Provisions in the statement of the financial positions, and reclassed the amount of EUR 2,523 thousand from "Other current liabilities" to "Provisions".*

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 4

CONSOLIDATED AND COMPANY'S STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Revenue from contracts with customers	4	1,999,617	1,895,667	1,601	1,709
Dividend income		–	–	9,177	15,306
Cost of sales	25	(1,861,648)	(1,706,808)	–	–
Gross profit		137,969	188,859	10,778	17,015
Operating (expenses)	26	(95,646)	(96,356)	(2,302)	(3,180)
Expenses of impairment of trade receivables, contract assets and other receivables	13,14,15	(3,495)	(3,194)	–	–
Other income	27	13,201	22,691	51	35
Other (expenses)	27	(7,120)	(5,581)	(817)	(202)
(Impairment loss) of non-current assets held for sale	12	–	(2,800)	–	–
Loss on disposal of a foreign operation	12	(313)	–	–	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal	12	(3,104)	–	–	–
Operating profit (loss)		41,492	103,619	7,710	13,668
Income from financing activities	28	3,607	2,293	843	804
(Expenses) from financing activities	28	(19,339)	(15,071)	(3,179)	(2,530)
Profit (loss) before tax		25,760	90,841	5,374	11,942
Income tax	29	(4,943)	(13,584)	(409)	191
Net profit (loss)		20,817	77,257	4,965	12,133
Net profit (loss) attributable to:					
Shareholders of the Company		18,134	74,809	4,965	12,133
Non-controlling interest		2,683	2,448	–	–
		20,817	77,257	4,965	12,133
Basic earnings per share (EUR)	30	0.13	0.49	–	–
Diluted earnings per share (EUR)	30	0.12	0.46	–	–
Other comprehensive income					
Other comprehensive income, to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations into the Group's presentation currency		(334)	(3)	–	–
Exchange differences on translation of foreign operations into the Group's presentation currency related to disposal of a foreign operation reclassification to profit or loss		3,819	–	–	–
Amounts recognized directly in equity relating to non-current assets held for sale		–	(3,660)	–	–
Cash flow hedges – effective portion of change in fair value	16	1,220	–	–	–
Cash flow hedges – reclassified to profit or loss	16	(680)	–	–	–
Total other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		4,025	(3,663)	–	–
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		–	–	–	–
Total other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		–	–	–	–
Total other comprehensive income (loss), net of tax		4,025	(3,663)	–	–
Total comprehensive income, net of tax		24,842	73,594	4,965	12,133
Total comprehensive income, net of tax attributable to:					
The shareholders of the Company		22,090	71,214	4,965	12,133
Non-controlling interest	34	2,752	2,380	–	–
		24,842	73,594	4,965	12,133

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributed to the shareholders of the Company								
	No-tes	Share capital	Own shares	Share premium	Legal and other reserve	Foreign currency transla-tion reserve	Retained earnings	Subtotal	Non-contro-ling interest	Total
Balance as at 1 July 2021		46,093	(445)	23,038	6,146	(14)	119,333	194,151	2,070	196,221
Net profit (loss)		–	–	–	–	–	74,809	74,809	2,448	77,257
Total other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		–	–	–	–	(3,595)	–	(3,595)	(68)	(3,663)
Total comprehensive income, net of tax		–	–	–	–	(3,595)	74,809	71,214	2,380	73,594
Disposal of own shares		–	5	–	–	–	(5)	–	–	–
Dividends declared by the subsidiaries	34	–	–	–	–	–	–	–	(94)	(94)
Reserves made	18	–	–	–	33	–	(33)	–	–	–
Share capital increase	1	421	–	604	(1,025)	–	–	–	–	–
Non-controlling interest arising on acquisition of subsidiaries	3	–	–	–	–	–	–	–	10,776	10,776
Share-based payments	30	–	–	–	1,165	–	–	1,165	–	1,165
Acquisition of non-controlling interest		–	–	–	–	–	3,279	3,279	(4,990)	(1,711)
Balance as at 30 June 2022		46,514	(440)	23,642	6,319	(3,609)	197,383	269,809	10,142	279,951
Balance as at 1 July 2022		46,514	(440)	23,642	6,319	(3,609)	197,383	269,809	10,142	279,951
Net profit (loss)		–	–	–	–	–	18,134	18,134	2,683	20,817
Total other comprehensive income to be reclassified to profit or loss in subsequent periods		–	–	–	477	3,479	–	3,956	69	4,025
Total comprehensive income, net of tax		–	–	–	477	3,479	18,134	22,090	2,752	24,842
Disposal of own shares		–	14	–	–	–	(14)	–	–	–
Dividends		–	–	–	–	–	(5,000)	(5,000)	–	(5,000)
Dividends declared by the subsidiaries	34	–	–	–	–	–	–	–	(1,638)	(1,638)
Transfer to legal reserve	18	–	–	–	607	–	(607)	–	–	–
Reserves made	18	–	–	–	(53)	–	53	–	–	–
Share capital increase	1	201	–	286	(487)	–	–	–	–	–
Non-controlling interest arising on acquisition of subsidiaries		–	–	–	–	–	(4,705)	(4,705)	4,705	–
Share-based payments	30	–	–	–	1,730	–	–	1,730	–	1,730
Disposal of non-controlling interest		–	–	–	–	–	–	–	(540)	(540)
Acquisition of non-controlling interest		–	–	–	–	–	228	228	(942)	(714)
Balance as at 30 June 2023		46,715	(426)	23,928	8,593	(130)	205,472	284,152	14,479	298,631

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 6

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 2021		46,093	(445)	23,038	6,146	39,416	114,248
Net profit (loss)		–	–	–	–	12,133	12,133
Total comprehensive income, net of tax		–	–	–	–	12,133	12,133
Share-based payments	30	–	–	–	1,165	–	1,165
Disposal of own shares		–	5	–	–	(5)	–
Share capital increase		421	–	604	(1,025)	–	–
Reserves made	18	–	–	–	33	(33)	–
Balance as at 30 June 2022		46,514	(440)	23,642	6,319	51,511	127,546
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 comprehensive income, net of tax		–	–	–	–	4,965	4,965
Dividends		–	–	–	–	(5,000)	(5,000)
Share-based payments	30	–	–	–	1,730	–	1,730
Disposal of own shares		–	14	–	–	(14)	–
Share capital increase		201	–	286	(487)	–	–
Transfer to legal reserve		–	–	–	607	(607)	–
Reserves made	18	–	–	–	(53)	53	–
Balance as at 30 June 2023		46,715	(426)	23,928	8,116	50,908	129,241

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 7

CONSOLIDATED AND COMPANY'S STATEMENTS OF CASH FLOWS

	Notes	Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Cash flows from (to) operating activities					
Net profit (loss)		20,817	77,257	4,965	12,133
Adjustments for non-cash items:					
Depreciation and amortization	5,6,8	27,685	26,926	135	105
Subsidies amortization	19	(587)	(747)	–	–
(Gain)/Loss on disposal of property, plant and equipment	27	(829)	(2,694)	40	–
Subsequent measurement of sublease		–	–	758	–
Change in allowance and write-offs for receivables	13,14,15	3,495	3,194	–	–
Impairment of investments into associates	27	–	202	–	202
(Reversal of) impairment losses on inventories write down to net realizable value	11	2,684	(99)	–	–
Change of provision for onerous contracts	25	(8)	(39)	–	–
Change in contract assets and accrued expenses		4,009	6,260	(270)	(440)
Change in fair value of biological assets	25	(4,378)	(12,732)	–	–
Change in accrued share-based payment	30	1,730	1,165	43	463
Gain on bargain purchase	3	–	(1,272)	–	–
Loss on disposal of a foreign operation	12	313	–	–	–
Impairment loss on non-current assets held for sale	12	–	2,800	–	–
Reclassification of foreign currency translation reserve related to a foreign operation disposal	12	3,104	–	–	–
Change in deferred income tax	29	(1,192)	378	409	(191)
Current income tax expenses	29	6,135	13,206	–	–
Expenses (income) from change in fair value of financial instruments	27	2,606	(3,873)	–	–
Dividend (income)		–	–	(9,176)	(15,306)
Interest (income) and other financial (income)	28	(3,607)	(2,293)	(843)	(804)
Interest and other financial expenses	28	19,339	15,071	3,179	2,530
		81,316	122,710	(760)	(1,308)
Changes in working capital:					
(Increase) decrease in biological assets		1,502	(2,181)	–	–
(Increase) decrease in inventories incl. right of return asset		(28,074)	(53,074)	–	–
(Increase) decrease in prepayments		5,967	1,316	47	1,699
(Increase) decrease in trade and other accounts receivable		(12,454)	(49,552)	(2,154)	(1,949)
(Increase) decrease in restricted cash	16	(56)	343	–	–
Increase (decrease) in contract liabilities, refund liabilities, trade, and other accounts payable		(25,782)	(18,311)	2,011	(1,064)
Income tax (paid)		(9,492)	(7,128)	–	–
Net cash flows from (to) operating activities		12,927	(5,877)	(856)	(2,622)

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 8

CONSOLIDATED AND COMPANY'S STATEMENTS OF CASH FLOWS (CONT'D)

	Notes	Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Cash flows from (to) investing activities					
(Acquisition) of intangible assets, property, plant and equipment and investment property	5,6,8	(27,056)	(19,294)	(30)	(88)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		3,806	12,309	112	–
(Acquisition) of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods	3	(660)	(66,689)	(687)	(66,891)
Disposal of subsidiaries (less disposed cash balance in the Group)	12	6,500	–	–	–
(Prepayment) for financial assets		(503)	–	(503)	–
(Acquisition) of associates and joint ventures		–	(202)	–	–
Loans (granted)		(364)	(392)	(8,505)	(12,673)
Repayment of granted loans		25	2,491	8,678	22,240
Interest received	28	3,725	2,293	492	804
Dividends received		–	–	11,432	5,017
Net cash flows from (to) investing activities		(14,527)	(69,484)	10,989	(51,591)
Cash flows from (to) financing activities					
Proceeds from loans	31	197,623	211,096	16,100	61,365
(Repayment) of loans	31	(174,358)	(109,141)	(18,470)	(11,320)
Lease (payments)	31	(9,928)	(10,637)	(708)	(359)
Grants received	19	1,675	3,722	–	–
Interest (paid)	28	(13,627)	(15,071)	(2,163)	(1,828)
Dividends (paid)	31	(5,000)	–	(5,000)	–
Dividends (paid) to non-controlling interest	31	(1,638)	(94)	–	–
(Acquisition) of non-controlling interest[1]		(714)	(1,711)	–	–
Net cash flows from (to) financing activities		(5,967)	78,164	(10,241)	47,858
Net (decrease) increase in cash and cash equivalents		(7,567)	2,803	(108)	(6,355)
Net foreign exchange difference		(21)	–	–	–
Cash and cash equivalents at the beginning of the year	17	20,810	18,007	222	6,577
Cash and cash equivalents at the end of the year	17	13,264	20,810	114	222

(cont'd on the next page)

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

[1] *Comparative information for marked groups has been recalculated in the financial statements. In 2023, the Company reviewed accounts grouping methodology in the financial statements and adjusted the comparative figures for 2021/2022 in order to reflect more accurately the distribution of items in the financial statements.*

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 9

CONSOLIDATED AND COMPANY'S STATEMENTS OF CASH FLOWS (CONT'D)

Supplemental information of cash flows:	Notes	Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
Non-cash investing activity:					
Property, plant and equipment acquisitions financed by lease		3,840	9,457	–	–
Acquisition of right-of-use assets		14,956	8,632	40	–
Proceeds from loans		–	–	–	3,187

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 10

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania.

The Company was registered on 27 November 1995.

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

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

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

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

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

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

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

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

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

As at 30 June 2023 the number of employees of the Company was 20 (17 as at 30 June 2022).

The Company's management approved these financial statements on 6 October 2023. 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 2023, the Company's authorized capital was increased by EUR 201 thousand and amounted to EUR 46,715 thousand as at the end of the financial year. During the financial year ending 30 June 2022, the authorized capital has been increased in the EUR 421 thousand and amounted to EUR 46 514 thousand as at 30 June 2022.

2. ACCOUNTING PRINCIPLES

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 2023 are as follows:

2.1. BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for biological assets, commitments to purchase agricultural produce (unrecognized firm commitment), derivative financial instruments, 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).

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

The following new Standards, amendments to Standards and new Interpretations approved by the International Accounting Standards Board (IASB) and adopted by the EU are applicable for the reporting period:

- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16);
- Onerous Contract – Costs of Fulfilling a Contract (Amendment to IAS 37);
- Annual Improvements to IFRS Standards 2018-2021;
- Reference to the Conceptual Framework (Amendments to IFRS 3).

The Group and the Company anticipates that the adoption of these standards, revisions and interpretations had no material impact on the financial statements.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were issued, however the Group and the Company does not plan to adopt these standards early.

- Deferred tax related to assets and liabilities arising from Single Transaction (Amendments to IAS 12)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)
- Definition of Accounting Estimates (Amendments to IAS8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

The Group and the Company has elected not to adopt these standards, revisions and interpretations. The Group and the Company anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the Group and the Company in the period of initial application.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.2. FUNCTIONAL AND PRESENTATION CURRENCY

The amounts shown in these financial statements are presented in the local currency of the Republic of Lithuania, euro (EUR). The functional currency of the Group companies operating in Lithuania is EUR. The functional currencies of foreign subsidiaries are the respective foreign currencies of the country of residence. Items included in the financial statements of these subsidiaries are measured using their functional currency.

Transactions in foreign currencies are initially recorded in the functional currency as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted at the functional currency rate of exchange as at the date of the statement of financial position. Currency exchange differences are presented under financial activities income/ expenses caption in the Group's financial statements.

The assets and liabilities of foreign subsidiaries are converted into EUR at the reporting date using the exchange rate as at the date of the statement of financial position, and their statements of comprehensive income are converted using average exchange rates for the year. Currency exchange differences are recognized in a separate component of equity. On disposal of a foreign subsidiary, the deferred cumulative amount recognized in other equity relating to that foreign operation is reclassified in the statement of profit or loss and other comprehensive income.

2.3. 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.

Subsidiary is an entity directly or indirectly controlled by the Company. The Company controls an entity when it can or has a right to receive a variable return from this relation and it can have impact on these returns due to the power to govern the entity to which the investment is made.

Subsidiaries are consolidated from the date from which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies have been eliminated. The equity and net income attributable to non-controlling shareholders' interests are shown separately in the statement of financial position and the statements of profit or loss and other comprehensive income.

In the parent'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.

Losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Acquisitions and disposals of non-controlling interest by the Group are accounted as equity transaction: the difference between the carrying value of the net assets acquired from/disposed to the non-controlling interests in the Group's financial statements and the acquisition price/proceeds from disposal is accounted directly in equity.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 either in profit or loss. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. Acquisition costs incurred are capitalized in separate financial statements of the Company.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through statements of profit or loss and other comprehensive income.

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 or loss and other comprehensive income.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.3. PRINCIPLES OF CONSOLIDATION (cont'd)

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.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4. INVESTMENTS INTO ASSOCIATES

An associate is an entity in which the Group has significant influence. The Group recognizes its interests in the associates applying the equity method. The financial statements of the associates are prepared for the same reporting year as the Group, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Impairment assessment of investments into associates is performed when there is an indication that the asset may be impaired, or the impairment losses recognized in prior years no longer exist.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

2.5. INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. 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 asset can be measured reliably.

The useful lives of intangible assets can be either definite or indefinite.

After initial recognition intangible assets with finite lives are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in statement of profit or loss and other comprehensive income when the asset is derecognized. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives, residual values and amortization method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets other than goodwill.

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.

Licenses

Amounts paid for licenses are capitalized and then amortized over their validity period of 3 – 7 years. Disclosed as other intangible assets in Note 5.

Software

The costs of acquisition of new software are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized over a period of 3 – 10 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group expects from the originally assessed standard of performance of existing software systems are recognized as an expense when the restoration or maintenance work is carried out.

2. ACCOUNTING PRINCIPLES (CONT'D)

2.6. PROPERTY, PLANT AND EQUIPMENT

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

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of profit or loss and other comprehensive income in the period the costs 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	1–15 years
Other property, plant and equipment	1–30 years

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.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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 or loss and other comprehensive income 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.

2.7. INVESTMENT PROPERTY

Land plots rented to third parties are considered to be investment property. Investment property is stated at cost less accumulated depreciation and is adjusted for recognized impairment loss.

The initial cost of investment property comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the investment property is ready for its intended use, such as repair and maintenance costs, are normally charged to the statement of profit or loss and other comprehensive income in the period the costs are incurred.

Depreciation is calculated on the straight-line method to write-off the cost of each asset (except of land) to their residual values over their estimated useful life of 8 – 40 years.

An item of investment property 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 statement of profit or loss and other comprehensive income in the year the asset is derecognized.

Transfers to and from investment property are made when and only when there is evidence of change in an asset's use.

2. ACCOUNTING PRINCIPLES (CONT'D)

2.8. FINANCIAL ASSETS (EXCEPT FOR DERIVATIVE FINANCIAL INSTRUMENTS DESIGNATED AS HEDGING INSTRUMENTS)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. 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 Group's business model for managing financial assets refers to how the Group 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.

A regular way purchases or sales of financial assets are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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 2023 the Group did have a hedge items (commitments to purchase gas and grains). For additional information see Note 16
- 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 (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 or loss and other comprehensive income when the asset is derecognized, modified or impaired.

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

2. ACCOUNTING PRINCIPLES(CONT'D)

2.9. 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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.10. 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 2023 and 30 June 2022, 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 or loss and other comprehensive income.

2.11. INVENTORIES

Inventories are valued at the lower of cost and net realizable value, after impairment evaluation for obsolete and slow-moving items.

Net realizable value is the selling price in the ordinary course of business, less the costs of completion and distribution. 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) (Note 2.15).

2. ACCOUNTING PRINCIPLES(CONT'D)

2.12. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

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 three months or less.

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

2.13. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated / amortized.

2.14. FINANCIAL LIABILITIES

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 finance 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 at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as 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 into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. 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 or loss and other comprehensive income during the years ended 30 June 2022 and 2023.

This is the category most relevant to the Group and The Company. 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 comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

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 statement of comprehensive income.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.15. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

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 or loss and other comprehensive Income.

Other derivatives not used for hedge accounting are also accounted for at fair value (level 2 and 3 as described in Note 2.26) with gain or losses from changes in the fair value recognized in the statements of profit or loss and other comprehensive income.

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 relationship 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 gain or losses from re-measuring the hedging instrument to fair value is recognized immediately in the statements of profit or loss and other comprehensive income. 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 or loss and other comprehensive income.

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 or loss and other comprehensive income.

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 statements of profit or loss and other comprehensive income for the period.

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

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 as other comprehensive income in comprehensive income statement and the ineffective portion is recognized in the statements of profit or loss and other comprehensive income (profit or loss). The gains or losses on effective cash flow hedges recognized initially in equity are either transferred to the statements of profit or loss and other comprehensive income in the period in which the hedged transaction impacts the statement of profit or loss and 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 or loss and other comprehensive income (profit or loss) for the period.

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 or loss and other comprehensive income (profit or loss)

2. ACCOUNTING PRINCIPLES(CONT'D)

2.16. 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 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

Initial recognition of right-of-use assets

At the commencement date, the Group and the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises: the amount equal to the lease liability at its initial recognition, lease payments made at or before the commencement of the lease (less any lease incentives received), any initial direct costs incurred by the Group and the Company, and an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group and the Company incur an obligation to cover these costs at the commencement date or because they have used the asset held under a lease for a period of time. The Group and the Company recognizes these costs as part of the cost of right-of-use asset when the Group and the Company incurs an obligation for these costs.

Subsequent measurement of the right-of-use assets

After initial recognition, the Group and the Company measures the right-of-use asset at cost. 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 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. Otherwise, the lessee depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

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

Lease liabilities

Initial recognition of the lease liability

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. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments, less any lease incentives receivable; variable lease payment that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option if the Group and the Company is reasonably certain to exercise that option; payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising an option to terminate the lease. Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

Subsequent measurement of the lease liability

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.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate or if applicable the revised discount rate.

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.

Remeasurement of the lease liability

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.

Revised discount rate

The Group and the Company remeasures the lease liability by discounting the revised lease payments using a revised discount rate, if there is a change in the lease term. The Group and the Company determine the revised lease payments on the basis of the revised lease term or, if there is a change in the assessment of an option, purchase the underlying asset, assessed considering the events and circumstances. The Group and the Company determine the revised lease payments to reflect the change in amounts payable under the purchase option.

If there is a change in the lease term or in the assessment of an option to purchase, the Group and the Company determine the revised discount rate as the interest rate implicit in the lease for the of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

Unchanged discount rate

The Group and the Company remeasures the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee. The Group and the Company determines the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. The Group and the Company remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). The Group and the Company determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

The Group and the Company apply an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee apply a revised discount rate that reflects changes in the interest rate.

Lease modifications

A lessee accounts for a lease modification as a separate lease if both:
- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group and the Company:
- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

For a lease modification that is not accounted for as a separate lease, the Group and the Company account for the remeasurement of the lease liability by:

- decreasing the carrying value of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group and the Company recognize in the statement of profit or loss and other comprehensive income any gain or loss relating to the partial or full termination of the lease.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

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 finance costs, which is presented in the statement of profit and 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. Lease payments for a short-term and low value lease are recognized as expenses in the statement of profit or loss and other comprehensive incomes on a straight-line basis over the lease period.

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.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease 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.

As part of the evaluation of sub-leases it is needed to determine whether the intermediate lessors shall present the sub-lease revenue on a gross or net basis (i.e., reduced for head lease expenses). In performing this evaluation reference is made to the principal-agent provisions from IFRS 15.

Control of an asset (goods and services) refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the land. Control also means the ability to prevent others from directing the use of, and receiving the benefit from, a good or service. The customer's ability to receive the benefit from the goods or services is represented by its right to substantially all of the cash inflows, or the reduction of the cash outflows generated by the goods or services.

With reference to IFRS 16 the intermediate lessor classifies the sublease as a finance lease since 1 January 2019. Maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date is disclosed in Note 9.

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. ACCOUNTING PRINCIPLES(CONT'D)

2.17. SHARE CAPITAL

Ordinary shares are stated at their par value. Any excess of the consideration received for the shares sold over their par value is shown as share premium. Incremental external costs directly attributable to the issue of new shares are accounted for as a deduction from share premium.

2.18. PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Group re-evaluates provisions at each reporting date and adjusts them in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expenses.

Onerous contracts provision

Onerous contracts provision is recognized when the Group has a present obligation (legal or constructive) to purchase the goods from a third party in the future for a price higher than the market selling price at the reporting date or to sell the goods to a third party in the future for a price lower than the market purchase price at the reporting date. The difference between the value of the contract and its market price at the reporting date is charged to cost of sales in the statements of profit or loss and other comprehensive income. Such accounting treatment of the Group's contracts is applied as long as these contracts have not been accounted for as derivatives.

2.19. NON-CURRENT EMPLOYEE BENEFITS

According to the requirements of Lithuanian Labor Code, each employee leaving the Group at the age of retirement is entitled to a one-off payment in the amount of 2 months' salary. In addition, employees of the Group are entitled to employment benefits which are approved by the Board of the Company.

The actuarial gains and losses are recognized in other comprehensive income.

The past service costs are recognized as an expense on a straight-line basis over the average period until the benefits become vested. Any gains or losses appearing as a result of curtailment and/or settlement are recognized in the statements of profit or loss and other comprehensive income as incurred.

The above-mentioned employee benefit obligation is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognized in the statement of financial position and reflects the present value of these benefits on the date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognized in other comprehensive income as incurred.

Share-based payments

Employees of the Group 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 30, 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 30.

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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss and other comprehensive incomes for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

2. ACCOUNTING PRINCIPLES (CONT'D)

2.19. NON-CURRENT EMPLOYEE BENEFITS (cont'd)

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 (further details are given in Note 30).

2.20. GRANTS AND SUBSIDIES

Government grants and subsidies (hereinafter grants") are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with.

Grants received in the form of cash intended for the purchase, construction or other acquisition of non-current assets are considered as asset-related grants. The amount of the asset related grants is recognized as deferred income in the financial statements as used in parts according to the depreciation of the assets associated with this grant. In the statements of profit or loss and other comprehensive income, a relevant expense account is reduced by the amount of grant amortization.

Grants received as a compensation for the expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are considered as grants related to income. 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.

2.21. 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 receivables 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 2023 and 30 June 2022, 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 16) 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.

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2. ACCOUNTING PRINCIPLES(CONT'D)

2.21. INCOME TAX (cont'd)

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 June 2023	30 June 2022
Republic of Latvia[1]	–	–
Republic of Estonia[2]	–	–
Kingdom of Denmark	22%	22%
Ukraine	18%	18%
Belarus	20%	18%
Russia	20%	20%

[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 2023 (20% as at 30 June 2022).

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.

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.

2.22. 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) are 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 2.27, 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.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.22. REVENUE RECOGNITION (cont'd)

Revenue from sales of machinery and equipment

In some contracts, the Group transfers control of an equipment to a customer and 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 decreases in the value to the Group of returned products). 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 11) and Other non–current liabilities (Note 24).

Revenue from customer specific 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 statement of profit or 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 of 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 Company.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.22. REVENUE RECOGNITION (cont'd)

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 is recognized grants related to income for agricultural activity. 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 (Note 2.20).

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. Warranties provided by the Group are only an assurance-type and are not provided as the Group's separate service and not treated as a separate performance obligation. Such warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group does not incur material costs to acquire or fulfil the contract.

Due to the Group's business nature, apart from what is described in this Note, the management did not make any other significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers recognition, as there are no complex/multi-elemental goods or services, no variable consideration, financing component, volume rebates, discounts, contract cost or amounts payable to the 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 2.8.

Contract liabilities – prepayments received

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.

2.23. EXPENSE RECOGNITION

Expenses are recognized on the basis of accrual.

The amount of expenses is usually accounted for as the amount paid or due to be paid, excluding VAT. In those cases when long period of payment is established and the interest is not distinguished, the amount of expenses is estimated by discounting the amount of payment using the market interest rate.

2.24. 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. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by independent valuations, valuation multiples, or other available fair value indicators.

Impairment losses are recognized in the statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.24. IMPAIRMENT OF NON FINANCIAL ASSETS (cont'd)

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. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of profit or loss and other comprehensive income.

2.25. SEGMENT INFORMATION

In these financial statements an operating segment means a constituent part of the Group participating in production of an individual product or provision of a service or a group of related products or services, whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

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

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

In these financial statements, information about geographical areas means a constituent part of the Group revenue from external customers attributed to the Group's country of domicile and attributed to all foreign countries in total from which the Group derives revenue and non-current assets other than financial assets and deferred tax assets located in the Group's country of domicile and located in all foreign countries in total in which the Group holds assets.

2.26. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, authorized the use of relevant observable inputs and authorized the use of unobservable inputs.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.26. FAIR VALUE MEASUREMENT (cont'd)

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.

2.27. 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 2.15) and contracts concluded on terms FOB Neuss/Spyck which are usually net cash settled.

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 13 and 14. 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; therefore, no discounting is performed on these balances. 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.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

Significant accounting estimates

The significant areas of estimation used in the preparation of these financial statements relate to depreciation (Notes 2.6, 2.7, 6, 7 and 8), fair value estimation of biological assets (Notes 2.10 and 10), impairment evaluation (Notes 2.24, 5, 6, 7, 8, 9, 11, 12, 13, 14 and 15), estimation of fair value of assets acquired and liabilities assumed in business combinations (Note 3), assessment of net realizable value of inventories (Note 2.11 and Note 11), assessment of provision for onerous contracts (Note 2.18) and assessment of fair value of share based payments (Note 30). 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 year and until the end of September of this financial year the Group had operations in the Russian market (Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening). Also, the Company has operations in the Belarussian market (Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening). As at the date of these financial statements, the Group had no significant positions of assets or liabilities in these markets.

Presented below is the Group's summarized exposure as at 30 June 2023 (in EUR'000):	Total	Total (subsidiaries registered in Russia and Belarus):
Trade and other receivables from Russian entities	8	8
Trade and other liabilities to the Russian entities	598	598
Trade and other receivables from Belarus entities	5 126	5 126
Trade and other liabilities to the Belarus entities	108	108

Revenue from contracts with customers from Russia only represent revenue by companies that are registered in Russia and Belarus (OOO VitOMEK (entity code 1117746107291), OOO VitOMEK (entity code 1157746009398), IOOO Belfidagro (feed additives trading) until full loss of control during 2022-2023 2st quarter).

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

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

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

Subsidiaries registered in Russia and Belarus controlled by the Group

The Group had operations in Russian and Belarusian markets through subsidiaries OOO VitOMEK (entity code 1117746107291), OOO VitOMEK (entity code 1157746009398), IOOO Belfidagro (feed additives trading) and OOO KLM (feed materials and feed additives trading, supply of seeds, plant care products, fertilizers, provision of veterinary pharmaceutical services and trade in products). During the first quarter of 2022 Group's Management made a decision to dispose of these entities in 12 month period (at the date of the financial statements, three companies were sold (Notes 3 and 12). The agreements for the sale of the companies were signed on 25 August 2022, and the Group lost ownership and control from 1 September 2022 – OOO VitOMEK (inc. no. 1117746107291), from 27 September 2022 – OOO VitOMEK (inc. no. 1157746009398) and from 9 November 2022 – IOOO Belfidagro. OOO KLM is not sold yet as at 30 June 2023 (Note 12).

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, TOV LINAS AGRO UKRAINA (representative office). In February 2022, following the recognition of self-proclaimed republics of Donetsk and Lugansk by the Russian Federation and its subsequent invasion of Ukraine, the military conflict escalated and spread to other regions of that country. As at the date these consolidated financial statements were authorised for issue, the situation in Ukraine is extremely volatile and inherently uncertain.

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2. ACCOUNTING PRINCIPLES(CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

As at 30 June 2023 Group's property, plant and equipment, machinery, inventory, trade and other receivables, other assets, trade, and other liabilities, related to subsidiary operating in Ukraine were not significant. Revenue from contracts with customers during this year ended 30 June 2023 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 2023 were EUR 8,986 thousand. (30 June 2022 the Group's revenues from the contracts with the customers were EUR 2,880 thousand).

The Group's Management has evaluated the following key areas which could be affected by uncertainties caused by the war in Ukraine: going concern, impairment, residual value and useful life of property, plant and equipment, assessment of expected credit losses, impairment of goodwill, net 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 2023 and 30 June 2022, 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 2.10).

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.

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 management of the Group decided to assess fair value of milking cows based on the discounted cash flow method because there is no active reliable market for such livestock and because this method is the most accurate estimation of the fair value of milking cows.

As at 30 June 2023 the key assumption used to determine fair value of milking cows is the estimated milk selling price for the expected average productive life of a milking cow (EUR 0.403 for the year ending 30 June 2024 and EUR 0.403 for the year ending 30 June 2025) which was estimated based on publicly available average market prices used to calculate the expected future cash inflows as well as pre-tax discount rate (8.94%). As at 30 June 2022 the key assumptions used to determine fair value of milking cows were the estimated milk selling price (EUR 0. 45 for the year ending 30 June 2023 and EUR 0.45 for the year ending 30 June 2024) which was estimated based on publicly available average market prices used to calculate the expected future cash inflows as well as pre-tax discount rate (5.21%).

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 June 2023		30 June 2022	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Milk price	+ 15 %	495	+ 15 %	655
Milk price	- 15 %	(495)	- 15 %	(653)
Discount rate	+ 1 p.p.	(73)	+ 1 p.p.	(82)
Discount rate	- 1 p.p.	73	- 1 p.p.	86

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2. ACCOUNTING PRINCIPLES(CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)+IB

Crops

As at 30 June 2023 and 2022, the key assumptions used to determine fair value of crops are the estimated yield ranges depending on the type of crops (2.9– 10.0 tones/ha for grain cultures and 60 – 65 tones/ha for beet cultures for the year ending 30 June 2023 and 3.0– 8.0 tones/ha for grain cultures for the year ending 30 June 2022) and the expected sales price, which was based on the estimated future grain and oilseeds sales price of the deliveries taking place September – December of the respective year.

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 June 2023		30 June 2022	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Yield	+ 5 %	1,311	+ 5 %	1,238
Yield	- 5 %	(1,311)	- 5 %	(1,238)
Price	+ 5 %	1,311	+ 5 %	1,238
Price	- 5 %	(1,311)	- 5 %	(1,238)

Poultry

As at 30 June 2023 and 2022, the main assumptions used to determine fair value of hatching chicken are the price of the incubation eggs (EUR 0.15-0.24 for the unit; EUR 0.15-0.28 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 lifetime178.5 units for financial year (178.5 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 June 2023		30 June 2022	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Number of eggs per lifecycle/price of eggs	+ 5 %	(35)	+ 5 %	289
Number of eggs per lifecycle/price of eggs	- 5 %	46	- 5 %	(289)

As at 30 June 2023 and 2022, the main assumptions used to determine fair value of broilers are the market price of chickens (EUR 0.41 for 1 day old and EUR 3.24 for 36 days old) which was estimated based on actual purchases/sales taking place close to the 30 June 2023 and broiler weight of 2.39 kg as at 36 days old (as at 30 June 2022 – 2.22 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 June 2023		30 June 2022	
	Possible change	Effect on fair value	Possible change	Effect on fair value
Weight	+ 5 %	(45)	+ 5 %	390
Weight	- 5 %	67	- 5 %	(390)
Price	+ 5 %	(658)	+ 5 %	390
Price	- 5 %	658	- 5 %	(390)

2. ACCOUNTING PRINCIPLES (CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

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 2023 and 30 June 2022, 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 2023 and 30 June 2022, 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 2023 and 30 June 2022, 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.

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 (as at 30 June 2022 – EUR 18,965 thousand). 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 % (9.78% as at 30 June 2022) which is used for the discounted cash flow model.

As at 30 June 2023 and 2022, there were no reasonably possible changes in the key assumptions which would cause the carrying amount of the investment into AS Putnu Fabrika Kekava, SIA Lielzeltini, SIA Cerova and SIA Broileks to exceed its recoverable amount.

The recoverable amount of Lithuanian poultry business cash generating unit (CGU), comprising investments into and loans granted to AB Vilniaus Paukštynas, AB Kaišiadorių Paukštynas and AB Zelvė 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 as at 30 June 2023 (as at 30 June 2022 - EUR 6,726 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%. As at 30 June 2023, the recoverable amount of the investment into subsidiaries AB Vilniaus Paukštynas, AB Kaišiadorių Paukštynas and AB Zelvė is most sensitive to the pre-tax discount rate of 10.85% (9.78% as at 30 June 2022) which is used for the discounted cash flow model. As at 30 June 2023, 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.

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

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2. ACCOUNTING PRINCIPLES(CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (cont'd)

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 2023 and 30 June 2022. The tests showed that there is no need for additional impairment of goodwill as at 30 June 2023 and 30 June 2022.

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:

	30 June 2023	30 June 2022
Discount rate	8.61 %	5.47 %
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.

Share based payments

Estimating fair value for share-based payment the transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Under the agreements grant in 2018, the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses an average value derived from binomial and the Black-Scholes-Merton option pricing share options incentive. For the agreements of Option transactions with a grant date of 28 February 2020 and 29 October 2021, the fair value is calculated on the grant date by applying the share price on the stock exchange on that day, since these contracts only provide for the employment condition of the Group employee during the stipulated period and the value of the option is not adjusted. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30.

2. ACCOUNTING PRINCIPLES(CONT'D)

2.27. USE OF SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS (cont'd)

2.28. CONTINGENCIES

Contingent liabilities are not recognized in the financial statements, except for contingent liabilities associated with business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.29. SUBSEQUENT EVENTS

Subsequent events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

2.30. OFFSETTING AND ROUNDING

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.

Numbers in tables may vary as they are written in round figures up to one thousand euros.
Such rounding variations are not material for the financial statements.

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3. GROUP STRUCTURE AND CHANGES IN THE GROUP

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

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 June 2023	30 June 2022	30 June 2023	30 June 2022	
AB Linas Agro	Lithuania	97.06%	100%	60,273	59,147	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos[1]	Lithuania	100%	100%	9,384	9,384	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	10,618	10,688	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuva Seeds	Lithuania	100%	–	69	–	Production of certified seeds
UAB Linas Agro Grūdų Centrai[2]	Lithuania	97.98%	100%	5,507	5,500	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	341	341	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100%	100%	1,973	704	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100%	100%	793	439	Rent and management of agricultural purposes land
UAB Landvesta 3	Lithuania	100%	100%	636	–	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100%	100%	1,136	–	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100%	100%	1,570	844	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100%	100%	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 Putnu fabrika Kekava	Latvia	97.19%	97.16%	6,139	6,139	Broiler breeding, slaughtering and sale of products
SIA Lielzeltini	Latvia	100%	100%	5,854	5,854	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	790	790	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	47	47	Chicken breeding and sale
UAB Kekava Foods LT	Lithuania	100%	100%	3	3	Dormant company
UAB Kormoprom Invest	Lithuania	100%	100%	1,081	1,081	Management services
UAB TABA holding	Lithuania	100%	100%	62,693	62,121	Management services
Akcinė bendrovė Vilniaus Paukštynas	Lithuania	84.93%	84.37%	6,770	6,740	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
		Investments into subsidiaries		179,876	173,016	
		(Less) impairment		–	–	
				179,876	173,016	

[1] *On 28 March 2022, UAB Zemvaldos Turto Konsultacijos was merged with UAB Linas Agro Konsultacijos*

[2] *On 22 March 2022, UAB Linas Agro Grūdų Centras, UAB Karčemos Bendrovė and UAB KUPIŠKIO GRŪDAI was merged with UAB Linas Agro Grūdų Centrai*

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

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 June 2023	30 June 2022	30 June 2023	30 June 2022	
SIA Linas Agro	Latvia	96,58%	100%	–	–	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	97.06%	100%	–	–	Dormant company
Linas Agro A/S (under liquidation)	Denmark	97.06%	100%	–	–	Dormant company
UAB Landvesta 3	Lithuania	–	100%	–	199	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	–	100%	–	159	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	–	100%	–	83	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINE	Ukraine	97,06%	100%	–	–	Representative office
Linas Agro OŨ	Estonia	97.06%	100%	–	–	Supply of products for crop growing
SIA PFK Trader	Latvia	97.19%	97.16%	–	–	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%	100%	1	1	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100%	100%	–	–	Rent and management of agricultural purposes land
Panevėžys District Žibartonių ŽŪB	Lithuania	99.90%	99.90%	1	1	Mixed agricultural activities
SIA Dotnuva Baltic	Latvia	100%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
AS Dotnuva Baltic	Estonia	100%	100%	–	–	Trade in agricultural machinery and equipment for grain elevators
SIA Dotnuva Seeds	Latvia	100%	–	–	–	Production of certified seeds
UAB GeoFace	Lithuania	98.53%	100%	–	–	Software development
UAB Dotnuva rent	Lithuania	100%	100%	–	–	Rent of agricultural machinery and equipment
SIA Linas Agro Graudu Centrs	Latvia	97.98%	100%	–	–	Preparation and warehousing of grains
Kėdainiai District ŽŪB Nemunas	Lithuania	67.98%	67.44%	–	–	Mixed agricultural activities
UAB KG Group LT[1]	Lithuania	–	89.09%	–	–	Dormant company
Uždaroji Akcinė Bendrovė Šlaituva	Lithuania	89.59%	73.95%	–	–	Production and wholesale of breadcrumbs and breading mixes
UAB Baltic Fumigation Service	Lithuania	89.59%	89.09%	–	–	Fumigation service
UAB KG Mažmena	Lithuania	89.59%	89.09%	–	–	Retail trade
Akcinė Bendrovė Zelvė	Lithuania	72.38%	72.05%	363	363	Broiler breeding
UAB Avocetė	Lithuania	84.93%	84.37%	–	–	Management services
Akcinė Bendrovė Kauno Grūdai	Lithuania	89.59%	89.09%	–	–	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 16 June 2023 company UAB KG Group LT has been deregistered*

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

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 June 2023	30 June 2022	30 June 2023	30 June 2022	
Uždaroji Akcinė Bendrovė Kauno Grūdai ir Partneriai[1]	Lithuania	–	89.09%	–	–	Rent of real estate
Uždaroji Akcinė Bendrovė KG Distribution	Lithuania	84.93%	84.37%	–	–	Consultation and business management
Uždaroji Akcinė Bendrovė Lietbro	Lithuania	84.93%	84.37%	–	–	Broiler breeding
Uždaroji Akcinė Bendrovė GASTRONETA	Lithuania	84.93%	84.37%	–	–	Dormant company
UAB VPK Valdymas	Lithuania	84.93%	84.48%	–	–	Consultation and business management
Cooperative Baltoji plunksnelė	Lithuania	83.33%	82.88%	–	–	Dormant company
Akcinė Bendrovė Kaišiadorių Paukštynas	Lithuania	84.92%	84.60%	2,435	2,435	Chicken raising for meat and eggs production, production of poultry and its products
Uždaroji Akcinė Bendrovė Domantonių Paukštynas	Lithuania	89.50%	89.00%	–	–	Broiler breeding
Uždaroji Akcinė Bendrovė Kaišiadorių Paukštyno Mažmena	Lithuania	84.92%	84.60%	–	–	Dormant company
UAB Uogintai	Lithuania	84.92%	84.60%	–	–	Dormant company
UAB Kaišiadorių Skerdykla[2]	Lithuania	–	84.60%	–	–	Dormant company
Uždaroji Akcinė Bendrovė Alesninkų Paukštynas	Lithuania	84.92%	84.60%	–	–	Broiler breeding
Uždaroji Akcinė Bendrovė KG Logistika	Lithuania	84.93%	84.48%	–	–	Freight transport services
UAB VP Valda	Lithuania	84.93%	84.37%	–	–	Rent of real estate
UAB KP Valda	Lithuania	84.92%	84.60%	–	–	Rent of real estate
SIA KG Latvija	Latvia	89.59%	89.09%	–	–	Production and wholesale of compound feed, wholesale of feed materials and products for crop growing
KG Eesti OÜ	Estonia	89.59%	89.09%	–	–	Dormant company
KG Polska Sp.zo.o.	Poland	89.59%	89.09%	–	–	Wholesale of feed materials
Nordic Agro Investment Limited	United Kingdom	89.59%	89.09%	–	–	Management services
IOOO Belfidagro"[3]	Belarus	–	89.09%	–	–	Production and wholesale of premixes
OOO KLM	Belarus	62.72%	62.37%	–	–	Wholesale of products for crop growing veterinary products, premixes, and seeds for gardening
OOO VitOMEK (entity code 1117746107291)[4]	Russia	–	97.27%	–	–	Production of premixes
OOO VitOMEK (entity code 1157746009398)[4]	Russia	–	97.27%	–	–	Wholesale of premixes, compound feed and feed materials
KG Khumex B.V.	The Netherlands	50.00%	50.00%	202	202	Distribution of poultry products
		Investments into associates		3,001	3,443	
		(Less) impairment		(202)	(202)	
				2,799	3,241	

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

[2] *On 20 June 2023 company UAB Kaišiadorių Skerdykla has been deregistered*

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

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

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

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

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

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

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

On 1 August 2022 the Company signed loan contract with UAB Kormoprom Invest for an amount of EUR 2,800 thousand.

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

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

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

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

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

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

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

On 1 December 2022, a new wording of the Articles of Association of AB Linas Agro Group, ISIN code LT0000128092 (hereinafter – "the Company"), was registered in the Register of Legal Entities (enclosed). 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.

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

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

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

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

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

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

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

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

On 9 May 2023 reorganisation 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.

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

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

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

On 29 June 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.

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

During December-June 2023 the Company bought subsidiary companies shares from non-controlling shareholders for an amount of EUR 715 thousand, the difference of EUR (229) thousand, between the amounts transferred and the book value of the purchased part, was recognized in equity. AB Kauno Grūdai bought 15.15 % of UAB Šlaituva shares for EUR 550 thousand, UAB TABA Holding bought 0,5% of AB Kauno Grūdai shares for EUR 133 thousand and other companies shares for EUR 32 thousand.

Changes in the Group and Company for the financial year ended 30 June 2022

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

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

AB Kauno Grūdai group and related companies	EUR'000
Acquisition date for consolidation purposes	1 July 2021
Fair value	
Intangible assets	919
Property, plant and equipment	49,069
Investment property	215
Right-of-use assets	3,111
Poultry	2,470
Non-current receivables and other financial assets	2,189
Deferred income tax-asset	5,007
Total non-current assets	62,980
Poultry	4,123
Inventories	81,346
Prepayments	4,387
Trade receivables	134,644
Other accounts receivable and contract assets	3,702
Cash and cash equivalents	4,039
Total current assets	232,241
Total assets	295,221
Grants and subsidies	2,611
Lease liabilities	3,324
Non-current borrowings	16,288
Deferred income tax liabilities	499
Other non-current liabilities	599
Total non-current liabilities	23,321

Current portion of non-current borrowings	5,165
Current portion of lease liabilities	1,034
Current borrowings	49,687
Trade payables	112,282
Derivative financial instruments	2,076
Other current liabilities and contract liabilities	17,611
Total current liabilities	187,855
Total liabilities	211,176
Total identifiable net assets at fair value	84,045
Non-controlling interest measured at the proportionate share of the net assets at fair value	(10,776)
Goodwill	–
Total purchase consideration	73,269
Cash consideration transferred*	69,570
Other non-cash settlements	1,581
Contingent consideration	2,118
Less: cash acquired	(4,039)
Total purchase consideration, net of cash acquired	65,531

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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4. SEGMENT INFORMATION

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

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

Group *Financial year ended* 30 June 2023	Grain, oilseed, and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations[1]	Total
Revenue from contracts with customers								
Third parties	1,127,160	405,584	34,980	413,901	17,992	–	–	1,999,617
Intersegment	88,599	10,523	15,209	1,843	3,773	–	(119,947)	–
Total revenue from contracts with customers	1,215,759	416,107	50,189	415,744	21,765	–	(119,947)	1,999,617
Results								
Operating expenses[2]	(25,715)	(25,784)	(5,281)	(27,268)	(3,416)	(8,182)	–	(95,646)
Depreciation and amortization	(4,116)	(2,616)	(2,033)	(13,359)	(604)	(531)	–	(23,259)
Provisions for onerous contracts	(8)	–	–	–	–	–	–	(8)
Impairment of trade and other receivables, contract assets	(3,110)	103	16	(504)	–	–	–	(3,495)
Segment operating profit (loss)	16,199	10,763	12,515	7,931	491	(6,407)	–	41,492
Assets								
Investments in non-current assets[3]	3,319	2,694	5,538	18,385	445	32	–	30,413
Non-current assets[4]	49,548	29,589	65,117	80,643	3,941	7,040	–	235,878
Current assets[5]	95,743	379,878	29,954	72,992	14,906	64,972	–	658,445
Total assets	145,291	409,467	95,071	153,635	18,847	72,012	–	894,323
Current liabilities[6]	21,775	279,880	(4,947)	91,338	8,910	123,509	–	520 465

[1] *Intersegment revenue is eliminated on consolidation.*
[2] *The operating expenses of administration, management departments are shown in Not attributed to any specified segment.*
[3] *Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.*
[4] *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.*
[5] *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.*
[6] *As at 30 June 2023 and 30 June 2022, 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.*

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4. SEGMENT INFORMATION(CONT'D)

Group *Financial year ended* 30 June 2022	Grain, oilseed, and feed	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations[1]	Total
Revenue from contracts with customers								
Third parties	1,119,740	374,861	26,359	343,642	31,065	–	–	1,895,667
Intersegment	63,141	9,028	12,774	2,939	4,796	–	(92,678)	–
Total revenue from contracts with customers	1,182,881	383,889	39,133	346,581	35,861	–	(92,678)	1,895,667
Results								
Operating expenses[2]	(22,078)	(27,175)	(3,678)	(32,048)	(6,824)	(4,553)	–	(96,356)
Depreciation and amortization	(2,280)	(4,138)	(2,205)	(16,201)	(1,396)	(105)	–	(26,325)
Provisions for onerous contracts	(38)	(1)	–	–	–	–	–	(39)
Impairment of trade and other receivables, contract assets	(515)	76	(447)	(1,121)	(1,187)	–	–	(3,194)
Impairment of property plant and equipment	–	–	(1)	–	–	–	–	(1)
Segment operating profit (loss)	51,266	45,319	15,078	(1,790)	(1,967)	(4,287)	–	103,619
Assets								
Investments in non-current assets[3]	5,185	4,823	5,226	6,991	308	88	–	22,621
Non-current assets[4]	46,299	32,284	65,068	59,133	7,809	6,793	–	217,386
Current assets[5]	220,481	284,537	45,780	95,092	8,266	1,433	–	655,589
Total assets	266,780	316,821	110,848	154,225	16,075	8,226	–	872,975
Current liabilities[6]	153,946	212,025	17,008	82,634	9,432	51,043	–	526,088

[1] *Intersegment revenue is eliminated on consolidation.*
[2] *The operating expenses of administration, management departments are shown in Not attributed to any specified segment.*
[3] *Capital expenditure consists of additions of intangible assets, property, plant and equipment and investment property.*
[4] *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.*
[5] *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.*
[6] *As at 30 June 2023 and 30 June 2022, 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.*

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4. SEGMENT INFORMATION (CONT'D)

Revenue from contracts with customers

Income includes:	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Revenue from contracts with customers	1,999,617	1,895,667	1,601	1,709
Dividends from subsidiaries	–	–	9,177	15,306
Rental and other income	–	–	51	35
	1,999,617	1,895,667	10,829	17,050

Revenue from contracts with customers by their geographical segments

	Group	
	30 June 2023	30 June 2022
Lithuania	636,395	608,786
Europe (except for Scandinavian countries, CIS, and Lithuania)	698,973	583,850
Scandinavian countries	161,321	229,930
Africa	229,043	231,398
Asia	168,755	45,886
CIS	103,693	195,817
Other	1,437	–
	1,999,617	1,895,667

Revenue from the largest customer amounted to EUR 172,130 thousand for the year ended 30 June 2023. Revenue from the largest customer amounted to EUR 83,117 thousand for the year ended 30 June 2022. Sales for largest customers are accounted for under grain, oilseed, and feed caption of business segments for the years ended 30 June 2023 and 2022.

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

Non-current assets	Group	
	As at 30 June 2023	As at 30 June 2022
Lithuania	147,263	131,879
Latvia	59,118	60,728
Estonia	2,010	1,641
Belarus	27	–
Ukraine	5	8
	208,423	194,256

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

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5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2021	1,580	680	1,974	4,234
Additions	157	319	–	476
Acquisition of subsidiaries (Note 3)	703	216	–	919
Write-offs	–	(2)	–	(2)
Reclassification	(29)	29	–	–
Reclassification to non-current assets held for sale	(1)	(2)	–	(3)
Balance as at 30 June 2022	2,410	1,240	1,974	5,624
Additions	147	558	–	705
Write-offs	(37)	(61)	–	(98)
Reclassification from property, plant and equipment	62	40	–	102
Balance as at 30 June 2023	2,582	1,777	1,974	6,333
Accumulated amortization:				
Balance as at 30 June 2021	805	138	–	943
Charge for the year	575	243	–	818
Reclassification to non-current assets held for sale	(16)	(1)	–	(17)
Balance as at 30 June 2022	1,364	380	–	1,744
Charge for the year	444	86	–	530
Write-offs	(36)	(51)	–	(87)
Balance as at 30 June 2023	1,772	415	–	2,187
Impairment losses:				
Balance as at 30 June 2021	–	–	1,121	1,121
Balance as at 30 June 2022	–	–	1,121	1,121
Balance as at 30 June 2023	–	–	1,121	1,121
Net book value as at 30 June 2021	775	542	853	2,170
Net book value as at 30 June 2022	1,046	860	853	2,759
Net book value as at 30 June 2023	810	1,362	853	3,025

The Group has no internally generated intangible assets.

Part of the intangible assets of the Group with the acquisition value of EUR 907 thousand as at 30 June 2023 was fully amortized (EUR 2,241 thousand as at 30 June 2022) but was still in active use.

As at 30 June 2023 and 30 June 2022, the Group's intangible assets was not pledged to banks as collateral for the loans.

The Group's depreciation charge for the years ended 30 June 2023 and 30 June 2022 was included into the following captions:

	30 June 2023	30 June 2022
Cost of sales	80	149
Operating expenses	450	666
Other expenses	–	3
	530	818

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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 2021	19,170	114,139	65,000	6,421	6,488	2,212	213,430
Additions	2,038	847	7,472	1,797	927	9,061	22,142
Disposals and write-offs	(3,845)	(102)	(6,115)	(840)	(162)	(62)	(11,126)
Reclassifications	52	3,961	1,335	75	147	(5,570)	–
Acquisition of subsidiaries (Note 3)	7,928	19,339	17,024	1,847	1,310	1,621	49,069
Transfer from investment property	12	–	–	–	–	–	12
Reclassification to non-current assets held for sale	(435)	(595)	(395)	(387)	(111)	(6)	(1,929)
Transfer from inventories	–	–	1,100	–	–	–	1,100
Balance as at 30 June 2022	24,920	137,589	85,421	8,913	8,599	7,256	272,698
Additions	1,370	989	4,983	2,362	1,581	18,423	29,708
Disposals and write-offs	(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
Accumulated depreciation:							
Balance as at 30 June 2021	150	47,310	30,102	2,883	3,829	–	84,274
Charge for the year	35	8,743	12,260	1,336	1,337	–	23,711
Disposals and write-offs	–	(102)	(1,128)	(361)	(145)	–	(1,736)
Reclassification to non-current assets held for sale	–	(171)	(132)	(107)	(15)	–	(425)
Balance as at 30 June 2022	185	55,780	41,102	3,751	5,006	–	105,824
Charge for the year	34	8,394	10,911	1,335	1,229	–	21,903
Disposals and write-offs	–	(45)	(2,793)	(475)	(196)	–	(3,509)
Transfer to inventories	–	–	(188)	–	–	–	(188)
Transfer to investment property	–	(1)	–	–	–	–	(1)
Balance as at 30 June 2023	219	64,128	49,032	4,611	6,039	–	124,029
Impairment losses:							
Balance as at 30 June 2021	–	629	–	–	30	–	659
Balance as at 30 June 2022	–	629	–	–	30	–	659
Balance as at 30 June 2023	–	629	–	–	30	–	659
Net book value as at 30 June 2021	19,020	66,200	34,898	3,538	2,629	2,212	128,497
Net book value as at 30 June 2022	24,735	81,180	44,319	5,162	3,563	7,256	166,215
Net book value as at 30 June 2023	26,085	84,898	39,600	5,659	4,190	14,031	174,463

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6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group's depreciation charge for the years ended 30 June 2023 and 30 June 2022 was included into the following captions:

	30 June 2023	30 June 2022
Cost of sales	19,350	22,033
Operating expenses	1,523	830
Other expenses	227	141
Biological assets	803	707
	21,903	23,711

Depreciation amount was decreased in the statement of profit or loss and other comprehensive income by EUR 587 thousand for the year ended 30 June 2023 (EUR 629 thousand for the year ended 30 June 2022) by the amortization of grants received by the Group (Note 19).

As at 30 June 2023, part of property, plant and equipment of the Group with the net book value of EUR 154,025 thousand (EUR 120,225 thousands as at 30 June 2022), was pledged to banks as a collateral for the loans (Note 20).

Part of property, plant and equipment with the acquisition cost of EUR 18,977 thousand was fully depreciated as at 30 June 2023 (EUR 17,634 thousand as at 30 June 2022), but was still in active use.

As at 30 June 2023, the Group capitalized interest amounted to 3 thousand EUR (as at 30 June 2022, capitalized interest amounted to 3 thousand EUR).

There were no significant acquisition commitments of property, plant and equipment as at 30 June 2023 and 30 June 2022.

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7. RIGHT-OF-USE ASSETS

	Land	Buildings and structures	Machinery and equipment	Vehicles	Total
Cost:					
Balance as at 30 June 2021	21,211	2,597	2,185	3,349	29,342
Additions	6,769	273	840	750	8,632
Acquisition of subsidiaries (Note 3)	972	893	262	984	3,111
Disposals and write-offs	(5,106)	(667)	(391)	(10)	(6,174)
Reclassification to non-current assets held for sale	–	(285)	–	(76)	(361)
Balance as at 30 June 2022	23,846	2,811	2,896	4,997	34,550
Additions	6,692	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 non-current assets held for sale	–	41	–	–	41
Balance as at 30 June 2023	25,664	4,553	5,948	6,686	42,851
Accumulated depreciation:					
Balance as at 30 June 2021	3,271	786	1,204	1,528	6,789
Charge for the year	2,198	801	761	1,324	5,084
Disposals and write-offs	(1,374)	(90)	(352)	(131)	(1,947)
Reclassification to non-current assets held for sale	–	(76)	–	(20)	(96)
Balance as at 30 June 2022	4,095	1,421	1,613	2,701	9,830
Charge for the year	2,431	626	871	1,283	5,211
Disposals and write-offs	(1,307)	(134)	(419)	(866)	(2,726)
Reclassifications	–	–	75	(75)	–
Balance as at 30 June 2023	5,219	1,913	2,140	3,043	12,315
Net book value as at 30 June 2021	17,940	1,811	981	1,821	22,553
Net book value as at 30 June 2022	19,751	1,390	1,283	2,296	24,720
Net book value as at 30 June 2023	20,445	2,640	3,808	3,643	30,536

The Group's depreciation charge for the years ended 30 June 2023 and 30 June 2022 was included into the following captions:

	30 June 2023	30 June 2022
Cost of sales	1,435	1,075
Operating expenses	1,736	2,029
Biological assets	2,040	1,980
	5,211	5,084

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 2023 and 30 June 2022, Interest expenses included in result of financing activities was:

	30 June 2023	30 June 2022
Interest expenses included in result of financing activities (Note 28)	(451)	(248)
	(451)	(248)

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8. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income and land and buildings which were not used in the Group's activities as at 30 June 2023.

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

As at 30 June 2023, part of investment property of the Group with the net book value of EUR 99 thousand (EUR 150 thousand as at 30 June 2022), was pledged to banks as a collateral for the loans (Note 20).

As at 30 June 2023, part of investment property of the Group with the net book value of EUR 83 thousand (EUR 83 thousand as at 30 June 2022) was not used in the Group's activities.

Fair value of the Group's investment property as at 30 June 2023 is EUR 1,250 thousand (as at 30 June 2022 - EUR 1,540 thousand). The fair value has been determined based on valuations performed by independent valuators at near reporting date using the comparable prices method (Level 2).

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9. NON-CURRENT RECEIVABLES AND PREPAYMENTS

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Trade receivables from agricultural produce growers due after one year	4,028	366	–	–
Other trade receivables	2,153	574	–	–
Loans receivable from related parties after one year (Note 33)	750	750	84	6,052
Other receivable after one year	19	–	–	–
Net investment, related with sublease	–	–	11,071	9,739
Loans to employees	–	27	–	–
Less: allowance for doubtful non-current receivables	(1,152)	(152)	–	–
	5,798	1,565	11,155	15,791
Non-current prepayments for services	1,017	1,166	–	–
Non-current prepayments	1,017	1,166	–	–

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 an exclusive right to use the warehouses stowing 49 thousand tons of grain and to use the terminal for loading. As at 30 June 2023, the balance of prepayments was EUR 1,217 thousand, according to the agreement. The amounts were disclosed as non-current prepayments EUR 1,017 thousand (EUR 1,116 thousand as at 30 June 2022) and current prepayments EUR 200 thousand (EUR 200 thousand as at 30 June 2022).

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

	Individually impaired
Balance as at 30 June 2021	–
Changed for the year	152
Reversed during the year	–
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

None of the Group's non-current receivables as at 30 June 2023 and 30 June 2022 were overdue.

As at 30 June 2023, part of non-current receivables of the Group with the net book value of EUR 4,028 thousand was pledged to banks as a collateral for the loans (EUR 366 thousand as at 30 June 2022) (Note 20).

Net investment as at 2023 June 30:

	Company
Less than one year	679
One to two years	679
Two to three years	679
Three to four years	679
Four to five years	679
More than five years	11,301
Total undiscounted lease receivable	14,696
Unearned finance income	(3,207)
Net investment in the lease	11,489

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10. BIOLOGICAL ASSETS

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 2021	4,882	2,346	440	3,508	7	11,183
Acquisition of subsidiaries (Note 3)	–	–	–	6,593	–	6,593
Acquisition	–	–	–	16,353	2,622	18,975
Births	–	149	108	366	–	623
Makeweight	–	2,490	770	48,426	–	51,686
Transfers between groups	1,918	(2,104)	186	–	–	–
Disposals	(1,622)	(388)	(1,133)	(63,381)	(2,236)	(68,760)
Write-offs and falls	(125)	(25)	(16)	(560)	(356)	(1,082)
Change in fair value of biological assets (Note 25)	2,040	–	(130)	366	41	2,317
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 25)	(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

As at 30 June 2023, part of poultry amounting to EUR 10,091 thousand is disclosed as current assets (EUR 8,302 thousand as at 30 June 2022).

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 2023	3,264	3,534	922	3,863,386	3,871,106
As at 30 June 2022	3,304	3,477	914	3,160,774	3,168,469
Output according to biological assets group for the year ended (t) (unaudited):					
As at 30 June 2023	38,210	859	331	183,684	223,084
As at 30 June 2022	35,369	484	309	199,917	236,079

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10. BIOLOGICAL ASSETS(CONT'D)

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

	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Fair value as at 30 June 2021	7,567	4,478	6,077	1,789	19,911
Additions	8,335	3,914	4,609	4,009	20,867
Harvested assets	(8,055)	(4,283)	(6,268)	(3,301)	(21,907)
Write-offs	(52)	(11)	(1)	–	(64)
Fair value adjustment on biological assets (Note 25)	4,628	3,320	2,202	265	10,415
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 25)	462	8,071	(462)	–	8,071
Fair value as at 30 June 2023	10,286	12,250	5,078	4,234	31,848

Crops by type:	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Total sowed (ha) as at 30 June 2023	7,081	4,213	3,298	3,583	18,175
Total sowed (ha) as at 30 June 2022	6,779	4,762	3,339	3,105	17,985

Harvested crops by type (unaudited):	Winter crops	Summer crops	Rapeseeds	Feeding crops	Total crops
Total harvest for the year ended 30 June 2023 (t)	48,867	24,767	11,344	76,351	161,329
Total harvest for the year ended 30 June 2022 (t)	43,891	20,505	12,397	75,479	152,272

During the years ended 30 June 2023 and 2022, there were no transfers between the different levels of fair value hierarchy.

As at 30 June 2023, part of animals and livestock of the Group with the carrying value of EUR 4,160 thousand (EUR 4,365 thousand as at 30 June 2022) were pledged to banks as a collateral for the loans (Note 20).

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11. INVENTORIES

	Group	
	As at 30 June 2023	As at 30 June 2022
Purchased goods for resale	198,946	164,656
Raw materials and other inventories	72,414	80,194
Commitments to purchase agricultural produce (Note 16)	(541)	464
Less: net realizable value allowance	(4,182)	(1,438)
Carrying amount	266,637	243,876

Write down to net realizable value for the Group's inventories are accounted for in the statement of profit or loss.

The acquisition cost of the Group's inventories accounted for at net realizable value as at 30 June 2023 amounted to EUR 21,925 thousand (EUR 7,692 thousand as at 30 June 2022). As at 30 June 2023, the reversal amount of inventories written down to net realizable value is EUR 2,684 thousand (as at 30 June 2022, the amount of EUR 99 thousand was recognized as expenses), and is recognized in the cost of sales of the statement of comprehensive income.

As at 30 June 2023, part of inventories of the Group with the carrying value of EUR 220,033 thousand (EUR 128,822 thousand as at 30 June 2022) were pledged to banks as collateral for the loans (Note 20).

	Group	
	As at 30 June 2023	As at 30 June 2022
Readily marketable inventories	37,689	26,798
Other inventories	233,130	218,516
Less: Net realizable value	(4,182)	(1,438)
Carrying amount	266,637	243,876

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

a) the subject of contracts traded on futures markets and/or price risk is covered by other forward sale and/or hedging transaction; 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.

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12. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale comprised as follows:

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

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

Net book value as at 1 July 2021	–
Reclassified from:	
Intangible assets	7
Property, plant and equipment	1,506
Right of Use Assets	369
Financial assets	204
Deferred tax assets	751
Current assets	22,921
Impairment loss of non-current assets held for sale	(2,800)
Net book value as at 30 June 2022	22,958
Disposals and write-offs	(20,854)
Reclassified from current assets held for sale to:	
Right of Use Assets	(41)
Deferred tax assets	(644)
Inventory	(1,614)
Trade receivables	(1,614)
Cash	(958)
Other current assets	(342)
Additional reclassified to non-current assets held for sale over the period	3,109
Net book value as at 30 June 2023	–

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

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

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

Net book value as at 1 July 2021	–
Reclassified from:	
Non-current liabilities	1,722
Contract liabilities	749
Current liabilities	6,889
Lease liabilities	706
Trade accounts payable	4,749
Current income tax payable	80
Other current liabilities	1,388
Net book value as at 30 June 2022	16,283
Disposals and write-offs	(12,316)
Reclassified from non-current liabilities held for sale to:	
Non-current borrowings	(1,978)
Non-current lease liabilities	(168)
Contract liabilities	(70)
Current borrowings	(1,523)
Lease liabilities	(117)
Trade accounts payable	(3,185)
Other current liabilities	(305)
Additional reclassified liabilities related to non-current assets held for sale over the period	3,379
Net book value as at 30 June 2023	–

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12. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

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

As at 30 June 2023 loss of EUR 313 thousand from the sale of companies operating in Russia and Belarus was recognized in the profit or loss and other comprehensive income statements. In the financial year ending 30 June 2022 an impairment loss of non-current assets held for sale of EUR 2,800 thousand was recognized in profit or loss and other comprehensive income statements and foreign currency translation reserve related to a foreign operation disposal recognized in other comprehensive income of EUR 3,104 thousand on 30 June 2023 was reclassified to profit or loss statement. Total amount of losses from the sale of companies, IOOO Belfidagro, OOO VitOMEK (entity code 111774610729) and OOO VitOMEK (entity code 1157746009398), recognized in the profit or loss and other comprehensive statement were as follow. As at 30 June 2023 were EUR 3,417 thousand (30 June 2022 – EUR 2,800 thousand), and the loss of two years over the sales of the Companies amounted to EUR 6,216 thousand.

13. PREPAYMENTS

	Group	
	As at 30 June 2023	As at 30 June 2022
Prepayments to agricultural produce growers	1,310	2,661
Prepayments to other suppliers	4,186	8,802
Prepayments for services (Note 9)	200	200
Less: allowance for doubtful prepayments to other suppliers	(132)	(75)
	5,564	11,588

During year ended 30 June 2023 and 30 June 2022, 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 2023, part of prepayments of the Group with the carrying value of EUR 2,529 thousand (EUR 3,091 thousand as at 30 June 2022) were pledged to banks as collateral for the loans (Note 20).

14. TRADE RECEIVABLES

	Group	
	As at 30 June 2023	As at 30 June 2022
Trade receivables from agricultural produce growers	224,911	116,208
Trade receivables from other customers	95,171	190,053
Less: allowance for doubtful trade receivables	(7,878)	(6,200)
	312,204	300,061

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.

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14. TRADE RECEIVABLES (CONT'D)

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		
		Less than 90 days	91-180 days	More than 180 days
2022	0.18 %	2.27 %	8.45 %	44.16 %
2023	0.04 %	0.06 %	7.31 %	17.62 %

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 2021	3,387
Charge for the year	3,598
Reversed during the year	(478)
Written-off during the year	(307)
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

Changes in allowance for trade receivables for the years ended 30 June 2023 and 30 June 2022 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 2023 and 30 June 2022 is as follows (less allowance):

	Amounts receivable from customers whose payment term has not passed and for which no impairment has been accounted for	Amounts receivable from customers whose payment term has already passed, but for which no impairment has been recorded			Total
		Less than 90 days	91-180 days	More than 180 days	
2022[1]	263,781	30,595	5,573	112	300,061
2023	295,480	16,125	187	412	312,204

As at 30 June 2023, the Group transferred rights to part of its trade receivables with the value of EUR 282,813 thousand (EUR 151,792 thousand as at 30 June 2022) to banks as collateral for the loans (Note 20). Factorized trade receivables in the amount of EUR 217,715 thousand as at 30 June 2023 (EUR 31,809 thousand as at 30 June 2022) 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.

[1] *Comparative information for marked groups was recalculated in the financial statements. In 2023, Company reviewed accounts grouping methodology in separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2021/2022*

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15. OTHER ACCOUNTS RECEIVABLE AND CONTRACT ASSETS

	Group	
	As at 30 June 2023	As at 30 June 2022
Financial assets		
National Paying Agency	3,817	3,113
Loans receivable	248	234
Loans granted to the Group employees	12	19
Interest receivable	3	7
Contract assets	3,614	2,686
Receivable for assets held for sale	380	173
Other receivables	954	511
Less: allowance for doubtful loans receivable	(667)	(206)
	8,361	6,537
Non-financial assets		
VAT receivable	2,204	2,106
Other recoverable taxes	42	41
	2,246	2,147
	10,607	8,684

Changes in allowance for other accounts receivables for the years ended 30 June 2023 and 2022 were included into expenses of impairment of trade receivables, contract assets and other receivables in the statement profit or loss and other comprehensive income.

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 2021	24
Written-off during the year	182
Balance as at 30 June 2022	206
Written-off during the year	461
Balance as at 30 June 2023	667

The ageing analysis of the Group's other receivables (except for non-financial assets) as at 30 June 2023 and 30 June 2022 is as follows:

	Other accounts receivable neither past due nor impaired	Past due but not impaired				Total
		Less than 90 days	91-180 days	181-270 days	More than 271 days	
2022	6,537	–	–	–	–	6,537
2023	8,361	–	–	–	–	8,361

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16. OTHER FINANCIAL ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses the hierarchy described in Note 2.26 for determining and disclosing the fair value of financial instruments by valuation technique:

			Group	
			As at 30 June 2023	As at 30 June 2022
Derivative financial instruments				
Derivative financial instruments used to hedge the price risk (current portion) – assets (liabilities)	Level 1	a)	1,264	(2,437)
Derivative financial instruments used to hedge the interest risk (current portion) – assets (liabilities)	Level 1		(240)	-
Foreign exchange forward and swap contracts – assets (liabilities)	Level 2		(22)	522
Other derivatives			(2)	6
			1,000	(1,909)
Other financial assets				
Restricted cash		b)	746	690
Other financial assets			226	2,332
			972	3,022

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 2023, 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

a) Derivative financial instruments used to hedge the price risk of grains were attributed to the category of fair value hedge. As at 30 June 2023, the fair value of such futures contracts was equal to EUR 1,371 thousand of profit (as at 30 June 2022, EUR (2,437) thousands of loss). Derivative financial instruments used to hedge the price risk of gas were attributed to the category of cash flow hedge. As at 30 June 2023, the fair value of such futures contracts was equal to EUR (107) thousands of loss.

A hedged item (commitments to purchase agricultural produce) of EUR (541) thousand loss (EUR 464 thousand of profit as at 30 June 2022) is accounted for as inventories in the statement of financial position and in cost of sales in the statements of profit or loss and other comprehensive income by netting with gain and losses arising from the hedge instrument. And also, a hedged item (commitments to purchase gas and grains) of EUR 540 thousand of profit is accounted as other reserves in the statement of changes in equity and in cost of sales in the statements of profit or loss and other comprehensive income by netting with gain and losses arising from the hedge instrument.

Derivative financial instruments used for trading are accounted in other income (expenses). The result is recorded in the cost of sale of the statements of profit or loss and other comprehensive income.

As at 30 June 2023, derivative financial instruments used to hedge against the risk of exchange rate fluctuations were classified as cash flow hedging transactions and their fair value was EUR (22) thousand loss (as at 30 June 2022, EUR 522 thousand profit). Derivative financial instruments that do not meet the hedging criteria are accounted in Other income (expenses).

16. OTHER CURRENT FINANCIAL ASSETS AND DERIVATIVE FINANCIAL INSTRUMENTS(CONT'D)

b) As at 30 June 2023 and 30 June 2022, 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.

Where the fair value of other financial assets can't be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. Where possible, these models use market data but where this is not feasible certain assumptions are used in establishing fair values The Group has recognized gain resulting from ineffective hedge in amount of EUR 239 thousand in costs of sales account for the year ended 30 June 2022 (EUR 6,424 thousand loss for the year ended 30 June 2022).

The Group is holding the following commodity future contracts:

	Group	
	As at 30 June 2023	As at 30 June 2022
Derivative financial instruments		
Derivative financial instruments used to hedge the price risk (current portion) – assets (liabilities) (Grain and other Oilseeds):	1,371	(2,437)
Grain and other oilseeds (thousand. Tonnes):	123	26.8
Derivative financial instruments used to hedge the price risk (current portion) – assets (liabilities) (Natural Gas):	(107)	-
Natural gas (MWh):	67.827	-

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Cash at bank	12,883	19,776	114	222
Cash in transit	279	868	–	–
Cash on hand	102	166	–	–
	13,264	20,810	114	222

As at 30 June 2023, the Group pledged cash of EUR 3,940 thousand (EUR 3,403 thousand as at 30 June 2022) to banks as collateral for the loans (Note 20).

As at 30 June 2023 and 30 June 2022, there were no restrictions on use of cash balances held in the pledged accounts (Note 20).

Fair value of cash and cash equivalents in 2023 and 2022 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.

18. EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Dividends

Dividends declared by the parent company during the year:

	Dividends per share, in EUR		Amount of dividends declared in EUR thousand	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Declared during the year	0.03	–	5,000	–
	0.03	–	5,000	–

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 2023, the legal reserve is EUR 4,518 thousand (as at 30 June 2022 – EUR 3,911 thousand). Legal reserve was not fully formed as at 30 June 2023 and 30 June 2022.

Own shares

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. During the year ended 30 June 2022, the Company disposed of 6,000 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 as of both June 30, 2023, and June 30, 2022. The currency reserve amounts associated with the Belarus and Russian Companies, which over the period were disposed, have been reclassified to the profit or loss statement. The additional information is disclosed Note 12.

Share based payments reserve

As at 30 June 2023, the Group / Company accounted for EUR 1,730 thousand of expenses related to employees participating in share options incentive (as at 30 June 2022 – EUR 1,165 thousand), additional information is disclosed Note 30.

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19. GRANTS AND SUBSIDIES

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

Balance as at 30 June 2021	6,838
Acquisition of subsidiaries (Note 3)	2,611
Received	1,111
Grants used	(781)
Amortization	(747)
Balance as at 30 June 2022	9,032
Received	1,675
Grants used	(624)
Amortization	(716)
Balance as at 30 June 2023	9,367

As at 30 June 2023, the amount is disclosed in the statement of financial position as non-current liabilities of EUR 8, 565 thousand and EUR 802 thousand – as other current liabilities. As at 30 June 2022, EUR 8,285 thousand as non-current liabilities and EUR 747 thousand – as other 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 2023 and 30 June 2022 was included into the following captions:

	Group	
	30 June 2023	30 June 2022
Cost of sales (reducing the depreciation expenses of related assets)	587	629
Biological assets	129	118
	716	747

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. 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 27). For the year ended 30 June 2022, the Group received subsidies for animals and livestock, crops and milk in the total amount of EUR 3,930 thousand (Note 27). Also, for the year ended 30 June 2022 the Group received grants for poultry activity, related with COVID19 in the amount of EUR 3,722 thousand (Note 27)

20. BORROWINGS

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Non-current borrowings				
Bank borrowings secured by the Group assets	28,415	22,305	–	–
Other non-current related parties' borrowings (Note 33	–	–	1,136	4,386
	28,415	22,305	1,136	4,386
Current borrowings				
Current portion of non-current bank borrowings	9,175	20,641	–	–
Current bank borrowings secured by the Group assets	241,404	207,014	32,048	47,513
Other current related parties' borrowings (Note 33)	–	–	29,026	9,276
Current stockholders' borrowings (Note 33)	3,420	6,536	3,420	6,536
	253,999	234,191	64,494	63,325
	282,414	256,496	65,630	67,711

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20. BORROWINGS(CONT'D)

Interest payable is normally settled monthly throughout the financial year.

As at 30 June 2023 and 30 June 2022, part of shares, property, plant and equipment, investment property, biological assets, non-current receivables, inventories, prepayments trade receivables and bank accounts were pledged to banks as a collateral for the loans (Notes 3, 6, 8, 9, 10, 11, 13, 14, 17).

Compliance with the covenants of the borrowing agreements

As at 30 June 2023, AS Putnu Fabrika Kekava and SIA Lielzeltini have not fulfilled part of covenants under credit agreements with Swedbank AS and received bank waiver before the end of the financial year.

As at 30 June 2023, AB Linas Agro has not fulfilled part of covenants under credit agreement with Credit Suisse AG, Swedbank AB and SEB AB and received bank waiver before the end of the financial year.

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

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Current borrowings	4.54%	2.00%	1.79%	2.94%
Non-current borrowings	5.10%	1.98%	5.51%	3.27%

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

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Borrowings denominated in:				
EUR	279,609	255,237	65,630	67,711
USD	28	1,259	–	–
BYN	2,261	–	–	–
RUB	516	–	–	–
	282,414	256,496	65,630	67,711

As at 30 June 2023, the Group's not utilized credit lines comprise 203,191 thousand (EUR 149,019 thousand as at 30 June 2022).

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

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21. 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	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Non-current lease liabilities				
Lease liabilities related to right of use assets	30,068	25,134	10,916	8,780
Lease liabilities related to other assets	5,030	6,733	–	51
	35,098	31,867	10,916	8,831
Current lease liabilities				
Lease liabilities related to right of use assets	6,304	4,748	430	336
Lease liabilities related to other assets	4,516	2,911	–	19
	10,820	7,659	430	355
	45,918	39,526	11,346	9,186

As at 30 June 2023, Biržai District Medeikių ŽŪB, Sidabravo ŽŪB, Panevėžys District Aukštadvario ŽŪB , UAB Landvesta 1 and Panevėžys District Žibartonių ŽŪB have not fulfilled part of covenants under lease agreements with SEB AB and received bank waver after the end of the financial year, thus EUR 1,327 thousand non-current lease liabilities transferred to current lease liabilities.

Future lease payments under the above-mentioned lease contracts are disclosed in Note 31. The fair value of the Group's and the Company's lease liabilities approximate to their carrying amount.

22. PROVISIONS

	Group	
	As at 30 June 2023	As at 30 June 2022
Non-current provisions	1,642	1,913
Current provisions	552	610
Total:	2,194	2,523

Movement of the Group's provisions was as follows:

Group	Provision for employee benefits	Warranty provisions	Provision for possible return of equipment sold to customers	Other	Total
Balance as at 30 June 2021	1,051	650	511	308	2,520
Used over the period (-)	(52)	(814)	(137)	(121)	(1,124)
Additional provisions were formed over the period (+)	81	953	93	–	1,127
Balance as at 30 June 2022	1,080	789	467	188	2,523
Balance as at 30 June 2022	1,080	788	467	188	2,523
Used over the period (-)	(22)	(561)	(177)	(188)	(948)
Additional provisions were formed over the period (+)	71	484	64	–	619
Balance as at 30 June 2023	1,129	711	354	–	2,194

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22. PROVISIONS(CONT'D)

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:

	As at 30 June 2023	As at 30 June 2022
Discount rate	1.106%	0.111%
Employee turnover rate[1]	15%	17%
Statistical annual salary increase[2]	4%	3.18%

Provisions for the possible return of equipment sold to customers includes a liability of uncertain timing and amount of the Group's sold equipment return. The Group assess the probability of equipment return based on historical experience, customer expectations and other factors.

23. 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 2023.

24. OTHER NON–CURRENT LIABILITIES, OTHER CURRENT LIABILITIES, AND CONTRACT LIABILITIES

	Group	
	As at 30 June 2023	As at 30 June 2022
Other non-current liabilities		
Other non-current liabilities[3]	105	503
Total other non-current liabilities	105	503
Contract liabilities		
Contract liabilities	3,206	3,201
Other current liabilities		
Bonuses to employees	12,511	9,917
Vacation accrual	11,748	9,936
Payroll related liabilities	10,191	11,019
VAT payable	7,713	8,973
Current portion of grants (Note 19)	802	747
Other liabilities[3]	7,723	7,307
Total other current liabilities	50,688	47,899

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

[1] *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.*

[2] *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.*

[3] *Comparative information for marked groups was recalculated in the interim financial statements. In 2023, Company reviewed accounts grouping methodology in separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2021/2022*

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25. COST OF SALES

	Group	
	30 June 2023	30 June 2022
Cost of inventories recognized as an expense[1]	(1,620,987)	(1,516,209)
Logistics expenses[1]	(94,013)	(60,111)
Wages and salaries and social security	(79,952)	(77,481)
Depreciation (Notes 5,6, 7,8)	(19,326)	(22,043)
Utilities expenses[1]	(38,817)	(26,153)
Provision of onerous contract	8	39
Change in fair value of biological assets (Note 10)	4,378	12,732
Change in fair value of financial instruments (Note 16)	239	(6,424)
Other	(13,178)	(11,158)
	(1,861,648)	(1,706,808)

26. OPERATING EXPENSES

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Wages, salaries, and social security	(58,294)	(55,034)	(1,446)	(1,986)
Advertisement, marketing, representation	(7,509)	(6,881)	(109)	(53)
Premises, vehicles, and other equipment lease and maintanance[2]	(7 499)	(5 714)	(89)	(62)
Depreciation and amortization	(3,704)	(4,136)	(79)	(101)
Taxes	(3,293)	(2,535)	(36)	(69)
Inventories and trade receivables insurance	(3,089)	(994)	–	–
Consulting expenses	(2,511)	(3,595)	(276)	(398)
Office supplies and services	(2,190)	(1,546)	(8)	(66)
Bank fees	(1,694)	(1,683)	(38)	(18)
Environmental and waste management costs[2]	(712)	(738)	–	–
Support	(499)	(494)	(65)	(86)
Telecommunication expenses[2]	(293)	(375)	(8)	(6)
Employees trainings[2]	(272)	(185)	(21)	(6)
Currency exchange profit	(69)	(220)	–	–
Other[2]	(4,018)	(11,663)	(156)	(341)
	(95,646)	(96,356)	(2,302)	(3,180)

[1] *In 2023, a review of the cost of sales disclosure was conducted across all Group companies. At the financial year ending on 30 June, 2022, not all of the Group's companies had provided comprehensive information regarding the portion of cost of inventories recognized as an expense, logistics, and utilities expenses within the cost of sales category. To ensure consistency, a standardized approach to the disclosure of cost of sales was implemented across all Group companies, excluding logistics and utilities expenses separately from cost of inventories recognized as an expense in the cost of sales. This led to adjustments in the components of cost of sales for the year 2021-2022, with cost of inventories recognized as an expense decreasing by EUR 18,470 thousand, logistics expenses increasing by EUR 359 thousand, and utilities expenses increasing by EUR 18,111 thousand.*

[2] *Comparative information in the financial statements has been recalculated. In 2023, the company reviewed the methodology for grouping articles in separate and consolidated financial statements, respectively, to more accurately reflect the distribution of articles in the financial statements and adjust the 2022/2023 and 2021/2022 comparative figures.*

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27. OTHER INCOME (EXPENSES)

	Group	
	30 June 2023	30 June 2022
Other income		
Grants received for agriculture activity	5,115	3,930
Grants for poultry activity[1]	1,675	3,722
Rental income from investment property and property, plant and equipment	361	588
Gain from disposal of investment property and property, plant and equipment	904	2,765
Change in fair value of financial instruments	983	3,903
Dividend income	11	–
Gain from acquisition of subsidiaries	–	1,272
Other income (Sales of surplus equipment and inventory income, sublease income, legal settlements income and other miscellaneous income)	4,152	6,511
	13,201	22,691
Other (expenses)		
Direct operating expenses arising from rented and not rented investment properties	(413)	(456)
Loss from disposal of property, plant and equipment	(75)	(71)
Change in fair value of financial instruments	(3,589)	(30)
Impairment of investments into associates	–	(202)
Other expenses (Sales of surplus equipment and inventory income, sublease expenses, legal settlements expenses and other miscellaneous expenses)	(3,043)	(4,822)
	(7,120)	(5,581)

28. INCOME (EXPENSES) FROM FINANCING ACTIVITIES

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Income from financing activities				
Interest income	3,164	1,976	843	804
Income from overdue payments	443	317	–	–
	3,607	2,293	843	804
(Expenses) from financing activities				
Interest expenses	(16,505)	(11,191)	(3,178)	(2,530)
Loss from foreign exchange rate differences	(2,722)	(3,667)	–	–
Expenses for overdue payments	(112)	(213)	(1)	–
	(19,339)	(15,071)	(3,179)	(2,530)

[1] *Grants received do not have any repayment conditions.*

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29. INCOME TAX

	Group	
	As at 30 June 2023	As at 30 June 2022
Current income tax (expense)	(6,276)	(13,231)
Income tax correction for prior periods	141	25
Deferred income tax income (expense)[1]	1,192	(378)
Income tax income (expenses) recorded in the statement of comprehensive income	(4,943)	(13,584)
Deferred tax gain (loss) recorded in other comprehensive income	95	–

	Group	
	As at 30 June 2023	As at 30 June 2022
Deferred income tax asset		
Tax loss carry forward (available indefinitely)	854	418
Tax loss carry forward (available to carry forward 5 years)	329	489
Accruals	1,687	1,175
Investment incentive	–	–
Differences in tax base of trade receivables	1,362	683
Impairment of investment property	78	139
Allowance for inventories	487	121
Fair value of financial instruments	128	33
Acquisition of subsidiaries	–	5,007
Other	3,997	376
Reclassified as non-current assets held for sale	–	(646)
Total deferred income tax asset	8,922	7,795
Deferred income tax liability		
Property, plant and equipment and investment property (difference between tax and accounting values)	(415)	(87)
Fair value of biological assets	(1,301)	(1,934)
Acquisition of subsidiaries	–	(499)
Other	(284)	(199)
Total deferred income tax liability	(2,000)	(2,719)
Deferred income tax, net	6,922	5,076
Accounted for as deferred income tax asset in the statement of financial position	8,323	7,139
Accounted for as deferred income tax liability in the statement of financial position	(1,401)	(2,063)

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.

As at 30 June 2023 and 30 June 2022, 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	
	As at 30 June 2023	As at 30 June 2022
Tax loss carry forward[2]	4,690	3,480
	4,690	3,480

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[1] *Deferred tax income mostly relates to recognition of accumulated tax losses as at 30 June 2023 and as at 30 June 2022.*

[2] *As at 30 June 2023 tax losses are available to carry forward indefinitely EUR 2,494 thousand and EUR 2,196 thousand available to carry forward for 5 years (EUR 3,236 thousand and EUR 244 thousand respectively as at 30 June 2022).*

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29. INCOME TAX(CONT'D)

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.

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	
	As at 30 June 2023	As at 30 June 2022
Profit (loss) before tax	25,760	90,841
Income tax (income) expenses, applying the statutory rate in Lithuania (15%)	8,719	13,626
Effect of different tax rates in Estonia, Latvia, Denmark, Ukraine, Belarus and Russia (Note 2.21.)	(614)	(1,897)
Change in temporary differences	(2,161)	–
Income tax correction for prior periods	(141)	(25)
Temporary differences for which no deferred taxes were recognized	–	28
Permanent differences	(860)	2,142
Tax incentive	–	(290)
Total income tax (income) expenses	4,943	13,584
Effective income tax rate	19%	15%

30. BASIC AND DILUTED EARNINGS PER SHARE

Basic 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 2023 and 30 June 2022 was as follows:

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

30. BASIC AND DILUTED EARNINGS PER SHARE(CONT'D)

Calculation of weighted average for the year ended 30 June 2022	Number of shares	Par value (EUR)	Issued/366 (days)	Weighted average
Shares issued as at 30 June 2021	158,172,426	0.29	145/365	62,835,621
Shares issued as at 22 November 2022	1,454,000	0.29	30/365	13,119,980
Disposal of own shares 22 December 2022	1,000	0.29	1/365	437,335
Disposal of own shares 23 December 2022	1,000	0.29	189/365	82,656,911
Disposal of own shares 30 June 2022	4,000	0.29	-	-
Shares issued as at 30 June 2022	159,632,426			159,049,847

Calculation of the basic earnings per share is presented below:

	As at 30 June 2023	As at 30 June 2022
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	20,817	77,257
Weighted average number of ordinary shares outstanding for the year	160,046,490	159,049,847
Basic earnings per share (in EUR)	0.13	0.49

Share based payments and diluted earnings per share

AB Linas Agro Group, following the Rules for Granting Equity Incentives approved on 1st of June 2018 and acting in accordance with the decision of the General Shareholders Meeting of 1st of June 2018, signed options contracts with employees of AB Linas Agro Group and of the subsidiaries, in which AB Linas Agro Group owns 50% or more of shares, for 4,610,180 ordinary registered shares of AB Linas Agro Group. During the years 2021-2023, according to the procedures and terms established in options contracts employees will be able to exercise the right to acquire the above-mentioned number of ordinary registered EUR 0.29 nominal value shares of AB Linas Agro Group provided to the employee free of charge under the terms and conditions established by the rules.

50% of all share options will vest in 3 years-time from signing of the option agreements, 25% - in four-year time and the rest 25% - in five years-time. There are no other vesting conditions, except for the requirement for a person to be employed at the Group for the above specified period of time, i.e. 50% of share-s options will vest if a particular person is still employed for 3 years from signing of the share options agreement. 25% of share options will vest if a person is employed for 4 years from signing of the share options agreement and the rest 25% of share options will vest if a person is employed for 5 years from signing of the share options agreement date. Share options are exercisable during the two months period after each vesting period ends for particular tranche.

Grant date is considered to be 29th June 2018 when principal terms of share options agreements were presented to employees participating in share options incentive. As at 30 June 2023 the Group/ Company accounted for the proportion of the related expenses with the vesting period amounting to EUR 92 thousand in these financial statements (incl. EUR 29 thousand of the amount that is expected to be transferred to the tax authority to settle the employee's tax obligation associated with the share-based payment arrangement) and as at 30 June 2022 – EUR 208 thousand).

On 28 February 2020, the Company signed additional options contracts with employees of AB Linas Agro Group subsidiaries, in which AB Linas Agro Group owns 50% or more of shares, for the variable number of share options, which was estimated on 30 June 2023 as maximum possible number of share options according to the Group rules for share issue signed on 27 February 2020 for 5,465,811 ordinary registered shares of AB Linas Agro Group (5,283,200 ordinary registered shares of AB Linas Agro Group as at 30 of June 2022). In 2023, according to the procedures and terms established in options contracts, employees will be able to exercise the right to acquire the above-mentioned number of ordinary registered EUR 0.29 nominal value shares of AB Linas Agro Group provided to the employee free of charge under the terms and conditions established by the rules. 100% of all share options will vest in 3-year time from signing of the option agreements.

In these financial statements, the Group and the Company accounted the related expenses corresponding to the given period proportionally, amounting to EUR 702 thousand as at 30 June 2023 (as at 30 June 2022 - EUR 1,020 thousand).

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30. BASIC AND DILUTED EARNINGS PER SHARE(CONT'D)

On 29 October 2021 AB Linas Agro Group signed an option contract with AB Linas Agro Group and employees of its subsidiaries of which 50% or more shares belong to AB Linas Agro Group, as due to 106,620 ordinary registered shares of AB Linas Agro Group. Based on the terms and conditions set forth in the options, in 2024-2026, employees will be able to exercise the right to receive the above-mentioned number of ordinary nominal shares of Linas Agro 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 valid for 3 years from the signing of the options, 25% - for four years, and the remaining 25% - for five years. There are no other terms of validity 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.

As at 30 June 2023 The Group and the Company has accounted EUR 24 thousand (as at 30 June 2022 - EUR 16 thousand) of related expenses corresponding to the given period in these financial statements.

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:

	Number	WAEP
Balance as at 30 June 2021	5,173,625	–
A change in an estimate of variable number of equity instruments	3,017,576	–
Granted during the year	106,620	–
Fortfeited during the year	(70,930)	–
Exercised during the year	(1,454,000)	–
Balance as at 30 June 2022	6,772,891	–
A change in an estimate of variable number of share options	182,610	–
Exercised during the year	(691,535)	–
Balance as at 30 June 2023	6,263,966	–

As at 30 June 2023, 691,535 units of stock options were exercised (1,454,000 units as at 30 June 2022).

The weighted average fair value of options granted during the year was EUR 0.64 (EUR 0.60 as at 30 June 2022).

The fair value of the share options which grant date is considered to be 29 June 2018 fair value is estimated at the grant date using the average price derived from a binomial and The Black-Scholes-Merton option pricing models, taking into account the terms and conditions on which the share options were granted. They key valuation assumptions are provided below:

Weighted average fair value at the measurement date (€)	0.67
Dividend yield (%)	0.7-2.00 %
Expected volatility (%)	0.20-0.30 %
Risk–free interest rate (%)	2.00 %
Expected life of share options (years)	3-5
Weighted average share price (€)	0.705

Option transactions with a grant date of 28 February 2020 and 29 October 2021 the fair value is calculated on the grant date by applying the share price on the stock exchange on that day, since these contracts only provide for the employment condition of the Group employee during the stipulated period and the value of the option is not adjusted.

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.

30. BASIC AND DILUTED EARNINGS PER SHARE(cont'd)

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.

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

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	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

Calculation of the diluted earnings per share is presented below:

	30 June 2023	30 June 2022
Net profit (loss), attributable to the shareholders of the parent (in EUR thousand)	20,817	77,257
Weighted average number of ordinary plus potential ordinary shares outstanding for the year	166,819,382	166,391,723
Diluted earnings per share (in EUR)	0.12	0.46

31. 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 2023, part of the Group's trade receivables were insured with the insurance limit equal to equivalent of EUR 73,192 thousand (EUR 83,633 thousand as at 30 June 2022).

According to the Group's assessment, the credit risk related to cash in hand is low, as the Group's liquidity indicators reveal the good financial condition of the company and show the ability to cover short-term financial liabilities. The Group keeps stable cash on hand, 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 not guarantee obligations of other parties.

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 receivables is secured with pledged assets (Notes 14 and 15).

31. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

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 June 2023	Increase / decrease of basis points	30 June 2022
EUR	+150	(4,225)	+150	(3,749)
EUR	-30	845	-30	750

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 2023 were 1.27 and 0.67 respectively (as at 30 June 2022, 1.25 and 0.71, respectively).

The table below summarizes the maturity profile of the Group'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	–	1,509	8,928	7,004	25,650	1,392	44,483
Lease liabilities	376	722	4,600	6,613	16,080	15,842	44,233
Current borrowings	47,284	72,234	102,954	–	–	–	222,472
Current borrowings from related parties	–	6,536	–	–	–	–	6,536
Current trade payables	7,358	167,565	30,264	–	–	–	205,187
Derivative financial instruments	–	37	3,133	79	–	–	3,249
Other liabilities[1]	–	–	–	–	–	–	–
Balance as at 30 June 2022	55,018	248,603	149,879	13,696	41,730	17,234	526,160
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
Current trade payables	3,573	143,747	51,311	–	–	–	198,631
Current trade payables to related	–	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

[1] *Comparative information for marked groups was recalculated in the financial statements. In 2023, the Group reviewed accounts grouping methodology in the separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2021/2022.*

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31. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (scheduled payments including interest).

Company	On demand	Less than 3 months	3 to 12 months	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liabilities	–	–	591	601	1,662	10,591	13,445
Non-current borrowings from related parties	–	–	–	–	1,136	–	1,136
Current borrowings	45,540	–	–	–	–	–	45,540
Current trade payables	–	40	–	–	–	–	40
Current borrowings from related parties	–	6,536	21,035	–	–	–	27,571
Other liabilities[1]	–	–	–	–	–	–	–
Balance as at 30 June 2022	45,540	6,576	21,626	601	2,798	10,591	87,732
Lease liabilities	–	151	452	891	1,662	10,591	13,747
Non-current borrowings from related parties	–	–	–	–	1,136	–	1,136
Current borrowings	33,086	–	–	–	–	–	33,086
Current trade payables	–	17	–	–	–	–	17
Current trade payables from related parties	–	–	4,683	–	–	–	4,683
Current borrowings from related parties	–	–	31,402	–	–	–	31,402
Balance as at 30 June 2023	33,086	168	36,537	891	2,798	10,591	84,071

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 2023 were 0.22 and 0.22 respectively (as at 30 June 2022, 0.19 and 0.19, respectively).

As at 31 June 2023, the Company reported a net current liability position of EUR 54,397 thousand. Most part of liabilities are borrowings from related parties and the amount of EUR 31,804 thousand of syndicated loan liabilities. After the balance date, the syndicated loan has been prolonged till 2026 years. 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. 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 2023 and 2022 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.

[1] *Comparative information for marked groups was recalculated in the financial statements. In 2023, the Group reviewed accounts grouping methodology in the separate and consolidated financial statements to reflect more accurately the distribution of items in the financial statements and adjusted the comparative figures for 2021/2022.*

31. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Monetary assets and liabilities stated in various currencies as at 30 June 2023 and 30 June 2022 were as follows (EUR equivalent):

Group	As at 30 June 2023		As at 30 June 2022	
	Assets	Liabilities	Assets	Liabilities
EUR	349,405	567,903	340,287	542,766
USD	3,256	14,881	2,513	18,643
DKK	555	23	53	24
PLN	3,712	1,219	3,037	173
BYN	2,748	2,240		
GBP	6	–	3	48
Other	24	2	38	10
	359,700	586,268	345,931	561,664

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 June 2023	30 June 2022
USD	+ 15.00%	(1,744)	(2,420)
USD	- 15.00%	1,744	2,420
PLN	+ 15.00%	374	430
PLN	- 15.00%	(374)	(430)
BYN	+ 15.00%	76	–
BYN	- 15.00%	(76)	–

Sensitivity to a reasonable possible change of DKK, GBP and UAH is not disclosed as it is not significant to the financial statements.

Changes in liabilities arising from financing activities

Group	1 July 2022	Cash flows from (to) financing activities	New leases	Other movements	30 June 2023
Loans	256,496	23,265	–	2,653	282,414
Grants	9,032	1,675	–	(1,340)	9,367
Interests (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

31. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

Financial risk, arising from biological assets, management strategy

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.

Market price risk

The Group is exposed to the grain market price risk which is managed with the hedge accounting described in Note 16.

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 2.26. 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 2.26.

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).
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 298,631 thousand as at 30 June 2023 (EUR 279,951 thousand as at 30 June 2022).

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 2023 and 30 June 2022.

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. The Company and the Group's subsidiaries registered in Lithuania comply with this requirement, except the subsidiaries Kaišiadorių paukštyno mažmena UAB, Cooperative Baltoji Plunksnele, Gastroneta UAB, UAB Dotnuva Rent, UAB Kekava food LT, UAB Gerera. As at 30 June 2022 all the subsidiaries registered in the Lithuania complied with the requirements. Group's subsidiaries registered in Estonia comply with this requirement as at 30 June 2022 and 30 June 2023, except the subsidiaries KG Eesti OU, AS Dotnuva Baltic. As at 30 June 2022 all subsidiaries registered in Estonia complied with the requirements, except the subsidiary AS Dotnuva Baltic.

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%.

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31. FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT (CONT'D)

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Total equity	298,631	279,951	129,241	127,546
Total assets	894,323	872,975	211,483	206,082
Total equity / Total assets	33%	32%	61%	62%
Leverage ratio	67%	68%	39%	38%

32. COMMITMENTS AND CONTINGENCIES

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

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

Sidabravo ŽŪB and UAB Linas Agro grūdų centrai are committed not to discontinue operations related to agricultural up to 2028, Panevėžys District Žibartonių ŽŪB – up to July 2023 and November 2027, Kėdainiai District Labūnavos ŽŪB – up to the end of 2027.

SIA Lielzeltini and AS Putnu Fabrika Kekava received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products and compound feed production up to 2025, AS Putnu Fabrika Kekava – up to the end of 2023 and 2026.

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

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

As at 30 June 2023, the Company has ensured and guaranteed EUR 257,700 thousand (as at 30 June 2022 – EUR 230,845 thousand) for its subsidiaries to Banks for the granted loans.

33. RELATED PARTIES' TRANSACTIONS

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

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

Members of the Board of the Company:

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

Members of the Supervisory Board:

Tomas Tumėnas (Chairman of the Board);
Arūnas Bartusevičius (Independent Member);
Carsten Højland (Independent Member).

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33. RELATED PARTIES' TRANSACTIONS(CONT'D)

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

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

Related parties through Members of the Board and Supervisory Board:

UAB Darius Zubas Holding – joint ultimate controlling shareholders;
UAB "PICUKĖ" - 100% of shares belong to UAB Darius Zubas Holding;
UAB "Palūšės turas" - 100% of shares belong to UAB "PICUKĖ";
Lobiu Sala AS (Sweden) – Jonas Bakšys until 2023. January 10 was a member of the board of this company;
UAB "Vividum" - joint ownership of Jonas Bakšys together with his wife;
UAB "Dvi T" - 100% of the shares belong to Jonas Bakšys;
10xreturns, UAB – 25% of the shares of this company belong to Mažvydas Šileika together with his wife;
UAB "Baltic Fund Investments" - Tomas Tumėnas is the director of this company;
UAB "Nacionalinė farmacijos grupė" - Tomas Tumėnas is a member of the board of this company;
UAB "Valstybės investijcių valdyje agentūra" - Tomas Tumėnas is a member of the Investment Committee of this company;
VĮ "Regitra" - Tomas Tumėnas is a member of the board of this company and a member of the Audit Committee;
Turing College UAB – Tomas Tumėnas is a member of the board of this company;
CEPD NV – Tomas Tumėnas is the financial director of this company;
Credit union "Saulėgrąža" - Tomas Tumėnas is a member of the supervisory board of this company;
Admenta Sweden AB (Sweden) - Tomas Tumėnas is a member of the board of this company;
ATEA Baltic, UAB – Arūnas Bartusevičius is the general director of this company;
UAB "Nex Group" - Arūnas Bartusevičius is the director of this company;
UAB "Sonex consulting" - Arūnas Bartusevičius is the director of this company

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

KG Khumex B.V. (The Netherlands) – 50.00%;
KG Khumex Coldstore B.V. (The Netherlands) – 42.46%;

The Group's transactions with related parties during financial year ended 30 June 2023 and 30 June 2022 were as follows:

2022/2023 m.

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

2021/2022 m.

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

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 78

33. RELATED PARTIES' TRANSACTIONS(CONT'D)

The Company's transactions with related parties during financial year ended 30 June 2023 and 30 June 2022 were as follows:

2022/2023 m.

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Non-current loans receivable	Current loans and other receivable	Payables	Payable loans non-current and current loans
Akola ApS group companies	–	–	–	238	–	–	–	3,420
Subsidiaries	2	10,829	843	895	84	14,884	4,682	30,162
	2	10,829	843	1,133	84	14,884	4,682	33,582

2021/2022 m.

	Purchases	Sales	Income from financial activities	Expenses from financial activities	Non-current loans receivable	Current loans and other receivable	Payables	Payable loans
Akola ApS group companies	–	–	–	359	–	–	–	6,536
Subsidiaries	10	17,015	804	573	6,053	11,169	296	13,662
	10	17,015	804	932	6,053	11,169	296	20,198

As at 30 June 2023, interest rates of the Company for current loans receivable from related parties are 3.5% and 5% (as at 30 June 2022 – 3.5% and 6.5%), non-current loans receivables from related parties are 5.5% (as at 30 June 2022, 4% and 3-month EURIBOR + 2.45 % margin).

As at 30 June 2023, interest rates of the Company for current loans payable to related parties are 3-month EURIBOR + 2.7% margin, 3.5% and 5%, interest rates of non-current loans of the Company payable to related parties are 3.2%. As at 30 June 2022, 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 3.2%.

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

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

33. RELATED PARTIES' TRANSACTIONS(CONT'D)

Remuneration of the management and other payments

The Group's management consists of the Company's board of directors and the directors of each of the company in the Group. The Group's management remuneration amounted to EUR 5,297 thousand (including EUR 92 thousand of bonuses to the board of directors of subsidiaries) for the year ended 30 June 2023 (EUR 4,718 thousand (including 8 thousand EUR bonus for board members of subsidiaries) for the year ended 30 June 2022). For the year ended 30 June 2023, the Group's management has received EUR 8 thousand of rent payments (EUR 5 thousand of rent payments for the year ended 30 June 2022).

The Company's management consists of managing director, deputy to managing director, chief financial officer and the head of consolidation and reporting. The Company's management remuneration amounted to EUR 718 thousand for the year ended 30 June 2023 (EUR 853 thousand for the year ended 30 June 2022).

The Company has started to accrue the expenses for share options agreements as described in Note 30 to EUR 1,730 thousand (including EUR 756 thousand for directors of the companies in the Group) - for the year ended 30 June 2023 (EUR 1,165 thousand (including for directors of the companies in the Group EUR 701 thousand) for the year ended 30 June 2022).

No other payments or property transfers to/from the management were made or accrued; no other loans or guarantees were received / granted in the years ended 30 June 2023 and 30 June 2022.

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 80

34. 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:

Name	Country of incorporation and operation	30 June 2023	30 June 2022
AB Kauno Grūdai	Lithuania	10.41%	10.91%
UAB KG Group LT	Lithuania	-	10.91%
UAB Šlaituva	Lithuania	10.41%	26.05%
UAB Baltic Fumigation Service	Lithuania	10.41%	10.91%
UAB KG Mažmena	Lithuania	10.41%	10.91%
AB Zelvė	Lithuania	27.62%	27.95%
UAB Kauno Grūdai Ir Partneriai	Lithuania	-	10.91%
AB Vilniaus Paukštynas	Lithuania	15.07%	15.63%
UAB KG Distribution	Lithuania	15.07%	15.63%
UAB Lietbro	Lithuania	15.07%	15.63%
UAB Avocetė	Lithuania	15.07%	15.63%
UAB GASTRONETA	Lithuania	15.07%	15.63%
UAB VKP Valdymas	Lithuania	15.07%	15.52%
Cooperative Baltoji Plunksnelė	Lithuania	16.67%	17.12%
AB Kaišiadorių Paukštynas	Lithuania	15.08%	15.40%
UAB Domantonių Paukštynas	Lithuania	10.50%	11.00%
UAB Kaišiadorių Paukštyno Mažmena	Lithuania	15.08%	15.40%
UAB Uogintai	Lithuania	15.08%	15.40%
UAB Kaišiadorių Skerdykla	Lithuania	-	15.40%
UAB Alesninkų Paukštynas	Lithuania	15.08%	15.40%
UAB KG Logistika	Lithuania	15.07%	15.52%
UAB VP Valda	Lithuania	15.07%	15.63%
UAB KP Valda	Lithuania	15.08%	15.40%
SIA KG Latvija	Latvia	10.41%	10.91%
KG Eesti OÜ	Estonia	10.41%	10.91%
KG Polska Sp.zo.o.	Poland	10.41%	10.91%
Nordic Agro Investment Limited	United Kingdom	10.41%	10.91%
IOOO Belfidagro	Belarus	-	10.91%
OOO KLM	Belarus	37.28%	37.63%
OOO VitOMEK (entity code1117746107291)	Russia	-	2.73%
OOO VitOMEK (entity code 1157746009398)	Russia	-	2.73%
Panevėžys District Aukštadvario ŽŪB	Lithuania	0.46%	0.47%
Kėdainiai District Labūnavos ŽŪB	Lithuania	1.05%	1.05%
Šakiai District Lukšių ŽŪB	Lithuania	1.18%	1.18%
Biržai District Medeikių ŽŪB	Lithuania	1.61%	1.61%
Sidabravo ŽŪB	Lithuania	3.75%	3.75%
Panevėžys District Žibartonių ŽŪB	Lithuania	0.10%	0.10%
Kėdainiai District ŽŪB Nemunas	Lithuania	32.02%	32.56%
AS Putnu Fabrika Kekava	Latvia	2.81%	2.84%
SIA PFK Trader	Latvia	2.81%	2,84%
Akcinė bendrovė „Linas Agro“	Lithuania	2.94%	-
UAB „Linas Agro“ Grūdų centrai	Lithuania	2.02%	-
SIA „Linas Agro“	Latvia	3.42%	-
UAB „Gerera“	Lithuania	2.94%	-
Linas Agro A/S (likviduojama)	Denmark	2.94%	-
TOV „LINAS AGRO UKRAINA“	Ukraine	2.94%	-
Linas Agro OŰ	Estonia	2.94%	-
UAB „GeoFace“	Lithuania	1.47%	-
SIA „Linas Agro“ Graudu centrs	Latvia	2.02%	-

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 81

34. PARTLY OWNED SUBSIDIARIES(CONT'D)

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

Summarized statement of profit or loss and other comprehensive income

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

Financial year ended 30 June 2022

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
Revenue from contracts with customers	505,565	149,789	60,022	16,143	342,003
Net profit (loss)	27,996	(1,752)	(3,177)	(1,254)	20,866
Total comprehensive income	27,996	(1,752)	(3,177)	(1,429)	20,866
Attributable to non-controlling interests	3,053	(274)	(489)	(472)	630
Dividends paid to non-controlling interests	–	–	–	–	94

Summarized statement of financial position

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	7,663

Financial year ended 30 June 2022

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
Current assets	238,988	27,227	12,212	5,331	108,349
Non-current assets	43,646	47,106	12,572	1,292	121,285
Current liabilities	166,363	41,971	10,038	5,891	80,316
Non-current liabilities	1,549	1,714	2,771	1,930	33,065
Total equity	114,722	30,648	11,975	(1,198)	116,253
Attributable to Non-controlling interests	6,079	5,881	2,002	357	(4,177)

Consolidated and Company's Financial Statements of AB „Linas Agro Group for the financial year 2022/23 ended 30 June 2023 (all amounts are in thousand euros unless otherwise stated) 82

34. PARTLY OWNED SUBSIDIARIES (CONT'D)

Summarized cash flow statement

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)

Financial year ended 30 June 2022

	AB Kauno Grūdai	AB Vilniaus Paukštynas	AB Kaišiadorių Paukštynas	OOO KLM	Other
Net Cash flows from (to) operating activities	(56,516)	964	(405)	5,242	(2,794)
Net cash flows from (to) investing activities	(1,430)	(1,921)	887	351	(2,878)
Net cash flows from (to) financing activities	18,781	(3,902)	1,636	(4,143)	(14,300)
Net increase/(decrease) in cash and cash equivalents	(39,165)	(4,859)	2,118	1,450	(19,971)

35. SUBSEQUENT EVENTS

On 21 July 2023, AB Kauno Grūdai, owned by AB Linas Agro Group, completed the acquisition of the cooperative company Grybai LT by acquiring 100 percent of the company's stock and paying the sellers a total amount of EUR 12,948,612.14. In addition, AB Kauno Grūdai refinanced loans granted to the cooperative company Grybai LT in the past by the bank and one of the sellers, UAB Baltic Champs, by granting new loans to the cooperative company Grybai LT in the total amount of EUR 4,121,813.15. Following the revision of the final financial statements used to calculate the price, the price for shares may be adjusted per the procedures set out in the share purchase agreement.

In preparing the Company's financial statements, a thorough assessment of subsequent events was conducted. It is important to note that after the balance sheet date, we estimated all relevant subsequent events, leaving no other significant events or transactions unidentified.

AB LINAS AGRO GROUP
CONSOLIDATED ANNUAL REPORT OF

2022/2023 FINANCIAL YEAR

FOR PERIOD ENDED JUNE 30, 2023

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CONTACT PERSON

Chief Financial Officer MAŽVYDAS ŠILEIKA

Email m.sileika@linasagro.lt

1. CEO‘S LETTER

The financial year that ended was full of challenges, the biggest of which was related to the fertilizer business. However, in a volatile and rapidly changing environment, we have managed to keep the Group's profitability in line with, and at times even above, the historical five-year average.

This year also shows we are on a good track to implement investments and further grow shareholder value.

The divestment of the Russian and Belarusian businesses, started in spring of 2022 and completed in the autumn of the same year, has worsened the performance of several segments , limiting revenues and operating profitability. This is a difficult change that has required tough decisions, but it is inevitable.

We aim to smooth out spikes in financial performance through diversification and increase profit margins. Our portfolio includes four fundamentally different and complementary activities. We are farmers' partners, agriculturists, and food and feed producers. All of these activities are part of the food chain. Historically, our oldest activity is services to the farmers. All the activities that have emerged subsequently have successfully complemented the value chain. In 2013, we became not only an agribusiness group but also a food industry group, and in the last two years, we have made substantial progress in the latter activity.

We are confident that we have made the right move by acquiring AB Kauno Grūdai and its related companies in 2021. This has brought us new activities and perspectives, as well as several changes in the corporate and Group structures. We have been working for two years to reorganize our organizational structure so that there are no overlapping activities and functions. We are reducing the number of non-operating companies and merging companies with similar activities. Since the beginning of January, two different grain elevator networks have become one; its silos, warehouses, and grain intake stations can hold 595 thousand tons of grain at a time. At the same time, we have invested in speeding up grain handling and drying operations, automating processes, and optimizing energy costs.

Throughout the reporting period, we have been preparing for a change in the structure of the poultry business group so that in the financial year 2023/2024, all the companies in Lithuania and Latvia would start to operate together as one company. Poultry business needs scale - it is the only way to withstand the price pressure from Polish poultry farms in the immediate vicinity and to operate profitably. At the same time, having a single management structure allows us to be more flexible and to offer a broader range of products to the markets, to fulfill large orders, to maintain uniform production standards, and to expand the production of products that are exceptional or have a higher added value, such as antibiotic-free poultry. We are the first in the Baltic States to label our chicken "Raised without antibiotics". We have been producing products from antibiotic-free broilers in Latvia for several years. In the two years since we acquired the poultry companies in Lithuania, we have increased the percentage of antibiotic-free poultry up to to 75%. This is an incredible result, as it took longer to improve the bird welfare in Latvia. However, the experience of our colleagues in Latvia has allowed us to accelerate similar changes in Lithuania. The synergies between the poultry producers in the two countries have shown their value, and we are pursuing them in other processes. The merger of the companies is a complex process and has been carried out gradually, with part of the management structures being merged in the last financial year, and the other part of the changes being implemented in the financial year 2023/2024. In the new joint Lithuanian-Latvian poultry farming strategy, we are focusing on ensuring the sustainability of our operations.

In each business area, we search for the "diamonds" - the goods or services that can generate the most added value and profitability. In the products and services to farmers business, such a product is the seeds branded under the popular Dotnuva Seeds name. We see the prospect of expanding their production, so we have separated this activity from the company Dotnuva Baltic by establishing new companies in Lithuania and Latvia. In 2024, we will build a new seed factory in Latvia to meet the demand of the Latvian and Estonian markets.

At the same time, Dotnuva Baltic is strengthening its sales and service activities for agricultural machinery and building new farmer service centers in Šiauliai (Lithuania) and Jekabpils (Latvia), which will be operational in the financial year 2023/2024. In addition, a separate company, UAB Dotnuva Rent, has been set up to develop long-term and short-term rental services for agricultural machinery. We have ambitious goals to become one of the leaders in the agricultural machinery rental business in all three Baltic States.

Although extremely efficient, agricultural companies are constantly confronted with the issue of storing and disposing of their organic waste, which is why we invest in biogas production. The farming company Šakiai District Lukšių ŽŪB plans to start up a biogas plant with biomethane purification facilities in 2025 and connect it to the gas grid. We plan to produce over 3.6 million cubic meters of biogas per year from biodegradable waste, mainly animal manure. At the same time, we will deliver high-quality fertilizer as a by-product of production.

We are also considering other alternative energy projects. The high cost of energy resources has hit our profitability in recent years, and there is an economic incentive to choose more sustainable solutions. During the 2022/2023 financial year, we have revised our investment approval procedures, introducing new eligibility criteria for investments. From the middle of the financial year onwards, we are assessing not only the product's viability and payback (economic aspects), but also the potential impact on the environment and society. We have decided that all new industrial or administrative buildings must use renewable energy sources - recuperators, heat pumps, solar panels, charging stations for electric cars, etc. Sustainable solutions will be applied first in new production facilities, but gradually in older ones. We want our employees to actively initiate the Group's sustainability projects, which is why we have the initiative named 'Four Hearts' - covering environmental, social, economic and governance changes.

The first facility to use renewable energy sources and various energy-saving solutions is the Kauno Grūdai instant noodles warehouse in Kėdainiai, which opened in spring. All other facilities under construction or planned will also have multiple energy-saving solutions.

Similar solutions will be implemented in the new instant noodles factory planned to be built in Alytus (Lithuania), with an annual production capacity of 240 million units. Instant noodles are an export product with a growing demand, and we plan to produce twice as much of them in 2025, or 505 million units. At the same time, we will create almost 300 new jobs.

Not only for instant products but also for breadcrumb mixes, the market demand is higher than the supply. In the first half of the 2024/2025 financial year, we plan to launch a new breadcrumb plant in Kėdainiai (Lithuania), which will increase our coating systems production capacity by 125%.

Already after the end of the financial year, we acquired a modern robotic plant in Širvintos (Lithuania), the cooperative company Grybai LT, which is active in the production and sale of ready-to-eat food products and whose main products are organic soups, stews, cereal-based dishes and organic canned vegetables and pulses in packets - around 70 product names. We acquired the business with the idea of expanding production by 3.7 times in 5-6 years, up to 33 million packets per year.

This acquisition broadens our product range and markets and is one of the milestones in our strategy to expand our food production and agri-processing businesses.

We have plenty of ideas - more than possible to implement at a time. I'm proud of our idea-rich and dedicated team - we have people in all our companies who focus their minds on the future: thinking about new things we can create and bring to the market, how we can do it better, how we can improve our business processes, how we can make our business more sustainable, or how we can improve the lives of our neighborhood. Equally noteworthy are the people who collect and analyze the data, who help the Group to be more transparent and to choose the best ways and means to improve sustainability.

To make our shareholding more attractive, we have adopted a dividend policy whereby we will allocate an annual dividend of at least 20% of the Group's consolidated net profit for the previous year. We believe that this policy will not slow down our further growth and will simultaneously meet your expectations as shareholders for an annual return.

Sincerely,

Darius Zubas, CEO

OUR MISSION:

UNLOCK THE POTENTIAL OF AGRICULTURE AND FOOD INDUSTRY.

OUR VISION –

NEW ERA OF SUSTAINABLE AGRICULTURE AND NOURISHING FOOD.

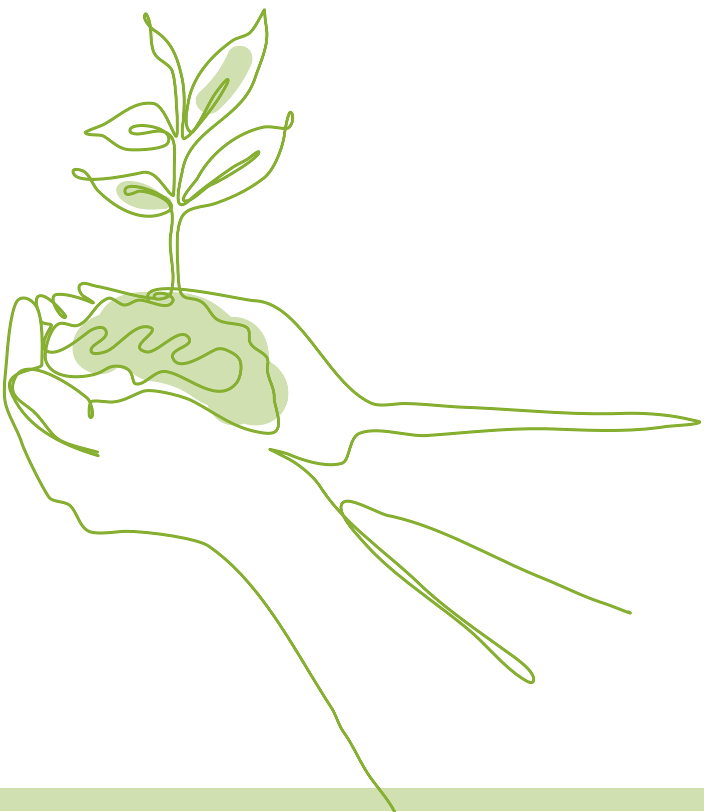
2. EXPLANATORY NOTES ON THE INFORMATION DISCLOSED IN THE REPORT

The financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year.

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

The company's auditor is KPMG Baltics, UAB (code 111494971, Lvivo St. 101, Vilnius, Lithuania). During the period from 1 July 2022 to 30 June 2023, the Group purchased audit services from an audit company for an amount of EUR 378 thousand and other services for an amount of EUR 27 thousand.

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



3. THE COMPANY AND THE GROUP

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

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

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

The Company does not have any branches and representative offices.

FOUNDED
1991

ANNUAL REVENUE
2.0
BEUR

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

As at June 30, 2023, the Group consisted of:

4,887 EMPLOYEES

68 SUBSIDIARIES

2 ASSOCIATES

A SIGNIFICANT PLAYER IN FOOD CHAIN IN THE REGION

An international agribusiness and food production group, the largest of its kind in the Baltics.

One of the largest exporters of Lithuanian and Latvian grain.

The largest poultry meat producer in Lithuania and Latvia.

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

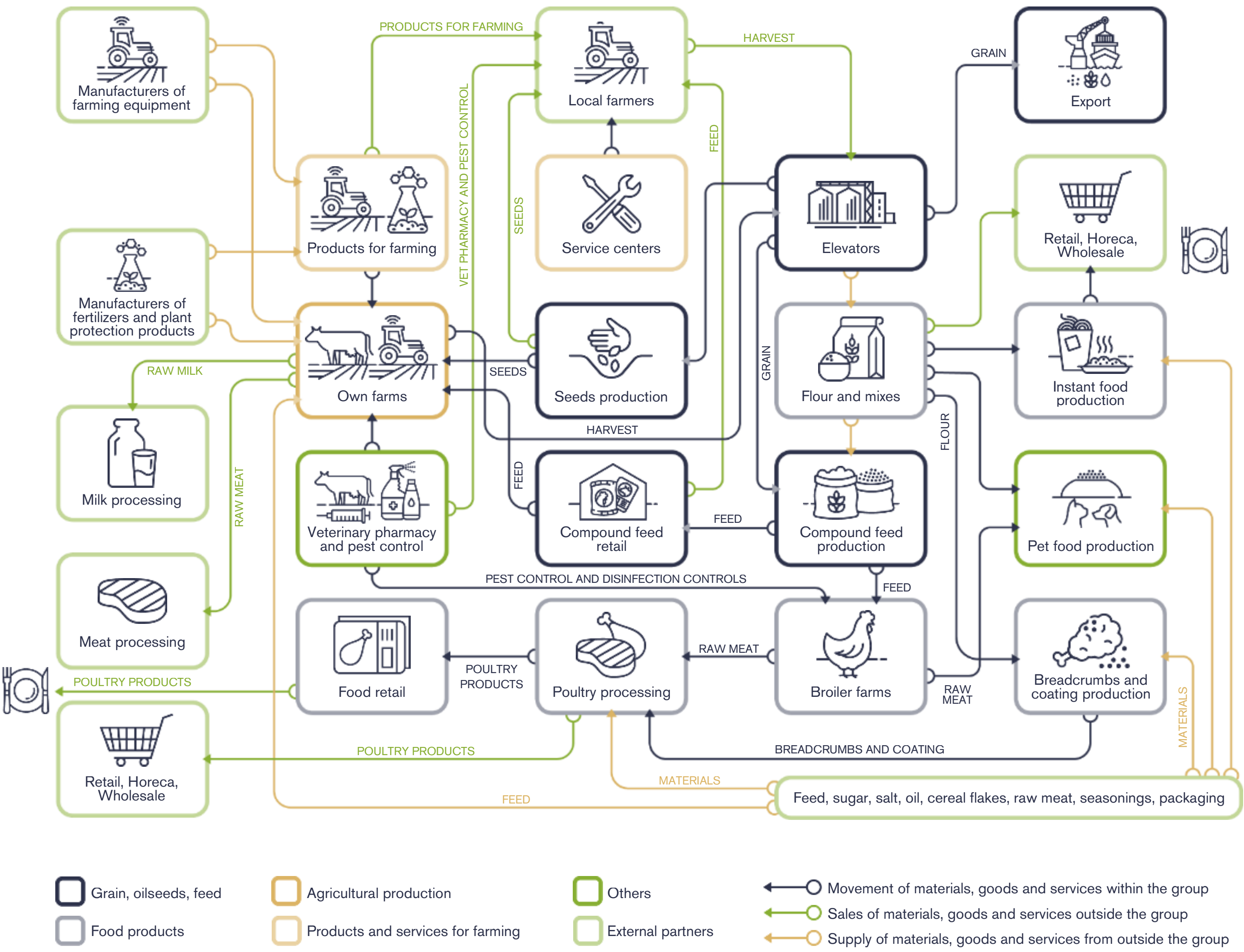
One of the leaders in supplying farmers with certified seeds, fertilizers, plant care products and agricultural machinery in Lithuania.

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

THE GROUP'S BUSINESS MODEL

The core products produced and marketed are grain, oilseed, compound feed, feed materials and additives, milk, poultry meat and poultry products, flour and flour products, instant food, pet food, veterinary pharmaceuticals, and goods to the farmers.

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



4. ACTIVITY AND FINANCIAL RESULTS OF THE GROUP

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

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

The gross profit reached EUR 138 million and was 27% less as year before (EUR 189 million).

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

Consolidated EBITDA amounted to EUR 67 million and was 49% lower as compared to the previous year (EUR 132 million). Profit before tax amounted to EUR 26 million and was 72% lower as compared to EUR 91 million in the previous year.

The net profit was close to EUR 21 million and decreased by 73% y-o-y.

EXPLANATION OF TERMS

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

4.1. FINANCIAL INDICATORS

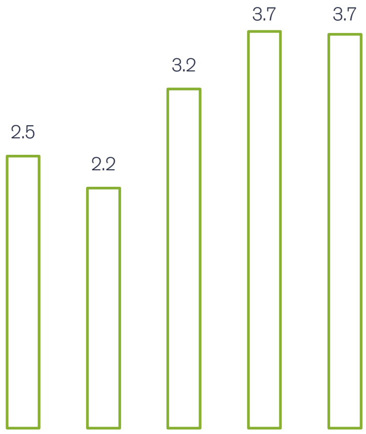
thousand EUR, unless stated otherwise	2018/19	2019/20	2020/21*	2021/22	2022/2023
Sales in tons	2,529,711	2,233,808	3,155,329	3,689,585	3,662, 093
Sales revenue	742,542	657,700	942,442	1,895,667	1,999,617
Gross profit	28,871	45,664	51,201	188,859	137,969
Gross profit margin, %	3.89	6.94	5.43	9.96	6.90
EBITDA	5,578	25,923**	33,401**	132,173	67,318
EBITDA margin, %	0.75	3.94	3.54	6.97	3.37
EBITDA (Excluding the impact of IFRS 16)	5,578	23,860	29,267	127,113	62,578
EBITDA margin, % (Excluding the impact of IFRS 16)	0.75	3.63	3.11	6.71	3,13
Operating profit	(3,336)	14,827	19,467	103,619	41,492
Operating profit margin, %	(0.45)	2.25	2.07	5.47	2.07
Earnings before taxes EBT	(6,430)	11,931	16,797	90,841	25,760
Earnings before taxes margin, %	(0.86)	1.81	1.78	4.79	1.29
Net profit (thousand EUR)	(4,830)	10,004	14,189	77,257	20,817
Net profit margin, %	(0.65)	1.52	1.51	4.08	1.04
Readily Marketable Inventories (RMI) (thousand EUR)	18,374	13,735	21,224	26,798	37,689
Current ratio	1.26	1.31	1.44	1.25	1.27
Debt / Equity ratio	1.30	1.24	1.15	2.12	1.99
Net financial debt / EBITDA	25.54	5.38	3.23	2.08	4.68
RMI adjusted Net financial debt / EBITDA	22.24	4.85	2.66	1.90	4.18
Return on equity (ROE), %	(2.84)	5.52	7.23	27.60	6.97
Return on capital employed (ROCE), %	(1.04)	4.77	6.61	18.97	7.03
Return on assets (ROA), %	(1.23)	2.47	3.37	8.85	2.33
Basic and diluted earnings per share (EPS)	(0.03)	0.06	0.09	0.46	0.16
Price earnings ratio (P/E)	(20.83)	9.37	9.19	2.48	8.51
Dividends for the financial year paid per share, in euros	-	-	-	0.0312	-
Dividends paid for the financial year to net profit of the period, %				6.47	-

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

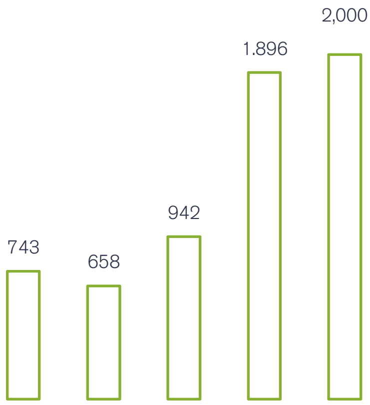
*** Depreciation of biological assets (crops) sold during the reporting period and related to the previous reporting period, amounting to EUR 2,567 thousand, is also excluded (EUR 2,229 thousand for the period 2021/2022 and EUR 2,186 thousand for the period 2020/2021, the effect of such depreciation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

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

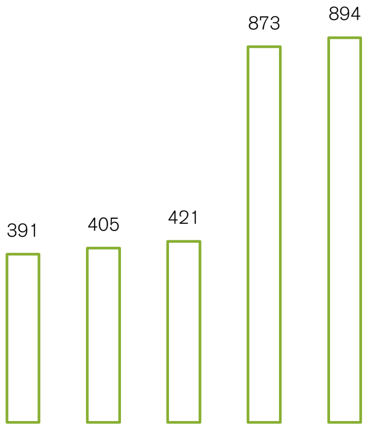
COMPARISON OF PERFORMANCE
OVER FIVE REPORTING PERIODS



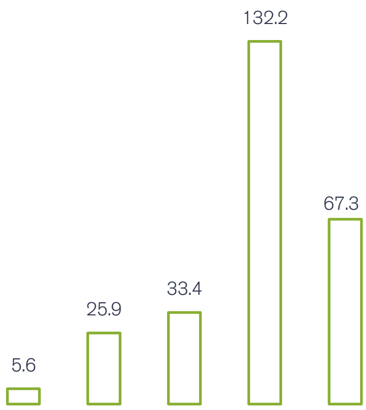
SALES VOLUME, MILLION T



REVENUE, MEUR



ASSETS, MEUR



EBITDA, MEUR

4.2. OVERVIEW

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

2022/2023 IN BRIEF:

- great wheat production somewhat offset with lower maize output resulted in slightly lower total world grain production; war and food shortage fears, supply limitations additionally fueled inflationary moods, to some extent suppressing consumption; yet the opened Black sea "transport corridor", ample supply of record high Russian wheat, strong Australia's deliveries started taking off the price pressure, ending the year with material price contractions compared to the beginning of the period;

- the oilseeds production numbers were quite strong – yet with tensions in Eastern side of the world, availability was the other factor; still, gradually discovered routes, easing off war tensions, accumulating stocks were supporting price normalizations;

- in Baltics consolidated grain and oilseeds harvest was exceeding the 5-year average harvest quantities approximately by 10%, yet the quality suffered a bit due to the late spring, lack of sun, less intensive fertilization in farms, delivering lower protein content and test weight grain; rapeseed quality was at the same time satisfying, with higher-than-average oil concentrations.

2023/2024 OUTLOOK:

the world grain production is expected to land somewhere close to record year (2021/2022), delivering 2,294 million tons harvest compared to 2,266 million tons for 2022/2023 and 2,296 million tons for 2021/2022; maize quantities estimate is so far materially offsetting expected lower wheat and barley production results; outstanding Australia's, Canada's 2022/2023 wheat production quantities are anticipated to contract with the coming harvest (lately dry weather in Western Australia and across the Prairies in Canada), while Russia might be delivering close to record high last year's volumes based on latest increases in grain production forecast; doubts on the grain quality remain, as wet weather during harvest in China and the EU imply potentially higher amounts of lower-quality wheat used for feed; maize yields on the contrary – are expected if not to improve further, then at least to restore (US, Europe Argentina, Brazil);

- the world oilseed production is meanwhile aiming for another record, delivering 661 million tons harvest (compared to 630 million tons for 2022/2023), mainly thanks to higher soybean production for South America, higher sunflower seed for the Ukraine, Russia, though slightly deteriorated estimations for rapeseed due to droughts in Canada;

- following the trends of the 2022/2023, the prices of commodities were mainly decreasing latest months, with slight wheat and oilseeds upward reactions in July/August, despite seasonal pressure - reacting to uncertainty over Ukraine's exports after Russia's decision on July 17th, 2023 to withdraw from the safe "corridor" agreement, as well as following action damaging Ukraine's port infrastructure. Yet it seems that longer non-instantaneous effect on the prices shall not be expected, having in mind that such action was to some extent counted in some time before, as well as having in mind that due to improved supplies of grain, situation is better compared to the months after the war in Ukraine started; however another sensitive factor to spring back inflation would be realization of 'El Ninjo' phenomenon, which based on early estimation could be expected second half of 2023; scientists and analysts are carefully looking at weather forecasts, though if assumed correctly, disruption of crop cycles is potential, adding further strain to global food output and prices;

- with prices normalized - the consumption is seen to restore compared to the 2022/2023 for both grain and oilseeds, expecting highest input from feed category;

- hence positive production expectations and consumption outlook for both – world grain and oilseed categories bring very different outcomes on carry-over stocks. The inventory level of world grain (588 million tons) is about to land lowest since 2014/2015, while the 25.5% stock-to-use ratio – lowest since 2012/2013, illustrating the projections of consumption that exceeds production, contrasted with accumulations in oilseeds stocks (136 million tons), mainly thanks to materially higher soya harvests in South America;
- according to unofficial statements by Lithuanian and Latvian grain buyers and exporters, the grain and oilseeds harvest in the Baltics proved to be more resilient than feared in the beginning of the summer 2023, despite the unfavorable weather conditions expecting similar to average quantities. The farmers who have been following all agrotechnology programs, in most cases are

receiving satisfying results, especially for winter crops. Of course, some locations were more severely damaged with droughts, some also with heavy rainstorms (especially Latvia), therefore yields will vary. Putting aside the quantities (based on preliminary data of Lithuania's statistical office – harvest could be respectively 1% higher compared to the 5-year average), the bigger issue shall be lower than export standard grain quality, which is expected to challenge activity of the traders; on the positive note - oil concentration of rapeseed – seem to exceed the expectations.

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

- in the vegetable oil categories – with certain short-lived increases, overall prices in the category were illustrating the trends observed under oilseeds section (downward direction); additionally, prices of palm oil reflected prospects of subdued global import purchases, as well as seasonally rising outputs in leading producing countries;

- energy – with from time to time occurring volatility, thanks to mild weather conditions, decreasing industries uptake, abundant LNG supplies, stronger renewable power generation prices were lately following the downward direction - considering energy inflation more or less contained; natural gas prices 2023-Sep were approximately 80% lower compared to values a year ago, supporting restored nitrogen fertilizer production activity and lowered prices, while for a while normalized crude oil prices recently elevated (yet still staying more than 20% lower compared to 2022 peak months) with supply limiting efforts of OPEC countries, as well as latest (Sep-2023) Russia's announcement on temporarily banned gasoline and diesel exports to all countries outside a circle of four ex-Soviet states.

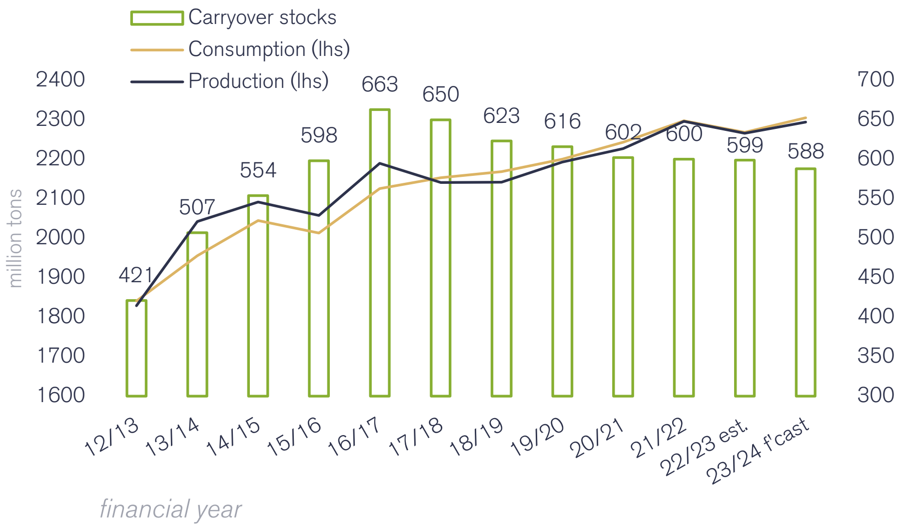
- milk product prices continued on the same "price falling moods", influenced by abundant supplies amid seasonally rising production, together with a slowdown in the pace of imports by China as well as overall subsided market activities in Europe during the summer holidays and muted interest in import demand in the months ahead due to market uncertainty over the future directions of prices; in Lithuania raw milk prices were continuously falling since 2022 fall – some stabilization in the beginning of the spring 2023 was seen, yet prices remain low and challenge farmers' resilience, still seeing input costs in above average levels (please refer to graph *"Purchase prices for basic parameters milk in Lithuania"*);

- average broiler carcass prices in Europe showed some stabilization, meanwhile prices of the more expensive chicken parts continue being more volatile due to higher margins induced competition (please refer to the graph "*Fresh fillet price dynamics in Poland*" below, illustrating the price of the most profitable poultry product). The competitive environment in Europe remains tense. Despite lately diminished domestic overproduction in Europe (projected 8% in 2023 compared to 14% in 2020), prices are still pressured due to very strong import volumes. For instance, Ukraine's [among the TOP10 world poultry meat exporters prior to the military actions] quantities exported to Europe during 2023 January-June, compared to same period last year, were close to 2 times higher, volumes from South American countries such as Brazil increased significantly as well, provoking competition in the realization of products produced at unequal costs. Additionally, pork prices declined lately, limiting substitution and positive spill-over effects on poultry prices.

- while the prices of food and energy products are mostly moving in the downward direction, the influence of the rising cost of borrowed capital/financing was already felt in the reporting period; with central banks actively pursuing the strategy of increasing interest rates, not only the cost of investments by companies, but also the financing of working capital is growing.

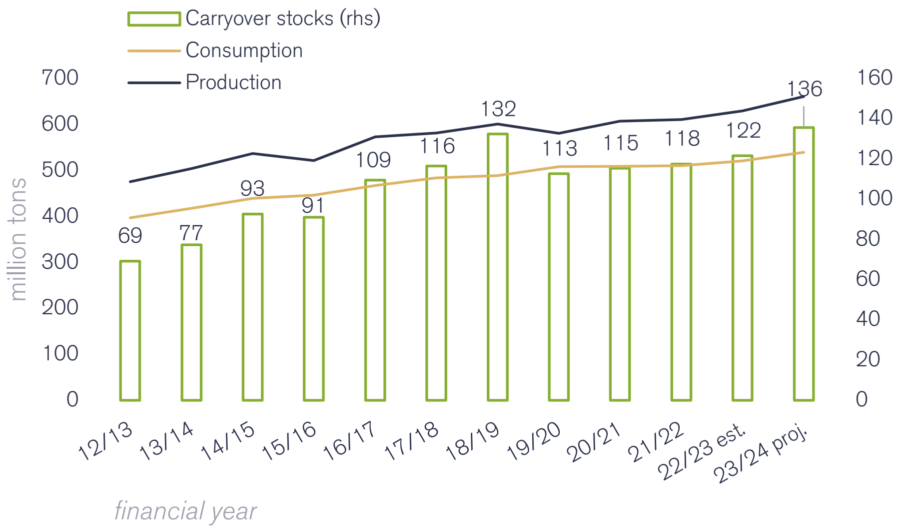
Figures as per latest data provided by International Grains Council (IGC)(21-Sep, 2023), United States Department of Agriculture (USDA) (12-Sep, 2023), Food and Agriculture Organization of the United Nations (FAO) (8 Sep, 2023), Baltic statistical offices and unofficial statements by grain buyers and exporters

THE WORLD TOTAL GRAIN PRODUCTION



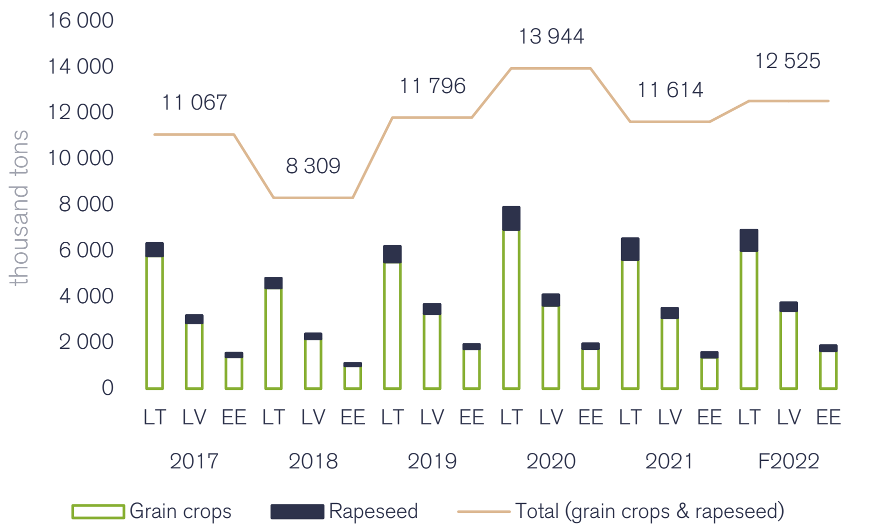
Data: International Grains Council (IGC)

THE WORLD TOTAL OILSEEDS PRODUCTION



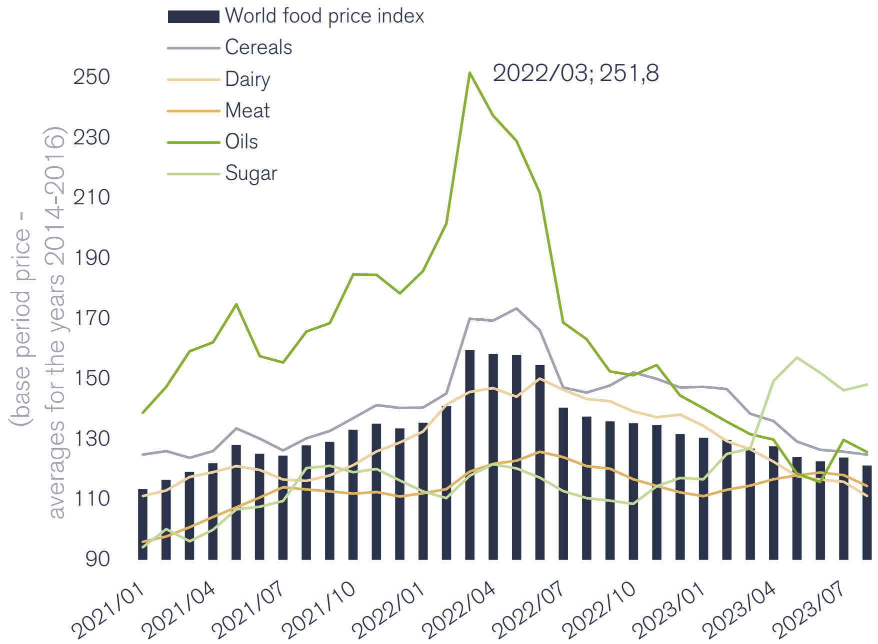
Data: United States Department of Agriculture (USDA)

GRAIN AND RAPESEED HARVEST IN THE BALTIC STATES



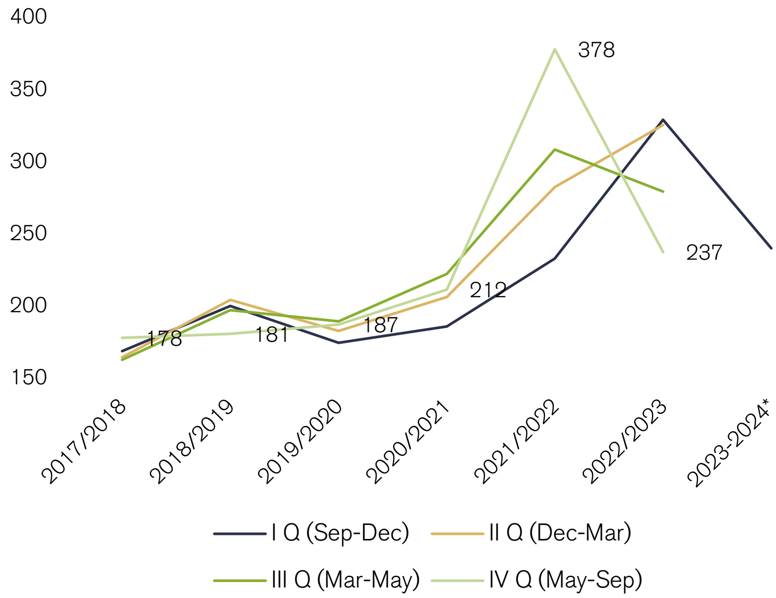
Data: Statistics Lithuania, Central Statistical Bureau of Latvia, Statistics Estonia

DYNAMICS OF WORLD FOOD PRICES 2021/2023



Data: Food and Agriculture Organization of the United Nations

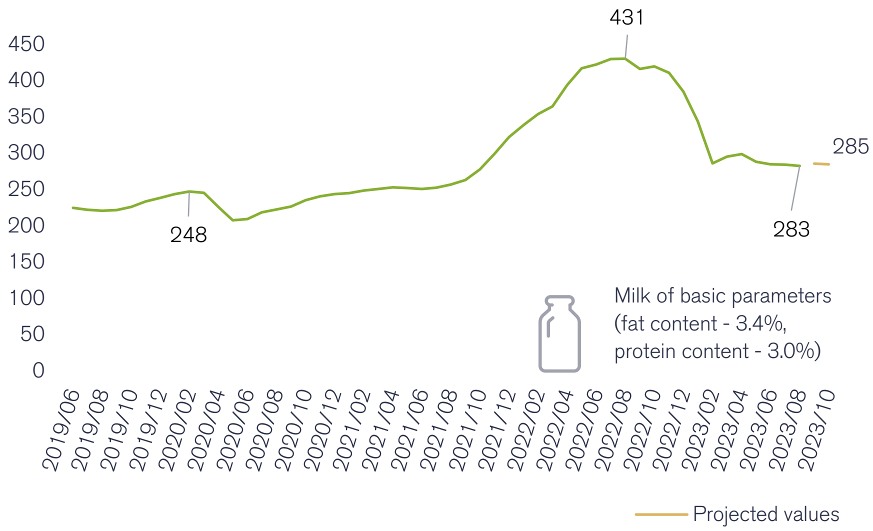
WHEAT FUTURES PRICE DYNAMICS



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

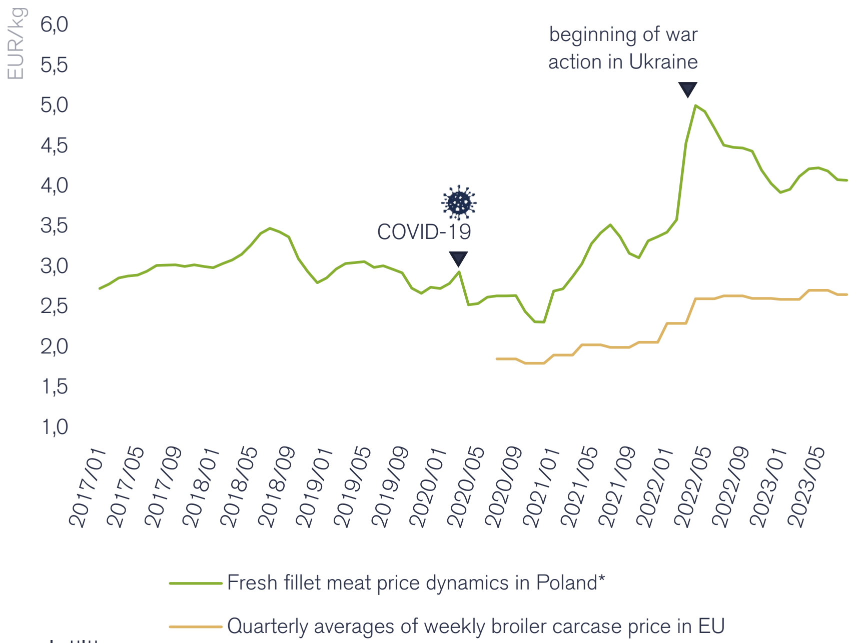
Data: Euronext

PURCHASE PRICES FOR BASIC PARAMETERS MILK IN LITHUANIA



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

FRESH FILLET MEAT PRICE DYNAMICS IN POLAND*



Data: The Polish Ministry of Agriculture and Rural Development
**Poland – one of the top poultry meat exporters, producing around 20% of EU poultry meat*

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

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

● *Significant impact*

4.3. PERFORMANCE OF THE SEGMENTS

Activities of the Group are divided into five business Segments:

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

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

OPERATING PROFIT (LOSS) BY SEGMENTS

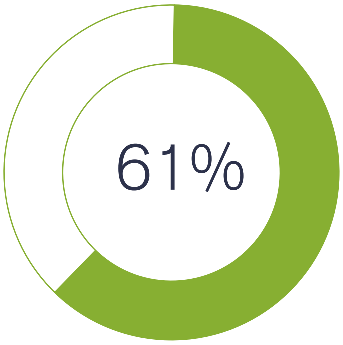
thousand euro	2018/2019	2019/2020	2020/2021	2021/2022*	2022/2023
Grain, Oilseeds, and Feed	(8,640)	6,225	6,053	51,266	16,199
Products and Services for Farming	2,950	3,555	8,758	45,319	10,763
Agricultural Production	3,230	6,358	11,433	15,078	12,515
Food Products	2,431	2,183	(2,040)	(1,790)	7,931
Other Activities	471	-	(75)	(1,967)	491

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

GRAIN, OILSEEDS, AND FEED
since 1991

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

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY SDGS

KEY FACTS

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

OPERATING COMPANIES

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

** Company for sale*

CERTIFIKATES

ISO 22000
ISCC
GMP+
HALAL
EKOagros

OWN TRADEMARKS

Vitamins and mineral supplements VitaPrem

Compound feed 'Provitac'

Feed KG Nature Effectus Kauno Grūdai

GRAIN STORAGE AND LOGISTIC SERVICES

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

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

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

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

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

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

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

GRAIN AND OILSEED TRADING

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

'Oilseed' means rapeseed, sunflower, and flax seeds.

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

With grain and oilseeds prices falling, Group companies experienced significant pressure on overall profitability. Russia, offering substantially cheaper than European wheat, distorted the competition and remained the main player in the export of food wheat; at the same time, extra challenge was the class of wheat purchased by the Group companies, which in most cases did not meet the standard wheat export quality and required improvement mixing with better parameters grain. Ensuring performance under the above conditions meant significant premium cuts. Accordingly, the total profitability of the Group companies in the reporting period was 19% lower compared to the result of the same period previous financial year.

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

During the reporting period, the volume of traded grain and oilseeds was **2.1** million tons.

Grain and Oilseed Trading	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	663,410	745,357	12
Gross profit (loss), *thousand EUR*	20,708	16,675	-19

FEED BUSINESS

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

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

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

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

At the date of the publication of this report (on which, the Russian and Belarusian premixes producing companies have already been sold), the activity solely is carried out in own factories in Lithuania (annual production capacity of 294 thousand tons of compound feed and premixes). In Lithuania, the **retail trade of feed** is carried out through a network of retail stores managed by UAB KG Mažmena, covering approximately 70-80% of Lithuania's feed retail market. Yet noting, that the gradual organic contraction of this market is felt for the second year in a row illustrating farms' shrinking and the prevention of bird flu.

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

The demand for **combined feed** remained high during the reporting period, more and more clients of the Group companies in Lithuania, livestock farms, chose to change their own feed to factory produced feed. During the reporting period, the companies of the Group increased the number of production lines by adding the line in Alytus to the capacity of the Kaunas factory. Despite increasing efficiency and growing production volumes, the overall profitability of the compound feed category was decreasing during the reporting period. This was influenced by the normalization of the deliveries of feed raw materials, the increase in supply and active competition from Polish producers, putting pressure on the prices. With Group companies still using raw materials purchased in advance at a relatively higher price, the decrease in the selling price of production significantly affected the overall profitability of the category.

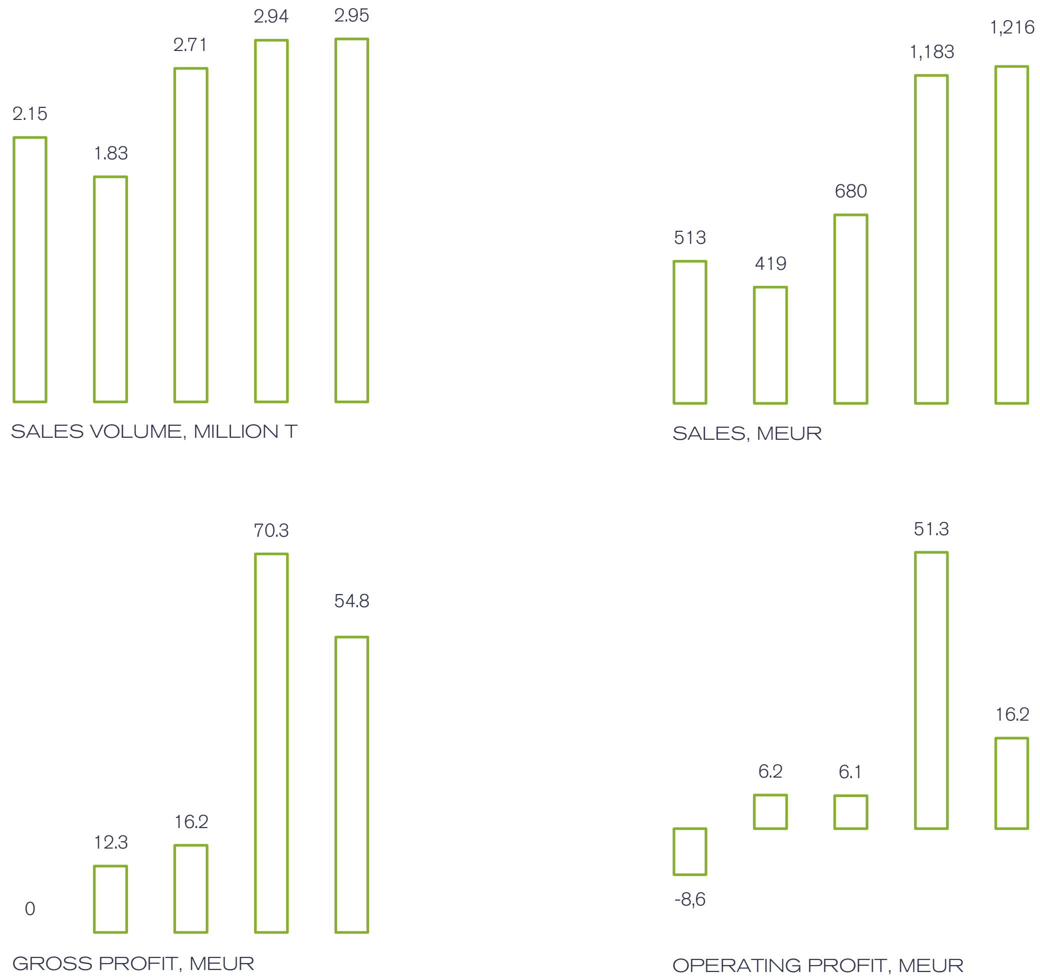
The slowing **feedstuff** consumption and decreasing, yet still volatile prices trend was characterizing to the reporting period. Over the first half of the financial year normalizing supply chain activity, last quarter got complicated due to logistical constraints and hampered trade through the territory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

Compound feed, premixes, feed material trade	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	513,938	460,017	-10
Gross profit (loss), *thousand EUR*	47,793	30,797	-36

During the reporting period the revenue of the Grain, Oilseeds and Feed segment increased by 3% to EUR 1.2 billion. Operating result amounted to EUR 16.2 million profit as compared to EUR 51.3 million operating profit for the corresponding period of the previous year. For 2022/2023 financial year revenue of this business segment constituted 61% and was in line with Group's management estimation.

COMPARISON OF PERFORMANCE

OVER FIVE REPORTING PERIODS

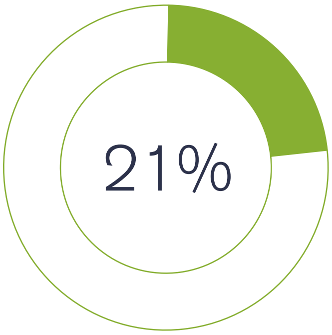


PRODUCTS AND SERVICES FOR FARMING

since 1993

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

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY SDGs

KEY FACTS

30 ktons of cereals and pulses seeds-total annual capacity of the seed production plant

185 ktons storage capacity for warehousing seeds, fertilizers and plant care products

16 sales outlets

13 service centers

OPERATING COMPANIES

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

* *Company for sale*

REPRESENTED MANUFACTURERS / BRANDS

Agricultural machinery, spare parts, grain cleaning, drying and storage facilities as well as livestock farms equipment – 'Kverneland', 'Cimbria', 'Quicke', 'Case IH', 'Einbock', 'Bin', 'Agrifac', 'Siloking', 'Shaffer', 'Swimer', 'Boumatic', 'Arska', 'Mandam', 'Agrisem', 'MacDon', 'Laumetris', 'Wielton', 'Jeantil', 'Kongskilde', 'Symaga', 'Pellon', 'Roka', 'Spinder', 'CMP Impianti Srl'.
Adjustable underground drainage system 'Ekodrena';
Seeds, plant care products, fertilizers – 'Syngenta', 'Adama', 'Rapool', 'Yara', 'Ekoplon', 'Novagra', 'Nando', 'Haifa', 'Daymsa', 'Agritechno', other.

CERTIFICATES

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

EKOagros

OWN TRADEMARKS

Dotnuva SEEDS GEOFACE ProGarden BIO mineral

PREPARATION OF SEED IN OWN SEED PREPARATION FACTORY

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

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

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

Over the reporting period, the own seed preparation factory of UAB Dotnuva Baltic (Dotnuva, Kedainiai distr.) prepared **24.6** thousand tons of the certified 'Dotnuva Seeds' cereals and pulses seeds, being 12% more than in previous year.

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

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

During the reporting period Group companies sold:

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

283 thousand tons of fertilizers (10% less than in the previous year),

15 thousand tons of plant care products and micronutrients (17% more than in the previous year).

During the reporting period demand fluctuations for quality **seeds** were felt, in Latvia requirement was decreasing as farmers calculated the increased costs and decreasing income due to falling grain prices, in Estonia at the same time a high demand for sidereal plant seeds was noticed. Over the reporting period due to time-to-time insufficient supply or varying demand tendencies, the amount of seeds sold was lower. However gross profitability of seeds merchandising remained at a similar to previous year's level.

In the second half of the 2022/2023 financial year, **fertilizer** trade remained very dynamic, it can be noted that during the 12 months of the reporting period, it managed to act in two opposite directions - in the first half: from the lack of raw materials, the closing of factories, the increase in gas prices and, as a result, the increase in fertilizer prices, - in the second half: until the drop in gas prices, the recovery of production and respectively the significant decrease in fertilizer prices. When comparing fertilizer prices in the first and second half of 2022/2023, up to 60% reaching price contraction was recorded. In the third quarter of the financial year 2023/2024, with fertilizers selling prices falling significantly, farmers were in no hurry to buy large quantities in advance, waiting for even "better" quotations; with prices stabilizing in the fourth quarter (more favorable grain and fertilizer price proportion from client's perspective), the purchase of fertilizers recovered a little. Compared to the same reporting period a year ago, the fertilizer trade volume of Group companies decreased by 10%, revenue grew by 8%, illustrating still relatively high average prices of the period. However, due to the "lagging" more expensive stocks cost effect (higher relative weight of the latter), the total category's profitability of the entire reporting period bounced to its record lows.

Late spring, summer droughts, unexpected frosts in Latvia in June, as well as the decreasing price of the future harvest, led to the postponement of the farmers' decision to purchase **micronutrients and plant care products**; in the absence of supply shortages, there has been a tendency to seek express delivery only for the quantity and assortment that is truly necessary and will be consumed shortly. However, the successful start of the financial year 2022/2023, as well as the search for cheaper alternatives to fertilizers, the introduction of new products (for example, sustainable solutions intended for nitrogen fixation in plants), resulted in over reporting period increased micronutrients, plant care products sales volumes and values (respectively 17% and 2% higher than the result of the corresponding period last year). Profitability remained at a similar level, however, when projecting the results of the future periods - pressure on margins can be expected – with decreasing mineral fertilizer prices, the demand for this category of goods is likely to decrease, also due to lower consumption throughout the financial year 2022/2023 the accumulated plant care products stocks in the market (in the opinion of the Group management - up to 30%) shall fuel the competition.

Trade in seeds, plant care products and fertilizers	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	289,694	307,572	6
Gross profit (loss), *thousand EUR*	56,633	19,377	-66

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

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

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

At the beginning of the reporting period, an optimistic assessment of better than average harvest of 2022, high grain and record milk prices, the continuing rise in the price of equipment and the desire to employ funds in an inflationary environment - acted as a strong incentive to invest. However, in the second half of the financial year - canceled EU support funds for the purchase of tractors, harvesters, plows in the Baltic countries, downward milk price tendencies, for some time increased farm costs (fertilizers, feed, fuel, electricity, spare parts), as well as worries about the requirements of the 'green deal', rising financing costs, and in the last quarter additionally - fear of a cold spring, dry weather, non-rebounding grain prices - led to more carefully taken investment decisions.

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

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

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

Even though while assessing results of financial year 2022/2023, such caution was only marginally noticeable due to strong results in the beginning of the reporting period (20% higher sales revenue and 12% higher gross profit compared to the period a year ago), a more moderate investment mood is expected to move into the next financial year and possibly lead to increased competition in the agricultural machinery market. Group companies reduce the risk of such competition by providing the best quality service, ensuring the possibility to return part of the ordered parts to suppliers after the season, as well as developing long-term and short-term machinery rental activities, which are expected to be popular with farmers who have deferred investments.

Sales and rent of new and used agricultural machinery, spare parts sales, and servicing	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	81,974	98,170	20
Gross profit (loss), *thousand EUR*	9,644	14,656	12

SOFTWARE DEVELOPMENT

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

After several years of continuous software development, in the last quarter of the reporting period, the Geoface smart farming app started generating first sales to external customers (until then, the service was provided free of charge).

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

As farms make decisions to invest in grain and farm equipment installation projects, for the most part, the same arguments were used as when deciding to invest in agricultural machinery. With purchase prices of raw milk and grain falling, a considerable number of farms slowed down or gave up investments, others - on the contrary, decided to invest precisely in order to become more resilient - to work more efficiently at lower costs. Compared to the same reporting period a year ago, the revenue and gross profit of the category decreased, though farmers were actively applying for support, expecting more significant investments for the 2024 harvest, including construction investments, which might be applicable for support with the new application phases.

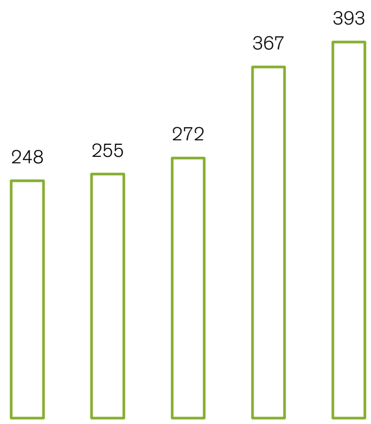
Installation of grain cleaning, drying and storage facilities and livestock farms	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	12,221	10,366	-15
Gross profit (loss), *thousand EUR*	2,134	2,117	-1

Total operating Segment revenue grew by 8% to EUR 416 million; operating profit was 76% lower and amounted to EUR 11 million.

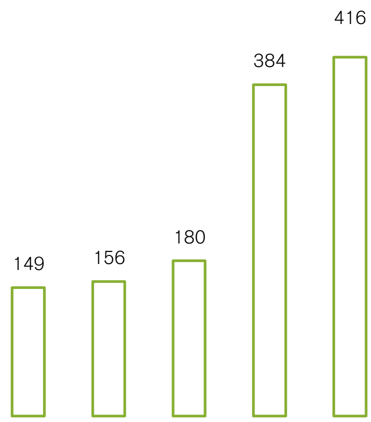
For 2022/2023 financial year revenue of this business segment constituted 21% and was in line with Group's management estimation.

COMPARISON OF PERFORMANCE

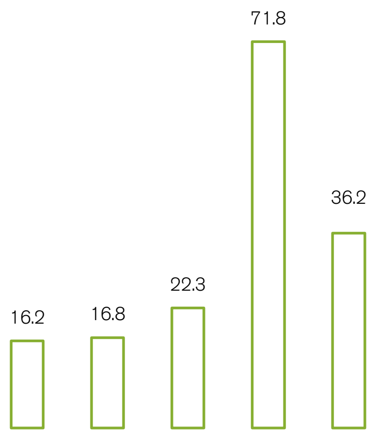
OVER FIVE REPORTING PERIODS



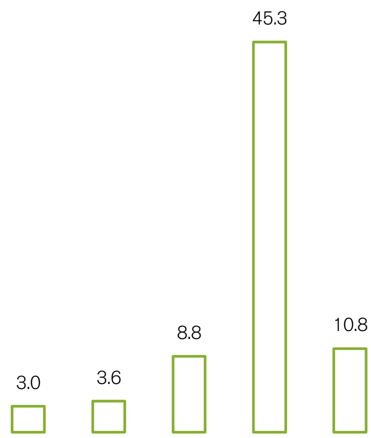
SALES VOLUME, THOUSAND T



SALES, MEUR



GROSS PROFIT, MEUR

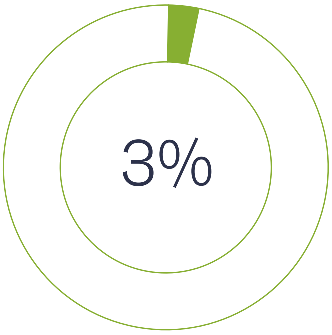


OPERATING PROFIT, MEUR

AGRICULTURAL PRODUCTION
since 2003

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

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY SDGs

KEY FACTS

19,229 cultivated land area, hectares

6,074 own land area, hectares

3,264 number of cows

37.3 ktons of milk produced

103 ktons of crop production produced

OPERATING COMPANIES

Companies in Lithuania:

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

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

104 thousand tons of crop production sold during the reporting period (15% more than a year before).

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

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

High average grain selling prices in the beginning of the financial year, already end of the summer 2022 started decreasing with increasing availability of the crops; for instance, on the date of the publication of this report, the price of milling wheat has lost roughly 30% of its value from its peak price. Due to high costs of fertilizers, plant protection products, energy resources and other components, the grain harvested in summer-autumn of 2022 was grown at approximately 10-20% higher cost compared to the previous period (depending on the culture). Despite the aforementioned factors, Group farming companies still managed to record good results during the reporting period, largely due to high selling prices at the beginning of the period, as well as significant part of pre-sale contracts and the risk policy of the Group companies to carry out the remaining sales in parts month by month.

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

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

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

PRODUCTION OF MILK AND BEEF CATTLE FARMING

At the end of the reporting period, the quantities of dairy cows held were 1% lower, while the amounts of milk produced were even 7% greater compared to the results of same period previous financial year. It is noteworthy, that quantity of milk produced and its qualitative parameters vary depending on feed, temperatures, animal genetics and other factors, and usually does not characterize by direct correlation, therefore with milk yields increasing significantly over the reporting period, the weighted average protein and fat content indicator decreased slightly, even so the composition of milk produced was still excellent. During the first quarter of the financial year the purchase prices of raw milk peaked, however already in October of 2022 started to diminish and continued this direction within the following months of the reporting period. Nevertheless, the successful start of the financial year 2022/2023 gave ground to sustain still slightly higher Group farming companies milk sales revenue compared to the very same period last year (9% increase in milk sales revenue). Unfortunately, due to the higher-than-average cost component prices, the results of general profitability deteriorated by almost a third.

RAW MILK PRODUCTION DYNAMICS IN AGRICULTURAL COMPANIES

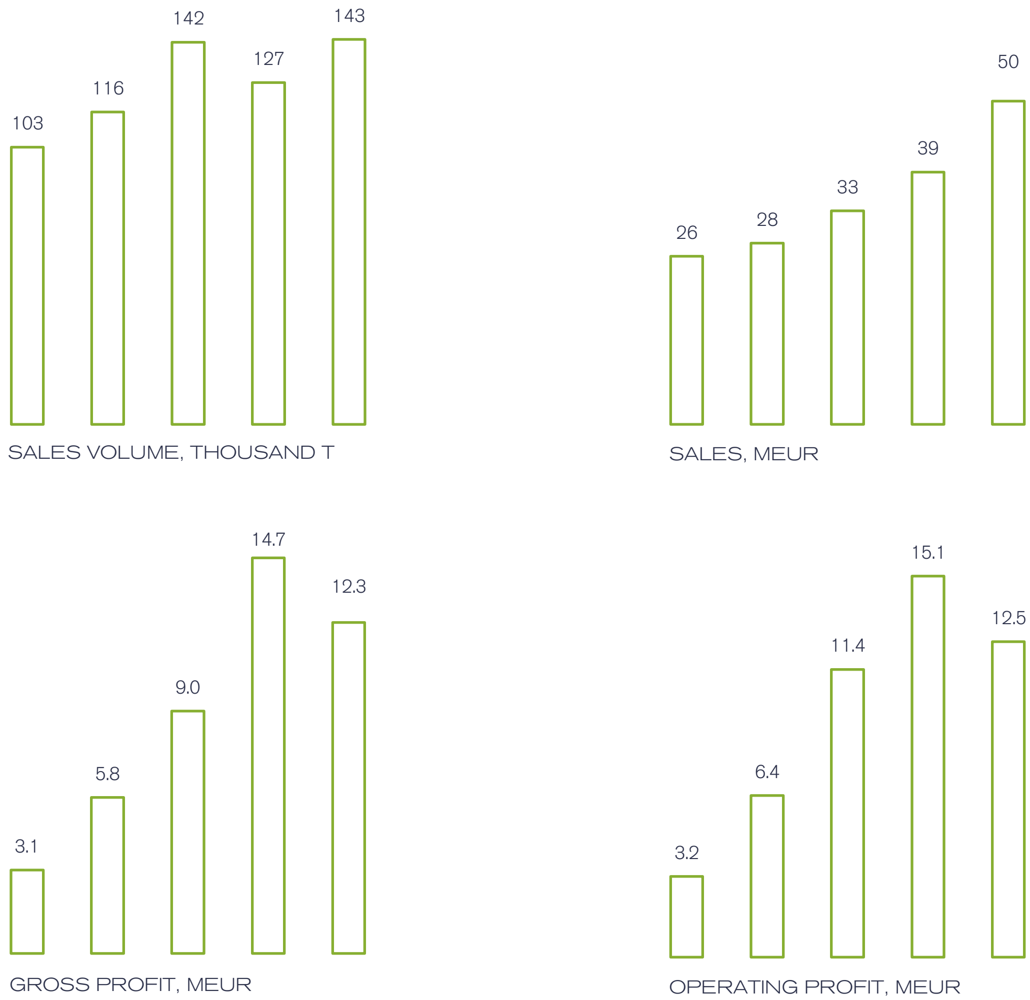
During the reporting period, 6% less live cattle meat was grown compared to the same period in the previous year, however revenue from meat sales increased by 3%.

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

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

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

COMPARISON OF PERFORMANCE
OVER FIVE REPORTING PERIODS

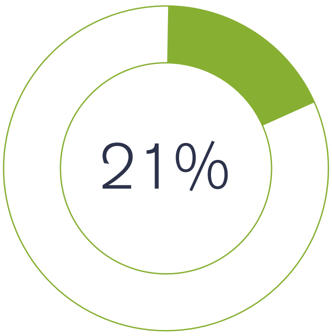


FOOD PRODUCTS
since 2013

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

Production and wholesale of flour and flour mixes, instant foods; production and wholesale breadcrumbs and breading mixes
Provision of logistics, consulting, and management services

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY SDGs

KEY FACTS

The only producer of instant products in the region

#1 The biggest poultry producer in Lithuania and Latvia

#1 The biggest flour producer in Lithuania

100% Poultry reared without antibiotics in Latvia

75% Poultry reared without antibiotics in Lithuania

20 retail outlets in Latvia

OPERATING COMPANIES

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 VKP Valdymas
UAB KP Valda
UAB VP Valda
UAB KG Distribution
UAB KG Logistika

In Latvia:
AS Putnu Fabrika Kekava
SIA Cerova
SIA Lielzeltini
SIA Broileks
SIA PFK Trader

BRANDS AND TRADEMARKS

Other:
Granfågel (non-Baltic export markets); Nordichicken (export markets); A'petito; Fiesta; Vištiena kitaip; Vištyčio; Premium

CERTIFICATES

POULTRY BUSINESS

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

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

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

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

The welfare of the animals and overall results of the farms over the reporting period remained sound. European Production Efficiency Factor (EPEF)[1], indicating efficient exploitation of breed's genetic potential, in Lithuanian and Latvian poultry farms stood at 380, feed conversion (FCR) ratios were one of the best historically, the health status of the birds – favorable.

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

During the reporting period Group's poultry companies

Produced	Sold
118 thousand tons of live weight poultry meat	96 thousand tons of poultry meat and its products

[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.*

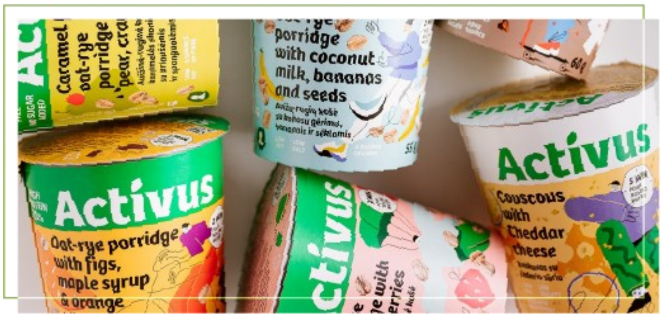
Poultry and poultry products	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	261,223	296,377	13
Gross profit (loss), *thousand EUR*	16,424	14,905	-9

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

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

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

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



During the reporting period Group companies

Produced	Sold (not including quantities required for internal production).
75 thousand tons	56 thousand tons

of flour, flour mixes, breadcrumbs

Produced	Sold
284 million pcs	266 million pcs

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

Flour and flour mixtures, instant food products,	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	85,358	119,367	40
Gross profit (loss), *thousand EUR*	9,224	16,308	77

financial year. Majority of the IF production is exported to the markets of Great Britain, Spain, Czech Republic, Scandinavian and Baltic countries and sold under private labels. Over the reporting period the accelerating instant noodles demand moods were felt - according to the latest data of World Instant Noodles Association (WINA) and Innova Market Insights, last year's results indicated 11% CAGR in Group's focus market (Europe, excluding Russia, Ukraine), while the projected CAGR for coming 5 years shall reach 5%. However Group companies working full capacity, satisfying this additional demand would be still only possible with further investments. Taking into account increasing appetite, already in the beginning of the 2023 Group's management announced the plan for EUR 32 million investment into Alytus IF plant expansion, expecting to have increased IF production capacities already in 2024 (additional 240 million product units throughout the year).

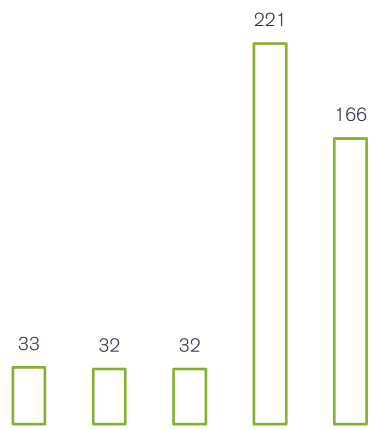
Observing the growing demand for ready-to-eat food products, Group's management made a decision to expand segment's product basket. After the end of the reporting period, in July, 2023 the acquisition of a part of the third party's business was completed, aiming to continue the production of organic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

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

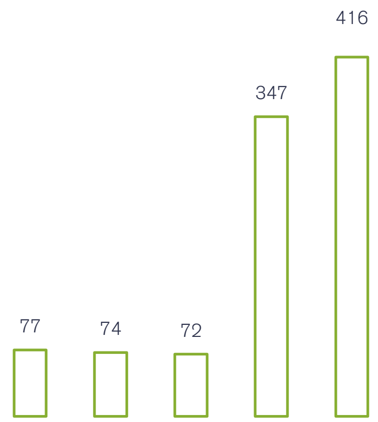
For 2022/2023 financial year revenue of this business segment constituted 21% and was in line with Group's management estimation.

COMPARISON OF PERFORMANCE

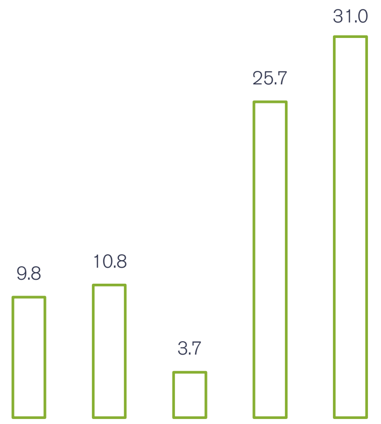
OVER FIVE REPORTING PERIODS



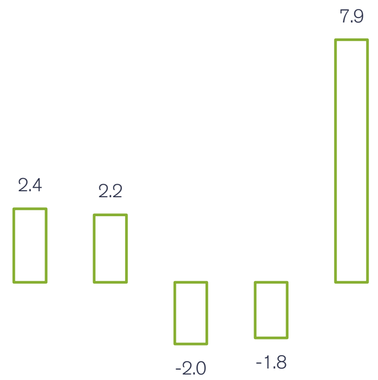
SALES VOLUME, THOUSAND T



SALES, MEUR



GROSS PROFIT, MEUR



OPERATING PROFIT, MEUR

OTHER ACTIVITIES
since 2021

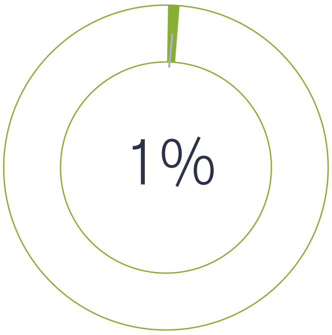
Trade in pest control and hygiene products

Production and sales of extruded products, pet food

Provision of veterinary pharmaceutical services and trade in products

Provision of fumigation and sanitation services

SHARE OF REVENUE IN GROUP'S PORTFOLIO



KEY SDGs

KEY FACTS

Own plant of extruded products in Alytus

OPERATING COMPANIES

AB Kauno Grūdai
OOO KLM*
UAB Baltic Fumigation Services

** Company for sale*

OWN TRADEMARKS

CERTIFICATES

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

REPRESENTED MANUFACTURERS / BRANDS

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

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

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

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

full load, management chose to commit for the most profitable orders, reducing the share of the cheaper economy class product in the production basket. Implementation of the mentioned strategy translated into contraction of **pet food** produced by Group companies quantities (7% less as compared to the same period last year), yet meanwhile into higher revenues, amounting EUR 9.4 million and being even 47% higher if compared to the result in the previous financial year. Worth noting, that the recovering profitability of the category was influenced not only by the product basket, but also by the declining cost of raw materials at the end of the reporting period.

During the reporting period
the companies of the Group

Produced
11 thousand tons

Sold
9 thousand tons

of the extruded products

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

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

Pest control, provision of hygiene goods and services, petfood production and sales, wholesale and retail trade of veterinary pharmacy products and other activities	2021/2022	2022/2023	Difference, %
Revenue, *thousand EUR*	35,861	21,764	-39
Gross profit (loss), *thousand EUR*	6,306	3,505	-44

Revenue of the operating Segment covering above mentioned and other less material activities during this reporting period amounted to EUR 22 million, result was EUR 0.5 million operating profit.

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

4.4. CASH FLOW AND LIQUIDITY

The objective of the Group is to have sufficient financial resources, maintain high liquidity level, a good quality balance sheet, have sufficient flexibility and space in borrowing, and be able to meet the Groups' working capital and investment needs.

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 81 million as compared to EUR 123 million of the corresponding period of the previous year. Within FY 2022/2023 way more moderate increases in the Group's inventories (increased by EUR 23 million), and receivables (increased by EUR 14 million), resulted in still positive cash flow from operating activities after changes in working capital - EUR 13 million (negative EUR 6 million over the respective period of 2021/2022 financial year). As of the balance sheet date the Group had EUR 13 million in cash and cash equivalents (EUR 21 million in FY 2021/2022), its current solvency ratio was 1.27.

The Group's financial loans portfolio at the end of the financial year 2022/2023 was EUR 328 million (EUR 296 million at the end of the financial year 2021/2022) or EUR 292 million if not taking into account leasing obligations related with right of use assets (respectively EUR 266 million at the end of the financial year 2021/2022). Financial debt, out of which 75% is short term loans used for working capital financing have mainly increased due to higher demand for working capital financing. Respectively over the referenced period financial expenses increased by 28% and amounted to EUR 19.3 million compared to EUR 15.1 million in financial year 2021/2022.

AB Linas Agro Group is fully capable of financing its core, as well as investment activities. The main part of the working capital (total maximum amount of credit, factoring, LCs and other limits with the banks exceeded 500 million) and long-term investments Group finances in following financial institutions: Swedbank AB, AB SEB Bankas, Luminor Bank AS, Credit Suisse AG, Credit Europe Bank N.V.

5. INVESTMENTS

AB Linas Agro Group and its subsidiaries have invested EUR 30 million over the reporting period. Major investments by character:

Investment object	Investment amount, thousand EUR
Grain, Oilseeds, and Feed	3,319
Products and Services for Farming	2,694
Agricultural Production	5,538
Food products	18,385
Other Activities	445
Not allocated to any segment	32

Within the FY 2022/2023 a majority share of the total Group investments were directed towards Food products segment. Poultry companies were looking for the ways to cut energy costs, installing alternative LPG terminals to replace last year record high (prices) natural gas, additionally small-scale floor and roof repairs, lightning and heating renovation was performed, new filleting and calibration equipment, trucks for transportation purchased. Instant food category finalized investments into Kedainiai warehouse. Agricultural companies purchased few land plots, in some cases replacing existing ones with more convenient locations, additionally bought sowing machines, scrapers, tractor for crop production, crushers for feed preparation, as well as cooling system for milk farms. Group company UAB Dotnuva Baltic was investing into new modern agricultural service center/workshop and warehouse located in Siauliai.

6. MAJOR EVENTS

6.1. THE PUBLICLY DISCLOSED INFORMATION

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

16/6/2023 8:00 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the person discharging managerial responsibilities
15/6/2023 16:52 EEST	The Board of Directors of AB Linas Agro Group approved the Dividend Policy
13/62023 17:17 EEST	Correction: AB Linas Agro Group seeks to acquire part of AUGA Group, AB food business
7/6/2023 17:42 EEST	AB Linas Agro Group seeks to acquire part of AUGA Group, AB food business
31/5/2023 16:30 EEST	9 months of the 2022/2023 financial year of AB Linas Agro Group: revenue up, profit down
26/5/2023 10:00 EEST	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the 9 months of financial year 2022/2023
15/5/2023 8:23 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers of the Company
11/5/2023 8:19 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers of the Company
8/5/2023 16:05 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers and persons closely associated with the managers of the Company
4/5/2023 8:16 EEST	AB Linas Agro Group: notification on transactions in the Company's securities by the managers and persons closely associated with the managers of the Company
2/5/2023 9:06 EEST	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company
2023-04-26 16:19 EEST	AB Linas Agro Group: notification on transactions in the issuer's securities by the managers and persons closely associated with the managers of the Company
28/2/2023 18:22 EET	Six months of the 2022/23 financial year of AB Linas Agro Group: sales, revenue, and profit growth.
23/2/2023 9:30 EET	AB Linas Agro Group will hold an Investor Conference Webinar to introduce the financial results for the half year of financial year 2022/2023.
20/2/2023 8:00 EET	Linas Agro Group invests EUR 32 million in the production of instant foods.
22/12/2022 16:05 EET	Chairman of the Supervisory Board of AB Linas Agro Group was elected.
6/12/2022 16:08 EET	Chairman of the Board of AB Linas Agro Group was elected.
2/12/2022 16:05 EET	Notification on the total number of voting rights granted by Linas Agro Group shares, the authorized capital amount, the number of shares and their nominal value.
2/12/2022 16:04 EET	New wording of the Articles of Association of AB Linas Agro Group, the Supervisory Board and the increase of the authorized capital are registered.
2/12/2022 9:00 EET	Correction: AB Linas Agro Group investors calendar for the 2023.
2/12/2022 8:30 EET	AB Linas Agro Group investors calendar for the 2023.
30/11/2022 18:41 EET	Revenue of AB Linas Agro Group for the three months of the 2022/2023 financial year grows by one third.

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

6.2. OTHER EVENTS OF THE REPORTING PERIOD

2023/2024	The Group's companies additionally acquired shares of UAB Šlaituva, AB Vilniaus Paukštynas, AB Kauno Grūdai and others.
27/6/2023	The Company acquired from AB Linas Agro shares of UAB Landvesta 1, UAB Landvesta 2, UAB Landvesta 3, UAB Landvesta 4, UAB Landvesta 5 and UAB Landvesta 6.
20/6/2023	UAB Kaišiadorių Skerdykla was delisted from the Register of Legal Entities.
16/6/2023	UAB KG Group LT was delisted from the Register of Legal Entities.
9/6/2023	UAB Dotnuva Seeds founded SIA Dotnuva Seeds.
9/5/2023	UAB Dotnuva Baltic split off finished and new edition of the Articles of Association of UAB Dotnuva Baltic registered, the authorized capital decreased by EUR 69,504.
8/5/2023	UAB Dotnuva Seeds was registered after UAB Dotnuva Baltic split off.

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

6.3. SUBSEQUENT EVENTS

29/09/2023	Liquidation of UAB KG Distribution, UAB KG Logistika, UAB VKP Valdymas and UAB Gastroneta initiated.
1/9/2023	Reorganization of SIA Broileks, SIA Cerova and SIA Lielzeltini was initiated by merging them to AS Putnu Fabrika Kekava.
22/8/2023	Split off from UAB Landvesta 1 initiated.
21/7/2023	AB Kauno Grūdai acquired 100% shares of KB Grybai LT.
7/7/2023	The Company transferred 3,000 of its own shares to employees of the Group under AB Linas Agro Group Rules for Shares Issue.

7. SCOPE OF RISK AND MANAGEMENT THEREOF

		Magnitude (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 POSSITION'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			■		■			
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			■		■			

7.1. 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 specialised 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 2022/2023, due to high volatility of commodity prices and disruptions in the supply chain, the companies of the Group were exposed to market risk. Market price risk was evident in fertilizer trade due to limited possibility to hedge the exposure. However, diversification of 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.

7.2. TRADE AND CREDIT RISKS

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 2022/2023, 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, due to the long-term experience of the staff of the companies of the Group and the thorough screening and control activities carried out.

7.3. 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 2022/2023, the Company and the Group encountered political risk. Following Russia's invasion of Ukraine, sanctions imposed on Russia by countries ‘unfriendly’ to the regime have led to further disruptions in supply chains worldwide (already seen in the COVID-19 pandemic). Supply restrictions imposed by the aggressor prior to the outbreak of hostilities also had a primary impact on changes in supply and prices.

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

7.4. 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 2022/2023, 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.

7.5. 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 31 to the Financial Statements of the Group for the FY 2022/2023.

In the financial year 2022/2023, 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.

7.6. 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 2022/2023, the Company and the Group did not encounter these risks. However, severe dry weather conditions in 4th quarter have indicated increasing risk related to climate change.

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.

7.7. 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 2022/2023, the Company and the Group encountered the risk when Group company website was attacked by unfriendly counterparties. However, timely action was taken, the websites as such are not a crucial part of Group's IT infrastructure.

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.

7.8. 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 2022/2023, 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.

7.9. 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 2022/2023, 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.

7.10. RISKS RELATED WITH 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 2022/2023, the Company and the Group managed the risk without any major impact on activities.

7.11. 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 financial year 2022/2023, the Company and the Group managed the risk without any major impact on the activities.

7.12. 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 2022/2023, the Company and the Group managed the risk without any major impact on the activities.

7.13. OCCUPATIONAL HEALTH AND SAFETY MISMANAGEMENT RISKS

Production 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.

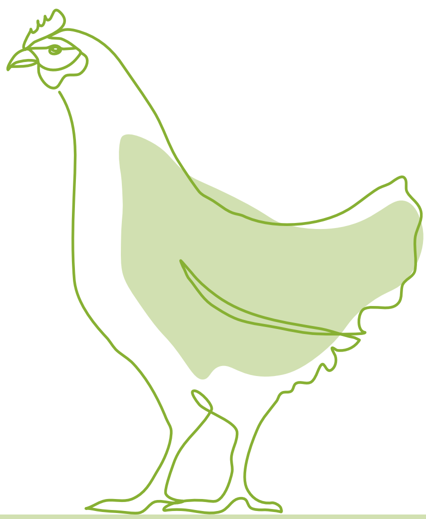
To manage these risks, Group establishes the highest standard health and safety rules and procedures, provides employees with quality and necessary means for work, and prepares the safe workplace.

In the financial year 2022/2023, the Group unfortunately failed in managing the risk; please refer to the Group's Sustainability Report for further details.

7.14. 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.

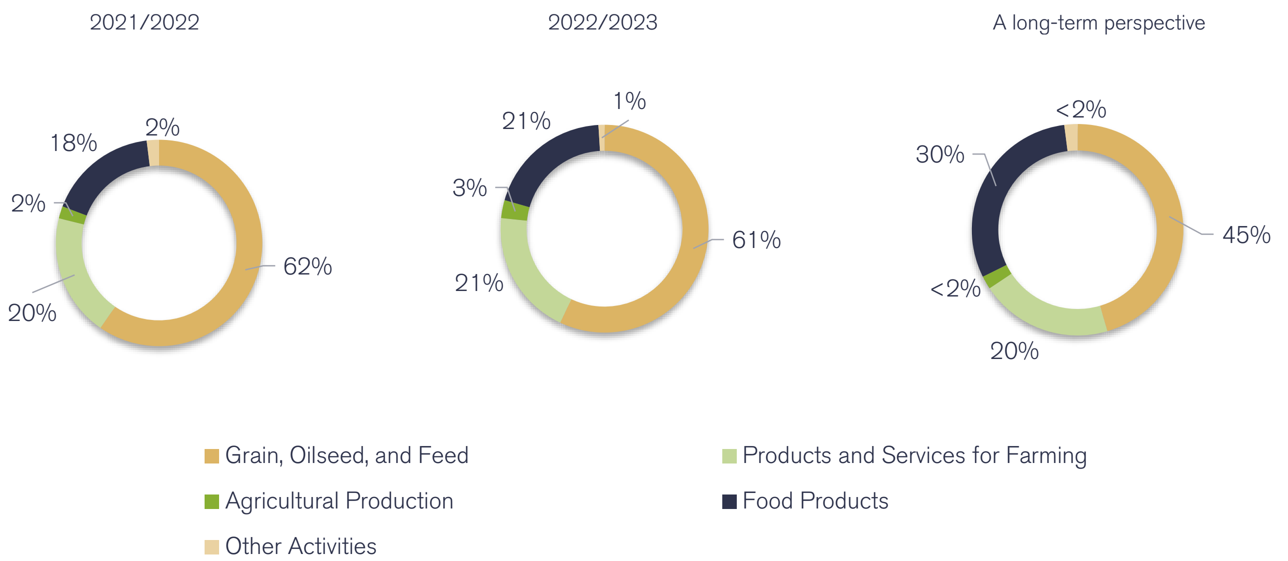
To manage these risks, Group regularly revises the progress and targets, assesses the results and makes plans going forward. Part of achieving the goals is connected to technological advance and investment need, where both depend on the market or financial position of the Group.



8. STRATEGIC GOALS

The overall strategy of the Group is to grow profitably and sustainably, to develop all key activities and to achieve synergies between business areas. 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%.

Target	2021/2022	2022/2023	Long term objective
Operational efficiency	5.47%	2.07 %	Operating profit margin >/=3%
Optimal return on capital	18.97%	7.03 %	Return on capital employed (ROCE) >/=12%
Sustainable debt level	1.90	4.18	RMI adjusted Net financial debt / EBITDA </= 4.0
Target level of EBITDA	132,173	67,318	EBITDA >/= 70,000 – 90,000 thousand EUR
Creating shareholder value	6.00%	0.00 %	Dividends paid within financial year to net profit of the previous financial year >/= 20 %
L/T strategic diversification in activities	Revenue split*: *Percentages do not add up to 100 due to activity between segments*		
	Grain, Oilseed, and Feed: 62% Products and Services for Farming: 20% Agricultural Production: 2% Food Products: 18% Other Activities: 2%	Grain, Oilseed, and Feed: 61% Products and Services for Farming: 21% Agricultural Production: 3% Food Products: 21% Other Activities: 1%	Grain, Oilseed, and Feed: 45% Products and Services for Farming: 20% Agricultural Production: <2% Food Products: 30% Other Activities: <2%



By carrying out activities in each of the five main operating segments, the Group sets separate targets to achieve the objectives applicable to respective segments.

GRAIN, OILSEED AND FEED

The objective of the Group's management is to sustainably export grain from the Baltic States in order to achieve higher profitability in this activity. When assessing achievements in the segment, the following is considered: the ratio of the volume of grain purchased in the Group's elevators to the volume of harvest in the region (target: >/= 7 percent), segment's operating profit margin (target: >/= 1.5 percent), etc.

PRODUCTS AND SERVICES FOR FARMING

The key task in this segment is to grow profitably, while ensuring acceptable earnings for the farmer. Also, to look for and offer to the market solutions that help plants adapt to changing climatic conditions. To have one of the best agricultural machinery servicing networks in the Baltic States. To develop the investment in GeoFace and offer modern solutions to farmers with smart technologies. When assessing achievements in the segment, the following is considered: the market share of new tractors and combines (target: TOP 3 position in each country of operation), segment's operating profit margin (target: >/= 5 percent), etc.

AGRICULTURAL PRODUCTION

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.

FOOD PRODUCTS

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).

OTHER ACTIVITIES

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.

9. AUTHORIZED CAPITAL AND SHARES OF THE COMPANY

1 December 2022, the authorized capital of AB Linas Agro Group was increased and registered in the Register of Legal Entities.

The Company's authorized capital was increased by the amount of EUR 200,545.15 by issuing 691,535 new ordinary registered uncertificated shares of the Company with a nominal value of EUR 0.29 each and a grant price of EUR 0.705 each.

The total issue price of all the new shares was EUR 487,532.18, of which EUR 200,545.15 was the nominal value of the new shares, and EUR 286,987.03 was the share premium.

The new shares were issued to exercise a portion of the options granted to the Group's employees and/or directors in 2018, with the new shares being granted gratuitously and paid for by the Company out of the Company's treasury share reserve.

Details of the Company's shares at 30 June 2023:

Share type	Ordinary registered shares
ISIN	LT0000128092
Nominal, EUR	0.29
Total number of shares	161,085,933
The authorized capital of the Company, EUR	46,714,920.57
Own shares acquired by the Company	737,972
The total number of the Option Shares	6,263,966

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. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except ordinary shares acquired by the Company that do not give the right to vote). Neither limitations of the rights granted by the Company’s shares nor special control rights for shareholders are provided for in the Company’s Articles of Association.

Information on the Option Shares is disclosed in Note 30 to the Financial Statements for the FY 2022/2023.

The subsidiaries of the Company have not acquired any shares in the Company.

10. TRADE IN THE COMPANY'S SECURITIES IN REGULATED MARKETS

During the reporting period from 1 July 2022 to 30 June 2023, all shares of the Company were included in the Official List of AB Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092). The ticker of the shares on AB Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on AB Nasdaq Vilnius Stock Exchange started on 17 February 2010. On July 24, 2017, the Company have signed the agreement of the Issuer's securities accounting management contract with AB Šiaulių Bankas, represented by the Securities Transactions Division (code 112025254, address: Šeimyniškių St. 1A, LT-09312 Vilnius).

The securities of the subsidiaries of the Company are not traded on regulated markets.

10.1. TRADE IN THE COMPANY'S SHARES

Information on the automated execution transactions, prices of shares sold on AB Nasdaq Vilnius Stock Exchange and turnovers during the period from 1 July 2022 to 30 June 2023:

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
2022 III	1.140	1.330	1.239	1.110	371,321	1,674	1.300	24,283	30/9/2022	2,004,109	2,511,885
2022 IV	1.300	1.360	1.299	1.250	255,470	1,342	1.340	13,109	31/12/2022	1,303,911	1,697,191
2023 I	1.350	1.730	1.563	1.340	209,864	7,024	1.590	9,815	31/3/2023	2,171,057	3,391,074
2023 II	1.600	1.655	1.499	1.360	514,368	2,112	1.370	3,521	30/6/2023	2,123,437	3,155,310

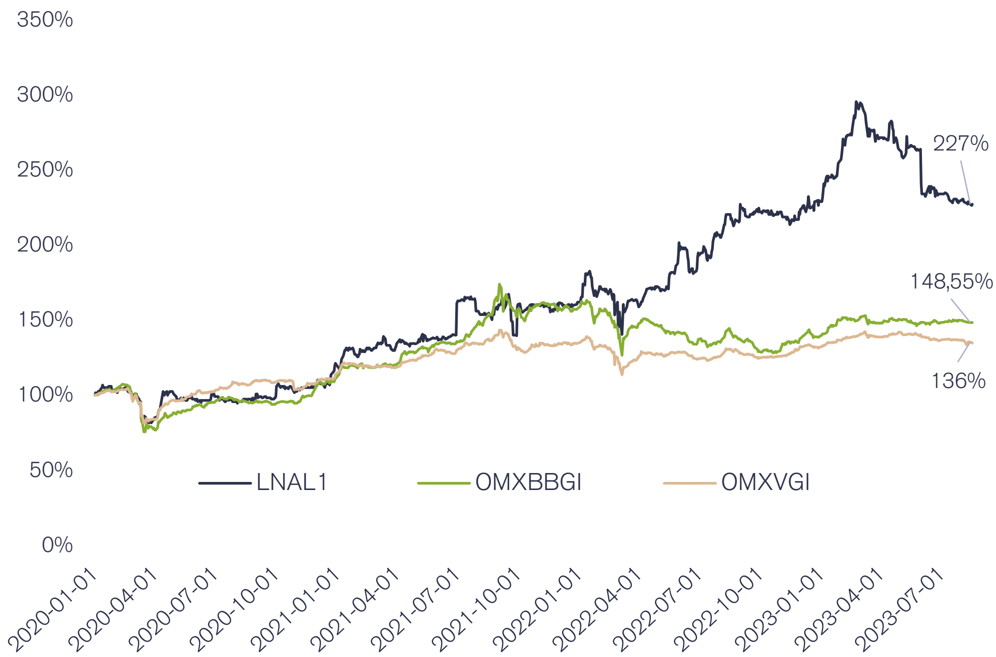
10.2. CAPITALIZATION OF THE COMPANY'S SHARES

Date	Capitalization. EUR	Share Price. EUR
30/9/2022	206,622,517	1.300
31/12/2022	214,928,493	1.340
31/3/2023	255,027,093	1.590
30/6/2023	219,740,325	1.370

10.3. AB LINAS AGRO GROUP SHARE PRICE AND TURNOVER

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

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



11. SHAREHOLDERS

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Šiaulių Bankas (data for the end of 30 June, 2023), the number of Company's shareholders at the end of the reporting period was 4,535.

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.

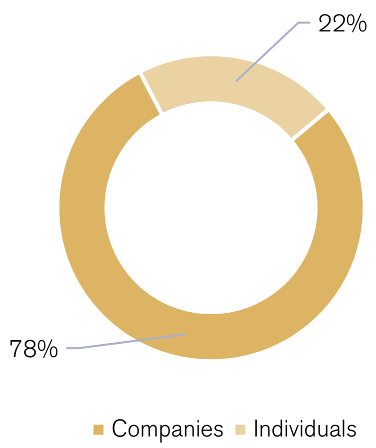
The Company does not have any further information about any agreements between shareholders due to which the shareholders' and/or voting rights might be limited.

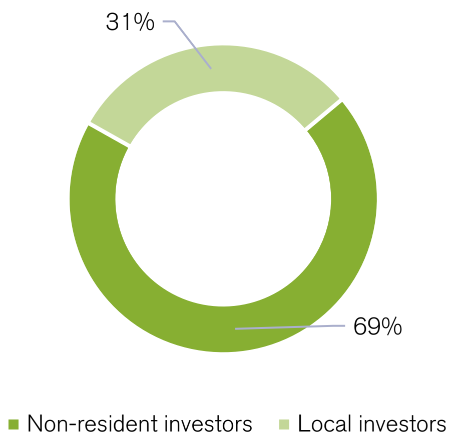
11.1. SHAREHOLDERS BY COUNTRY OF RESIDENCE AND LEGAL FORM:

Distribution of the Company's Shareholders by Country of Residence and Legal Form as at 30 June 2023:

Investors	Number of shares	Portion in the authorized capital and voting rights. %
Non-resident investors:	111,598,281	69.28
Companies	110,802,826	68.78
Individuals	795,455	0.49
Local investors*:	49,487,652	30.72
Companies	15,544,238	9.65
Individuals	33,943,414	21.07
Total	161,085,933	100

* Investors from the Baltic countries are considered as local





The shareholders controlling more than 5% of the Company's shares and/or votes as at 30 June, 2023:

	Number of shares held	Portion in the authorized capital. %
Akola ApS (public company, code 25174879, registration address: Thistedvej 68, st., 9400 Norresundby, Denmark)	109,909,167	68.23
Darius Zubas	17,049,995	10.58
Investment and pension funds managed by UAB INVL Asset Management (private limited liability company, code 126263073; registration address Gynėjų St. 14, Vilnius, Lithuania)	8,224,156	5.11

12. PROCEDURE FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

The Company's 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.

13. 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.

14. CORPORATE 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 Board of the Company, and the Head of the Company (Chief Executive Officer).

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

The detailed information on compliance with the Corporate Governance Code is disclosed in Annex 7 of this Annual Report.

14.1. 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 reporting period the annual general meeting of shareholders of the Company was held on October 28, 2022, and was attended by the shareholders of the Company holding 84.94% of all voting shares of the Company.

14.2. THE MANAGEMENT BOARD

The Company's Management Board (the Board) consists of six members elected for four years period. The Board's Chairman of the Board is also the Company's Head (Chief Executive Officer).

The previous Board adopted 13 Board decisions between 1 July 2022 and 28 October 2022, with 100% participation of Board members.

The New Board was elected for a new term of 4 (four) years at the Company's Ordinary General Meeting of Shareholders on 28 October 2022. There are no independent members on the new Board. During the period from election to 30 June 2023 the New Board adopted 10 Board decisions with 100% participation of the Board members.

Composition of the Board as at 30 June 2023:

Name	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	155,745
Dainius Pilkauskas	Member	28/10/2022	27/10/2026	480,281
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	3,400,000

Darius Zubas

Darius Zubas – the principal founder of the Group.

Graduated from Veterinary Academy of Lithuanian University of Health Sciences.

Serves as CEO at AB Linas Agro Group since 1996.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
UAB Dotnuva Seeds. 306313873, Tilto g. 2C, Dotnuva, Kėdainiai district, Lithuania	Member of the Board	2023
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 Linas Agro Konsultacijos, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Vice Chairman of the Board	2020
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai district, Lithuania	Member of the Board	2019
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas district, Latvia	Chairman of the Council	2015
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava district, 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

Obtained a bachelor's degree in business administration and a master's degree in marketing management at Kaunas University of Technology. Joined the Group in 1999 and serves as Deputy CEO at AB Linas Agro Group since 2009.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
AB Kauno Grūdai, 133818917, H. ir O. Minkovskių St. 63, Kaunas, Lithuania	CEO Vice 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	Vice Chairman of the Board	2021
AB Zelvė, 181323215, Tiesioji St. 21, Daučiuliškės vill., Elektrėnai municipality, Lithuania	Vice Chairman of the Board	2021
UAB Linas Agro Konsultacijos, 248520920, Žibuoklių St. 20, Kėdainiai, Lithuania	Chairman of the Board	2020
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava district, Latvia	Chairman of the Board	2015
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas district, Latvia	Chairman of the Board	2015
SIA Cerova, 43603019946, Centra St. 11, Musa, Ceraukstes par., Bauskas district, Latvia	Chairman of the Board	2015
SIA Broileks, 50103262981, Gaismas St. 2A-48, Kekava, Latvia	Chairman of the Board	2015
Other companies:		
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

Dainius Pilkauskas

Obtained a master's degree in animal science at Veterinary Academy of the Lithnoteuanian University of Health Sciences. Joined the Group in 1991.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės St. 2C, Panevėžys, Lithuania	Vice Chairman of the Board	2022
SIA Linas Agro, 53603019011, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Member of the Supervisory Council	2020
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	Trade Director for Baltic States Member of the Board	2006 2006

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 serve as CFO at AB Linas Agro Group.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
UAB Kekava Foods LT, 304784428, Subačiaus St. 5, Vilnius, Lithuania	Director	2023
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava district, Latvia	Member of the Supervisory Council	2022
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas district, Latvia	Member of the Supervisory Council	2022
UAB TABA Holding, 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 Linas Agro Konsultacijos, 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

Obtained a bachelor's degree in international economics at Concordia University (USA) and a master's degree in business administration at the University of Surrey. Joined the Group in 2004.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
SIA Dotnuva Seeds, 40203489925, 'Iecavas baze', Iecava, Bauskas district, Latvia	Chairman of the Supervisory Council	2023
UAB Dotnuva Seeds, 306313873, Tilto St. 2C, Dotnuva, Kėdainiai district, Lithuania	Vice Chairman of the Board CEO	2023 2023
UAB Linas Agro Grūdų Centrai, 148451131, Smėlynės St. 2C, Panevėžys, Lithuania	Member of the Board	2022
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	Member of the Supervisory Council	2020
UAB Dotnuva Baltic, 261415970, Parko St. 6, Akademija, Kėdainiai district,. Lithuania	Vice Chairman of the Board CEO	2019 2019
SIA Linas Agro, 53603019011, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Vice Chairman of the Supervisory Council	2019
SIA Dotnuva Baltic, 43603041881, 'Baltijas Ceļš', Brankas, Cenu district, Jelgava municipality, Latvia	Vice Chairman of the Supervisory Council	2019
AS Dotnuva Baltic, 12019737, Savimäe 7, Vahi, Tartu district, Estonia	Member of the Supervisory Council	2019
AB Linas Agro, 147328026, Smėlynės St. 2C-3, Panevėžys, Lithuania	CFO Member of the Board	2019 2018

Arūnas Zubas

Arūnas Zubas holds a master's degree in food production technology from the Kaunas University of Technology. He was employed within the Group from 1995 to 2005. also serves as Business Development Director at AB Linas Agro Group since 2022.

Activities in other companies:

Name, code, and address of legal entity	Position	Since
Companies of the Group:		
AS Putnu Fabrika Kekava, 50003007411, Kekava, Kekava district, Latvia	Vice Chairman of the Supervisory Council	2018
	Member of the Supervisory Council	2015
SIA Lielzeltini, 40003205232, "Mazzeltini", Janeikas, Bauskas district, Latvia	Vice Chairman of the Supervisory Council	2018
	Member of the Supervisory Council	2015
Other companies:		
UAB MESTILLA, 300097027, Kretainio St. 5, Klaipėda, Lithuania	Vice Chairman of the Board	2018
	Managing Director	2005

Board members controlling more than 5% of other Companies shares and votes:

Name and surname	Participation in other Companies authorized capital
Darius Zubas	UAB Darius Zubas Holding-100%; UAB MESTILLA-14.3%
Jonas Bakšys (joint community property with spouse together)	UAB Vividum-100%; Dvi T, UAB-100%
Mažvydas Šileika (joint community property with spouse together)	10xreturns, UAB-25 %

Andrius Pranckevičius, Arūnas Zubas and Dainius Pilkauskas do not have more than 5% of shares in the other companies.

During the reporting period, the Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfilment of their obligations.

14.3. SUPERVISORY BOARD

As of 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.

The Members of the Supervisory Board as at 30 June, 2023:

By the end of the reporting period, the Supervisory Board had held 3 meetings with 100% participation of the Supervisory Board members.

Tomas Tumėnas

Chairman

Cadence started on 1/12 2022.

Cadence to end on 30/11/2026.

Number of the Company's shares held: 2,200

Arūnas Bartusevičius

Independent Member

Cadence started on 1/12 2022.

Cadence to end on 30/11/2026.

Number of the Company's shares held: 484,561

Carsten Højland

Independent Member

Cadence started on 1/12 2022.

Cadence to end on 30/11/2026.

Number of the Company's shares held: 649,477

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 PICUKĖ. Tomas Tumėnas' main employer is CEPD NV. He is director at UAB BALTIC FUND INVESTMENTS and he is an independent member of the Board of Directors of the State Enterprise Regitra and the State Enterprise UAB Valstybės Investicijų Valdymo Agentūra, a Board member at Admenta Sweden AB, Turing College UAB, and UAB Nacionalinė Farmacijos Grupė and member of supervisory board at Kredito Unija Saulėgrąža.

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 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.

During the reporting period, the Company has not granted any loans, guarantees or surety ships to the members of the Supervisory Board that would ensure fulfilment of their obligations.

14.4. COMMITTEES FORMED BY THE COMPANY

On October 28, 2010 the Audit Committee was formed by the Company. The members of the Committee are elected for a term of office of 4 (four) years.

The duration of office of the members of the Audit Committee started on October 28, 2022 and will end on October 27, 2026. The Audit Committee consists of 3 members, two of whom are independent:

Lukas Kuraitis – an independent member of the Audit Committee. Employed as an Executive Manager at UAB BJK, UAB Timis, and UAB Lizus. Does not own shares of the Company.

Skaistė Malevskienė – an independent member of the Audit Committee. Employed at UAB Kirtimų Logistikos Centras as a Commercial Director. Does not own shares of the Company.

Irma Antanaitienė – a member of the Audit Committee. Employed at AB Linas Agro as Accountant. Does not own shares of the Company.

By the end of the reporting period, 7 Audit Committee meetings had been held, with 100% participation of Audit Committee members.

14.5. THE HEAD AND SENIOR EXECUTIVES OF THE COMPANY

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 Chairperson of the Board.

The Head and Senior Executives as at 30 June, 2023:

The senior executives of the Company work under open-ended contracts of employment. Details of the senior executives remained unchanged during the financial year 2022/2023.

There are no separate agreements between the Company and its employees that would provide any compensations in case of their resignation or dismissal without a justified reason.

Darius Zubas

Position:
Chief Executive Officer

Employed since:
1/9/1996

Number of the Company’s shares held:
17,049,995

Andrius Pranckevičius

Position:
Deputy Chief Executive Officer

Employed since:
19/11/2009

Number of the Company's shares held:
155,745

Mažvydas Šileika

Position:
Chief Financial Officer

Employed since:
15/4/2020

Number of the Company's shares held:
1,100

Rasa Klein

Position:
Head of Consolidation and Reporting

Employed since:
1/2/2022

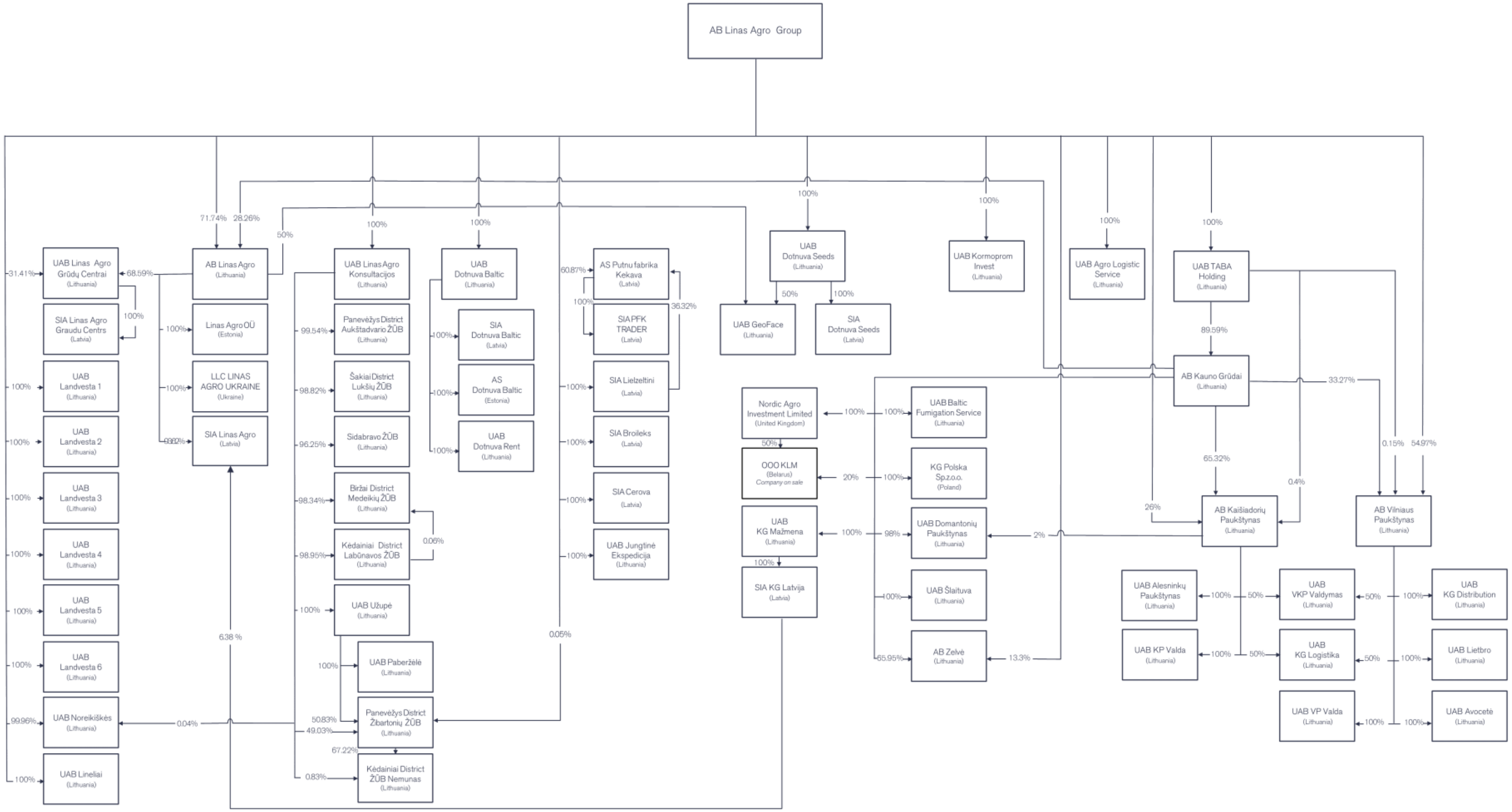
Number of the Company's shares held:
0

Information about Senior Executives who are also the Members of the Board, is provided in chapter 14.2 The Management Board.

Rasa Klein obtained a bachelor's degree in business administration and management and a master's degree in economics at Kaunas University of Technology; she also attended qualification courses on audit, taxes, IFRS and local GAP standards, training on robotization and big data management. Joined the Group in 2022.

The remuneration charged to the Company's Senior Executives during the period under review for their duties in the Company amounted to EUR 731 thousand. They did not receive any bonuses for serving on the boards of other Group companies.

15. SUBSIDIARIES OF THE COMPANY



** As of June 30. 2023. The scheme excludes dormant. associated companies and the companies under liquidation: UAB Gerera (100% owned by AB Linas Agro). UAB Kekava Foods LT (100% owned by AB Linas Agro Group). Linas Agro A/S under liquidation (100% owned by AB Linas Agro). UAB Gastroneta (100% owned by AB Vilniaus Paukštynas). UAB Kaišiadorių Paukštyno Mažmena (99% 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 (the companies UAB Domantonių Paukštynas. UAB Lietbro. AB Zelvė. UAB Avocetė and UAB Alesninkų Paukštynas each own 20% stock). KG Khumex B. V. (associate. 50% owned by AB Linas Agro Group). KG Khumex Coldstore B.V. (associate. 25% owned by AB Kaišiadorių Paukštynas and 25% by AB Vilniaus Paukštynas).*

DATA ON SUBSIDIARIES

As at June 30, 2023. 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 97.06% stock)- 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 Kekava Foods LT (dormant, the Group owns 100% stock)- 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. Linas Agro A/S (under liquidation, the Group owns 97.06% stock)-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;

4. UAB Gastroneta (dormant, the Group owns 84.93% stock)- private limited liability company, founded 15/2/2000, code of legal entity 125057526, address Dariaus ir Girėno St. 175, LT-02189 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);

5. UAB Kaišiadorių Paukštyno Mažmena (dormant, the Group owns 84.92% stock)- 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);

6. KG Eesti OU (dormant, the Group owns 89.59% stock)- 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);

7. UAB Uogintai (dormant, the Group owns 84.92% stock)- 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);

8. Kooperatyvas Baltoji Plunksnelė (dormant, the Group owns 83.33% stock)- 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);

9. KG Khumex Coldstore B.V. (associate, the Group owns 42.46% 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);

10. KG Khumex B.V. (associate, 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).

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 Linas Agro	97.06%	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, 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, 58351 Kėdainiai district, Lithuania Ph. +370 347 37030 E-mail info@dotnuvarent.lt
UAB Dotnuva Seeds	100%	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, 58373 Kėdainiai district, Lithuania Ph. +370 612 20179 E-mail info@dotnuvaseeds.lt
UAB Linas Agro Grūdų Centrai	97.98%	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	100%	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
UAB Linas Agro Konsultacijos	100%	Management of subsidiary farming companies	23/6/2003, code of legal entity 248520920, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Žibuoklių St. 20, LT-57128 Kėdainiai, Lithuania Ph. +370 686 53 692 E-mail konsultavimas@linasagro.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@linasagro.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@linasagro.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@linasagro.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@linasagro.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@linasagro.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@linasagro.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@linasagro.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

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 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
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@linasagro.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. +370 698 58583 E-mail uzupe@linasagro.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 58583 E-mail paberzele@linasagro.lt
UAB Lineliai	100%	Rent and management of agricultural purposes land	9/3/2012, code of legal entity 302740714, 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 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
UAB GeoFace	98.53%	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, –Karaliaus Mindaugo per, 37 LT-44307 Kaunas, Lithuania Ph. +370 676 99 244 Email info@geoface.com

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 Kauno Grūdai	89.59%	Production and wholesale of flour and flour products, compound feed, extruded products, and instant foods; products and services for farming; wholesale of feed materials; fumigation, disinsection, disinfection and deratization services	15/10/1993, code of legal entity 133818917, 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@kggroup.eu www.kauno-grudai.lt
AB Vilniaus Paukštynas	84.93%	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 Ph. +370 5 2687331 E-mail vilniaus.paukstynas@paukstynas.lt www.paukstynas.lt
AB Kaišiadorių Paukštynas	84.92%	Chicken raising for meat and eggs production, production of poultry and its products	20/05/1993, code of legal entity 158891218, 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, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Sodų St, 7, 53290 Linksmakalnis, Kaunas district, Lithuania Ph. +370 37 473446
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, 21364 Daučiuliškės, Elektrėnai municipality, Lithuania Ph. +370 528 26536
UAB Kormoprom Invest	100%	Management services	24/11/2015, code of legal entity 304141542, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Subačiaus St. 5, LT-01302 Vilnius, Lithuania Ph. +370 619 19403
UAB TABA Holding	100%	Management services	24/11/2015, code of legal entity 304141581, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Subačiaus St. 5, LT-01302 Vilnius, Lithuania Ph. +370 619 19403
UAB Baltic Fumigation Service	89.59%	Fumigation services	7/3/2005, code of legal entity 300094020, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Stoties St. 38, 70484 Pilviškiai, Vilkaviškis district, Lithuania Ph. +370 655 62153

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 KG Mažmena	89.59%	Retail trade	14/3/2011, code of legal entity 302602745, 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@kggroup.eu
UAB KG Distribution	84.93%	Consultation and business management	29/8/1997, code of legal entity 186442465, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Gamyklos St. 27, LT-13249 Rudamina, Vilnius district, Lithuania Ph. +370 5 2687331
UAB Lietbro	84.93%	Broiler breeding	13/12/2004, code of legal entity 300073371, 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	84.93%	Management services	17/12/2003, code of legal entity 186758285, 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 VKP Valdymas	84.93%	Consultation and business management	3/11/2011, code of legal entity 302682691, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 5 2687331 E-mail t.sprindziunas@paukstynas.lt
UAB Domantonių Paukštynas	89.50%	Broiler breeding	2/6/2004, code of legal entity 300030822, 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	84.92%	Broiler breeding	28/2/2005, code of legal entity 300092247, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Tiesioji St. 21, 21364 Dačiuliškės, Elektrėnai municipality, Lithuania Ph. +370 528 26536
UAB KG Logistika	84.93%	Freight transport services	25/9/2007, code of legal entity 301133864, private limited liability company, State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)	Paukštininkų St. 15, LT-56110 Kaišiadorys, Lithuania Ph. +370 618 10826
UAB VP Valda	84.93%	Rent of own real estate	24/5/2021, code of legal entity 305776014, 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	84.92%	Rent of own real estate	24/5/2021, code of legal entity 305775535, 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, 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
SIA Linas Agro	96.58%	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	97.98%	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	97.06%	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, Kiev, 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	100%		9/6/2023, code of legal entity 40203489925, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Bauskas district, Iecavas municipality, „Iecavas bāze“, LV-3913 Latvia Ph. +371 20270712 E-mail m.dimante@linasagro.lv
AS Dotnuva Baltic	100%	Sale of agricultural machinery and equipment for grain elevators	11/11/2010, code of legal entity 12019737, 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

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 Putnu Fabrika Kekava	97.19%	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)	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA PFK TRADER	97.19%	Food retail	26/8/2013, code of legal entity 40103703853, 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
SIA Lielzeltini	100%	Poultry farming, production and marketing of poultry and poultry products, feed production	7/7/1994, code of legal entity 40003205232, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	"Mazzeltini", Janeikas, Bauskas district, Latvia Ph. +371 6396 0770 Fax +371 6396 0768 E-mail lielzeltini@lielzeltini.lv www.lielzeltini.lv
SIA Broileks	100%	Chicken breeding and sale	7/12/2009, code of legal entity 50103262981, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Gaismas St, 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182
SIA Cerova	100%	Egg incubation and chicken sale	8/10/2003, code of legal entity 43603019946, The Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu Reģistrs)	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv
Linas Agro OŰ	97.06%	Products for crop growing	8/10/2020, code of legal entity 16071924, Centre of Registers and Information Systems (RIK)	Savimae 7, Vahi 60534, Tartu region, 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, 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, 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, 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, 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

16. EMPLOYEES

As at 30 June 2023 the number of employees of AB Linas Agro Group and its subsidiaries was 4,887 or 144 employees less than as at 30 June 2022 (5,031). The decrease in the number of employees is due to the sales of the companies in Russia and Belarus.

The number of employees of the Company was 20 (17 as at 30 June 2022).

AB Linas Agro Group has no collective agreement.

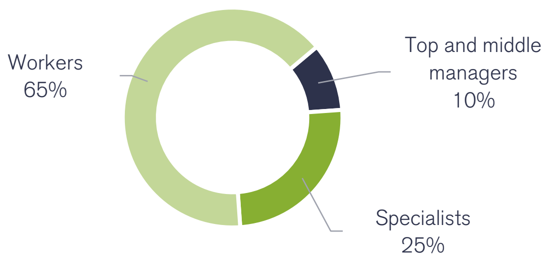
All employment contracts concluded by the Group with the Company's and Group's employees are entered into in accordance with the Labor Code of the Republic of Lithuania and respective legal requirements in Latvia, Estonia, Ukraine, Denmark, Poland, UK, Belarus. Both hiring and dismissal of employees 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.

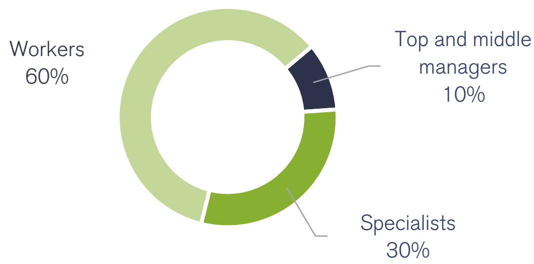
16.1. DISTRIBUTION OF EMPLOYEES [2]

DISTRIBUTION OF EMPLOYEES BY POSITION:

30/6/2022



30/6/2023



DISTRIBUTION OF EMPLOYEES BY SEX

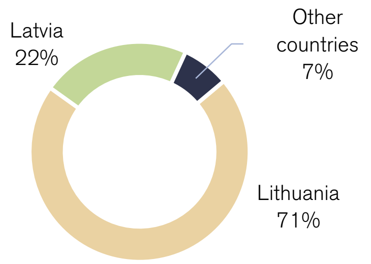
30/6/2022

30/6/2023

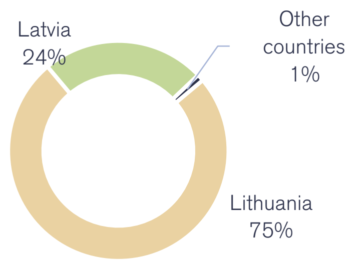
[2] *End-of-period data, Managers include top and middle managers*

DISTRIBUTION OF EMPLOYEES BY COUNTRIES

30/6/2022



30/6/2023



16.2. AVERAGE MONTHLY SALARY

Monthly salary before taxes, EUR:

	2021–2022*	2022–2023**
Managers	3,980	4,514
Specialists	2,215	2,002
Workers	1,360	1,437

**Salary before taxes average, calculated for the employees who worked in the Group at the end of the financial year*
***Average salary before taxes considering the average number of employees in the Group over the reporting period*

Further information on employee relations is disclosed in the Group's Sustainability Report for the financial year 2022/2023.

16.3. REMUNERATION POLICY

During the Ordinary General Meeting of Shareholders held on 28 October 2022, the updated Remuneration Policy of AB Linas Agro Group was approved, which continuously defines the requirements and guidelines determining the remuneration amount for the CEO and members of the Board of the Company, as well as additionally since then covering remuneration for the members of the Supervisory Board. The Remuneration Policy aims to establish a remuneration system that promotes fair representation and value creation for all stakeholders, the achievement of the Company's articulated objectives and short and long-term goals, as well as the motivation of employees and the attraction of talented employees.

Detailed information on the remuneration system applicable to the Company's management is provided in the Remuneration Policy document, which could be found on Company's webpage, while specifically results of the Policy implementation within FY 2022/2023, could be examined checking the Remuneration Report of AB Linas Agro Group for the twelve months period ended 30 June 2023 (Annex 8).

17. SOCIAL RESPONSIBILITY

AB LINAS AGRO GROUP

SUSTAINABILITY REPORT
FOR FY 2022/2023

Four Hearts
it's time!

linas agro

ABOUT THIS PUBLICATION

This is our second annual sustainability report in accordance with the GRI Standards for the latest fiscal year 2022/23. The Global Reporting Initiative (GRI) offers a robust framework for sustainability reporting, emphasizing the need for organizations to conduct due diligence on their potential and actual impacts. The due diligence process in GRI involves a systematic approach whereby an organization recognizes, prevents, manages, and accounts for its impacts on the economy, environment, and people, including human rights. In line with updates to GRI reporting, we have incorporated the Sector Standard GRI 13: Agriculture, Aquaculture, and Fishing Sectors 2022. This integration with the GRI standards ensures we meet the heightened transparency levels mandated by the GRI. Notably, all impacts and material topics mandated by the new GRI Sector standards had already been identified as significant during our materiality assessment from the previous year. Although there were slight shifts in topic prioritization, no major restatements are required.

We acknowledge the efforts of our team in enhancing both the due diligence and the integration of the sustainability agenda. The process of consolidating sustainability data on a Group level involves coordination across multiple stakeholders, internal departments, and companies and can be extremely complex and challenging. Sustainability, as a reliable measure of our long-term success, is progressively taking on greater significance within our organization. To ensure comprehensive integration, we are working to involve all key decision-makers and data owners as well as enthusiasts and internal advocates.

Adjustments to the previous year's data were made due to refinements in the data collection process and revised methodologies. These adjustments have been noted and detailed in the relevant sections of this report. In the pursue of more accurate representation:
- the effects of food products such as flour, flour mixes and instant food are accounted and represented in the FOOD segment instead of GRAIN, OILSEEDS, and FEED segment as per previous report;
- total output volume was recalculated, mainly due to recorded discrepancies in compound feed quantities, as well as other minor alignments; such recalculation required corresponding recalculation of certain KPI ratios, which were expressed per ton of production.

Linas Agro Group, AB holds a significant role in the local food industry, emphasizing our commitment to delivering affordable, nutritious, and accessible meals. As a principal exporter of locally-sourced grain and oilseeds, we're integrally linked to the global food system, a network that transcends borders and is influenced by global trends and occurrences. With over half of our production directed towards international markets, we recognize the importance of addressing sustainability challenges on both the domestic and global front.

This document highlights the non-financial impacts of Linas Agro Group, AB to our diverse range of stakeholders. The GRI reporting process and the final report have been produced by the independent third-party consultancy, Sustainability.lt. Additionally, our sustainability report aligns with our financial reporting (except for minimal scope discrepancies related with companies not included in this report, please refer to ANNEX II) and is based on our Group's fiscal year, only audited data is used in relevant disclosures.

REPORTING PRINCIPLES:

- *Accuracy:* ensuring consistency with evidence, clarity in data measurements, and transparent disclosure of estimations and their associated methodologies.
- *Balance:* transparently showcasing year-on-year trends, clearly differentiating between facts and interpretations, ensuring relevant negative impacts are included, and avoiding undue emphasis on positive outcomes to prevent misleading conclusions by users.
- *Clarity:* organizing information for easy retrieval, using clear language, avoiding jargon, and incorporating visuals and consolidated data to enhance comprehension.
- *Comparability:* using internationally recognized metrics and maintaining uniformity in data measurement and presentation methods. This ensures that data, whether absolute or ratio-based, can be compared, and any changes or restatements are clearly contextualized for the user's understanding.
- *Completeness:* any information essential to comprehending the organization's impacts is disclosed and contextualised.
- *Sustainability context:* Linas Agro Group, AB is the largest vertically integrated agriculture and food business in Baltic States. Our scope of operations has measurable and significant impacts to people and environment. Due to the complex nature of our businesses, we analyse most of the social impacts on Group level, while environmental impacts are more distinguishable on business segment level. To contextualize our impact within the broader frame of sustainable development, we reference authoritative measures, align our report with global sustainability objectives like the UN's Paris Agreement, and adhere to recognized guidelines such as the OECD's directives for multinational enterprises and the UN's human rights principles, while also tailoring our report to various local contexts.
- *Timeliness:* timeliness in reporting requires a balance between prompt availability and maintaining high-quality information that adheres to other reporting principles.
- *Verifiability: we* maintain structured documentation, ensure transparency in decision-making, design systems conducive to external reviews, and substantiate data with evidence or clarify uncertainties.

SUSTAINABILITY TARGETS: we disclose our progress on the sustainability agenda approved last year (2021/22). The reasons behind different paces of improvements are analyzed and disclosed. Our sustainability agenda is approved by key desicion makers on board level and is cascaded to the subsidiries. All commitments and goals are aligned with UN's Sustainable Development Goals.

EXTERNAL ASSURANCE: no external assurance was commissioned for this report.

REPORTING FREQUENCY: we are committed to publish GRI reports annually.

CONTACTS: all stakeholders are encouraged to send us feedback or ask any questions related to the content of this report. Key contact Dovilė Revutaitė, D.REVUTAITE@LINASAGRO.LT

linas agro

ABOUT US

VISION

New era of sustainable agriculture and nourishing food.

MISSION

Unlock the potential of agriculture and food industry.

VALUES

or what we want to be

RESPONSIBLE:

Acting sustainably and with a sense of responsibility to employees, the environment, investors, and the community.

DYNAMIC:

We are vibrant optimists - passionate and not afraid to be challenged.

CREATIVE:

We are curious. Aim to make something new and useful or valuable.

COOPERATIVE:

Cooperate with colleagues, customers, investors, and communities. We value long-term partnerships.

2022/2023 IN NUMBERS

INPUTS

4,956 EMPLOYEES*

CULTIVATED 19,229 HA / OWNED 6,074 HA LAND

49.8M BROILERS RAISED

3,264 DAIRY COWS

82 THOUS T. FEED PURCHASED

7.3 THOUS T. PACKAGING

8.9 THOUS T. FERTILISERS USED

264 GWH NATURAL GAS

87.6 GWH ELECTRICITY

70 GWH FUEL

OUTPUTS

PRODUCTS & SERVICES**

118 THOUS T. LIVE WIEGHT POULTRY

37,876 T. MILK PRODUCTION

21.7 THOUS T. INSTANT FOOD

2.1 million T. GRAIN EXPORT

282 THOUS T. COMPOUND FEED

27.2 THOUS T. prepared 30 THOUS T. sold SEEDS

64.6 THOUS T. FLOUR AND FLOUR MIXES

133 THOUS T. CROP HARVEST

11.2 THOUS T. PET FOOD

15 THOUS. T. PLANT CARE PRODUCTS 283 THOUS. T. FERTILISERS SOLD

SALES AND RENT EUR 142.4m AGRICULTURAL EQUIPMENT

SALES EUR 12.4m FARMING EQUIPMENT

FINANCIAL RESULTS

EUR 1,999.6 m CONSOLIDATED REVENUE

EUR 67.3 m CONSOLIDATED EBITDA

EUR 138 m WAGES PAID

EUR 9.5m INCOME TAX PAID

EUR 219.7m MARKET CAPITALISATION

EUR 2m GRANTS & SUBSIDIES RECEIVED

EUR 13.6m PAYMENTS TO CAPITAL PROVIDERS

NEGATIVE OUTPUTS

135.2 THOUS T. Scope 1 GHG EMISSIONS

3.3 THOUS T. WASTE DIRECTED TO LANDFILL

562. T. INCINERATED WASTE

2.1 THOUS T. RECYCLED WASTE

0.85 TRIR

NOTE:

- *Employees number as of 2023/06/30 not including data of employees in Belarus, as well as dormant companies in Baltics (please refer to Group structure to find out more), also not eliminating multi-company employee numbers (some employees are employed in several group companies);
- **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,

ABOUT US: AGROBUSINESS & FOOD GROUP

#1
Largest agribusiness and food company in the Baltics

68
subsidiaries

2
associates

Founded in
1991

2010
Listed on Nasdaq Vilnius

5
business Segments

more than
60 different locations

32 years
In grain trade

25 years
In products for farmers

10 years
In poultry business

20 years
In agriculture business

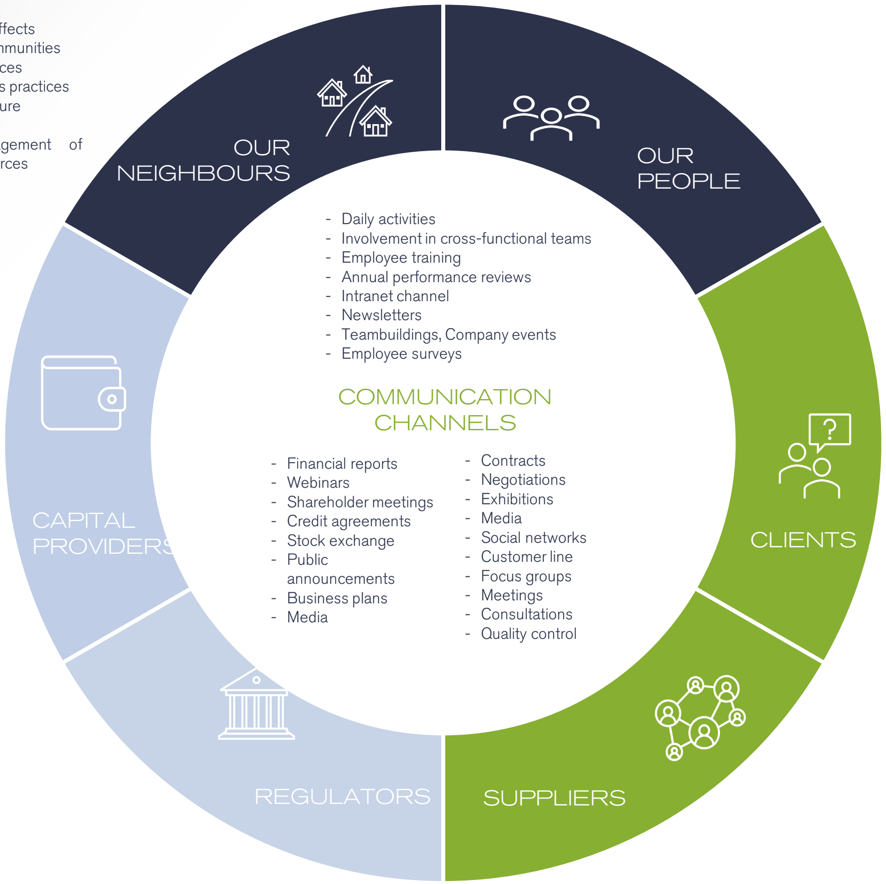
STAKEHOLDER ASSESSMENT

EXPECTATIONS AND GRIEVANCES

Our neighbours:
- Employment opportunities
- Economic inclusion
- Positive economic effects
- Supporting local communities
- Accessibility of services
- Sustainable business practices
- Responsible agriculture
- Odours/air quality
- Responsible management of environmental resources

Capital providers:
- Financial return
- Operational efficiency
- Transparency
- Risk management
- Compliance
- Good management practices
- Reputation
- Reduction of CO_2 emissions

Regulators:
- Compliance
- Product safety
- Timely reports
- Taxes



EXPECTATIONS AND GRIEVANCES

Our people:
- Honest treatment
- Stability
- Consistent career development
- Occupational safety
- Personal development
- Fair and transparent salary
- Participation in the decision-making process
- Innovations
- Management of adverse effects
- Good reputation

Clients:
- Quality
- Timely execution of contracts
- Reliable supply
- Flexibility
- Traceability
- Good reputation
- Reducing air pollution & CO_2 emissions
- Reducing the use of drugs & antibiotics
- Animal welfare
- Optimising packaging
- Reducing food waste
- Managing negative impacts
- Optimising the use of pesticides and fertilisers

Suppliers:
- Compliance with standards
- Business continuity
- Execution of contractual terms
- Loyalty
- Risk management

OUR ACTIONS

SOCIETY: EMPLOYEES&COMMUNITIES

- Constantly strengthening the dialogue and building culture of trust
- Promoting the exchange of employees' experiences and ideas within the Group
- Focus on occupational safety and health
- Promoting employee inclusion and the sense of pride in working with us
- Adequately addressing issues and questions raised
- Social and economic inclusiveness an
- Commitment to economically stressed communities
- Financial support to vulnerable groups
- "Good neighbour" approach

BUSINESS PARTNERS: SUPPLIERS&CLIENTS

- Only high-quality and nutritious food products
- Focus on transparent and efficient processes
- Active participation in international trade shows
- Standardization and development of products and services
- Communication and proactive disclosure of social and environmental impacts of activities, purchase practices, and overall Group's efforts
- Ambitious yet realistic sustainability agenda
- Focusing on solving occurring client problems swiftly
- Consistent assessment, communication and promotion of social and environmental action by suppliers, reducing negative impacts throughout the supply chain
- Fulfilling contractual terms in a timely and honest manner
- Where relevant, striving to meet the standards set by suppliers

REGULATORS&CAPITAL SUPPLIERS

- We assess, communicate and promote social and environmental actions
- Evaluate our possibilities to, reduce negative impacts throughout the supply chain including those related to
- Fulfilling contractual terms in a timely and honest manner
- Where relevant, striving to meet the standards set by suppliers
- Zero tolerance for breaches
- Transparent and timely reporting
- Promotion of long-term cooperation
- Remaining a reliable and respected social partner

We understand that our sustainable development is highly dependent on our ability to meet the expectations of key stakeholders, including our business partners, employees, shareholders, and local communities (our neighbours). Key stakeholders are entities or individuals whose engagement with our business activities, products, or services can significantly impact them, and whose actions can reasonably be expected to influence our ability to pursue our business strategies and achieve our objectives.

It is important to note that we have previously conducted this exercise for our reporting purposes. Over the year, we have expanded the stakeholder assessment process to the segment level, allowing us to gather insights and feedback more comprehensively. This bottom-up approach has enabled us to represent the contextual perspectives of various key stakeholder groups effectively.

STAKEHOLDERS ASSESSMENT STEPS:

STEP I. BENCHMARKING
- Assessment of industry-specific issues and best practices

STEP II. IDENTIFICATION
- Identification of a full list of stakeholders though the entire supply chain
- Stakeholder mapping based on their influence and interest in our long-term success
- Approval by key decision makers

STEP III: ENGAGEMENT PLAN
- Assessment of the most reliable methods and communication channels to collect feedback (expectations and grievances)

STEP IV: PERFORMANCE
- Revision of existing engagements
- Assessment of our understanding of the key expectations and grievances of our stakeholders
- Reaching out to our stakeholders to fill in the gaps

STEP V: ANALYSIS
- Analysis of relevant information on stakeholder engagement
- Categorisation of all stakeholders by their interest and influence areas into major groups
- Summary of the key points on stakeholder engagement in the following table

UNDERSTANDING OUR IMPACTS. SFDR AND PAI

SFDR" in the context of financial reporting stands for the "Sustainable Finance Disclosure Regulation." This European Union regulation, which came into effect in March 2021, is part of the EU's broader agenda to integrate sustainability considerations into its financial policy framework. The SFDR aims to increase transparency and provide clearer information on sustainability to investors.

In the GRI Standards, due diligence is the systematic approach an organization adopts to recognize, prevent, manage, and account for its potential and actual adverse impacts on the economy, environment, and individuals, inclusive of their human rights. The organization should proactively address possible adverse effects through preventive or mitigative actions. In situations where the organization determines that it has either instigated or played a part in the negative outcomes, there should be efforts towards rectification.

The manner in which an organization is associated with these adverse effects will guide its response strategy. This association also dictates if the organization is obliged to participate in or facilitate the rectification process. Key actions for the organization include:

- Ensuring they neither cause nor contribute to adverse outcomes through their own activities, and, when such issues arise, taking responsibility by actively engaging in or supporting the rectification process.

- For negative consequences directly associated with the organization's operations, products, or services due to its business relationships, the organization should aim to prevent or minimize these effects, even if not directly responsible for them.

If addressing all adverse impacts simultaneously is challenging, the organization should prioritize based on the gravity and probability of occurrence. Specifically, for potential adverse human rights effects, the impact's severity supersedes its probability.

GRI's Due Diligence and SFDR's Principal Adverse Impact (PAI) Assessment:

ALIGNMENT ON IMPACTS

Both the GRI's due diligence process and SFDR's PAI assessment emphasize understanding an organization's broader impacts, not just its operational footprint. They highlight the importance of assessing potential adverse outcomes and taking preventive or mitigative actions.

COMPREHENSIVE APPROACH

GRI's due diligence process involves considering an array of impacts, ranging from environmental to social, much like the spectrum of impacts considered under SFDR's PAI assessment.

STAKEHOLDER ENGAGEMENT

GRI places a significant emphasis on stakeholder engagement to determine material topics for reporting. This aspect aligns with the SFDR's intent to ensure that organizations are transparent about the adverse impacts that matter most to stakeholders.

ACCOUNTABILITY & TRANSPARENCY

GRI's framework urges organizations to be accountable for their adverse impacts and take corrective actions when they cause or contribute to negative outcomes. Similarly, the SFDR requires financial market participants to disclose how they consider and address PAIs.

CONTINUOUS REVIEW

Both GRI and SFDR encourage regular monitoring and review of the identified adverse impacts, ensuring that mitigation strategies are effective and adjusted as needed.

PRIORITIZATION

In situations where addressing all adverse impacts simultaneously is challenging, both the GRI and SFDR highlight the importance of prioritizing..

In essence, the GRI's approach to due diligence offers a foundational framework that can serve organizations well as they navigate the requirements of the SFDR, especially around the Principal Adverse Impact assessment.

ENVIRONMENTAL CONCERNS

Greenhouse Gas Emissions Both dairy cattle and poultry produce significant methane emissions. Grain agriculture, especially when done unsustainably, can result in nitrous oxide emissions from the soil.
Water Pollution Dairy cattle, poultry farms, and grain agriculture can all lead to nutrient runoff (nitrogen and phosphorus), potentially causing waterway eutrophication. Pesticides and herbicides used in grain farming can further contaminate water sources.
Land Degradation soil health is a material topic in our Group.
Biodiversity Loss our operations are limited by the arable land and species we cultivate can lead to habitat destruction, impacting local ecosystems.

SOCIAL ISSUES

*Workers' Rights. A*ll production activities within the Group can have challenging work conditions, ranging from potential health hazards in grain farming due to pesticide exposure to long hours in milling plants or poultry farms.
Public Health. Overuse of antibiotics in both dairy and poultry farming can lead to antibiotic resistance. Grain agriculture, when reliant on excessive pesticides, presents risks of chemical residues in food.
Animal Welfare. Intensive dairy and poultry farming practices have been scrutinized for their impacts on animal well-being.

ECONOMIC IMPACTS

Local Economy. The proliferation of large-scale operations in any of these industries can influence the economic viability of smaller, local businesses.
Price Volatility All these sectors can be affected by fluctuations in feed prices, global market dynamics, diseases, and climate impacts.

SUPPLY CHAIN CHALLENGES

Feed Production. Both poultry and dairy cattle require feed, the production of which can have extensive environmental impacts. Grain agriculture, when focused on monocultures, can make regions vulnerable to pests and diseases.
Transportation. The transport of grains, milk, poultry, and flour requires energy and has associated carbon emissions.

PRODUCT SAFETY AND QUALITY

Contamination Risks. From grains to milk, there's potential for product contamination, whether it's from pathogens, chemical residues, or other contaminants.

RESOURCE INTENSIVENESS

Energy Consumption. All Group production sites require controlled environments, and have significant energy demands.

Given the focus of the SFDR on sustainability our Group seeks to provide maximum transparency and disclose how we manage these adverse impacts. Our diverse teams of professionals assess, develop and implement clear strategies to mitigate these risks, ensuring that our activities are responsibly and sustainably.

LEGAL REGULATIONS

Poultry, agriculture, and food sectors are among the most regulated industries globally due to their direct impact on human health, environmental safety, and economic significance. Not only does this compliance ensure that businesses can sustainably operate within their licenses, but it also serves as a protective shield, managing risks and pre-empting potential adversities

UNDERSTANDING OUR IMPACTS. EU TAXONOMY REGULATION

The European Union (EU) Taxonomy Regulation, (EU) 2020/852, and the delegated acts adopted pursuant to it (hereinafter referred to as the Taxonomy) is a classification system for environmentally sustainable economic activities aimed at encouraging private investment in activities contributing to the European Green Deal. The taxonomy defines criteria based on scientific evidence for assessing the sustainability of activities and establishes the reporting obligations of companies.

Consolidated overview of the taxonomic activities carried out by the Group (AB "Linas Agro 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 V. Below summary table covers the main aspects of the disclosure.

SUMMARY TABLE: COMPLIANCE WITH THE EU TAXONOMY REGULATION, FY 2022/23

	Taxonomy eligible activity examples throughout the Group	NACE codes	Taxonomy eligible, share %	Taxonomy aligned, share %
Income assessment:	Elevator, farm equipment / structures installation projects, ownership and rent of various buildings, transportation rent income	68.2 / 41.2 / 49.41 / 50.2	0.54%	0%
CapEx assessment:	Purchase of real estate, new non-residential buildings construction, purchase of passenger or cargo vehicles, installation of a solar photovoltaic power plant	L68 / F41.1, F41.2, F43 / H49.39, N77.11 / H49.4.1, N77.11 / F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	33.20%	0%
OpEx assessment:	not reported due to required updates in existing accounting system to support data collection based on Taxonomy criteria			
Climate Risk & Vulnerability Assessment:	combined Group assessment has not been carried out, however case by case applicable on different Group Segment levels			
Minimal safeuards:	based on Platform on Sustainable Finance, 2022 - Group compliance with minimal safeguards is considered to be partial			

GRI: 2-1

MATERIALITY

CHOOSING WHAT REALLY MATTERS

Materiality is a concept that plays a pivotal role in financial and sustainability reporting. It acts as a threshold, influencing the decisions of stakeholders, particularly investors. However, materiality takes on a dual nature in sustainability reporting, serving two critical dimensions.

In sustainability reporting, materiality is the guiding principle that determines which relevant topics deserve reporting. It functions as a tool to identify key subjects essential for our long-term success and securing our social and legal license to operate.

Following the guidelines of the Global Reporting Initiative (GRI), all material topics are meticulously mapped to assess their significance in the context of our business continuity and their importance to stakeholders.

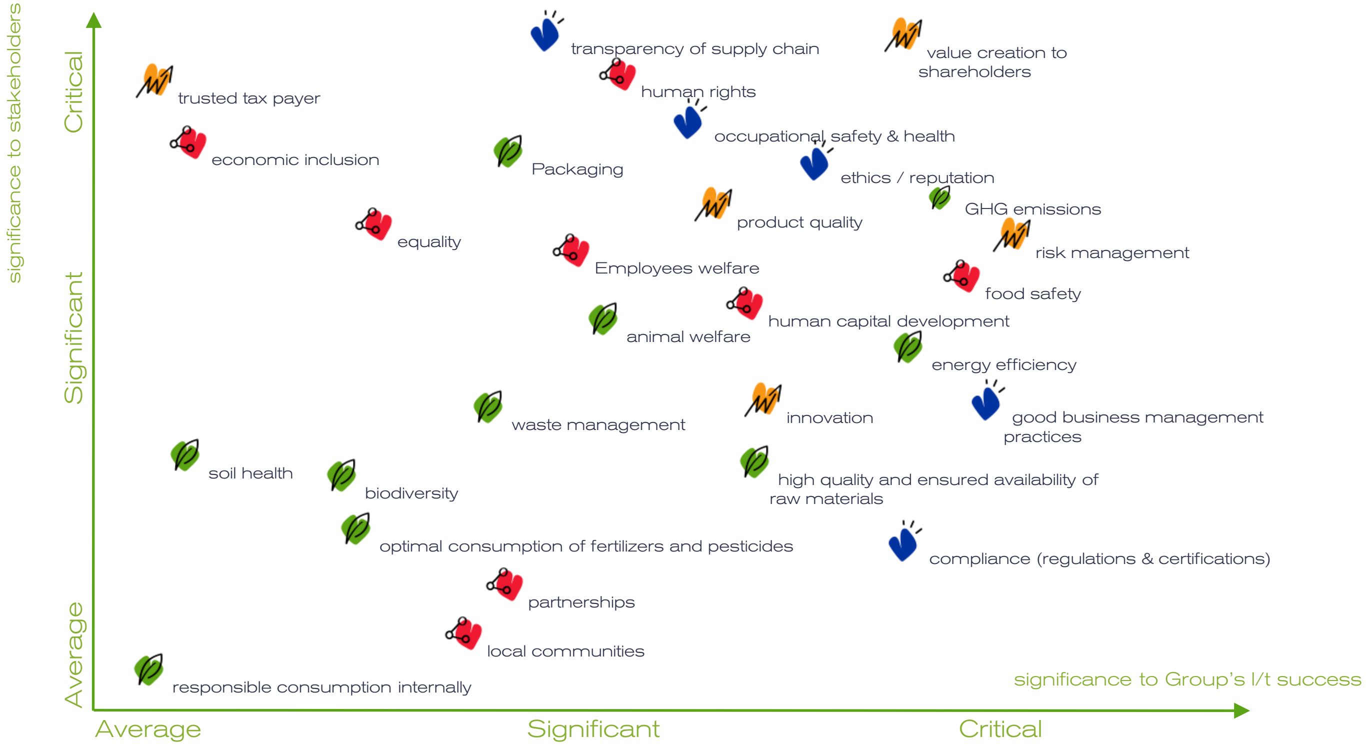
Throughout this report, we analyse and present data and relevant information on the most material topics, adhering to GRI standards. Additionally, our materiality assessment helps us identify key risks and critically important sustainability areas for our organization.

This process underscores our commitment to transparency and sustainability reporting, reinforcing our dedication to long-term success while building trust and support among our diverse group of stakeholders.

Our materiality assessment process is closely tied to the scope and intricacies of the Group's operations. Building on the insights from the previous year, we've initiated a new assessment cycle that involves all key decision-makers from across the Group.

This year, the materiality assessment process delved deeply into material topics, examining them at both the business segment and Company levels. Notably, in companies like AB Kauno Grūdai and Linas Agro, we conducted individual mapping to capture their unique operational nuances. When assessing materiality in the poultry business, we considered both Lithuanian and Latvian units together.

This thorough materiality assessment process has not only helped us pinpoint critical topics for our organization but has also reinforced our commitment to transparency and sustainability reporting, in alignment with Global Reporting Initiative (GRI) standards. In the following sections, we present the results of this rigorous assessment, shedding light on the key issues that drive our long-term success and dedication to earning the trust and support of our stakeholders.



STEP I: STAKEHOLDER ENGAGEMENT

As per previous chapter, *IMPACT ASSESSMENT: ENGAGING WITH OUR STAKEHOLDERS.*

STEP II: IDENTIFICATION

The final mapping and prioritisation of material topics was performed, taking into account the following factors:

- Results of stakeholder engagement: expectations and grievances
- Food industry specifics in general
- Sustainability issues associated with dairy industry
- Region-specific agriculture issues
- Risks associated with grain trade business model
- Peer comparison
- Laws, regulations, international agreements, and voluntary agreements of strategic significance to the organisation and its stakeholders
- Standards and certifications
- Our values, policies, strategies, operational management systems, goals, and targets
- Our ability and opportunities to contribute to sustainable development
- The core competencies of the organisation and the manner, in which they can contribute to sustainable development

STEP III: IMPACT MEASUREMENT

- Qualitative assessment: which impacts are of critical importance for our long-term success.
- Quantitative assessment: how much resources we need for our products and services, as well as residual outputs in the form of emissions and waste.
- Over the course of sustainability assessment, all business impacts are divided into four main categories:

Economic: how much value added we produce in the form of orders, paid taxes, dividends, long term investment, etc.

Social: what effects our activities, products, services, and byproducts have on people: our employees, neighbours, consumers, and suppliers.

Environmental: resource intensity, emissions, waste, effects on biodiversity, soil health, animal welfare, etc.

Governance and compliance requirements specific to our businesses.

STEP IV: SUSTAINABILITY RISKS

Our impacts were assessed in terms of risks they pose to our sustainable long-term development.

STEP V: PRIORITISATION

To make sure we focus on the most important issues, we prioritised all impacts by they criticality. All topics were mapped according to their importance to our stakeholders and our long-term development.

STEP VI: VALIDATION

- The final list of topics, prioritised as highly material, was reviewed by the Board for feedback and approval.
- We identify and report on the indicators within each relevant GRI Standard to ensure the completeness of the report.
- We do not limit ourselves to the topics of relevant GRI standards and disclose information on all topics of critical importance.
- The report is subsequently reviewed and approved by the Board.
- We are committed to reviewing impacts, risks, and opportunities annually.

ABOUT US: 4 HEARTS

Environmental

reasonable and practicable measures to prevent or minimize the harm (climate change, water pollution and ocean acidification, and loss of biodiversity, etc)

Economic

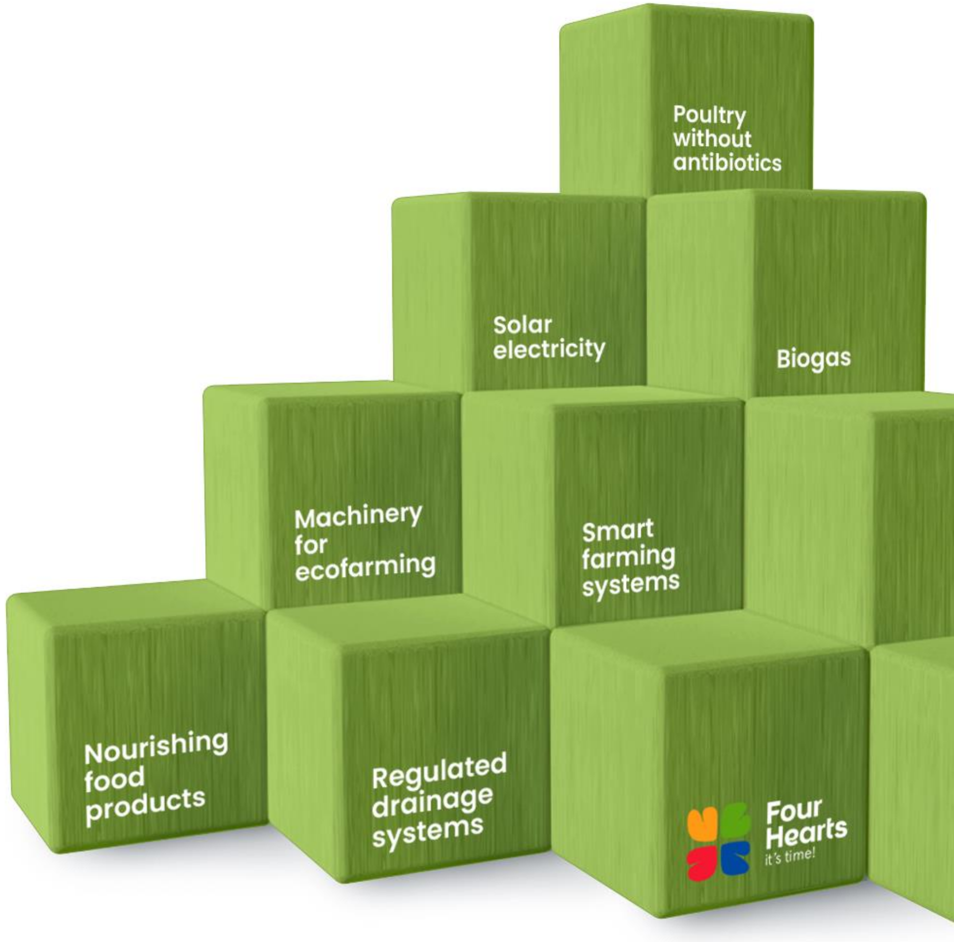
business's social responsibility is to maximize value over the long-term

Social

great place to work, great neighbour for local communities, valued partner to our suppliers, buyers and society

Governance

ensuring strong governance through well covered policies, functional whistle blower system, high transparency

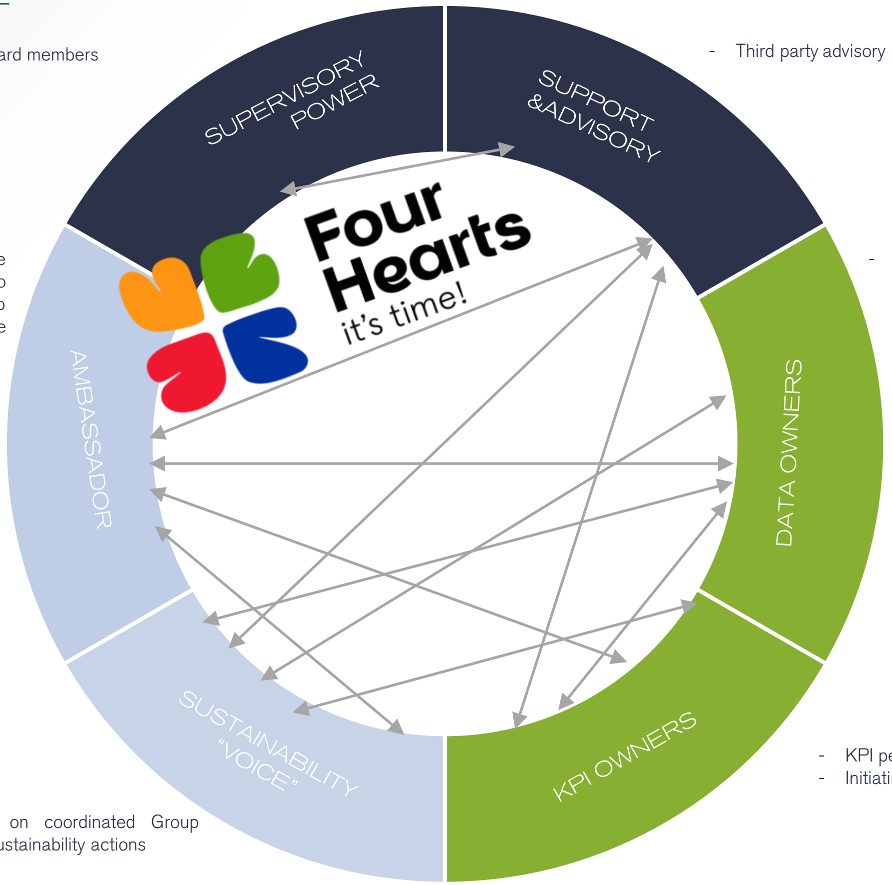


linas agro

4 HEARTS: HOW IT WORKS

WHO IS IN CHARGE

- Board members
- Third party advisory
- Colleagues who are willing and able to convert ideas into initiatives and drive actions
- Far reaching hands collecting all possible data on our impacts
- KPI performance analysis
- Initiating calculated change
- communicate on coordinated Group companies' sustainability actions



OUR ACTIONS

SUPERVISION AND ADVICE

- In 2022, The Group clarified and formalized its sustainability agenda, marking a pivotal step in its commitment to sustainable practices.
- Oversight for sustainability reporting and the formulation of related strategies has been entrusted to the Group's CFO, who also holds a position on the Board.
- All strategic-level sustainability initiatives and associated KPIs for the Group are not only approved but also periodically reviewed by the Board.
- Advise and training services are provided by the third party consultancy
- Sustainability due diligence, impact evaluation and reporting is a joint effort with our consultant.

OWNERSHIP

- All data relevant to sustainability reporting and decision making is sourced and analysed on segment level
- Our data owners are responsible for timely and accurate data collection and presentation
- Data owners initiate change within data systems if needed
- KPI owners initiate Group KPI division and allocation among Group companies/segments
- Report each 6 months on the progress
- Proactively suggest if KPI shall be updated
- Drive the change in the represented company/segment to achieve the goals

ACTION AND COMMUNICATION

- Ambassadors' club shall bring together Group employees with strongest sustainability values
- Our voices of sustainability communicate internally and externally on coordinated actions among Group companies
- Communication includes key data findings, education, progress of the KPI, initiatives of the ambassadors club

WHAT WE ARE AIMING FOR

Transparency: Non-financial reporting to improve impact disclosure.
Guidance & Concerns: Mechanism for seeking advice and addressing aggravation.
Relevance & Evolution: An iterative review process to keep the Group's sustainability efforts up-to-date, effective, and in line with global standards and the Company's goals.
Team building & Dialogue: Cultivating team unity and encouraging discussions that shape the sustainability culture.
Employee engagement:

- Involve employees in sustainability discussions and actions
- Launch sustainable initiatives at the local level
- Inform and educate colleagues about true sustainability compared to mere greenwashing
- Encourage employees to feel a sense of ownership and responsibility towards sustainability efforts
- Promote the sharing of sustainability concepts and strategies across various departments or segments
- Motivate and inspire more team members to fully commit to sustainability practices.

FOUR HEARTS CLUB

The club aims to be a community for sustainability ambassadors, ensuring they're part of a broader movement and not working in isolation. Onboarding process is currently in the process, members shall be selected biannually and the club to comprise 15-20 members, ensuring a consistent inflow of innovative ideas and renewed vigor. While participation is voluntary, the club will have a dedicated annual budget.

Projects that resonate with the Group's vision—targeting local communities, employee involvement, and environmental concerns such as energy, water, waste, and greenhouse gases—shall be prioritized for funding.

FIRST STEPS

We kicked-off FOUR HEARTS with a Group wide W15 program, in which steps translate into votes, determining which charitable causes receive funding. This project was not only designed to bring employees together but also to encourage a healthier lifestyle and simultaneously allows employees to have a say in funding decisions. The project aligns with The Group's approach of engaging employees in important decisions.

SOCIAL COMMITMENTS

COMMITMENT	MEASURE	UNIT	**TRIR -BASE YEAR 2021/22	2022/23	GOAL BY 2026/2027
Occupational health and safety	TRIR*	x	0.78	0.85	< 0.62 (20% reduction)
Employee turnover	Employee turnover ratio (full time employees)	%	55.3 / 35**	26	Not more than 35%
Employee retention	Employee retention ratio (employees with Group >1Y)	%	90.8	86	Higher than 85%
Economic inclusion: be fair and helpful partner for local partners	Number of legal actions, claims, scandals		0	1	0
Build stronger communities	Engagement level (subjective criteria)		n/a		Engage with local communities, provide assistance etc
Healthier food: Antibiotics usage	Farms / cows: active antibiotic substance per liveweight of cows	mg per 1 kg PCU***	29	23	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	

WHAT WE ARE AIMING FOR

A safe work environment not only protects employees from harm but also boosts morale, productivity, and trust. A lower TRIR demonstrates the Company's responsibility and dedication towards its workforce, leading to enhanced Company reputation and employee satisfaction.

Fostering a work environment where employees feel valued and want to continue their association with the Company. A reduced turnover rate implies reduced recruitment and training costs. Furthermore, it showcases the Company as a desirable place to work, which helps in attracting top talent and retaining institutional knowledge.

Retaining experienced employees ensures that the Company preserves its knowledge base, fosters a sense of community, and reduces costs associated with hiring and training new employees. A higher retention rate indicates a positive work culture and effective management practices.

Building trustworthy and equitable relationships with local partners, operating transparently and ethically. Being a fair partner fosters trust, ensures sustainable partnerships, and enhances the Company's reputation. By minimizing legal actions, claims, or scandals, the Company showcases its dedication to ethical operations, which can lead to improved stakeholder relationships and trust in the community.

Engaging actively with local communities, offering support, and collaborating on initiatives that benefit all. Active community engagement demonstrates corporate responsibility and can foster goodwill. It leads to mutual growth, strengthens the Company's ties with its operating regions, and can even open up avenues for new collaborations and opportunities.

Promoting healthier livestock practices by reducing the reliance on antibiotics, ensuring the produce is safer for consumption. As consumers become more health-conscious and aware of their food sources, reducing antibiotic use in livestock positions the Company as a leader in sustainable and healthy food production. This can lead to increased trust from consumers, potential market growth, and alignment with global health recommendations.

PROGRESS

There's a marked improvement in the employee turnover ratio, plummeting from a combined rate of 55.3/35% in 2021/2022 to a commendable 26% in 2022/2023, despite internal transfers. This is well within the target to keep the turnover under 35% by 2026/2027.

Unfortunately, we failed to ensure fatality free workplace. The incident is described further in this report in the section GOOD HEALTH AND WELL-BEING.

Compared to the previous period, over 2022/23 the number of registered incidents grew by 7 to reach 39.

CEO of Linas Agro Group AB, Mažvyds Šileika comments that "The Group maintains a zero-tolerance policy for workplace incidents and places the utmost priority on occupational health and safety. However, our current KPIs indicate that there's a need for greater effort in this area. We must improve, set even higher standards, and ensure consistent control. Given the size of our production facilities and the significant number of people employed, it's crucial that we meet the expectations of our employees and stakeholders."

In the section SUSTAINABLE CITIES AND COMMUNITIES we disclose complaints and disputes regarding sanitary protection zone in Rudamina.

ANTIBIOTICS

Over FY 2022/23 substantial deductions in animal antibiotic consumption was achieved; Farming companies are continuously improving animal welfare, feeding conditions and are determined to explore alternative ways to ensure strong health of the animals.

Poultry LT companies are in parallel showing further progress, while LV companies stay proud with their 100% achievement.

**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)*

ENVIRONMENTAL COMMITMENTS

COMMITMENT		MEASURE	UNIT	BASE YEAR	RESULT 2022/23	GOAL BY 2026/2027
ENERGY EFFICIENCY	Improving energy efficiency	Energy efficiency as one of investment approval criteria				Prioritised investments improving energy efficiency
	Regular energy efficiency audits for energy intensive companies	Regularity of energy efficiency audits				At least once per every 4 years
	Reduce energy consumption per ton of TOTAL output*	Perform energy consumption feasibility study during FY 2022/2023, followed by approved quantitative goal towards energy consumption reduction by FY2026/2027				Feasibility studies performed, energy consumption target per ton of total output established and achieved. KPI to be revised with following Sustainability report.
		Energy consumption per ton of total output*	MWH/t	0.6	0.635	
PACKAGING	Increase share of renewable packaging	Renewable packaging % of total packaging	%	45.7%	50.1%	50%
GHG EMISSIONS	Develop low carbon agriculture	N fertilizers application	kg of N_2Oper Ha (kg CO_2eq)	4.26 N_2O (1269 CO_2)	4.19 N_2O (1240 CO_2)	3-5% reduction compared to base year
	Reduce GHG intensity in milk	CO_2eq kg per ton of ECM milk	kgCO_2eq/t	378	334	5% reduction compared to base year
	Improve energy mix	Share of renewable energy (Scope 1)	%	1.2	2.4	at least 25% <u>ADJUSTMENT:</u> 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	2.6	3.119	<u>ADJUSTMENT (</u>restating KPI from 2.6 m^3/t to 3.2 m3/t due to recalculated base year total production output*)
WASTE	Reduce waste directed to disposal	Waste directed to disposal per ton of total output*	kg/t	4.7	5.521	5% reduction compared to base year
PRODUCTS AND SERVICES FOR FARMING	Climate positive agricultural innovations	Knowledge sharing (subjective criteria)		no data		Prioritised Climate positive agricultural innovations
	More environment positive equipment, fetilizers and plant care products	Knowledge sharing (subjective criteria)		no data		Promoted environment positive equipment, fertilizers and plant care products

SHIFTING FOCUS

Existing investment approval process was revised, introducing new investment eligibility criteria. Starting from the mid-year of the previous financial period, the evaluation of product viability and the conduct of pay-back analyses were supplemented with assessments of potential environmental, social, and governance impacts should the investment be approved and implemented. Energy efficiency criteria became a focal point.

The most recent energy efficiency audits conducted for "energy intensive" companies, namely AB Kauno grūdai and UAB Šlaituva in February 2023, as well as for poultry companies in Lithuania in February 2022 and September 2021, and in Latvia in August and September 2023, yielded no critical or major findings. Subsequent audits are scheduled for November 2026.

EVALUATING POTENTIAL

Feasibility studies focused on energy consumption efficiencies have been prepared for our key production companies. These studies encompassed evaluations at Kauno Grūdai AB in February 2023, Šlaituva UAB in January 2023, and poultry production firms operating in both Lithuania and Latvia as of February 2023. The findings highlighted multiple avenues for potential energy efficiency enhancements.

These include the incorporation of economizers for thermal water heating in instant foods which impacts gas consumption, the introduction of state-of-the-art electric motors beneficial for flour and compound feed in relation to electricity, and the repurposing of hot air from baking tunnels for water heating in breadcrumb production which again affects gas usage.

Furthermore, initiatives in sync with ISO 50001 standards have been pinpointed. These involve upgrades to refrigeration equipment, integration of economizers and hot water recovery systems, the addition of new heating boilers, and significant refurbishments to building structures, particularly in the poultry sector, impacting both gas and electricity consumption.

Currently, our Group's companies are delving into the technical feasibility of these recommendations while simultaneously conducting payback analyses. This aids in making informed decisions about potential investments linked to these insights. It's pertinent to note that such investments lined up for ongoing FY 2023/2024 investment plan.

** Ton of total output: produced products poultry meat, flour, flour mixes, compound feed, pet food (packable*

ENVIRONMENTAL COMMITMENTS

50.1% OF TOTAL PACKAGING WAS RENEWABLE IN 2022/23

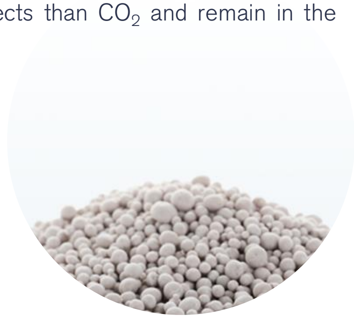
Within the Group, some product lines come with specific product safety and packaging demands. AB Kauno grūdai, UAB Šlaituva, and poultry segment stand out as principal contributors to the Group's total packaging volumes. These sectors are dedicated to reducing the use of non-renewable packaging materials and simultaneously enhancing the recyclability of these materials after use.

LOW CARBON AGRICULTURE

For several years now, the Group's companies have been taking measures to optimize the use of fertilizers and are resolute in furthering these practices in upcoming years.

Among the proactive steps taken are soil tests for analytical examination, practicing crop rotation, cultivating intercrops, and planting undersowings. The goal with these practices is either to boost nitrogen fixation (as seen with pulses) or to use certain plants as barriers against nitrogen leaching from the soil. It's essential to note that excessive use of nitrogen fertilizers contributes to the release of N_2O gases, which are far more potent in causing warming effects than CO_2 and remain in the atmosphere longer.

4.19N_2O kg/ha IN 2022/23



In a bid to gain comprehensive insights into soil quality and its components, one of our farming companies embarked on a CO_2 credits certification program in spring 2023. We have allocated roughly 2000 hectares of arable land for rigorous scientific testing and sequestration monitoring, paving the way for potential CO_2 credit issuance based on tangible improvements.

ENERGY MIX IMPROVEMENTS

The Group's leadership identifies the 25% renewable energy (scope1) target as the most challenging commitment, demanding significant involvement and investment. As disclosed further in this report, poultry operations are the most energy-intensive within the Group. Scope 1 energy consumption in this sector accounts for approximately 70% of the Group's total Scope 1 energy usage.

This high consumption stems from various factors: the energy-intensive bird rearing processes, substantial energy requirements during slaughtering and production, and the significant energy draw from freezing ready-to-sell products. Other major contributors include grain-based food and feed production, as well as energy consumption in farming enterprises.

In 2022/23, we took initial steps towards renewable energy production. This included the installation of small-scale solar panels and use of straw residuals for energy recovery. Our farming entities are actively targeting a 5% reduction in diesel consumption by consistently adopting no-till farming practices. However, these collective efforts have so far made only a moderate impact towards achieving our 25% KPI target.

A pivotal move anticipated to make a significant difference is the planned installation of biomethane plants. This will effectively replace a large portion of our natural gas consumption with biogas. However, due to the extensive planning and setup phase, these installations won't be operational before 2027/28. Therefore group aims to revise the 'Renewable energy share in Scope 1 type of energy' KPI, expecting to deliver 25% ratio with the results of FY 2027/2028.

WASTE MANAGEMENT

We are actively searching for ways to decrease the amount of waste directed to disposal.

PROMOTING CLIMATE POSITIVE INNOVATIONS

Historically, Linas Agro AB, has been promoting more effective farming solutions. In 2022/23 we focused on sustainable farming. Our experts emphasize the significance of using advanced agro-technologies and reducing the use of pesticides. They also discuss the importance of adhering to EU guidelines and the potential of organic compounds like coal for healthier soil.

Our team has hosted spring seminars focusing on sustainable agriculture, sharing insights on global trends, and introducing efficient organic farming methods. In collaborations, they have delved into subjects like plant protection and certified seeds.

In addition Linas Agro was recognized at the "Social'INGAS 2023" awards for our contribution to socially responsible causes,

MORE ENVIRONMENT POSITIVE EQUIPMENT

For more than 20 years we focus on equipment which can deliver measurable and consistent results in the most efficient way. For example, this year we sold as many as 21 Agrifac self-propelled sprayers, which help to reduce the amount of water (-25%) and the use of plant protection products (-25%). The advanced HTA technology is utilized to regulate the form of sprayed liquid with the assistance of airflow. This ensures optimal coverage on plants while minimizing drift caused by wind. Additionally, the GPS system aids in accurate spraying, reducing overlaps by turning the spraying sections on and off precisely. By leveraging fertilization maps and variable rates, fertilizers are applied in direct correlation with a plant's development stage, minimizing potential fertilizer leaching. These sprayers, with a total width of 672 meters, cover up to 210,000 hectares annually, playing a crucial role in upholding sustainability standards.

Experts from our Group were also visible in national media representing a voice of innovation and better agricultural practices.

LINAS AGRO PODCATS

Our stakeholders are always welcome to tune in to our podcasts on YouTube where we discuss latest developments in agro innovations and share tips and tricks to make farming more sustainable.

FINANCIAL PERFORMANCE AND COMPLIANCE

	COMMITMENT	MEASURE	UNIT	BASE YEAR 2021/22	2022/23	GOAL BY 2026/27
ECONOMIC	Operational efficiency	Operating profit margin	%	5.47	2.06	>/=3%
	Optimal return on capital	Return on capital employed (ROCE)	%	18.97	6.98	>/=12%
	Sustainable debt level	RMI adjusted Net financial debt / EBITDA	x	1.90	4.22	</= 4.0
	Target level of EBITDA	EBITDA	kEUR	132.173	67.318	>/= 70,000 - 90,000
	Creating shareholder value	Dividends paid within FY to net profit of the previous FY	%	0.00	6.47	>/= 20 %
	L/T strategic diversification in activities (optimal revenue split between segments)	Grain, Oilseed, and Feed:	%	62	61	45%
		Products and Services for Farming:	%	20	21	20%
		Agricultural Production:	%	2	3	<2%
		Food Products:	%	18	21	30%
		Oher Activities:	%	2	1	<2%
GOVERNANCE	No tolerance to breaches	number of breaches		0	1	0
	Revision and establishment of new policies	revised policies: environmental, Partner Code of Ethics		-	initiated	yes
		new policies: Soil health, Quality policy, Food safety policy, Procurement policy, Sponsorship policy, Good governance policy		-		yes
	Whistle blower system (internal & external)	Established and functional whistle blower system		no	initiated	yes
	Transparency	Consistency in reporting, annual publishing		yes	yes	yes

Chief financial officer of Linas Agro Group AB, Mažvydas Šileika says that "Group is on a good track to achieve its strategy and the decisions made during the financial year will be implemented during 2023/24. However, the volatility in the market persist due to geopolitics, supply chain fragility and global supply/demand imbalances. Financial year 2022/23 comes after very successful 2021/22 where some adjustments were expected due to global commodity price normalization. Group is fully committed to operational efficiency and long term returns for investors".

„Within FY 2022/2023 we have initiated and strongly progressed on preparation and establishment of market abuse, sanction compliance, whistleblower, equal rights and related party transaction policies and procedures. The implementation stage of aforementioned policies will be finished by end of 2023 and Group is aiming to have procedures in place up to the latest standard and regulation. The focus scope of policies will be extended with coming years. We believe, that after the completion of the implementation period (KPI year), Group will be operating according highest standard in the market".

GROUP AND GLOBAL CONTEX

SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), part of the 2030 Agenda for Sustainable Development, adopted by the 193 United Nations' member states, comprise the world's comprehensive plan of action for achieving sustainable development.

Formally, SDGs and the targets associated with them apply on country level. Given the scope and complexity of our activities, Linas Agro Group, AB has the potential to contribute to almost all SDGs by enhancing our positive impacts or by preventing and mitigating negative impacts on the economy, environment, and people.

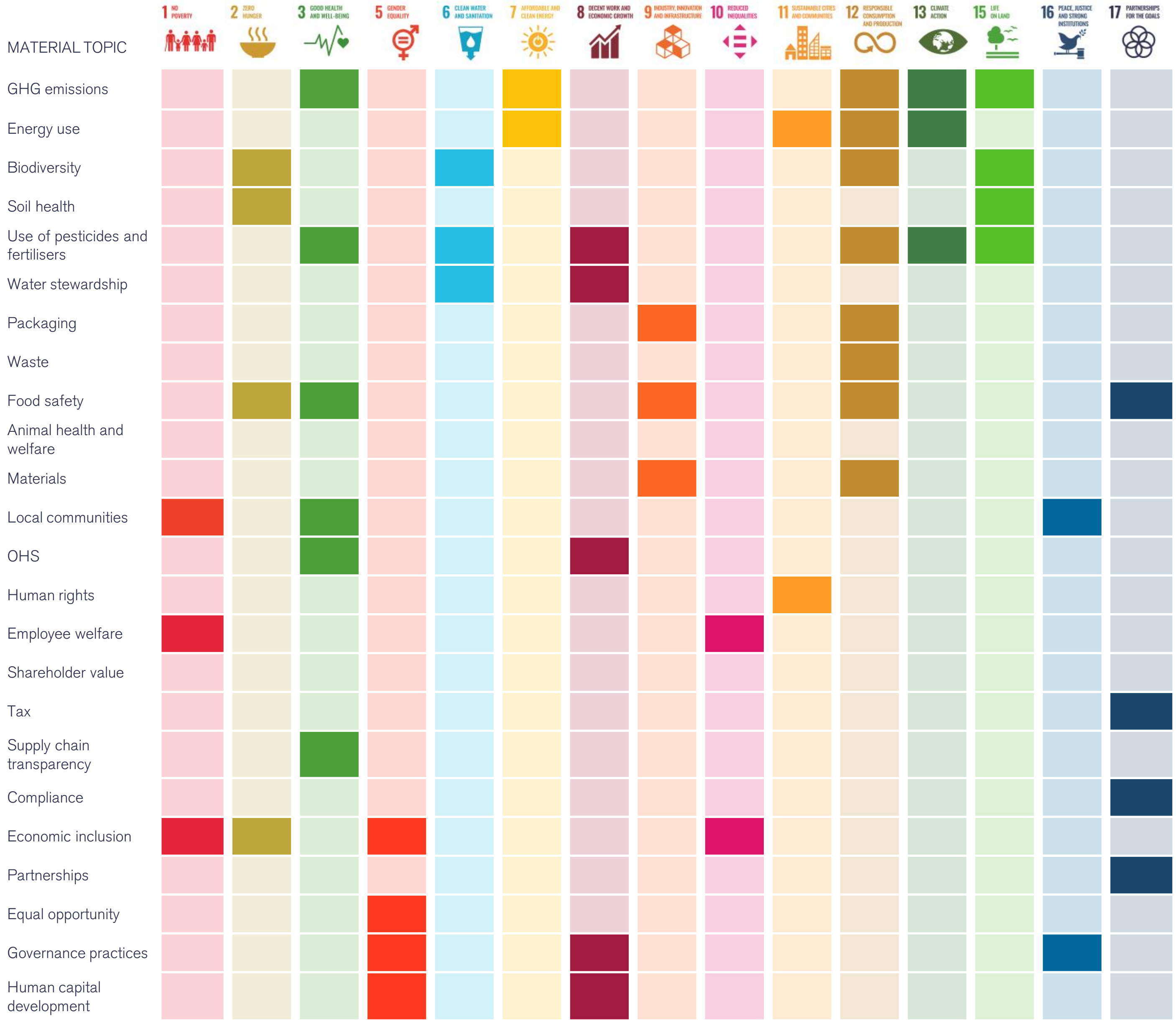
The group operates mainly in economically stressed regions, providing employment and contributing to economic activity. The Company has established policies ensuring equal opportunities for professional growth for all employees, and there have been no recorded cases of discrimination.

In its role as a food producer, the group produces and distributes food, with an emphasis on poultry products as a source of protein. The decision to not use antibiotics in poultry production aligns with health and safety standards.

AB LINAS AGRO GROUP is involved in various agricultural practices, including the production and sale of locally adapted seeds and the use of advanced farming equipment. We also develop the Geoface precision farming system.

The Company's energy consumption primarily relies on renewable sources. Additionally, there are practices in place to minimize waste in different stages of production.

Transparency is a key aspect of the group's operations, evident in their sustainability reports and policies against corruption.



Linkages between the material topics and Sustainable Development Goals

OHS: Occupational Health and Safety

GRAIN, OILSEEDS, FEED

GRAIN TRADE

Crop cultivation is the backbone of global economy and the foundation of food system. We are an international player in grain trade market, exporting locally grown grain and oilseeds from Lithuania and Latvia to more than 40 markets worldwide.

For more than three decades, we have been working to ensure a steady supply of high-quality locally grown grain and oilseeds. Our long-term success is built on fair and economically inclusive relations with local famers and farming companies. We cherish trust of our suppliers and are always willing to share our profound experience by advising business partners on grain price fluctuations and business risks.

LEADING EXPORTER OF LOCAL HARVEST

Farmers and farming companies deliver harvest (food and feed wheat, rapeseed, barley, peas and beans, rye, triticale, oats, and corn) directly from fields to our grain centres and partner elevators.

Our highly skilled and motivated professionals working at our grain centres are responsible for proper preparation of grain for export markets. Therefore, we are focused on increasing the demand and competitiveness of Lithuanian and Latvian grain in the highly competing global market.

We strive to maintain high grain quality, so we have acquired GMP+, GTP, ISCC certificates for international trade, and we have joined the GAFTA trade association, which obliges us to comply with extremely strict requirements.

GRAIN STORAGE

Harvesting is very important for every farm. As farmers have a narrow time window for harvesting their crops, the two most important factors in grain harvesting are speed and accuracy.

We operate 13 modern elevators, 10 of which are in Lithuania: Joniškis, Kėdainiai, Vilkaviškis, Šiauliai, Pasvalys, Lukšiai, Jungėnai, Kartena, Kupiškis, and together with partners – in Gustonys (Panevėžys district). Three grain storages operate in Latvia: Jēkabpils, Grobiņa, and Rēzekne.

At our grain centres, we constantly innovate and look for the best solutions in order to improve client experience and reduce service time. Automated presses in our laboratories ensure swift and reliable grain quality assessment. Integration of quality assessment system with our accounting programme allows smoother documentation of delivered harvest. As a result, we minimise the possibility of error and our clients do not waste time waiting.

Should farmers have the capacity to prepare their harvest to match the appropriate parameters, grain can be delivered directly to the port. Modernised and automated reception process at the ports helps us manage cargo flows smoothly and helps farmers minimise waiting time.

ECO GRAIN PROCUREMENT

Lithuania has seen a surge in organic farming, influenced by global consumer trends emphasising organic and eco-friendly products. Beyond the potential health benefits linked to organic consumption, these eco-centric farming methods play a pivotal role in rejuvenating and enhancing the fertility of otherwise infertile soils.

ECO GRAIN ELEVATOR IN KARTENA

The regulatory landscape for organic products is rigorous. Every product falling under the 'organic' label must adhere to the regulations set forth by the European Council. Furthermore, every entity in the supply chain, right from seed producers, must possess a valid Ekoagros certificate. This certification from the public institution serves as proof that the organic products being sold align with the European Union's directives and criteria.

AB Linas Agro is a certified trader of organic crop products as certified by Ekoagros. Our organic trade department procures a variety of organic grain and seeds from local farmers, including, but not limited to, oats, wheat, spelt, rye, barley, and beans. To further fortify our commitment to organic trade, AB Linas Agro operates a specialised elevator in Kartena, exclusively dedicated to handling organic grain.

COMPOUND FEED

This business line includes production and sale of bulk and bagged feed for poultry, pigs, cattle, and other animals, also feed material and feed additive trading. We produce compound feed for maturing breeders, laying hens, broilers, turkeys, quails, waterfowl, calves, dairy cows, lactating cows, beef cattle, piglets and fattening pigs, horses, fish, sheep, goats, rabbits, as well as baits for fish.

MORE THAN 50 UNIQUE RECIPES

Feed materials entail trade in food by-products (such as sunflower cake, sunflower meal, rapeseed cake, soybean meal, sugar beet pellets, etc.) and vegetable oils. The portfolio of feeding products includes feed additives, such as licks, premixes, vitamins, amino acids, etc.

RETAIL AND WHOLESALE

12 dedicated AB Kauno Grūdai feed stores operate across Lithuania. Products are also available in our online store.

PRODUCTS AND SERVICES FOR FARMING

FERTILISERS AND MICRONUTRIENTS

We supply fertilisers for crops, garden, and vegetables. Our portfolio includes mineral, organic, micronutrient, and bio-mineral fertilisers.

PLANT PROTECTION PRODUCTS

To ensure the safety of crops, we offer a wide range of herbicides, fungicides, growth regulators, insecticides, and glyphosates.
The use of chemicals for plant protection in Lithuania is strictly regulated by the Law on Plant Protection.

AGRICULTURAL MACHINERY

We are proud representers of world-class agricultural machinery in the Baltic States. Our portfolio of agricultural machinery includes everything necessary for successful farming: tractors, grain and forage harvesters, tillage, sowing and forage preparation machinery, sprayers and fertiliser spreaders, telescopic and articulated loaders, trailers and semi-trailers, irrigation and manure handling equipment.

In order to maintain representation rights, we must meet the highest quality requirements, so we are always try to provide top class experience to all our clients.

We also sell and rent used machinery of high quality.

TOP PERFORMANCE

SPARE PARTS AND SERVICE

Our professional maintenance services are designed to ensure maximum efficiency of our clients' farms so that our clients can focus on their direct farming activities.

MODERN TECHONOLOGY FOR MORE EFFICIENT FARMING

FARMING EQUIPMENT

Our range includes feed production, grain drying, cleaning, sorting, baiting, transport and storage equipment, as well as air purification and dust collection equipment. Modern equipment installed by our teams of professionals contributes to increased energy efficiency, helps prevent loss of grain and materials caused by pests, mold, etc.

REGULATED DRAINAGE

We are the experts in helping our clients increase the efficiency and the long-term profitability of their fields. Our experienced engineers at Dotnuva Baltic are able to adapt the regulated drainage systems to the fields of a specific farm. This method of water management developed by "Ekodrena" helps reduce short-term water-related stress on plants.

SEED MANUFACTURING

It is estimated that our brand "Dotnuva Seeds" accounts for 30% of certified seeds' market in Lithuania. In FY2022/2023, 27.2 thousand tons of certified seeds were produced in our own seed production plant located in Dotnuva.

UAB Dotnuva Baltic has a certificate for the preparation and trade of organic seeds, issued by PI Ekoagros.

MODERN FARMINING SOLUTIONS

Geoface is a cutting-edge agricultural system paired with an intuitive app, tailored for farmers, agricultural entities, and agronomy professionals. The main objective behind Geoface is to revolutionise farm management, making it not only seamless, but also amplifying crop outputs.

Regional adaptability: It is developed to address the unique challenges and needs posed by farmers in different regions, ensuring each farm benefits from a customised experience.

Precision farming, central to Geoface, is the cornerstone of a sustainable and economically viable agricultural future. At the heart of Geoface are essential functions, like comprehensive crop monitoring, streamlined planning for spraying and fertilisation, and a robust financial analysis tool.

Geoface integrates the *FAPAR algorithm*, a sophisticated tool that assesses the solar spectrum portion absorbed by plant chlorophyll. This allows Geoface to deliver unparalleled accuracy in estimating the requirements for fertilisers and plant protective agents.

Crop monitoring: With Geoface, real-time monitoring of field growth is at one's fingertips, ensuring immediate detection of any anomalies, accessible both on desktops and mobile devices.

Nitrogen fertilisation mapping: Geoface simplifies the creation of variable rate application maps for nitrogen fertilisation, ensuring quick turnarounds without necessitating in-depth agronomic expertise. Optimised fertiliser utilisation not only augments farm profitability, but also curtails GHG emissions linked with fertiliser applications. Moreover, it fosters increased carbon retention in the soil.

Resource management: The platform offers an integrated dashboard where resources can be effortlessly managed and monitored. The added advantage is its capability to auto-record any resource changes, ensuring users stay updated.

PRECISION FOR BETTER AGRICULTURE

AGRICULTURE

The development of agricultural activities is restricted by land resources; thus, we are committed to nurture arable land to ensure business continuity.
Pesticide use and intensive agriculture are two main hazards for biodiversity; therefore, we are obliged to strictly follow existing regulations and apply precise measures, such as timing and quantities of chemicals used.
No invasive crops are cultivated within the Group.

OUR CATTLE

By the end of the reporting period, the headcount of ruminants in our farms amounted to 7.3 thousand cows, bulls, and heifers.

MILK PRODUCTION

According to the State Enterprise Agricultural Information and Rural Business Centre, over the reported period, our dairy cattle (3,304 cows) accounted for approximately 1.5% of total dairy cattle in Lithuania. Raw milk production over the reporting period reached 35.5 thousand tons (35.6 thousand tons of energy-corrected milk (ECM)), which accounts for 2.5% of total raw milk sold in Lithuania.
We manage the most efficient dairy farms in Lithuania. In 2022, Sidabravo ŽŪB was officially recognised as the most efficient raw milk producer in Lithuania, followed by Šakiai District Lukšių ŽŪB. In 2021, Šakiai District Lukšių ŽŪB ranked first, with Sidabravo ŽŪB as a runner-up.

We understand that higher productivity levels are very dependent on the life quality of the animals. In addition, higher farm efficiency helps us reduce resource intensity without compromising the quality of produced milk. Therefore, farming companies cooperate closely with other professionals within the Group to develop the most sustainable industrial milk production.

WATER BEDS

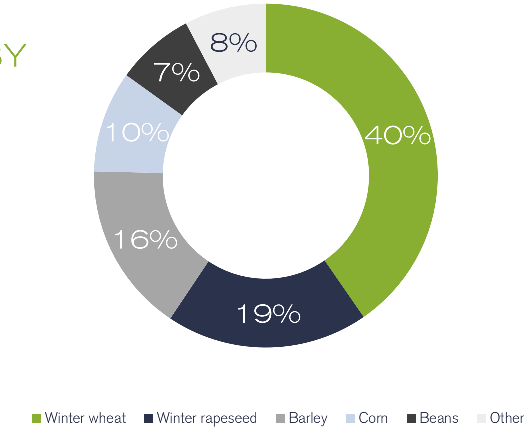
A double water bed allows our cows to form the most comfortable bearing and have a sound rest. Water inside the bed facilitates the heat exchange and eliminates the risk of heat-related stress.
Special water bed coating is less damaging to cows' feet, which results in fewer diseases and bruises.
Water beds are mounted in longitudinal metres, so that the fluid does not intermix (which would lead to bacterial accumulation). Water beds are balloon-shaped; when a cow stands up, all the liquid runs on the manure path, reducing the risk of mastitis.

CROP PRODUCTION

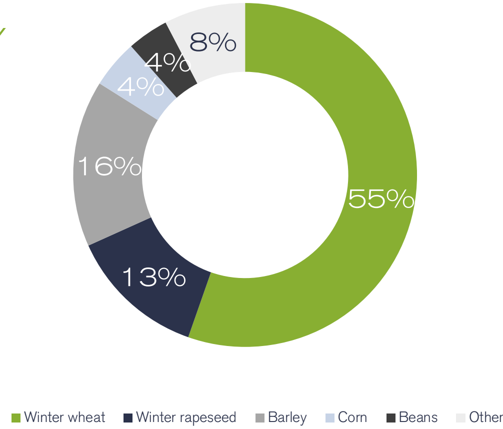
According to the SE Agricultural Data Center, 2.904m ha of arable land was declared in 2023. Based on these statistics, we manage approximately 0.7% of total agricultural land in Lithuania.

Crops are the core component of food industry. In 2022/23, we harvested 133 thousand tons of different sorts of grain.

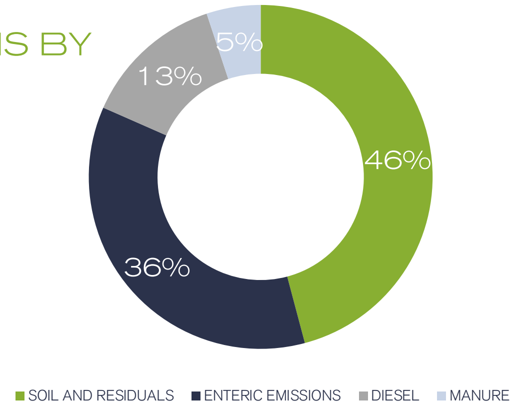
CROPS BY AREA



CROPS BY HARVEST VOLUME



GHG EMISSIONS BY ACTIVITY



FOOD PRODUCTS

FLOUR

The beginning of milling business of KG Group dates back 120 years. The flour milling industry is a vibrant sector that combines traditional skills with modern technology to produce a wide range of flours. Quality flour production is one of the cornerstones of food industry.

Upstream, we are a reliable partner for local farmers: in 2022/23, AB Kauno Grūdai procured 306 thousand tons of local harvest, 30% of which was used for flour production in our mill.

All grain is carefully tested in our own laboratory; optical sorting technology ensures the highest precision in removing all impurities and defected grain.

Downstream, we are a key player in multiple fields, from industrial bakeries to household kitchens.

FLOUR MIXES

We offer flour mixtures for pancakes, chocolate cake, doughnuts, kibins, pizza, cupcakes, and we keep introducing new options for those who are looking for hassle-free cooking experience at home.

INSTANT NOODLES

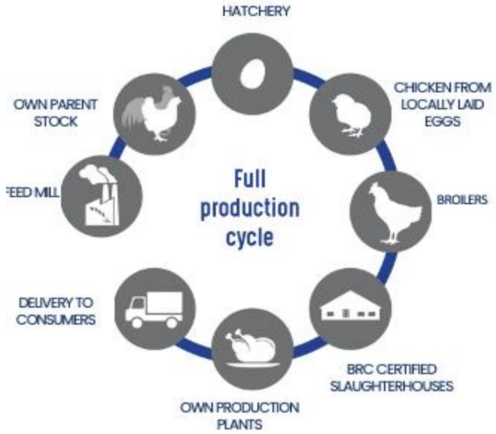
Since 2011, AB Kauno Grūdai has been producing instant noodles. Our factory sources only the finest and most exotic materials from overseas, as well as in the local market, and remains the only instant noodle manufacturer in the Baltic States. Products are exported to 23 countries all over the world, including Spain, Germany, France, Holland, and Scandinavia.

We produce palm oil, flavour enhancers, preservatives, synthetic color-free product lines. Natural exotic additives, such as coconut, mushrooms, or green curry, enrich this product range and add an exceptional taste to Sun Yan Nature noodles.

Noodles are packed in pouches and cups.

INSTANT PORRIDGE

Whole grain oatmeal, buckwheat, or couscous porridge is an excellent source of dietary fiber for everyone.



FULL-CYCLE POULTRY BUSINESS

Besides grain-based products, poultry production cycle is a notable part of our food segment. Overall, poultry business represents a significant part of energy and material consumption.

Each broiler chicken originates from our hatcheries with fertilised eggs from parent flocks maintained at our farms, ensuring genetic consistency. On average, our hatcheries produce about 160,000 chicks daily.

After hatching, chickens are transferred to poultry houses, each accommodating 22-30 thousand broilers, for a period of 40 days. Their diet is formulated to meet their requirements across all life stages, with a significant portion of their feed being locally prepared.

Our birds are slaughtered conforming to established standards. The meat is then processed at our facilities, allowing us to expand our product offerings. We operate under strict industry regulations, understanding that non-compliance could lead to operational interruptions or penalties.

OTHER ACTIVITIES

VETERINARY PHARMACY

Our veterinary business line offers the most advanced means of disease prevention and treatment for animals and pets:
- Selection of feed and feed additives
- Veterinary medicine and tools for veterinary pharmacies, veterinary doctors, clinics, and pet shops
- Professional consultation for veterinarians
- Individual customer information about market innovations
- Regular training seminars

WE ARE TRUSTED BY THE LARGEST INTERNATIONAL PTODUCERS

TRAININGS, SEMINARS

Educating veterinary community helps raising quality standards, saving animal life and maintaining business segment development. Our professionals and partners share their experience, insights, and present veterinary pharmacy novelties.
In addition, we hold the largest biannual veterinary pharmacy congress in the Baltic States, "VET Congress", which attracts hundreds of participants not only from Lithuania, but also from foreign countries. During the congress, we delve into trends in veterinary medicine, advanced practice solutions, and innovations in veterinary pharmacy.

DERATIZATION

We offer a full scale of products and tools for observation, repelling, and destruction of rodents using special methods and tools.

DESTRUCTION OF INSECTS

Insects might cause a large-scale irreparable damage for food industry; thus, a complex of measures that includes prevention, monitoring, repelling, and destruction of arthropods using various methods and tools must be considered at all times.

DETECTION OF PESTS IN WAREHOUSES

Up to several dozen types of pests are found in storage facilities. Cereal pests multiply very quickly; they damage and contaminate huge quantities of grain and other products that are no longer suitable for use, causing significant financial damage.
Fumigation can be carried out in warehouses with infected grain or other products.

DISINFECTION

Our team helps prevent and remove mold and microorganisms by performing prophylactic and focal disinfections. To ensure human health and safety, these services are essential in public gathering places, such as shops, schools, hospitals, public catering, etc. In addition, disinfection is necessary in poultry and livestock farms, as well as manufacturing facilities processing the products of animal origin.

WE HELP FOOD INDUSTRY PLAYERS ENSURE FOOD SAFETY

BIRD CONTROL

Wild birds, such as pigeons, might cause damage to storage and production facilities; therefore, we offer sustainable and modern solutions for the protection of materials and products.

FREEZE-DRIED PET FOOD

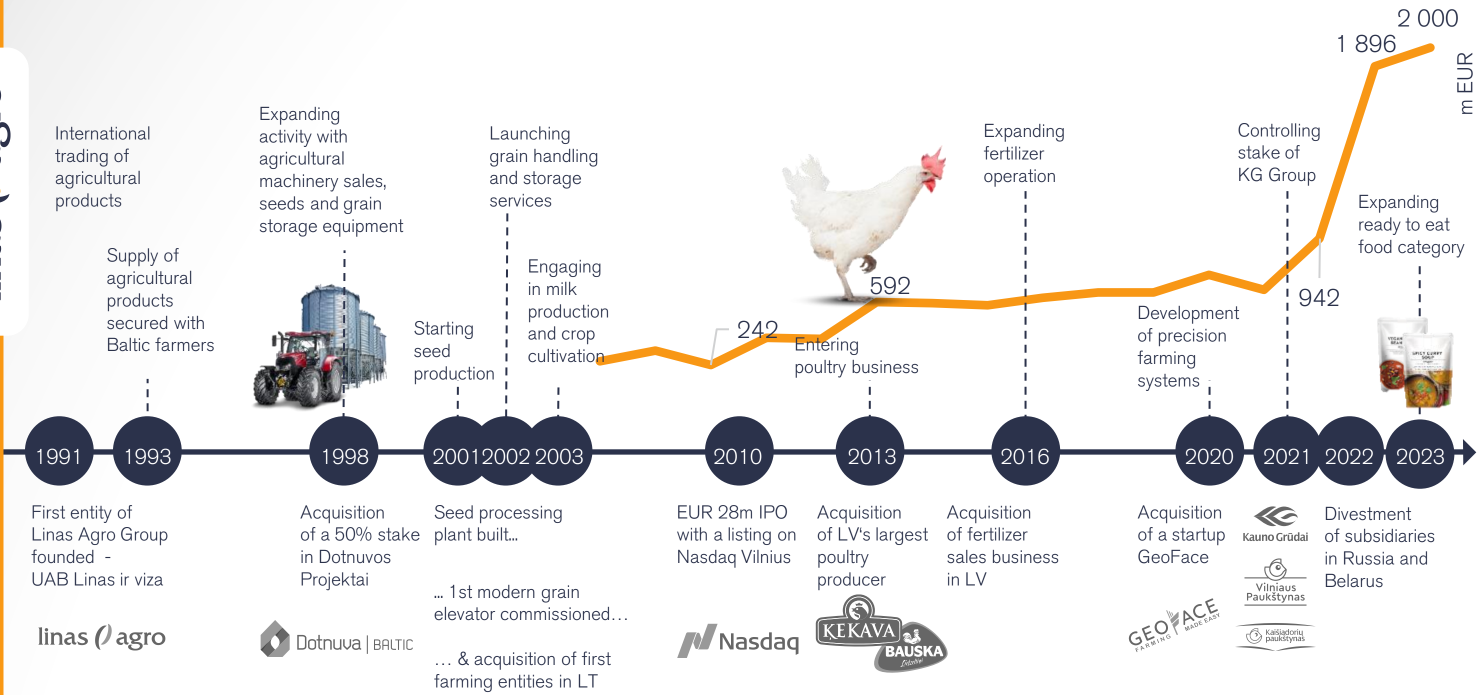
AB Kauno Grūdai has been producing pet food for almost 30 years.
We offer economically inclusive brands, such as "Canis" and "Aport", providing pet owners with an opportunity to maintain proper nutrition for their pets.
In 2020, a super premium pet food production line was launched in Alytus.
"Freeze-dried raw coated" is an innovative technological solution which offers an exclusive taste to "QUATTRO" products and enriches them with naturally preserved nutrients necessary in daily nutrition.
"QUATTRO" dog food contains 58-83% of animal proteins to ensure that the natural nutritional needs of dogs are met.
"QUATTRO" cat food contains 64-73% of animal proteins for better nutrition and health of cats.

11.2 THOUS. TONES PRODUCED OVER 2022/23

linas agro

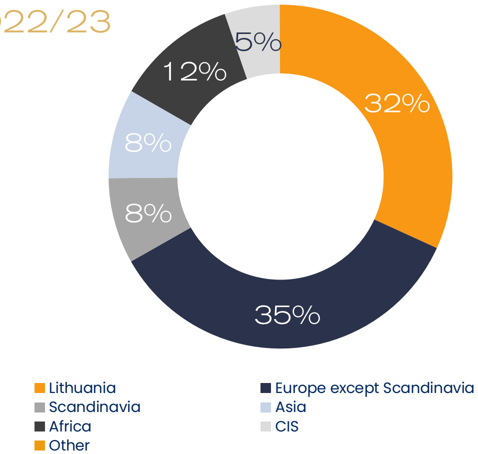
DECENT WORK AND ECONOMIC GROWTH

GROUP DEVELOPMENT



ANNUAL TOTAL COMPENSATION

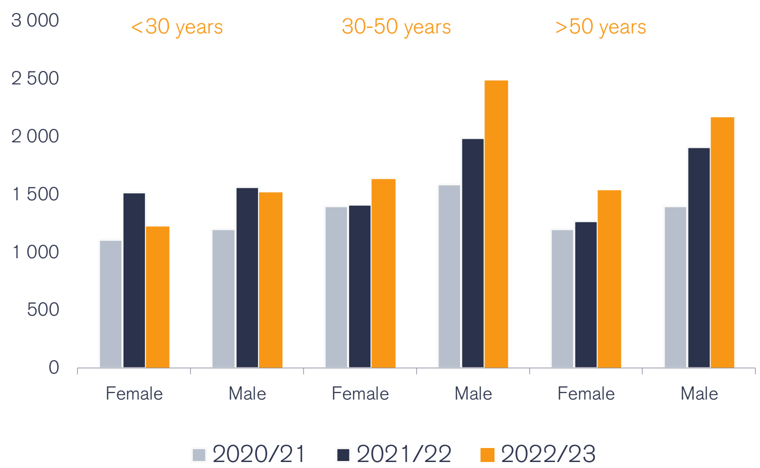
GROUP INCOME BY MARKETS FY 2022/23



DECENT WORK CONDITIONS

Workplace standards have been established based on globally accepted benchmarks. These standards encapsulate safety, hygiene, and optimal working conditions. Regular audits are conducted to ensure that these conditions are maintained, which, in turn, ensures that productivity is maximised.

In the fiscal year under review, our total compensation for employees amounted to EUR138m. This figure represents our ongoing commitment to fair compensation and is in line with industry standards.



GRI: 2-6, 3-3, 201-1, 203-2

INDUSTRY INNOVATION AND INFRASTRUCTURE

NKP CERTIFICATION AND STANDARD

The National Food Quality (NKP) system characterises products by their inherent naturalness, robust nutritional profile, and commitment to environmental conservation.

- Vilniaus Paukštynas is the first poultry company to be certified under the NKP system.
- The "National Quality Lithuania" label on product packaging signifies Vilniaus Paukštynas' successful navigation through NKP audits and their attainment of the NKP certificates.
- Label significance: it underscores the product's superior quality that not only aligns with, but also surpasses the safety, animal welfare, health, and environmental standards dictated by the European Union (EU) and national legislative directives. This superior quality is attributed to certain distinctive farming or production methodologies.

ROSS 420 CLUB

AB Vilniaus paukštynas has earned a prestigious spot in the "Aviagen Kft Ross 420 Club", marking the first Lithuanian company to achieve this honour. The US-based "Aviagen" is a global authority in poultry breeding, extending membership only to entities that surpass stringent industry benchmarks. AB Vilniaus paukštynas clinching the European Poultry Efficiency Factor (EPEF) of 420 showcases their commitment to stellar poultry health, growth, and feed assimilation standards. Their practices, which emphasise biosecurity, disease prevention, and state-of-the-art farming tools for real-time poultry health monitoring, have set them apart. Furthermore, their antibiotic-free approach fulfils Lithuania's poultry needs while underscoring the importance of animal welfare. The membership in the "Ross 420" forum allows to exchange novel ideas with global poultry magnates. An "Aviagen" representative praised our cutting-edge genetic practices.
AS Putnu Fabrika Kekava is also a member of the "Aviagen Kft Ross 420 Club".

GREEN SPOON

SIA Putnu Fabrika Kekava received a „Zaļā karotīte" ("Green spoon") certificate back in 2015. This confirms that the fresh poultry products "Kekava" are produced in Latvia using local raw materials and meet high quality standards.
SIA Putnu Fabrika Kekava was the first company in the segment of manufacturers of meat products, to whom sertificate "Green spoon" was given.

PRIVATE LABEL CONTRACTING

More than 40 major foreign companies, including large supermarket chains, trust their private label production to AB Kauno Grūdai.

We are ready to produce instant food products based on clients' recipes or the ones created by our R&D team.

Product assortment for Private Label: instant noodles, pasta, oatmeal, buckwheat, couscous, rice, granola, muesli, and superfood mix.

The majority of highest quality raw materials for instant noodles are made by AB Kauno Grūdai. Constantly improving recipes will allow your customers to enjoy only the highest quality products.

KEY INVESTMENTS

In 2022/23 we have invested EUR 30m in our operations in order to improve production efficiency.
For 2023/24 we have confirmed following investments:
- Expansion of instant noodle production (AB Kauno grūdai)
- Food segment product portfolio expansion (Grybai LT – soups, vegetables, porridges, etc in pouches)
- Expansion of breadcrumbs production Biogas plant in Lukšiai
- Active land portfolio management Dotnuva Baltic showrooms/centers in LT and LV
- New seed factory in Latvia

WE STRIVE FOR THE HIGHEST QUALITY AND CONSTANTLY IMPROVE EFFICIENCY

AB KAUNO GRŪDAI RECEIVED AN EXPORTER OF THE YEAR AWARD

PRODUCT OF THE YEAR AWARD FOR AS PUTNU FABRIKA ĶEKAVA

AFFORDABLE AND CLEAN ENERGY

HAY FOR HEAT PRODUCTION

Using hay for heat production in poultry farming is an alternative and potentially sustainable method for heating. When considering the traditional energy sources used in poultry farming, such as propane, electricity, or natural gas, hay could serve as an organic, renewable resource that can be produced on-site or sourced locally from our own farms.

HAY USED AS BIOFUEL ACCOUNTED FOR 2.3% OF TOTAL ENERGY USED

Advantages of hay as biofuel:

- Low environmental impact: Using hay as a fuel source promotes sustainable farming practices.
- Cost-effective: Depending on the local price of hay versus traditional fuel sources, hay might be a more economical option, especially if produced on-site.
- Carbon neutral: Burning hay releases carbon dioxide, but this is offset by the amount absorbed during its growth, making it potentially carbon-neutral.
- Renewable: Unlike fossil fuels, hay can be replanted and harvested annually.

Challenges of hay as biofuel:

- Infrastructure: Traditional heating systems in poultry houses are not designed to burn hay. Significant modifications or new equipment might be needed.
- Storage: Hay requires proper storage to prevent mold growth, which can produce toxins harmful to both humans and chickens.
- Consistency: Achieving a consistent heat output with hay can be more challenging compared to traditional fuels.
- Efficiency: The energy content of hay is generally lower than that of conventional fuels. Hence, larger volumes might be needed to produce the same amount of heat.

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In conclusion, while hay can be considered an alternative heating source in poultry farming, it is essential to weigh its benefits against its challenges. It might be more suitable for smaller-scale or organic poultry farms focused on sustainable practices. However, technological advancements can potentially make it a more viable option for larger operations in the future.

SOLAR ENERGY PRODUCTION

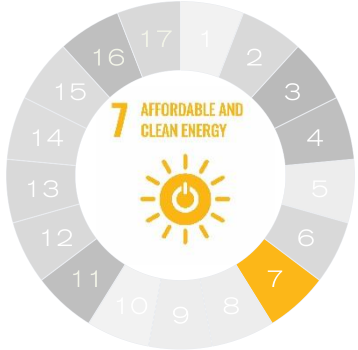
The Group companies source almost all their electricity from renewable resources that are certified as green. During the reported period, the solar plant produced 85.9MWh, which was used for instant food production within AB Kauno Grūdai. At present, the solar energy from our plant represents 0.12% of the total electricity. After the end of FY 2022/2023 solar system was also installed in Kedainiai instant noodles plant (capacity: 160 kMWh per year) and by the closing of calendar 2023 – additionally shall be operational in Coating system production plant (capacity: 60 kMWh per year). Plans are in place to further assess the potential expansion of solar capacity.

BIOGAS PRODUCTION PLANTS

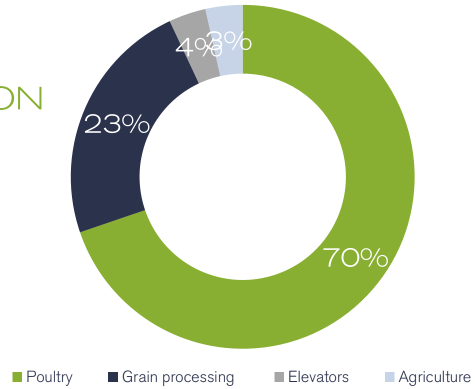
The Group has outlined plans to establish a biogas plant in the village of Plyniai, Šakiai district municipality, complete with biomethane purification equipment. The goal is to integrate it into the gas grid within three years and launch operations by 2025. This facility will include two bioreactors with a combined capacity of 415 m^3/h or 3,635,400 m^3 annually. The agricultural company, Šakiai District Lukšių ŽŪB, is spearheading this project. The biogas plant will utilise biodegradable waste and other materials from the Lukšių ŽŪB cattle unit and other affiliated entities to produce biogas. Additionally, the production process will generate digestate, a premium-quality fertiliser.

The Group also continuously assesses the viability of biogas production at other locations. we aim to install biogas plants in poultry farms both in Lithuania and Latvia by 2027/28. However, a large part of this will depend on the support from structural funds for the projects.

FOCUS ON ENERGY EFFICIENCY IS OUR STRATEGIC COMMITMENT



GREEN ELECTRICITY CONSUMPTION 2022/23



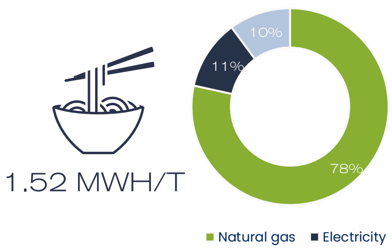
TOTAL OUTPUT OF ENERGY CONSUMPTION INTENSITY 2022/23

ENERGY CONSUMPTION

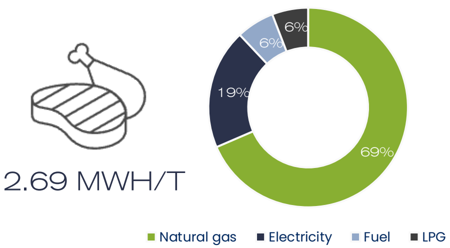
	GRAIN, OILSEEDS, AND FEED		PRODUCTS AND SERVICES FOR FARMING		AGRICULTURAL PRODUCTION		FOOD PRODUCTS		GROUP LEVEL	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Biofuel	0.0	0.0	0.0	0.0	0.0	0.0	8.6	4.5	8.6	4.5
Renewable Electricity	12.7	20.1	0.9	0.8	3.3	3.4	69.5	67.3	86.3	91.7
Natural gas	18.9	36.0	0.2	0.0	0.0	0.0	244.8	261.5	263.9	297.5
Electricity	0.2	0.0	0.3	0.2	0.1	0.0	0.8	0.3	1.3	0.5
Diesel for transportation	7.4	2.9	5.2	5.3	3.8	0.0	20.7	17.0	37.3	25.2
Diesel for heating of elevators	0.1	0.6	0.0	0.0	1.5	2.0	0.0	0.0	1.6	2.5
Diesel in agriculture	0.0	0.0	0.2	0.0	25.05	24.5	0.0	0.0	25.25	24.5
Petrol for transportation	1.8	0.5	0.8	0.5	0.05	0.1	2.8	1.9	5.45	3.0
LPG for transportation	0.1	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.5	0.3
LPG for heat production	1.2	4.0	0.3	0.2	0.5	0.4	17.9	0.0	19.9	4.5
Heating	0.0	0.4	0.4	0.4	0.0	0.0	0.0	0.1	0.45	0.9
TOTAL ENERGY USED	**42.4**	**64.5**	**8.3**	**7.4**	**34.3**	**30.3**	**365.5**	**352.8**	**450.5**	**455.0**
% of renewable energy	29.95%	31.18%	10.84%	11.20%	9.62%	11.22%	21.36%	20.35%	21.07%	21.14%

Energy consumption GWh, Linas Agro Group, AB, 2021/22-2022/23

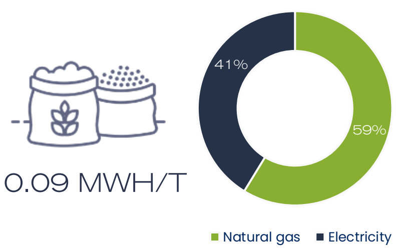
Compared to the previous period, total energy consumption declined by 4.4 GWh and amounted to 450.5 GWh.
Group-wide, natural gas consumption accounts for 58.6% of total energy used. 80% of the total natural gas was used in poultry production. The poultry business is especially sensitive to temperature variations. To maintain antibiotic-free production at 100%, there is limited scope for potential energy reductions. Additionally, as biosafety and animal wellbeing requirements have become stricter over time, energy savings are primarily achieved through improved building insulation and the introduction of alternative energy sources. All poultry houses and production facilities are regularly audited to assess the need for energy efficiency-related investments. Due to high prices of natural gas, dependency on this fuel was softened by the shift to LPG for heat production.
Virtually all electricity consumed by the Group companies came from renewable resources. In total, renewable energy amounted to 21.1%.
Crop cultivation was the key contributor to the consumption of fuel, 37% of fuel-generated energy was required for crop production. Introduced sustainable agricultural practices reduce the number and extent of operations over grain production cycle, resulting in reduced fuel consumption and increasing energy efficiency. The increase in fuel for transportation is attributed to the improved data collection process.



Energy intensity and energy mix, instant food, Linas Agro Group, AB, 2022/23

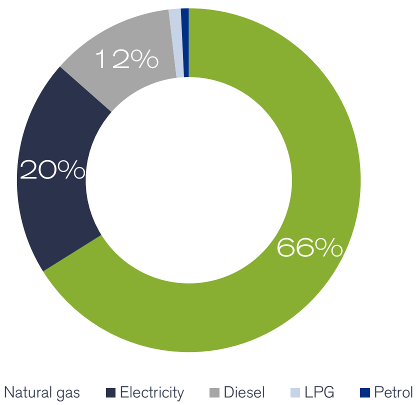


Energy intensity and energy mix, poultry production, Linas Agro Group, AB, 2022/23

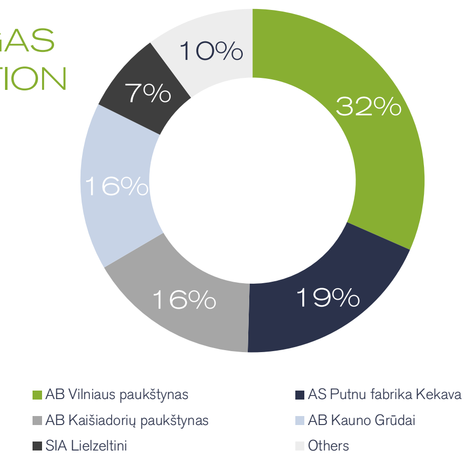


Energy intensity and energy mix, compound feed production, Linas Agro Group, AB, 2022/23

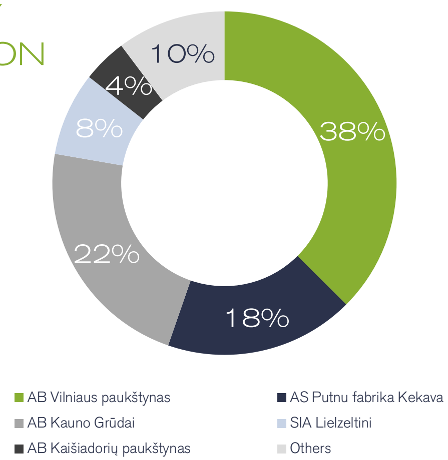
GROUP ENERGY MIX GWH, 2022/23



NATURAL GAS CONSUMPTION 2022/23



ELECTRICITY CONSUMPTION 2022/23



GRI: 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

CLIMATE ACTION

GHG emissions and contribution to the climate change is one of the key adversities generated by our Group activities. We are committed to decreasing our dependency on fossil fuels as well as optimising GHG emissions related to animal rearing, manure management, and soil management.

COWS AND CLIMATE CHANGE

Absolute emission reduction is critical, as the world moves towards carbon neutrality by 2050. We recognise the responsibility of the dairy sector to develop sustainably; however, the mitigation potential of the industry will remain limited by biological processes.

In 2022/23, total enteric emissions by our ruminants accounted for 17.1% of total Scope 1 GHG emissions generated by the Group activities.

In order to reduce negative impacts of milk production, we focus on the efficiency of dairy farming to achieve declining emission intensity per product.

Focus on productivity over the reporting period resulted in the decline of average enteric GHG emissions per ton of ECM produced by our dairy cattle, which amounted to 0.37t CO_2eq to 0.33t CO_2eq.

SOIL GHG EMISSIONS

Agricultural soil is a dynamic biological system that sequestrates and emits greenhouse gases. In 2022/23, total emissions from managed soils amounted to 23.6 thousand tons of CO_2eq or 17.6% of total Scope 1 emissions by the Group. The most conservative estimate indicates that the soil sequestrated approximately 21.6 thousand tons of CO_2eq. Therefore, adjusted to estimated sequestration, total emissions from managed soils amount to 2.4% of the entire Scope 1 GHG emissions by the Group.

POULTRY AND CLIMATE CHANGE

The poultry segment, like many other agricultural sectors, has a two-fold relationship with climate change. On one hand, poultry production contributes to global greenhouse gas (GHG) emissions; on the other, the industry is vulnerable to the impacts of the changing climate. Below is a comprehensive look at this relationship:

Direct emissions: Methane (CH_4) and nitrous oxide (N_2O) are released from manure management.

Indirect emissions: Emissions from feed production can be significant. Producing the grain used in poultry feed requires fertiliser, which emits nitrous oxide. Additionally, land-use changes for feed crop production contribute to carbon dioxide emissions.

Energy use: Heating, cooling, and general operations in poultry houses rely on energy, often from fossil fuels. While we are able to virtually eliminate scope 2 emissions by switching to green electricity, scope 1 emissions remain significant.

Impact of climate change on poultry production:

Heat stress: Poultry are particularly sensitive to heat. Elevated temperatures can reduce feed intake, growth rates, and egg production, and can increase mortality rates.

Disease dynamics: Changing climates can influence the range and lifecycle of many poultry diseases and pests.

Feed grain production: Climate change can affect the yield of feed grains, influencing the cost and availability.

Water availability: As climate patterns shift, some regions may experience water scarcity, impacting poultry operations.

FIRST STEPS

Vilniaus Paukštynas is the first Lithuanian company to acquire a biomethane-powered truck. The company is evaluating the addition of more such vehicles to its fleet. Biomethane trucks can cut CO_2 emissions by up to 90%, according to Scania Lietuva. These vehicles also operate more quietly, benefiting drivers and the public alike. After a year-long testing phase of the truck in Lithuania, Vilniaus Paukštynas decided on its purchase. By early April, 2023, ten more such trucks were acquired by various Lithuanian enterprises.

SCOPE 3 EMISSIONS CHALLENGE

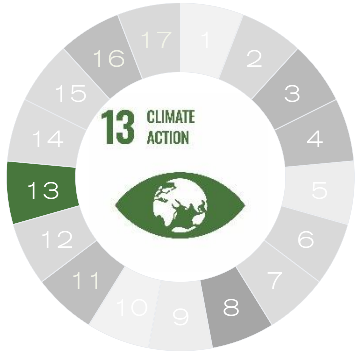
We are responsible for all the stages of production, from feed production to the final sale of food products. As such, the GHG emissions for us encompass the entirety of the production chain.

Quantifying the exact GHG Scope 3 emissions for our Group requires detailed data on each of these stages. Factors like the type of energy used (renewable vs. non-renewable), the efficiency of operations, the sources and processing methods of feed, and waste management practices will all influence the total carbon footprint.

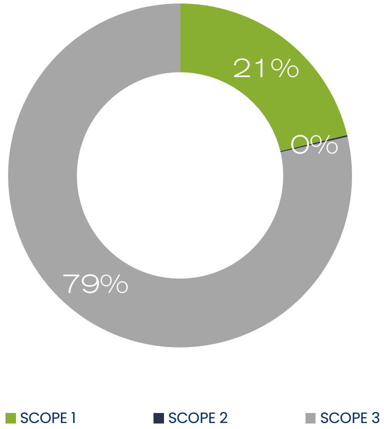
We are keen on improving the reliability of our Scope 3 estimates; however, taking into account the complexity of our supply chain, it is too early to set reliable strategic commitments.

CLIMATE POSITIVE GOODS

It is our strategic commitment to promote climate positive goods and machinery to local farmers making an indirect impact to GHG emission reduction.



EMISSIONS BY SCOPES

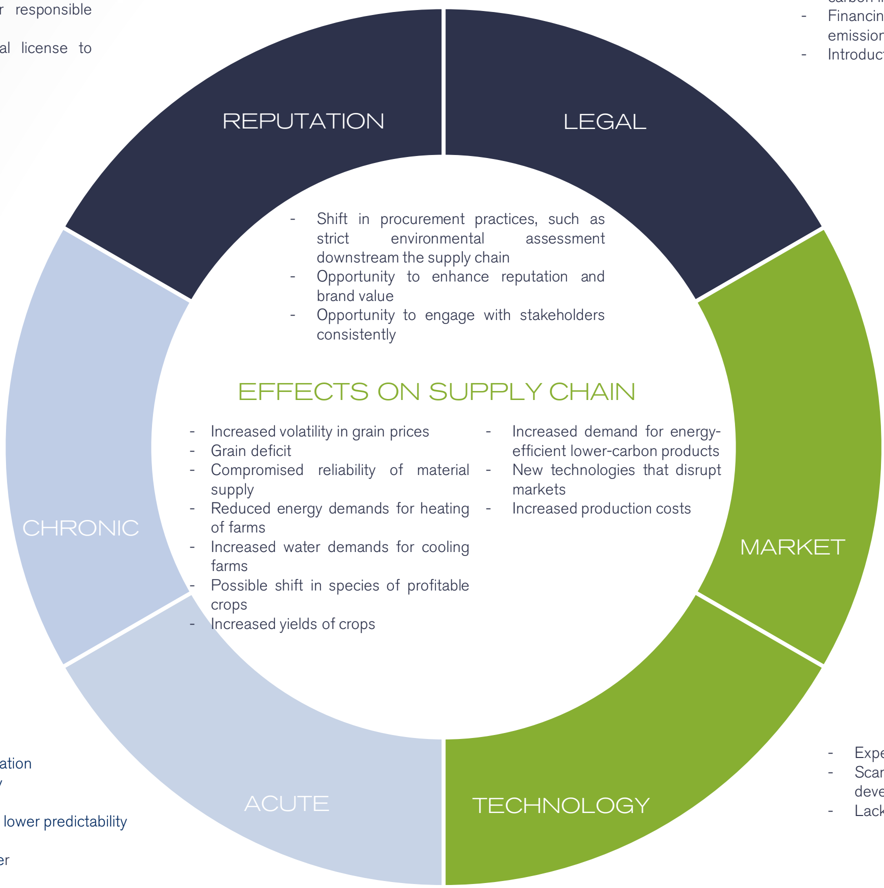


THE FIRST BIOMETHANE-POWERED TRUCK IN LITHUANIA

CLIMATE CHANGE RISKS

- Concerns about GHG emissions
- Accusations about greenwashing
- Growing expectations for responsible manufacturing
- Threats to securing social license to operate
- Pressure on dairy industry

- Tightening regulation and supervision of carbon intensive businesses
- Financing restrictions related to GHG emissions
- Introduction of carbon pricing



- 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

EFFECTS ON SUPPLY CHAIN

- Increased volatility in grain prices
- Grain deficit
- Compromised reliability of material supply
- Reduced energy demands for heating of farms
- Increased water demands for cooling farms
- Possible shift in species of profitable crops
- Increased yields of crops

- Increased demand for energy-efficient lower-carbon products
- New technologies that disrupt markets
- Increased production costs

- Shift from dairy to plant-based milk products
- Growing health concerns
- Product quality stability
- Increased prices for electricity
- Increasing costs of mineral fertilisers
- Increased prices for feed (raw material), such as soy

- Higher livestock mortality rates due to increase in temperature and number of hot days
- Increasing yield volatility due to changing climate conditions
- Soil erosion
- Overall reduction in livestock productivity
- Heat Stress:
- Reduced conception rates
- Milk quality decline

- Disease and Pest Proliferation
- Infrastructure vulnerability
- Reduced Yields
- Precipitation volatility and lower predictability
- Damaged crops
- Extreme cold during winter

- Expensive technology development
- Scarcity of components for fast developing technology
- Lack of the infrastructure

OUR ACTIONS

REPUTATION&LEGAL

- 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

MARKET&TECHOLOGY

- Prioritisation 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

PHYSICAL RISKS

- Employing sustainable agriculture practices
- Developing precision farming tools
- Livestock is highly sensitive to extreme temperature changes
- 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
- Promoting climate-positive agriculture innovation in products and services for farms

We performed qualitative climate change risk analysis based on TCFD (Task Force on Climate-related Financial Disclosures) reporting principles. Quantitative analysis was chosen over the qualitative analysis due to the limited reliable tools and scenarios to assess climate change-related risks specific to our region and business lines. We understand that quantitive climate change scenario analysis would be of value for our stakeholders and eventually we would have reliable tools to model possible long-term effects on our supply chains and business lines.

Please consult ANNEX IV GHG INVENTORY for specific climate change disclosures published by the Group

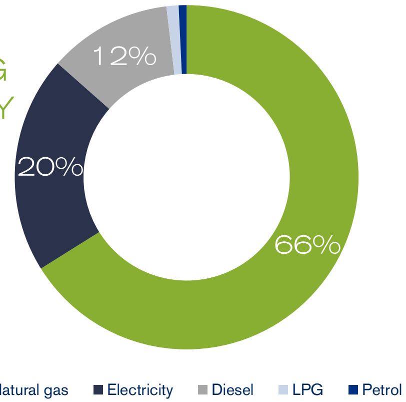
GHG EMISSIONS: SCOPE 1, 2 & 3

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 135.15 thousand tons of CO_2eq. We estimate that the sequestration of organic carbon in managed soil could account for 21.58 thousand tons of CO_2eq, which could potentially reduce our Scope 1 emissions down to 113.57 thousand tons of CO_2eq.

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 FOR PRODUCTION	SOIL MANAGEMEN	CATTLE ENTERIC GHG	FUEL	DIESEL IN AGRICULTURE	POULTRY ENTERIC GHG	MANURE MANAGEMENT	REFRIGERANTS
% share in Scope 1 not adjusted for sequestration	34.7%	18.4%	14.4%	11.6%	4.7%	7.9%	6.4%	1.9%
% share in Scope 1 adjusted for sequestration	41.3%	2.9%	17.1%	13.6%	5.9%	9.4%	7.6%	2.2%

Scope 1 GHG emissions by source, thousand tCO_2eq, LINAS AGRO GROUP, AB, 2022/23

SCOPE 1 GHG EMISSIONS BY SOURCE 2022/23

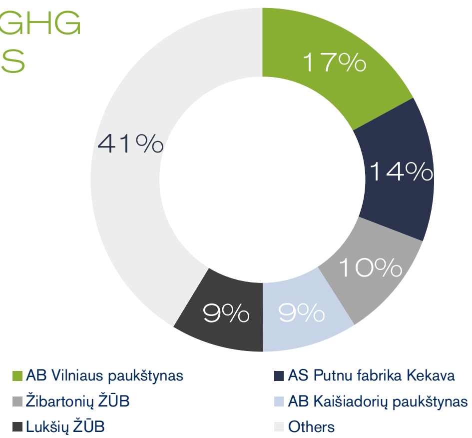


SCOPE 2: It represents emissions that our companies caused indirectly when the energy (electricity and heating) we purchase has been produced by third party providers. 98.5% of electricity consumed by the Group companies came from renewable sources; thus, Scope 2 GHG emissions are virtually non-existent. Essentially, the difference between location-based and market-based volumes of GHG emissions equals to avoided GHG emissions; in other words, we avoided 29.5 thousand tons of CO_2eq in 2022/23.

	GRAIN, OILSEEDS, FEED		PRODUCTS & SERVICES FOR FARMING		AGRICULTURAL PRODUCTION		FOOD PRODUCTS		GROUP LEVEL	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Scope 1	5.97	8.3	1.66	1.5	54.86	55.0	72,65	69.0	135.15	133.8
Scope 2 (location-based)	4.4	8.1	0.5	0.5	1.1	1.3	23.9	26.0	29.9	35.9
Scope 2 (market-based)	0.04	0.07	0.14	0.2	0.01	0.0	0.17	0.1	0.36	0.4
Scope 3	321.9	410.1	26.6	26.3	24.2	25.9	178.3	90.2	551	552.5
Total (location-based)	332.27	426.5	28.77	28.3	80.2	82.2	274.9	185.2	716.1	722.2
TOTAL (market-based)	**327.9**	**418.5**	**28.4**	**28.0**	**79.1**	**80.9**	**251.1**	**159.3**	**686.5**	**686.7**

GHG emissions by business segments, thousand tCO_2eq, LINAS AGRO GROUP, AB, 2021/22 – 2022/23

SCOPE 1 GHG EMISSIONS 2022/23



SCOPE 3: Other indirect emissions are consequences of the activities of the company, but those that occur from sources neither owned, nor controlled by the Group. Notable increase in of SCOPE 3 emissions in FOOD segment is attributed to addition of AB Kauno Grūdai food business (part of Grain, oilseed, feed previous year) and increased volumes of meat source outside the Group. We acknowledge the lack of reliability of final numbers for Scope 3 calculations due to a wide range and complexity of data which is not directly available. We are ready to improve data collection process through supplier assessment in the future.

Group activity	Flour products, feed, instant food	Grain, oilseeds, feed	Poultry business	Instant food	Food	Agricultural production	Group-wide		
Source	GRAIN AND GRAIN PRODUCTS	TRANSPORTATION OF GRAIN TRADED	PURCHASED FEED	COOKING OIL	PURCHASED RAW MEAT	PRODUCTION OF FERTILISERS	UPSTREAM & DOWNSTREAM TRANSPORTATION	PACKAGING	OTHER
% share in Scope 3	21.1%	18.1%	4.4%	5.4%	18.6%	2.9%	17%	5%	7.5%

Scope 3 GHG emissions by activity, thousand tCO_2eq, LINAS AGRO GROUP, AB, 2022/23

SCOPE 3 GHG EMISSIONS 2022/23

EMISSION SOURCE	$ktCO_2$eq	%
Production of inputs	339.2	61.6%
Transportation of grain traded	100	18.1%
Downstream transportation of products	43	7.8%
Upstream transportation of inputs	24.6	4.5%
Transportation of products for farmers	25.9	4.7%
Well to tank (fossil fuels)	13.7	2.5%
Other	4.6	0.8%
Total	551	100 %

For detailed GHG inventory and methodology, please consult ANNEX IV GHG INVENTORY

GRI: 3-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6

linas agro

LIFE ON LAND

Oversight of 0.8% of Lithuania's arable land places upon us a substantial responsibility. Our mission is clear: advocating for sustainable farming that is economically sound while preventing land degradation. Simultaneously, our operations aim to mitigate the challenges posed by invasive species. Our strategy integrates managing direct effects in agriculture and poultry to indirect effects linked to promoted farm equipment.

ANIMAL WELFARE

While animal welfare is not explicitly mentioned in the SDGs, it is crucial to recognise that the humane treatment of animals aligns with the broader ethos of the SDGs, which is to create a more sustainable, equitable, and compassionate world.
While their primary focus is on wild species and habitats, the principles of conserving biodiversity and ensuring that the use of ecosystem services is sustainable can indirectly relate to animal welfare.

We are committed to and responsible for meeting the animals' physiological and etiological needs, from hatching to slaughtering.
All our companies engaged in poultry and cattle farming business are obliged to comply with national and European Union laws and regulations, including the world-renowned animal welfare standard, or The Five Freedoms:

- Freedom from thirst, hunger, and malnutrition: all birds are provided with free access to water and balanced nutritious feed based on animal needs by breed, age, and life stage.
- Freedom from fear and distress by ensuring conditions and treatment, which allow to avoid mental suffering. We provide animals with gentle and attentive care at all times: while growing, during transportation to the slaughterhouse, and throughout the slaughter process.
- Freedom from physical and heat-related stress and discomfort. We provide a safe and comfortable living space for animals, protecting them from frost, rain, draught, extreme temperatures, and predators. They are raised in large, open broiler houses. The houses are well-equipped with mechanical systems to deliver feed and water to the animals, and have environmental systems to provide a comfortable and protective environment, including ventilation systems and heaters. Rest period is provided, including the period of darkness.
- Freedom from pain, injury, and disease. Our team of highly trained qualified professionals is constantly monitoring all birds and ensure humane treatment of sick animals and slaughter animals. Animal health surveillance, disease prevention, and control are performed by certified veterinarians.
- Freedom to express normal behaviour. We provide animals with sufficient space, dry, clean, and soft bedding, and company of the birds' own kind.

Managing directors of farming companies are obliged to ensure the compliance to animal welfare standards at all phases of animal lifecycle. Compliance assessment is conducted regularly on a farm level.

BIODIVERSITY

Possible biodiversity loss due to conversion of forests or other natural habitats to agricultural land for crop cultivation, poultry, or cattle farming can be regarded as one of adverse effects of our activities.

Pest and invasive species management: Embracing IPM (Integrated Pest Management) reduces chemical dependencies. Our product trade, primarily to local farmers, aligns with this ethos, designed to counter the introduction and amplify the reduction of invasive alien species. Plant protection used by our farms range from non-hazardous to moderately hazardous. Total consumption volume amounted to 91 ton or 4.7 kg per ha.
Reforestation & habitat conservation: We do not face challenges directly. However, procurement of materials, namely soy, might be challenging. Our trade policies favour sustainably-grown grains, advocating against deforestation and unnecessary land-use changes. We strive to mitigate deforestation risks through trade agreements. Additional due dilligence might be required following stricter regulations.

Poultry waste management process is strictly regulated to ensure the prevention of natural habitat and water source contamination. Our no-antibiotics policy further protects the soil from resistant bacteria.

NATURA 2000

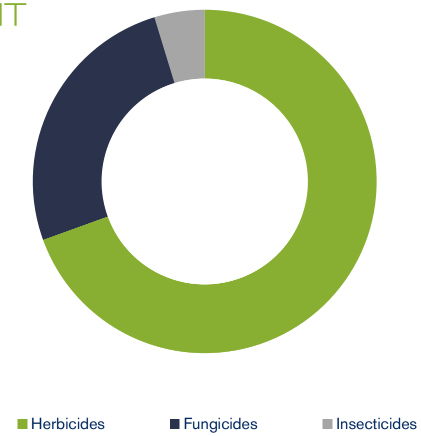
None of our operational sites border NATURA 2000 territories.

FUTURE OUTLOOK

The European Commission's Farm to Fork Strategy, part of the European Green Deal, emphasises the need for improved animal welfare and proposes revising the existing animal welfare legislation.

WE PROMOTE ENVIRONMENT-POSITIVE EQUIPMENT, FETILISERS, AND PLANT CARE PRODUCTS

USE OF PLANT PROTECTION PRODUCTS



OVER 2022/23, WE RAISED 49.8M BROILERS

MATERIALS

Dairy and poultry production are circular businesses; virtually all material inputs for the business segment are renewable. In turn, manure is used to fertilise crops which are consequently used as feed for the animals or processed to grain-based products.

FRESH POULTRY AND MEAT PRODUCTS

Our key responsibility is to deliver top quality nutritious and safe products to your table.
Packaging is the largest non-food category among our inputs. Due to the sanitary requirements for food packaging, only secondary packaging might contain recycled materials; thus, our task is to constantly look for opportunities to reduce product packaging intensity without compromising food safety.

96.7% OF RENEWABLE MATERIALS 2022/23

COMPOUND FEED

Over the reporting period, compound feed accounted for the major part of our production, so almost 40% of total output was sold in bulk.

95% OF RENEWABLE MATERIALS 2022/23

AGRICULTURE

90.9% OF RENEWABLE MATERIALS FOR GRAIN GROWING 2022/23

On average, 82% of total feeding material was grown and prepared independently by our agricultural companies. More than half of remaining feedstuff was procured within the Group.
Consolidated agronomic know-how and exposure to the most innovative solutions Group-wide contribute to the more sustainable management of crop fields. We are constantly working to optimise the productivity of our crops to obtain better value for the society in the form of food and to keep adverse effects on the environment at the lowest possible level.
In absolute volume terms, organic fertilisers, such as slurry and solid manure, accounted for 90.5% of the total input used for crop production in our fields.

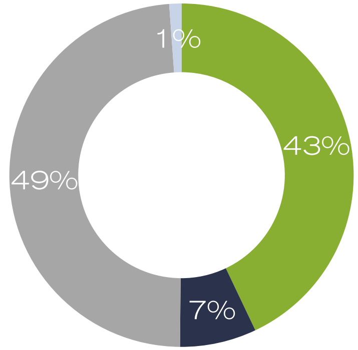
GRAIN-BASED FOOD

Development of higher value added product lines, such as flour mixes and instant food, implies a growing use of semi-manufactured food and additives, such as dried fruit and vegetables, broth, spices, and sugar. In other words, virtually all ingredients are plant based and renewable.

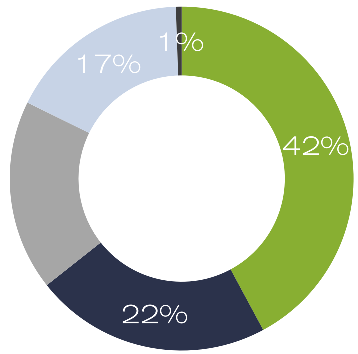
99.9% OF RENEWABLE MATERIALS 2022/23

EFFICIENT PRODUCTION, PACKAGING & CORRECT LABELLING REDUCES FOOD WASTE

PACKAGING 2022/23



NON-RENEWABLE MATERIALS 2022/23



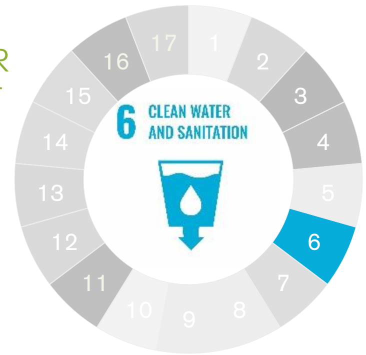
WATER

SOURCE	GRAIN, OIL SEEDS AND FEED		PRODUCTS AND SERVICES FOR FARMING		AGRICULTURAL PRODUCTION		FOOD PRODUCTS		TOTAL GROUP	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Tap water	35.5	100	3.8	2.8	1.4	1.0	121	31.5	161.7	135.8
Water from well	0	0.1	0	0	200.9	187.3	1839.5	1784.1	2,040.4	1971.6
Surface water	0	0	0	0	9.9	10.6	0	0	9.9	10.6
TOTAL	35.5	100.1	3.8	2.8	212.2	198.9	1960.5	1,815.6	2,212.0	2,118.0

Water withdrawal by source, Linas Agro Group, AB, million litres, 2021/22 – 2022/23

NOTE:
Not all rented offices have individual waste metering system.
Water consumption for flour, instant food, and flour mixes is included in food products for 2022/23 (for 2021/22, were included in oil and feed category business segment).
Water embedded in processed materials was not estimated.

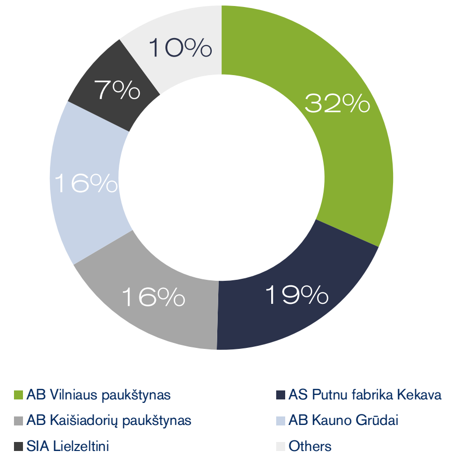
WASTE WATER MANAGEMENT IS OUR KEY RESPONSIBILITY



WATER IN OUR BUSINESS

Compared to FY 2021/22, total water withdrawal over the reporting period increased by 4% and accounted for 2,212.0 million l, equivalent to 2.3 Olympic swimming pools daily.
According to the OECD, both Lithuania and Latvia have an abundant freshwater supply. Water is an essential daily need for livestock; we are committed to maintaining the highest animal welfare standards. Thus, no optimisation of water consumption by animals is planned. All production sites operate in water-rich areas; water from own wells accounts for 93% of total water withdrawal.
Poultry business is the most water-intensive activity within the Group, accounting for 86% of total water withdrawal. Besides water for chicken consumption, we use water to clean poultry houses after each cycle (every 37-42 days). Water intensity can be decreased by improving the floor surface of poultry houses to facilitate more efficient cleaning. In recent years, we have renewed the flooring surfaces of poultry farms in Latvia.
Water is also used for cooling livestock. Livestock, especially chicken, are very sensitive to heat-related stress; thus, water consumption for cooling our animals is estimated to increase as a result of the climate change.

WATER WITHDRAWAL 2022/23



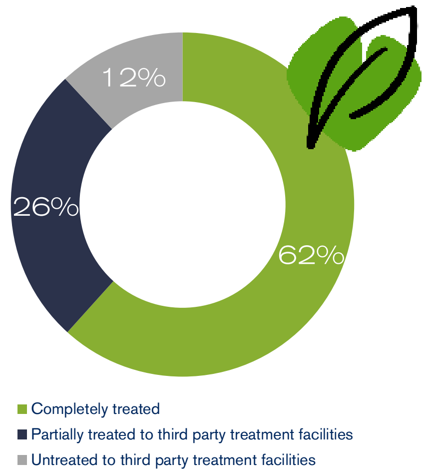
MANAGEMENT OF EFFLUENTS

Our activities generate considerable amount of waste water which is a major adverse impact. Poultry business is the most water-intensive segment within the Group, accounting for 94.4% of total waste water. In Latvia, all waste water from operations is directed to the sewage network for third party treatment. AB Vilniaus Paukštynas use own treatment facilities; waste water from smaller poultry companies in Lithuania is sprayed on the manure and used as fertiliser. Following the closure of slaughtering and processing units in AB Kaišiadorių Paukštynas, the amount of effluents decreased drastically, resulting in a decline of untreated waste water directed to the third party treatment facilities in Kaišiadorys.

TYPE	GRAIN, OIL SEEDS AND FEED		PRODUCTS AND SERVICES FOR FARMING		AGRICULTURAL PRODUCTION		FOOD PRODUCTS		TOTAL GROUP	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Untreated directed to third party treatment facilities	14.0	85.7	0.9	1.1	6.0	2.2	152.7	436.2	173.6	525.2
Partially treated directed to third party treatment facilities	0.0	0.0	0.0	0.0	0.0	0.0	384.9	316.9	384.9	316.9
Completely treated	0.0	1.0	1.2	0.2	0.1	0.0	901.0	770.9	902.3	772.1
TOTAL	14.0	86.7	2.1	1.3	6.1	2.2	1,438.6	1,524.0	1,460.8	1,614.2

Effluent by type of discharge, Linas Agro Group, AB, million litres, 2021/22 – 2022/23

EFFLUENT DISCHARGE 2022/23



NOTE:
Not all rented offices have individual waste water metering system.
We do not include evaporation from grain drying process.

GRI: 2-25, 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1

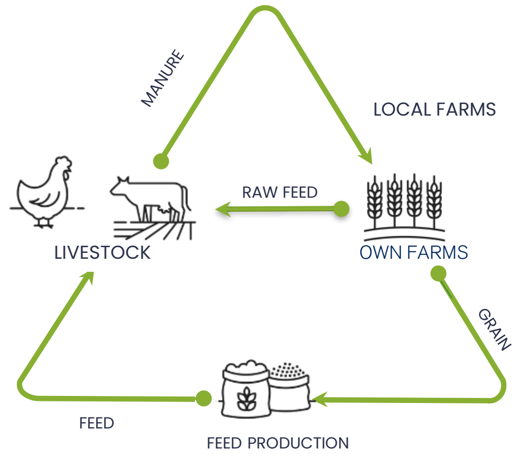
WASTE

	HAZARDOUS OFFSITE		NON-HAZARDOUS ONSITE		NON-HAZARDOUS OFFSITE		TOTAL	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
DIVERTED FROM DISPOSAL								
Manure and sludge	0	0	157,855	209,533	100,047	39,8	257,902.8	249,333
Reuse	0	0	669	1	0	0	669	1,000
Recycling	1	0	324.1	143.8	2,114	1,996	2,439.1	2,139.8
Other recovery operations	86	11	0	257.4	9,031.5	7052	9,117.6	7320.4
TOTAL DIVERTED FROM DISPOSAL	87	11	158,848.3	210,934.2	111,193.1	48,848	270,128.4	259,793.2
DIRECTED TO DISPOSAL								
Incineration (with energy recovery)	0	0	0	0	562.3	602.67	562.3	602.7
Incineration (without energy recovery)	20	66	0	0	0	1108.48	20.0	1,174.5
Landfilling	6	73.84	0	0	3,268.5	2,050	3,274.9	2,123.8
Other disposal operations	53	16	0	0	5.1	0	57.8	15.7
TOTAL DIRECTED TO DISPOSAL	79	156	0	0	3,835.9	3,761	3,915.1	3,916.6
Total waste	166	167	158848.3	210,934.2	115,029.6	10,813	273,856	263,707
WASTE EXCLUDING MANURE	166	167	993.1	1401.2	14,981.5	12,809.1	16,140.7	14,376.8

Waste generated t, Linas Agro Group, AB, 2021/22 – 2022/23

NUTRITION LOOP

Agriculture and food industry form a loop of nutrients. For example, animal waste (manure) is applied as an organic fertiliser which increases crop yields and is used as feedstuff for the livestock.
90% of total waste Group-wide actually is fertiliser which is a valuable nutrition source.



Nutrition loop, Linas Agro Group, AB

HAZARDOUS WASTE

Total volume of hazardous waste amounted to 166 tons Group-wide, which accounted for 0.06% of total waste generated and 4% of total waste directed to disposal.

NON-HAZARDOUS WASTE

Non-hazardous waste mainly consists of animal products not fit for human consumption, construction waste, and packaging.

OTHER RECOVERY OPERATIONS

We sell animal sub-products not fit for human consumption to pet food and other manufacturers. This way poultry processing has virtually no waste, all parts of animals are used to retrieve calories and nutrients.
Other recovery operations also refer to up-cycling and reuse of waste generated. For example, reuse of packaging.
Non-standard noodles are used for pet food.

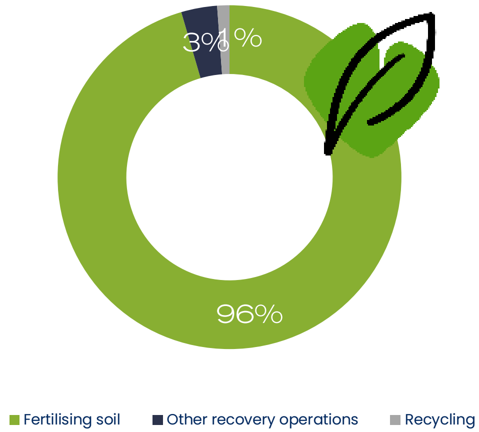
BIOGAS PRODUCTION

In Latvia, fallen birds and part of animal by-products are utilised for biogas production (third party).

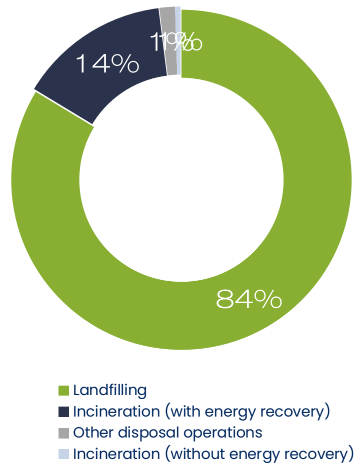
RECYCLING

Whenever possible, we aim to recycle both administrative and production waste. Recycled waste mostly consisted of packaging and electronics.

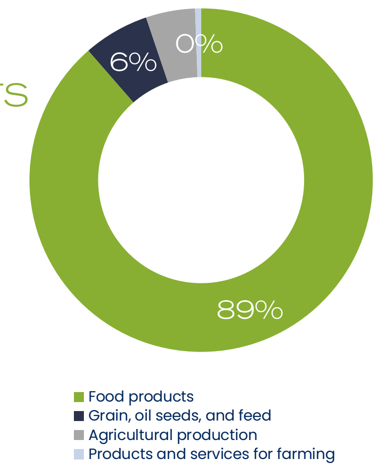
WASTE DIVERTED FROM DISPOSAL 2022/23



WASTE DIRECTED TO DISPOSAL 2022/23



WASTE GENERATED BY SEGMENTS 2022/23



NO POVERTY

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

INSTANT NOODLES AND PORRIDGES PROVED VERY USEFUL IN THE WAR ZONE

GIVING BACK TO SOCIETY

It is our privilege and duty to support social initiatives which align with our values:

- Local communities
- Projects building resilient society
- Farmers' and other agricultural organisations
- Training and educational institutions
- Children and youth engagement projects
- The most vulnerable society groups, such as people with limited physical or mental capabilities
- Child foster homes, child medical institutions
- Health promotion and environmental projects
- Unwavering support for Ukrainian armed forces

EMPLOYEE WELFARE

The success of our business is our employees.
Our strength is not only technological competence, but also our team which consists of almost 5,000 qualified and knowledgeable industry professionals, including engineers, food technologists, poultry farmers, laboratory assistants, logistics specialists, highly motivated sales and marketing professionals who are flexible and dedicated to the customers' needs.

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 fertilisers and quality seeds available for better crop yields
- Providing quality feed and health products for poultry
- 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

PROMOTION OF AFFORDABLE FOOD PRODUCTS

- Flour: Flour is a staple in many diets. By producing affordable, quality flour and related products, companies can ensure that even low-income families can access basic food.
- Dairy: Dairy products are primary sources of calcium and other essential nutrients. Ensuring that milk and other dairy products are affordable helps combat malnutrition, especially among children.
- Poultry: In many countries, chicken is one of the most affordable sources of protein. Making it accessible to all economic classes plays a role in reducing hunger and malnutrition, which are closely linked to poverty.

21.7 THOUS. T OF INSTANT FOOD

FOSTERING RESILIENT COMMUNITIES

50+ LOCAL COMMUNITIES ARE OUR NEIGHBOURS

99% EMPLOYEES LIVE IN LOCAL COMMUNITIES

ZERO HUNGER

CERTIFIED SEEDS

Quality seeds are the cornerstone of food industry. We produce and sell certified seeds adapted to local conditions, contributing to genetic diversity and productivity of crops.

FOOD WASTE PREVENTION VIA PEST CONTROL

AB Kauno Grūdai has been offering pest control services and products.

CAREFUL ADVICE AND QUALITY PRODUCTS

We help our clients build integrated pest control programmes in compliance with BRC, ISO, and other certifications. Pest control is a critical process ensuring the quality of food materials, produced and stored food. Everyday we help our Group companies and clients assure food safety and quality, and prevent loss of materials and production.
Providing farmers with quality fertilisers and machinery can increase crop yields, ensuring a more abundant food supply.
The scale and know-how of our agricultural companies help us maintain high productivity.
Our dedicated teams of professionals look for the right solutions for each individual farm. We consult and give advice to attain the best possible yield and highest income.
We cooperate with the world's most famous agrochemical companies, which allows us to share and help implement the best world-class agricultural practices.

BIOSECURITY

Biosecurity refers to procedures used to prevent the introduction and spread of disease-causing organisms in poultry flocks. All people who come into contact with chicken must follow strict biosecurity standards:

- Keeping visitors to the minimum
- All visitors must take a shower before entering farming spaces
- All visitors must wear personal protective equipment at all times
- People showing symptoms of contagious illness are not allowed to the chicken barn
- Ensuring sound rodent and pest control
- Avoiding contact with wild or non-commercial birds
- Controlling humidity and ensuring good ventilation
- Making sure all facilities are cleaned and maintained to the maximum standard

MOST AFFORDABLE NUTRITION SOURCE

Poultry, especially chicken, has emerged as one of the primary sources of animal protein in many parts of the world.

- Rapid growth rate: Broiler chickens, which are raised for meat, have been selectively bred to grow quickly. Within 6 to 7 weeks, they can reach a marketable weight, allowing for quick turnovers and consistent supply.
- Feed efficiency: Chickens convert feed into protein more efficiently than many other animals. This means they require less feed per unit of weight they gain, making their production more cost-effective.
- Space efficiency: Poultry requires less space compared to other livestock, such as cattle or pigs. This space efficiency means more birds can be raised in a smaller area, leading to higher production density.
- Short production cycle: Because of the rapid growth rate of broilers, poultry farmers can have several production cycles in a year, ensuring a steady income and consistent supply for consumers.
- Broad consumer acceptance.
- Versatility in cooking: Chicken is versatile and can be prepared in countless ways.
- Health and dietary benefits: Chicken, particularly its lean parts, like the breast, is low in fat and calories compared to some other meats. It is also a good source of essential vitamins and minerals.

Dairy products are a source of essential nutrients, like calcium and protein, contributing to improved nutrition. Grain based products, such as flour, are main staple foods.

SOIL HEALTH

We have run the agricultural business since 1993. The area of managed land limits the development of this segment; therefore, we are bound to make sure the soil is managed in a balanced and sustainable manner.
Since 2016, all our farms are shifting their focus towards more sustainable agricultural practices:

- Reducing tillage
- Avoiding soil compaction by the reduced number of treatment
- Introducing cover crops
- Better crop rotations
- Organic fertilisers: in total, organic fertiliser used amounted to 90 thousand tons per reporting period
- Precision farming
- Integrated pest management ensures long-term soil health and reduces the risk of crop failure

WE ENSURE STEADY SUPPLY OF LOCALLY PRODUCED FOOD

UAB DOTNUVA SEEDS PRODUCED 27 THOUS. TONES OF CERTIFIED SEEDS

CALORIES PRODUCED WITHIN THE GROUP

385 billion

OUR PEOPLE

	NUMBER OF EMPLOYEES	NUMBER OF FTEs	FULL TIME EMPLOYEES	PERMANENT CONTRACT EMPLOYEES	TEMPORARY CONTRACT EMPLOYEES	PART-TIME CONTRACT EMPLOYEES
Female	2,415	2,340.99	2,304	2,330	85	111
Male	2,541	2,476.02	2,435	2,461	80	106
Total	4,956	4,816.01	4,739	4,791	165	217

Employees by type of contract and gender, 30 Jun 2023

NOTE: employees number does not include data of companies not included in Sustainability report (please refer to ANNEX II) also do not eliminate multi-company employee numbers (some employees are employed in several group companies)

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.
On 14 March 2022, the activities of the slaughtering and cutting shop of AB Kaišiadorių Paukštynas were suspended as a result of operations being transferred to AB Vilniaus Paukštynas slaughtering and cutting shop.

When comparing the results of the FY 2021/22 and 2022/23, it should be taken into account that discontinuing of slaughtering activities and further optimisation of business at AB Kaišiadorių Paukštynas resulted in a drastic decrease in employee number. As a result, employee turnover rate in FY 2021/22 spiked up to 55.3%.

	2022/23	2021/22
Employee turnover rate	25.9%	55.3%
Employee retention rate	86.1%	90.8 %

EMPLOYEE RETENTION

Long-term employees (working for over 12 months) accounted for 86.1%. In other words, nine out of ten people work with us longer than one year. Naturally, retention rates vary depending on the position held by employees and a business segment. For example, managers tend to stay within the Group longer than line workers. We believe this is a healthy tendency which strengthens our long-term prospects.

NEWLY HIRED EMPLOYEES

Over the reporting period, we hired 1,678 new people (9.2% increase compared to 2021/22). 727 or 43.3% of new colleagues were females. Distribution by age was similar both among female and male new hires.

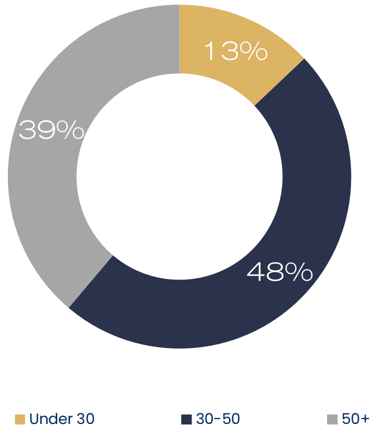
WORKERS WHO ARE NOT EMPLOYEES

Workers not classified as employees are all line workers. By the close of the reporting period, we engaged 327 contract employees, making 6% of our total workforce. These contracted workers were all part of the poultry division, accounting for 16% of all workers in that segment. 231 of these contractors worked at AS Putnu fabrika Kekava, comprising 20% of the total workforce in the Latvian poultry segment. In contrast, the Lithuanian poultry sector had 95 non-employee workers, representing 5.2% of the entire segment workforce.

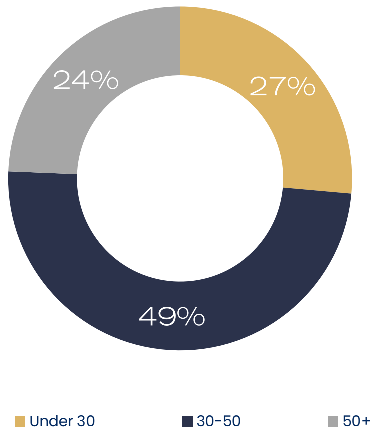
PARENTAL LEAVE

122 females and 28 males took parental leave in 2022/23. All heads of our companies are obliged to make sure all people are granted the same or higher position and duties upon the return from parental leave. In total, 36 female and 37 male employees returned from parental leave to their positions in 2022/23.

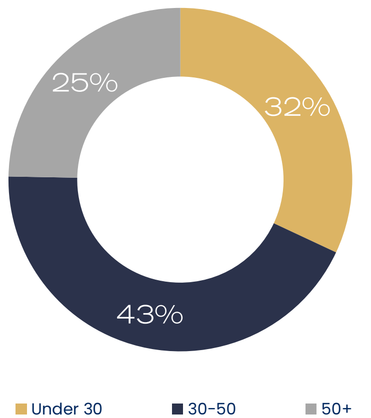
4,956 EMPLOYEES BY AGE 30 JUN 2023



727 NEWLY HIRED FEMALES BY AGE



951 NEWLY HIRED MALES BY AGE



GOOD HEALTH AND WELL-BEING

FOOD SAFETY

It is our prime responsibility to ensure all food safety risks are managed soundly:

- Public health: contaminated poultry products can lead to foodborne illnesses, such as salmonellosis and campylobacteriosis
- Effective salmonella prevention
- Helping our consumers minimise food waste through product preparation process and effective packaging
- Food safety in the poultry sector is crucial not only for the well-being of consumers, but also for the economic health and reputation of the poultry industry itself

Potential hazards in food:

- Biological hazards: this includes bacteria, like Salmonella, Campylobacter, and Listeria, as well as viruses and parasites
- Chemical hazards: residues from veterinary drugs, contaminants from feed, and environmental pollutants
- Physical hazards: foreign objects, like metal fragments or bone shards

Prevention and control measures:

- Biosecurity: implementing and maintaining strict biosecurity measures on farms to prevent the introduction and spread of pathogens
- Hygienic slaughter and processing: ensuring that slaughtering and processing operations meet hygienic standards to minimise contamination
- Proper storage: storing poultry products at recommended temperatures to inhibit bacterial growth
- Testing and monitoring: regular testing of poultry for the presence of pathogens and harmful residues
- Feed control: ensuring the feed given to poultry is of high quality and free from contaminants

TRACEABILITY

Keeping detailed records of each batch of poultry, including its origin, feed history, health records, processing details, and distribution chain, allows for quick responses if a food safety issue is detected.

PRODUCT RECALL

Over the reporting period, no food products were recalled from the market due to food safety breaches.

SAFE PRODUCT DESIGN

- Selling machinery designed with user safety in mind reduces the risk of accidents, promoting overall community well-being.

TRAINING AND EDUCATION

- We train our clients and staff on the safe and efficient use of machinery and fertilisers, which ensures that farmers can operate without health risks.
- Promoting the use of non-toxic, environmentally friendly fertilisers and strict compliance with existing regulations reduce the risk of water source contamination and related health issues.
- Informing consumers about the importance of cooking poultry to a safe temperature, avoiding cross-contamination, and proper storage.

ANTIBIOTIC STEWARDSHIP

AS Putnu Fabrika Kekava is among the leading poultry companies in Europe, which managed to reach 100% antibiotic-free meat production. The most important thing for us is to ensure very good conditions for the chickens to grow, so that they do not get sick and there is no need to treat them with antibiotics. As a result, all fresh chicken raised in Latvia and 75% of chicken meat in Lithuania is raised without antibiotics.

Social benefits of antibiotic-free chicken meat:

- Minimised risk of catching antibiotic-resistant bacteria
- Healthier diet without antibiotic exposure
- Growing demand for healthier food options encourages us to improve the quality of life for our animals

Environmental benefits of antibiotic-free birds and cattle:

- Preventing the spread of resistant bacteria via manure used as an organic fertiliser in local farms

Economic benefits of reduced use of antibiotics:

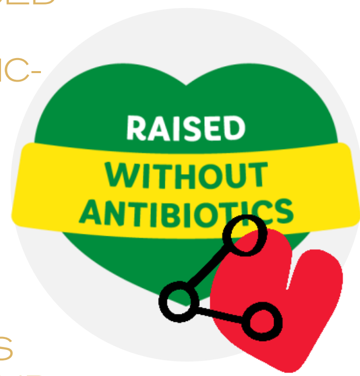
- In line with legal requirements, we cannot sell milk containing traces of antibiotic, all production must be utilized.

	2022/23	2021/22
Antibiotics	74,393,430	93,410,922

Use of antibiotics (active ingredient mg), cattle, AB Linas Agro Group

IT IS OUR STRATEGIC COMMITMENT TO OFFER HEALTHIER FOOD

100% OF OUR BIRDS IN LATVIA AND 75% RAISED IN LITHUANIA ARE ANTIBIOTIC-FREE



WE SELL WORLD-CLASS MACHINERY AND EQUIPMENT. OUR SERVICES OFFER 24/7 SUPPORT TO THE FARMERS

linas agro

GOOD HEALTH AND WELL-BEING

HEALTH AND SAFETY POLICY

Occupational Health and Safety (OHS) policies in our subsidiaries are in line with relevant regulations and is applicable to all employees and contractors within our organisation. This policy is an essential component of our daily operations.

It is our best interest to establish a culture where each individual recognises the importance of adhering to OHS requirements in their daily tasks. Additionally, we prioritise providing a safe and continuously improving work environment.

Our strategy emphasises prevention and open dialogue. Prevention is primarily about effective risk management. The culture of dialogue encourages active participation from employees, fostering a collaborative approach to safety and health.

To ensure the thorough implementation of our Health and Safety policy, we emphasise the following measures:

- Regular safety training sessions
- Provision of personal protective equipment
- Maintenance of walking and working surfaces to prevent slips, trips, and falls
- Display of safety information boards in manufacturing and service facilities
- Ensuring proper ventilation in work areas
- Frequent inspections and improvements of potentially hazardous equipment
- Keeping emergency exits unblocked and easily accessible without tools
- Proper storage and handling of chemicals
- Clear training directives for the whole staff
- Allocating required resources to uphold safe operational conditions
- Ensuring staff possesses the necessary skills for safe task execution
- Mandatory reporting of potential health risks or hazardous situations
- Policies in place to protect employees who report potential dangers from punitive actions
- Allowing employees the discretion to decline perceived risky tasks
- Managers' responsibility to recognise and prepare for potential risks and emergencies
- Expectation for managers to consistently follow and enforce safety protocols
- Regular health assessments for employees
- Emphasis on preventive measures for all operations

HEALTH HAZARDS

Agriculture ranks among the sectors with significant hazards, primarily due to the risks associated with vehicles, machinery, and livestock management. Additional health and safety concerns arise from the use of chemical pesticides, exposure to vibrations, noise, and stress.

In the grain handling and processing industry, prominent risks include fires, suffocation, high noise exposure, engulfment, entrapment, falls, and amputation.

For those in poultry handling and processing, potential hazards encompass high noise levels, hot surfaces, cutting tools, slippery conditions, and chemicals. There is also the potential risk of zoonotic infections.

A prevalent concern for a majority of our workforce is musculoskeletal issues, such as back pain and limb injuries, which often stem from excessive strain and incorrect lifting or movement techniques.

FATAL ACCIDENT AND MEASURES TAKEN

On 11 April, at approximately 10:25 PM, an accident occurred at AB Vilniaus Paukštynas located in Rudaminos. A 60-year-old male employee fell from the stairs. The individual suffered fatal injuries as a result of the fall. Forensic results revealed blood alcohol level of 2.22‰. The State Labour Inspectorate conducted the investigation in accordance to local legislation.

Following the accident, these preventive actions were taken:

- Employees were educated on safety measures for work at heights.
- Protective helmets were issued to waste processing staff with proper usage training.
- Equipment adjusters' roles were revised for better supervision, especially during off-peak hours.
- A stationary breathalyser was installed at the security post. Protocols for alcohol checks were updated, and portable breathalysers were distributed to departments.
- Additional training sessions focusing on work at heights were conducted across departments.

Currently, no administrative fines have been levied, and the criminal case remains open. The State Labour Inspectorate shared their findings on 14 July. The insurance company decided against a payout due to the employee's intoxication. Besides covering funeral expenses, no additional compensation was provided by the company.

WE AIM TO DECREASE TRIR TO 0.62 OR LESS

ONE FATAL ACCIDENT IN VILNIAUS PAUKŠTYNAS

RATE OF INJURIES

Unfortunately, injury rate rose by 7 counts per year, we registered 39 work-related incidents over the reporting period. Bruises, slips, and lifting injuries account for majority of the incidents. One fatal injury was recorded within the Group. We are committed to invest in order to ensure fatality-free workspace and we aim to reduce total recordable injury rate to 0.62.

	2022/23	2021/22
Total number of incidents	39	32
Total man hours worked per year	9,178,870	8,379,359
TRIR	0.85	0.78

Total hours worked and rate of injuries, Linas Agro Group, AB, 2021/22-2022/23

TRIR means the total recordable incidents per 200,000 man hours worked.

EQUALITY

In the context of the Group with 5,000 employees, a diverse educational background means a vast array of skills, experiences, and perspectives. Inclusive development can be harnessed to drive growth, innovation, and sustainable success. However, it is essential to create an environment where every employee feels valued, irrespective of their educational attainment.

RECOGNISE AND RESPECT DIVERSITY

Across the Group companies, we have various training programmes that emphasise the importance of diversity and the value that each educational level brings to the table.

The essence of our sustainability programme Four Hearts it's time!, is rooted in the belief that every team member, irrespective of their background, plays a vital role in shaping the future of our organisation. Through this initiative, we are reaching out to each member of our vibrant team, ensuring that they are seen, heard, and valued.

At the heart of FOUR HEARTS is the commitment to uplift and celebrate team diversity. We firmly believe that different educational experiences enrich our collective intelligence, spark innovative solutions, and foster a vibrant organisational culture.

Rather than viewing educational qualifications as a ladder, we envision them as a mosaic, where each piece, whether graduate education, higher education, or secondary education, adds to the bigger picture. This inclusive mindset ensures a collaborative environment where every voice matters and every perspective is recognised.

With FOUR HEARTS, we are not just promoting sustainability in an environmental sense, but are also ensuring that the very core of our organisational structure is sustainable, inclusive, and forward-thinking.

CONTINUOUS LEARNING AND DEVELOPMENT

At the core of our organisational strategy is the commitment to continuous growth and development of our team members. We offer training programmes to equip our team with necessary tools and knowledge.
We prioritise long-term partnerships and invest in the development of our employees. This approach strengthens our organisational capabilities and supports our industry leadership.

Total training budget amounted to EUR271k. Given the varied sizes, structures, and business lines of our companies, training intensity differs significantly.

AB Vilniaus Paukštynas leads in training, with averaging total (including onboarding and security training) annual training hours for females at 87 and for males at 64. A distinct emphasis was given to line workers, averaging at 132 hours per employee.

EMPLOYEE ENGAGEMENT

The regularity and way of getting feedback from our employees varies among the companies. We work on further integration of internal processes within the Group to achieve a unified way. Over the reporting period, 1,285 employees (26% of all people employed by the Group) received formal performance reviews. Among females, the percentage reached almost 28%, compared to 25% among male employees.

TOP MANAGEMENT	MANAGEMENT	SPECIALISTS	LINE WORKERS
31	212	877	165

Formal performance reviews by positions, 2022/23

INCLUSIVE DEVELOPMENT

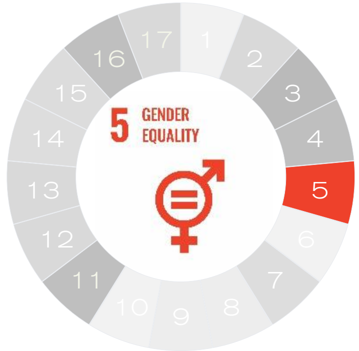
Inclusive development refers to economic growth and development strategies which ensure that the benefits of increased prosperity are distributed broadly across all segments of society. The primary objective is to create opportunities for all and ensure that every individual has the means to realise their potential, irrespective of their background, gender, economic status, ethnicity, or other personal characteristics.

SUPPLY CHAIN

- Developing and maintaining supply chains that are inclusive, giving business opportunities to marginalised groups, and ensuring they receive fair compensation
- Ensuring farmers receive a fair price for their produce, especially small-scale and marginalised farmers

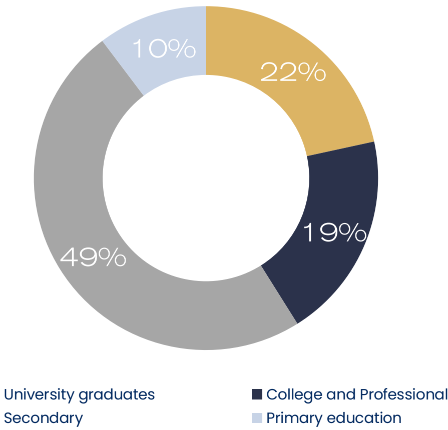
Challenges upstream supply chain:
We have numerous suppliers, and there is potential for risks related to the unfair treatment of vulnerable societal groups in some product supply chains.

ALL EMPLOYEES ARE GRANTED SAME RIGHTS



FOCUS ON INCLUSIVE DEVELOPMENT

EMPLOYEES BY EDUCATION LEVEL



SUSTAINABLE CITIES AND COMMUNITIES

A majority of our operations are based in economically stressed areas. Improved resilience and economic capacity of local communities is our strategic commitment. By taking into account urban-centric challenges and opportunities we can significantly impact the development of sustainable cities and communities, as well as life quality in general.

SANITARY ZONE DABATE IN RUDAMINA

AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas have sanitary protection zones (SAZ) set at 1,000 meters, in line with local regulation. The SAZ for Kaišiadorių Paukštynas has been determined, approved, and registered after undergoing necessary assessments.

For AB Vilniaus Paukštynas, the boundary was set according to the general plan for a section of the Vilnius district municipality. However, there are legal challenges. Actual complaints and disputes have persisted since the onset of the SAZ approval process, with no definitive resolution at the time of the report's publication.

CLIMATE-POSITIVE INNOVATIONS

Promoting organic and eco-friendly fertilisers which can be used safely in urban gardens.

ODOUR MANAGEMENT

Advancing techniques that allow for sustainable poultry farming in urban or peri-urban areas with minimal odour.

POLLUTION

Integrated Pollution Prevention and Control (IPPC) is a regulatory system that employs an integrated approach to control the environmental impacts of certain industrial activities. It requires industrial and agricultural operations to employ the best available techniques (BAT) to minimise the emissions of pollutants.

SOURCE	TOTAL
CO	115.9
Particulate matter	334.3
NH3	676.7
Nox	106.28
Volatile organic compounds	202.8

Air pollution, tons, 2022/23

All our production sites operate under the Integrated Pollution Prevention and Control (IPPC) permit, ensuring that the operations adhere to environmental standards and regulations to minimise their impact on the environment and human health. This framework mandates regular monitoring and evaluations to ensure compliance:

1. Emissions to air: This includes minimising the release of ammonia, dust, odours, and other pollutants.

2. Waste management: The IPPC principles emphasise proper collection, storage, treatment, and utilisation of manure to prevent the contamination of surface and groundwater.

3. Water consumption and pollution: The principles stress efficient water use, treatment of wastewater, and prevention of runoff that could carry pollutants into water bodies.

4. Noise and energy: While not unique to poultry operations, the IPPC also covers noise and energy efficiency considerations.

5. Chemicals: Use of chemicals, such as disinfectants and veterinary medicine, should be managed properly to prevent environmental contamination.

6. Use of Best Available Techniques (BAT): The idea behind BAT is to promote technologies and practices that are both economically and technically viable and that cause the least pollution.

7. Monitoring and reporting: Businesses operating under IPPC regulations are required to monitor certain emissions, track their waste and resource use, and report these figures to the regulatory authorities. These reports are public and readily available on the websites of our companies.

8. Accident management: Businesses must have plans in place to deal with unexpected events.

ALL OUR PRODUCTION SITES ARE LOCATED IN URBAN OR PRE-URBAN AREAS

PARTNERS OF BC ŽALGIRIS SINCE 2021

SUPPORTERS OF LATVIAN NATIONAL BASKETBALL TEAM SINCE 2018

TRANSPARENCY FOR STRONGER WORLD

TRANSPARENCY IN FOOD INDUSTRY

When we discuss transparency in this context, we refer to an in-depth understanding and disclosure of each step involved in the food production and distribution process – from farm to fork. This transparency ensures that consumers are well-informed about the products they purchase and consume, and it provides businesses with a mechanism to ensure ethical and sustainable practices.

Here are some key requirements for supply chain transparency in the food industry:

- Traceability: This involves tracking food products and their ingredients at every stage of the supply chain. It is the ability to identify the origin of a food product and trace its journey through the various stages of production, processing, and distribution.
- Full disclosure: We provide complete information about ingredients, their sources, and any processing they have undergone. This disclosure is often mandated by regulatory bodies and is essential for managing food allergies, religious dietary restrictions, and specific dietary choices (like veganism).
- Auditing and verification: Regular third-party audits and verifications can provide an objective assessment of a company's claims regarding its supply chain. This could involve ensuring ethical practices, verifying organic claims, or checking adherence to other standards.
- Sustainability information: Consumers are increasingly concerned about the environmental footprint of their food. This includes details about water usage, carbon footprint, packaging, and waste management.
- Ethical practices: This entails information about labour practices, fair wages, working conditions, and any other human rights-related aspects of the supply chain. Ensuring that there is no child labour or forced labour at any stage is a critical aspect of this.
- Regulatory compliance: Different countries and regions have various regulations in place to ensure food safety and quality. Companies must adhere to these regulations and, in many cases, demonstrate their compliance through documentation and certifications.
- Collaboration with stakeholders: Engaging with farmers, suppliers, distributors, and other stakeholders ensures that all parties are aligned in their commitment to transparency and best practices.
- Consumer engagement: Keeping consumers informed and providing them with easy access to information about products, such as websites, or packaging details, is key.
- Continuous improvement: Transparency is not a one-time achievement but an ongoing process. The food industry should be committed to continuous improvement, regular reviews, and adapting to new information or technologies.

SOYBEAN PROCUREMENT CHALLENGES

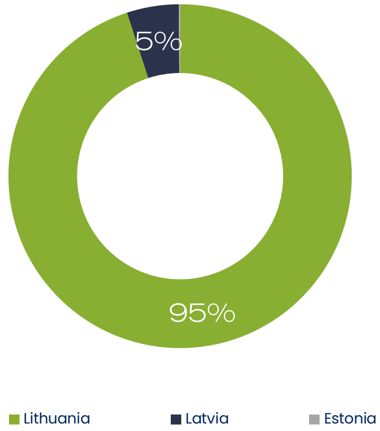
Supply chain transparency:
- Tracing the origin: Determining the exact origin of soybeans can be challenging due to the complex supply chains.
- Deforestation risk: Soy production is a major driver of deforestation, especially in areas like the Amazon. Ensuring the procurement of deforestation-free soy requires in-depth supply chain verification.
- Multiple intermediaries: Numerous middlemen can make transparency harder to achieve and maintain.
- Labour rights: The soy production sector, particularly in certain regions, can be prone to labour rights violations.

Responsible production:
- Environmental concerns: Soy production can lead to extensive pesticide and herbicide use, soil degradation, and loss of natural habitats.
- GMO debate: The use of genetically modified organisms (GMO) in soy production can lead to public concerns and require clear labelling and communication strategies.

Local community support:
- Land disputes: Large-scale soy cultivation can lead to land disputes with local communities or indigenous populations.
- Economic reliance: Areas heavily reliant on soy production can face economic challenges in the event of market fluctuations.

WE COMMIT TO THE HIGHEST LEVEL OF COMPLIANCE

TAXES PAID IN PROFIT-GENERATING COUNTRIES



TRANSPARENCY AND TIMELY REPORTING

PARTNERSHIPS

Our commitment extends beyond mere participation. We actively drive global partnerships, disseminate knowledge, and pursue collaborative ventures, thus significantly contributing to the broader sustainable development objectives and SDG 17.

KNOWLEDGE SHARING

We engage with international agricultural institutions, seeking to introduce best practices, innovative technologies, and sustainable agricultural methods.

Our strategic alliances with academic institutions and research entities emphasise the enhancement of agricultural research, aiming for sustainable elevation in crop yields.

UAB Dotnuva Baltic's cooperation with the Academy of Agriculture of VDU spans over two decades. Such a robust alliance underscores the essence of training top-tier professionals in the agricultural sector to harness emerging technologies. This not only augments labour efficiency, but also amplifies the national economic value.

AB Linas Agro, UAB Dotnuva Baltic, and AB Kauno grūdai are esteemed collaborators with VMU Agriculture Academy. Our synergy with the Science and Innovation Development Fund, in tandem with the VMU Agriculture Academy and other industry stalwarts, stands testament to our commitment.

SUPPLY CHAIN COLLABORATIONS

Our vast network spans over international stakeholders across different sectors. Such global partnerships amplify our capacity to uphold sustainability and adhere to ethical tenets throughout the supply chain, from feed generation to poultry operations.

Working with prominent plant protection product makers, machinery stakeholders, and agrarian solution partners necessitates our adherence to both global and sector-specific norms.

TRANSPARENT ENGAGEMENTS

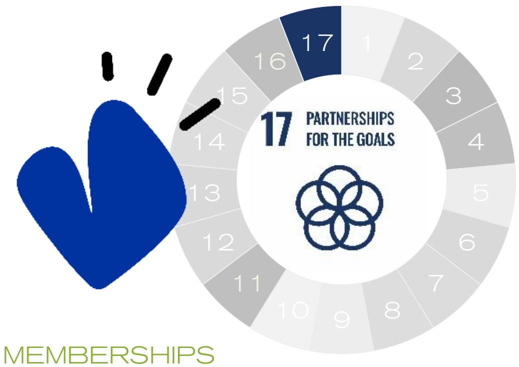
Open conversations with varied stakeholders – from government bodies and civil society to the private sector – are pivotal. Such interactions cultivate mutual comprehension and foster a spirit of collaboration.

FOR LOCAL PARTNERS

More than a thousand farmers gathered in Kėdainiai district for the "Grain Path 2023: Innovations in Practice" event. Organised by Linas Agro and Dotnuva Baltic Lithuania, the event showcased the latest in agricultural technology, ranging from new grain varieties to innovative equipment. Emphasis was placed on the increasing use of smart technologies in farming, with nearly 70% of farmers now using tractors with automatic steering. Linas Agro highlighted the effectiveness of their plant protection products in unpredictable weather conditions. The Labūnava Agricultural Company emphasised their shift towards increased robotisation and modernisation. Additionally, the event raised EUR4.5 thousand for charity on its first day.

COOPERATION WITH PROFESSIONAL TRAINING CENTRES

Our Group companies develop social partnerships with professional training centres in Lithuania and Latvia. For instance, on 20 October 2022, third-year students of the Engineering, Mechanics, and Machine Building study programme went on a field trip to the company Putnu fabrika Ķekava. Company representatives introduced the visitors to the production processes, safety requirements, and mechanical equipment (both new, modern equipment, as well as time-tested equipment, even that designed by the company's own engineers) used in meat processing.



ACTIVE MEMBERSHIPS

- Association of Business Effectivity (Latvia)
- Estonian Seed Association
- Grain and Feed Trade Association (GAFTA)
- Klaipėda Chamber of Commerce, Industry and Crafts
- Latvian Association for Personnel Management
- Latvian Chamber of Commerce and Industry
- Latvian Egg and Poultry Producers Association
- Latvian Federation of Food Companies
- Latvian Seed Producers Association
- Lithuanian Agrochemical Products and Fertilisers' Industry and Trade Association
- Lithuanian Association of Agricultural Companies
- Lithuanian Association of Planters and Ornamental Plant Growers
- Lithuanian Poultry Breeders Association
- Lithuanian Association of Shipping Agents and Forwarders
- Lithuanian Cattle Breeders Association
- Lithuanian Association of Grain Processors
- Lithuanian Plant Protection Association
- Lithuanian Seed Producers Association
- Panevėžys Chamber of Commerce, Industry and Crafts
- Several associations for users of drainage systems
- Estonian Chamber of Agriculture and Commerce
- Lithuanian Marketing Association
- Lithuanian Agricultural Machinery Association
- Latvian Association of Agricultural Machinery Manufacturers and Dealers

POLICIES ON GROUP LEVEL

70+ UNIQUE POLICIES AND FORMALISED PROCEDURES

- Occupational Safety and Health Policy
- Remuneration Policy
- Non-Discrimination Policy
- Human Rights, Child and Forced Labour Policy
- Anti-Bribery and Anti-Corruption Policy
- Animal Welfare Policy
- Environmental Protection Policy
- Personal Data Protection Policy
- Code of Business Ethics
- Partner Code of Ethics
- Privacy Policy
- Procurement Policy
- Dividend Policy

Across the Group, there are more than 70 policies and formalised procedures. As we continually integrate various business segments and expand our operations, there is an increasing imperative for us to refine and streamline these processes.

The Group's approach to responsible business conduct references international frameworks, specifically the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

We conduct due diligence processes to identify, prevent, and mitigate adverse impacts related to its operations, products, or services.

The Group applies the precautionary principle, especially when addressing potential environmental and human health risks.

The Group is committed to respecting the rights listed in the International Bill of Human Rights. Additionally, policies are in place to protect specific stakeholder categories, including indigenous peoples, children, migrant workers, and local communities.

Policies are available on the official website. Any unavailable policy indicates an ongoing review to ensure its alignment with modern governance standards.

All policy commitments are approved by the highest decision-making level within The Group.

PRINCIPLES OF OUR SUPPLIER CODE OF CONDUCT

(might vary in defferent cpmpanies of the Group)

1. LAW REGULATION
We operate globally with honesty and integrity, and do not tolerate corrupt suppliers.

2. CONFLICT OF INTEREST
All our dealings prioritise the company's best interests without conflicting personal gain.

3. FIGHT AGAINST CORRUPTION
We have a zero-tolerance policy for any form of corruption and expect the same from suppliers.

4. FAIR COMPETITION
We never breach competition rules and promote open competition.

5. FINANCIAL RECORDS, MONEY LAUNDERING, INSIDER TRADING, AND BRIBERY
We prohibit bribery, avoid politics, and expect suppliers to mitigate fraud risks.

6. GIFTS AND DONATIONS
Gifts should be reasonable and never used to unduly influence decisions.

7. CONFIDENTIAL AND EXCLUSIVE INFORMATION
Suppliers must keep trade secrets and confidential information undisclosed.

8. HUMAN RIGHTS
We stand by human rights and expect suppliers to do the same.

9. LABOUR STANDARDS
We demand ethical hiring and employment practices from our suppliers.

10. SAFETY AND HEALTH
Suppliers should prioritise their employees' safety and health.

11. QUALITY REQUIREMENTS
We expect consistent high-quality products and services from suppliers.

12. ANIMAL WELFARE
We advocate for ethical animal treatment in related products.

13. ENVIRONMENTAL RESPONSIBILITY
Our suppliers should adhere to environmental laws and promote eco-friendly practices.

14. SUSTAINABILITY
We value sustainability and expect our suppliers to adopt sustainable practices.

15. SUPPLIER MANAGEMENT SYSTEMS
Suppliers should incorporate the principles of this Code into their operations and extend it to their own suppliers.

16. VERIFICATION
We can verify supplier compliance, and non-compliance may lead to contract termination.

17. AUDIT
We may audit suppliers and expect prompt resolutions to any raised concerns.

FOOD LABELLING

300+ UNIQUE POULTRY PRODUCTS

Proper labelling of food is our major responsibility. The requirements for information vary across different markets and different requirements might apply for private label products.
Food labelling rules established by the European Union are a good indicator of minimal requirements we must adhere to before our products reach the shelves.

GENERAL LABELLING REQUIREMENTS

- The information must be easily visible, clearly legible, and indelible.
- It must not be hidden, obscured, detracted from, or interrupted by any other written or pictorial matter.

MANDATORY PARTICULARS

- Name of the food
- List of ingredients
- Any ingredient causing allergies or intolerances must be emphasised
- Quantity of certain ingredients or categories of ingredients (QUID)
- Net quantity of the food
- Date of minimum durability or 'best before' date
- Special storage and/or usage conditions
- Name or business name and address of the food business operator
- Country of origin or place of provenance, if applicable
- Instructions for use if it would be difficult to use the food appropriately without them
- Actual alcoholic strength by volume for beverages containing more than 1.2% by volume of alcohol

NUTRITION DECLARATION

- Energy value and the amounts of fat, saturates, carbohydrates, sugars, protein, and salt must be presented together in that order, with the possibility of further elements.
- Information must be expressed per 100 g/ml, but can additionally be expressed per portion or as a percentage of the Reference Intakes.

ADDITIONAL MANDATORY PARTICULARS FOR SPECIFIC TYPES OR CATEGORIES OF FOODS

- For instance, the presence of sweeteners in drinks or the caffeine content in high-caffeine beverages.

VOLUNTARY FOOD INFORMATION

- The FIC Regulation also allows for some voluntary food information to be provided if it meets certain criteria, e.g., it should not mislead consumers.

DISTANCE SELLING

- If foods are offered for sale by means of distance communication (e.g., online), mandatory food information should be available before the purchase is completed.

RESPONSIBILITY

- The food business operator, under whose name or business name the food is marketed, is responsible for food information.

LANGUAGE

- Information must be provided in a language easily understood by the consumers of the member states where the product is marketed.

EXEMPTIONS

- There are some exemptions in place, particularly for small and local businesses, and specific products, like coffee and fermented vinegars.

COUNTRY OF ORIGIN LABELING

- Required for certain types of meat (e.g., pork, poultry, lamb, and goat). It may also be required if the absence of this information might mislead the consumer about the food's true origin.

HEALTH AND NUTRITION CLAIMS

- Any claim made on food labels about health benefits or nutritional content must be clear, accurate, and based on scientific evidence. This is covered under Regulation (EC) No. 1924/2006.

It's crucial for us to be aware of these requirements and ensure compliance therewith. Non-compliance can result in penalties, product recalls, or reputational damage. This overview provides a general understanding, but specific requirements can be complex. Our team monitors regulations and/or seeks expert advice for detailed understanding and implementation.

RECALLS

In 2022/23 food recalls from the market included 1.86 t of instant noodles because celery (allergen). was not highlighted on the Danish sticker.

300+ UNIQUE GRAIN-BASED PRODUCTS

ANNEX I: DATA CENTRE

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Four Hearts
it's time!

INTENSITY OF EMISSIONS	Unit	2023/23	2021/22
SCOPE 1 emission per employee	t CO_2eq	27.8	26.6
SCOPE 1 emission million Eur (revenue)	t CO_2eq	67.6	70.6
SCOPE 1 emission ton ECM	t CO_2eq	0.334	0.378
SCOPE 1 emission poultry meat (live weight)	t CO_2eq	0.555	0.600
SCOPE 1 emission ton wheat	t CO_2eq	0.252	0.251
SCOPE 1 emission ha arable soil	t CO_2eq	1.212	1.269

KEY FINANCIAL DATA	Unit	2022/23	2021/22
Revenue	thous. EUR	1,999,617	1,895,667
Gross profit	thous. EUR	137,969	188,859
Gross profit margin	%	6.9%	9.96%
EBITDA	thous. EUR	67,318	132,173
EBITDA margin	%	3.37%	6.97%
Operating profit	thous. EUR	41,492	103,619
Operating profit margin	%	2.07	5.47%
Earnings before taxes EBT	thous. EUR	25,760	90,841
Earnings before taxes margin	thous. EUR	1.29%	4.79%
Net profit	thous. EUR	20,817	77,257
Net profit margin	thous. EUR	1.04	4.08
Grants received for agriculture activity	thous. EUR	5,115	3,930
Grants for poultry activity, related with COVID-19	thous. EUR	1,675	3,376
Other grants for poultry activity	thous. EUR	-	346

GROUP CAPACITY	Unit	2022/23	2021/22
Employees	persons	4,956	5,031
Total hours worked	thous. hours	9,178	8,379
Arable land (ha)	ha	19,229	18,258
Own land (ha)	ha	6,074	5,919
Total cattle	headcount	7,434	7,374
Dairy cattle	headcount	3,264	3,304
Broilers raised	headcount	49,813,205	50,854,264
Size of parental flock	headcount	479,443	512,318

INPUTS	Unit	2022/23	2021/22
Grain for production	tones	368,273	Data shall be recalculated
Feed for livestock (cattle and birds)	tones	81,872	
Semi-manufactured food and additives	tones	28,945	16,808
Plastic packaging	tones	7,165.8	2,337
Paper packaging	tones	6,317	2,424.5
Metal packaging	tones	167	113.2
Wood packaging	tones	1,055	549.6
Raw meat	tones	29,357	24,298
Food oil	tones	10,187	9,546
Fertilisers	tones	9,490	10,621.3
Plant protection	tones	167	98
Seeds	tones	2,145	2,637

ENERGY CONSUMED	Unit	2021/22	2021/22
Natural gas	1,000m^3	25,019.6	28,207
Diesel for transportation	thous. litres	3,726.3	2,527.9
Petrol for transportation	thous. litres	613.9	378
Diesel for agriculture	thous. litres	2,514	2,452.6
LPG	thous. kg	2,895	392
Diesel for heat production	thous. litres	156.0	251.6
Certified green electricity	Gwh	86.3	91.6
Not certified electricity	Gwh	1.3	0.47
Heating purchased	Mwh	0.46	0.8

PRODUCTION OUTPUT	Unit	2022/23	2021/22
Compound feed	thous. tones	281.6	257.8
Flour and mixes	thous. tones	64.6	67.8
Raw milk	thous. kg	37,876	35,514
Harvest	thous. tones	133.4	127
Poultry meat live weight	thous. tones	118.1	116.1
Pet food	thous. tones	11.2	12
Instant food	thous. tones	21.5	13.1
Breadcrumbs	thous. tones	9.4	9.8
Seeds	thous. tones	27.2	25
Cattle meat	thous. tones	1.2	1.3

SOCIAL EFFECTS		2022/23	2021/22
Wages and salaries and social security	thous. EUR	138,246	132,515
Income tax (paid)	million EUR	9.5	7.1
TRIR		0.85	0.78

ENVIRONMENTAL EFFECTS		2022/23	2021/22
Scope 1 GHG emissions	$tCO_{2\,eq}$	135,153	133,821
Scope 2 GHG emissions (market-based)	$tCO_{2\,eq}$	365	358
Scope 3 GHG emissions	$tCO_{2\,eq}$	551,016	552,540
CO_2 sequestration in soil	$tCO_{2\,eq}$	-21,584	-20,798
Waste directed to disposal	tones	3,914.9	3,913.2
Waste directed from disposal	tones	270,020	277,400.6

ANNEX II: COMPANIES NOT INCLUDED IN SUSTAINABILITY REPORT

Dormant companies (1-2, 4-8), companies under liquidation (3), associates not attributable to the Group (9-10), little activity management services or similar companies (11-13), as well as subsidiary in Belarus (14), were not included in the scope of the report:

1. UAB Gerera (dormant, the Group owns 97.06% stock) - 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 Kekava Foods LT (dormant, the Group owns 100% stock) - 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. Linas Agro A/S (under liquidation, the Group owns 97.06% stock)-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;
4. UAB Gastroneta (dormant, the Group owns 84.93% stock)- private limited liability company, founded 15/2/2000, code of legal entity 125057526, address Dariaus ir Girėno St. 175, LT-02189 Vilnius, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
5. UAB Kaišiadorių Paukštyno Mažmena (dormant, the Group owns 84.92% stock)- 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);
6. KG Eesti OU (dormant, the Group owns 89.59% stock) - 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);
7. UAB Uogintai (dormant, the Group owns 84.92% stock) - 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);
8. Kooperatyvas Baltoji Plunksnelė (dormant, the Group owns 83.33% stock) - 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);
9. KG Khumex Coldstore B.V. (associate, the Group owns 42.46% 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);
10. KG Khumex B.V. (associate, 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).
11. UAB Kormoprom Invest (Subsidiary, the Group owns 100% stock) - private 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);
12. UAB TABA Holding (Subsidiary, the Group owns 100% stock) - private limited liability company, founded 24/11/2015, code of legal entity 304141581, address Subačiaus St. 5, LT-01302 Vilnius, Lithuania; company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
13. Nordic Agro investment Limited (Subsidiary, the Group owns 89.59% stock) - private limited liability company, founded 9/5/2011, code of legal entity 07625931, address 93 Tudor drive, Kingston, Surrey, England, KT2 5NP, UK; company register – State Enterprise, Companies House;
14. OOO KLM (Subsidiary, the Group owns 62.72% stock) - private limited liability company, founded 7/9/2007, code of legal entity 69608281, address Sosnovaja St. 7, office 9, Sonečnij vill., Minsk region, Belarus; company register – Ministry of Justice of the Republic of Belarus.

ANNEX III: BRANDS AND PRODUCTS WE REPRESENT

AGRICULTURAL MACHINERY

FARM EQUIPMENT

GRAIN CLEANING, DRYING, AND STORAGE FACILITIES

ADJUSTABLE DRAINAGE SYSTEM

SEEDS

PLANT CARE PRODUCTS, FERTILISERS

PLANT CARE PRODUCTS, FERTILISERS

VETERINARY PHARMACY & SUPPLEMENTS

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.

linas agro

ANNEX IV: GHG INVENTORY

ACCOUNTING PRINCIPLES

This is our second year consolidated GHG emissions accounting effort based on the Greenhouse Gas Protocol.

RELEVANCE

We analysed the entire value chain of the Group to make sure that collected GHG inventory reflects Group activities and GHG emissions. All relevant Group activities are described in our sustainability report.

COMPLETENESS

We account for and report on all GHG emission sources and activities within the chosen inventory boundary. Contextual information behind reported results is presented for all relevant inventories. All exclusions and reasons for excluding are listed below.

CONSISTENCY

We use consistent methodologies to allow for meaningful comparisons of emissions over time. All emission factors and other indicators are carefully documented.

TRANSPARENCY

All relevant issues are addressed in a factual and coherent manner, based on relevant activity data. We disclose relevant accounting methods and assumptions behind our calculations, and assess the reliability of results.

ACCURACY

Quantification of final results is comparable and reports in unified units (tCO2 equivalent).

ACCOUNTING APPROACH

We account for 100 percent of the GHG emissions from operations, over which we have operational control.

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 13 modern grain storage facilities, which includes 10 facilities in Lithuania and 3 in Latvia, farming companies also run their own grain drying and storage facilities. Poultry business is responsible for 88% of natural gas consumption within the Group.

Reliability: high. Data collected directly from company records.

Source	Unit	Quantity	tCO_2 eq
Natural gas	1000 m^3	25,019.5	46,911.6
Diesel	1000 l	156.0	392
LPG	1000 kg	2,895.4	4,498.6
Total			**51,802.2**

GHG emissions from stationary machinery, Linas Agro Group, AB, 2022/23

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	1000 l	2,514	6,315.2
Diesel for other activities	1000 l	3,726.3	9,360.8
Petrol	1000 l	613.9	1,287.7
Total			**13,505.3**

GHG emissions from mobile machinery, Linas Agro Group, AB, 2022/23

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.

	Unit	Quantity	tCO_2eq
Refrigerants	t	0.959	2,364
Total			**2,364**

GHG emissions from refrigerants, Linas Agro Group, AB, 2022/23

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.

	Unit	Quantity	tCO_2eq
Application of chemical fertilisers	t	9,490	24,922.05
Manure management			942.3
Total			**25,864.4**

GHG emissions from managed soils, Linas Agro Group, AB, 2022/23

* The composition of all fertiliser was broken down to estimate the actual content N (Nitrogen) based on composition declared by manufacturers.

ANNEX IV: GHG INVENTORY

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	7,210	19,418
Broilers	Animal	49,813,205	9,422.4
Parental flock	Animal	479,443	1,252.1
Manure management			8,702
Total			**41,257**

GHG emissions from livestock, Linas Agro Group, AB, 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	19,229	-21,584
Total			**-21,584**

GHG sequestration, Linas Agro Group, AB, 2022/23

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 2021 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.

Reliability: high. Data collected directly from company records.

SOURCE	UNIT	QUANTITY	tCO_2eq
Green electricity (market-based)	Gwh	86.3	0
Not certified electricity (market-based)	Gwh	1.3	283.4
Heating (market-based)	Mwh	0.46	82
Total market-based			**365.4**

Scope 2 market-based GHG emissions Linas Agro Group, AB, 2022/23

SOURCE	UNIT	QUANTITY	tCO_2eq
Green electricity (location-based)	Gwh	86.3	29,342
Not certified electricity (location-based)	Gwh	1.3	442
Heating (location-based)	Mwh	0.46	176
Total location-based			**29,960**

Scope 2 location-based GHG emissions Linas Agro Group, AB, 2022/23

ANNEX IV: GHG INVENTORY

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 2021 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	t	276,576	92,990
Soya	t	58,573	14,643
Grain products	t	33,112	9,157
Purchased feed	t	81,872	24,561
Fertilisers	t	9,490	16,133
Purchased raw meat	t	29,349	102,721
Food oil	t	10,187	29,489.4
Food additives	t	28,045	8,413.5
Plastic packaging	t	7,165	22,328.9
Paper packaging	t	6,317	4,421.9
Cleaning agents and other petrochemicals	t	7,818	13,290.6
Metal packaging	t	168	160
Seeds	t	2,806	750
Plant protection	t	92	156
Wooden packaging	t	1,055.8	422.32
Total			**339,219**

Scope 3 GHG emissions from input production, Linas Agro Group, AB 2022/23

FUEL AND ENERGY RELATED ACTIVITIES

We apply DEFRA 2023 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	87.6	1,578.5
Well to tank (natural gas)	1,000 m3	25,019	8,421.6
Well to tank (diesel)	1,000 l	6,240	3,901.8
Well to tank (LPG)	1,000 kg	2,970.7	1,037.6
Well to tank (petrol)	1,000 l	613.9	356.1
Total			**15,295.6**

Scope 3 GHG emissions from fuel and energy related activities, Linas Agro Group, AB 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	44,306,939	24,590
Downstream transportation of products	tkm	70,750,350	43,011
Transportation of goods for farmers	tkm	4,400,200	25,917
Transportation of grain (trade)	tkm	1,720,000,000	99,958
Total			**193,476**

Scope 3 GHG emissions from upstream and downstream transportation, Linas Agro Group, AB 2022/23

tkm A tonne-kilometre, abbreviated as tkm, is a unit of measure of freight transport which represents the transport of one tonne of goods over a distance of one kilometre.

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 generated operations	t	3,836	83
End of life for packaging sold	t	14,712	2,943
Total			**3,026**

Scope 3 GHG emissions from waste treatment, Linas Agro Group, AB 2022/23

ANNEX IV: GHG INVENTORY

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.

ANNEX V EU TAXONOMY REGULATION

Overview of the alignment with the EU Taxonomy Regulation. 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 scientific evidence-based criteria for assessing the sustainability of activities and sets out reporting obligations for companies.

Taxonomy-eligible economic activities are defined as activities described in the delegated acts of the Taxonomy Regulation, i.e. included in the Taxonomy. Companies that have identified that their economic activity's revenue (Turnover), capital expenditure (CapEx) and/or operating expenses (OpEx) are related to a taxonomy-eligible activity are required to carry out an analysis and disclose the extent to which their activity meets the Taxonomy criteria in relation to these indicators. Taxonomy-aligned activities are those, that meet the technical analysis criteria listed in Annexes I and II of the Delegated Regulation (EU) 2021/2139, i.e. make a significant contribution to at least one of the six environmental objectives and do not significantly harm the other five. At the time of writing this overview, the significant contribution criteria have been adopted for two of the objectives: climate change mitigation and climate change adaptation.

In this overview, we present consolidated information on the taxonomy-eligible activities of Linas Agro Group AB 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 2022-2023 (hereinafter – FY 2022-2023), 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. The Taxonomy assessment excludes revenues and expenses arising from transactions between Group companies.

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

While there is no comprehensive Group-wide assessment of climate risks and vulnerabilities, certain companies within the Group conduct ongoing assessments and implement solutions to address physical climate risks associated with taxonomy-eligible activities. These efforts are reflected in the Taxonomy assessment results tables (žr. žemiau).

ASSESSMENT OF REVENUE IN ACCORDANCE WITH TAXONOMY.

The Taxonomy indicator related to turnover is defined in point 1.1.1 of Annex I to the Delegated Regulation (EU) 2021/2178.

The Group's main business segments (grain, oilseed and feed, products and services for farming, agricultural production, food products and others), from which the Group's companies derive their income, are not included in the Taxonomy at this date. Our analysis has shown that only a small proportion (0.54%) of the Group's revenue is taxonomy-eligible. The Group's taxonomy-eligible turnover includes revenues from the construction of elevators, and equipment (7.1); ownership and leasing of buildings to third parties (7.7); leasing of freight transport by road, sea and coastal water (6.6 and 6.10 respectively). The numbers in brackets next to the activities refer to the taxonomy-eligible activity number in the Delegated Regulation (EU) 2021/2139 setting out the criteria for technical screening. The table „ASSESSMENT OF REVENUE IN ACCORDANCE WITH TAXONOMY“shows the detailed results of the assessment of the taxonomy-eligible activities against the technical screening criteria.

We did not collect detailed data on Group companies' compliance with the Taxonomy criteria regarding revenues from the “construction of new buildings” and “acquisition and ownership of buildings” activities. These activities, constituting only 0.01% of the total revenue stream, are not part of the Group's targeted economic activities and are thus deemed not material. We may gather and present this data in next year's reports, as necessary.

Our technical analysis has shown that the Group's current activities partially fulfil the Taxonomy criteria, resulting in an overall assessment of non-alignment. Recognizing the high sustainability standards set by the Taxonomy criteria, we intend to explore possibilities for presenting more detailed information in the future and enhancing our alignment with the Taxonomy criteria.

ASSESSMENT OF CAPITAL EXPENDITURE (CAPEX) IN ACCORDANCE WITH TAXONOMY.

The Taxonomy indicator related to capital expenditure is defined in point 1.1.2 of Annex I to the Delegated Regulation (EU) 2021/2178.

A significant proportion of the Group's capital expenditure (33.2%) relates to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions. The Group's expenditure that is taxonomy-eligible is related to the acquisition of real estate (7.7), the construction of new non-residential buildings (7.1), the purchase of cars and trucks (6.5 and 6.6, respectively), and the installation of a new solar photovoltaic power plant (7.6). The numbers in brackets next to the activities refer to the taxonomy-eligible activity number in the Delegated Regulation (EU) 2021/2139 setting out the criteria for technical screening. The table „ASSESSMENT OF CAPITAL EXPENDITURE (CAPEX) IN ACCORDANCE WITH TAXONOMY“ shows the detailed results of the assessment of the taxonomy-eligible activities against the technical screening criteria.

The Taxonomy CapEx indicator encompasses only those buildings and structures that were finalized and officially registered in the real estate register within the reporting period (covering expenses incurred during the financial year). This includes all residential and non-residential buildings and structures, as well as construction works of exceptional significance and simple construction works related to residential and non-residential buildings and structures, as defined by the Republic of Lithuania's Law on Construction.

Our technical analysis has shown that the Group's current activities partially fulfil the Taxonomy criteria, resulting in an overall assessment of non-alignment. Recognizing the high sustainability standards set by the Taxonomy criteria, we intend to explore possibilities for presenting more detailed information in the future and enhancing our alignment with the Taxonomy criteria.

ASSESSMENT OF OPERATING COSTS (OPEX) IN ACCORDANCE WITH TAXONOMY.

Operating costs (OpEx) are defined in the Taxonomy regulation as direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. The accounting system currently used by the Group is not adapted to exclude data according to the definition of Taxonomy OpEx. The specific data is therefore unavailable and is not provided in this overview. Looking ahead, we plan to better prepare and provide at least the most significant data for this indicator in our future reports.

MINIMUM SAFEGUARDS.

According to the Taxonomy, economic activities should only qualify as environmentally sustainable where they are carried out in alignment with the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the eight fundamental conventions of the ILO and the International Bill of Human Rights. We have assessed our Group's compliance with this requirement against the Final Report on Minimum Safeguards 2022 of the EU Platform on Sustainable Finance. According to this report, the Group has implemented minimum safeguards; however, during the reporting period, one accident occurred at the Group's company Vilniaus Paukštynas AB and a violation of the Republic of Lithuania Law on Safety and Health at Work was recorded (for more information, please refer to the section of the sustainability report titled "Social impacts. Good health and well-being"). Hence, we evaluate compliance with this Taxonomy requirement as partially met. We are committed to advancing and broadening the implementation of the Group's good governance practices and policies, including the channels for reporting potential breaches.

GRI: 2-27

ANNEX V: EU TAXONOMY REGULATION

				Substantial contribution criteria		Do no significant harm criteria									
Economic activity	NACE code(s)	Absolute revenue 2022-2023	Proportion of revenue 2022-2023	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of revenue 2022-2023	Category (enabling)	Category (transitional)
		thousand Eur	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activity:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
7.1. Construction of new buildings	68.2	7,736	0.38%	n/a[1]	n/a[1]	N	N	N	N	N	N	N			
7.7. Acquisition and ownership of buildings	41.2	165	0.01%	n/a[1]	n/a[1]	n/a[1]	n/a[1]					N			
6.6. Freight transport services by road	49.41	2,757	0.14%	0.40%	0.15%	N	N		N	N		N			
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	50.2	216	0.01%	100%	0%	Y	N	Y	Y	Y	N	N			
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,874	0.54%												
Total: A.1 + A.2		10,874	0.54%												
B. Taxonomy-non-eligible activities															
Revenue of Taxonomy-non-eligible activities (B)		2,001,944	99.46%												
TOTAL: A + B		2,012,818	100 %												

Assessment of revenue in accordance with Taxonomy 2022/2023

Notes: [1] Not all accurate information is available, so a definitive assessment is not provided.

ANNEX V: EU TAXONOMY REGULATION

				Substantial contribution criteria		Do no significant harm criteria									
Economic activity	NACE code(s)	Absolute Taxonomy CapEx in 2022-2023	Proportion of taxonomy CapEx 2022-2023	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of Taxonomy CapEx 2022-2023	Category (enabling)	Category (transitional)
		thousand Eur	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activity:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Taxonomy CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
7.7. Acquisition and ownership of buildings	L68	2,190	4.83%	25.2%	36.4%	N	N					N			
7.1. Construction of new buildings	F41.1, F41.2, F43	7,596	16.74%	0%	6.1%	N	N	N	N	N	N	N			
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	H49.39, N77.11	3,735	8.23%	12.2%	44.9%	N	N		n/a[1]	n/a[1]		N			
6.6. Freight transport services by road	H49.4.1, N77.1.2	1,381	3.04%	37.9%	43.7%	N	N		n/a[1]	N		N			
7.6. Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	174	0.38%	100%	0%	Y	N					N			
Taxonomy CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		15,076	33.23%												
Total: A.1 + A.2		15,076	33.23%												
B. Taxonomy-non-eligible activities															
Taxonomy CapEx of Taxonomy-non-eligible activities (B)		30,293	66.77%												
TOTAL: A + B		45,369	100%												

Assessment of capital expenditure (CapEx) in accordance with Taxonomy, 2022/2023

Notes: [1] Not all accurate information is available, so a definitive assessment is not provided.

ANNEX VI: GRI INDEX TABLE

Disclosure number	Disclosure Title and Description	Sector standard	Page(s)/value
Statement of use	AB Linas Agro Group has reported the information cited in this GRI content index for the period July 1, 2022 – Jun 96, 2023 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		2, 78, 81, 50, 84, 67-73
2-2	Entities included in the organization's sustainability reporting		78,50, 67-73, 121
2-3	Reporting period, frequency and contact point		78
2-4	Restatements of information		78
2-5	External assurance		78
Activities and workers			
2-6	Activities, value chain and other business relationships		80, 81, 9, 93 – 99, 115, 117, 122
2-7	Employees		80
2-8	Workers who are not employees	13.21.2	
Governance			
2-9	Governance structure and composition		61-64
2-10	Nomination and selection of the highest governance body		61-64
2-11	Chair of the highest governance body		2, 3, 61-64
2-12	Role of the highest governance body in overseeing the management of impacts		2, 3, 78,
2-13	Delegation of responsibility for managing impacts		85, 87,
2-14	Role of the highest governance body in sustainability reporting		78,
2-15	Conflicts of interest		56-60
2-16	Communication of critical concerns		Directly. No critical concerns were reported
2-17	Collective knowledge of the highest governance body		61-64, 66
2-18	Evaluation of the performance of the highest governance body		61-64
2-19	Remuneration policies		https://www.linasagrogroup.lt/en/sustainability/corporate-social-responsibility-policy-2/remuneration-policy/
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio		6
Strategy, policies and practices			
2-22	Statement on sustainable development strategy		2, 3, 79, 86, 88 – 91,
2-23	Policy commitments		88 – 91, 114, 118, 42 - 47
2-24	Embedding policy commitments		82, 83, 85, 86, 87, 88 – 92, 93, 94, 95, 96, 97, 110-117, 42-47
2-25	Processes to remediate negative impacts		82, 83, 87, 107, 110, 112, 113, 115-116
2-26	Mechanisms for seeking advice and raising concerns		82, 87
2-27	Compliance with laws and regulations		127-129
2-28	Membership associations		117
Stakeholder engagement			
2-29	Approach to stakeholder engagement		82, 88, 93, 94, 95, 96, 97, 112-115, 117, 42 - 47
2-30	Collective bargaining agreements		n/a
Disclosures on material topics			
3-1	Process to determine material topics	13.1.1	82, 83, 85
3-2	List of material topics		85, 92
3-3	Management of material topics	13.3.1, 13.4.1 13.5.1,13.6.2	2, 3, 83, 86-92, 93, 94, 95, 96, 97-118, 42-47
Economic Performance 2016			
GRI 201:1	Direct economic value generated and distributed	13.22.2	80, 98, 120
GRI 201:2	Financial implications and other risks and opportunities due to climate change	13.2.2, 13.22.3	103
GRI 201:3	Defined benefit plan obligations andother retirement plans		n/a
GRI 201:4	Financial assistance received from government		80, 120
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		98%

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ANNEX VI: GRI INDEX TABLE

Disclosure number	Disclosure Title and Description	Sector standard	Page(s)/value
Indirect Economic Impacts 2016			
GRI 203:1	Infrastructure investments and services supported	13.22.3	2, 3, 90, 98-100,
GRI 203:2	Significant indirect economic impacts	13.22.4	110, 116
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		9
GRI 207:2	Tax governance, control, and risk management		42-47
GRI 207:3	Stakeholder engagement and management of concerns related to tax		No specific approach, same as other concerns
GRI 207:4	Country-by-country reporting		117
Materials 2016			
GRI 301:1	Materials used by weight or volume		80, 106, 120
GRI 301:2	Recycled input materials use		80, 108
GRI 301:3	Reclaimed products and their packaging materials		108
	Use of pesticides	13.6.2	105
Energy 2016			
GRI 302:1	Energy consumption within the organization		80,101, 123, 124, 125
GRI 302:2	Energy consumption outside of the organization		101, 123, 125
GRI 302:3	Energy intensity		90, 101,
GRI 302:4	Reduction of energy consumption		89, 100, 101,
GRI 302:5	Reductions in energy requirements of products and services		89, 100, 101
Water and Effluents 2018			
GRI 303:1	Interactions with water as a shared resource	13.7.2	107
GRI 303:2	Management of water discharge-related impacts	13.7.3	107
GRI 303:3	Water withdrawal	13.7.4	107
GRI 303:4	Water discharge	13.7.5	107
GRI 303:5	Water consumption	13.7.6	107
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	105
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	none
Animal welfare			
	Animal health and welfare standards	13.11.2	95, 40
Emissions 2016			
GRI 305:1	Direct (Scope 1) GHG emissions	13.1.2	80, 88-90, 95, 102, 104 , 120, 123, 124
GRI 305:2	Energy indirect (Scope 2) GHG emissions	13.1.3	102, 104 , 120, 124
GRI 305:3	Other indirect (Scope 3) GHG emissions	13.1.4	102, 104 , 120, 125, 126
GRI 305:4	GHG emissions intensity	13.1.5	102, 104 , 120
GRI 305:5	Reduction of GHG emissions	13.1.6	89-90, 102, 104
GRI 305:6	Emissions of ozone-depleting substances (ODS)	13.1.7	102, 104
GRI 305:7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	13.1.8	115

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ANNEX VI: GRI INDEX TABLE

Disclosure number	Disclosure Title and Description	Sector standard	Page(s)/value
Waste 2020			
GRI 306:1	Water discharge by quality and destination	13.8.2	107
GRI 306:2	Waste by type and disposal method	13.8.3	80, 108, 120
GRI 306:3	Significant spills	13.8.4	
GRI 306:4	Transport of hazardous waste	13.8.5	third party
GRI 306:5	Water bodies affected by water discharges and/or runoff	13.8.6	none
Environmental compliance			
GRI 307:1	Non-compliance with environmental laws and regulations		none
Supplier Environmental Assessment 2016			
GRI 308:1	New suppliers that were screened using environmental criteria		Limited to food ingredients,
GRI 308:2	Negative environmental impacts in the supply chain and actions taken		none
Employment 2016			
GRI 401:1	New employee hires and employees turnover		111
GRI 401:2	Benefits provided to full-time employees that are not provided to temporary or parttime employees		111
GRI 401:3	Parental leave		111
Food safety			
GRI13	Food loss and product recalls	13.10.2	110, 112
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	113
GRI 403:2	Hazard identification, risk assessment, and incident investigation	13.19.3	113
GRI 403:3	Occupational health services	13.19.4	113
GRI 403:4	Worker participation, consultation, and communication on occupational health and safety	13.19.5	113
GRI 403:5	Worker training on occupational health and safety	13.19.6	113
GRI 403:6	Promotion of worker health	13.19.7	87, 113
GRI 403:7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	13.19.8	113
GRI 403:8	Workers covered by an occupational health and safety management system	13.19.9	113 All
GRI 403:9	Work-related injuries	13.19.10	80, 113, 120
GRI 403:10	Work-related ill health	13.19.11	113
Training and Education 2016			
GRI 404:1	Average hours of training per year per employee		114
GRI 404:2	Programs for upgrading employee skills and transition assistance programs		114
GRI 404:3	Percentage of employees receiving regular performance and career development reviews		114
Diversity and Equal Opportunity 2016			
GRI 405:1	Diversity of governance bodies and employees	13.15.2	61-64, 111
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	
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
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	none
Security Practices 2016			
GRI 410:1	Security personnel trained in human rights policies or procedures		n/a

GRI: 102:55

ANNEX VI: GRI INDEX TABLE

Disclosure number	Disclosure Title and Description	Sector standard	Page(s)/value
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	
	Seeking free, prior, and informed consent (FPIC) from indigenous peoples	13.14.4	
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		
Local Communities 2016			
GRI 413:1	Operations with local community engagement, impact assessments, and development programs	13.12.2	109
GRI 413:2	Operations with significant actual and potential negative impacts on local communities	13.12.3	n/a
Land and resoure rights			
GR1#	Locations of operations, where land and natural resource rights may be affected by the organization's operations.	13.12.2	
	Number, size in hectares, and location of operations where violations of land and natural resource rights occurred and the groups ofrightsholders affected.	13.13.3	
Supplier social assessment			
GRI 414:1	New suppliers that were screened using social criteria		Food ingredients
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	n/a
Customer Health and Safety 2016			
GRI 416:1	Assessment of the health and safety impacts of product and service categories		
GRI 416:2	Incidents of non-compliance concerning the health and safety impacts of products and services		none
Marketing and Labelling 2016			
GRI 417:1	Requirements for product and service information and labeling		119
GRI 417:2	Incidents of non-compliance concerning product and service information and labeling		None
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		none

ANNEX No7

TO CONSOLIDATED ANNUAL REPORT
OFAB LINAS AGRO GROUP
OF THE FINANCIAL YEAR 2022/23/2022

INFORMATION ON COMPLIANCE

WITH THE CORPORATE GOVERNANCE CODE

AB Linas Agro Group (hereinafter referred to as the “Company”), acting in compliance with Article 22 (3) of the Law of the Republic of Lithuania on Securities and paragraph 24.5 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.

SUMMARY

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.

The Board elects and recalls CEO of the Company, sets his/her remuneration and other conditions of the employment agreement.

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DISCLOSURE OF COMPLIANCE WITH THE RECOMMENDATIONS

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.

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.linasagrogroup.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 suggested amount of annual compensation (tantiemes) to the Board members 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.

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 28, 2022, the annual general meeting of shareholders of the Company was attended and information provided by the Company's CFO and Chief Legal Officer. One person, candidate for members of the collegial body, attended the General Meeting of Shareholders.

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.

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 commited to follow them. The Supervisory Board was elected on October 28, 2022 and consisting of 3 members, including 2 independant members. Their term started on December 1, 2022, when new edition of the Articles of Associaition 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 regulary and prepares minutes/decisions of the meetings with particular points raised for management which is followed by recomendations.
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 have to 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	2 out of 3 members are independant 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	
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, also provides premises of the Company with all necessary equipment provided for the meetings of the Supervisory Board.

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 for 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. .
2.2.2.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] *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
2.2.3.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 conected to the main shareholder, was elected to the Supervisory Board after ending term in the Board. Having 2 independant 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 organised and members have accomodated the duties accordingly, 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	2 members are independent and publicaly 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.

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 be submitted 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 familiarized 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 the term of 4 (four) years with 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 2022/23 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 2022/23 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.

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 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 quaterly.
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	

Principles/ Recommendations	Yes | No Not Applicable	Commentary
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 organise 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.

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, 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.
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	Additionaly Supervisory board was formed and currently it is evaluated as sufficient working together with Audit commiitee.

[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
5.1.3.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. The Chairman of the Committee was an independent member.
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 on 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.

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.

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 AB Linas Agro Group, 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.
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.

Principles/ Recommendations	Yes | No Not Applicable	Commentary
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.	Not applicable	The financial incentive scheme is not included in the Remuneration Policy of the Company.
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.

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.

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.

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.
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.
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 Policy.

[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
9.1.9.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.

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 year after 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 No8

To Consolidated Annual Report
of AB Linas Agro Group
for the financial year 2022/23/2022

REMUNERATION REPORT

For the 12(twelve)-month period ended on 30 June 2023

This Remuneration Report (hereinafter referred to as 'the Remuneration Report') of AB Linas Agro 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 Ordinary General Meeting of Shareholders on 28 October 2022 in determining the remuneration of the Chief Executive Officer (hereinafter referred to as 'the CEO'), members of the Board and members of the Supervisory Board of the Company in the financial year 2022/2023.

CONCLUSION: no deviations were recorded in the implementation of the Remuneration Policy during the reporting period.

REMUNERATION OF THE MEMBERS OF THE BOARD OF THE COMPANY

For the financial year 2022/2023

All members of the Board of the Company were employees of the Company or of the enterprises controlled by the Company, elected by the Ordinary General Meeting of Shareholders on 28 October 2022 for a new 4 year term; there are no independent Board members. Based on the provisions of the effective Remuneration Policy, the Company did not pay any additional benefits for their work as members of the Board during the reporting period, and the remuneration they received was defined by respective employment contracts. The Remuneration Policy of the Company provides for the possibility to pay bonuses and grant Company shares or share options (according to AB Linas Agro Group Rules for Granting Shares approved by the General Meeting of Shareholders of the Company). During the reporting period Member of the Board declared 283,690 shares acquisition based on share subscription agreement (29 June 2018 share option agreement).

Member of the Board	Dependent/ Independent	Remuneration for Carrying Out Duties of a Member of the Board (EUR)	Bonuses	Granting Company Shares	Notes
Andrius Pranckevičius	Employee of the Group	Not Allocated	Not Allocated	283,690 shares granted based on share subscription agreement (*29 June 2018 share option agreement*)	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group
Arūnas Zubas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	
Dainius Pilkauskas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	
Darius Zubas	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	
Jonas Bakšys	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	
Mažvydas Šileika	Employee of the Group	Not Allocated	Not Allocated	Not Allocated	

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.

REMUNERATION OF THE MEMBERS OF THE COMPANY'S SUPERVISORY BOARD

The Board of the Company proposed to elect, and the shareholders under the decision of Ordinary General Meeting of Shareholders in 2022 October 28, approved the appointment of the persons indicated in the table below as members of the Supervisory Board for a 4-year term, determining the annual remuneration fund for the Supervisory Board.

Member of the Supervisory Board	Dependent/ Independent	Annual remuneration fund	Bonuses	Granting Company Shares
Tomas Tumėnas	Employee of the related company, Chairman	70,000 EUR*	Not allocated	Not allocated
Arūnas Bartusevičius	Independent member		Not allocated	Not allocated
Carsten Højland	Independent member		Not allocated	Not allocated

**According to the company's remuneration policy, members of the supervisory board receive remuneration on the supervisory board member contract basis, by paying a fixed fee from the annual remuneration fund approved by the ordinary general meeting of shareholders, applying an up to 1.6 rate to the remuneration of the chairman of the supervisory board.*

For the activities in the supervisory board, its members may be paid bonuses, granted shares of the company or remunerated with stock options (according to AB Linas Agro Group rules for granting shares), but no other additional benefits are paid for the work as members of the supervisory board (except compensation for reasonable and pre-agreed expenses), nor are any additional pensions or early retirement conditions applied, no termination payments established.

REMUNERATION OF THE MEMBERS OF THE COMPANY'S AUDIT COMMITTEE

The Board of the Company proposed to elect, and the shareholders under the decision of Ordinary General Meeting of Shareholders in 2022 October 28, approved the appointment of the persons indicated in the table below as members of the Audit Committee for a 4 year term, determining the annual remuneration fee for the members.

Member of the Audit Committee	Dependent/ Independent	Annual remuneration
Lukas Kuraitis	Independent, Chairman	800 EUR
Irma Antanaitienė	Employee of the Group, member	600 EUR
Skaistė Malevskienė	Independent member	600 EUR

REMUNERATION OF MANAGING DIRECTOR OF THE COMPANY

For the financial year 2020/2023

During the reporting period, the Managing Director of the Company whose employment contract is of an indefinite duration did not change. The Remuneration Policy of the Company stipulates that **the remuneration of CEO consists of a fixed and a variable part, and that the Company's shares or share options may be granted as well.** The fixed part is determined and approved by the Board and paid in accordance with the rules effective in the Company. The variable part of the remuneration is paid at the end of the financial year by the decision of the Board, taking into account the approved strategy, as well as the implementation of the set financial and non-financial goals. To acknowledge a work well-done, the performance of an important project, ensuring the implementation of the Company's strategy, an incentive payment may be granted to CEO on the Board's initiative (optional). The

Company also provides for the possibility of granting other benefits to CEO (e.g., the right to the Company's car, wellness and medical services, pension plans, etc.), which depends on the market conditions and may be subject to change.

Manager	Period	Remuneration Assigned to the Position of CEO, EUR		Other Benefits, EUR	Granting Company Shares	Incentive Payments
		Fixed part	Variable part			
Chief Executive Officer	2020/2021	140,454	0	7,501	Not allocated	Not allocated
	(percentage)	100%	0%			
	2021/2022	138,851	0	5,238	Not allocated	Not allocated
	(percentage)	100%	0%			
	2022/2023	138,302	0	3,239	Not allocated	Not allocated
	(percentage)	100%	0%			

There are no separate agreements between the Company and the CEO providing for compensation in the event of his resignation or dismissal without a valid reason. In case of termination of employment, either voluntarily or on the initiative of the Company, the compensation amount is not determined, however, it may not exceed the amount equal to 24 fixed salaries. Other terms and conditions are determined in accordance with the applicable legal acts.

The Company's Remuneration Policy provides for the possibility to recover the variable part of the remuneration by the respective decision of the Board within 12 months from the appointment, if it turns out that such a variable part was assigned based on misleading or false information provided by the Managing Director. No such recovery was initiated during the reporting period.

CORRELATION BETWEEN THE PERFORMANCE OF THE COMPANY, ENTERPRISES CONTROLLED BY THE COMPANY AND CHANGES IN ANNUAL SALARY

For the financial year 2020/2023

Financial Year	Monthly Salary[1], EUR			Group's Sales Volume, in Tons	Group's Revenue, TEUR	EBITDA of the Group, TEUR	Group's Net Profit, TEUR
	Managers	Specialists	Workers				
2018/2019	3,276	1,296	1,180	2,529,711	742,542	5,578	(4,830)
2019/2020 (change,%)	5,087 (+55%)	2,200 (+70%)	1,166 (-1%)	2,233, 808 (-12%)	657,700 (-11%)	25,923 (+365%)	10,004 (-307%)
2020/2021 (change,%)	5,211 (+2%)	2,010 (-9%)	922 (-21%)	3,155,329 (+41%)	942,442 (+43%)	33,401[2] (+29%)	14,189 (+42%)
2021/2022[1] (change,%)	3,980 (-24%)	2,215 (+10%)	1,360 (+48%)	3,689,585 (+17%)	1,895,667 (+101%)	133,173 (+296%)	77,257 (+444%)
2022/2023[1] (change,%)	4,514 (+13%)	2,002 (-10%)	1,437 (+6%)	3,661,639 (-1%)	1,999,617 (+5%)	67,318 (-49%)	20,817 (-73%)

The average monthly salary changes shall be analyzed carefully, due to changes in methodology described below, as well as overall significant KG Group companies acquisition (15 July 2021) related increase in number of employees over the reporting period, along with the fact that "Managers" category continuously include data of employees, referred as both - top and middle managers.

[1] *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 salary data illustrate average salary before taxes, using the average number of employees in the Group over the reporting period,
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.

[2] *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 value was adjusted for the comparative period 2020/2021.*