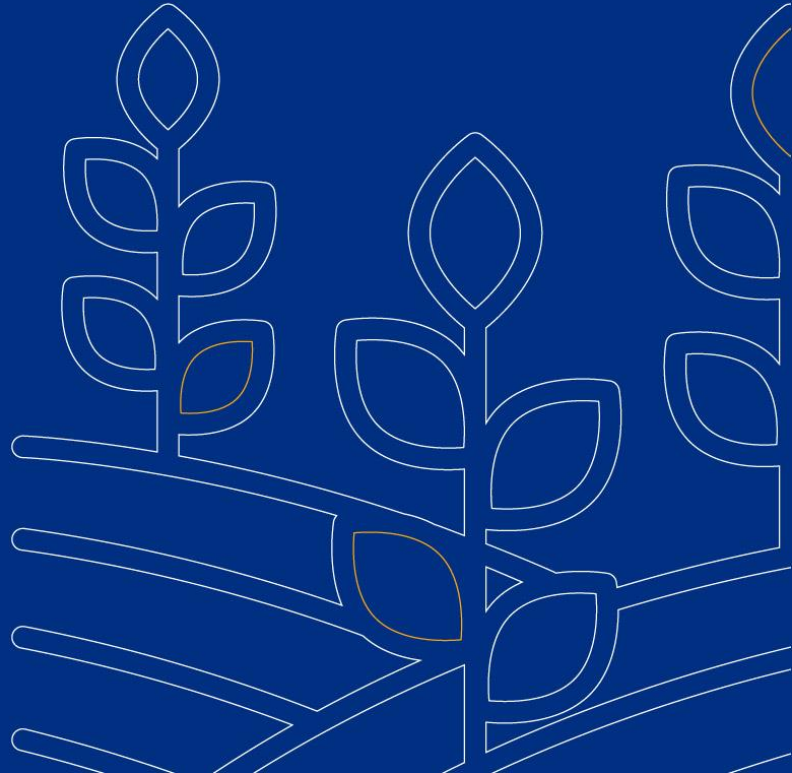


AB Linas Agro Group

Overview of activities & finance

H1 of FY 2020/21

17th of March 2021



Today's presenter



Mažvydas Šileika

Finance Director & Contact for Investors

With Linas Agro Group since 2020

10 years professional experience including Banking & Shipping industries

Master's degree in Shipping, Trade and Finance / Cass Business School

Bachelor's degree in Management / University of Leeds



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We are international vertically integrated agribusiness and food Group



1991 Founded	2010 Listed since	2,129 employees
658 mEUR Consolidated revenue	25.9 mEUR Consolidated EBITDA	112.9 mEUR Market Capitalisation
340 ktons Grain storage capacity in own elevators	18.4 kha Arable land	2.23 m tons Sales volume

*Consolidated revenue, EBITDA and sales volume data- as of 30/06/2020, other data – as of 31/12/2020

The Group we are today

AB „Linus Agro Group“ – controlling **42** companies* in LT, LV, EE, UA

Grain, feedstuff and Agro inputs	Agricultural production	Poultry	Agri-machinery & agri-innovation
<p>4 companies trading / merchandising LT, LV, EE, UA</p>	<p>7 companies farming LT</p>	<p>6 companies breeding, slaughtering, production & merchandising LV, LT</p>	<p>3 companies servicing & selling products to the farmers LT, LV, EE</p>
<p>5 companies handling (elevators) LT, LV</p>	<p>10 companies land holding LT</p>		<p>1 company creating smart- farming solutions LT</p>
<p>1 company supporting the Group in freight forwarding LT</p>			

Within the reporting period:

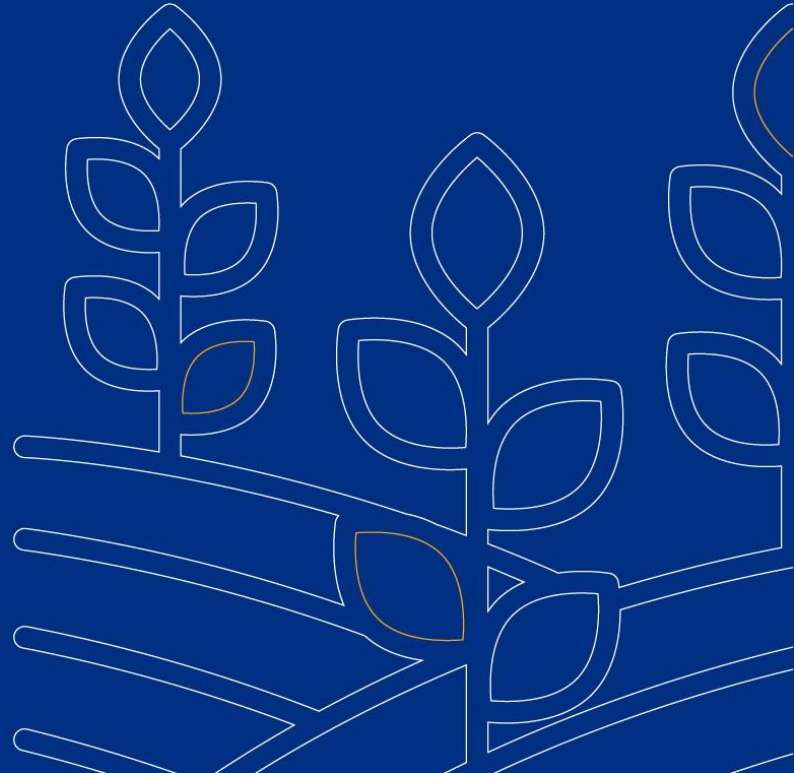
- Linas Agro OU - trading company in Estonia was founded
- restructuring of Karčemos Kooperatinė Bendrovė was started (after reporting period continuing the exercise with ŽŪK KUPIŠKIO GRŪDAI and UAB Linas Agro Grūdų Centras KŪB), with the aim to achieve full consolidation of three elevator companies in LT

*out of 42 companies, 2 are management companies, 2 dormant companies and 1 under liquidation

Financial highlights

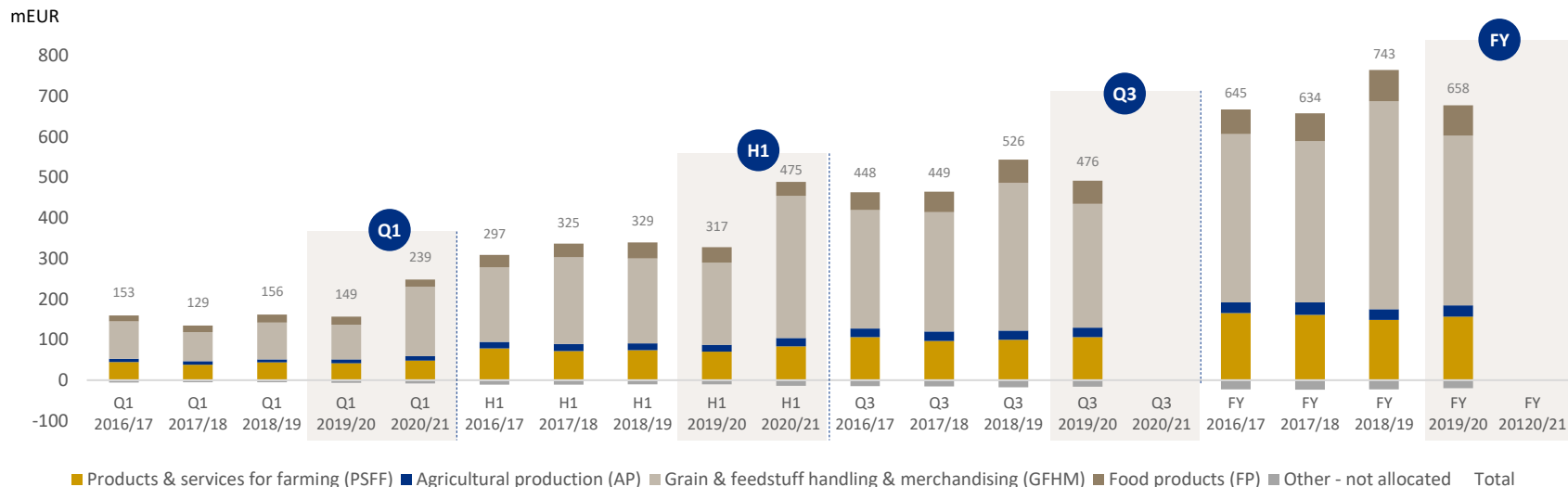
H1 of FY 2020/21

Fiscal year of the company starts on July 1st



Record high revenues of the reporting period

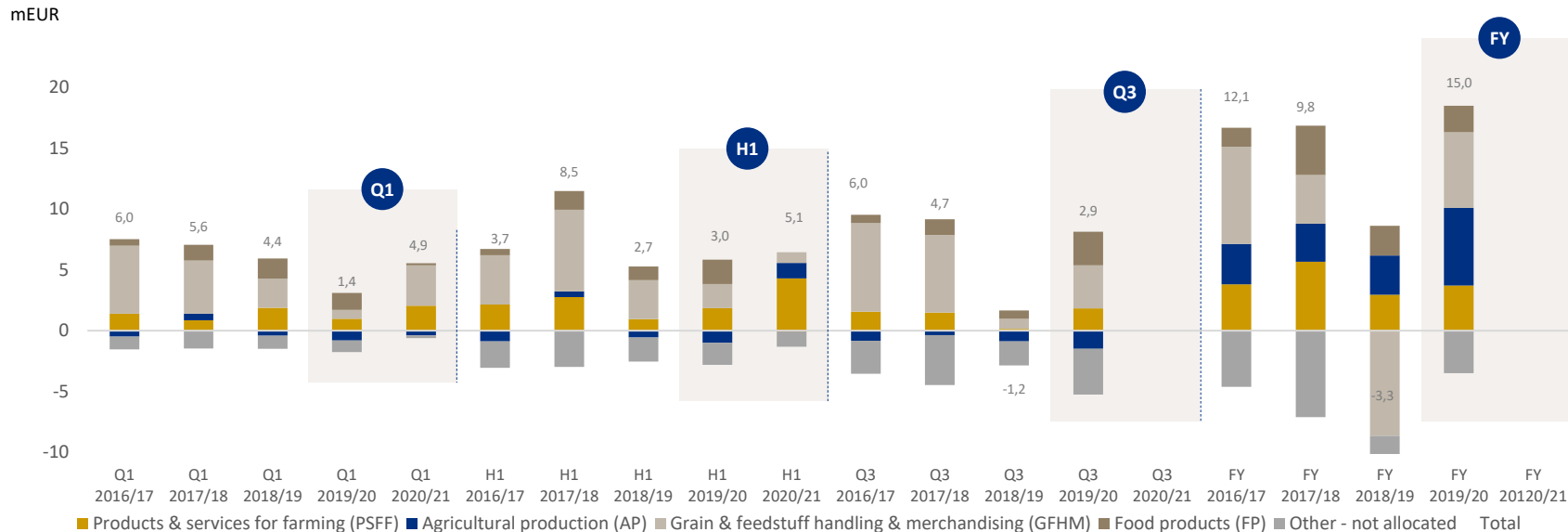
Dynamics of revenue per segment



- Strong harvest in the Baltics meant both – higher base for crops and feedstuffs merchandising, as well as improved farmer financial situation
- Sole deteriorating segment was “FP”, illustrating poultry overproduction and price fall in EU; continuing COVID-19 pandemic and quarantine restrictions had strongest hit on HORECA sales

Operating profit & it's companion - 'seasonality'

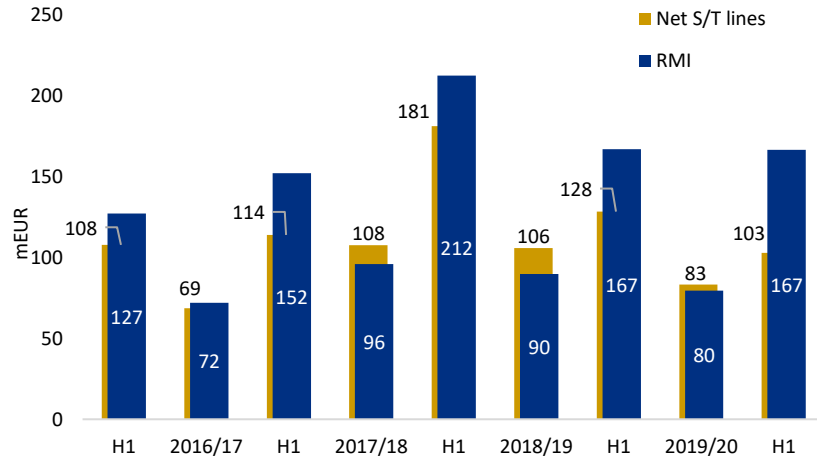
Dynamics of operating profit per segment



- Higher “AP” operating result was significantly impacted by EUR 1.9 million profit, related with the sale of the land holding companies in November, 2020
- Lower operating profit of “GFHM” was mainly affected by the seasonality of trading activities, the impact of which shall decrease towards the closing of the FY
- “FP” segment operating profit highly impacted by sharp price decrease, especially chicken fillet

Firm Balance Sheet & thorough WC management

Debt portfolio



Liquidity position

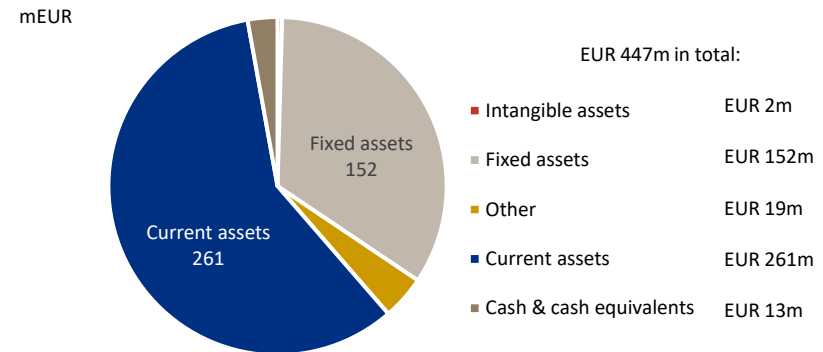
>160

mEUR total committed credit lines were available under contracts with the banks

RMI – Readily Marketable Inventories

* Total assets as per 31/12/2020 dated Statements of financial position

Total assets*



- Balance sheet mainly comprises of Current assets and S/T liabilities that reflect inventory from trading activity and farmer financing
- Majority of S/T debt is used to finance RMI, the second largest part is receivables from farmers
- Equity position of the company: 185m EUR, Capital ratio 41%.
- Net financial debt/EBITDA – 12x (incl. IFRS16)

Products and services for farming

Since 1993



Certified seed



Fertilizers



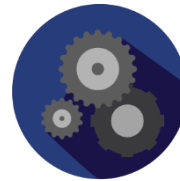
Plant protection



Grain storage facilities and farm equipment



Agricultural machinery

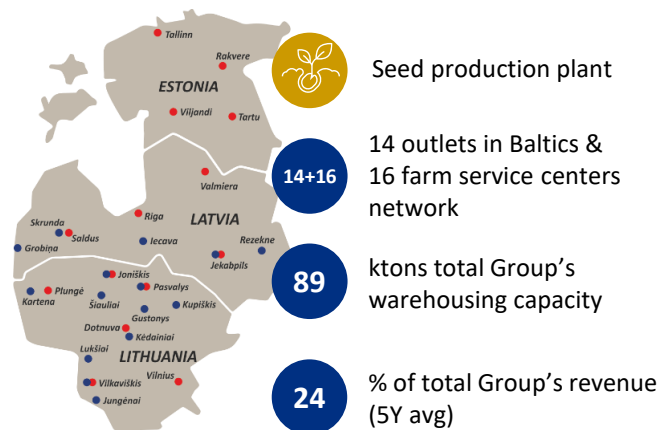


Spare parts and service

Key data and latest developments

- **During H1 FY 2020/21:**
 - a) acquisition of start-up GeoFace
 - b) start of seed warehouse construction
 - c) upward sales trend in all the positions, except for flat curve in fertilizers trade
 - d) materially higher profitability - operating profit margin: 5.2% compared to 2.6% in H1 FY 2019/20
- **Management continuously expects:** operational profit of the segment for the FY 2020/21 to improve by **20%** compared to FY 2019/20

On 31/12/2020:

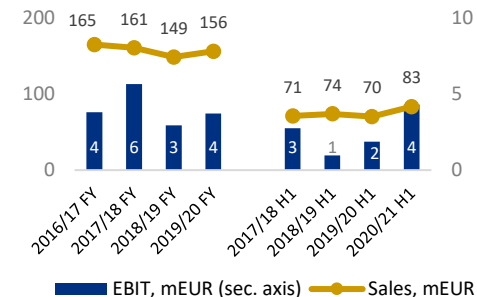


Key trends in sales of H1 FY 2020/21*:

- Certified seed
- Fertilizers
- Plant protection
- Grain storage facilities & farm equipment
- Agricultural machinery
- Spare parts and service



Rebounding earnings:



*Compared to H1 results of previous financial year 2019/20

Agricultural production

Since 2003



Cereals growing



Rapeseed growing



Sugar beet
growing



Milk
production



Beef cattle
rearing

Key data and latest developments

- **During H1 FY 2020/21:**

- great harvest & two internal group yield records: winter wheat in Kėdainiai district - 8.7 t / ha, beans in Šakiai district - 7.8 t / ha
- milk purchase price rebounding (2.2% increase compared to the H1FY 2019/2020)
- decision to discontinue the unprofitable dairy farm in Kėdainiai District ŽŪB Nemunas
- for the harvest of FY 2020/21 over 10k ha were sown, reporting good to very good condition of most of the crops
- EUR 1.9m one-off profit related with the sale of the land holding companies in November, 2020

- **Management expectations:** operational profit is anticipated to improve by **25%** compared to FY 2019/20 (previously expected – 20%)

On 31/12/2020:



7

agricultural companies

ha

18,349 ha – arable land, out of which 5,912 ha owned



3,146 dairy cows

4

% of total Group's revenue (5Y avg)

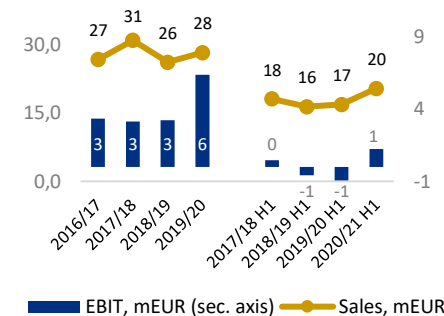


Key trends in sales of H1 FY 2020/21*:

- Crop production →
- Milk production →
- Beef cattle rearing →



Further optimisation needed to drive profitability



* Compared to H1 results of previous financial year 2019/20

Grain & feedstuff handling and merchandising

Since 1991



Grain



Oilseed



Feedstuff



Ecologic grain
and oilseeds



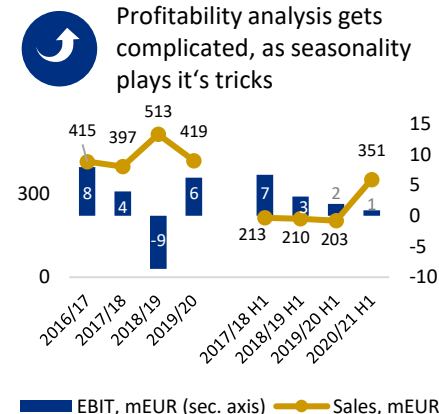
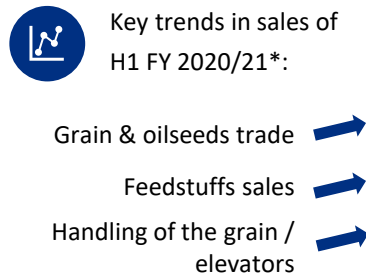
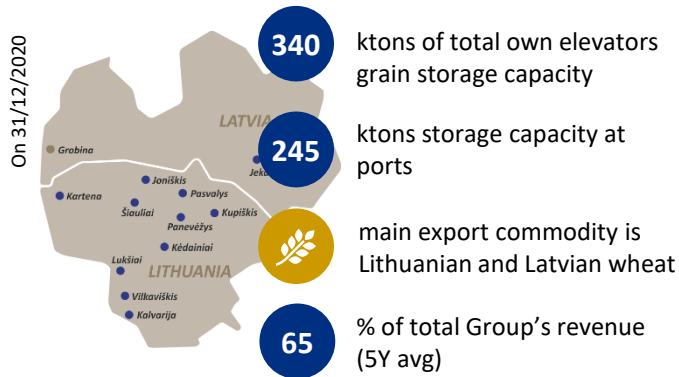
Grain storage and
preparation



Logistic services

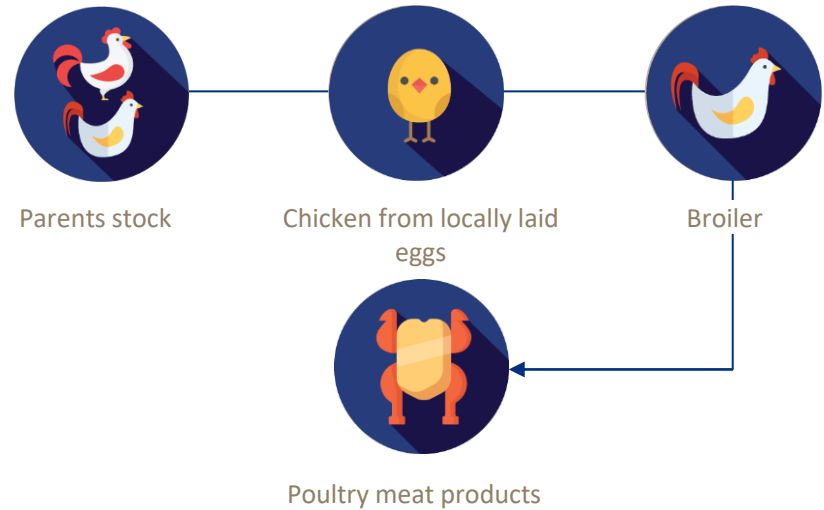
Key data and latest developments

- **During H1 FY 2020/21:**
 - Linus Agro OU - trading company in Estonia was founded
 - restructuring of Karčemos Kooperatinė Bendrovė was started, after reporting period continuing the exercise with the aim to achieve full consolidation of three elevator companies in LT
 - strong harvest & significant product price increase lead to upward sales trend in all the positions
 - profitability lagged behind due to mismatching seasonality
- **Management reconsiders:** operational profit for the FY 2020/21 to improve by **10%** compared to FY 2019/20 (previously expected – 20%)



* Compared to H1 results of previous financial year 2019/20

Full manufacturing cycle



Food products

Since 2013

Key data and latest developments

- **During H1 FY 2020/21:**
 - a) continuing COVID-19 pandemic and quarantine restrictions hit hard on HORECA sector, resulting in overproduction and pushing down average price of poultry meat
 - b) conversely – price of raw materials used for chicken feed (corn, wheat, soybeans, vegetable oil, etc) increased, squeezing profitability even more
- **Management reconsiders:** operational profit for the FY 2020/21 to deteriorate by **20%** compared to FY 2019/20 (previously (15%))

On 31/12/2020:



Latvian poultry producer:
#1 - AS Putnu Fabrika Kekava
#2 - SIA Lielzeltini



22 retail shops all over Latvia



100% raised without antibiotics



10 % of total Group's revenue
 (5Y avg)

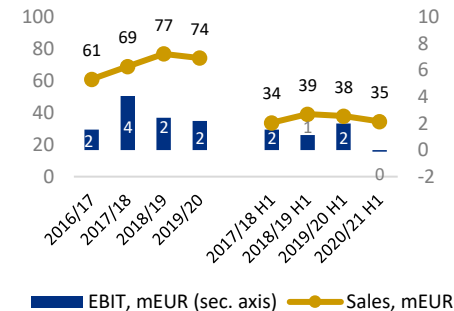


Key trends in sales of
 H1 FY 2020/21*:

Poultry meat products →



Squeezing profitability:



* Compared to H1 results of previous financial year 2019/20

Drivers for second part of the year...

- Continuously expecting successful acquisition of KG Group,
- Linas Agro Group is narrowing investment scope, proceeding with prioritised capex only, such as: kick off Dotnuva seed warehouse construction, modernisation in Food segment, necessary investment in infrastructure and equipment (indicated EUR 13.8m investments for FY 2020/21 might approximately decrease by 50%)

... & key developments after reporting

- On the 2nd of **October, 2020** AB Linas Agro Group has **signed SPA** with the shareholders of AB Kauno Grūdai, AB Kaišiadorių Paukštynas and AB Vilniaus Paukštynas;
- **Authorizations of competition authorities in Latvia, Estonia and Poland** have been already received, respective permissions are still awaited from authorities in Russia and **Lithuania (application submission confirmed)**
- Group is **in progress agreeing on acquisition financing solution**, preliminary participating with 30% own funds
- **Geoface started its activity during beginning of Y2021**

An aerial photograph of a rural landscape featuring several large, rectangular agricultural fields. The fields are in various stages of growth or harvest, showing different shades of brown, tan, and green. A prominent blue circle is overlaid on the center of the image, containing the text "Thank You" in white. In the bottom left corner, there is a line of green trees and a road with a few vehicles.

Thank You