

AB Linas Agro Group

The Annual General Meeting of
Shareholders

29th of October, 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

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Agenda of the Meeting

Introduction: Group in brief

- | | |
|--|---------------------------|
| 1. Presentation of the Company's Audit Committee Activity Report . | p. 4-7 |
| 2. Presentation of the independent auditors' report . | Non-voting clauses |
| 3. Presentation of the Consolidated Annual Report of the Company for the financial year 2020/2021. | |
| 4. Approval of Company's Remuneration Report . | |
| 5. Approval of the consolidated and the Company's set of financial statements for the financial year ended 30 June, 2021. | p. 9-29 |
| 6. Approval of the Distribution of the Company's Profit (Loss) . | p. 9-29 |
| 7. Election of the audit company to audit Company's financial statements and establishment of the payment for the services. | p. 30 |
| 8. Increase of the Company's share capital ; | p. 31 |
| 9. Revocation of the pre-emption right of all shareholders of the Company to acquire the newly issued shares in order to grant shares of the Company free of charge to the employees and/or members of the Company's corporate bodies; | p. 31 |
| 10. Approval of a new wording of the Articles of Association of the Company; | p. 31 |
| 11. Approval of terms and conditions regarding the payment of the subscribed shares ; | p. 31 |
| 12. Change of the registered office of the Company. | p. 32 |

We are international vertically integrated agribusiness and food Group



products & service for farming

agricultural production

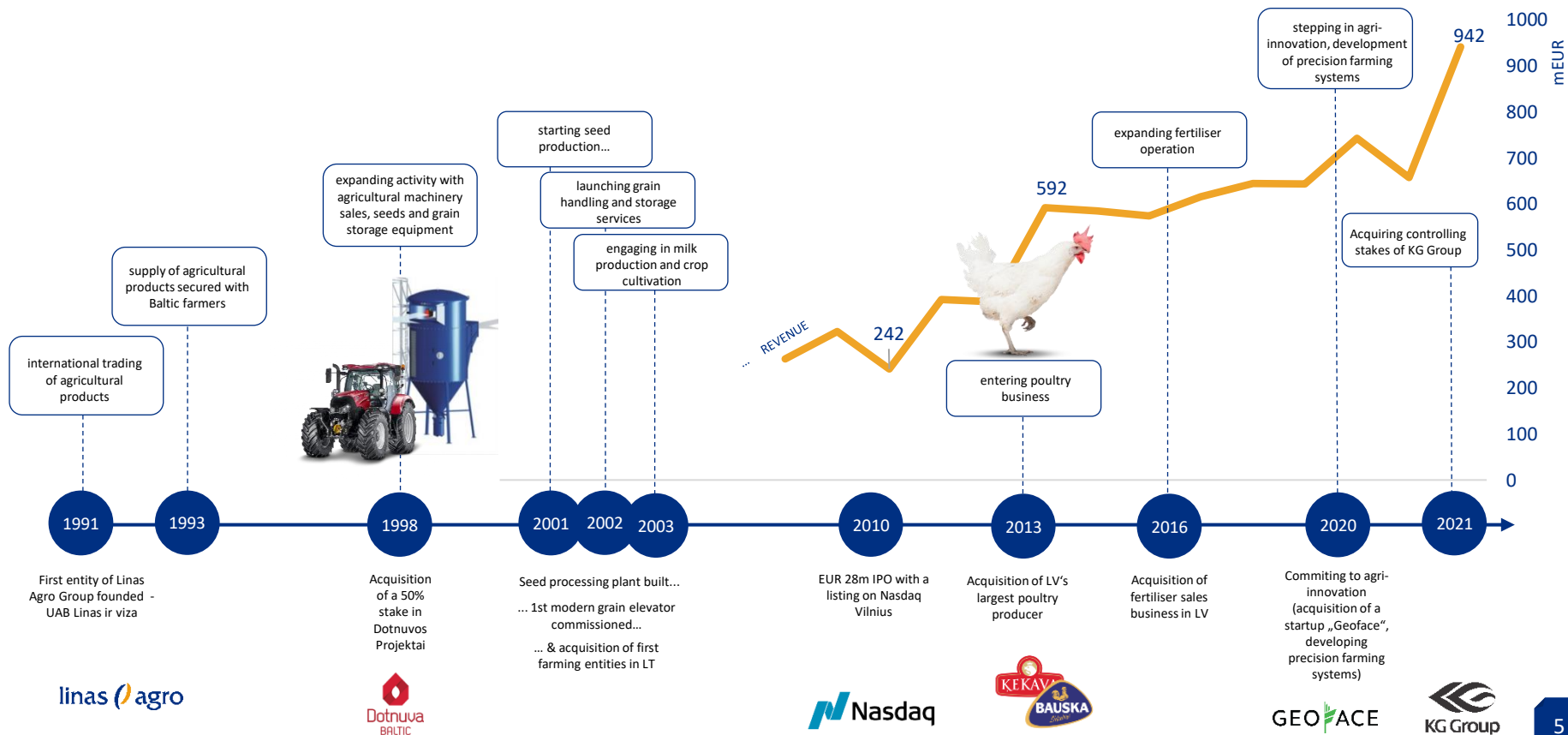
grain & feedstuff handling & merchandising

food products



*Consolidated revenue, EBITDA and sales volume data – as of 30/06/2021, market capitalisation – as of 27/10/2021

Key milestones becoming the Group we are today



Linus Agro Group at the end of the reporting period

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

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

Within FY2020/2021:

- Linus Agro OU - trading company in Estonia was founded with EUR 1m authorised capital.
- Continuous reorganisation actions aiming to achieve full consolidation of three elevator companies in LT (UAB KUPIŠKIO GRŪDAI, UAB Karčemos Bendrovė, UAB Linus Agro Grūdų Centrai).

*out of 42 companies, 1 is management company, 4 are dormant companies and 1 - under liquidation

Key segments

	 Products & services for farming	 Agricultural production	 Grain & feedstuff handling & merchandising	 Food products
Activity	Sales of seeds, plant protection products, fertilizers, agricultural machinery and equipment and installation of agricultural facilities	Cultivation of cereals, oilseed rape, sugar beet and other crops, production of milk	Trade in grain, oilseeds and feedstuffs, as well as grain storage and logistics services	A whole cycle poultry business incl. chicken breeding, production and retail sale of chicken meat and its products, feed manufacturing
Companies in the group	 			 
Geography of operation	LT, LV, EE	LT	LT, LV, EE, UA	LT, LV
Revenue of reporting period / 5Y average share of revenue	EUR 180 m / 22%	EUR 33 m / 4%	EUR 680 m / 67%	EUR 72 m / 11%
EBIT of reporting period	EUR 8.8 m	EUR 11.4 m	EUR 6.1 m	EUR -2 m
Total assets	EUR 169 m	EUR 96 m	EUR 79 m	EUR 64 m
Key customers and geographies	Farmers LT, LV, EE	Mostly Linas Agro Group companies LT	Traders LT, LV	Retailers, HORECA LT, LV, Scandinavia
Key projects	<ul style="list-style-type: none"> Further development of intelligent farming (start-up GeoFace) Continuous effort towards agro machinery rent activity 	<ul style="list-style-type: none"> Continuous modernisation of milk farms Active land portfolio management 	<ul style="list-style-type: none"> Synergies of combined activity by KGG & Linas Agro Group 	<ul style="list-style-type: none"> Robotisation in production and logistics Energy saving projects Expansion of poultry production

*As per results of financial year ended on 30/06/2021



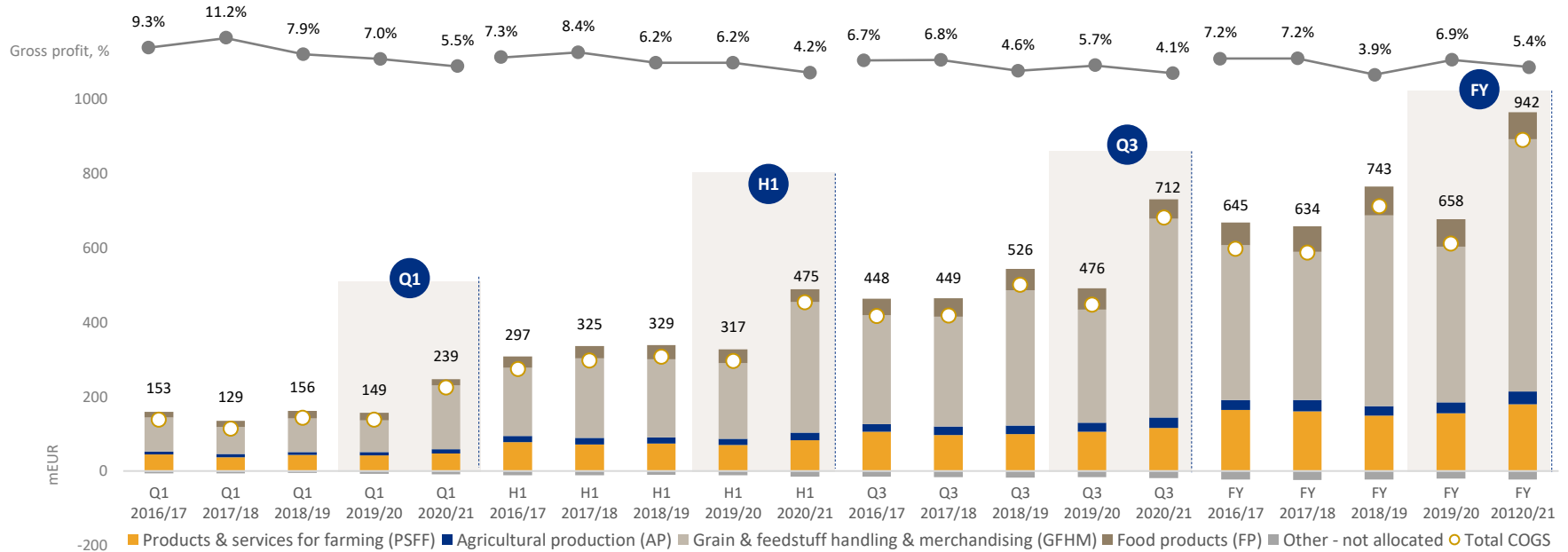
Financial highlights

of FY 2020/21

Fiscal year of the company starts on July 1st

Record high revenues of the reporting period

Dynamics of gross profitability & revenue per segment

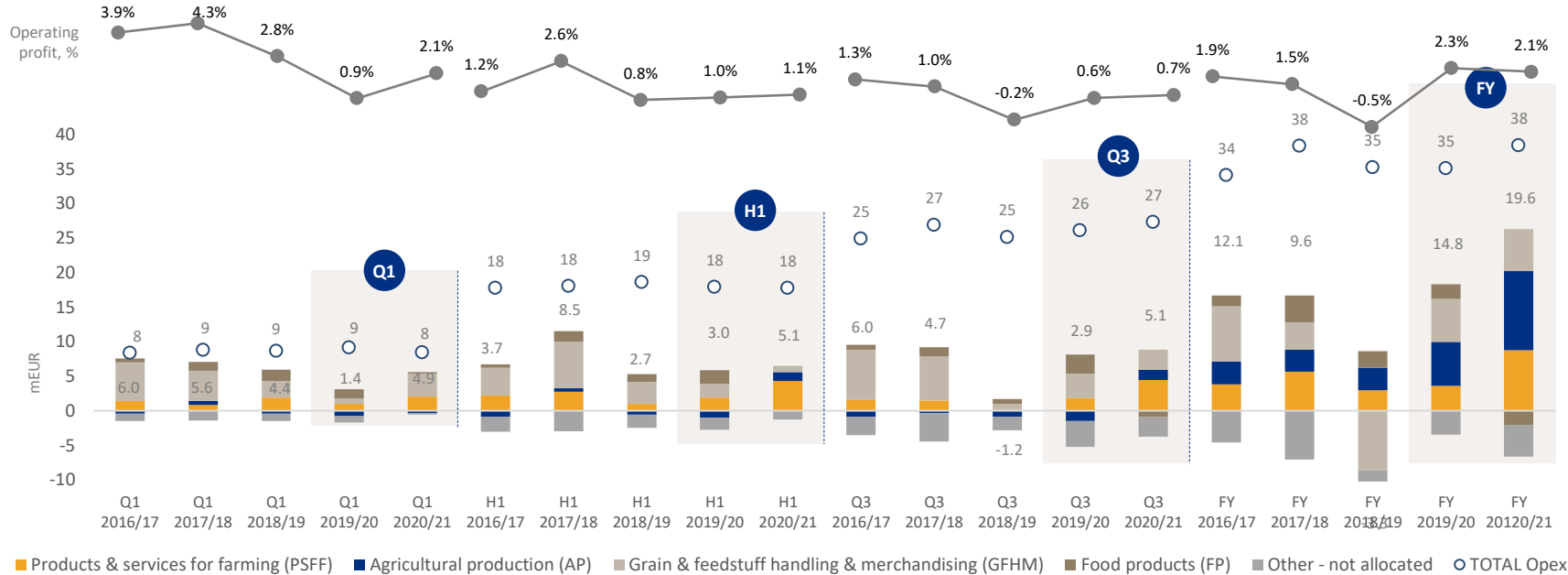


- Record harvest year 2020/2021 reflects itself in the bottom line of LNA income statement
- Key revenue generator remains GFHM segment, representing 67% of total income basket (5Y average)

- Graph illustrates the repetitive 4Q tendency of the Group's business to recapture gross profitability after 2-3Q
- Gross profitability facing the challenge of an overall downward trend over the years

Combination of boosted revenues & stable OPEX

Dynamics of operating profitability

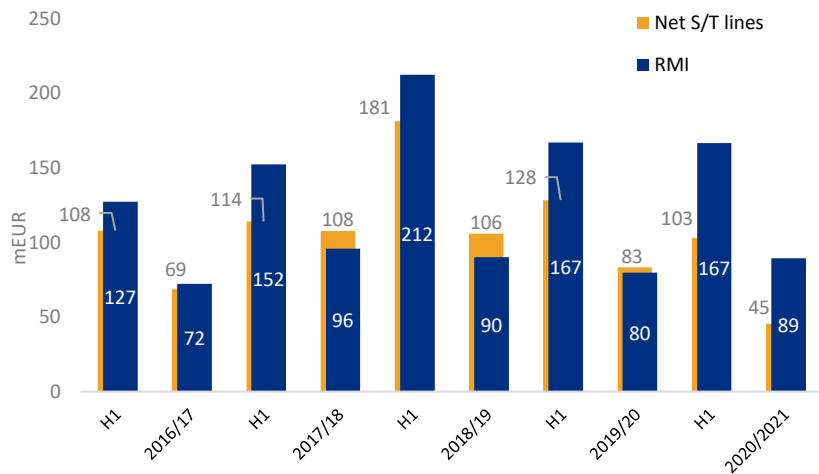


- Regardless of booming scale, OPEX of the Group remains mainly stable, offsetting the effect of higher COGS to most extent
- Strong improvement in “AP” & “PSFF” segment operating profit; note that higher “AP” operating result was impacted by EUR 1.9 million profit, related with the sale of the land holding companies in November, 2020

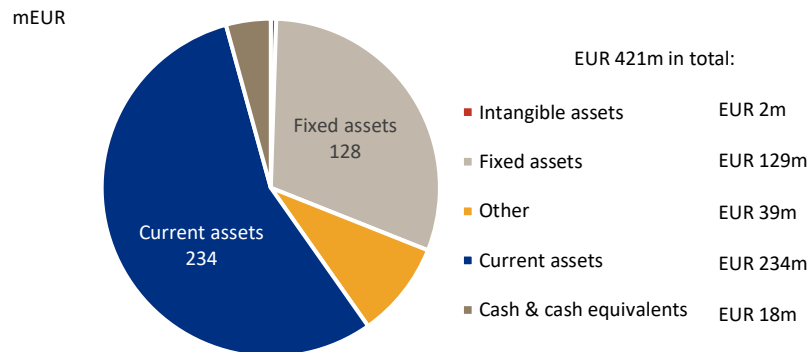
- Lower operating profit of “GFHM” explained with high price volatility and non-deliveries by some of suppliers, hampering the trade
- “FP” segment operating profit suffered, as input prices remained high while output prices recovered only in the 4Q

Firm Balance Sheet & thorough WC management

S/T debt & inventory proportion



Total assets*



Liquidity position

>140

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

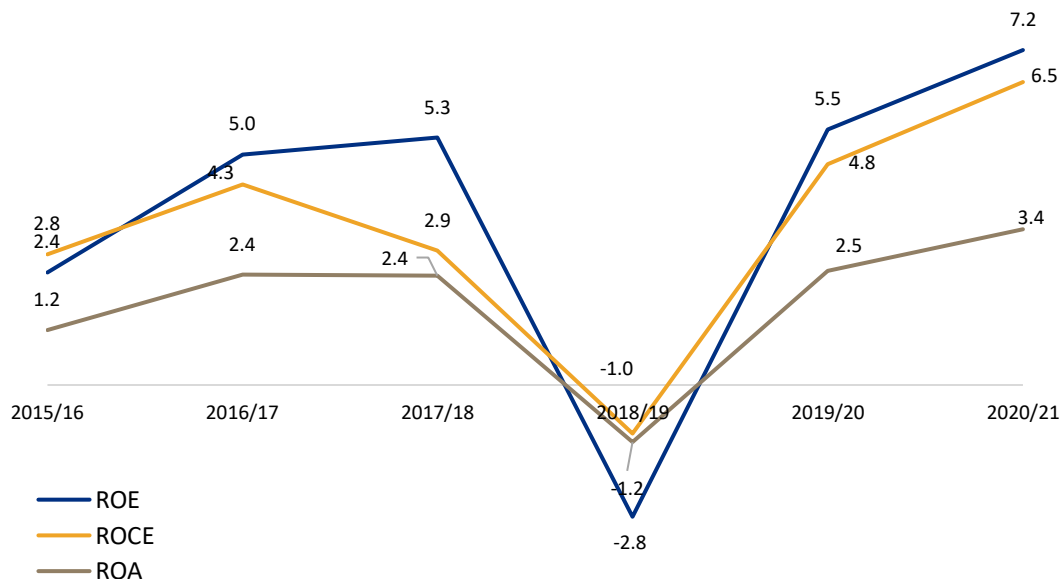
RMI – Readily Marketable Inventories

* Total assets as per 30/06/2021 dated Statements of financial position

- 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 Group: 196m EUR, Capital ratio 47%.
- Net financial debt/EBITDA – 3.2x (incl. IFRS16)

Creating value to shareholders

ROA, ROE, ROCE, %



- After loss making year (2018/19) the ratios are continuously rebounding and even exceeding historical levels
- 5Y average, excluding 2018/19:
 - ROA 2.3%
 - ROE 4.8%
 - ROCE 3.8%
- High focus of management for the return driven ratios, specific and comparable targets set
- Group is aiming for optimal capital return
- seeing 8% ROCE as target line

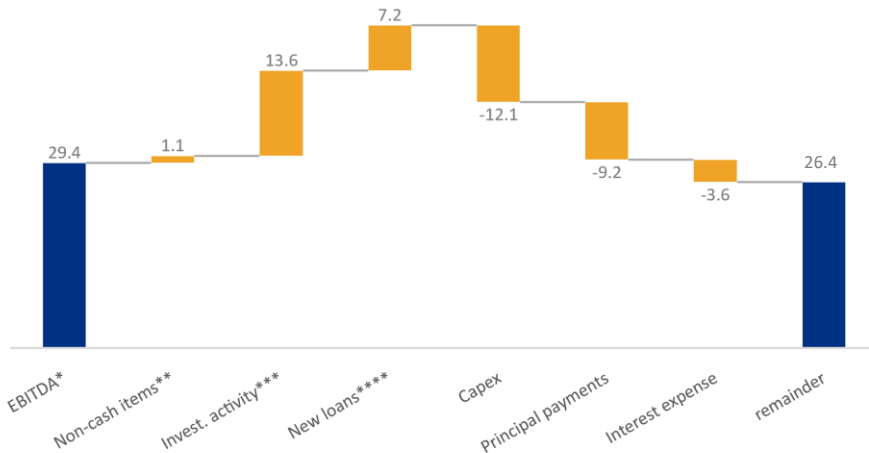
ROCE, % - Return on capital employed (operating profit (EBIT) for the period expressed as a percentage of capital employed for the period; capital employed include equity and fin. loans, excluding leasing related with right of use assets); ROCE value was negative on the financial year ended 30/06/2019

ROA, % - Return on assets (net profit for the period expressed as a percentage of total assets for the period)

ROE, % - Return on Equity (net profit for the period as a percentage of average Shareholders' equity for the period)

Putting aside for the “big purchase”

Generated cash flow



& alternatives for it's allocation

1

Improving credit metrics

Net-Debt/EBITDA*	(</= 6.5x)	3.7x (PY 5.8x)
Net-L/T-Debt/EBITDA*	(</= 2.5x)	1.5x (PY 2.0x)

2

Investments

Majority of accrued CF allocated as equity share in KGG acquisition (total price – bank financing - withheld amounts);

3

Dividends

- pay-out on hold for a third year in a row

- Group narrowed investment scope, proceeding with prioritised capex only, meanwhile cashed in after the sale of land holding companies in Nov-2020
- Despite marginally increased financing margins, thanks to more effective use of borrowed capital, financial cost end up being slightly lower y-o-y

* EBITDA excluding the impact of IFRS16;

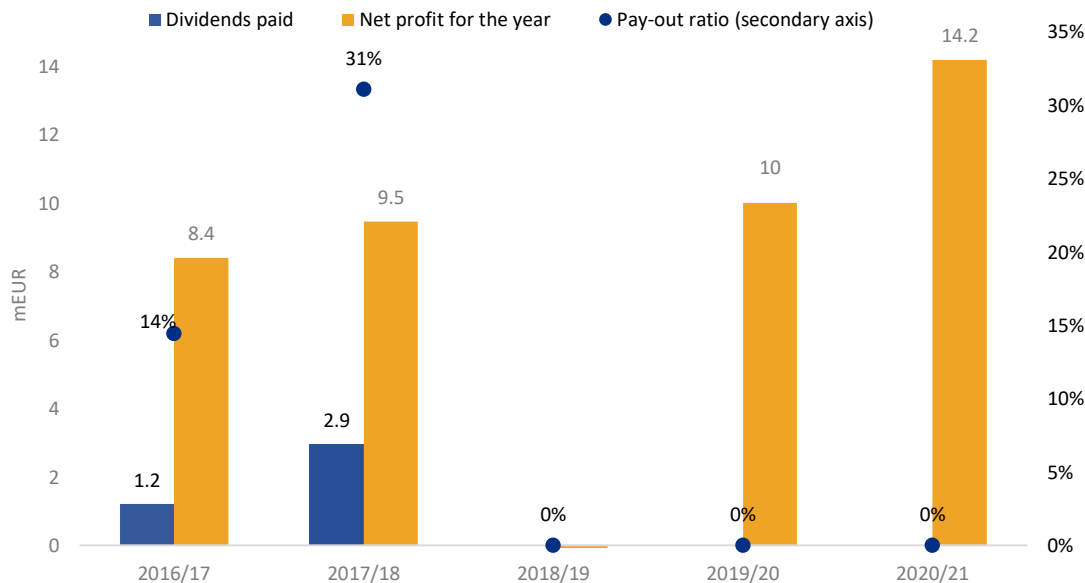
** change in FV of Biological assets (adj. with PY change in FV of biological assets)

*** Divestment of financial assets (daughter companies)

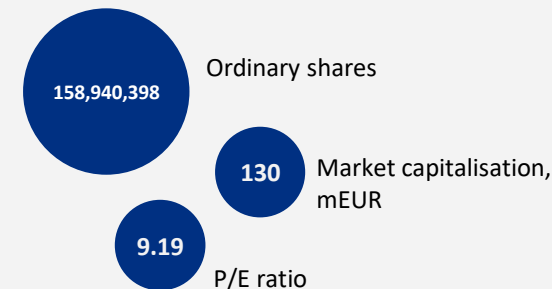
**** New L/T loans and financial leasing

Generated returns to shareholders

Historically paid dividends and pay-out ratios



The share of the company



- Three years in a row without dividends: for FY 2018/19 due to poor performance, for FY 2019/20 & 2020/21 due to Kauno Grūdai group acquisition.
- 5Y pay-out average – 9%

Products and services for farming

Since 1993



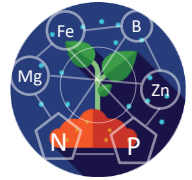
Certified seed



Fertilizers



Plant protection
products



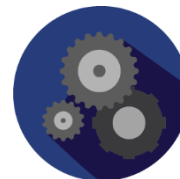
Micronutrients



Grain storage
facilities and farm
equipment



Agricultural
machinery



Spare parts and
service



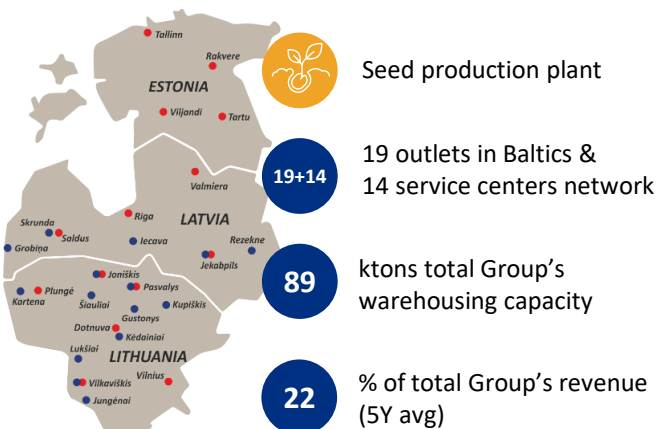
Smart farming
systems

Key data and latest developments

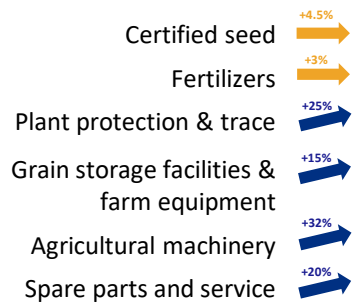
• **During FY 2020/21:**

- a) acquisition of intelligent farming start-up GeoFace & launch of the system in Lithuania and Latvia
- b) seed warehouse construction (successfully finished by Sep-2021)
- c) upward sales trend in all the positions with strongest growth in agricultural machinery, as well as plant protection and trace element sales
- d) materially higher profitability - operating profit margin: 4.9% compared to 2.4% in FY 2019/20

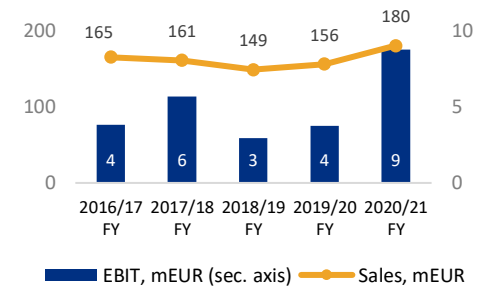
On 30/06/2021:



Key trends in sales of FY 2020/21*:



Improved profitability:



*Compared to results of previous financial year

Agricultural production

Since 2003



Cereals growing



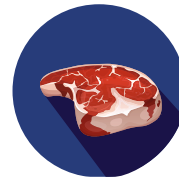
Rapeseed growing



Sugar beet growing



Milk production



Beef cattle rearing

Key data and latest developments

• During FY 2020/21:

- a) segment companies sold 30% more crop production compared to the very same period last year
- b) revenue from milk sales grew 5%, positively impacted by continuous gradual milk purchase price recovery (approx. 4% increase since the beginning of the reporting period)
- c) decision to discontinue the unprofitable dairy farm in Kėdainiai District ŽŪB Nemunas
- d) for the harvest of FY 2020/21 over 15k ha were sown; due to unfavorable weather conditions, in the last quarter of FY the condition of the crops (especially for summer crops) was described as good to satisfactory, instead of very good to good in the earlier stages
- e) EUR 1.9m one-off profit related with the sale of the land holding companies in November, 2020.

On 31/12/2021:



7

agricultural companies

ha

18,300 ha – arable land, out of which 5,883 ha owned



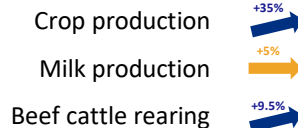
3,180 dairy cows

4

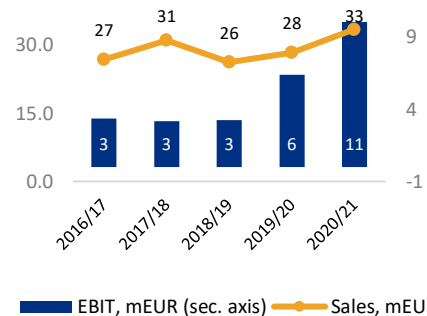
% of total Group's revenue (5Y avg)



Key trends in sales of FY 2020/21*:



Optimisation effort and favourable external factors play in



* Compared to results of previous financial year

Grain & feedstuff handling & merchandising

Since 1991



Grain



Oilseed



Feedstuff



Ecologic grain and oilseeds



Grain storage and preparation

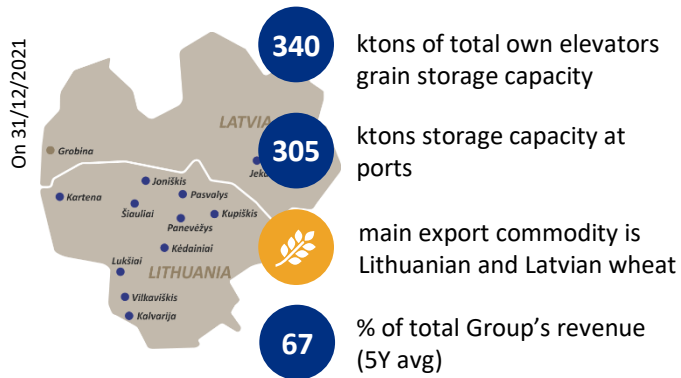


Logistic services

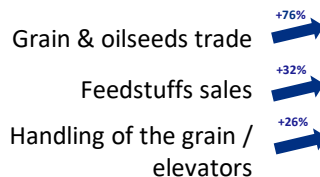
Key data and latest developments

- **During FY 2020/21:**

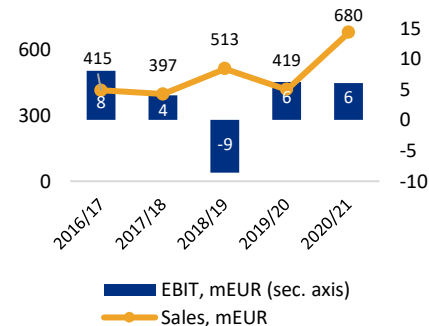
- Linus Agro OU - trading company in Estonia was founded
- continuous reorganization of elevator companies (aim to achieve full consolidation of three elevator companies in LT)
- increased storage capacity at ports (+60 ktons)
- strong harvest & significant product price increase led to upward sales trend in all the positions, yet meanwhile profitability suffered due to record price volatility, non-deliveries by some of suppliers, inconsistent liquidity of physical lots.



Key trends in sales of FY 2020/21*:



High scale isn't everything



* Compared to results of previous financial year

Food products

Since 2013

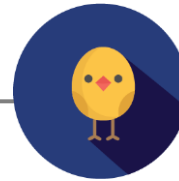
Full manufacturing cycle



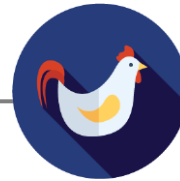
Feed mill plant



Parents stock



Chicken from locally laid eggs



Broiler



Poultry meat products

Key data and latest developments

- **During FY 2020/21:**

- continuing COVID-19 pandemic and quarantine restrictions hit hard on HORECA sector, resulting in overproduction and pushing down average price of poultry meat
- conversely – price of raw materials used for chicken feed (corn, wheat, soybeans, vegetable oil) increased, squeezing profitability even more
- Group's companies have finally captured the long awaited rise in prices in the 4Q of the reporting period, yet with chicken feed components and other expenses increasing further – annual profitability could not be restored.

On 31/12/2021:



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)

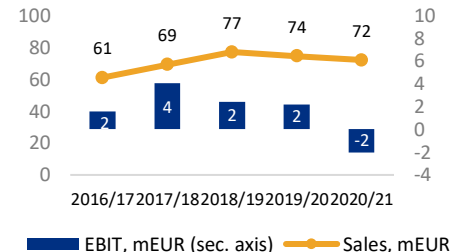


Key trends in sales of FY 2020/21*:

Poultry meat products



EBIT goes down as a result of increasing feed expense & continuous overproduction in Europe



* Compared to results of previous financial year



Post acquisition Linhas Agro Group

since 15th of July, 2021

Almost 2x more

79

companies* in LT, LV, EE, UA, BY, PL, RU, NL, controlled by AB Linas Agro Group

>5,600

employees

Grain, feedstuff and Agro inputs

4 + 8
12 companies

trading / merchandising
LT, LV, EE, UA, BY, RU, PL

5 + 1
6 companies

handling (elevators)
LT, LV

1 + 0
1 company

supporting the Group
in freight forwarding
LT

Agricultural production

7 + 0
7 companies

farming (agricultural
production,
dairy cows, cattle)
LT

10 + 0
10 companies

land holding
LT

Food

5 + 9
14 companies

breeding, slaughtering,
production &
merchandising of
poultry;
flour, instant foods,
breadcrumb
production
LV, LT, NL

Agri-machinery & agri-innovation

3 + 0
3 companies

servicing & selling
products to the farmers
LT, LV, EE

1 + 0
1 company

creating smart-
farming solutions
LT

Other

1 + 7
8 companies

producing pet food,
disinfection, pest control
preparation, servicing
veterinary pharmacy,
providing logistic
services, owning assets
LT, UK, RU

*out of 79 companies, 5 are management companies (not shown), 13 dormant companies (not shown) and 1 under liquidation (not shown); 1 company has activity in three segments

Re-shaped LNA

linas  agro



linas  agro
+ 
KG Group

mEUR	linas agro	KG Group	linas agro + KG Group
Sales	942	697	1,640
EBITDA	31	33	63.5
Net profit	15.6	5.9	21.5
BS size	400	320	720
RoE, %	7.9	3.9	6.2
RoCE, %	7.3	6.4	6.9
EBIT, %	2.3	1.9	2.1

Focused to smooth integration:

- expected within 2Y
- KGG financial year aligned with LNA seasonal year
- KGG risk policies aligned with LNA practises
- KGG brands to be kept capitalising on through the years built recognition
- synergies achieved thanks to higher vertical integration, as well as optimised overlapping activities
- up to 13mEUR investments allocated

Key gains of the acquisition:

- #1 (biggest) agri-business and food company in the Baltics
- #1 (highest sales) company listed on Nasdaq Baltic stock exchange
- Uplift in volume - enabling competition on a European scale
- Positive sales mix shift – increased share of consumer products - more stable activity and higher margin
- Expanded activity scope – potential for new products, areas to operate, capitalise on vertical integration
- Decreased combined debt level
- Post merger LNA multiple lower than pre merger multiple, indicating benefit to the shareholders



Expanded activity mix
6 → 11

4.66 m tons
Sales volume

600 ktons
Grain storage capacity in own elevators

*please be aware of different reporting periods of LNA (2021.06.30) and KGG (2020.12.31) financials; **combined figures does not exclude effect of interco transactions; ***only additional (non-overlapping) activities are shown under KG Group section

Valuation

Merger benefiting the LNA shareholders



mEUR	linas agro	KG Group	Combined
Market capitalisation / Equity value	152	73	225
Net Debt	108	70	224
Enterprise value	260	143	449
EBITDA	33.5	33	66.5
EV/EBITDA	7.8x	4.3x	6.8x

Market capitalisation, equity value – as of 15/07/2021

LNA – financial information dated 2021.06.30; KGG – Net Debt information dated 2021.06.30 (adding the debt of Russian daughter companies), EBITDA – 2020.12.31

Combined Net Debt includes acquisition financing loan



Drivers for the coming year...

- Obtaining synergies of post merger LNA
- Sustainability focus
 - Determining sustainability strategy of the expanded Group
 - New renewable energy projects/investments in the pipeline
 - Perceiving LNA share and debt as an acceptable green investments (investor's and financial partners' perspective)
- Geoface – further development and intended monetization
- Continuously active land portfolio management
- Winter sowing, fertilizing and spraying completed in time, crop growth considered good

... & key developments after reporting

- 12th of July, 2021 – release of initial report by Enlight Research, continuing with updates twice a year as per concluded Research Coverage Agreement
- 15th of July, 2021 – acquiring controlling stakes from shareholders in AB Kauno Grūdai, AB Kaišiadorių Paukštynas, AB Vilniaus Paukštynas, and the related companies, acting together as KG Group
- July-August, 2021 - to finance the transaction, AB Linas Agro Group has received the syndicated loan from three banks – Luminor, Swedbank and SEB Bank. Meanwhile, aiming for greater diversification, with the very same banks Group companies have overviewed the loan portfolio, agreed on prolongations and new financings
- July-October, 2021 – KGG and LNA integration kick-off (strategies, fiscal year, teams, risk policies, etc)
- August 2021 – Dotnuva Baltic UAB new seed warehouse construction was completed, allowing to increase annual seed production quantities >30%.
- 12th of October 2021 - Competition Council of the Republic of Lithuania cleared the AB Linas Agro Group acquisition of 100% shares of the UAB Agro logistic service, strategic partner of KG Group companies in the feedstuff trading business

4. Approval of Company's Remuneration Report

Remuneration of the **members of the Board** of the Company, FY 2020-2021

Member of the Board	Dependent/ Independent	Remuneration for Carrying Out Duties of a Member of the Board (EUR)	Bonuses	Granting Company shares or Share Options	Notes
Members 1-6	Employees of the Group	Not Allocated	Not Allocated	Not Allocated	Remuneration is Paid on the Basis of the Employment Contracts with the Respective Companies of the Group

Remuneration of the **CEO** of the Company, FY 2020-2021

Manager	Remuneration Assigned to the Position of CEO, EUR	Other Benefits, EUR	Granting Company Shares or Share Options	Incentive Payments
Managing Director (percentage)	Fixed part: 140,454 100%	Variable part: 0 0%	7,501	Not allocated

Correlation between **Changes in Annual Salary** and **Performance of the Company and Enterprises Controlled** by the Company

Financial Year	Average Monthly Salary*, 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	2,529,980	742,541	5,578	(4,830)
2019/2020 (change,%)	5,087 (+55%)	2,200 (+70%)	1,166 (-1%)	2,233,808	657,700	25,923	10,004
2020/2021 (change,%)	5,211 (+24%)	2,010 (-9%)	922 (-21%)	3,155,329	942,442	35,099	15,297

* Average monthly salary before taxes

5-6. Approval of the consolidated and the Company's set of financial statements for the FY 2020/21, Distribution of the Company's Profit (Loss)

Approve the Distribution of the Company's Profit (Loss):

1. Retained earnings – profit (loss) of the previous financial year at the end of the accounting financial year	EUR 40,377,015	8. The part of the profit allocated to the reserve of the own share acquisition	-
2. Net profit (loss) of the financial year	(EUR 959,652)	9. The part of the profit allocated to the reserve of shares issue	EUR 1,025,070
3. The profit (loss) of the accounting financial year not recognized in the profit (loss) account	(EUR 1,237)	10. The part of the profit allocated to the other reserves	-
4. The transfers from the reserves	EUR 992,179	11. The part of the profit allocated for the payment of dividends	-
5. The shareholder's contributions to cover the losses of the Company (if shareholders decided to cover all or part of losses)	-	12. The part of the profit allocated for payment of annual bonuses to the Board, employees and other purposes	-
6. The total profit (loss) available for appropriation	EUR 40,408,305	13. Retained earnings – profit at the end of the financial year carried forward to the next financial year	EUR 39,383,235
7. The part of the profit allocated to the legal reserve	-		

7. Election of the audit company, establishment of the payment for the services

- Elect **KPMG Baltics, UAB** as the audit company of the Company to audit the consolidated and the Company's financial statements for the **financial years 2021/2022 and 2022/2023**.
- Establish the payment for services **not more than EUR 50,000** (VAT excluded) for the audit of the financial statements for the financial year **2021/2022**.
- Establish the payment for services **not more than EUR 35,000** (VAT excluded) for the audit of the financial statements for the financial year **2022/2023**.
- Entrust the Head of the Company to conclude and sign the agreement with elected audit company in behalf of the Company.

8-11. Increase of the Company's share capital, revoke the **pre-emption right** of all shareholders to acquire the newly issued shares, approve a **new wording of the Articles of Association** as well as **terms and conditions regarding the payment of the subscribed shares**

- To increase the share capital of the Company from EUR 46,092,715.42 up to EUR 46,514,375.42, by **issuing 1,454,000 ordinary registered book-entry shares** with the par value of EUR 0.29 (**EUR 421,660 the nominal value**) and issue price of each share equal to EUR 0.705 (**total issue price - EUR 1,025,070, of which - EUR 603,410 - the share premium**);
- Establish that the New Shares are issued for the purpose of granting shares **free of charge to the employees and/or members of the Company's corporate bodies** and they are **paid by the Company** from the reserve set up by the Company for shares issue;
- **Right to subscribe and acquire the New Shares shall be granted to** the employees and/or members of the corporate bodies of the Company who have concluded the Share Option Agreement of the Company in 2018 and accordingly in 2021 have submitted notice to the Company regarding the use of the option (the **Option Holders**);
- Authorize (including the power to delegate) **the Managing Director of the Company to perform actions provided in the Law related with the clauses 8-11** (announce the decision, to sign the new wording of the Articles of Association, register them, sign share subscription agreements with the Option Holders, etc).
- Each Option Holder shall be informed about the New Shares related rights by the Head of the Company upon signing and within the prescribed time limits (**if during the period for the subscription not all the New Shares are subscribed, the share capital of the Company may be increased by the amount of the nominal values of the New Shares that have been subscribed**).

12. Change of the registered office of the Company

- Change the registered office of the Company and **to register the new registered office of the Company at Subačiaus St. 5, Vilnius, the Republic of Lithuania**
- Entrust the Head of the Company (with the right to authorize other persons to perform these actions) to perform all necessary actions.

Thank you