

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, Managing Director of AB Linas Agro Group and Mažvydas Šileika, Finance Director of AB Linas Agro Group, hereby confirm that, to the best of our knowledge, the unaudited Interim Consolidated Financial Statements of AB Linas Agro Group for the twelve months of the financial year 2019/20, 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 Interim Consolidated Report for the twelve months of the financial year 2019/20 includes fair review of the business development and activities, together with the description of the major risks and indeterminations incurred.

Managing Director of AB Linas Agro Group



Darius Zubas

31 August 2020

Finance Director of AB Linas Agro Group

Mažvydas Šileika



31 August 2020



Consolidated Interim Report of AB Linas Agro Group for the Financial Year 2019/20

*for the Twelve-month Period,
Ended 30 June, 2020*



Information about the Company and the Group

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 register	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania
Phone	+370 45 50 73 03
E-mail	group@linasagro.lt
Website	www.linasagroup.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and operates in four countries – Lithuania, Latvia, Estonia and the Ukraine. The financial year of the Group begins on 1 July. The Group had 61 companies and 2,103 employees at the end of the reporting period. The Company does not have any branches and representative offices.

Contact Person

Finance Director

Mažvydas Šileika

Ph. + 370 619 19 403

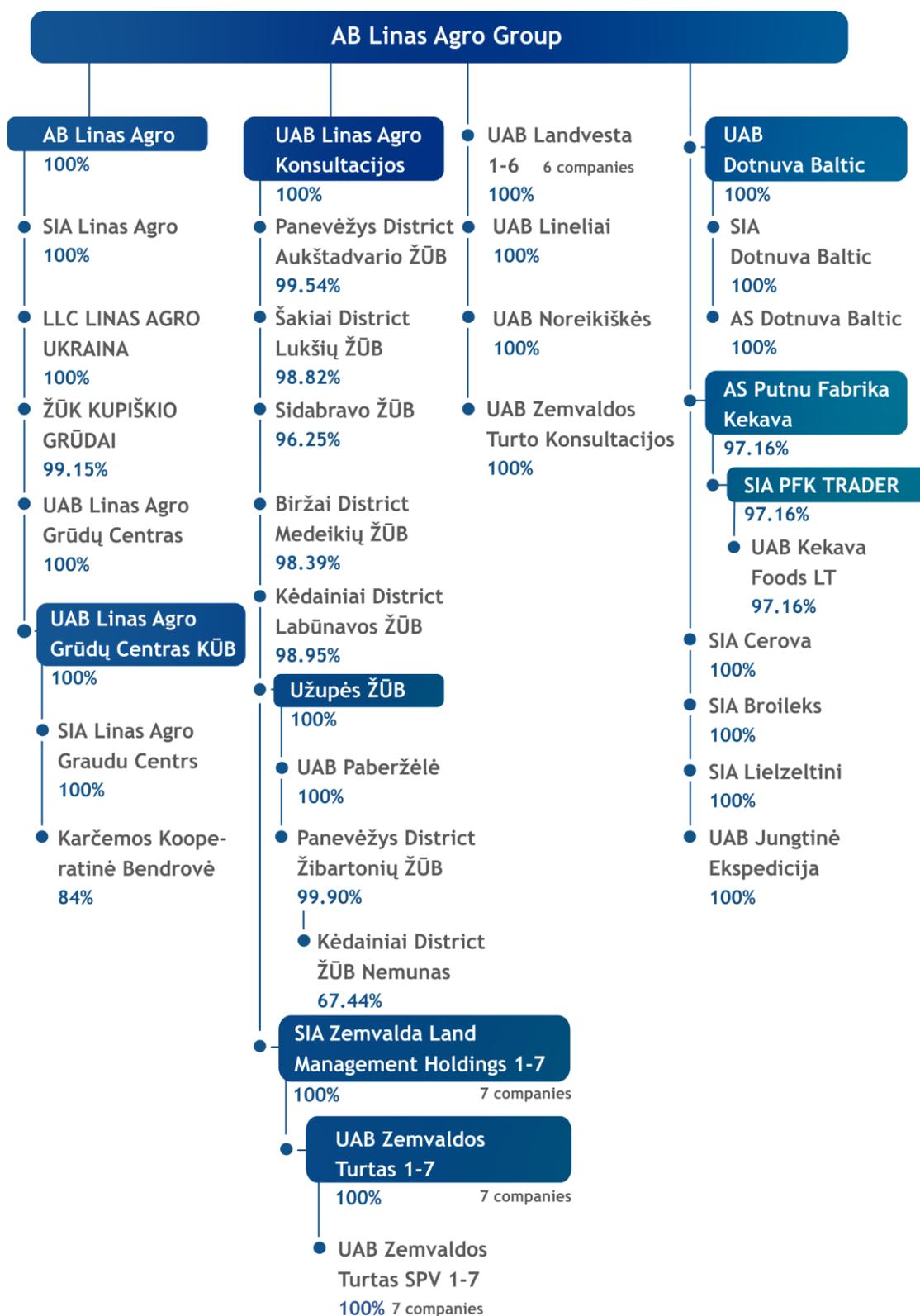
Email m.sileika@linasagro.lt



Information about subsidiaries of the Company

The Company controlled 61 companies* in Lithuania, Latvia, Estonia and Ukraine as at 30 June 2020.

*Dormant companies and the companies undergoing liquidation are not included in the structural chart: UAB Gerera (dormant, 100% shares), UAB Dotnuvos Technika (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares).



The Main Activity

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 Group's activities are subdivided into main four operating Segments: 'Grain and Feedstuff Handling and Merchandising', 'Products and Services for Farming', 'Agricultural Production', 'Food products'. Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.

The Group is the leading exporter of grains and has own network of grain storage facilities. Also is one of the leaders in supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania, has seed processing plant. The Group is a major milk producer in Lithuania and poultry producer in Latvia as well.

Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in twelve months of 2019/20 financial year totaled EUR 658 million and was 11% less as compared to previous year (EUR 743 million).
- The Group's sales volume in tons reached 2.23 million of various grains and agricultural inputs and was 12% less as compared to previous year (2.53 million tons).
- The gross profit reached EUR 45 million and was 56% higher than a year before (EUR 28.9 million).
- Consolidated EBITDA was EUR 25.9 million or almost four times higher as compared to the previous year (EUR 5.6 million).
- The Group's operating profit was EUR 13.9 million as compared to EUR 3.3 million loss gained in the respective period of the previous year.
- Profit before taxes amounted to EUR 10.9 million (compared to EUR 6.4 million loss in previous year). The net profit attributable to the Group stood at EUR 8.7 million (EUR 4.9 million loss in previous year).
- Fourth Quarter gross profit was almost twice higher as compared to EUR 6.6 million in previous year and totaled EUR 17.8 million, while operating loss of EUR 3.9 million reported last year turned to EUR 10.9 million profit this year. Net profit for the Q4 amounted to EUR 8.3 million, as compared to EUR 3.3 million loss incurred during the corresponding period of the previous year.



Financial ratios

	2016/17 12 mo	2017/18 12 mo	2018/19 12 mo	2019/20 12 mo	Change 2019/20 compared to 2018/19 (thousand EUR)	Change 2019/20 compared to 2018/19 (%)
Sales revenue (thousand EUR)	644,952	634,243	742,542	657,744	-84,797	-11.4
Sales in tons	2,364,713	2,206,745	2,529,711	2,233,63	-296,217	-11.7
Gross profit (thousand EUR)	46,276	45,848	28,871	45,018	16,148	55.9
EBITDA (thousand EUR)	22,716	20,300	5,578	25,857	20,279	364
Operating profit (thousand EUR)	12,054	9,597	(3,336)	13,862	17,198	-
Earnings before taxes EBT (thousand EUR)	10,045	7,523	(6,430)	10,965	17,395	-
Net profit (thousand EUR)	8,408	9,463	(4,830)	8,967	13,797	-
Margins, %						
Gross profit margin	7.18	7.23	3.89	6.84	3.01	129
EBITDA margin	3.52	3.02	0.75	3.93	3.15	424
Operating profit margin	1.87	1.51	(0.45)	2.11	2.56	-
Earnings before taxes margin	1.56	1.19	(0.86)	1.67	2.56	-
Net profit margin	1.30	1.49	(0.65)	1.36	2.05	-
Solvency ratios						
Current ratio	1.43	1.38	1.26	1.31	0.05	4.1
Debt / Equity ratio	1.09	1.26	1.30	1.25	-0.05	-4
Net financial debt / EBITDA	4.40	7.02	25.54	5.40	-20.14	-79
Return on equity (ROE), %	4.98	5.34	(2.84)	5.0	7.84	-
Return on capital employed (ROCE), %	4.33	2.90	(1.04)	4.21	5.25	-
Return on assets (ROA), %	2.38	2.36	(1.23)	2.21	3.44	-
Basic and diluted earnings per share (EPS)	0.05	0.06	(0.03)	0.055	0.085	-
Price earnings ratio (P/E)*	12.88	12.34	(20.83)	10.73	31.56	-

* The closing price of the last day of AB Linas Agro Group accounting period



Overview

Due to COVID-19 and the lockdown in many countries, Group companies faced various operational obstacles, but the results of the second half of the financial year were not significantly affected by the pandemic. None of the companies had to be closed, every company operated with individual employee protection measures and in compliance with new work safety procedures and customer service regulations. Large proportion of office workers and salespersons worked remotely, while agricultural machinery servicemen worked avoiding contact with customers. The introduction of new procedures and acquisition of protective measures required additional material resources.

Sales volume of AB Linas Agro Group went down by 12% to 2.23 million tons during the reporting period. The Group's consolidated revenue decreased by 11% to EUR 658 million. Revenue of the Group's business Segment 'Grain and Feedstuff Handling and Merchandising' decreased by 18% to EUR 419 million. Sales in business Segment 'Products and Services for Farming' went up by 5% to EUR 156 million. Revenue from business Segment 'Food products' contracted by 4% to EUR 74 million. The revenue of Group owned farms was 8% higher and amounted to EUR 28 million.

Group profitability rebounded compared to last year. Operating profit amounted to EUR 13.9 million as compared to the corresponding loss of EUR 3.3 million. EBITDA was EUR 25.9 million as compared to EUR 5.6 million in previous year. Net profit amounted to EUR 8.9 million as compared to EUR 4.8 million loss in 2019/20 financial year.

During the reporting period, subsidiary of AB Linas Agro Group agricultural company Panevėžys District Žibartonių ŽŪB acquired 67.51% stock of agricultural company Kėdainiai District ŽŪB Nemunas. The company cultivates land area of 1,051 ha, and is a milk and crop producer. In 2019, the company's revenue exceeded 1 million euros, the assets were valued at EUR 1.89 million. The current objectives of the Group are to increase the efficiency of the acquired company.

At the end of the financial year, Group made some changes in the organizational structure and formed a sub-group of companies from newly established and acquired land management companies. The sub-group consists of 21 companies. The goal of the sub-group is to consolidate a part of various arable land plots owned by the subsidiaries of AB Linas Agro Group, thus increasing flexibility of its landholdings. Newly established Latvian companies acquired land plots that have been managed by the other companies of the Group.

Financial Costs

Financial expenses stayed flat and amounted to EUR 3.7 million. The total amount of financial loans portfolio (including leasing) decreased from EUR 188 million to EUR 149 million. The amount of financial loans decreased by EUR 1 million over the reporting period.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital was positive and amounted to EUR 19.7 million as compared to EUR 5 million of the respective period a year before. Cash flow from operating activities after changes in working capital was positive and amounted to EUR 42.2 million (EUR 20.3 million over the respective period of 2018/19 financial year), the reason was decrease of stocks by EUR 10.2 million. Group's cash and cash equivalents amounted to EUR 9.5 million at the end of the reporting period (EUR 7.6 million in 2018/19 financial year).



Performance Results of the Segments

Activities of the Group are divided into four main business Segments and 'Other' activities.

Operating Profit (loss) by Segments, thousand euro

	2019/20 12 mo	2018/19 12 mo	2017/18 12 mo	2016/17 12 mo	2015/16 12 mo
Grain and Feedstuff Handling and Merchandising	6,232	(8,640)	3,984	7,989	9,583
Products and Services for Farming	3,548	2,950	5,657	3,806	2,816
Agricultural Production	5,874	3,230	3,146	3,329	758
Food products	2,914	2,431	3,904	1,545	(1,246)
Other	88	471	(92)	(196)	(176)

Grain and Feedstuff Handling and Merchandising

This business Segment includes the sale of grain, oilseeds and feedstuffs, as well as grain storage and logistic services.

The Group has been operating in this field since 1991; this activity generates the major part of the Group's revenue. The company AB Linas Agro is the holder of the certificates of GTP (European Good Trading Practice) and GMP+ (European Good Manufacturing Practice), also holds the certificates in trade of organic plant production issued by the PE Ekoagros and ISCC (International Sustainability and Carbon certification). SIA Linas is also ISCC certified. The Group's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia exceeded 332 thousand tons, while the storage capacity at ports was 245 thousand tons at the end of the reporting period.

The main export commodity of the Group is Lithuanian and Latvian wheat. Due to the drought in Lithuania and Latvia the quality of wheat was very good this season, but the yield was lower than average. Until the beginning of 2020, demand for high-quality wheat was particularly low. Dry summer of 2019 reduced the yield of other crops in Lithuania as well, part of it was completely destroyed. Yields of beans, peas, barley were significantly reduced.

Group's own grain elevators have handled 18% more grain for export than last year or 419 thousand tons, the increase in Lithuania was 13% and in Latvia - even 35%, and this increase was mostly achieved by two recently opened Group's grain elevators in Latvia.

Trade in grains, oilseeds and feedstuff has been affected by the pandemic as the countries closed their borders and value of some unsold stock has declined during the lockdown period. Strict quarantine in Uzbekistan and Azerbaijan at the end of the season has temporarily slowed down the production of poultry in these countries and, simultaneously, soybean meal imports to these countries. As the global economy stopped due to the coronavirus and bioethanol consumption declined, a surplus of maize has formed in the global market. As a consequence, the EU introduced a customs duty on maize imports for a period of three months, therefore, Group suffered a small loss due to this decision.



The sales of traditional products - wheat, barley and rapeseed – decreased as their trade volume in tons went down by 15% to 1.45 million tons. Feedstuff trade volume was 0.39 million tons or 13% less than a year before.

The revenue of this business Segment went 18% down year-on-year to EUR 419 million and operating profit amounted to EUR 6.2 million as compared to EUR 8.6 million loss in FY 2018/19.

Products and Services for Farming

This business Segment includes trade in seeds, plant protection products, fertilizers, agricultural and machinery, installation of grain cleaning, drying and storage facilities as well as livestock farms.

Supply of agricultural inputs to the farmers is a long-term activity of the Group that trace back to 1993 and is currently run in Lithuania, Latvia and Estonia. The Group represents worldwide known brands. The total Group's storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia was 102 thousand tons at the end of the reporting period.

The subsidiary AB Linas Agro is one of the largest suppliers of fertilizers, plant protection products, certified seed to Lithuanian farmers, and SIA Linas Agro supplies agricultural inputs to Latvian farmers. A new agricultural service and trade center was opened in Ozolnieki, Latvia during the reporting period to lodge backoffices and trading offices of Linas Agro and Dotnuva Baltic, machinery department with machinery exposition, service workshop, warehouses of spare parts.

The subsidiary UAB Dotnuva Baltic is a wholesaler and retailer of agricultural machinery and grain storage facilities, has an agricultural machinery service network in the Baltic States and a seed processing factory that prepared 22 thousand tons of seedlings material during the financial year, a little more than last year. The company has a certificate in packing and wholesale of organic seeds issued by the PE Ekoagros. Dotnuva Baltic is the only representative of the *Case IH*, *Kverneland*, *Agrifac*, and *Jeantil* brands in the Baltic States. Dotnuva Baltic is the leading distributor of plows and self-propelled sprayers in Lithuania and one of the largest sellers of the new western tractors in Lithuania. During the reporting period, the range of machinery sold by the Group has been complemented by soil cultivation and grassland maintenance machinery from the Polish manufacturer *Mandam*, large working width tillage implements, direct seeding machinery and straw harrows of the French manufacturer *Agrisem*. Dotnuva Baltic will represent the machinery of these manufacturers in all three Baltic countries. What is more, Dotnuva Baltic has become the representative in Lithuania and Latvia of the Canadian company *MacDon* which provides flexible draper headers for the majority of combine harvester producers.

Favorable climatic conditions and expectations of a good harvest promoted trade in fertilizers. Sales volume of fertilizers increased by 2% as compared to previous year, but sales revenue was 3% lower due to lower market prices than last year and equal to EUR 52.4 million.

The use of and demand for fungicides and insecticides in cereals and oilseed rape have declined, as the cool and dry spring has been detrimental to the spread of diseases and pests. Sales of micronutrients increased due to increased winter crop areas and farmers' expectations: as winter crop good condition was evident, farmers used more inputs to achieve higher yields. Total sales of crop care products and micronutrients increased by 20% to EUR 22.9 million.

The peak of the seed trade coincided with the lockdown related to the COVID-19 pandemic in the spring, but the trade did not disrupt: although the retail shops did not operate, the Group shifted to online trade. Lockdown has even increased the demand for lawn seeds, as people have spent more time to maintain their gardens. Demand for sidereal mixtures for soil greening has also increased. The Group sold 22.4 thousand tons of seeds or slightly more (0.4%) than a year before. However, 6% lower grain prices than last year reduced the price of seeds and potential income from the seed trade. Revenue from seed trade increased by 1.7% and amounted to EUR 19 million.



In Lithuania, the EU support for the renewal of agricultural machinery remained at the same level as last year. However, after two poor years, the harvest forecasts for this year were more optimistic and clients were determined to invest in new machinery rather than repair the old one. The Lithuanian tractor market grew by 43% during the reporting period, while the Group's sales grew faster than the market and the Group's share of the tractor market increased from 11% to 20%. The sales of new and used agricultural machinery in Lithuania increased by 49%.

During the second half of the financial year, seeing well-overwintered crops and hoping for a good harvest, the farmers of the Baltic States boldly invested in a very powerful machinery: Group sold 6 exceptionally powerful tractors *Case IH Quadtrac*. In Lithuania, the sales of used combine harvesters grew as well: 19 units were sold during the reporting period. Overall, the sales of used machinery in Lithuania increased 2.6 times.

In Latvia, the support to farmers for the purchase of machinery provided by the EU funds was insufficient, many applications remained unsatisfied and the support itself was only approved in March-April. Milk purchase prices also marked a rapid decline. Therefore, farmers refrained from investing into new machinery, but were interested in used machinery and bought only what was essential. The Group's sales of new and used machinery shrank by 19% in Latvia. However, combine harvester sales grew even as the combine harvester market contracted and the share of this market reached 10%.

In Estonia, no support from the EU funds was provided, so only financially strong farms that could obtain bank loans were able to make investments. Although the harvest of 2019 was satisfactory, it could not cover prior obligations, therefore, the expected recovery of the market did not happen and the market remained at the same level. Dairy and mixed farms were experiencing difficulties due to the fall in milk purchase prices. However, even with the stagnation in the market, the Group's sales of new machinery grew by 6% in Estonia and sales of used machinery successfully increased by 73% up to EUR 1.33 million.

The Group's total sales of new and used machinery increased by 18% up to EUR 40.4 million. COVID-19 and lockdown resulted in a loss of transaction for the amount of EUR 0.75 million, however, these transactions are expected to take place in the coming financial year. Feeling the interest of its clients, the Group became more active in providing the service of new equipment rent. 19 rent agreements have been signed for a period of 1-5 years. More intensive development of this line is planned for the next financial year.

Although there was no work shortage for the agricultural machinery service units, the competition in the spare parts and service market increased during the first half of the financial year, which forced the Group to reconsider the activities of its agricultural machinery service. The Group renewed and provided additional training to its service teams, increased the speed of service provision, enhanced relationships with the clients. Interseasonal equipment inspections and special off-season repair fees were offered to the clients of the Group. All of the above mentioned and some other measures attracted clients from the competitors and increased the revenue from the service and spare parts supply activities by 25% up to EUR 11.3 million.

Investments into grain processing equipment were minimal as low grain harvest in 2019 made it impossible for farmers to earn higher revenues. The most frequently ordered equipment was the one needed for the extension or reconstruction of existing facilities. In Estonia, the EU support for farmer investments has been postponed from the end of 2019 to the end of 2020. Dairy farms are generally modernized only with the help of EU support, however, farmers have been relatively slow to use that support as milk purchase prices have been low and, in the spring, at the start of the lockdown, dairy companies have reduced their milk purchase prices even more. As a result, dairy farms are requesting longer than usual deferrals for the farm equipment they purchased. Nevertheless, the first 3 milking robots launched in Lithuania and installed automatic feeding system proved to be successful and attracted other potential customers. During the reporting period, the Group installed and started the operation of 2 milking parlours, fully set up 1 cattle-shed. Trade in grain preparation and farm equipment generated revenue of EUR 7.8 million or 34% less than during the previous year.



The revenue of this business Segment went up 5% to EUR 156.2 million and operating profit amounted to EUR 3.5 million being 20% higher as compared to previous year.

Agricultural Production

This business Segment covers cultivation of cereals, oilseed rape, sugar beet and other crops, production of milk and beef cattle farming. The Group owns seven agricultural companies – Panevėžys District Aukštadvario ŽŪB, Panevėžys District Žibartonių ŽŪB, Kėdainiai District Labūnavos ŽŪB, Šakiai District Lukšių ŽŪB, Biržai District Medeikių ŽŪB, Sidabravo ŽŪB and Kėdainiai District ŽŪB Nemunas. The latter was acquired by the Group during the reporting period.

At the end of the reporting period, the companies cultivated 18,370 hectares of land. The Group owned 8,007 ha of arable land at the end of the reporting period. During the reporting period, 14,076 hectares were harvested. Crop production increased by 7.5 percent in 12 months as compared to previous year.

As much as 15,066 hectares of crops have been sown for the harvest of 2020 year. Sowing work on agricultural companies was non-stop and was not affected by pandemic or lockdown. At the end of the reporting period, the crops were in very good condition. A record harvest is expected, as winter wheat yields are forecasted to be 30% higher than last year.

The Group's agricultural companies had 3,403 dairy cows at the end of the reporting period, or 6% more due to the acquisition of the agricultural company Kėdainiai District ŽŪB Nemunas.

The activities of agricultural companies have been affected by the fall in milk purchase prices that fell due to the pandemic and quarantine and, not least, the quarantine coincided with the seasonal fall in milk purchase prices, which happens every spring due to the increase in supply. Milk purchase prices in Lithuania have been growing since October 2019 until the announcement of the quarantine for COVID-19. After that, they have been declining for four months in a row: in April the prices have fallen by 15% (compared to the prices in March), and in May and June they continued to decline further. For example, the average purchase price of natural milk in June was EUR 247.3 per ton: lower by 2.6 percent than in May and lower by 6.3 percent than in June of the previous year. During the year, the price of milk sold by the Group decreased, on average, by 2.8%.

Over 80 thousand tons of crop production have been sold over the reporting period or 16% more than a year before, raw milk sales exceeded 34 thousand tons and were 7% more than a year before, live bovine animal sales volume was 1,436 tons (1,489 tons a year before).

Though milk sales volume in tons was 7% higher, milk income fell by 1.2% due to falling prices.

The revenue of this business Segment increased by 8% to EUR 28.3 million and operating profit went up 82% to EUR 5.9 million. The increase was conditioned by successful future sales of grain.

Food Products

This business Segment includes a whole cycle poultry business, including incubation of hatching eggs, broiler breeding, production of poultry and its products, feed manufacturing for self-supply and retail sale of chicken meat and its products. Business is conducted by Latvian poultry companies AS Putnu Fabrika Kekava (incl. subsidiary SIA PFK Trader), SIA Lielzeltini, SIA Broileks, and SIA Cerova.

AS Putnu Fabrika Kekava – No1 poultry producer in Latvia with full poultry manufacturing cycle, including egg incubation, chicken hatching, broiler breeding, production of fresh poultry and processed products under brand name 'Kekava'. The company's products are marketed under the trademark 'Top choice poultry' in the export markets. The subsidiary of the company, SIA PFK Trader operates 22 retail shops all over Latvia. AS Putnu Fabrika Kekava have the right to mark their poultry meat as 'Raised without Antibiotics'. This financial year, all broilers were raised without the use of antibiotics. AS Putnu Fabrika Kekava has A grade BRC (British



Retail Consortium) accreditation, is Halal certified, also has ISO 50001:2012 certification. During the reporting period, the Company's bacteriological and virological testing laboratory has been accredited in accordance with the requirements of the Standard ISO / IEC 17025: 2017.

SIA Lielzeltini – No2 poultry producer in Latvia: has an incomplete production cycle consisting of broiler breeding, production of fresh poultry and processed products sold under the brand name “Bauska”, as well as production of compound feed. The company has ISO 22000:2006 and ISO 50001:2012 certifications, also is Halal certified.

SIA Broileks grows and sells live chicken. SIA Cerova incubate eggs and sells day-old chicks.

During the reporting period, the average price of poultry meat in the EU decreased by 1% (compared to the same period of the previous year) and amounted to EUR 186.68 / 100 kg. However, due to the COVID-19 and the quarantine introduced in various countries, the demand in the HORECA sector has shrunk leading to a sharp fall in the price of individual poultry parts, for example, the price of chicken breast in the EU has fallen by 31% to the historical lows: from Eur 3.5 / kg in June 2019 to Eur 2.4 / kg in in June 2020. During the first wave of the pandemic, the closure of the HORECA sector in the European Union has led to the accumulation of large stocks of chicken breast, therefore, the prices will remain low in the second half of 2020 especially as a second wave of the pandemic is expected and this could stop all the activities in the HORECA sector again.

Due to the stopped activities in the HORECA sector and closed borders of the countries, poultry industry faced a production surplus. Therefore, the Group had to stop production of salted and roasted products for three weeks and rethink business strategy, search for ways to reduce costs and change the assortment. The Group reduced its trade in fresh poultry meat and began producing more products of higher added value. However, the sales prices were still lower by 3% in the second half of the financial year if compared to the first.

The poultry companies produced almost 46 thousand tons of live weight poultry during the reporting period or 4% more than last year. They sold over 32 thousand tons of poultry and poultry products during the reporting period or almost the same as year before.

Revenue from this business Segment went down 4% to EUR 74.2 million. The operating profit went up 20% to EUR 2.9 million.

Other

This business Segment includes small activities, not attributable to other Segments, f. i., grain elevators' services to the third parties, sale of minor assets, etc.

The operating profit of this business Segment amounted to EUR 88 thousand as compared to EUR 471 thousand profit in previous year.

The Publicly Disclosed Information and Other Events of the Reporting Period

The Publicly Disclosed Information

During the reporting period ended 30 June 2020, the Company publicly disclosed and distributed via Nasdaq Vilnius Exchange Globenewswire system and in Company's website www.linasagrogroup.lt the following information:



29/5/2020 17:30 EEST	AB Linas Agro Group performance and financial results for 9-month period of FY 2019/20	Interim information	EN, LT
19/3/2020 9:39 EET	On the impact of coronavirus on performance of AB Linas Agro Group	Notification on material event	EN, LT
28/2/2020 17:27 EET	AB Linas Agro Group performance and financial results for H1 of FY 2019/20	Half-Yearly information	EN, LT
27/2/2020 16:47 EET	Decisions of the Extraordinary General Meeting of Shareholders	General meeting of shareholders	EN, LT
17/2/2020 16:01 EET	AB Linas Agro Group increases investment into agricultural production	Notification on material event	EN, LT
6/2/2020 16:02 EET	Extraordinary General Meeting of Shareholders is convened Feb 27, 2020	General meeting of shareholders	EN, LT
12/12/2019 8:47 EET	AB Linas Agro Group investors calendar for the 2020	Other information	EN, LT
29/11/2019 18:09 EET	AB Linas Agro Group performance and financial results for the three months of 2019/20	Interim information	EN, LT
25/10/2019 15:55 EEST	AB Linas Agro Group notification about the Annual information of the financial year 2018/2019	Annual information	EN, LT
25/10/2019 15:45 EEST	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 25 October 2019	General meeting of shareholders	EN, LT
7/10/2019 17:02 EEST	Additional information to the General Meeting of Shareholders of AB Linas Agro Group	General meeting of shareholders	EN, LT
4/10/2019 16:01 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	General meeting of shareholders	EN, LT
2/10/2019 16:37 EEST	Final update: AB Linas Agro Group investor's calendar for the 2019	Other information	EN, LT
30/9/2019 10:03 EEST	Correction: AB Linas Agro Group investor's calendar for the 2019	Other information	EN, LT
12/9/2019 16:30 EEST	AB Linas Agro Group Notification about acquisition of voting rights	Acquisition or disposal of a block of shares	EN, LT
3/9/2019 16:30 EEST	Regarding resignation from the Board of "Linas Agro Group", AB	Notification on material event	EN, LT



2/9/2019 16:00 EEST	Correction: AB Linas Agro Group results for the twelve months of 2018/19	Interim information	EN, LT
30/8/2019 10:03 EEST	AB Linas Agro Group results for the twelve months of 2018/19	Interim information	EN, LT

Other Events of the Reporting Period

June 2020	UAB Linas Agro Grūdų Centras KŪB has additionally acquired stock of Karčemos Kooperatinė Bendrovė.		
25/6/2020	The authorized capital of UAB Linas Agro Konsultacijos was increased by 4,344,852 euros by contribution of new shareholder UAB Zemvaldos Turto Konsultacijos.		
9/6/2020	The authorized capital of SIA Dotnuva Baltic was increased 3,000,000 euros.		
May-June, 2020	The Group formed sub-group companies from newly founded and acquired companies: UAB Zemvaldos Turtas 1, UAB Zemvaldos Turtas 2, UAB Zemvaldos Turtas 3, UAB Zemvaldos Turtas 4, UAB Zemvaldos Turtas 5, UAB Zemvaldos Turtas 6, UAB Zemvaldos Turtas 7, UAB Zemvaldos Turtas SPV 1, UAB Zemvaldos Turtas SPV 2, UAB Zemvaldos Turtas SPV 3, UAB Zemvaldos Turtas SPV 4, UAB Zemvaldos Turtas SPV 5, UAB Zemvaldos Turtas SPV 6, UAB Zemvaldos Turtas SPV 7, SIA Zemvalda Land Management Holdings 1, SIA Zemvalda Land Management Holdings 2, SIA Zemvalda Land Management Holdings 3, SIA Zemvalda Land Management Holdings 4, SIA Zemvalda Land Management Holdings 5, SIA Zemvalda Land Management Holdings 6, SIA Zemvalda Land Management Holdings 7.		
27/4/2020	The authorized capital of LLC LINAS AGRO UKRAINE was increased by 2,699,999.93 hryvnas (87,000 euros).		
January-March, 2020	UAB Linas Agro Konsultacijos and Panevėžys District Žibartonių ŽŪB have acquired 67.51% stock of Kėdainiai District ŽŪB Nemunas.		
28/2/2020	Implementing the Rules for Shares Issue, that were updated at the Extraordinary General Meeting of Shareholders on February 27, 2020, the Company concluded stock option agreements with the employees of the Company and its subsidiaries, in which more than 50% stock is owned by the Company.		
30/12/2019	The farming companies Landvesta 2, Landvesta 3 and Noreikiškių ŽŪB reorganized to private limited liability companies.		
27/12/2019	The farming companies Landvesta 1, Landvesta 4, Landvesta 5 ir Landvesta 6 reorganized to private limited liability companies.		
November 2019	The Company transferred 2,000 own shares to the employees of the Group under AB Linas Agro Group Rules for Shares Issues.		
9/26/2019	The capital of Noreikiškių ŽŪB was increased by 35,000 euros.		
31/5/2019	The capital of UAB Lineliai was increased by 30,000 euros.		



8/6/2019

The authorized capital of LLC LINAS AGRO UKRAINE was increased by 2,600,000 hryvnas (around 102,970 euros).

Subsequent Events

July-August,
2020

UAB Dotnuva Baltic acquired 100 percent shares of UAB GeoFace.

21/7/2020

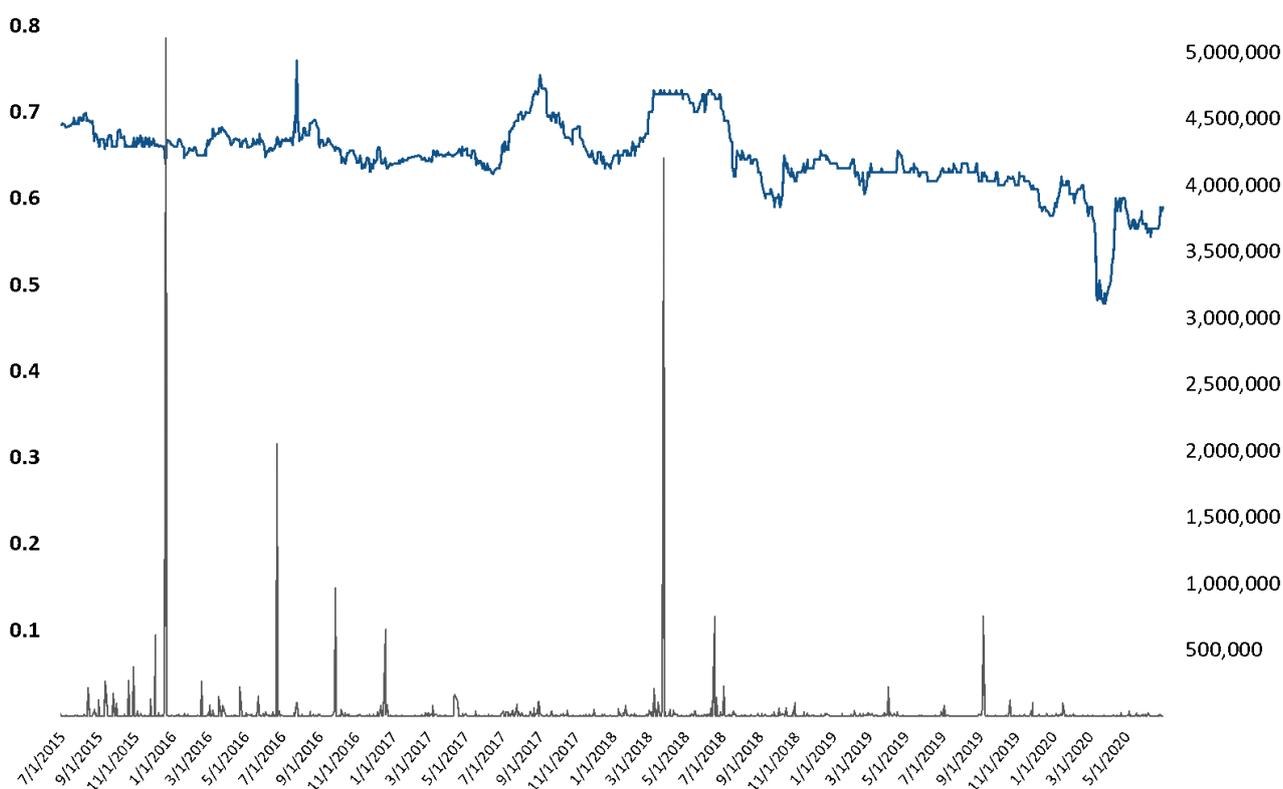
The authorized capital of AS Dotnuva Baltic was increased by 2,300,000 euros.

9/7/2020

The Company transferred 1,000 of its own shares to Andrius Pranckevičius, the Member of the Board of the Company and the employee of the Group under AB Linas Agro Group Rules for Shares Issues.

Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 1/7/2015 until the end of the reporting period, i. e. 30 June 2020, is presented in the following diagram:



AB Linas Agro Group Consolidated unaudited Financial Statements

*for the 12 month Period
Of The Financial Year 2019/20*

*Prepared according to
Additional Information Preparing and
Presentation Instructions
issued by the Bank of Lithuania*



Consolidated Statement of Financial Position

	Notes	As at 30 June 2020	As at 30 June 2019
ASSETS			
Non-current assets			
Intangible assets	5	1,905	1,891
Property, plant and equipment	6	152,389	128,078
Investment property	7	1,931	1,058
Animals and livestock		9,430	9,425
Non-current financial assets			
Other investments and prepayments for financial assets		16	16
Non-current receivables		1,260	2,435
Total non-current financial assets		1,276	2,451
Non-current prepayments		1,596	1,649
Deferred income tax asset		3,582	4,476
Total non-current assets		172,109	149,028
Current assets			
Crops		18,978	14,222
Livestock		2,579	2,548
Inventories		79,155	89,817
Current prepayments		5,427	6,984
Accounts receivable			
Trade receivables		110,511	111,960
Receivables from related parties	13	254	2
Income tax receivable		69	547
Other accounts receivable and contract assets		4,898	7,476
Total accounts receivable		115,732	119,985
Derivative financial instruments		588	37
Other current financial assets		904	1,140
Cash and cash equivalents		9,539	7,637
Total current assets		232,902	242,370
Total assets		405,011	391,398

(cont'd on the next page)

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

Consolidated Statement of Financial Position (cont'd)

	Notes	As at 30 June 2020	As at 30 June 2019
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal and other reserves		5,153	4,389
Reserve for own shares		5,000	5,000
Own shares		(446)	(448)
Foreign currency translation reserve		(10)	(17)
Retained earnings		99,080	89,955
Total equity attributable to equity holders of the parent		177,908	168,010
Non-controlling interest		2,246	2,060
Total equity		180,154	170,070
Liabilities			
Non-current liabilities			
Grants and subsidies		5,743	6,121
Non-current borrowings	8	18,942	19,793
Finance lease obligations		19,495	2,455
Deferred income tax liability		831	92
Non-current employee benefits		1,200	624
Other non-current liabilities		1,003	378
Total non-current liabilities		47,214	29,463
Current liabilities			
Current portion of non-current borrowings	8	13,130	13,411
Current portion of finance lease obligations		5,018	875
Current borrowings	8, 13	92,479	113,539
Trade payables		43,329	42,257
Payables to related parties		338	242
Income tax payable		275	14
Derivative financial instruments		128	632
Contract liability		1,528	2,322
Other current liabilities		21,418	18,573
Total current liabilities		177,643	191,865
Total equity and liabilities		405,011	391,398

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

Consolidated Statement of Comprehensive Income

(for the period 1 July to 30 June)

	Notes	2019/2020 12 month	2018/2019 12 month
Revenue from contracts with customers	4	657,744	742,542
Cost of sales		(612,726)	(713,671)
Gross profit		45,018	28,871
Operating (expenses)	9	(35,098)	(35,182)
Other income	10	5,662	4,912
Other (expenses)		(1,720)	(1,937)
Operating profit		13,862	(3,336)
Income from financing activities		817	635
(Expenses) from financing activities		(3,714)	(3,729)
Profit before tax		10,965	(6,430)
Income tax		(1,998)	1,600
Net profit		8,967	(4,830)
Net profit attributable to:			
Equity holders of the parent		8,704	(4,963)
Non-controlling interest		263	133
		8,967	(4,830)
Basic and diluted earnings per share (EUR)		0.06	(0.03)
Other comprehensive income			
Net (loss)/gain on cash flow hedges		–	40
Exchange differences on translation of foreign operations		1	5
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		1	45
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent period		–	–
Other comprehensive income/ (loss) for the year, net of tax		1	45
Total comprehensive income, after tax		8,968	(4,785)
Total comprehensive income attributable to:		8,968	(4,785)
The shareholders of the Company		8,705	(4,918)
Non-controlling interest		263	133

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

Consolidated Statement of Comprehensive Income (for the period 1 April to 30 June)

	Notes	2019/2020 4 Q	2018/2019 4 Q
Sales	4	181,860	216,193
Cost of sales		(163,979)	(211,605)
Gross profit		17,881	4,588
Operating (expenses)	9	(9,015)	(10,077)
Other income	10	2,763	3,400
Other (expenses)		(651)	(58)
Operating profit		10,978	(2,147)
Income from financing activities		115	129
(Expenses) from financing activities		(796)	(819)
Profit before tax		10,297	(2,837)
Income tax		(2,046)	1,499
Net profit		8,251	(1,338)
Net profit attributable to:		8,251	(1,338)
Equity holders of the parent		8,063	(1,408)
Non-controlling interest		188	70
Basic and diluted earnings per share (EUR)		0.05	(0.01)
Net profit		8,251	(1,338)
Other comprehensive income			
Net (loss)/gain on cash flow hedges		–	40
Exchange differences on translation of foreign operations		–	8
Net other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		–	48
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent period		–	–
Other comprehensive income/ (loss) for the year, net of tax		–	48
Total comprehensive income, after tax		8,251	(1,290)
Total comprehensive income attributable to:		8,251	(1,290)
The shareholders of the Company		8,063	(1,360)
Non-controlling interest		188	70

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

Consolidated Statement of Changes in Equity

	Equity attributable to equity holders of the parent										
	Notes	Share capital	Own shares	Share premium	Legal reserve and other reserve	Reserve for own shares	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2018		46,093	(453)	23,038	3,379	–	(22)	102,903	174,938	2,088	177,026
Net profit for the year		–	–	–	–	–	–	(4,963)	(4,963)	133	(4,830)
Other comprehensive income		–	–	–	40	–	5	–	45	–	45
Total comprehensive income		–	–	–	40	–	5	(4,963)	(4,918)	133	(4,785)
Disposal of own shares		–	5	–	–	–	–	(5)	–	–	–
Dividends declared by the Company		–	–	–	–	–	–	(2,926)	(2,926)	–	(2,926)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(17)	(17)
Reserves made		–	–	–	192	5,000	–	(5,192)	–	–	–
Share-based payments		–	–	–	778	–	–	–	778	–	778
Acquisition of minority interest		–	–	–	–	–	–	138	138	(144)	(6)
Balance as at 30 June 2019		46,093	(448)	23,038	4,389	5,000	(17)	89,955	168,010	2,060	170,070
Balance as at 1 July 2019		46,093	(448)	23,038	4,389	5,000	(17)	89,955	168,010	2,060	170,070
Net profit for the year		–	–	–	–	–	–	8,705	8,705	263	8,968
Exchange differences on translation of foreign operations		–	–	–	–	–	7	–	7	–	7
Total comprehensive income		–	–	–	–	–	7	8,705	8,712	263	8,975
Disposal of own shares		–	2	–	–	–	–	(2)	–	–	–
Minority interest arising on acquisition of subsidiaries		–	–	–	–	–	–	–	–	687	687
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(8)	(8)
Reserves made		–	–	–	239	–	–	(239)	–	–	–
Share-based payments		–	–	–	525	–	–	–	525	–	525
Acquisition of minority interest		–	–	–	–	–	–	661	661	(756)	(95)
Balance as at 30 June 2020		46,093	(446)	23,038	5,153	5,000	(10)	99,080	177,908	2,246	180,154

(cont'd on the next page)

Consolidated Cash Flow Statement

	Notes	2019/2020 12 month	2018/2019 12 month
Cash flows from (to) operating activities			
Net profit		8,968	(4,830)
Adjustments for non-cash items:			
Depreciation and amortisation		12,280	8,945
Subsidies amortisation		(531)	(650)
(Gain) on disposal of property, plant and equipment		(1,001)	(415)
Change in impairment of property, plant and equipment and investment property		3	–
Change in allowance and write-offs for receivables and prepayments		230	79
Inventories write down to net realisable value		75	123
Change of provision for onerous contracts		(1,009)	1,014
Change in contract assets and accrued expenses		696	(2,046)
Change in fair value of biological assets		(5,851)	(1,115)
Change in accrued share-based payment		644	960
Change in deferred income tax		1,645	(1,709)
Current income tax expenses		357	109
Expenses (income) from change in fair value of financial instruments		262	1,432
Dividend (income)		(1)	(4)
Interest (income)		(817)	(635)
Interest expenses		3,713	3,727
		19,663	4,985
Changes in working capital:			
(Increase) decrease in biological assets		3,508	(968)
Decrease (increase) in inventories, incl. right of return asset		10,155	4,180
Decrease (increase) in prepayments		1,557	5,281
Decrease in trade and other accounts receivable		5,682	3,201
(Increase) in restricted cash		211	600
Increase in trade and other accounts payable		1,631	3,500
Income tax (paid)		(162)	(471)
Net cash flows from (to) operating activities		42,245	20,308

(cont'd on the next page)

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

Consolidated Cash Flow Statement (cont'd)

	Notes	2019/2020 12 month	2018/2019 12 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(11,498)	(13,424)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,597	1,984
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods		(964)	–
Loans (granted)		(378)	(84)
Repayment of granted loans		941	98
Interest received		817	635
Dividend received		1	4
Net cash flows from (to) investing activities		(9,484)	(10,787)
Cash flows from (to) financing activities			
Proceeds from loans		69,950	104,995
(Repayment) of loans		(92,962)	(110,331)
Finance lease (payments)		(4,641)	(1,485)
Interest (paid)		(3,148)	(2,944)
Grants received		45	335
Dividend (paid) to non-controlling shareholders		(8)	(17)
Dividend (paid)		–	(2,926)
Acquisition of non-controlling interest		(95)	(6)
Net cash flows from (to) financing activities		(30,859)	(12,379)
Net (decrease) increase in cash and cash equivalents		1,902	(2,858)
Cash and cash equivalents at the beginning of the year		7,637	10,495
Cash and cash equivalents at the end of the year		9,539	7,637
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		3,021	3,258

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

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: Smėlynės Str. 2C, LT-35143 Panevėžys, 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.

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2020 (EUR 0.29 each as at 30 June 2019) and were fully paid as at 30 June 2020 and as at 30 June 2019.

The Company holds 770,972 of its own shares, percentage 0.48%, as at 30 June 2020 (772,972 as at 30 June 2019). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2020 and as at 30 June 2019.

All of the Company's 158,940,398 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 2020 the number of employees of the Group was 2,103 (2,113 as at 30 June 2019).

No changes in share capital occurred during the years ending 30 June 2020 and 30 June 2019.

2. Accounting Principles

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2018/2019 financial year.

3.Group Structure and Changes in the Group

As at 30 June 2020 and as at 30 June 2019 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2020	30 June 2019	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
UAB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 5	Lithuania	100 %	100%	Rent and management of agricultural purposes land
UAB Noreikiškės	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu Fabrika Kekava	Latvia	97.16%	97.11%	Broiler breeding, slaughtering and sale of products
SIA PFK TRADER	Latvia	97.16%	97.11%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
UAB Kekava Foods LT	Lithuania	97.16%	97.11%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S (under liquidation)	Denmark	100%	100%	Not operating company
UAB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINE	Ukraine	100%	100%	Representative office

3. Group Structure and Changes in the Group (cont'd)

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2020	30 June 2019	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	99.15%	99.13%	Preparation and warehousing of grains for trade
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%	95.92%	Mixed agricultural activities
Kėdainiai District Labūnavos ŽŪB	Lithuania	98.95%	98.95%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	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%	Mixed agricultural activities
Kėdainiai District ŽŪB Nemunas	Lithuania	67.44%	–	Mixed agricultural activities
SIA Zemvalda Land Management Holdings 1	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 2	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 3	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 4	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 5	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 6	Latvia	100%	–	Rent and management of agricultural purposes land
SIA Zemvalda Land Management Holdings 7	Latvia	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 1	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 2	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 3	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 4	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 5	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 6	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas 7	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 1	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 2	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 3	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 4	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 5	Lithuania	100%	–	Rent and management of agricultural purposes land

3. Group Structure and Changes in the Group (cont'd)

UAB Zemvaldos Turtas SPV 6	Lithuania	100%	–	Rent and management of agricultural purposes land
UAB Zemvaldos Turtas SPV 7	Lithuania	100%	–	Rent and management of agricultural purposes land

Investments into indirectly controlled subsidiaries (through UAB Landvesta 1 -6, UAB Noreikiskės, UAB Lineliai)

UAB Zemvaldos Turto Konsultacijos	Lithuania	100%	–	Management of the subsidiaries
-----------------------------------	-----------	------	---	--------------------------------

Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)

SIA Dotnuva Baltic	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains
AS Dotnuva Baltic	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos Technika	Lithuania	100%	100%	Not operating company

Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)

Karčemos Kooperatinė Bendrovė	Lithuania	80%	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu Centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade

Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)

Karčemos Kooperatinė Bendrovė	Lithuania	4.00%	4.00%*	Preparation and warehousing of grains for trade
-------------------------------	-----------	-------	--------	---

* The Group indirectly controls 24% of shares of Karčemos Kooperatinė Bendrovė (through Panevėžys District Žibartonių ŽŪB and UAB Linas Agro Grūdų Centras KŪB), however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

3. Group Structure and Changes in the Group (cont'd)

Changes in the Group during the 12 month period ended 30 June 2020

During 12 month period, ended 30 June 2020, the Group acquired 0.33% stock of Sidabravo ŽŪB for EUR 2 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 21 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2020, the Group acquired 0.05% stock of AS Putnu Fabrika Kekava for EUR 5 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 11 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2020, the Group acquired 67.51% stock of Kėdainiai District ŽŪB Nemunas for EUR 2,008 thousand to further expand business activities. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	31 March 2020
Property, plant and equipment, intangible assets and investment property	4,330
Financial asset	1
Defereed tax asset	8
Animals and livestock	282
Inventories	846
Prepayments and other current assets	43
Cash and cash equivalents	44
Total assets	5,554
Grants and subsidies	(74)
Non-current and current lease liabilities	(1,440)
Non-current and current borrowings	(838)
Trade payables	(986)
Other non-current and current liabilities	(88)
Total liabilities	(3,426)
Total identifiable net assets at fair value	2,128
Non-controlling interest measured at the proportionate share of net assets at fair value	(691)
Loss recognized on acquisition of subsidiary, recognised under Other expenses	(571)
Total purchase consideration	2,008
Cash consideration transferred *	1,005
Less: cash acquired	(44)
Total cash consideration transferred, net of cash acquired	959

*As at 30 June 2020 the Group owes to former shares owners EUR 1,000 thousand

3. Group Structure and Changes in the Group (cont'd)

During 12 month period, ended 30 June 2020, the Group acquired 100% stock of UAB Zemvaldos Turtas 7 for EUR 1,065 thousand to further expand business activities. Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the acquisition date were the following:

Acquisition date for consolidation purposes	30 June 2020
Property, plant and equipment, intangible assets and investment property	1,060
Cash and cash equivalents	3
Total assets	1,063
Total identifiable net assets at balance value	1,063
Loss recognized on acquisition of subsidiary, recognised under Other expenses	(3)
Total purchase consideration	1,065
Cash consideration transferred *	–
Less: cash acquired	(3)
Total cash consideration transferred, net of cash acquired	1,062

*As at 30 June 2020 the Group owes to former shares owners EUR 1,065 thousand

Changes in the Group during the year ended 30 June 2019

During 12 month period, ended 30 June 2019, the Company acquired 0.02% stock of AS Putnu Fabrika Kekava for EUR 1 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 4 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Group acquired 0.71% stock of Sidabravo ŽŪB for EUR 5 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 31 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2019, the Group founded the share capital of LLC LINAS AGRO UKRAINE UAH 6,500 thousand (EUR 205 thousand).

During 12 month period, ended 30 June 2019, the Group reduced the share capital of Užupės ŽŪB by paying out EUR 140 thousand to shareholders. During 12 month period, ended 30 June 2019, the Company increased the share capital of UAB Linas Agro Grūdų Centras KŪB by EUR 1,300 thousand, UAB Linas Agro Konsultacijos – by EUR 1,213 thousand, UAB Lineliai- EUR 50 thousand, Noreikiškių ŽŪB - EUR 30 thousand, ŽŪB Landvesta - EUR 545 thousand.

The Group increased the share capital of SIA Linas Agro by EUR 1,000 thousand, Panevėžys District Aukštadvario ŽŪB – by EUR 1,010 thousand, Kėdainiai District Labūnavos ŽŪB - EUR 200 thousand, UAB Gerera - EUR 30 thousand. Accordingly, the minority interest in Panevėžys District Aukštadvario ŽŪB and Kėdainiai District Labūnavos ŽŪB has been recalculated, respectively by EUR 76 thousand and EUR 27 thousand.

4. Segment Information

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

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapeseed 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 poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its 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.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 June 2020								
Revenue								
Third parties	415,591	149,416	18,344	74,240	153	–	–	657,744
Intersegment	3,287	6,748	9,969	–	–	–	20,004 ¹⁾	–
Total revenue	418,878	156,164	28,313	74,240	153	–	20,004¹⁾	657,744
Results								
Operating expenses	(5,862)	(13,691)	(3,285)	(7,641)	–	(4,619)	–	(35,098)
Segment operating profit (loss)	6,232	3,548	5,874	2,914	88	(4,794)	–	13,862

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 June 2019								
Revenue								
Third parties	507,783	140,464	17,497	77,029	(231)	–	–	742,542
Intersegment	5,521	8,198	8,741	–	–	–	(22,460) ¹⁾	–
Total revenue	513,304	148,662	26,238	77,029	(231)	–	(22,460)¹⁾	742,542
Results								
Operating expenses	(8,215)	(13,091)	(3,295)	(7,324)	411	(3,668)	–	(35,182)
Segment operating profit (loss)	(8,640)	2,950	3,230	2,431	471	(3,778)	–	(3,336)

1) Intersegment revenue is eliminated on consolidation.

4. Segment Information (cont'd)

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	12 month period ended	
	30 June 2020	30 June 2019
Lithuania	193,770	216,467
Europe (except for Scandinavian countries, CIS and Lithuania)	226,131	239,332
Scandinavian countries	88,004	118,912
Asia	38,620	88,482
Africa	93,096	51,481
CIS	18,123	27,868
	657,744	742,542

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

Non-current assets	As at 30 June 2020	As at 30 June 2019
Lithuania	93,795	70,573
Latvia	61,521	59,515
Estonia	890	914
Ukraine	19	25
	156,225	131,027

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

5. Intangible Assets

Group	Software	Other intangible assets	Goodwill	Total
Cost:				
Balance as at 30 June 2018	1,039	277	1,971	3,287
Additions	51	196	–	247
Transfers from property, plant and equipment	–	292	–	292
Write-offs	(1)	(15)	–	(16)
Balance as at 30 June 2019	1,089	750	1,971	3,810
Additions	166	7	–	173
Write-offs	(182)	(1)	–	(183)
Reclassifications	484	(484)	–	–
Balance as at 30 June 2020	1,557	272	1,971	3,800
Accumulated amortization:				
Balance as at 30 June 2018	581	89	–	670
Charge for the year	106	31	–	137
Write-offs	–	(10)	–	(10)
Balance as at 30 June 2019	687	110	–	797
Charge for the year	138	22	–	160
Write-offs	(182)	(1)	–	(183)
Balance as at 30 June 2020	643	131	–	774
Impairment losses:				
Balance as at 30 June 2018	–	–	1,121	1,121
Balance as at 30 June 2019	–	–	1,121	1,121
Balance as at 30 June 2020	–	–	1,121	1,121
Net book value as at 30 June 2020	914	141	850	1,905
Net book value as at 30 June 2019	402	639	850	1,891
Net book value as at 30 June 2018	458	188	850	1,496

6. Property, Plant and Equipment

	Right of use assets	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 2018	–	19,368	96,327	53,863	5,334	4,812	9,742	189,446
Additions	–	2,030	1,294	3,466	484	207	9,320	16,801
Disposals and write-offs	–	(31)	(1,625)	(2,134)	(607)	(296)	(2)	(4,668)
Transfers from investment property	–	179	–	–	–	–	–	179
Transfers to intangible assets	–	–	–	–	–	–	(292)	(292)
Reclassifications	–	10	10,405	3,155	382	346	(14,298)	–
Balance as at 30 June 2019	–	21,556	106,401	58,350	5,593	5,096	4,470	201,466
Effect of adoption of IFRS 16	19,298	–	–	–	–	–	–	19,298
Acquisition of subsidiaries	1,373	1,571	708	616	35	16	12	4,331
Additions	4,743	612	249	5,984	1,199	572	5,714	19,073
Disposals and write-offs	(2,221)	(818)	(279)	(4,117)	(1,412)	(844)	(65)	(9,756)
Transfers to investment property	–	(24)	–	–	–	–	–	(24)
Reclassifications	–	5	5,544	612	–	1,014	(7,175)	–
Balance as at 30 June 2020	23,193	22,902	112,623	61,445	5,415	5,854	2,956	234,388
Accumulated depreciation:								
Balance as at 30 June 2018	–	81	35,462	24,151	3,101	3,159	–	65,954
Charge for the year	–	48	3,965	4,048	515	517	–	9,093
Disposals and write-offs	–	–	(291)	(1,456)	(533)	(251)	–	(2,531)
Reclassifications	–	–	–	5	–	(5)	–	–
Balance as at 30 June 2019	–	129	39,136	26,748	3,083	3,420	–	72,516
Charge for the year	3,890	46	4,570	4,572	748	601	–	14,427
Disposals and write-offs	(172)	(58)	(155)	(3,532)	(1,068)	(823)	–	(5,808)
Balance as at 30 June 2020	3,718	117	43,551	27,788	2,763	3,198	–	81,135
Impairment losses:								
Balance as at 30 June 2018	–	–	696	164	–	42	–	902
Disposals and write-offs	–	–	(29)	(1)	–	–	–	(30)
Balance as at 30 June 2019	–	–	667	163	–	42	–	872
Disposals and write-offs	–	–	–	(1)	–	(7)	–	(7)
Balance as at 30 June 2020	–	–	667	162	–	35	–	864
Net book value as at 30 June 2020	19,475	22,785	68,405	33,495	2,652	2,621	2,956	152,389
Net book value as at 30 June 2019	–	21,427	66,598	31,439	2,510	1,634	4,470	128,078
Net book value as at 30 June 2018	–	19,287	60,169	29,548	2,233	1,611	9,742	122,590

7. Investment Property

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2018	1,293	131	1,424
Transfers to property, plant and equipment	(179)	–	(179)
Disposals and write-offs	(75)	(7)	(82)
Balance as at 30 June 2019	1,039	124	1,163
Additions	51	4	55
Disposals and write-offs	(262)	–	(262)
Acquisition of subsidiaries	1,060	–	1,060
Transfers from property, plant and equipment	24	–	24
Balance as at 30 June 2020	1,912	128	2,040
Accumulated depreciation:			
Balance as at 30 June 2018	2	55	57
Charge for the year	1	3	4
Disposals and write-offs	–	(7)	(7)
Balance as at 30 June 2019	3	51	54
Charge for the year	1	3	4
Disposals and write-offs	(3)	–	(3)
Balance as at 30 June 2020	1	54	55
Impairment losses:			
Balance as at 30 June 2018	51	–	51
Balance as at 30 June 2019	51	–	51
Charge for the year	–	3	3
Balance as at 30 June 2020	51	3	54
Net book value as at 30 June 2020	1,860	71	1,931
Net book value as at 30 June 2019	985	73	1,058
Net book value as at 30 June 2018	1,240	76	1,316

Investment property of the Company consists of buildings leased out under the operating lease which generates lease income.

8. Borrowings

	As at 30 June 2020	As at 30 June 2019
Non-current borrowings		
Bank borrowings secured by the Group assets	18,942	19,793
	18,942	19,793
Current borrowings		
Current portion of non-current bank borrowings	13,130	13,411
Current bank borrowings secured by the Group assets	92,226	111,165
Other current borrowings (Note 12)	253	2,374
	105,609	126,950
	124,551	146,743

Interest payable is normally settled monthly throughout the financial year.

9. Operating Expenses

	2019/2020 12 month	2018/2019 12 month
Wages and salaries and social security	(23,114)	(22,662)
Consulting expenses	(739)	(801)
Depreciation and amortization	(1,833)	(794)
Other	(9,412)	(10,925)
	(35,098)	(35,182)

10. Other Income (Expenses)

	2019/2020 12 month	2018/2019 12 month
Other income		
Grants received for agriculture activity	3,312	3,186
Gain from currency exchange	577	35
Rental income from investment property and property, plant and equipment	475	205
Gain from disposal of investment property and property, plant and equipment	1,024	982
Dividend income	1	–
Change in fair value of financial instruments	251	319
Other income	22	185
	5,662	4,912
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(309)	(376)
Loss from disposal of investment property and property, plant and equipment	(23)	(568)
Change in fair value of financial instruments	(680)	(722)
Other expenses	(708)	(271)
	(1,720)	(1,937)

11. Commitments and Contingencies

As at 30 June 2020 the Group is committed to purchase property, plant and equipment for the total amount of EUR 3,743 thousand (EUR 1 941 thousand as at 30 June 2019).

A few Group companies (Panevėžys District Aukštadvario ŽŪB, Šakiai District Lukšių ŽŪB, Sidabravo ŽŪB and Panevėžys District Žibartonių ŽŪB) received grants from the European Union and National Paying Agency for acquisition of agricultural equipment.

Panevėžys District Aukštadvario ŽŪB, Sidabravo ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2021 year, Šakiai District Lukšių ŽŪB – up to 2020 and 2021, Panevėžys District Žibartonių ŽŪB – up to 2022. UAB Linas Agro Grūdų Centras KŪB received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2021.

SIA Lielzeltini, 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, feedstuffs up to 2020 year, AS Putnu Fabrika Kekava – up to 2020, 2022 and 2023.

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 2,859 thousand as at 30 June 2020 (EUR 2,504 thousand as at 30 June 2019). Group has no plans to discontinue above mentioned operations.

In August 2018 the subsidiary AB Linas Agro received a ruling from the Customs of the Republic of Lithuania (hereafter – Customs) stating that Customs made additional calculation for the calendar year 2016 – 2017. The decision increased the taxes in EUR 644 thousand for fertilizers import in mentioned period. The AB Linas Agro management estimate the possibility to pay the taxes is 50% and recognized as accruals in EUR 322 thousand amount as at 30 June 2020 and 2019. The AB Linas Agro management does not concur with Customs assessment and the decision is appealed.

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 regarding the alleged damages of EUR 1,800 thousand. As at 30 June 2020 and 2019 the Group's management is of opinion that the appeal has no sound grounds therefore no provision was recorded in the consolidated accounts regarding this matter.

12. 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 2020 and 30 June 2019 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;
Darius Jaloveckas till 3 September 2019;
Jonas Bakšys

Subsidiaries: List provided in Note 3.

UAB Darius Zubas Holding from 27 November 2019.

Akola ApS group companies:

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

UAB Ignitis grupė (Andrius Pranckevičius is the Independent Member of Supervisory Board).
UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).
UAB EPSO-G from November 2019 (Tomas Tumėnas is the Independent Member of Board).
UAB Limedika from March 2020 (Tomas Tumėnas is a finance director of this company).
Jonas Bakšys from June 2017 till present is the Member of Board at Lobiu Sala AS (Sweden).
Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).

12.Related Parties Transactions (cont'd)

The Group's transactions with related parties in 12 month period ended 30 June 2020 were as follows:

2019/20 12 months	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Other receivable			
Akola ApS group companies	212	17,156	254	–	–	338	–
Members of management board	–	32	–	–	–	–	–

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.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. 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 payable is normally settled at the end of the loan term.

The Group's receivables from related parties were nor due neither impaired as at 30 June 2020 and 30 June 2019.

13.Subsequent events

On July- August 2020 the Group acquires 100% shares of UAB GeoFace for EUR 188 thousand.