



AB Linas Agro Group:

***Overview of activities and
finance for FY 2017/18***

We are

international vertically integrated agribusiness Group



*Grain and feedstuff
handling and
merchandising*



Food products



*Products and
services for
farming*



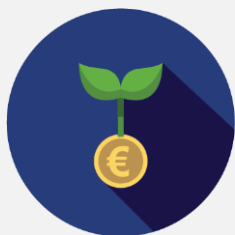
*Agricultural
production*



*40 companies
>2 199 employees*

Financial highlights in FY 2017/18

*Fiscal year of the
company starts
July 1st*



**Consolidated
revenue - EUR
634 million**



1.6 %



**Sales volume in
tons – 2.2 million**



6.7 %



**Gross profit >
EUR 45.8 million**



0.9 %

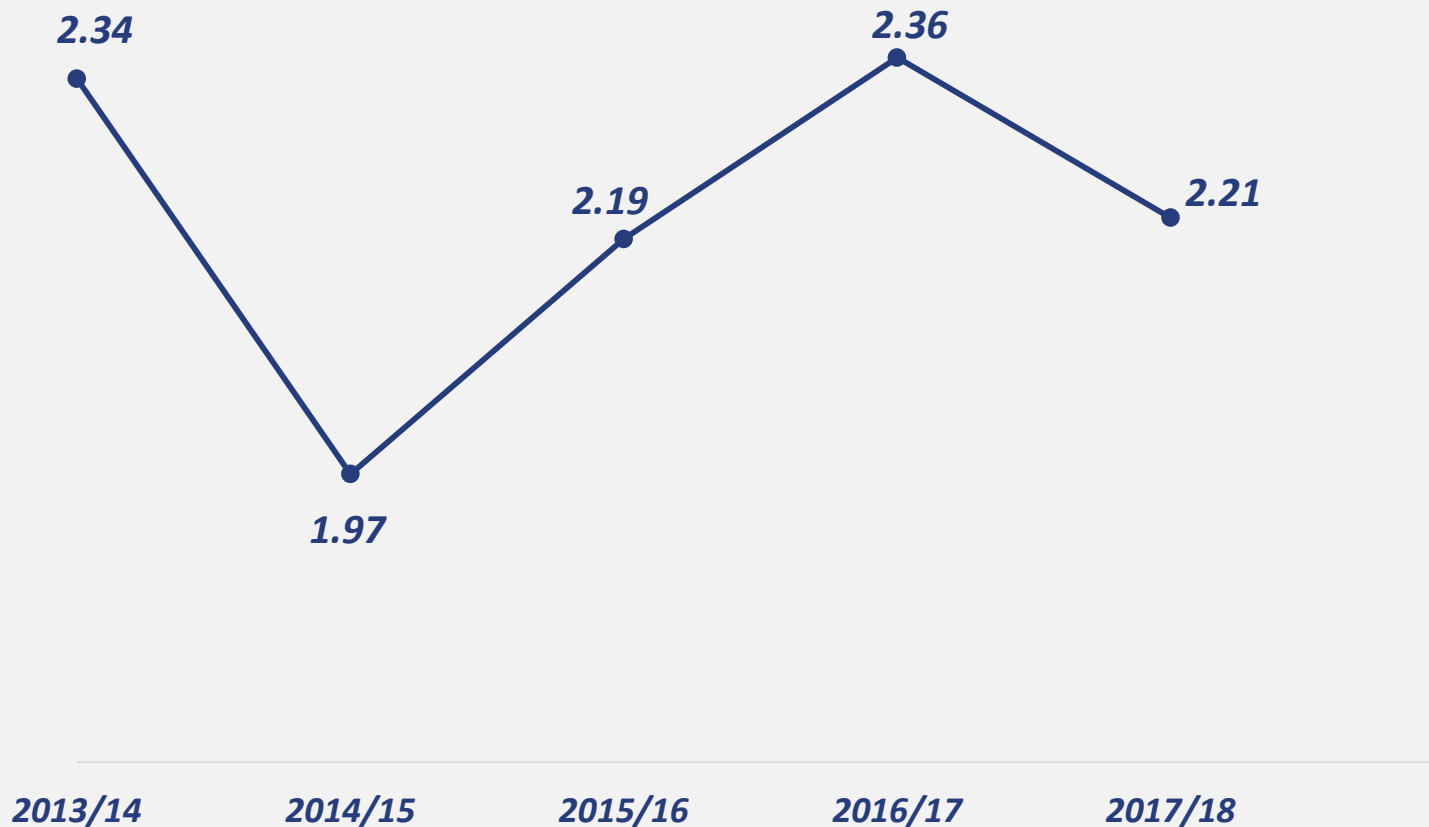


**EBITDA –
EUR 20.4 million**

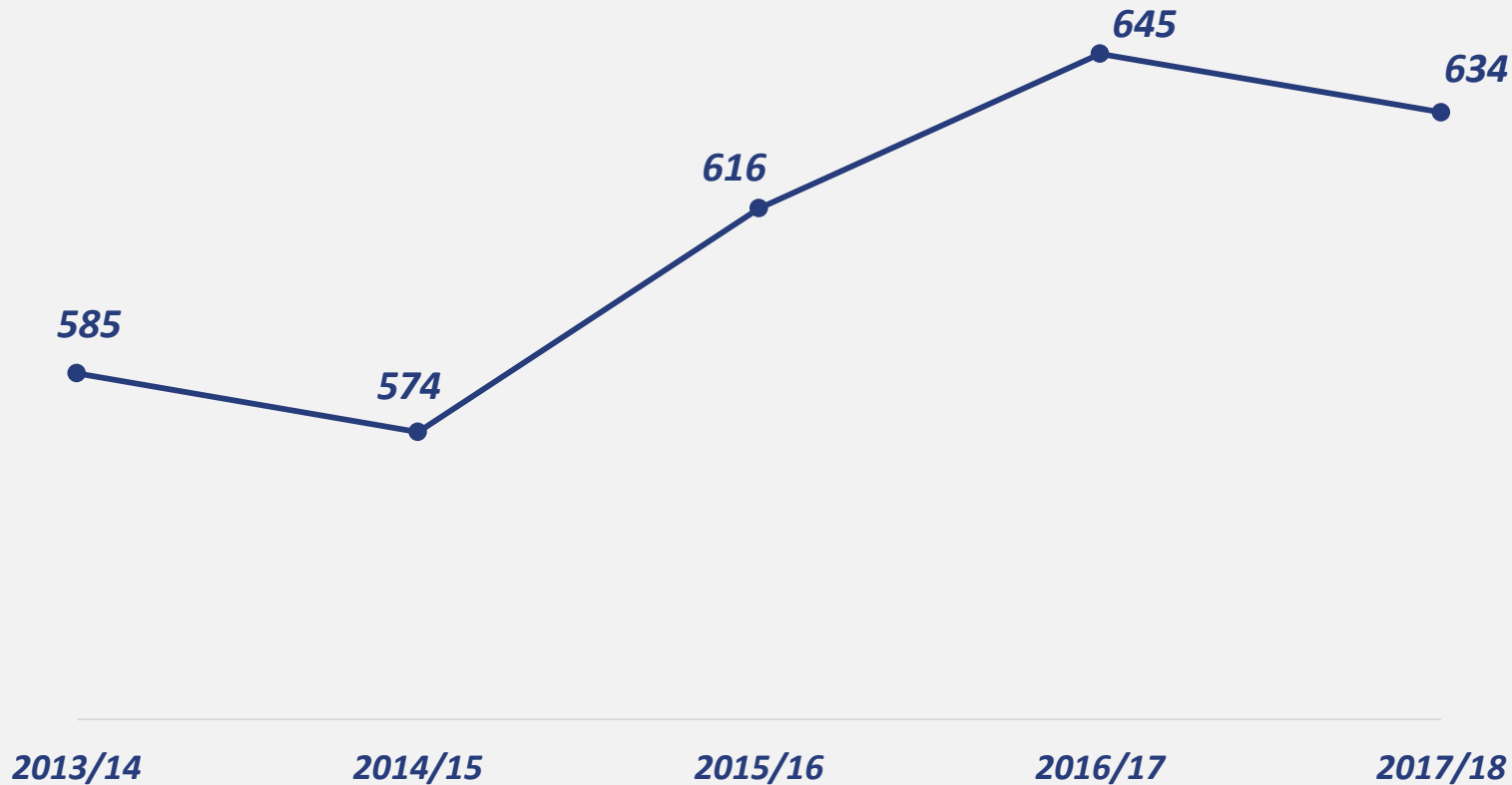


10.2%

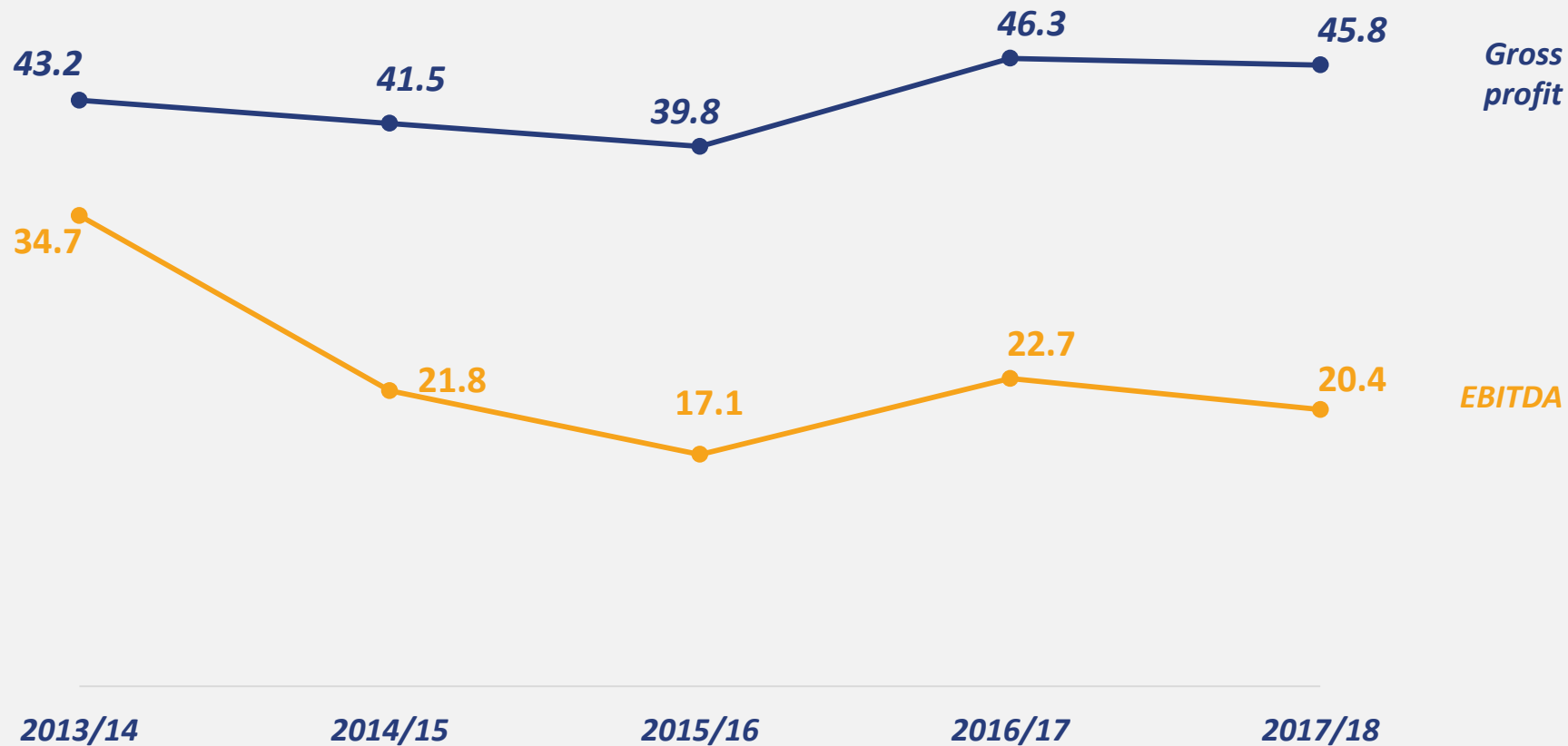
Sales volume in tons, million



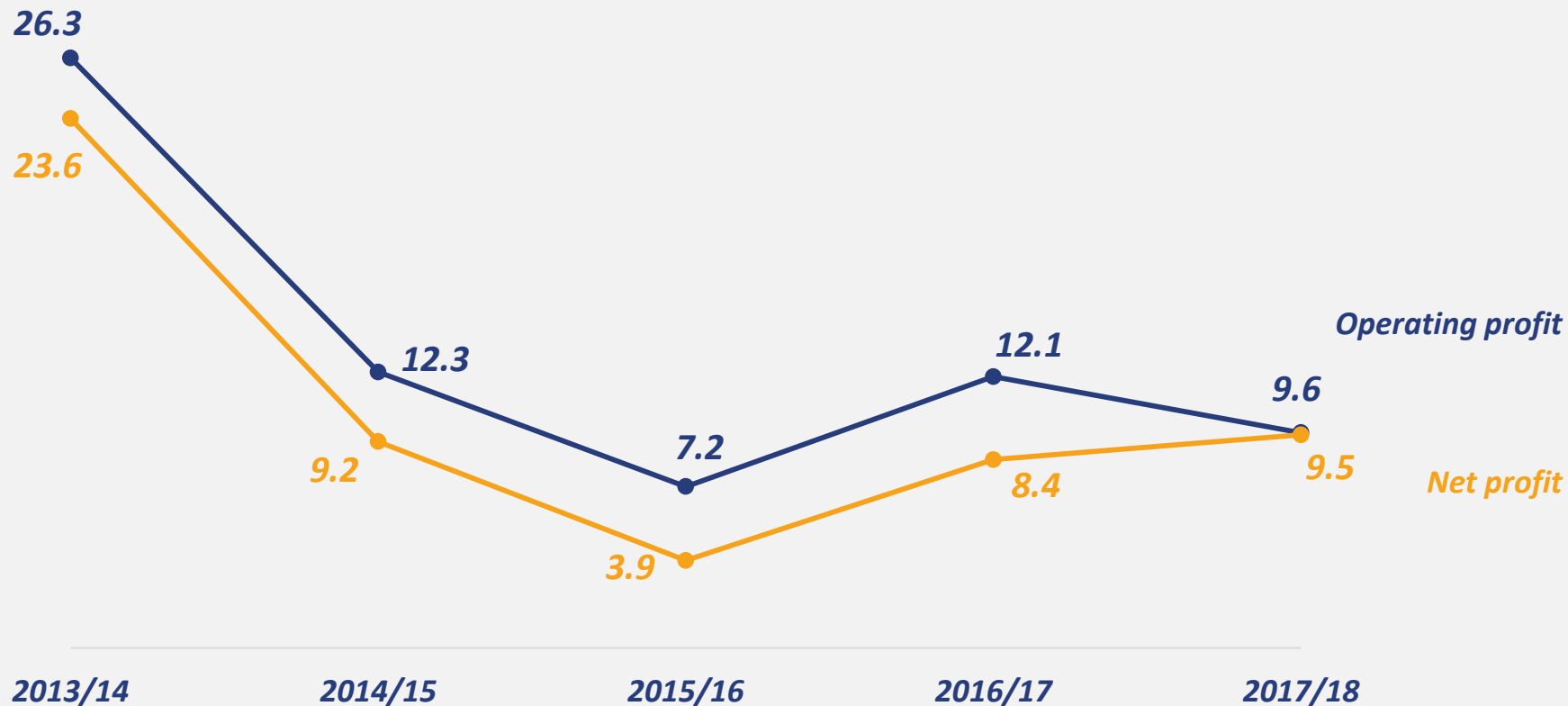
Revenue, EUR million



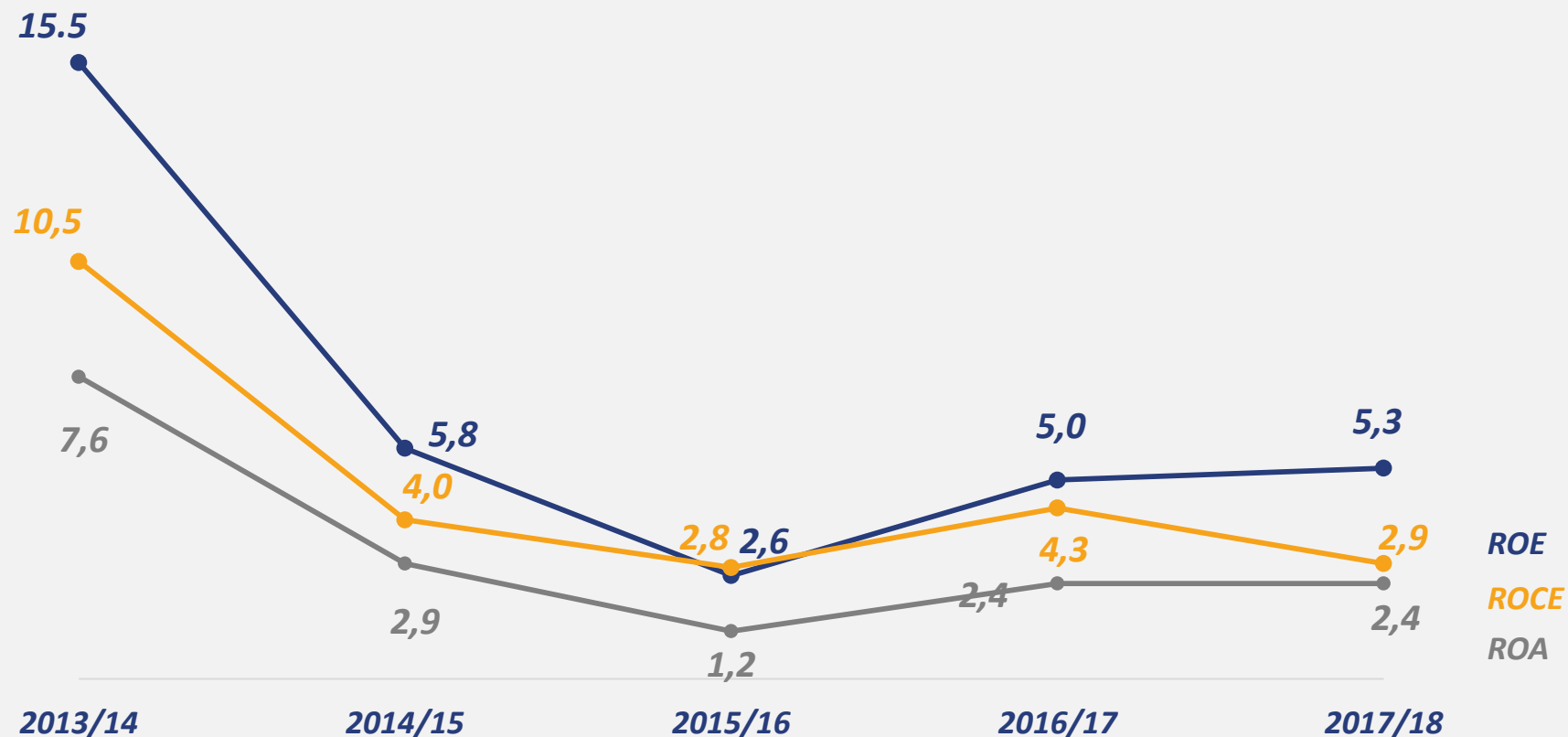
Gross profit and EBITDA, in EUR million



Operating and net profit, EUR million



ROCE, ROE, ROA



Cost and the main expenses

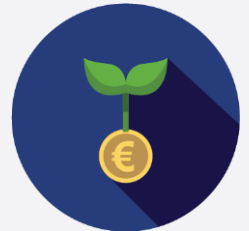
The cost of goods and services decreased by 1.7% to EUR 588 million.

Operating costs accounted for EUR 38.3 million, and were 12% higher.

A major contributor to the growth of the costs was the increase in the labor costs that grew by nearly 7% and one-off expenses related to liquidation of Danish subsidiary Linas Agro A/S.

Logistics expenses, accounting for 7% of the total cost, increased by 1.5% to EUR 41.2 million.

Financial costs were down 12% to EUR 2.6 million.



Investments

2017/18

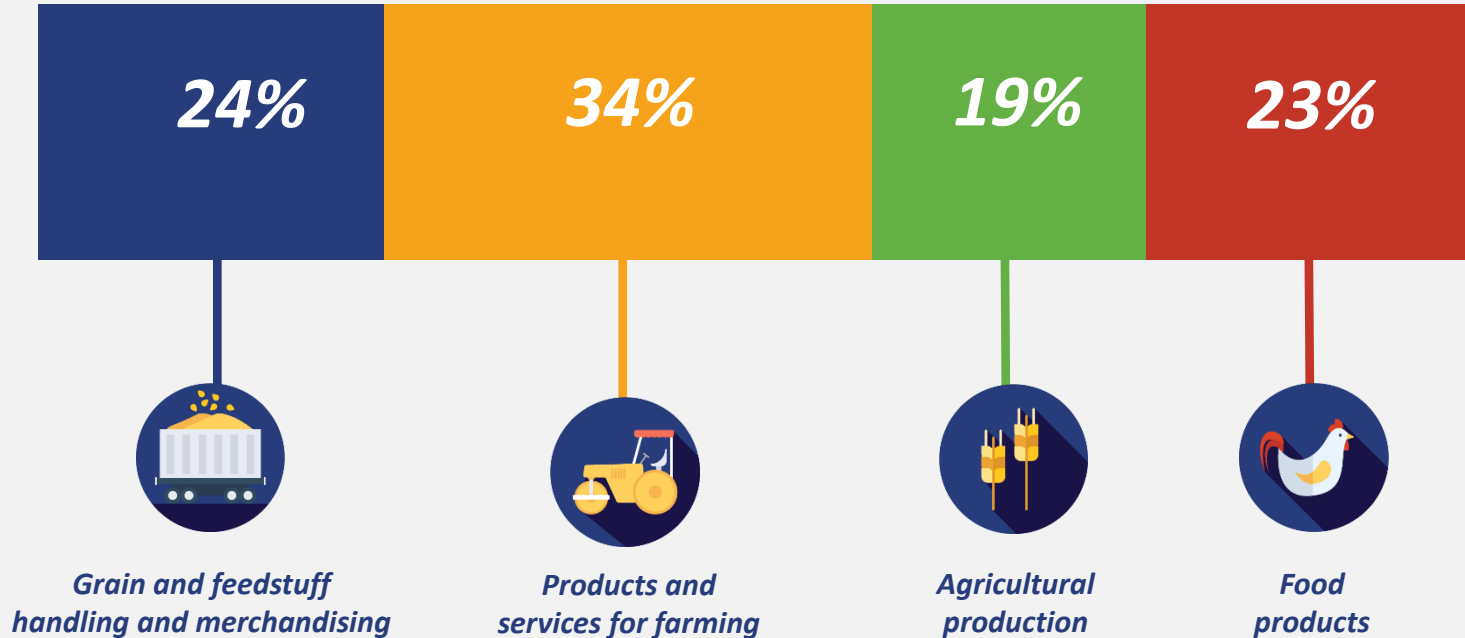
- *Grain storage equipment, warehouses, buildings, various appliances and other machinery – EUR 8.63 million.*
- *Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land – EUR 6.85 million.*
- *Modernization and renovation of poultry farms– EUR 4.25 million.*

19.7

EUR million



Operating profit structure in FY 2016/17





*Grain, oilseed and feedstuff,
handling and merchandising*

Since 1991

Grain and feedstuff handling and merchandising



Grain



Oilseed



Feedstuff



Ecologic grain and oilseeds



Grain storage and preparation



Logistic services

4.3 %



Revenue

397

EUR million

Achievements in 2017/18

74%

of revenue
received from
foreign trade

- The major export destinations are:
 - European countries (45%),
 - Asian countries (23 %) and
 - African countries (5%).
- The capacities of the storage facilities at ports are 196,000 tons.
- **One of the biggest grain exporters in the Baltic states.**
- AB Linas Agro has received the Lithuanian Export Award by Lithuanian Association of Commerce, Industry and Crafts for the successful year 2017.



Own storage capacity increased

The 10th grain elevator opened in Lithuania, in Kartena; the storage capacity in the south and north of Lithuania also enlarged.

A new grain reception station was opened in Skrunda, Latvia.

The construction of grain elevators in Grobina and Rezekne (Latvia) of the total grain storage capacity of 40 thousand tons coming to the end.

The own grain storage capacity of the Group in Lithuania and Latvia will go up from

290 to 330 thousand tons.



Grain elevators

486 thousand tons of various grains collected and processed.

6% ▲

Operating profit of grain elevators

Eur **1.5** million

34% ▲



The logo for Linhas Agro is mounted on the side of a large, light blue corrugated metal building. The word "linhas" is in a bold, blue, lowercase sans-serif font. To its right is a stylized yellow and blue circular icon. The word "agro" is in a blue, lowercase script font.

linhas agro

*Products and services
for farming*

Since 1993



Products and services for farming



Certified seed



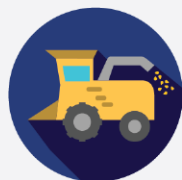
Fertilizers



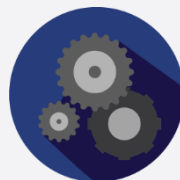
*Plant protection
products*



*Grain storage
facilities*



*Agricultural machinery
and farm equipment*



Spare parts

2.5% ▼

Revenue

161

EUR million

Sales and service network

Dotnuva Baltic has 14 outlets and 77 salesmen in the Baltics.

Dotnuva Baltic joined Case IH's Red Excellence international quality network.

Linus Agro has a network of 15 farm service centers in Lithuania and Latvia and 37 agronomists-salesmen.



Sales of fertilizers, seeds and plant protection products

EUR 83 million

4% ▼

The Group represents worldwide known brands.

Currently the total storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia is close to 131 thousand tons.

Own seed processing plant holds 1/3 of Lithuanian certified seed market with over 24 thousand tons of seeds prepared during the year.



Revenue

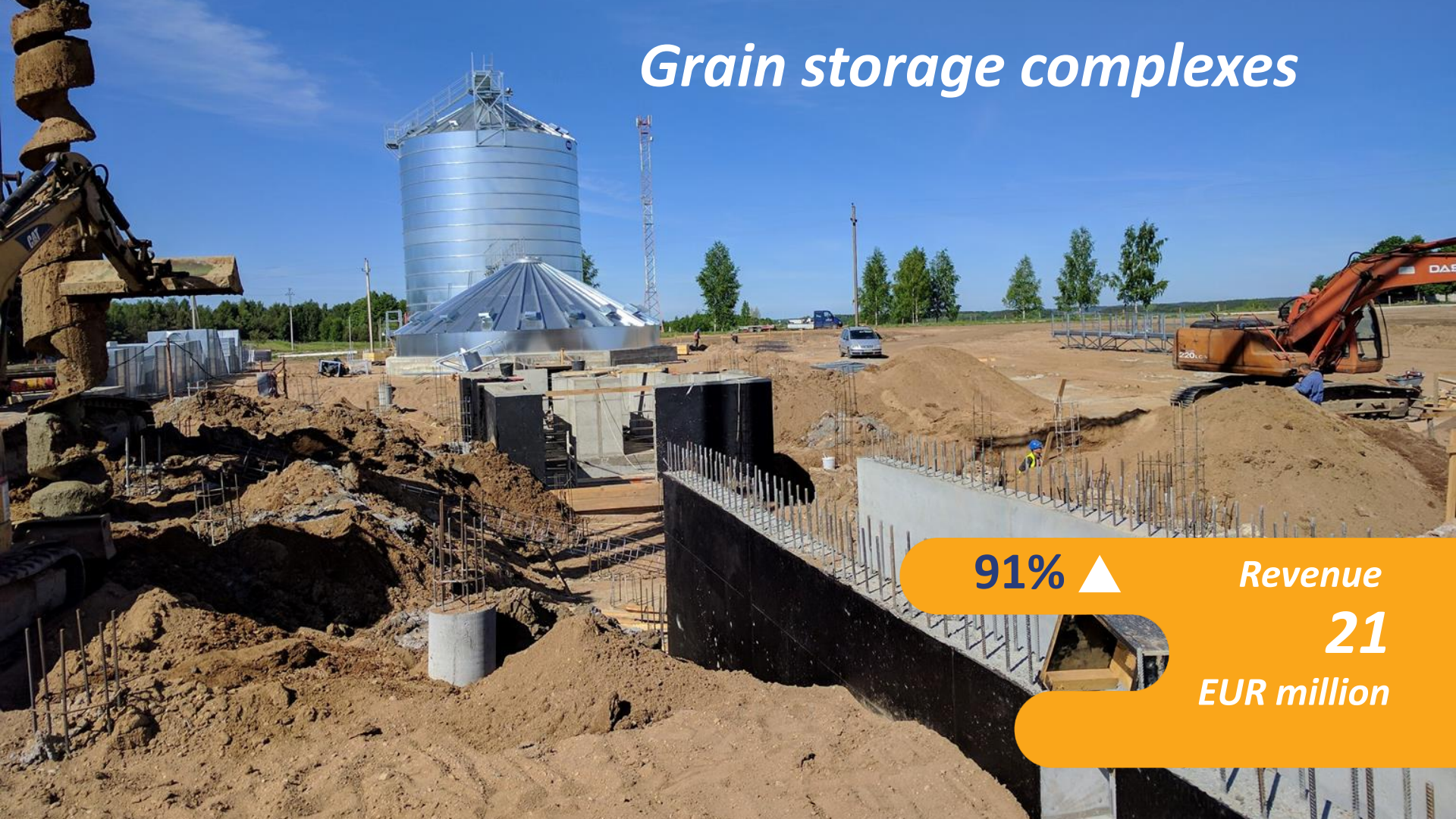
EUR **52** million

5% ▼

*Sales of agricultural
machinery, farming
equipment and spare parts*



Grain storage complexes



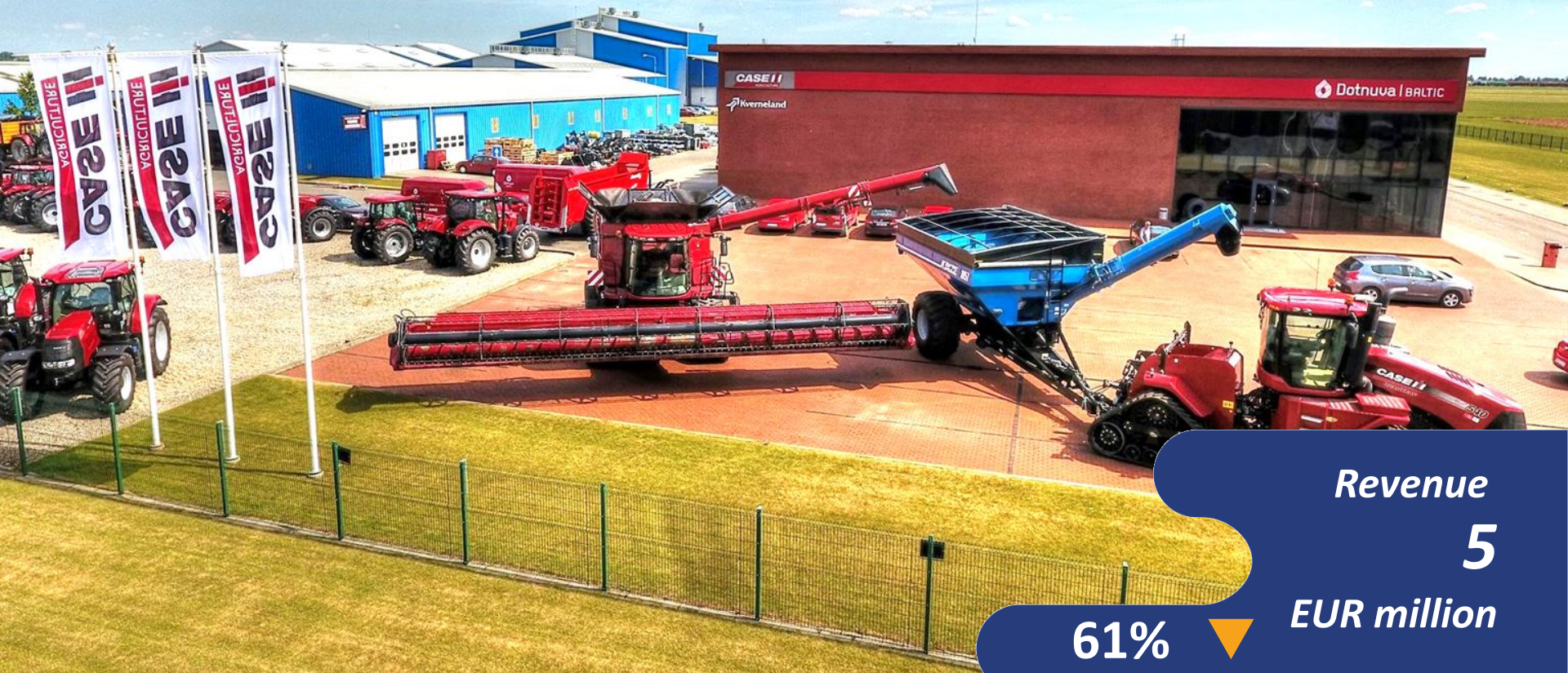
91% ▲

Revenue

21

EUR million

Other products and services



Revenue

5

EUR million

61%



Achievements

2017/18

A new international seed brand introduced to the market



- *AB Linas Agro became a member of GAFTA.*
- *Dotnuva Baltic received the ‘Best Partner 2018’ rating from the spray producer Agrifac (The Netherlands).*
- *Dotnuva Baltic received the ‘The Leader of Wholesale Trade 2017’ award (issued by Lithuanian business daily media ‘Verslo žinios’).*





Since 2003

***Agricultural
production***

6 agricultural companies

Lithuania



17,266 ha

7,393 ha



● Arable land

● Owned arable land

Agricultural production



*Cereals
growing*



*Rapeseed
growing*



*Sugar beet
growing*



*Milk
production*



*Meat
production*

Sales over the year :

- *91 thousand tons of crop production* ▲ 18 %
- *>30 thousand tons of raw milk* ▲ 3.8 %
- *1.455 tons of meat* ▲ 5 %

16% ▲

Revenue

31

EUR million

Achievements

2017/18

Effectivity of crop production



Wheat ——— 7.54 t/ha
(4.82 t/ha)



Rapeseed ——— 4.53 t/ha
(3.00 t/ha)

● Group harvest

● Average for Lithuania

Effectivity of milk production

2017



Milking cows – 3.227

The farming company Šakiai District Lukšių ŽŪB was the most efficient dairy farm in Lithuania in 2017, with an average milk yield of 12,151 kg per cow. Sidabravo ŽŪB was ranked the fourth among the most efficient farming companies with an average milk yield of 11,036 kg per cow.

We trust in milk production development: have invested EUR 3 million



We are renovating the farms of agricultural company Šakiai District Lukšių ŽŪB and are planning further investments in FY 2018/19

Food products: poultry

Since 2013



Producers and brands

*AS Putnu Fabrika Kekava -
Latvian poultry
producer No. 1*



Novelty

*SIA Lielzeltini - Latvian poultry producer No. 2, also
produce fodder.*

SIA Broileks grow and sell live chicken.

SIA Cerova incubate eggs and sell day-old chicks.



ISO 22000

BUREAU VERITAS
Certification



Production and sales

>240
types of products

40.7 *thousand tons of live
weight were produced*

1% ▲

>32 *thousand tons of poultry
products were sold*

14.6% ▲



Achievements

2017/18

Revenue

13% ▲ 69

EUR million



90%

is bred w/o antibiotics

Usage of antibiotics



Own sales network:
21 retail shop in Latvia and
1 in Lithuania

Achievements

2017/18

Exports of poultry raised without the usage of antibiotics were started to Lithuania and Estonia.

11 poultry houses were reconstructed to improve bird living conditions.

The first retail shop opened in Lithuania.

AS Putnu Fabrika Kevava received an award from the genetic company Aviagen for outstanding growth and animal welfare results.

AS Putnu Fabrika Kevava received Kekava's municipality award 'Gada uzņēmējs' ('Business of the Year').



Creating the value

*Chicken,
raised without usage
of antibiotics is
additional
safety and wellness
guarantor for every consumer.*

linas agro



linas agro group

