

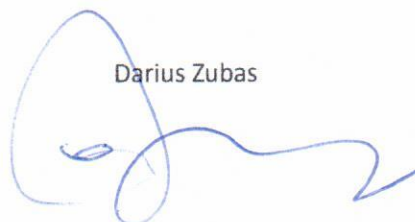
Confirmaton of the responsible persons

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 Tomas Tumėnas, 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 nine months of the financial year 2017/18, 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 nine months of the financial year 2017/18 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

31 May 2018

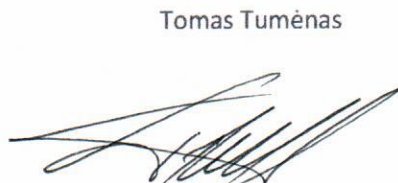
Darius Zubas



Finance Director of AB Linas Agro Group

31 May 2018

Tomas Tumėnas





Consolidated financial statements of AB Linas Agro Group

**For the 9 month period of the year 2017/18
(unaudited)**

Prepared according to
Additional information preparing and presentation instructions issued by the Bank of Lithuania

Consolidated statement of financial position

	Notes	As at 31 March 2018	As at 30 June 2017
ASSETS			
Non-current assets			
Intangible assets	5	1,474	1,331
Property, plant and equipment	6	118,089	117,946
Investment property	7	1,318	1,408
Animals and livestock		8,042	8,010
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		2,650	1,524
Total non-current financial assets		2,667	1,541
Non-current prepayments		–	1,784
Deferred income tax asset		2,353	1,982
Total non-current assets		133,943	134,002
Current assets			
Crops		3,192	14,836
Livestock		1,536	2,164
Inventories		139,869	72,026
Current prepayments		11,178	5,385
Accounts receivable			
Trade receivables		71,357	101,928
Receivables from related parties	12	370	470
Income tax receivable		58	255
Other accounts receivable		2,725	12,086
Total accounts receivable		74,510	114,739
Derivative financial instruments		–	28
Other current financial assets		1,746	772
Cash and cash equivalents		10,639	8,897
Total current assets		242,670	218,847
Total assets		376,613	352,849

(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 31 March 2018	As at 30 June 2017
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 reserve		3,419	3,186
Own shares		(453)	(453)
Foreign currency translation reserve		(22)	(22)
Cash flow hedge reserve		(73)	(73)
Retained earnings		96,453	95,177
Total equity attributable to equity holders of the parent		168,455	166,946
Non-controlling interest		2,045	2,271
Total equity		170,500	169,217
Liabilities			
Non-current liabilities			
Grants and subsidies		6,406	6,236
Non-current borrowings	8	25,514	20,401
Finance lease obligations		1,130	1,076
Deferred income tax liability		1,001	1,906
Non-current employee benefits		480	453
Derivate financial instruments		–	25
Total non-current liabilities		34,531	30,097
Current liabilities			
Current portion of non-current borrowings	8	8,204	11,061
Current portion of finance lease obligations		439	559
Current borrowings	8, 12	106,733	77,494
Trade payables		35,780	44,152
Payables to related parties		1	–
Income tax payable		694	937
Derivative financial instruments		235	1,395
Other current liabilities		19,496	17,937
Total current liabilities		171,582	153,535
Total equity and liabilities		376,613	352,849

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

Consolidated statement of comprehensive income

(for the period 1 July to 31 March)

	Notes	2017/2018 9 month	2016/2017 9 month
Sales	4	449,248	448,332
Cost of sales		(418,709)	(418,303)
Gross profit		30,539	30,029
Operating (expenses)	9	(26,869)	(24,861)
Other income	10	2,166	1,074
Other (expenses)		(1,143)	(275)
Operating profit		4,693	5,967
Income from financing activities		413	374
(Expenses) from financing activities		(1,962)	(2,095)
Profit before tax		3,144	4,246
Income tax		(222)	(1,749)
Net profit		2,922	2,497
Net profit attributable to:			
Equity holders of the parent		2,538	2,481
Non-controlling interest		384	16
		2,922	2,497
Basic and diluted earnings per share (EUR)		0.02	0.02
Net profit		2,922	2,497
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	(1)
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	(1)
Total comprehensive income, after tax		2,922	2,496
Total comprehensive income attributable to:			
The shareholders of the Company		2,538	2,480
Non-controlling interest		384	16
		2,922	2,496

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

Consolidated statement of comprehensive income

(for the period 1 October to 31 March)

	Notes	2017/2018 3 Q	2016/2017 3 Q
Sales	4	124,484	151,139
Cost of sales		(121,088)	(142,865)
Gross profit		3,396	8,274
Operating (expenses)	9	(8,861)	(7,135)
Other income	10	1,583	594
Other (expenses)		89	577
Operating profit		(3,793)	2,310
Income from financing activities		110	129
(Expenses) from financing activities		(663)	(777)
Profit before tax		(4,346)	1,662
Income tax		407	(874)
Net profit		(3,939)	788
Net profit attributable to:			
Equity holders of the parent		(3,909)	924
Non-controlling interest		(30)	(136)
		(3,939)	788
Basic and diluted earnings per share (EUR)		(0.02)	0.01
Net profit		(3,939)	788
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Exchange differences on translation of foreign operations		–	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	–
Total comprehensive income, after tax		(3,939)	788
Total comprehensive income attributable to:			
The shareholders of the Company		(3,909)	924
Non-controlling interest		(30)	(136)
		(3,939)	788

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	Other reserves	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2016		46,093	(455)	23,038	2,936	(153)	(22)	88,336	159,773	2,214	161,987
Net profit for the year		–	–	–	–	–	–	2,481	2,481	16	2,497
Other comprehensive income		–	–	–	–	–	(1)	–	(1)	–	(1)
Total comprehensive income		–	–	–	–	–	(1)	2,481	2,480	16	2,496
Transfer of own shares		–	2	–	–	–	–	(2)	–	–	–
Declared dividends by company		–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	250	–	–	(250)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(26)	(26)
Acquisition of minority interest		–	–	–	–	–	–	1	1	(4)	(3)
Balance as at 31 March 2017		46,093	(453)	23,038	3,186	(153)	(23)	89,364	161,052	2,200	163,252
Balance as at 1 July 2017		46,093	(453)	23,038	3,186	(73)	(22)	95,177	166,946	2,271	169,217
Net profit for the year		–	–	–	–	–	–	2,538	2,538	384	2,922
Total comprehensive income		–	–	–	–	–	–	2,538	2,538	384	2,922
Declared dividends by company		–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	233	–	–	(233)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(14)	(14)
Acquisition of minority interest		–	–	–	–	–	–	173	173	(596)	(423)
Balance as at 31 March 2018		46,093	(453)	23,038	3,419	(73)	(22)	96,453	168,455	2,045	170,500

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

Consolidated cash flow statement

	Notes	As at 31 March 2018	As at 31 March 2017
Cash flows from (to) operating activities			
Net profit		2,922	2,947
Adjustments for non-cash items:			
Depreciation and amortisation		9,165	7,019
Subsidies amortisation		(639)	(526)
(Gain) on disposal of property, plant and equipment		(364)	(218)
Change in allowance and write-offs for receivables and prepayments		843	33
Inventories write down to net realisable value		928	(482)
Change in accrued expenses		1,014	(2,873)
Change in fair value of biological assets		961	(592)
Change in deferred income tax		(514)	376
Current income tax expenses		735	958
Change of provision for onerous contracts		(366)	–
Expenses (income) from change in fair value of financial instruments		(331)	2,693
Dividend (income)		(121)	–
Interest (income)		(413)	(374)
Interest expenses		1,962	2,094
		15,782	11,055
Changes in working capital:			
Decrease in biological assets		11,390	10,268
(Increase) in inventories		(69,504)	(41,817)
Decrease (increase) in prepayments		(5,770)	(814)
Decrease in trade and other accounts receivable		37,740	948
(Increase) in restricted cash		(364)	(177)
Increase in trade and other accounts payable		(41,850)	(25,079)
Income tax (paid)		(504)	(681)
Net cash flows from (to) operating activities		(53,080)	(46,297)

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

Consolidated cash flow statement (cont'd)

	Notes	As at 31 March 2018	As at 31 March 2017
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(13,113)	(9,455)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		754	914
Loans (granted)		(60)	(94)
Repayment of granted loans		409	1,117
Dividends received		121	–
Interest received		29	85
Net cash flows from (to) investing activities		(11,860)	(7,433)
Cash flows from (to) financing activities			
Proceeds from loans		84,584	87,743
(Repayment) of loans		(14,833)	(27,763)
Finance lease (payments)		(570)	(734)
Subsidies received		820	526
Interest (paid)		(1,680)	(1,782)
Dividend (paid) to non-controlling shareholders		(14)	(26)
Dividend (paid)		(1,202)	(1,202)
Acquisition of non-controlling interest		(423)	(3)
Net cash flows from (to) financing activities		66,682	56,759
Net (decrease) increase in cash and cash equivalents		1,742	3,029
Cash and cash equivalents at the beginning of the year		8,897	6,901
Cash and cash equivalents at the end of the year		10,639	9,930
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		309	103

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.

As at 31 March 2018 and as at 30 June 2017 the shareholders of the Company were:

	As at 31 March 2018		As at 30 June 2017	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	69.15 %	103,905,646	65.37 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
Swedbank AS (Estonia) clients	4,588,381	2.89 %	4,819,437	3.03 %
Other shareholders (private and institutional investors)	27,392,855	17.23 %	33,165,320	20.87 %
Total	158,940,398	100.00 %	158,940,398	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 31 March 2018 (EUR 0.29 each as at 30 June 2017) and were fully paid as at 31 March 2018 and as at 30 June 2017.

The Company holds 781,972 of its own shares, percentage 0.50%, as at 31 March 2018 (781,972 as at 30 June 2017). Subsidiaries and other related companies did not hold any shares of the Company as at 31 March 2018 and as at 30 June 2017.

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 31 March 2018 the number of employees of the Group was 2,193 (2,217 as at 30 June 2017).

No changes in share capital occurred during the years ending 31 March 2018 and 30 June 2017.

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 2016/2017 financial year.

3.Group structure and changes in the Group

As at 31 March 2018 and as at 30 June 2017 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
		31 March 2018	30 June 2017	
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 Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100 %	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	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	97.08%	93.84%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.08%	93.84%	Retail trade of food production
UAB Kekava Foods LT	Lithuania	97.08%	—	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
SIA Erfolg Group	Latvia	97.08%	93.84%	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	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

3. Group structure and changes in the Group (cont'd)

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2018	30 June 2017	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.49%	98.96%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.34%	98.34%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.80%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	97.65%	97.65%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.21%	95.21%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.60%	98.60%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Growing and sale of crops
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
Panevėžys district Žibartonių ŽŪB	Lithuania	99.89%	99.89%	Mixed agricultural activities

Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)

SIA DOTNUVA BALTIC	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
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	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
SIA Paleo	Latvia	100%	100%	Warehousing activity

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
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* 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 9 month period ended 31 March 2018

During 9 month period, ended 31 March 2018, the Company acquired 3.24% AS Putnu fabrika Kekava share capital for EUR 423 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 173 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During the 9 month period, ended 31 March 2018, the Group increased share capital of SIA Linas Agro Graudu Centrs, ŽŪB Landvesta 5, ŽŪB Noreikiškių, UAB Lineliai in amount EUR 2,700 thousand, EUR 35 thousand, EUR 47 thousand, EUR 80 thousand, respectively.

During the 9 month period, ended 31 March 2018, the Group decreased share capital of Užupės ŽŪB in amount EUR 750 thousand.

Changes in the Group during the year ended 30 June 2017

During 12 month period, ended 30 June 2017, the Company acquired 0.03% AS Putnu fabrika Kekava share capital for EUR 4 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 1 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 2017, the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB, UAB Lineliai, Noreikiškių ŽŪB, ŽŪB Landvesta 5 in amount of EUR 949 thousand, EUR 90 thousand, EUR 77 thousand, EUR 257 thousand, respectively.

During 12 month period, ended 30 June 2017, the Group increased share capital of SIA Linas Agro, UAB Linas Agro Grūdų Centras KŪB, ŽŪK KUPIŠKIO GRŪDAI, SIA Linas Agro Graudu Centrs, SIA Paleo in amount of EUR 169 thousand, EUR 1 thousand, EUR 147 thousand, EUR 923 thousand, EUR 150 thousand, respectively.

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, rapecake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes 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.

4. Segment information (cont'd)

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 31 March 2018								
Revenue								
Third parties	291,673	91,967	15,076	50,426	106	—	—	449,248
Intersegment	2,810	4,602	8,539	—	—	—	(15,951) ¹⁾	—
Total revenue	294,483	96,569	23,615	50,426	106	—	(15,951)¹⁾	449,248
Results								
Operating expenses	(5,875)	(9,818)	(2,519)	(4,472)	(15)	(4,170)	—	(26,869)
Segment operating profit (loss)	6,364	1,495	(359)	1,294	155	(4,256)	—	4,693

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 31 March 2017								
Revenue								
Third parties	289,797	101,914	12,193	44,371	57	—	—	448,332
Intersegment	2,441	4,193	8,554	—	—	—	(15,188) ¹⁾	—
Total revenue	292,238	106,107	20,747	44,371	57	—	(15,188)¹⁾	448,332
Results								
Operating expenses	(6,191)	(9,820)	(2,311)	(3,560)	(131)	(2,848)	—	(24,861)
Segment operating profit (loss)	7,242	1,562	(838)	697	93	(2,789)	—	5,967

1) Intersegment revenue is eliminated on consolidation.

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

Revenue from external customers	9 month period ended	
	31 March 2018	31 March 2017
Lithuania	122,374	122,192
Europe (except for Scandinavian countries, CIS and Lithuania)	149,806	194,933
Scandinavian countries	67,054	40,064
Asia	78,837	65,161
Africa	23,202	15,726
CIS	7,973	10,256
	449,246	448,332

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

Non-current assets	As at 31 March 2018	As at 30 June 2017
Lithuania	67,028	66,695
Latvia	52,614	52,559
Estonia	1,239	1,429
Denmark	—	2
	120,881	120,685

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	Provisional goodwill	Total
Cost:				
Balance as at 30 June 2016	920	162	1,971	3,053
Additions	97	–	–	97
Write-offs	(10)	(17)	–	(27)
Reclassifications	(58)	58	–	–
Balance as at 30 June 2017	949	203	1,971	3,123
Additions	199	41	–	240
Write-offs	(105)	(21)	–	(126)
Balance as at 31 March 2018	1,043	223	1,971	3,237
Accumulated amortization:				
Balance as at 30 June 2016	554	21	–	575
Charge for the year	94	12	–	106
Write-offs	(10)	–	–	(10)
Reclassifications	(26)	26	–	–
Balance as at 30 June 2017	612	59	–	671
Charge for the year	69	18	–	87
Write-offs	(105)	(11)	–	(116)
Balance as at 31 March 2018	576	66	–	642
Impairment losses:				
Balance as at 30 June 2016	–	–	–	–
Change for the year	–	–	1,121	1,121
Balance as at 30 June 2017	–	–	1,121	1,121
Balance as at 31 March 2018	–	–	1,121	1,121
Net book value as at 31 March 2018	467	157	850	1,474
Net book value as at 30 June 2017	337	144	850	1,331
Net book value as at 30 June 2016	366	141	1,971	2,478

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the statement of comprehensive income.

6. Property, plant and equipment

	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 2016	14,161	87,604	46,233	5,370	5,110	5,091	163,569
Additions	2,910	99	4,483	473	808	9,467	18,240
Disposals and write-offs	(177)	(171)	(2,590)	(410)	(356)	(293)	(3,997)
Transfers from investment property	248	–	–	–	–	–	248
Reclassifications	88	2,111	4,005	–	–	(6,204)	–
Balance as at 30 June 2017	17,230	89,643	52,131	5,433	5,562	8,061	178,060
Additions	1,701	201	1,949	556	451	5,558	10,416
Disposals and write-offs	(32)	(271)	(1,882)	(633)	(227)	(350)	(3,395)
Transfers from investment property	302	–	–	–	–	–	302
Transfers to investment property	(219)	–	–	–	–	–	(219)
Reclassifications	104	7,280	1,827	24	2	(9,237)	–
Balance as at 31 March 2018	19,086	96,853	54,025	5,380	5,788	4,032	185,164
Accumulated depreciation:							
Balance as at 30 June 2016	3	24,941	20,138	2,818	3,045	–	50,945
Charge for the year	36	5,672	3,840	749	788	–	11,085
Disposals and write-offs	(2)	(133)	(1,538)	(397)	(255)	–	(2,325)
Balance as at 30 June 2017	37	30,480	22,440	3,170	3,578	–	59,705
Charge for the year	33	4,540	3,658	532	523	–	9,286
Disposals and write-offs	(1)	(107)	(1,422)	(583)	(211)	–	(2,324)
Transfers to investment property	(1)	–	–	–	–	–	(1)
Balance as at 31 March 2018	68	34,913	24,676	3,119	3,890	–	66,666
Impairment losses:							
Balance as at 30 June 2016	–	399	10	–	–	–	409
Balance as at 30 June 2017	–	399	10	–	–	–	409
Balance as at 31 March 2018	–	399	10	–	–	–	409
Net book value as at 31 March 2018	19,018	61,541	29,339	2,261	1,898	4,032	118,089
Net book value as at 30 June 2017	17,193	58,764	29,681	2,263	1,984	8,061	117,946
Net book value as at 30 June 2016	14,158	62,264	26,085	2,552	2,065	5,091	112,215

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 2016	1,335	119	1,454
Additions	289	14	303
Disposals and write-offs	–	(2)	(2)
Transfers to property, plant and equipment	(248)	–	(248)
Balance as at 30 June 2017	1,376	131	1,507
Transfers to tangible assets	(302)	–	(302)
Transfers from tangible assets	219	–	219
Balance as at 31 March 2018	1,293	131	1,424
Accumulated depreciation:			
Balance as at 30 June 2016	–	44	44
Charge for the year	–	6	6
Disposals and write-offs	–	(2)	(2)
Balance as at 30 June 2017	–	48	48
Charge for the year	1	5	6
Transfers from tangible assets	1	–	1
Balance as at 31 March 2018	2	53	55
Impairment losses:			
Balance as at 30 June 2016	51	–	51
Balance as at 30 June 2017	51	–	51
Balance as at 31 March 2018	51	–	51
Net book value as at 31 March 2018	1,240	78	1,318
Net book value as at 30 June 2017	1,325	83	1,408
Net book value as at 30 June 2016	1,284	75	1,359

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

8. Borrowings

	As at 31 March 2018	As at 30 June 2017
Non-current borrowings		
Bank borrowings secured by the Group assets	25,514	20,401
	25,514	20,401
Current borrowings		
Current portion of non-current bank borrowings	8,204	11,061
Current bank borrowings secured by the Group assets	100,438	74,279
Other current borrowings (Note 12)	6,295	3,215
	114,937	88,555
	140,451	108,956

Interest payable is normally settled monthly throughout the financial year.

9. Operating expenses

	2017/2018 9 month	2016/2017 9 month
Wages and salaries and social security	(17,017)	(15,925)
Consulting expenses	(446)	(598)
Depreciation and amortization	(1,303)	(1,343)
Other	(8,103)	(6,995)
	(26,869)	(24,861)

10. Other income (expenses)

	2017/2018 9 month	2016/2017 9 month
Other income		
Rental income from investment property and property, plant and equipment	187	191
Gain from currency exchange	308	607
Gain from disposal of investment property and property, plant and equipment	387	265
Change in fair value of currency financial instruments	1,042	–
Other income	242	11
	2,166	1,074
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(365)	(223)
Loss from disposal of property, plant and equipment	(22)	(47)
Change in fair value of currency financial instruments	(607)	–
Other expenses	(149)	(5)
	(1,143)	(275)

11. Commitments and contingencies

As at 31 March 2018 the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,693 thousand (EUR 3,828 thousand as at 30 June 2017).

A few Group companies (Panevėžys district Aukštadvario ŽŪB, Kėdainiai district Labūnavos 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, Kėdainių district Labūnavos ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2019 and 2021, Šakiai district Lukšių ŽŪB – up to 2020 and 2021. 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 2020 and 2021.

SIA Lielzeltini and SIA Cerova 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, SIA Cerova – up to 2018.

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 2,174 thousand as at 31 March 2018 (EUR 1,683 thousand as at 30 June 2017).

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 31 March 2018 and 30 June 2017 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;
Vytautas Šidlauskas till 30 March 2018;
Artūras Pribušauskas till 30 March 2018.

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

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

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).

12. Related parties transactions (cont'd)

The Group's transactions with related parties in 9 month period ended 31 March 2018 were as follows:

2017/2018 3 Q	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Other receivable			
Akola ApS group companies	752	14,142	370	–	–	1	–
Members of management board	–	1	–	–	–	–	–

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 31 March 2018 and 30 June 2017.

13. Subsequent events

On 21 May 2018 the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB by EUR 900 thousand.

On 7 May 2018 the Group instigated Linas Agro A/S liquidation process.

On 4 April 2018 the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB by EUR 1 100 thousand.

The logo for Linas Agro, featuring the word "linas" in a dark blue sans-serif font, followed by a stylized orange and blue circular icon, and the word "agro" in a lighter blue sans-serif font.

linas agro

A close-up photograph of a person's hand holding a young pea plant seedling. The seedling has a white root ball, a green stem, and several green leaves. The background is a blurred field of soil and other small plants.

Consolidated Interim Report of AB Linas Agro Group

for the Nine-month Period
of the Financial Year 2017/18,
Ended 31 March, 2018



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
Fax	+370 45 50 73 04
E-mail	group@linasagro.lt
Website	www.linasagro.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 Denmark. The financial year of the Group begins on 1 July. At the end of the reporting period the Group had 40 companies, and the total headcount amounted to 2,193 employees. The Company does not have any branches and representative offices.

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 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.

The Group's activities are subdivided into main four operating Segments. Division into separate Segments is dictated by different types of products and character of related activities; however, activities of the Segments are often interconnected.



Products and services for farming

Agricultural production

Grain and feedstuff handling and merchandising

Food products

Information about subsidiaries of the Company

Effective Stock held by AB Linas Agro Group

The Company controlled 39 companies* in Lithuania, Latvia, Estonia and Denmark as at 31 March 2018.

*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (97.08% shares) not included).

AB „Linas Agro“ 100 %	SIA „Linas Agro“ 100 %	„Linas Agro“ A/S 100 %	SIA „Lielzeltini“ 100 %
UAB „Linas Agro“ Grūdų centras KŪB 100 %	UAB „Linas Agro“ Konsultacijos 100 %	SIA „Linas Agro“ Graudu centrs 100 %	AS „Putnu fabrika Kekava“ 97,08 %
UAB „Dotnuva Baltic“ 100 %	SIA „Dotnuva Baltic“ 100 %	AS „Dotnuva Baltic“ 100 %	SIA „Cerova“ 100 %
SIA „Paleo“ 100 %	ŽŪB „Landvesta 1“ 100 %	ŽŪB „Landvesta 2“ 100 %	SIA „Broileks“ 100 %
ŽŪB „Landvesta 3“ 100 %	ŽŪB „Landvesta 4“ 100 %	ŽŪB „Landvesta 5“ 100 %	SIA „PFK TRADER“ 97,08 %
ŽŪB „Landvesta 6“ 100 %	Noreikiškių ŽŪB 100 %	UAB „Lineliai“ 100 %	UAB „Kekava Foods LT“ 97,08 %
Karčemos koopera- tinė bendrovė 24,00 %	Biržų rajono Medeikių ŽŪB 98,34 %	Šakių rajono Lukšių ŽŪB 98,80 %	UAB „Jungtinė ekspedicija“ 100 %
Panevėžio rajono Žibartonių ŽŪB 99,89 %	Panevėžio rajono Aukštadvario ŽŪB 97,65 %	UAB „Linas Agro“ Grūdų centras 100 %	ŽŪK „KUPIŠKIO GRŪDAI“ 98,96 %
UAB „Paberžėlė“ 100 %	Sidabravo ŽŪB 95,21 %	Užupės ŽŪB 100 %	Kėdainių rajono Labūnavos ŽŪB 100 %

Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in nine months of 2017/18 financial year totaled EUR 449 million and was 0.3% more as compared to previous year (EUR 448 million).
- The Group's sales volume in tons reached 1.63 million of various grains and agricultural inputs and was 2.1% more as compared to previous year (1.59 million tons).
- The gross profit reached EUR 30.5 million and was 1.6% higher than a year before (EUR 30 million).
- Consolidated EBITDA was 3% higher and amounted to EUR 13.7 million as compared to the previous year (EUR 13.3 million).
- The Group's operating profit was EUR 4.7 million or 21% less as compared to the respective period of the previous year (EUR 5.9 million).
- Profit before taxes amounted to EUR 3.1 million (compared to EUR 4.2 million previous year). The net profit attributable to the Group stood at EUR 2.54 million (EUR 2.48 million previous year).
- The gross profit dropped from EUR 8.3 million to EUR 3.4 million in the third quarter of this financial year, and the operating profit of EUR 2.3 million turned into a loss of EUR 3.8 million. Group's net loss amounted to EUR 3.9 million compared to EUR 0.8 million net profit a year ago.

Financial Ratios

	2017/18	2016/17	2015/16	2014/15	2013/14
	9 months	9 months	9 months	9 months	9 months
Sales, million tons	1.63	1.60	1.78	1.66	1.56
Revenue (in million EUR)	449	448	474	445	458
Gross profit (in million EUR)	30.5	30.0	28.6	27.8	28.4
EBITDA (in million EUR)	13.7	13.3	13.3	13.5	21.8
Operating profit (in million EUR)	4.7	5.9	5.5	6.3	15.9
Net profit (in million EUR)	2.9	2.5	3.0	3.8	14.0

Overview

Consolidated revenue of AB Linas Agro Group over nine months of this financial year amounted to EUR 449 million and increased by 0.3% as compared to previous year (EUR 448 million). In overall, Group's financial results are very close to the results over the respective period in FY 2016/17. The largest increase in revenue has been observed in the *Agricultural Production* and *Food products* operating segments, or 13.8% and 13.6% accordingly. A jump in sales volume as well as more favorable market prices (raw milk purchase prices and poultry production prices were higher as compared to the previous period) were the rationale of the increase. The revenue of the largest business segment of the Group, *Grain and feedstuff handling and merchandising*, remained almost unchanged and recorded a small increase of 0.8%. Due to diminished seeded area of winter crops and accordingly a lower demand for fertilizers, plant protection products and agricultural machinery, revenue of the business segment *Products and Services for Farming* declined by 9%.

The third financial quarter of the year was in red figures and the Group finished the quarter with a EUR 3.9 million loss. One of the main reasons for that was a fair value adjustment of Group's biological assets (milk and grain), where a loss of EUR 0.8 million was recorded. In addition, because of the seasonality of business, January-March are the months of poorest sales of various agricultural inputs (seeds, fertilizers, agrochemicals, agricultural machinery, etc.). As the demand for grain in the world market was different from previous year, the majority of sales took place in the first half of this financial year, unlike a year before. Therefore, revenue of this business segment amounted to only EUR 81 million compared to EUR 123 million a year ago and that resulted into EUR 0.35 million operating loss in this business activity. All that had a negative impact on Q3 results that in turn has been very close to the results earned in FY 2015/16.

Gross profit of AB Linas Agro Group over nine months remained almost unchanged and was EUR 30.5 million (EUR 30.0 million a year before), while operating profit declined from EUR 5.9 million to EUR 4.7 million. Group's EBITDA amounted to EUR 13.7 million as compared to EUR 13.3 million in 2016/17 financial year. Net profit amounted to EUR 2.9 million (EUR 2.5 million a year before).

Financial Costs

Due to low interest rate basis, Group's financial expenses over referenced period remained almost unchanged and amounted to EUR 1.9 million compared to that in 2016/17 financial year (EUR 2.1 million). The total amount of financial loans portfolio (including leasing) grew from EUR 139 million to EUR 142 million. The amount of financial loans over nine months of this financial year grew by EUR 24 million since July due to increased various stocks and undergoing investments into poultry business and Group's grain elevators.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital increased to EUR 15.8 million as compared to EUR 11.1 million of the corresponding period of the previous year. Cash flow from operating activities after changes in working capital was negative and amounted to EUR 53.1 million (negative EUR 46.3 million over the respective period of 2016/17 financial year), the reason was increase of stocks by EUR 69.5 million as the trading season accelerated. Group's cash and cash equivalents amounted to EUR 10.6 million at the end of the reporting period (EUR 9.9 million in 2016/17 financial year).

Performance Results of the Segments

Activities of the Group are divided into five business Segments:

1. Grain and Feedstuff Handling and Merchandising;
2. Products and Services for Farming;
3. Agricultural Production;
4. Food products;
5. Other.

Operating Profit (loss) by Segments, thousand euro

	2017/18 9 months	2016/17 9 months	2015/16 9 months	2014/15 9 months	2013/14 9 months
Grain and Feedstuff Handling and Merchandising	6,364	7,242	10,378	7,311	7,969
Products and Services for Farming	1,495	1,562	506	235	1,339
Agricultural Production	(359)	(838)	(3,728)	(1,245)	(54)
Food products	1,294	697	1,102	3,697	9,506
Other	155	93	53	65	(233)

Grain and Feedstuff Handling and Merchandising

Being the largest operating Segment, this one 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 companies AB Linas Agro and Linas Agro AS are the holders of the European Good Trading Practice certificates. The companies AB Linas Agro and SIA Linas are ISCC (International Sustainability and Carbon certification) certified. In addition, AB Linas Agro holds a certificate in trade of organic plant production issued by the PE Ekoagros, and has GMP+ (European Good Manufacturing Practice) certification. The Group consistently expands the capacity of its own grain elevators, and currently the Group's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia is 290 thousand tons. The capacities of the storage facilities at ports operated by the Group reach 196 thousand tons.

Lower yields and quality of the crop in the region have created a significant competition between grain buyers in the local market, the purchase prices have been high and not always aligned with sales prices. Extreme competition was among rapeseed buyers, because area planted with rapeseed in 2017 was 32 thousand hectares less than in 2016. During the reporting period, imports of peas into the Indian market, which is the main consumer of peas in the world, were restricted, sales of peas shrunk almost 3.8 times as a result. Due to the damp summer and autumn weather in Europe, the possibilities for the sale of barley to Saudi Arabia, the main end-user of the product, have increased, and barley sales went up 85%.

The sales volumes of this business Segment in tons remained almost the same and amounted to 1.33 million (1.3 million in FY 2016/17). The trading volume of traditional crops (wheat, rapeseed, barley) grew

3.3% from 1.0 million tons to 1.1 million tons. However, due to lower world grain market prices, sales revenue for these products declined from EUR 217 million to EUR 211 million. Gross profit in this product group dropped from EUR 6.5 million to EUR 3.3 million. Meanwhile, market prices for feedstuff increased, resulting in sales revenue rise from EUR 69 million to EUR 77 million, although sales volume in tons have decreased from 227 thousand tons to 219 thousand tons. Due to increased demand for feedstuff, the profit margin of feedstuff sales went up, and gross profit grew from EUR 3.2 million to EUR 4.5 million.

Grain elevators owned by the Group collected and processed almost 482 thousand tons of various agricultural commodities or 7% more as compared to the respective period of the 2016/17 financial year (449 thousand tons). Taking into consideration that majority of harvested grains had comparatively big moisture content, income from drying services at elevators increased. Therefore gross profit of Group's controlled elevators went up 15% from EUR 3.4 million to EUR 3.9 million.

Segment's operating profit dropped 14% from EUR 7.3 million to EUR 6.4 million.

Over 2.2 million euros were invested over the reporting period to expand grain storage facilities in Kupiškis, Lukšiai (Šakiai district), Pasvalys, feedstuff warehouse in Joniškis, also to launch a new grain elevator in Kartena (Kretinga district). In Latvia, the Group has opened a new grain reception station in Skrunda, and also plans to build two grain elevators in Grobina and Rezekne until the start of the new grain harvesting season. The volume of sourced grain, oilseeds and legumes in Latvia grew by 12% up to 49 thousand tons.

Taking into account challenges in export markets and the fact that the majority of profit in grain trading is already earned, the Group predicts that overall profitability of this business Segment (and particularly profitability of traditional products sales) will be lower compared to previous year.

Products and Services for Farming

This business Segment includes trade in seeds, plant protection products, fertilizers, agricultural machinery, installation of grain cleaning, drying and storage facilities as well as 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 Group is constantly increasing its own warehousing capacity, and currently the total storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia is close to 131 thousand tons.

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. AB Linas Agro has received the Lithuanian Export Award by Lithuanian Association of Commerce, Industry and Crafts for the successful year 2017.

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 plant. Dotnuva Baltic holds one-third of Lithuanian certified seed market and has prepared over 20 thousand tons of seeds during the reporting period. The company has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros. Dotnuva Baltic is the only representative of the 'Case IH' brand in the Baltic States. In order to ensure high standards of customer service and to provide quality service to the market, in 2016 Dotnuva Baltic joined the 'Red Excellence' Case IH international quality campaign,

which unites Case IH dealers in Europe. The main and the largest representative offices in Dotnuva (Lithuania), Pinki (Latvia) and Tartu (Estonia) are rated at the 'Professional Dealer' level, and the other ten branches of the company in the Baltic States are at the level of 'Certified Dealer'. During the reporting period, Dotnuva Baltic received the 'Best 2017 seller' rating from the spray producer Agrifac (The Netherlands), a medal in agricultural exhibition 'Ką pasėsi...2018' and 'The Leader of Wholesale Trade 2017' award by business daily media 'Verslo žinios'.

Due to rainy fall in all of the Baltic States in 2017, changes in crop structure took place - the area of winter crops decreased and fertilizer consumption went down. Due to complicated weather conditions in autumn the farmers could not use herbicides and micro-fertilizers, and therefore the market for plant protection products shrank 10-12%. The Group focused on profitable transactions, which made revenue, gained from fertilizers and plant protection products sales, 18% less and close to EUR 38 million.

The decreased winter crop areas brought up the demand for spring seeds like rapeseed, wheat, beans and barley. The sales of certified seed sales were boosted by EU support for planting crop areas with certified seeds, which was around EUR 18 / ha, and the shortage of certified seed in the Baltic States and Poland. Revenue from seed sales grew 5% up to EUR 12 million.

The market for new agricultural machinery went down about 30% during the reporting period. Due to the losses incurred in the fall the farmers tended to either defer investment or refuse new agricultural machinery at all. At the same time the demand for used agricultural machinery and service went up. The unfavorable harvesting conditions and losses led to farmers' interest and investments into grain storage facilities: grain drying, cleaning and storage complexes. Lately, there has been a recovery in the market, which should be reflected in later financial periods. In Latvia, most of the farms were waiting for the results of the EU funding distribution to become clear in April, in Estonia, EU funds subsidies to be distributed until the end of April.

The sales of new agricultural machinery decreased by 19% to EUR 24 million during the respective period, while trade of second-hand agricultural machinery grew 70% up to EUR 1.5 million. Revenue gained from spare parts sales and service grew 10% to EUR 7 million. Sales of dairy farming equipment increased by 112% to EUR 0.55 million. Trade in grain storage facilities and equipment grew 67% to over EUR 9 million. As much as 14 installation projects of grain complexes have been accomplished, and a lot of new ones are underway - major to be completed in the next financial year.

The gross profit of the Segment remained almost unchanged and amounted to EUR 11.17 million compared to EUR 11.16 million in FY 2016/17, while operating profit dropped from EUR 1.6 million to EUR 1.5 million.

Almost 174 thousand euros have been invested during the reporting period to develop the infrastructure for fertilizers and agricultural machinery trading and service.

The Group expects the operating profit of this segment to be lower this year than previous year and higher if compared to the results of the financial year 2015/16.

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 six agricultural companies situated on fertile land across Lithuania – Panevėžys District Aukštadvario ŽŪB, Panevėžys District Žibartonių ŽŪB, Kėdainiai District Labūnavos ŽŪB, Šakiai District Lukšių ŽŪB, Biržai District Medeikių ŽŪB and Sidabravo ŽŪB.

Agricultural companies were cultivating 17,266 ha of land. At the end of the reporting period the Group had 7,287 ha of the own land.

At the end of March, 250 ha of winter wheat (of the total 4,259 ha area) and 350 ha of rapeseed (of the total 2,553 ha area) were in poor condition.

There are plans to plant 6,550 ha area with spring crops: 2,800 ha with barley, 1,500 ha with beans, 1,150 ha with spring wheat and 1,100 ha with other crops.

The Group controlled farms own 3,228 dairy cows, the increase in number was insignificant. The milk yield of cows was slightly higher as compared to that of previous year. Over 22,000 tons of raw milk have been sold over the referenced period, or 3.7% more than a year before. The milk prices in January 2018-March 2018 were 1.4% lower than a year before, but the overall average price for nine months remained 18.7% higher, therefore sales revenue went up from EUR 6.7 million to EUR 8.4 million. Meat sales volume was 1,107 tons (1,124 tons a year before).

The revenue of this business Segment grew 14% from EUR 20.7 million to EUR 23.6 million, and previous operating loss EUR 0.84 million diminished to EUR 0.36 million.

During the reporting period, the Group invested more than EUR 4 million to renew agricultural machinery and vehicles fleet, and renovate buildings.

Evaluating the fact that milk purchase prices have a tendency to decline and also the fact that agricultural companies were able to organize successful harvesting in 2017 to achieve a record production output, the Group's management estimates, that performance of this business Segment will be close to that of previous year.

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. The business is run by Latvian poultry companies AS Putnu Fabrika Kekava (with 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 sold under the trademark "Top choice poultry" in the export markets. The subsidiary of the company, SIA PFK Trader operates 21 retail shops all over Latvia and opened the first shop in Lithuania during the reporting period. AS Putnu Fabrika Kekava has received the BRC (British Retail Consortium) certification ISO 50001:2012 and ISO 22000:200 certification, also is Halal certified. AS Putnu Fabrika Kekava is the only poultry farm in the Baltic States that received the right to mark their poultry meat as ‘Raised without Antibiotics’.

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 received 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.

An average poultry price over the reporting period was EUR 2.06 /kg or 5% more compared to previous year.

The poultry companies produced over 30 thousand tons of live weight or 3% more as compared to previous year. Companies sold 24 thousand tons of poultry and poultry products or 10% more than a year before.

The poultry companies that have earlier introduced chicken, raised without antibiotics, to the market, focused on more wealth countries and increased exports of fresh meat to Sweden, Estonia and Lithuania. Exports raised the price of fresh chicken by 7% and price of chicken products - by 6%.

Revenue from this business Segment increased by 13.6% from EUR 44.4 million to EUR 50.4 million while operating profit accelerated from EUR 0.7 million to EUR 1.3 million. Previous investments in modernization of production influenced the profitability of the Segment, allowing the operating profit margin to increase from 1.6% to 2.6%.

The Group invested over EUR 4 million during the referenced period to upgrade poultry production equipment. The main investments were aimed at improving the living conditions of birds, and the Group expects to receive EU structural funds’ support for these investments. There was also an investment in increasing biological security.

Taking into account the current market situation, successful sales of the new products, the Group expects better financials results of this business Segment as compared to previous year.

Other

This business Segment includes small activities, not attributable to other Segments, as an example services of elevator’s to a third parties, sale of minor assets, etc.

The operating profit of this business Segment amounted to EUR 155 thousand as compared to a 93 thousand euros profit in previous year.

The Publicly Disclosed Information and Other Events of the Reporting Period

The Publicly Disclosed Information

During the reporting period ended 31 March, 2018, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company’s website the following information:

29/3/2018 16:00 EEST	On the decision of the Supervision Service of the Bank of Lithuania	Notification on material event	EN, LT
27/3/2018 16:55 EEST	Regarding resignation from the Board of Linas Agro Group AB	Notification on material event	EN, LT
27/3/2018 11:56 EEST	Notification on Linas Agro Group AB manager's related party transactions	Notification on material event	EN, LT
27/3/2018 11:34 EEST	Linas Agro Group AB notifications on the transactions concluded by managers in issuer's securities	Notification on material event	EN, LT
28/2/2018 16:50 EET	AB Linas Agro Group notification about interim 6 months financial results of the financial year 2017/2018	Half-Yearly information	EN, LT
30/1/2018 8:34 EET	AB Linas Agro Group investor's calendar for the 2018	Other information	EN, LT
30/11/2017 10:00 EET	AB Linas Agro Group notification about interim 3 months financial results of the year 2017/2018	Interim information	EN, LT
26/10/2017 18:15 EEST	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 26 October 2017	Notification on material event	EN, LT
26/10/2017 18:15 EEST	Procedure for the payout of dividends for the financial year ended 30 June 2017	Notification on material event	EN, LT
26/10/2017 18:05 EEST	AB Linas Agro Group notification about the Annual information of the financial year 2016/2017	Annual information	EN, LT
04/10/2017 14:00 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
31/8/2017 10:10 EEST	AB Linas Agro Group notification about interim 12 months financial results of the financial year 2016/2017	Interim information	EN, LT

Other Events of the Reporting Period

07/2017 – 03/2018	The Company additionally acquired 15 406 shares of AS Putnu Fabrika Kekava with nominal value of 613,158.80 euros.
08/03/2018	UAB Kekava Foods LT was registered.
13/02/2018	Participants of UAB Linas Agro Grūdų Centras KŪB approved the Activity agreement and decided to increase capital of UAB Linas Agro Grūdų Centras KŪB by 1,100,000 euros.
09/02/2018	The authorized capital of SIA Linas Agro Graudu Centrs was increased by 2,700,000 euros.
31/10/2017	Equity capital of Užupės ŽŪB reduced by paying out EUR 750,660.80 to shareholders.
27/9/2017	The authorized capital of UAB Lineliai was increased by 80,000 euros.

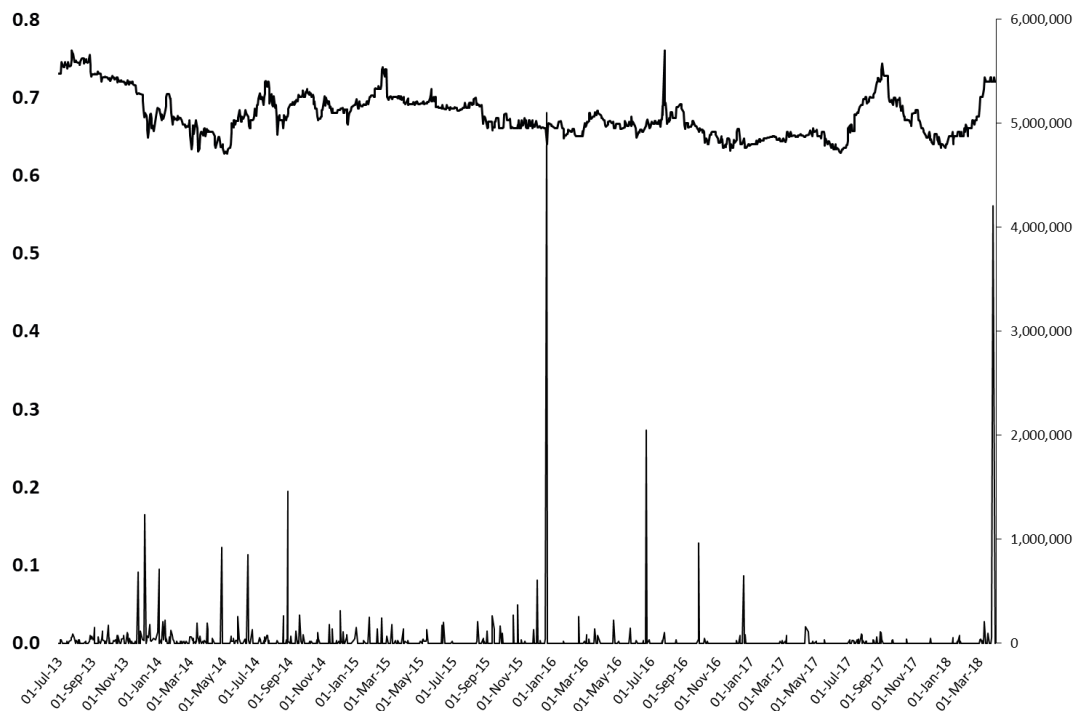
- 24/7/2017 The Company signed the Issuer's Securities Accounting Management Agreement with Šiaulių Bankas AB (code of legal entity 112025254, address: Tilžės St. 149, LT-76348 Šiauliai).
- 14/7/2017 The shareholders of Noreikiškių ŽŪB made a decision to increase the authorized capital of the company by 70,000 euros.

Subsequent Events

- 21/05/2018 The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 900,000 euros.
- 07/05/2018 Linas Agro A/S liquidation process was instigated.
- 04/04/2018 The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 1,100,000 euros.

Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 01/07/2013 until the end of the reporting period, i. e. 31 March 2018, is presented in the following diagram:



Contact Persons

Finance Director

Tomas Tumėnas

Ph. + 370 45 507 393

Email t.tumenas@linasagro.lt

Investor Relations Specialist

Greta Vaitkevičienė

Ph. + 370 45 507 346

Email g.vaitkeviciene@linasagro.lt