

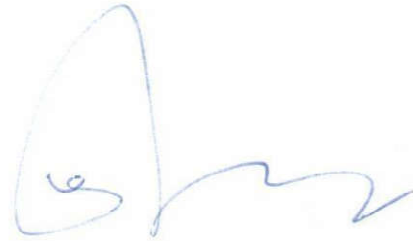
Confirmation of the responsible persons

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 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 2018/19, 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 2018/19 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 2019

Darius Zubas



Finance Director of AB Linas Agro Group

31 May 2019

Tomas Tumėnas





AB Linas Agro Group
Consolidated unaudited
Financial Statements
For the 9 month period
of the financial year 2018/19

*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 2019	As at 30 June 2018
ASSETS			
Non-current assets			
Intangible assets	5	1,398	1,496
Property, plant and equipment	6	126,640	122,590
Investment property	7	1,109	1,316
Animals and livestock		8,589	8,726
Non-current financial assets			
Other investments and prepayments for financial assets		16	16
Non-current receivables		2,985	1,841
Total non-current financial assets		3,001	1,857
Non-current prepayments		–	1,590
Deferred income tax asset		3,042	2,803
Total non-current assets		143,779	140,378
Current assets			
Crops		3,368	12,856
Livestock		2,817	2,312
Inventories		170,035	95,873
Current prepayments		5,764	12,206
Accounts receivable			
Trade receivables		109,713	117,036
Receivables from related parties	12	143	255
Income tax receivable		82	843
Other accounts receivable		6,661	7,128
Total accounts receivable		116,599	125,262
Derivative financial instruments		754	70
Other current financial assets		2,595	1,485
Cash and cash equivalents		7,599	10,495
Total current assets		309,531	260,559
Total assets		453,310	400,937

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	As at 31 March 2019	As at 30 June 2018
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium		23,038	23,038
Own shares		(448)	(453)
Legal reserve		3,611	3,419
Reserve for own share		5,000	–
Cash flow hedge reserve		(40)	(40)
Foreign currency translation reserve		(25)	(22)
Retained earnings		91,302	102,951
Total equity attributable to equity holders of the parent		168,531	174,986
Non-controlling interest		2,104	2,088
Total equity		170,635	177,074
Liabilities			
Non-current liabilities			
Grants and subsidies		6,025	6,299
Non-current borrowings	8	29,791	27,180
Finance lease obligations		2,349	1,172
Deferred income tax liability		82	110
Non-current employee benefits		442	442
Total non-current liabilities		38,689	35,203
Current liabilities			
Current portion of non-current borrowings	8	4,270	6,835
Current portion of finance lease obligations		806	559
Current borrowings	8	172,117	118,109
Trade payables		47,347	39,079
Payables to related parties	12	61	1
Income tax payable		80	103
Derivative financial instruments		102	987
Other current liabilities		19,203	22,987
Total current liabilities		243,986	188,660
Total equity and liabilities		453,310	400,937

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	2018/2019 9 month	2017/2018 9 month
Sales	4	526,349	449,248
Cost of sales		(502,066)	(418,709)
Gross profit		24,283	30,539
Operating (expenses)	9	(25,105)	(26,869)
Other income	10	1,512	2,166
Other (expenses)		(1,879)	(1,143)
Operating profit		(1,189)	4,693
Income from financing activities		506	413
(Expenses) from financing activities		(2,910)	(1,962)
Profit before tax		(3,593)	3,144
Income tax		101	(222)
Net profit		(3,492)	2,922
Net profit attributable to:			
Equity holders of the parent		(3,555)	2,538
Non-controlling interest		63	384
		(3,492)	2,922
Basic and diluted earnings per share (EUR)		(0.02)	0.02
Net profit		(3,492)	2,922
Other comprehensive income			
Exchange differences on translation of foreign operations		(3)	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		(3)	–
Total comprehensive income, after tax		(3,495)	2,922
Total comprehensive income attributable to:			
The shareholders of the Company		(3,558)	2,538
Non-controlling interest		63	384
		(3,495)	2,922

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January to 31 March)

	Notes	2018/2019 3 Q	2017/2018 3 Q
Sales		197,426	124,484
Cost of sales		(193,625)	(121,088)
Gross profit		3,801	3,396
Operating (expenses)		(6,537)	(8,861)
Other income		432	1,583
Other (expenses)		(1,633)	89
Operating profit		(3,937)	(3,793)
Income from financing activities		137	110
(Expenses) from financing activities		(1,263)	(663)
Profit before tax		(5,063)	(4,346)
Income tax		385	407
Net profit		(4,678)	(3,939)
Net profit attributable to:			
Equity holders of the parent		(4,661)	(3,909)
Non-controlling interest		(17)	(30)
		(4,678)	(3,939)
Basic and diluted earnings per share (EUR)		(0.03)	0.02
Net profit		(4,678)	(3,939)
Other comprehensive income			
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		(4,678)	(3,939)
Total comprehensive income attributable to:			
The shareholders of the Company		(4,661)	3,909
Non-controlling interest		(17)	(30)
		(4,678)	(3,939)

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	Reserve for own share	Other reserves	Foreign currency translation reserve	Retained earnings	Subtotal	Non-control interest	Total
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
Balance as at 1 July 2018		46,093	(453)	23,038	3,419	–	(40)	(22)	102,951	174,986	2,088	177,074
Net profit for the year		–	–	–	–	–	–	–	(3,555)	(3,555)	63	(3,492)
Exchange differences on translation of foreign operations		–	–	–	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive income		–	–	–	–	–	–	(3)	(3,555)	(3,558)	63	(3,495)
Disposal of own shares		–	5	–	–	–	–	–	(5)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(17)	(17)
Declared dividends by company		–	–	–	–	–	–	–	(2,926)	(2,926)	–	(2,926)
Reserves made		–	–	–	192	5,000	–	–	(5,192)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	29	29	(30)	(1)
Balance as at 31 March 2019		46,093	(448)	23,038	3,611	5,000	(40)	(25)	91,302	168,531	2,104	170,635

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CONSOLIDATED CASH FLOW STATEMENT

	Notes	2018/2019 9 month	2017/2018 9 month
Cash flows from (to) operating activities			
Net profit		(3,492)	2,922
Adjustments for non-cash items:			
Depreciation and amortisation		7,859	9,165
Subsidies amortisation		(474)	(639)
(Gain) on disposal of property, plant and equipment		(88)	(364)
Change in allowance and write-offs for receivables and prepayments		928	843
Inventories write down to net realisable value		(14)	928
Change of provision for onerous contracts		–	(366)
Change in accrued expenses		(6,165)	1,014
Change in fair value of biological assets		376	961
Change in deferred income tax		(227)	(514)
Current income tax expenses		127	735
Expenses (income) from change in fair value of financial instruments		715	(331)
Dividend (income)		(3)	(121)
Interest (income)		(506)	(413)
Interest expenses		2,908	1,298
		1,944	1,962
Changes in working capital:			
Decrease in biological assets		8,821	11,390
(Increase) in inventories		(76,414)	(69,504)
Decrease (increase) in prepayments		6,366	(5,770)
Decrease in trade and other accounts receivable		10,304	37,740
(Increase) in restricted cash		(15)	(364)
Increase in trade and other accounts payable		6,731	(41,850)
Income tax (paid)		(324)	(504)
Net cash flows from (to) operating activities		(42,587)	(53,080)

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2018/2019 9 month	2017/2018 9 month
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(12,505)	(13,113)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,190	754
Loans (granted)		(68)	(60)
Repayment of granted loans		99	409
Interest received		14	29
Dividend received		3	121
Net cash flows from (to) investing activities		(11,267)	(11,860)
Cash flows from (to) financing activities			
Proceeds from loans		72,358	84,584
(Repayment) of loans		(18,795)	(14,833)
Finance lease (payments)		(727)	(570)
Grants received		147	820
Interest (paid)		(2,547)	(1,680)
Dividend (paid) to non-controlling shareholders		(17)	(14)
Dividend (paid)		(2,926)	(1,202)
Acquisition of non-controlling interest		(1)	(423)
Net cash flows from (to) financing activities		47,492	66,682
Net (decrease) increase in cash and cash equivalents		(2,896)	1,742
Cash and cash equivalents at the beginning of the year		10,495	8,897
Cash and cash equivalents at the end of the year		7,599	10,639
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		147	–
Property, plant and equipment acquisitions financed by finance lease		811	309

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 2019 and as at 30 June 2018 the shareholders of the Company were:

	As at 31 March 2019		As at 30 June 2018	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109 909 167	69,15 %	109,909,167	69.15 %
Darius Zubas	17 049 995	10,73 %	17,049,995	10.73 %
Tomas Pučkis	4 785 295	3,01 %	4,359,078	2.74 %
Swedbank AS (Estonia) clients	4 267 300	2,68 %	4,472,774	2.81 %
Other shareholders (private and institutional investors)	22 928 641	14,43 %	23,149,384	14.57 %
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 2019 (EUR 0.29 each as at 30 June 2018) and were fully paid as at 31 March 2019 and as at 30 June 2018.

The Company holds 772,972 of its own shares, percentage 0.50%, as at 31 March 2019 (781,972 as at 30 June 2018). Subsidiaries and other related companies did not hold any shares of the Company as at 31 March 2019 and as at 30 June 2018.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As at 31 March 2019 the number of employees of the Group was 2,182 (2,199 as at 30 June 2018).

No changes in share capital occurred during the years ending 31 March 2019 and 30 June 2018.

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 2017/2018 financial year.

3.GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 31 March 2019 and as at 30 June 2018 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 2019	30 June 2018	
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
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	97.10%	97.09%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.10%	97.09%	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 (under liquidation)	Latvia	–	97.09%	Not operating company
UAB Kekava Foods LT	Lithuania	97,10%	97.09%	Retail trade of food production
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
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
LLC LINAS AGRO UKRAINE	Ukraine	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
		31 March 2019	30 June 2018	
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	98.92%	98.60%	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	99.89%	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 (under liquidation)	Latvia	–	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

* 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 2019

During 9 month period, ended 31 March 2019, the Company acquired 0.01% AS Putnu fabrika Kekava share capital for EUR 1 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 9 month period, ended 31 March 2019, the Group founded the share capital of LLC LINAS AGRO UKRAINE UAH 6,500 thousand (EUR 205 thousand), Kėdainiai district ŽŪB Labūnava EUR 200 thousand, UAB Gerera EUR 30 thousand.

During 9 month period, ended 31 March 2019, the Group reduced the share capital of Užupės ŽŪB by paying out EUR 140 thousand to shareholders.

During 9 month period, ended 31 March 2019, the Company increased the share capital of Linas Agro Grūdų Centras KŪB by EUR 1,000 thousand. UAB Linas Agro Konsultacijos EUR 203 thousand, UAB Lineliai EUR 50 thousand, ŽŪB Noreikiškių EUR 14 thousand.

Changes in the Group during the year ended 30 June 2018

During 12 month period, ended 30 June 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 12 month period, ended 30 June 2018, the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB, ŽŪB Landvesta 5, ŽŪB Noreikiškių, UAB Lineliai in amount EUR 2,000 thousand, EUR 35 thousand, EUR 70 thousand, EUR 80 thousand, respectively.

During the 12 month period, new company UAB Kekava Foods LT was established.

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.

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 2019								
Revenue								
Third parties	359,786	94,518	14,813	57,440	(208)	–	–	526,349
Intersegment	4,947	4,806	7,899	–	–	–	(17,652) ¹⁾	–
Total revenue	364,733	99,324	22,712	57,440	(208)	–	(17,652)¹⁾	526,349
Results								
Operating expenses	(5,288)	(10,303)	(2,240)	(5,421)	(30)	(1,823)	–	(25,105)
Segment operating profit (loss)	822	145	(868)	692	(66)	(1,914)	–	(1,189)

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 elimina- tions	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

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 2019	31 March 2018
Lithuania	157,891	122,374
Europe (except for Scandinavian countries, CIS and Lithuania)	87,704	149,806
Scandinavian countries	182,419	67,054
Asia	35,136	78,837
Africa	42,095	23,202
CIS	21,104	7,975
	526,349	449,248

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

Non-current assets	As at 31 March 2019	As at 30 June 2018
Lithuania	70,583	68,245
Latvia	57,589	55,957
Estonia	975	1,200
	129,147	125,402

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 2017	949	203	1,971	3,123
Additions	246	47	–	293
Write-offs	(106)	(23)	–	(129)
Reclassifications	(50)	50	–	–
Balance as at 30 June 2018	1,039	277	1,971	3,287
Additions	51	4	–	55
Write-offs	–	(5)	–	(5)
Balance as at 31 March 2019	1,090	276	1,971	3,337
Accumulated amortization:				
Balance as at 30 June 2017	612	59	–	671
Charge for the year	100	18	–	118
Write-offs	(106)	(13)	–	(119)
Reclassifications	(25)	25	–	–
Balance as at 30 June 2018	581	89	–	670
Charge for the year	80	73	–	153
Write-offs	–	(5)	–	(5)
Balance as at 31 March 2019	661	157	–	818
Impairment losses:				
Balance as at 30 June 2017	–	–	1,121	1,121
Balance as at 30 June 2018	–	–	1,121	1,121
Balance as at 31 March 2019	–	–	1,121	1,121
Net book value as at 31 March 2019	429	119	850	1,398
Net book value as at 30 June 2018	458	188	850	1,496
Net book value as at 30 June 2017	337	144	850	1,331

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 2017	17,230	89,643	52,131	5,433	5,562	8,061	178,060
Additions	2,219	30	3,327	723	407	12,728	19,434
Disposals and write-offs	(271)	(1,864)	(3,425)	(979)	(1,225)	(367)	(8,131)
Transfers from investment property	302	–	–	–	–	–	302
Transfers to investment property	(219)	–	–	–	–	–	(219)
Reclassifications	107	8,518	1,830	157	68	(10,680)	–
Balance as at 30 June 2018	19,368	96,327	53,863	5,334	4,812	9,742	189,446
Additions	1,391	244	3,140	330	168	7,694	12,967
Disposals and write-offs	(2)	(730)	(1,386)	(437)	(162)	(9)	(2,726)
Transfers from investment property	179	–	–	–	–	–	179
Reclassifications	10	9,528	2,795	328	125	(12,786)	–
Balance as at 31 March 2019	20,946	105,369	58,412	5,555	4,943	4,641	199,866
Accumulated depreciation:							
Balance as at 30 June 2017	37	30,480	22,440	3,170	3,578	–	59,705
Charge for the year	46	5,770	4,544	706	734	–	11,800
Disposals and write-offs	(1)	(788)	(2,833)	(903)	(1,025)	–	(5,550)
Transfers to investment property	(1)	–	–	–	–	–	(1)
Reclassifications	–	–	–	128	(128)	–	–
Balance as at 30 June 2018	81	35,462	24,151	3,101	3,159	–	65,954
Charge for the year	35	3,843	3,227	331	385	–	7,821
Disposals and write-offs	–	(191)	(751)	(347)	(131)	–	(1,420)
Reclassifications	–	–	5	–	(5)	–	–
Balance as at 31 March 2019	116	39,114	26,632	3,085	3,408	–	72,355
Impairment losses:							
Balance as at 30 June 2017	–	399	10	–	–	–	409
Charge for the year	–	297	154	–	42	–	493
Balance as at 30 June 2018	–	696	164	–	42	–	902
Disposals and write-offs	–	(29)	(1)	–	–	–	(30)
Balance as at 31 March 2019	–	667	163	–	42	–	872
Net book value as at 31 March 2019	20,830	65,588	31,617	2,470	1,493	4,641	126,639
Net book value as at 30 June 2018	19,287	60,169	29,548	2,233	1,611	9,742	122,590
Net book value as at 30 June 2017	17,193	58,764	29,681	2,263	1,984	8,061	117,946

As at 30 June 2018 the Group reviewed useful lives, residual values and depreciation methods and made decision to change the useful lives, residual values for property, plant and equipment groups and subgroups and related grants.

As the result of these changes, the Group's depreciation charge for the period ended 31 March 2019 is EUR 7,821 thousand, instead of EUR 9,757 thousand calculated by previous useful lives and residual values. The amortization of grants for the period ended 31 March 2019 is EUR 524 thousand, instead of EUR 699 thousand calculated by previous useful lives and residual values.

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 2017	1,376	131	1,507
Transfers to property, plant and equipment	(302)	–	(302)
Transfers from property, plant and equipment	219	–	219
Balance as at 30 June 2018	1,293	131	1,424
Disposals and write-offs	(26)	(7)	(33)
Transfers to property, plant and equipment	(179)	–	(179)
Balance as at 31 March 2019	1,088	124	1,212
Accumulated depreciation:			
Balance as at 30 June 2017	–	48	48
Charge for the year	1	7	8
Transfers from property, plant and equipment	1	–	1
Balance as at 30 June 2018	2	55	57
Charge for the year	1	2	3
Disposals and write-offs	–	(7)	(7)
Balance as at 31 March 2019	3	50	53
Impairment losses:			
Balance as at 30 June 2017	51	–	51
Balance as at 30 June 2018	51	–	51
Balance as at 31 March 2019	51	–	51
Net book value as at 31 March 2019	1,034	74	1,108
Net book value as at 30 June 2018	1,240	76	1,316
Net book value as at 30 June 2017	1,325	83	1,408

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

8. BORROWINGS

	As at 31 March 2019	As at 30 June 2018
Non-current borrowings		
Bank borrowings secured by the Group assets	29,782	27,171
Other non-current borrowings	9	9
	29,791	27,180
Current borrowings		
Current portion of non-current bank borrowings	4,270	6,835
Current bank borrowings secured by the Group assets	167,165	117,110
Other current borrowings	4,952	999
	176,387	124,944
	206,178	152,124

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2018/2019 9 month	2017/2018 9 month
Wages and salaries and social security	(15,068)	(17,017)
Consulting expenses	(515)	(446)
Depreciation and amortization	(785)	(1,303)
Other	(8,737)	(8,103)
	(25,105)	(26,869)

10. OTHER INCOME (EXPENSES)

	2018/2019 9 month	2017/2018 9 month
Other income		
Gain from currency exchange	–	308
Rental income from investment property and property, plant and equipment	152	187
Gain from disposal of investment property and property, plant and equipment	596	387
Dividend income	3	–
Change in fair value of currency financial instruments	625	1,042
Other income	136	242
	1,512	2,166
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(261)	(365)
Loss from disposal of property, plant and equipment	(508)	(22)
Currency exchange loss	(55)	–
Change in fair value of currency financial instruments	(799)	(607)
Other expenses	(256)	(149)
	(1,879)	(1,143)

11. COMMITMENTS AND CONTINGENCIES

As at 31 March 2019 the Group is committed to purchase property, plant and equipment for the total amount of EUR 2,709 thousand (EUR 4,168 thousand as at 30 June 2018).

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, 2022, 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 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, AS Putnu fabrika Kekava – up to the end 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 3,080 thousand as at 31 March 2019 (EUR 3,080 thousand as at 30 June 2018).

In August 2018 the Group company 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 and deferred tax asset in EUR 48 thousand for the year ended 31 March 2019. The AB Linas Agro management does not concur with Customs assessment and the decision is appealed.

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 2019 and 30 June 2018 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 from 1 June 2018;
 Jonas Bakšys from 1 June 2018;
 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).
 Lobiu Sala AS (Sweden) (Jonas Bakšys is the Member of Board of this company).
 Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).

The Group's transactions with related parties in 9 month period ended 31 March 2019 were as follows:

2019 3 Q

	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Payments received in advance
			Trade receivables	Other receivable			
Akola ApS group companies	461	19,407	143	–	–	61	1,669
Members of management board	–	–	–	–	–	–	–

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 2019 and 30 June 2018.

13. SUBSEQUENT EVENTS

There are no subsequent events.



**Consolidated Interim Report
of AB Linas Agro Group**

**for the Nine-month Period
of the Financial Year 2018/19,
Ended 31 March, 2019**



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 three countries – Lithuania, Latvia and Estonia. The financial year of the Group begins on 1 July. At the end of the reporting period the Group had 38 companies and 2,182 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

Contact Persons

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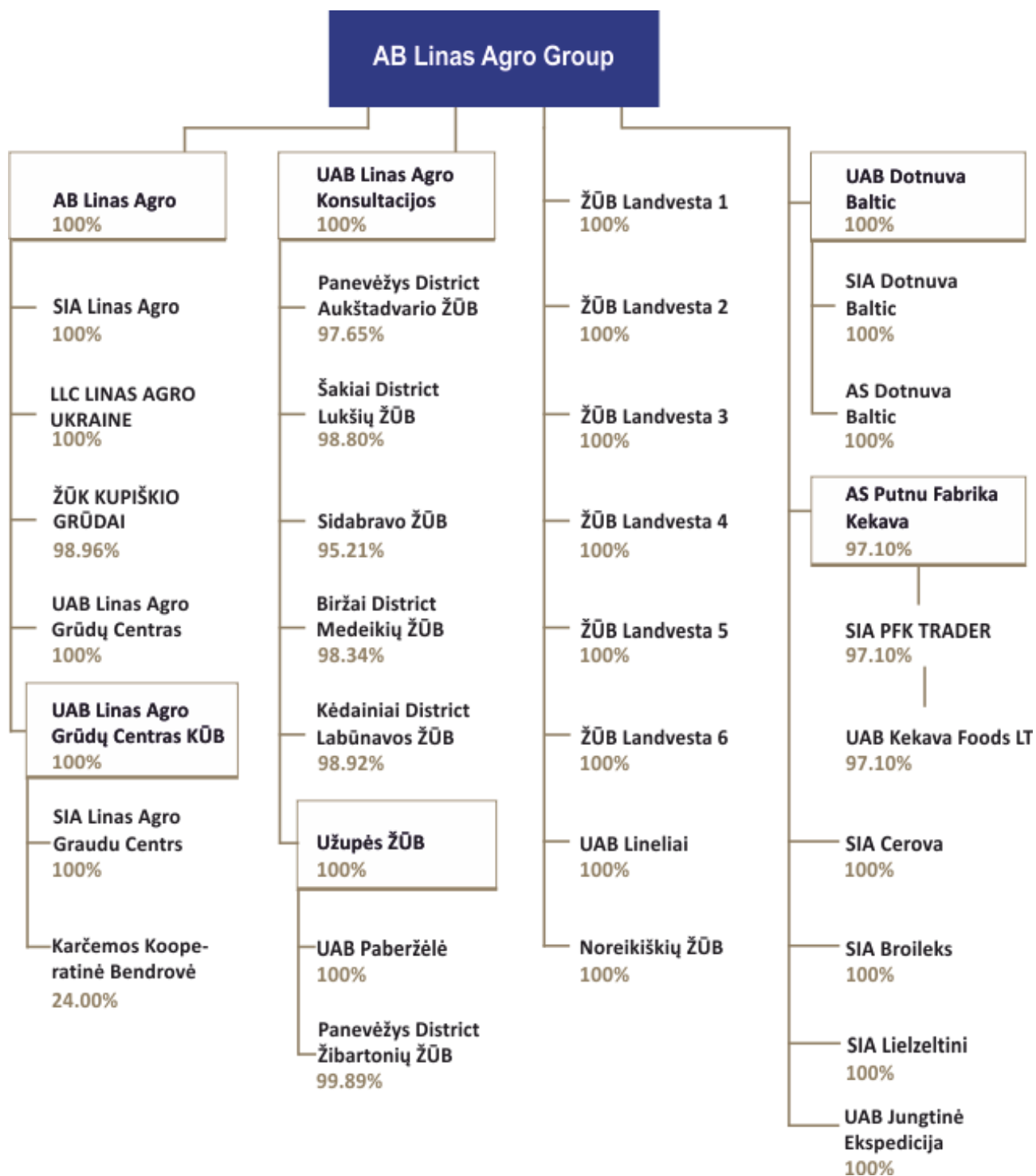
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Email v.lukoseviciene@linasagro.lt

Information about subsidiaries of the Company

The Company controlled 38 companies* in Lithuania, Latvia and Estonia as at 31 March 2019.

*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).



Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in nine months of 2018/19 financial year totaled EUR 526 million and was 17% more as compared to previous year (EUR 449 million).
- The Group's sales volume in tons reached 1.7 million and was 6% more as compared to previous year (1.6 million tons).
- The gross profit reached EUR 24.3 million and was 20% less than a year before (EUR 30.5 million).
- Consolidated EBITDA amounted to EUR 6.8 million and was 50% less and as compared to the previous year (EUR 13.7 million).
- The Group's operating loss was EUR 1.2 million as compared to EUR 4.7 million profit gained during the respective period of the previous year.
- Loss before taxes amounted to EUR 3.6 million (compared to EUR 3.1 million profit in previous year). The net loss attributable to the Group stood at EUR 3.6 million (EUR 2.5 million profit previous year).
- The gross profit in the third quarter of this financial year was EUR 3.8 million or almost the same as a year before (EUR 3.4 million), and the operating loss amounted to EUR 3.9 million compared to EUR 3.8 million operating loss from previous year. The net loss reached EUR 4.7 million in Q3 as compared to EUR 3.9 million loss during the same period a year before.

Financial ratios

	2018/19 9 months	2017/18 9 months	2016/17 9 months	2015/16 9 months	2014/15 9 months
Sales, million tons	1.72	1.63	1.60	1.78	1.66
Revenue (in million EUR)	526	449	448	474	445
Gross profit (in million EUR)	24.3	30.5	30.0	28.6	27.8
EBITDA (in million EUR)	6.8	13.7	13.3	13.3	13.5
Operating profit (in million EUR)	(1.2)	4.7	5.9	5.5	6.3
Net profit (in million EUR)	(3.5)	2.9	2.5	3.0	3.8

Overview

As per updated data, cereal yield in Lithuania in 2018 amounted to almost 4 million tons and was 21% less as compared with previous year, while rapeseed yield has shrunken by 20% amounting to 0.43 million tons. In Latvia cereal yield decreased by 24% amounting to 2 million tons and rapeseed yield dropped 30%. In Estonia wheat and barley production have shrunken by 43% to 0.8 million tons and rapeseed production dropped 31%.

The lower yield of various cereals, oilseeds and pulses in all Baltic states intensified competition in grain sourcing activity and reduced trade margins. The global grain prices were volatile and quite difficult to predict. For instance, the price of wheat on Euronext exchange in the period July-December, 2018 ranged between 180 and 205 euros per ton compared to 150-180 price range a year ago, while in Q3 wheat prices dropped sharply from 200 euros per ton to 183 euros per ton. All that affected prices of other grains. The international grain and oilseed markets were challenging throughout the reporting period, and this had a negative impact on the Group's performance. This particularly affected the operating margins of traditional products like wheat, barley and rapeseed. In addition, the decline in cereal demand in China as a result of swine fever and the decision by Saudi Arabia, the largest barley buyer, to use heavily its carry-over stocks and make a pause in barley purchase until the beginning of the new harvest strongly affected barley sales and thus the Group's profitability.

Due to the deterioration of the financial situation of farmers, the market for agricultural inputs shrank in all Baltic countries, which intensified competition in selling goods to farmers, negatively influenced the quantities of sold goods and also trade margins, which shrank to a minimum.

Having quite large products portfolio allowed the Group to slightly increase its sales volumes during the reporting period from 1.6 million tons to 1.7 million tons. Sales of some products have increased, some have declined. The 2% drop was observed in traditional products – wheat, barley and rapeseed – as their sales in tons plunged to 1.09 million tons. The decreased yield had a negative impact on performance of Group controlled elevators as total volume of various grains they processed was over 354 thousand tons or almost 27% less as compared to previous year. Appositively, a sound harvest in Russia and Ukraine and increased demand for various feedstuffs boosted their sales volumes in tons 52%.

Group's consolidated revenue of the nine months of 2018/19 financial year had an increase of 17% from EUR 449 million to EUR 526 million. Revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' increased 24% to EUR 365 million. The growth in sales was mitigated by the increase in feedstuff sales, which soared by 61% to EUR 124 million. Revenue went up also due to the global grain price increase of 5-10%. Sales in business Segment 'Products and Services for Farming' also increased by 3%, where revenue from fertilizers and plant protection products businesses went up 19% and 16% accordingly, while revenue from sales of agricultural machinery fell by 7% due to the stagnation of the market caused by the fall in yield and the deterioration of the financial situation of farmers. Sales in business Segment 'Food products' grew 14%, however, growing energy and feedstuff prices negatively affected operating margin of this business segment. Due to the draught the crop production and sales in Group's farming companies was 18% less as compared to previous year, but the drop in their sales was 3.8%, not that big because of high grain prices, making revenue equal to EUR 22.7 million.

The Group's operating loss amounted to EUR 1.2 million and EBITDA was EUR 6.8 million as compared to corresponding EUR 4.7 million operating profit and EUR 13.7 million EBITDA a year before. The Group's net loss amounted to EUR 3.5 million as compared to EUR 2.9 million net profit in 2017/18 financial year.

To reduce operating costs, the Group is carrying out some transformations in the organizational structure: closed the dormant company in Latvia- SIA Erfolg Group; merged the fertilizer warehousing company SIA Paleo to the grain elevators company SIA Linas Agro Graudu Centrs; is closing the Danish company Linas Agro A/S. The Group also implements other programs to increase efficiency of the internal processes and reduce operational costs, they lowered operating costs of AB Linas Agro Group by 6% during nine-month period.

Financial Costs

Due to increased financial loans portfolio, Group's financial expenses over referenced period increased as well and amounted to EUR 2.9 million compared to that in 2017/18 financial year (EUR 1.9 million). The total amount of financial loans portfolio (including leasing) grew from EUR 140 million to EUR 206 million. The amount of financial loans over nine months of this financial year grew by EUR 54 million since July due to increased demand for working capital and undergoing long-term investments into Group's business operations.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital amounted to EUR 2 million and remained almost unchanged as compared to the same EUR 2 million in the corresponding period of the previous year and were positive. Cash flow from operating activities after changes in working capital was negative and amounted to EUR 43 million (negative EUR 53 million over the respective period of 2017/18 financial year), the reason was increase of stocks by EUR 76 million over nine months of this financial year. Group's cash and cash equivalents amounted to EUR 7.6 million at the end of the reporting period (EUR 10.6 million in 2017/18 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

	2018/19 9 months	2017/18 9 months	2016/17 9 months	2015/16 9 months	2014/15 9 months
Grain and Feedstuff Handling and Merchandising	822	6,364	7,242	10,378	7,311
Products and Services for Farming	145	1,495	1,562	506	235
Agricultural Production	(868)	(359)	(838)	(3,728)	(1,245)
Food products	692	1,294	697	1,102	3,697
Other	(66)	155	93	53	65

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's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia was close to 331 thousand tons, while the storage capacity at ports was 184 thousand tons at the end of the reporting period. AB Linas Agro has established a subsidiary company LLC LINAS AGRO UKRAINE during the reporting period with the aim to strengthen the sourcing business in Ukraine.

The lower wheat, rapeseed and beans yield in the Baltic States as well as the trends of international grain trade had a significant influence on the purchase and sales volume of agricultural commodities, and the quality of the harvested grains reduced the necessity for drying services in the Group's grain elevators. This year, the Group's grain traders have faced some challenges to sell wheat, barley and peas. Marketing of high quality wheat, which is usually in high demand on the market, was complicated as the major importers of such wheat, Spain and Turkey, refused to buy it. Spain itself has grown the necessary quantity of wheat and imports only small quantities from Kazakhstan, while Turkey, having improved relations with Russia, has renewed wheat imports from Russia through the Black Sea. However, barley sales have been the most challenging, since the imposition of duties on imports of barley into China and the decline in demand in Saudi Arabia have reduced the global demand for this product, which has negatively affected the profitability of trade. India, the largest consumer of peas, has not yet withdrawn the ban on the import of peas from the EU, which make marketing of peas difficult, as other buyers (f.i. , Scandinavian countries) are buying peas in small batches.

The total sales volume of grain, oilseed and feedstuff went up almost 7% from 1.33 million tons to 1.42 million tons during the reporting period. The sales of traditional crops (wheat, rapeseed, barley) decreased by 2% from 1.11 million tons to 1.09 million tons. Due to increased world prices for various cereals, the sales revenue of the above-mentioned products went up 12% and amounted to EUR 237 million, however, price fluctuations have reduced trade margins to a minimum. At the same time sales of feedstuff in tons accelerated by 52% and sales revenue went up 61% to EUR 124 million. The increased demand for feed grade grain in Western Europe and the Baltic States due to poor harvest in the area, a record harvest of maize in Ukraine and the establishment of subsidiary LLC LINAS AGRO UKRAINE were the main reasons that positively affected sales of various feedstuffs.

The total revenue of this business Segment went up from EUR 294 million to EUR 365 million, but the operating profit dropped 87% from EUR 6.4 million to EUR 0.8 million.

Over 2.3 million euros were invested during the reporting period to expand grain storage network and improvement of the existing infrastructure. In Latvia, the Group launched two grain elevators - in Grobina and Rezekne. The volume of grain processed in Group's elevators in Latvia grew almost 26% as compared to previous year up to 71 thousand tons.

Taking into consideration the increased competition in export markets which could result in loss-making trade in some commodities, also the grain stocks after the end of the reporting period as well as price

fluctuations in the grain market, the Group's management does not expect a positive result for this Segment in this financial year.

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 exceeds 98 thousand tons. The Group sold the rarely used warehouse in Tukums, Latvia during 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.

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. During the reporting period, 'Dotnuva Seeds' branded seed produced by the Group had 31% of the certified seed market in Lithuania. The company has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros. During the reporting period, the line for mixing and packing grass seeds was launched at the Dotnuva seed factory to further improve the quality of the mixtures and the packing efficiency. 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, whereas Kverneland plows hold over 40% plow market share, and Agrifac self-propelled sprayers' market share is at 30%. The Group is among the largest sellers of the new western tractors in Lithuania. In order to ensure high standards of customer service and to provide quality service to the market, Dotnuva Baltic has joined the 'Red Excellence' Case IH international quality campaign, which unites Case IH dealers in Europe.

In order to improve the service of farmers and to avoid internal competition between the subsidiaries, changes in the organizational structure of Products and Services for Farming business are taking place. Seed sales have already been transferred from UAB Dotnuva Baltic to AB Linas Agro, also agricultural inputs sales and back office teams of Linas Agro and Dotnuva Baltic were merged in Lithuania, the same process is taking place in Latvia as well. It is planned that in the next financial year the offices of Dotnuva Baltic and Linas Agro in Latvia will be located in one agricultural service and trade center that is being built. It will lodge the back offices of the companies, machinery department with machinery exposition, service workshop, warehouses of spare parts, also agricultural inputs will be traded there.

The increased winter crop area that survived winter well and readiness of the salesmen for the spring season have had a positive impact on the sales of fertilizers, plant protection products and micro-nutrients, whose revenues increased by 16% up to EUR 7.3 million.

Unfortunately, the financial situation of farmers has worsened considerably and they used their own non-certified seeds, which were of quite high quality, to save costs. During the reporting period, the Group's seed processing plant in Dotnuva produced almost 19 thousand tons or 6% less certified seed than in previous year, but its market share remained the same as in 2017 - 31%. The Group's sales of certified seeds were 13% less than in previous year and a bit more than 16.6 thousand tons. However, more expensive seeds (rapeseed, hybrid barley, wheat) were traded, therefore revenue, gained from seed sales remained almost unchanged.

This year, the tendency of the purchase of agricultural machinery in Lithuania is influenced by two latest unfavorable growing seasons. The second consecutive year of poor harvest in the Baltic States, fluctuations in grain prices and a more complicated financial and economic situation of farms have significantly decreased farmers' investments into grain complexes, new agricultural machinery and other equipment. In Lithuania, a very small number of clients are planning to use EU support for grain processing equipment, the interest of Lithuanian farmers to invest into grain elevators, dryers and warehouses has decreased for the reason that banks are reluctant to finance farmers due to their deteriorating financial situation. In Estonia, banks have made a pause in farmers' financing and leasing services for the same reason, so the construction of grain storage facilities will largely depend on future harvest. In Latvia, a large number of farmers are looking for EU funding, thus investments in grain processing equipment and tillage machinery are planned only for the 2020/21 financial year. Investments in the development of milk production were even less significant. Small dairy farms are planning very little investment, waiting for EU funding, therefore the Group is expecting significant farm equipment sales only in the next financial year, and farm projects making is currently underway. As the market has shrunken, competition has noticeably increased.

Group's sales of the new agricultural machinery have shrunken in all Baltic States. Though total tractors sales have shrunken, a positive trend was observed in Latvia over the last three months, where Group's sales of new western tractor were successful and raised it to the second position in the market (from the conventional 4-5 places). The most demanded in Lithuania was the grass handling machinery, manure spreaders and slurry tankers, and loaders. The Group's revenue from the sale of new agricultural machinery decreased by 14% to almost EUR 21 million. Also, the demand for used machinery and machinery rent service has increased notably, sales of used machinery went up 29% up to EUR 1.9 million. Sales revenue from trading spare parts went up 13% to EUR 5.8 million. Revenue gained from grain processing equipment was almost EUR 6.6 million or 29% less as compared to previous year (EUR 9.3 million). A part of the Group's planned elevators construction projects will be completed in the next financial year due to the increased size of the objects: they are larger than in previous year.

Revenue from this business Segment increased by 3% from EUR 99.3 million to EUR 99.6 million. The gross profit went down 5% and amounted to EUR 10.6 million, while operating profit decreased by 90% to EUR 0.2 million.

Over 216 thousand euros were invested during the reporting period to expand fertilizers storage and seed processing facilities, over 1 million euros to build the mutual Dotnuva Baltic and Linas Agro office and farmers' service center in Latvia.

The Group predicts that operating profit of this business Segment will be less than a year before.

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 owned 7,601 ha of arable land. All 9,398 hectares of winter crops, mainly wheat and rapeseed, were in very good condition at the end of the reporting period. In spring 4,640 ha are to be planted with summer crops, including 2,380 ha of barley.

As much as 64 thousand tons of agricultural commodities were sold or 18% less than a year before. About 58% of the products have been sold to the other companies of the Group and 42% marketed outside the Group.

The Group controlled farms owned 3,164 dairy cows, their number declined by 2%, although milk yields have increased by 7.7%. Over 23.6 thousand tons of raw milk have been sold over the referenced period, or 5% more than a year before. The average milk purchase price over the nine-month period was 10% less than a year before, therefore sales revenue dropped from EUR 8.4 million to EUR 8.3 million. Meat sales volume was 1,115 tons (1,107 tons a year before).

The revenue of this business Segment dropped almost 4% from EUR 23.6 million to EUR 22.7 million and operating loss amounted to EUR 0.9 million compared to 0.4 million EUR loss a year ago. The reason of decrease was drop in the yield of cereals and lower milk purchase prices.

During the reporting period, the Group invested EUR 3.9 million to update agricultural machinery and vehicles fleet, also over 1.1 million EUR were spent to obtain arable land for further expansion of husbandry farming. A part of the cow herd was moved to a new and modern farm with milking parlor at the Šakiai District Lukšiai agricultural company. A new slurry storage tank was mounted at Panevėžys District Žibartoniai agricultural company, also farms are being reconstructed.

Though raw milk prices are on the low trend, the Group is positive regarding development of milk production on the long term and has plans to invest into milk production facilities and expand its cow herd. Much attention within the Group is paid to the training of animal husbandry specialists and the uptake of new products, which results in better efficiency of dairy farming.

The Group expects the operating profit of this business Segment to be 20% less as compared to 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. 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 21 retail shops all over Latvia and 1 in Lithuania. AS Putnu Fabrika Kekava have the right to mark their poultry meat as ‘Raised without Antibiotics’. During the reporting period AS Putnu Fabrika Kekava has received A grade BRC (British Retail Consortium) accreditation (formerly having B grade or lower rating), also has ISO 50001:2012 and ISO 22000:200 certification, and is Halal certified.

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.

Over the last ten years, poultry production in the EU has been growing steadily and at a much faster rate than consumption, production is 5% higher than consumption. In addition, the EU has doubled the

import quota for Ukrainian poultry, the cost of production of which is much lower because birds rearing conditions do not comply with EU standards. During the nine-month reporting period, the average EU price of poultry meat remained almost unchanged at around 186 Eur/100 kg compared to 184 Eur/100 kg a year before. At the same time, cost of poultry product went up 9% due to increased prices for grain, feedstuff and energy.

The poultry companies produced almost 31 thousand tons of live weight or 1% more as compared to previous year. Companies sold over 25 thousand tons of poultry and poultry products or 5% more than a year before.

Revenue from this business Segment increased by almost 14% from EUR 50 million to EUR 57 million while operating profit went down 46% from EUR 1.3 million to EUR 0.7 million. The operating profit margin decreased accordingly from 2.6% to 1.2%, the decline was mainly due to increase in energy and feedstuff prices.

The Group invested over EUR 3 million during the referenced period for the development and renovation of poultry farms: building new poultry-houses, improvement of birds raising conditions, improvement of water quality, upgrading of meat processing equipment. As much as 21 poultry houses were renovated and 6 newly built, which will allow to produce extra 1,500 tons of poultry meat per year. The Group plans to further expand bird raising capacity, and also increase bird slaughtering capacity by 2020.

The Group expects the operating profit for this business Segment to be 20-30% less as compared to previous season.

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 loss of this business Segment amounted to EUR 66 thousand as compared to EUR 15 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 31 March, 2019, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

28/2/2019 16:00 EET	AB Linas Agro Group notification about interim 6 months financial results of the financial year 2018/2019	Half-Yearly information	EN, LT
3/12/2018 16:15 EET	AB Linas Agro Group investor's calendar for the 2019	Other information	EN, LT
30/11/2018 08:00 EET	AB Linas Agro Group notification about interim 3 months financial results of the financial year 2018/2019	Interim Information	EN, LT

31/10/2018 17:17 EET	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 31 October 2018	Notification on material event	EN, LT
31/10/2018 16:48 EET	Procedure for the payout of dividends for the financial year ended 30 June 2018	Notification on material event	EN, LT
31/10/2018 16:37 EET	AB Linas Agro Group notification about the Annual information of the financial year 2017/2018	Annual information	EN, LT
18/10/2018 18:14 EEST	Supplemented agenda of the General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
10/10/2018 10:30 EEST	Correction: Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
9/10/2018 20:27 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
19/9/2018 15:26 EEST	CORRECTION: AB Linas Agro Group investor's calendar for the 2018	Other information	EN, LT
31/8/2018 16:12 EEST	AB Linas Agro Group notification about interim 12-month financial results of the financial year 2017/2018	Interim Information	EN, LT
13/7/2018 09:42 EEST	AB Linas Agro Group signed employee stock option contracts	Other information	EN, LT

Other Events of the Reporting Period

14/3/2019	SIA Paleo was merged to SIA Linas Agro Graudu Centrs.
11/3/2019	The authorized capital of LLC LINAS AGRO UKRAINE was increased by 2,700,000 hryvnas (around 88,100 euros).
31/1/2019	Liquidation of SIA Erfolg Group completed.
22/1/2019	The capital of UAB Linas Agro Konsultacijos was increased by 203,000 euros.
21/1/2019	The capital of Kėdainiai District Labūnavos ŽŪB was increased by 200,000 euros.
September-December 2018	The authorized capital of UAB Lineliai was increased by 80,076 euros.
5/12/2018	The authorized capital of SIA Linas Agro was increased by 1,000,000 euros.
8/11/2018	The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 1,000,000 euros.
31/10/2018	The capital of Užupės ŽŪB has been reduced by paying 140,000 euros to the shareholders.
24/10/2018	The capital of LLC LINAS AGRO UKRAINE was increased by 2,800,000 UAH (87,000 euros).
October 2018	The Company transferred 9,000 own shares to the employees of the Group under AB Linas Agro Group Rules for Shares Issues.

- 10/10/2018 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 1,300,000 euros.
- 21/8/2018 The decision of the sole shareholder to reorganize the companies, by merging SIA Paleo to SIA Linas Agro Graudu Centrs, was made.
- 30/7/2018 AB Linas Agro founded a subsidiary in Ukraine LLC LINAS AGRO UKRAINE.

Subsequent Events

- 6/5/2019 The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 300,000 euros.

Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company’s shares and turnover from 1/7/2013 until the end of the reporting period, i. e. 31 March 2019, is presented in the following diagram:

