



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

**for the Six-month Period
of the Financial Year 2017/18,
Ended 31 December, 2017**





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1. Reporting period of the Interim Report

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this interim report is prepared for the first six months of the financial year 2017/18, and all the figures are stated as at 31 December 2017, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

2. References and other explanatory notes on the information disclosed in the Report

All financial data in this semi-annual report are prepared in accordance with Financial Reporting Standards unless otherwise stated. Financial result is unaudited.

3. 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 39 companies, and the total headcount amounted to 2,201 employees.

The Company does not have any branches and representative offices.



3.1. 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 preparation 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





3.2. Information about subsidiaries of the Company

3.2.1. Effective Stock held by AB Linas Agro Group

The Company controlled 38 companies* in Lithuania, Latvia, Estonia and Denmark as at 31 December 2017.

*Dormant companies UAB Gerera (100% shares), UAB Dotnuvos Technika (100% shares) and SIA Erfolg Group (93.97% shares) not included).

AB Linas Agro Group			
AB Linas Agro 100%	SIA Linas Agro 100%	UAB Dotnuva Baltic 100%	AS Putnu Fabrika Kekava 93.97%
UAB Linas Agro Grūdų Centras KŪB 100%	Linus Agro A/S 100%	SIA Dotnuva Baltic 100%	SIA Lielzeltini 100%
SIA Linas Agro Graudu Centrs 100%	UAB Linas Agro Konsultacijos 100%	AS Dotnuva Baltic 100%	SIA Cerova 100%
UAB Linas Agro Grūdų Centras 100%	Panevėžys District Žibartonių ŽŪB 99.89%	ŽŪB Landvesta 1 100%	SIA Broileks 100%
SIA Paleo 100%	Šakiai District Lukšių ŽŪB 98.80%	ŽŪB Landvesta 2 100%	SIA PFK TRADER 93.97%
ŽŪK KUPIŠKIO GRŪDAI 98,96%	Kėdainiai District Labūnavos ŽŪB 98.60%	ŽŪB Landvesta 3 100%	UAB Jungtinė Ekspedicija 100%
Karčemos Kooperatinė bendrovė 24.00%	Biržai District Medeikių ŽŪB 98.34%	ŽŪB Landvesta 4 100%	UAB Lineliai 100%
Noreikiškių ŽŪB 100%	Panevėžys District Aukštadvario ŽŪB 97.65%	ŽŪB Landvesta 5 100%	Užupės ŽŪB 100%
UAB Paberžėlė 100%	Sidabravo ŽŪB 95.21%	ŽŪB Landvesta 6 100%	



3.2.2. Shareholding structure of the companies

As at 31 December 2017, AB Linas Agro Group controlled, either directly or indirectly, the following companies*:

*Dormant companies UAB Gerera (100% shares owned by AB Linas Agro, UAB Dotnuvos Technika (100% shares owned by UAB Dotnuva Baltic) and SIA Erfolg Group (100% shares owned by AS Putnu Fabrika Kekava) are not included.

** AB Linas Agro Group and UAB Linas Agro Grūdų Centras hold 50% of votes each in UAB Linas Agro Grūdų Centras KŪB.

Company	Status	Share of the stock held by companies					Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Linas Agro Konsultacijos	UAB Linas Agro Grūdų centras	UAB Linas Agro Grūdų centras KŪB	
AB Linas Agro	Subsidiary	100%					100%
Linus Agro A/S	Subsidiary		100%				100%
SIA Linas Agro	Subsidiary		100%				100%
UAB Linas Agro Grūdų Centras	Subsidiary		100%				100%
UAB Linas Agro Grūdų Centras KŪB **	Subsidiary	37.61 %	62.37%		0.02%		100%
SIA Linas Agro Graudu Centrs	Subsidiary					100%	100%
SIA Paleo	Subsidiary					100%	100%
UAB Linas Agro Konsultacijos	Subsidiary	100%					100%
Noreikiškių ŽŪB	Subsidiary	99.95%		0.05%			100%
Panevėžys District Aukštadvario ŽŪB	Subsidiary			97.65%			97.65%
Sidabravo ŽŪB	Subsidiary			95.21%			95.21%
Šakių rajono Lukšių ŽŪB	Subsidiary			98.80%			98.80%
Biržai District Medeikių ŽŪB	Subsidiary			98.34%			98.34%
Kėdainiai District Labūnavos ŽŪB	Subsidiary			98.60%			98.60%
Užupės ŽŪB	Subsidiary	0.05%		99.95%			100%
UAB Paberžėlė	Subsidiary	Užupės ŽŪB owns 100% shares of the company					100%
Panevėžys District Žibartonių ŽŪB	Subsidiary	0.05%		49.02%		Užupės ŽŪB owns 50.82% parts of the company	99.89%



*** The Group owns 24% parts of Karčemos Kooperatinė Bendrovė, but controls this company and consolidates in the financial statements.

Company	Status	Share of the stock held by companies			Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Dotnuva Baltic	
UAB Lineliai	Subsidiary	100%			100%
ŽŪB Landvesta 1	Subsidiary	76.47%	23.53%		100%
ŽŪB Landvesta 2	Subsidiary	76.97%	23.03%		100%
ŽŪB Landvesta 3	Subsidiary	13.91%	86.09%		100%
ŽŪB Landvesta 4	Subsidiary	26.42%	73.58%		100%
ŽŪB Landvesta 5	Subsidiary	66.71%	33.29%		100%
ŽŪB Landvesta 6	Subsidiary	15.51%	84.49%		100%
ŽŪK KUPIŠKIO GRŪDAI	Subsidiary	Lukšių ŽŪB, Aukštadvario ŽŪB and Sidabravo ŽŪB holds 6.29%, Medeikių ŽŪB – 31.45%, AB Linas Agro – 49.69% parts of the company			98.96%
UAB Dotnuva Baltic	Subsidiary	100%			100%
SIA Dotnuva Baltic	Subsidiary			100%	100%
AS Dotnuva Baltic	Subsidiary			100%	100%
UAB Jungtinė Ekspedicija	Subsidiary	100%			100%
Karčemos Kooperatinė Bendrovė***	Subsidiary	UAB Linas Agro Grūdų centras KŪB owns 20% parts of the company and Panevėžys District Žibartonių ŽŪB own 4% parts of the company			24%

Company	Status	Share of the stock held by companies			Share of the stock held by the Group
		AB Linas Agro Group	AS Putnu Fabrika Kekava	SIA Lielzeltini	
AS Putnu Fabrika Kekava	Subsidiary	57.69%		36.28%	93.97%
SIA PFK Trader	Subsidiary		100%		93.97%
SIA Lielzeltini	Subsidiary	100%			100%
SIA Cerova	Subsidiary	100%			100%
SIA Broileks	Subsidiary	100%			100%



3.2.3. Activities and contact data of the companies of the Group*

* Dormant companies are not included:

1. *UAB Gerera, private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);*
2. *UAB Dotnuvos Technika, private limited liability company, founded 25/6/1998, code of legal entity 161452398, address Parko St. 6, Akademija, LT-58351 Kėdainiai District, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras).*
3. *SIA Erfolg Group, private limited liability company, founded 30/11/2009, code of legal entity 50103261581, address Gaismas iela 2A-48, Kekava, Kekava district, Latvia, company register – Register of Enterprises of the Republic of Latvia.*

Subsidiaries in Lithuania

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Linas Agro	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, public limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt , www.rapsai.lt
UAB Linas Agro Grūdų Centras	Management services	5/7/2002, Code of legal entity 148450944, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 365 Fax +370 45 507 344 E-mail grudai@linasagro.lt
UAB Linas Agro Grūdų Centras KŪB	Grain processing and storage	10/7/2002, Code of legal entity 148451131, limited partnership, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.centras@linasagro.lt
UAB Linas Agro Konsultacijos	Management of subsidiary farming companies	23/6/2003, Code of legal entity 248520920, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibuoklių St. 14, LT-57125 Kėdainiai, Lithuania Ph. +370 688 674 29 E-mail konsultavimas@linasagro.lt
ŽŪB Landvesta 1	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501060, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 2	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501085, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 3	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501092, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 4	Rent and management of agricultural purposes	23/04/2007, Code of legal entity 300709428, agricultural	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania



Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
	land	company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 5	Rent and management of agricultural purposes land	16/8/2007, Code of legal entity 301019661, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 6	Rent and management of agricultural purposes land	14/1/2008, Code of legal entity 301520074, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
UAB Dotnuva Baltic	Sale of seeds, agricultural machinery	5/3/1996, Code of legal entity 261415970, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko St. 6, Akademija, 58351 Kėdainiai district, Lithuania Ph.+370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvabaltic.lt www.dotnuvabaltic.lt
Noreikiškių ŽŪB	Rent and management of agricultural purposes land	16/8/2012, Code of legal entity 302841649, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 70, Žibartoniai vill. LT-38323 Panevėžys district, Lithuania Ph.+370 45 507 333 Fax +370 45 507 444 E-mail noreikiskes@linasagro.lt
Užupės ŽŪB	Mixed agricultural activities	6/4/2011, Code of legal entity 302612561, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill. LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail uzupe@linasagro.lt
UAB Paberžėlė	Rent and management of agricultural purposes land	30/6/2008, Code of legal entity 301772627, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail paberzele@linasagro.lt
UAB Lineliai	Rent and management of agricultural purposes land	9/3/2012, Code of legal entity 302740714, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
Šakiai District Lukšių ŽŪB	Mixed agricultural activities	30/10/1992, Code of legal entity 174317183, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Lukšių vill. 2, LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 Fax +370 345 442 25 E-mail luksiai@linasagro.lt
Kėdainiai District Labūnavos ŽŪB	Mixed agricultural activities	25/2/1992, Code of legal entity 161228959, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Barupės St. 9, Labūnavos vill. LT-58173 Kėdainiai district, Lithuania Ph. + 370 347 34 4166 Fax + 370 347 34 180 E-mail labunava@linasagro.lt



Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
Biržai District Medeikių ŽŪB	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Biržų St.32, Medeikių vill., LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 Fax +370 450 584 12 E-mail medeikiai@linasagro.lt
ŽŪK KUPIŠKIO GRŪDAI	Grain processing and storage	8/4/1999, Code of legal entity 160189745, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos St. 6D, LT-40122 Kupiškis, Lithuania Ph./Fax +370 459 529 16 E-mail info@kupiskiogrudai.lt
Panevėžys District Aukštadvario ŽŪB	Mixed agricultural activities	9/3/1993, Code of legal entity 168573274, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pirties St. 3, Aukštadvario vill. LT-38255 Panevėžys district, Lithuania Ph./fax +370 45 592 651 E-mail aukstadvaris@linasagro.lt
Sidabravo ŽŪB	Mixed agricultural activities	20/4/1993, Code of legal entity 171331516, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pergalės St. 1A, Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 Fax +370 422 476 18 E-mail sidabravas@linasagro.lt
UAB Jungtinė Ekspedicija	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	I. Kanto g. 12-3, LT-92235 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt www.je.lt
Panevėžys District Žibartonių ŽŪB	Mixed agricultural activities	22/5/1992, Code of legal entity 168521815, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 Fax +370 45 557 486 E-mail zibartoniai@linasagro.lt
Karčemos Kooperatinė Bendrovė	Grain processing and storage	9/3/2010, Code of legal entity 302487798, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Šiaulių St. 72, Gustonys vill. LT-38355 Panevėžys district, Lithuania Ph. +370 45 454 051 Fax +370 45 454 054 E-mail priemimas@karcemoskb.lt

Subsidiaries operating in foreign countries

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Linas Agro	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, Code of legal entity 53603019011, Register of Enterprises of the Republic of Latvia	Bauskas St. 2, LV-3001 Jelgava, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.rapsim.lv



Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Linas Agro Graudu Centrs	Grain processing and storage	2/5/2013, Code of legal entity 43603059101, Register of Enterprises of the Republic of Latvia	„Jaunsalieši“, LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv
Linus Agro A/S	Wholesale trade of grains and oilseeds, feedstuffs and other similar products and services	15/3/1994, Code of legal entity CVR 17689037, register of the company – Danish Commerce and Companies Agency	Vinkel Allé 1, DK-9000 Aalborg, Denmark Ph. +45 988 430 70 Fax +45 988 440 07 E-mail info@linasagro.dk www.linasagro.dk
SIA Paleo	Warehousing services	15/2/2000, Code of legal entity 40003480783, Register of Enterprises of the Republic of Latvia	„Iecavas baze“, Iecavas nov., LV-3913 Latvia Ph. +371 639 415 41 Fax +371 639 419 55 E-mail paleo@linasagro.lv
SIA Dotnuva Baltic	Sale of seeds, agricultural machinery	26/04/2010, Code of legal entity 43603041881, Register of Enterprises of the Republic of Latvia	Jūrmalas St. 13C, Pinki, LV-2107 Babītes district, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvabaltic.lv www.dotnuvabaltic.lv
AS Dotnuva Baltic	Sale of seeds, agricultural machinery	11/11/2010, Code of legal entity 12019737, Estonian Central Register of Securities (Eesti Väärtpaberikeskus AS)	Savimäe 7, Vahi 60534, Tartu district, Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvabaltic.ee www.dotnuvabaltic.ee
AS Putnu Fabrika Kekava	Poultry farming, production and marketing of poultry and poultry products	11/6/1991, Code of legal entity 50003007411, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA PFK TRADER	Food retail	26/8/2013, Code of legal entity 40103703853, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA Lielzeltini	Poultry farming, production and marketing of poultry and poultry products, feed production	7/7/1994, Code of legal entity 40003205232, Register of Enterprises of the Republic of Latvia	„Mazzeltini“, Janeikas, Bauskas district, Latvia Ph. +371 6396 0770 Fax +371 6396 0768 E-mail lielteltini@lielteltini.lv www.lielteltini.lv
SIA Broileks	Chicken breeding and sale	7/12/2009, Code of legal entity 50103262981, Register of Enterprises of the Republic of Latvia	Gaismas St. 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182



Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Cerova	Egg incubation and chicken sale	8/10/2003, Code of legal entity 43603019946, Register of Enterprises of the Republic of Latvia	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv

4. Employees

As at 31 December 2017 the number of employees of the Group was 2,201 or 45 employees more than as at 31 December 2016 (2,156).

AB Linas Agro Group has no collective agreement.

5. Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in six months of 2017/18 financial year totaled EUR 325 million and was 9.4% more as compared to previous year (EUR 297 million).
- The Group's sales volume in tons reached 1.2 million of various grains and agricultural inputs and was 17% more as compared to previous year (1 million tons).
- The gross profit reached EUR 27 million and was 34% higher than a year before (EUR 22 million).
- Consolidated EBITDA was 69% higher and amounted to EUR 14.5 million as compared to the previous year (EUR 8.6 million).
- The Group's operating profit was EUR 8.5 million or 2.3 times higher as compared to the respective period of the previous year (EUR 3.7 million).
- Profit before taxes amounted to EUR 7.5 million (compared to EUR 2.6 million previous year). The net profit attributable to the Group stood at EUR 6.4 million (EUR 1.6 million previous year).
- The gross profit in the second quarter of this financial year increased from EUR 7.6 million to EUR 12.6 million, and the operating profit amounted to EUR 2.9 million compared to EUR 2.3 million operating loss and net profit reached EUR 2.1 million as compared to loss of EUR 2.7 million a year ago.





5.1. Financial Ratios

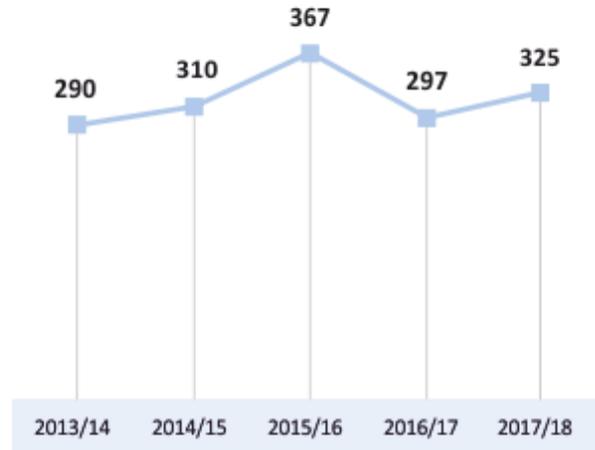
	2017/18 6 months	2016/17 6 months	2015/16 6 months	2014/15 6 months	2013/14 6 months
Sales in tons	1,190,608	1,018,791	1,360,481	1,166,017	944,331
Sales revenue (thousand EUR)	324,764	297,193	366,981	310,366	290,301
Gross profit (thousand EUR)	27,143	21,755	25,266	16,739	16,603
Gross profit margin	8%	7%	7%	5%	6%
EBITDA (thousand EUR)	14,549	8,575	13,649	8,686	14,557
EBITDA margin	5%	3%	4%	3%	5%
Operating profit (thousand EUR)	8,486	3,657	9,256	3,731	11,759
Operating profit margin	3%	1%	2%	1%	4%
Earnings before taxes EBT (thousand EUR)	7,490	2,584	8,386	2,700	11,068
Earnings before taxes margin	2%	1%	2%	1%	4%
Net profit (thousand EUR)	6,861	1,709	7,075	2,064	10,307
Net profit margin	2%	0.6%	2%	0.7%	3.6%
Current ratio	1.4	1.3	1.7	1.5	1.4
Debt / Equity ratio	0.9	0.9	0.6	0.8	1.0
Net financial debt / EBITDA	10.2	16.5	7.0	12.8	9.0
Return on equity (ROE)	3.9%	1.0%	4.3%	1.2%	6.1%
Return on capital employed (ROCE)	2.5%	0.8%	3.4%	1.4%	4.1%
Basic and diluted earnings per share (EUR) (EPS)	0.04	0.01	0.04	0.01	0.07



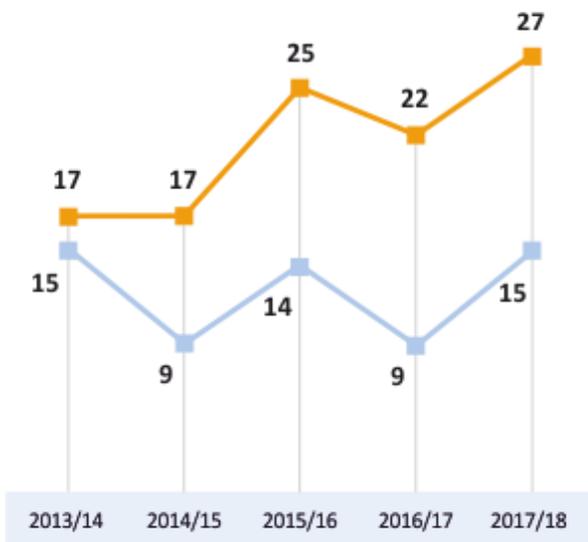
Sales volume in thousand tons



Sales revenue, EUR million

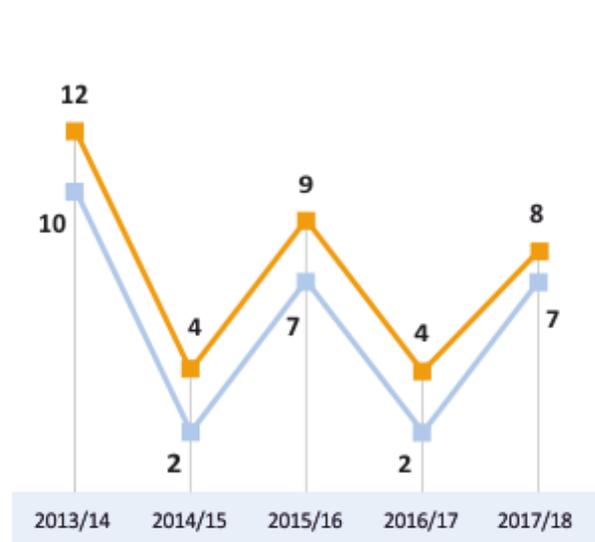


Gross profit and EBITDA, EUR million



■ Gross profit ■ EBITDA

Operating and Net profit, EUR million



■ Operating profit ■ Net profit



5.2. Overview

As per updated data of International Grain Council (IGC), the world grain and oilseed harvest will be around 2.1 billion tons in 2017 and 1.8% less as compared to that in 2016 (2,140 billion tons). The grain harvest is above 2 billion tons for the fourth consecutive year. A record harvest has been recorded in neighboring Russia what amounted to 137 million tons (11% more as compared to 2016). Therefore, world grain ending stocks are high and projected to reach 610 million tons this year (621 million tons in 2016). The above affected the global prices, which dropped compared to 2016. For instance, the price of wheat on MATIF exchange ranged between 150 and 180 euros per ton in July-December (180 euros has been recorded only in July and after that price has been on downward trend), while previous year it has been 162-168 euros per ton. At the same time rapeseed price was 358-370 euros per ton, compared with the price of 363-370 euros per ton a year before.

According to the data of Statistics Lithuania cereals harvest in Lithuania remained almost unchanged and amounted to 5.78 million tons (5.76 million tons in 2016). Before the start of the harvest, expectations were higher and amounted to 6.3 million tons. Heavy rains during harvesting period (especially in the second half of it) negatively affected overall conditions and because of this, total harvested area dropped from 1.55 million ha to 1.43 million ha. Despite of heavy rains, the majority of grains, especially wheat, was medium quality as compared to feed wheat in the last year. In 2017, the harvest of cereals in Latvia was the same like a year before and accounted to 2.7 million tons, but the grain quality was lower. Moreover, as much as 70 thousand ha or 10% of the grain harvest remained in the fields.

Lower cereal harvest in Baltic's as compared to expectations, appreciation of Euro versus US Dollar and increased export volumes of grains from neighboring countries (Russia and Ukraine) put a pressure on export markets and that had an impact on Group's performance.

Overall situation in grains and oilseeds market also directly affects prices for food products. According to the data of UN Food and Agricultural organization, an average FAO index went up from 169 to 176 points for the period July-December due to increased index of milk prices (those grew 22%), meat price index, which also accounts prices for poultry products, grew from 162 to 173 points. It is important to note that due to oversupply of certain milk products, index of milk prices in December declined if compared to the same period of the last year. All these aforementioned reasons had a direct effect on Group's first half year performance.

Despite very competitive environment overall performance over first six months of this season for AB Linas Agro Group has been successful. The total sales volume of AB Linas Agro Group grew by 17% from 1.02 million tons to 1.2 million tons and consolidated revenue of the first six months of 2017/18 financial year amounted to EUR 325 million and was up 9.4% if compared to the same period of previous year (EUR 297 million). The main reason behind the revenue increase was growth in sales of business Segment 'Grain and Feedstuff Handling and Merchandising', which went up almost 16%. Increase in sales was recorded in following business segments like 'Agricultural Production' and 'Food Products' (those grew by 16 and 11 % accordingly). Due to declined grain world prices and decreased area of winter crops in the Baltic countries the demand for fertilizers and chemicals have shrunken, therefore revenue of business Segment 'Products and services for Farming' dropped 9%.

Increased sales volumes in both tonnage and sums had a direct positive affect on Group's profitability. The gross profit of AB Linas Agro Group grew from EUR 22 million to EUR 27 million, the operating profit from EUR 3.7 million to EUR 8.7 million and net profit from EUR 1.7 million to EUR 6.9 million.



Taking into account the fact that due to heavy rainfalls an overall seeded area has shrunken and the demand for various inputs should decline because of diminished grain prices, also the fact that majority of grain trading contracts have already taken place, the Group predicts that in the second half of its financial year profitability should be lower as compared with that of H1.

5.3. Financial Costs

Due to low interest rate basis, Group's financial expenses over referenced period almost unchanged and amounted to EUR 1.29 million compared to that in 2016/17 financial year (EUR 1.32 million). The total amount of financial loans portfolio (including leasing) grew from EUR 111 million to EUR 161 million. The amount of financial loans over first six months of this financial year grew by EUR 50 million since July due to increased various stocks and undergoing investments into poultry business and Group's grain elevators.

5.4. Cash Flow

Group's cash flow from operating activities before the changes in the working capital increased to EUR 15.9 million as compared to EUR 6.5 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 61.9 million (negative EUR 55.2 million over the respective period of 2016/17 financial year), the reason was increase of stocks by EUR 83 million over first six months of this financial year as the trading season accelerated. Group's cash and cash equivalents amounted to EUR 10.7 million at the end of the reporting period (EUR 7.8 million in 2016/17 financial year).

5.5. Investments

During the reporting period, the Group's subsidiaries have invested over EUR 8.1 million. Major investments of the Group by character:

Investment object	Investment amount, thousand EUR
Grain storage equipment, warehouses, buildings, various appliances and other machinery	2,276
Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land	3,202
Modernization and renovation of poultry farms	2,622



5.6. 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.

5.6.1. Operating Profit (loss) by Segments, thousand euro

	2017/18 6 months	2016/17 6 months	2015/16 6 months	2014/15 6 months	2013/14 6 months
Grain and Feedstuff Handling and Merchandising	6,718	4,058	10,660	2,598	2,416
Products and Services for Farming	2,750	2,157	1,559	1,338	2,449
Agricultural Production	474	(875)	(1,307)	(1,376)	2,015
Food products	1,533	499	252	2,557	5,952
Other	41	134	59	49	(139)

5.6.2. 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 176 thousand tons.

Differently if compared to a previous year, the sales volumes in tons of various products over first six months of this financial year grew by 22% from 783 thousand tons to 953 thousand tons.

The sales of traditional crops (wheat, rapeseed, barley) grew by 25%: their trading volumes increased from 0.6 million tons to 0.8 million tons. Sales in monetary units soared from EUR 135 million to EUR 151 million as well. Favorable market conditions had a positive impact of performance of various feedstuffs. The sales of feedstuff in tons grew 29%, while the revenue from feedstuff sales went up from EUR 44 million to EUR 56.

Grain elevators owned by the Group collected and processed almost 466 thousand tons of various agricultural commodities or 7% more as compared to the respective period of the 2016/17 financial year (434 thousand tons). Taking into account 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 17% from EUR 3.6 million to EUR 4.2 million.

Segment's operating profit soared by 66% from EUR 4.1 million to EUR 6.7 million.

Almost 2.2 million euros invested over the reporting period to expand grain storage facilities in Kupiškis, Lukšiai (Šakiai district), Kartena (Kretinga district), Pasvalys, and warehouse for storage of feedstuff in Joniškis. A new grain reception station opened in Skrunda, Latvia and there are plans to open one more grain elevator in Latvia. The volume of sourced grain, oilseeds and legumes in Latvia grew by almost 32% up to 297 thousand tons.

Taking into account challenges in export markets, a diminished winter crop seeding area in the Baltic States, and 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 trade) will be lower compared to previous year.

5.6.3. 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 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 Group is constantly increasing its own warehousing capacity, and currently the total storage capacity for keeping seeds, fertilizers and plant protection products in Lithuania and Latvia exceeds 131 thousand tons.

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 preparation plant. "Dotnuva Baltic" holds one-third of Lithuanian certified seed market and has prepared almost 14 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".

Due to heavy rainfall, part of the crops in all three Baltic States remained unharvested, also a significant number of the farmers could not sow winter crops. According to the data provided by municipalities of Lithuania, 6,985 farms in the area of 408,888 ha suffered damage due to long-term rainfall, which accounts for 27% of the total area of summer cereal crops. As much as 291,771 ha area of autumn-sown crops have either not been planted or destroyed by the floods. In Latvia in 2017, as much as 70 thousand ha or 10% of the grain harvest remained in the fields, and the area of autumn-sown crops decreased by 30%. In Estonia, after the rainfall that lasted from August to October, a sudden wave of cold weather came in and interfered autumn sowing. Significant number of crops for 2018 harvest remained unsown, and this fact will reduce farmers' income in the future.

Weather conditions have had significant negative impact on the sales of seeds of winter crops and fertilizers for autumn sowing. Revenue from trade in fertilizers and plant protection products decreased by



16% and 10% respectively and amounted to EUR 26 million and EUR 6 million respectively. The good news are that, after the traders team in Latvia have been strengthened, sales of plant protection products have increased by 15% up to EUR 1.5 million.

Farmers had to reseed the flooded areas, therefore demand for seeds increased by 10% and their trading revenue amounted to EUR 10 million.

As the priority of the distribution of EU agricultural subsidies in Lithuania have been shifted from crop production to livestock farms, the farmers have also shifted to less powerful agricultural machinery. Farmers are planning a renewal of the fleet of agricultural machinery much more carefully and weather conditions have a direct impact on their plans to acquire new machinery - the lower yield affects farmers' financial situation and their investment plans. Many farmers tend to defer investment or refuse new agricultural machinery at all. However, large farms act the opposite way by investing in more efficient and powerful self-propelled machinery that would help to carry out works faster. The farmers are evaluating economic benefit of such machinery and make decision to purchase it without waiting funding from the EU. Therefore, the sales of some machinery even increased: for instance, self-propelled sprayers. Furthermore, the demand for grain storage facilities has been unusually high this financial year, driven by the rainy harvesting periods during the last few years, when the harvested grain have had a big moisture content and great expenditures on grain drying have been incurred. In Latvia, most of the farms are waiting for April, when the results of the EU funding distribution will become clear, because the EU funds have offered very good conditions for the renewal of harvesters, and therefore the other machinery remained without attention of the farmers. In Estonia, EU funds subsidies to be distributed until the end of April.

The sales of new agricultural machinery decreased by 27% to EUR 16 million during the reporting period, while trade of second-hand agricultural machinery grew by 64% EUR to 0.9 million. Trade in grain storage facilities and equipment grew up to EUR 6 million (EUR 3 million in the FY 2016/17). Revenue gained from spare parts sales and service grew from EUR 3.4 million to EUR 3.9 million. Sales of dairy farming equipment increased by 2% EUR to 0.35 million.

The gross profit of the Segment remained almost unchanged and amounted to EUR 9 million compared to EUR 8.9 million, while operating profit grew up from EUR 2.2 million to EUR 2.8 million.

More than 151 thousand euros invested during the reporting period to develop the infrastructure for fertilizers trading in Latvia.

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

5.6.4. 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 7,217 ha of the own land or 502 ha more as compared to previous year.

Weather conditions were not favorable for the crop production during the respective period: it has been raining during the harvesting period. Still a lot of efforts have been put to harvest most of the crop, and only 68 hectares were left unharvested. Although the yield was 15% or an average 1.1 t / ha higher



than a year before (f. i., of winter wheat, malting barley and peas), due to the rainy weather in August, all the grain and rapeseed had to be dried, also about 25% of wheat was of feed quality.

Winter crops sowing have been complicated due to poor weather conditions; the planting targets have been not achieved. Winter crops were planted on 7,101 hectares in autumn, the area being 22% less than in previous year. At the end of December, 70% of wheat (of the total 4,259 ha area) and 60% of rapeseed (of the total 2,553 ha area) were in good condition.

The Group's total agricultural production output was 105,267 tones or almost 15% higher as compared to previous year. The amount of harvested wheat was the largest one - 53 thousand tons, of malting barley - almost 15 thousand tons and of rapeseed – 12 thousand tons. Sales of crop production made 66 thousand tons, or 9% more than in previous year.

The Group controlled farms own 3,211 dairy cows, the increase in number was insignificant. The milk yield of cows was slightly higher as compared to that of previous year. Almost 15,000 tons of raw milk have been sold over the referenced period, or 1.4% more than a year before. The milk prices in July-December period were 32% higher than a year before, therefore sales revenue went up from EUR 4.1 million to EUR 5.8 million. Meat sales volume was 731 tons (768 tons a year before).

The revenue of this business Segment grew by 16% from EUR 15.6 million to EUR 18.2 million and EUR 0.47 million of operating profit has been earned (operating loss EUR 0.87 million a year before).

During the reporting period, the Group invested more than EUR 1.6 million to renew agricultural machinery and vehicles fleet, and renovate buildings.

Evaluating the fact that though milk purchase prices started to fall in December, the last month of the reporting period, but still remained higher than in previous year, and an average sales price of the milk produced by the Group for the six months of this financial year was 32% higher than a year before; 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.

5.6.5. 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. 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.

The poultry prices in EU in the reporting period increased from 176 EUR / 100 kg (in 2016) to 183 EUR /100 kg (in 2017). Previous scandals on meat quality from Brazil and Thailand reduced the volume of imports into the EU from the third-countries and increased the demand for meat, produced in EU (imports from these countries diminished by 21 and 9% respectively).

The poultry companies produced over 20 thousand tons of live weight or 5% more as compared to previous year. Companies sold over 16 thousand tons of poultry and poultry products or 11% more than a year before.

The poultry companies that have earlier introduced chicken, raised without antibiotics, to the market, focused on more rich countries and increased exports of fresh meat to Sweden, Estonia and Lithuania. Total exports grew 41% and amounted to almost 8 thousand tons. The Group is negotiating with potential buyers with the aim to expand exports.

Revenue from this business Segment increased by 11% from EUR 30.5 million to EUR 33.7 million while operating profit accelerated from EUR 0.5 million to EUR 1.5 million. Previous investments in modernization of production influenced the profitability of the Segment, allowing the operating profit margin to increase from 1.6% to 4.5%.

The Group invested almost EUR 2.6 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.

5.6.6. 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, and etc.

The operating profit of this business Segment amounted to EUR 41 thousand as compared to a 134 thousand euros profit in previous year.



6. The Publicly Disclosed Information and Other Events of the Reporting Period

6.1. The Publicly Disclosed Information

During the reporting period ended 30 September, 2017, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

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

6.2. Other Events of the Reporting Period

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.

6.3. Subsequent Events

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.



7. Scope of risk and management thereof

7.1. Market risk

Market risk shall be understood as a risk to generate profit lower than planned if the tone of market prices is unfavorable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Group from receiving surplus profit. In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the Group sells the purchased grains to the agency and thus earns certain income that under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

In H1 of FY 2017/18 this risk did not manifest itself as regards the Company and the Group.

7.2. Risk related to activities of subsidiaries

Subsidiary companies of the Group are engaged in the trade of agricultural raw materials, agricultural production, rearing of poultry and poultry production, storage of agricultural products and other activities. Poultry enterprises need to face the operational risk related to this sector including the cessation of the production as well as disease, environmental and other risks. Even though most of the subsidiaries are profitable, adverse developments in the markets, in which the parent company and its subsidiaries operate, may affect their yields. Managers for corresponding businesses within the Group follow closely and analyze the activity of the subsidiary companies and their key transactions, provide operational budgets of the companies under the authority of the Group's Board as well as monitor the implementation and key developments in these companies' budgets.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2017/18.

7.3. Political risk

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group. Also, demand for agricultural products is impacted by political decisions - embargoes, import or export bans.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2017/18.

7.4. Social risk

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.



This risk did not manifest itself as regards the Company and the Group in H1 of FY 2016/17.

7.5. Counterparty risk

The Group enters forward contracts with farmers who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward contracts and non-delivery of production by counterparties emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk.

The Group, according its risk management policy is using risk management mitigating tools for forward purchases. No loss has been recorded, as the situation in the market was positive for such forward purchases. The Group continuously monitored and analyzed the market, has revised and stringent the terms of its purchase agreements, analyzed probable scenarios for losses and made certain decisions to control risk (for example, setting limits on forward contracts, evaluation and assessment of client's credit rating, capacity of cultivated land etc.).

In order to manage the risk related to certain products, the Group concludes forward contracts on commodity exchange NYSE Euronext Paris SA. The Group trades in futures to control the price risk arising from purchasing and selling rapeseed and wheat. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions entered into by the Company as well as their amounts and limits. Some of the buyers (buyers' solvency risk) are insured with international insurance companies.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2017/18.

8. Authorized capital and shares of the Company

On 31 December, 2017 the authorized capital of the Company amounted to EUR 46,092,715.42. The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is EUR 0.29. ISIN code of the shares is LT0000128092.

Type of shares	Number of shares	Nominal value (EUR)	Total nominal value (EUR)	Portion in the authorized capital (%)
Ordinary registered shares	158,940,398	0.29	46,092,715.42	100
Total	158,940,398	–	46,092,715.42	100

All the shares of the Company are fully paid and they are not subject to any restrictions of the transfer of securities.

All shares issued by the Company grant equal rights to the Company's shareholders. The Company has not issued any shares of a class other than the aforementioned ordinary shares. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders.

Neither limitations of the rights granted by the Company's shares nor special control rights for shareholders are provided for in the Company's Articles of Association.



8.1. The Company's own shares

At the end of the reporting period, the Company held 781,972 units of Company's shares.

The subsidiaries of the Company have not acquired any shares of the Company.

9. Information about trade in the Company's securities in regulated markets

All 158,940,398 ordinary registered shares of the Company were included in the Official List of Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092) during the reporting period, lasting 1 July 2017- 31 December 2017. The ticker of the shares on Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on Nasdaq Vilnius Stock Exchange started on 17 February 2010.

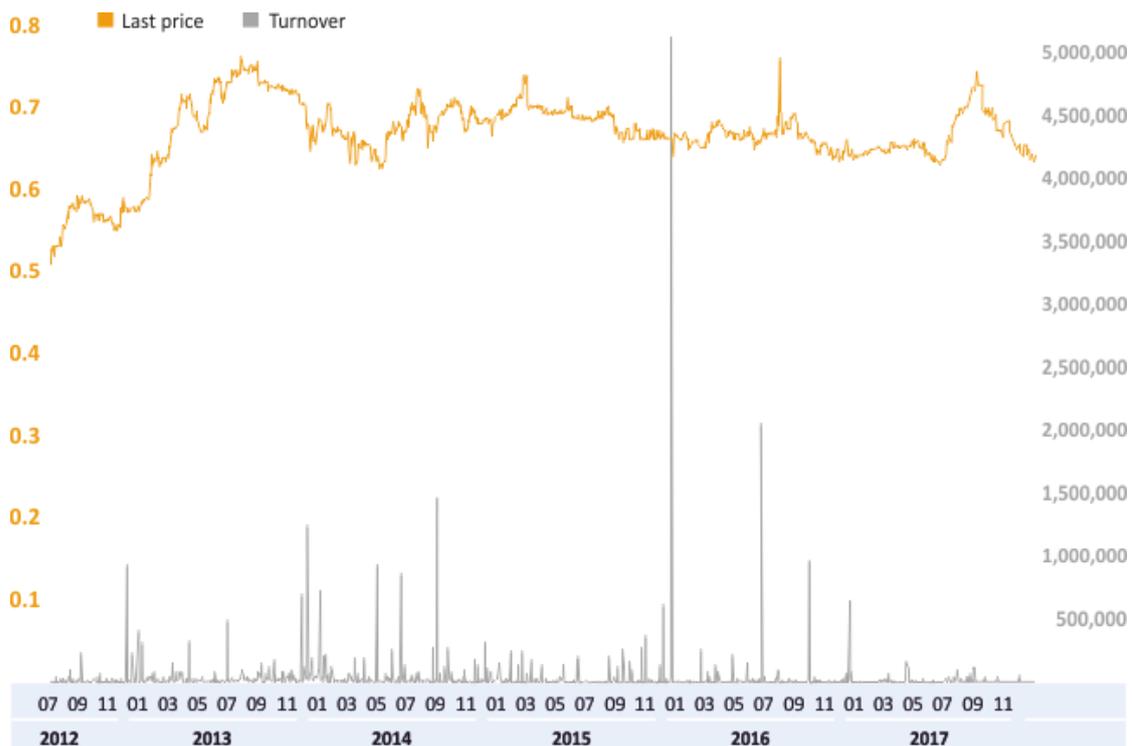
9.1. Agreements concluded with intermediaries of the public securities market

On July 24, 2017, the Company signed the agreement of the Issuer's securities accounting management contract with AB Šiaulių Bankas, represented by the Securities Transactions Division (code 112025254, address: Šeimyniškių St 1A, LT-09312 Vilnius).

The securities of the subsidiaries of the Company are not being traded on regulated markets.

9.2. 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. 30 September 2017, is presented in the following diagram:





10. Shareholders

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Šiaulių Bankas (data for the end of 31 December 2017), the number of Company's shareholders at the end of the reporting period totaled 730.

Shareholders controlling more than 5% of Company's shares as at 31 December 2017:

	Number of shares held	Portion in the authorized capital and voting rights
Akola ApS (public company, company Code 2517487; registration address: Algade 31 9000 Aalborg, Denmark)	103,905,646	65.37%
Darius Zubas	17,049,995	10.73%

The Company's ordinary non-certificated shares grant equal rights to all shareholders of the Company. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders.

11. Bodies of the Company

According to the AB Linas Agro Group Articles of Association, the Company's bodies shall be as follows:

- The general Meeting of Shareholders;
- The Board;
- The Head of the Company (Managing Director).

The Supervisory Board shall not be formed in the Company.

One general meeting of shareholders was held during the reporting period – on 26th of October, 2017.

The Company's Board consists of seven members elected for four years period. The Board of the Company was elected by the Company's General Meeting of Shareholders on 27 October 2016. As at 31 December 2017, the number of the Company's Board members was 7. The Company does not have independent members of the Board. One meeting of the Board have been organized and held during the first half of financial year, members of the Board attended it 100 percent.

The Head of the Company did not change during six months of 2017/18 financial year, ended 31 December 2017. The Head of the Company is also the Chairman of the Board of the Company.

Since 28 October 2010 Audit Committee is formed by the Company.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.



11.1. The Board

The members of the board as at 31 December, 2017:

Name	Number of shares held and participation in Company's authorized capital	Position within the Board	Cadence starts	Cadence ends
Darius Zupas	17,049,995 or 10.73% of shares	Chairman of the Management Board	27/10/2016	26/10/2020
Vytautas Šidlauskas	6,003,521 or 3.78% of shares	Deputy Chairman of the Management Board	27/10/2016	26/10/2020
Dainius Pilkauskas	480,281 or 0.3% of shares	Member of the Management Board	27/10/2016	26/10/2020
Arūnas Zupas	480,281 or 0.3% of shares	Member of the Management Board	27/10/2016	26/10/2020
Artūras Pribušauskas	11,000 or 0.01% of shares	Member of the Management Board	27/10/2016	26/10/2020
Tomas Tumėnas	2,200 or 0.001% of shares	Member of the Management Board	27/10/2016	26/10/2020
Andrius Pranckevičius	Does not have shares of the Company	Member of the Management Board	27/10/2016	26/10/2020

Darius Zupas (b. 1965) – the main founder of the Group. Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988. Managing Director of the Company since 1997. Managing Director of AB Linas Agro since 1991 and Chairman of the Management Board since 2006. Chairman of the Board of Directors of Linas Agro A/S since 2004. Chairman of the Supervisory Board of AS Putnu Fabrika Kekava since 2014. Chairman of the Supervisory Boards of SIA Lielzeltini, SIA Linas Agro and AS Dotnuva Baltic, also Chairman of the Management Board of UAB Dotnuva Baltic since 2015. Chairman of the Management Board of UAB MESTILLA since 2006.

Vytautas Šidlauskas (b. 1963) graduated from Faculty of Chemistry of Kaunas University of Technology in 1987. Has been employed by the Group since 1991. Managing Director of UAB Gerera since 1993. Trade Director of AB Linas Agro since 1999 and Member of the Management Board since 2006. Member of the Board of Directors of Linas Agro A/S since 2004. Deputy Chairman of the Supervisory Boards of SIA Lielzeltini, SIA Linas Agro and AS Putnu Fabrika Kekava, the Member of the Supervisory Board of AS Dotnuva Baltic, also Deputy Chairman of the Management Board of UAB Dotnuva Baltic since 2015. Member of the Management Board of UAB MESTILLA since 2006.

Dainius Pilkauskas (b. 1966) – a graduate of Veterinary Academy of Lithuanian University of Health Sciences in 1991. Has been employed with the Group since 1991. Trade Director for Baltic States and Member of the Management Board of AB Linas Agro since 2006.

Arūnas Zupas (b. 1962) graduated from Faculty of Chemistry of Kaunas University of Technology in 1985. He was employed with the Group from 1995 to 2005 as director of commerce in AB Linas Agro. Member of the Management Board of AB Linas Agro since 2006. Member of the Supervisory Boards of SIA Lielzeltini and AS Putnu Fabrika Kekava since 2015. Managing Director of UAB MESTILLA since 2005.

Artūras Pribušauskas (b. 1963) graduated from Kaunas University of Technology, Faculty of Chemistry in 1986. In 2004, he attended the ACT (Association of Corporate Treasurers) corporate treasury courses in the UK. Joined the Group in 1993, worked as advisor and later as financier in AB Linas Agro. Head



of treasury in AB Linas Agro since 1999 and in AB Linas Agro Group since 2010. Member of the Audit Committee of the Company. Member of the Management Board of UAB MESTILLA since 2013.

Tomas Tumėnas (b. 1972) obtained the diploma in Economics from Vilnius University in 1995 and a certificate in International Business Economics from Aalborg University. In 2011 obtained MBA (Master of Business Administration, Program for (Full) Financial Specialist & Managers) at Manchester Business School, The University of Manchester. Has been employed with the Group since 2001. Finance Director at AB Linas Agro since 2006 and Member of the Management Board since 2009. Finance Director of AB Linas Agro Group since 2009. Member of the Management Board of UAB Dotnuva Baltic since 2015.

Andrius Pranckevičius (b. 1976) – a graduate of Kaunas Technological University where in 1998 he obtained a bachelor's degree in Business Administration and, in 2000, master's degree in Marketing Management. He also took executive education programs in Harvard Business School, Wharton Business School, Stanford and Berkeley Business School (2004–2007) and program of leadership development in Harvard Business School (2009). Joined the Group in 1999. Deputy Managing Director of AB Linas Agro since 2005 and the Member of the Management Board since 2006. Deputy Managing Director of AB Linas Agro Group since 2009. Member of the Supervisory Board of AS Putnu Fabrika Kekava since 2014 and Chairman of the Management Board of the company since 2015. Also Chairman of the Management Board of the companies SIA Lielzeltini, SIA Cerova and SIA Broileks since 2015. Member of the Board of Lithuanian Agricultural Companies Association.

Board members controlling more than 5% of other Companies shares and votes:

Name	Participation in other Companies authorized capital
Darius Zubas	Akola ApS 71% votes; UAB MESTILLA 14.3% votes.
Vytautas Šidlauskas	Akola ApS 25% votes; UAB MESTILLA 5% votes.

Andrius Pranckevičius, Arūnas Zubas, Dainius Pilkauskas, Tomas Tumėnas and Artūras Pribušauskas do not have more than 5% of shares in the other companies.

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfillment of their obligations, also did not transfer them any assets.

11.2. Management of the Company

Details of the Company's Management remained unchanged during the reporting period. Company Management as of 31 December 2017:

Position	Name and surname	Employed since
Managing Director	Darius Zubas	01/09/1996
Deputy Managing Director	Andrius Pranckevičius	19/11/2009
Finance Director	Tomas Tumėnas	19/11/2009
Chief Accountant	Ramutė Masiokaitė	19/11/2009

The Management of the Company work under open-ended contracts of employment.



Information about Darius Zubas, Andrius Pranckevičius, and Tomas Tumėnas is provided in the chapter **The Board**.

Ramutė Masiokaitė (b. 1971) – Chief Accountant. Does not own shares of the Company. Graduated from Vilnius University in 1994 and acquired the qualifications of economics, financial and credit specialist. She started her employment with the Group in 1998 in the capacity of the Chief Accountant of AB Linas Agro. In 2001 she became Finance Controller of AB Linas Agro and works so far, in 2009 was appointed as Chief Accountant of AB Linas Agro Group.

11.3. Committees formed by the Company

There were no changes in the committees formed by the company during reporting period.

The Ordinary General Meeting of the Company's Shareholders held on 30 October 2014 formed the Audit Committee and elected the members of the Audit Committee. The Audit Committee consists of 3 members, including an independent member. The members of the Committee are elected for the term of office of 4 (four) years. The elected members of the Committee began their service from the moment the General Meeting of the Company's Shareholders during which they had been elected was over.

11.3.1. The members of the Audit Committee

(as at December 2017):

Andrius Drazdys - independent member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Does not own shares of the Company. Employed at UAB Vilniaus margarino gamykla as a Chief Finance Officer.

Artūras Pribušauskas -member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Treasury Manager of the Company and also employed as a Treasury Manager at AB Linas Agro. Elected the Member of the Board as from October 24, 2013 (look chapter **The Board**). Shareholder of the Company – owns 11,000 shares of the Company or 0.01% of all shares and votes of the Company.

Kristina Prūsienė - member of the Audit Committee. Term of office began on 30 October 2014, term of office ends on 30 October 2018. Does not have shares of the Company. Employed at AB Linas Agro as Accountant General.

12. Procedure for amending the Company's articles of association

The Company's Articles of Association shall be amended exclusively by the general meeting of shareholders under the Law of the Republic of Lithuania on Companies. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law of the Republic of Lithuania on Companies.

13. Information about the compliance with the Corporate Governance Code

The Company complies with the company management procedures stipulated in the Law of the Republic of Lithuania on Companies. The Company complies with the essential management principles for



the companies listed on Nasdaq Vilnius. The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Managing Director). The Company does not have the Supervisory Board. The Company's Board consists of seven members elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). The Company has the Audit Committee.