

## **Consolidated financial statements of AB Linas Agro Group**

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

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

## Consolidated statement of financial position

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

(cont'd on the next page)

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

## Consolidated statement of financial position (cont'd)

	Notes	As at 31 March 2018	As at 30 June 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal reserve		3,419	3,186
Own shares		(453)	(453)
Foreign currency translation reserve		(22)	(22)
Cash flow hedge reserve		(73)	(73)
Retained earnings		96,453	95,177
<b>Total equity attributable to equity holders of the parent</b>		<b>168,455</b>	<b>166,946</b>
<b>Non-controlling interest</b>		<b>2,045</b>	<b>2,271</b>
<b>Total equity</b>		<b>170,500</b>	<b>169,217</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		6,406	6,236
Non-current borrowings	8	25,514	20,401
Finance lease obligations		1,130	1,076
Deferred income tax liability		1,001	1,906
Non-current employee benefits		480	453
Derivate financial instruments		–	25
<b>Total non-current liabilities</b>		<b>34,531</b>	<b>30,097</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	8,204	11,061
Current portion of finance lease obligations		439	559
Current borrowings	8, 12	106,733	77,494
Trade payables		35,780	44,152
Payables to related parties		1	–
Income tax payable		694	937
Derivative financial instruments		235	1,395
Other current liabilities		19,496	17,937
<b>Total current liabilities</b>		<b>171,582</b>	<b>153,535</b>
<b>Total equity and liabilities</b>		<b>376,613</b>	<b>352,849</b>

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

## Consolidated statement of comprehensive income

(for the period 1 July to 31 March)

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

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

## Consolidated statement of comprehensive income

(for the period 1 October to 31 March)

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

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

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

## Consolidated cash flow statement

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

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

## Consolidated cash flow statement (cont'd)

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

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



# Notes to the financial statements

## 1. General information

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 Panevėžys, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

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

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

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

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

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

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

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

## 2. Accounting principles

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2016/2017 financial year.

### 3.Group structure and changes in the Group

As at 31 March 2018 and as at 30 June 2017 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2018	30 June 2017	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship’s agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100 %	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu Fabrika Kekava	Latvia	97.08%	93.84%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.08%	93.84%	Retail trade of food production
UAB Kekava Foods LT	Lithuania	97.08%	—	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group	Latvia	97.08%	93.84%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linas Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

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

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

#### Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)

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

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

Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
SIA Paleo	Latvia	100%	100%	Warehousing activity

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

Karčemos kooperatinė bendrovė	Lithuania	4.00%*	4.00%*	Preparation and warehousing of grains for trade
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\* The Group indirectly controls 24% of shares of Karčemos kooperatinė bendrovė (through Panevėžys district Žibartonių ŽŪB and UAB Linas Agro Grūdų centras KŪB), however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

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

#### *Changes in the Group during the 9 month period ended 31 March 2018*

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

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

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

#### *Changes in the Group during the year ended 30 June 2017*

During 12 month period, ended 30 June 2017, the Company acquired 0.03% AS Putnu fabrika Kekava share capital for EUR 4 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 1 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2017, the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB, UAB Lineliai, Noreikiškių ŽŪB, ŽŪB Landvesta 5 in amount of EUR 949 thousand, EUR 90 thousand, EUR 77 thousand, EUR 257 thousand, respectively.

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

### 4. Segment information

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

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, sunflower and sunmeal, sugar beet pulp, soyameal, vegetable oil, rapeseed cake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

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

## 4. Segment information (cont'd)

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
<b>Financial year ended 31 March 2018</b>								
<b>Revenue</b>								
Third parties	291,673	91,967	15,076	50,426	106	—	—	449,248
Intersegment	2,810	4,602	8,539	—	—	—	(15,951) <sup>1)</sup>	—
<b>Total revenue</b>	<b>294,483</b>	<b>96,569</b>	<b>23,615</b>	<b>50,426</b>	<b>106</b>	<b>—</b>	<b>(15,951)<sup>1)</sup></b>	<b>449,248</b>
<b>Results</b>								
Operating expenses	(5,875)	(9,818)	(2,519)	(4,472)	(15)	(4,170)	—	(26,869)
<b>Segment operating profit (loss)</b>	<b>6,364</b>	<b>1,495</b>	<b>(359)</b>	<b>1,294</b>	<b>155</b>	<b>(4,256)</b>	<b>—</b>	<b>4,693</b>

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

1) Intersegment revenue is eliminated on consolidation.

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

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

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

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

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

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

## 7. Investment property

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

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

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



## 8. Borrowings

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

Interest payable is normally settled monthly throughout the financial year.

## 9. Operating expenses

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

## 10. Other income (expenses)

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

## 11. Commitments and contingencies

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

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

Panevėžys district Aukštadvario ŽŪB, Kėdainių district Labūnavos ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2019 and 2021, Šakiai district Lukšių ŽŪB – up to 2020 and 2021. UAB Linas Agro Grūdų Centras KŪB received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2020 and 2021.

SIA Lielzeltini and SIA Cerova received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2020, SIA Cerova – up to 2018.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 2,174 thousand as at 31 March 2018 (EUR 1,683 thousand as at 30 June 2017).

## 12. Related parties transactions

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 31 March 2018 and 30 June 2017 were as follows:

### *Members of the board of the Company:*

Darius Zubas (chairman of the board, ultimate controlling shareholder);  
Dainius Pilkauskas;  
Arūnas Zubas;  
Andrius Pranckevičius;  
Tomas Tumėnas;  
Vytautas Šidlauskas till 30 March 2018;  
Artūras Pribušauskas till 30 March 2018.

### *Subsidiaries: List provided in Note 3.*

### **Akola ApS group companies:**

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

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

## 12. Related parties transactions (cont'd)

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

### 2017/2018 3 Q

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

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business and on terms equivalent to arm's length transactions.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were not due neither impaired as at 31 March 2018 and 30 June 2017.

## 13. Subsequent events

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

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

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