A close-up photograph of a person's hand holding a young pea plant. The plant has a white stem, green leaves, and a developing pea pod. The root system is visible at the bottom, showing a main taproot and several lateral roots. The background is a blurred field of soil and other pea plants.

Consolidated Interim Report of AB Linas Agro Group

**for the Twelve-month Period
of the Financial Year 2017/18,
Ended 30 June, 2018**

Information about the Company and the Group

Company name	AB Linas Agro Group
Legal form	Public company
Date and place of registration	27/11/1995 in Panevezys
Code of legal entity	148030011
LEI	529900UB9QON717IL030
VAT identification number	LT480300113
Company register	State Enterprise Centre of Registers (Valstybės įmonė Registrų centras)
Address	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania
Phone	+370 45 50 73 03
Fax	+370 45 50 73 04
E-mail	group@linasagro.lt
Website	www.linasagro.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and operates in four countries – Lithuania, Latvia, Estonia and Denmark. The financial year of the Group begins on 1 July. At the end of the reporting period the Group had 40 companies, and the total headcount amounted to 2,199 employees. The Company does not have any branches and representative offices.

The Main Activity

The subsidiaries controlled by the Company produce, handle and merchandise agricultural and food products, also provide products and services for farming. The Company performs only the management function and is not involved in any trading or production activities.

The Group is the leading exporter of grains and has own network of grain storage facilities. Also is one of the leaders in supplies of agricultural inputs (such as certified seeds, fertilizers and agricultural machinery) in Lithuania, has seed processing plant. The Group is a major milk producer in Lithuania and poultry producer in Latvia as well.

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



Products and services for farming

Agricultural production

Grain and feedstuff handling and merchandising

Food products

Information about subsidiaries of the Company

Effective Stock held by AB Linas Agro Group

The Company controlled 39 companies* in Lithuania, Latvia, Estonia and Denmark as at 30 June 2018.

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

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

Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in twelve months of 2017/18 financial year totaled EUR 634 million and was 1.7% less as compared to previous year (EUR 645 million).
- The Group's sales volume in tons reached 2.2 million of various grains and agricultural inputs and was 6.7% less as compared to previous year (2.4 million tons).
- The gross profit reached EUR 44.6 million and was 3.6% lower than a year before (EUR 46.3 million).
- Consolidated EBITDA was 11% lower and amounted to EUR 20.2 million as compared to the previous year (EUR 22.7 million).
- The Group's operating profit was EUR 8.8 million or 27% less as compared to the respective period of the previous year (EUR 12.1 million).
- Profit before taxes amounted to EUR 6.8 million (compared to EUR 10 million in previous year). The net profit attributable to the Group stood at EUR 7.4 million (EUR 8.3 million in previous year).
- The gross profit dropped from EUR 16.2 million to EUR 14.1 million in the fourth quarter of this financial year, and the operating profit plunged from EUR 6.1 million to EUR 4.1 million. Net profit amounted to EUR 4.8 million compared to EUR 5.9 million net profit earned during the same period a year ago.

Financial Ratios

	2014/15 12 months	2015/16 12 months	2016/17 12 months	2016/17 12 months	Change 2017/18 compared to 2016/17 (thousand EUR)	Change 2017/18 compared to 2016/17 (%)
Sales revenues (thousand EUR)	573,766	615,961	644,952	634,242	(10,710)	(1.7)
Sales in tons	1,968,469	2,187,388	2,364,713	2,205,755	(158,958)	(6.7)
Gross profit (thousand EUR)	41,480	39,881	46,276	44,633	(1,643)	(3.6)
EBITDA (thousand EUR)	21,781	17,135	22,695	20,177	(2,539)	(11.2)
Operating profit (thousand EUR)	12,337	7,232	12,054	8,829	(3,225)	(26.7)
Earnings before taxes EBT (thousand EUR)	10,360	5,316	10,045	6,751	(3,294)	(32.8)
Net profit (thousand EUR)	9,194	3,944	8,589	7,749	(659)	(7.8)
Margins, %						
Gross profit margin	7.23	6.47	7.21	7.04	(0.14)	(1.9)
EBITDA margin	3.80	2.78	3.52	3.24	(0.28)	(7.9)
Operating profit margin	2.15	1.17	1.95	1.51	(0.36)	(17.2)
Earnings before taxes margin	1.81	0.86	1.63	1.18	(0.38)	(24.1)
Net profit margin	1.60	0.64	1.33	1.22	(0.08)	(6.2)
Solvency ratios						
Current ratio	1.59	1.42	1.43	1.37	(0.05)	(3.6)
Debt / Equity ratio	0.63	0.59	0.65	0.88	0.22	34.3
Net financial debt / EBITDA	4.30	5.13	4.42	6.97	2.56	58.2
Return on equity (ROE), %	5.79	2.43	5.07	4.26	(0.72)	(14.4)
Return on capital employed (ROCE), %	3.99	2.82	4.50	2.91	(1.42)	(32.9)
Return on assets(ROA), %	2.91	1.19	2.43	1.94	(0.44)	(18.5)
Basic and diluted earnings per share (EPS)	0.06	0.03	0.05	0.05	0.00	0.0
Price earnings ratio (P/E)*	11.42	22.17	12.88	15.30	2.42	18.8

* The closing price of the last day of AB Linas Agro Group accounting period

Overview

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 therefore 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 previous 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.

Lower cereal harvest in Baltics 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.

Group's total sales volume in tons dropped 6.7% and amounted to 2.2 million tons (2.36 million tons in FY2016/17). Due to above stated reasons sales volumes in tons declined only in business Segment *Grain and Feedstuff Handling and Merchandising* by 9.4% if compared to the respective period of previous year. In all other business Segments sales volumes in tons increased.

The consolidated revenue of AB Linas Agro Group over twelve months of this financial year amounted to EUR 634 million and dropped 1.7% as compared to previous year (EUR 645 million). The main reason that had a negative impact on the revenue was decrease in sales of various grains as those plunged from EUR 317 million to EUR 292 million. Sales also declined in business Segment *Products and Services for Farming* but that drop was minor (2.6%). This occurred due to diminished sales in fertilizers and chemicals. Sales in poultry business accelerated by 13.2% and amounted to EUR 69 million (EUR 61 million in FY 2016/17). Revenue from agricultural production increased by 15.6 % to EUR 31 million due to the growing crop yield and more favorable milk purchase prices.

The fourth financial quarter of the year was quite successful and profitable. Due to increased sales in various grains and feedstuff business Segment, revenue was record high if compared to previous quarters and amounted to EUR 185 million, although was by 6% less if compared to the corresponding period of FY 2016/17 (EUR 197 million). The increased sales positively affected the profitability of business. The Group finished the quarter with a EUR 4.1 million in operating profit, the highest one if compared with previous quarters, although less if compared to the fourth quarter in FY 2016/17 (EUR 6.1 million in FY 2016/17). Operating profit was recorded in all Group's business Segments, except in Grain and Feedstuff Handling and Merchandising business Segment, what turned into red, recording EUR 2.3 million of operating loss.

Gross profit of AB Linas Agro Group over twelve months dropped 3.6% and amounted to EUR 44.6 million (EUR 46.3 million a year before), and operating profit plunged from EUR 12.1 million to EUR 8.8 million. Group's EBITDA declined from EUR 22.7 million to almost EUR 20.2 million. Group's net profit attributable to shareholders decreased as well and amounted to EUR 7.4 million as compared to EUR 8.3 million in FY 2016/17. The change in fair value of biological assets, mainly due to lower value of the future crop harvest in Group's controlled agricultural companies, was negative and amounted to EUR 1.6 million, thereby the Group's total profit reduced accordingly. It is worth to note that fair value change in biological asset is non-cash item, therefore it doesn't affect Group's cash flows. If not taking into consideration that affect, Group's net profit would amount to EUR 9 million.

Financial Costs

Due to low interest rate basis, Group's financial expenses over referenced period declined and amounted to EUR 2.6 million compared to that in 2016/17 financial year (EUR 2.9 million). The total amount of financial loans portfolio (including leasing) grew from EUR 111 million to EUR 154 million. The amount of financial loans grew by EUR 43 million since July due to increased various stocks and debtor's (those grew by EUR 24 million and EUR 15 million accordingly) and undergoing investments into poultry business, agricultural companies and Group's grain elevators (financial loans due to these investments increased by EUR 5.3 million). The vast majority of stocks is to be sold in the first months of the next financial year.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital increased to EUR 19.4 million as compared to EUR 20.6 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 19.3 million (positive EUR 5.9 million over the respective period of 2016/17 financial year), the reason was increase of stocks by EUR 22 million. Group's cash and cash equivalents amounted to EUR 10.5 million at the end of the reporting period (EUR 8.9 million in 2016/17 financial year).

Performance Results of the Segments

Activities of the Group are divided into five business Segments:

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

Operating Profit (loss) by Segments, thousand euro

	2017/18 12 months	2016/17 12 months	2015/16 12 months	2014/15 12 months	2013/14 12 months
Grain and Feedstuff Handling and Merchandising	4,074	7,989	9,583	7,484	10,978
Products and Services for Farming	4,873	3,806	2,816	965	1,796
Agricultural Production	3,222	3,329	758	3,532	4,848
Food products	2,547	1,545	(1,246)	3,193	9,888
Other	50	(196)	(176)	97	2,745

Grain and Feedstuff Handling and Merchandising

Being the largest operating Segment, this one includes the sale of grain, oilseeds and feedstuffs, as well as grain storage and logistic services.

The Group has been operating in this field since 1991; this activity generates the major part of the Group's revenue. The companies AB Linas Agro and Linas Agro AS are the holders of the European Good Trading Practice certificates. The companies AB Linas Agro and SIA Linas are ISCC (International Sustainability and Carbon certification) certified. In addition, AB Linas Agro holds a certificate in trade of organic plant production issued by the PE Ekoagros, and has GMP+ (European Good Manufacturing Practice) certification. The Group consistently expands the capacity of its own grain elevators, and currently the Group's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia is 290 thousand tons. The capacities of the storage facilities at ports operated by the Group reach 196 thousand tons.

In 2017, the areas of almost all crops were slightly less in the Baltic States than a year before, besides that the rainy summer and the exceptionally wet autumn did not allow to harvest all the crops. At the same time, the quality of the crops has been significantly impaired. This situation has created a significant competition between grain buyers in the local market, where the purchase prices have been high and not always aligned with the sales prices in the world market. Extreme competition was among rapeseed buyers, because area planted with rapeseed in 2017 was 32 thousand hectares less than in 2016. Due to adverse weather barley supplies from Estonia broke down. During the reporting period, imports of peas into the Indian market, which is the main consumer of peas in the world, were restricted, and there was an urgent need to find another market for peas, already bought from the farmers, and sell them at a loss.

The sales volumes of this business Segment in tons decreased by 9.4% and amounted to 1.8 million (2 million in FY 2016/17). The trading volume of traditional crops (wheat, rapeseed, barley) decreased by 11% from 1.7 million tons to 1.5 million tons. Due to lower world grain market prices and imposed duties on certain products (peas) in import markets, sales revenue for these products declined from EUR 317 million to EUR 292 million. Gross profit in this product group dropped from EUR 8.8 million to EUR 3.4 million. Meanwhile, market prices for feedstuff increased, resulting in sales revenue rise from EUR 91 million to EUR 97 million, although sales volume in tons have decreased from 300 thousand tons to 295 thousand tons. Due to increased demand for feedstuff, the profit margin of feedstuff sales went up, and gross profit grew from EUR 3.9 million to EUR 5.2 million.

Grain elevators owned by the Group collected and processed over 486 thousand tons of various agricultural commodities or 6% more as compared to the respective period of the 2016/17 financial year (458 thousand tons). Taking into consideration that majority of harvested grains had comparatively big moisture content, income from drying services at elevators increased. Therefore operating profit of Group's controlled elevators went up 34% from EUR 1.1 million to EUR 1.5 million.

Segment's operating profit dropped 49% from EUR 7.9 million to EUR 4.1 million.

Over 2.3 million euros were invested during the reporting period to expand grain storage facilities in Kupiškis, Lukšiai (Šakiai district), Pasvalys, feedstuff warehouse in Joniškis, also to launch a new grain elevator in Kartena (Kretinga district). In Latvia, the Group has opened a new grain reception station in Skrunda, and also was building grain elevators in Grobina and Rezekne that will start operating in the next

financial year. The volume of sourced grain, oilseeds and legumes in Latvia grew 24% up to 332 thousand tons.

Products and Services for Farming

This business Segment includes trade in seeds, plant protection products, fertilizers, agricultural and machinery, installation of grain cleaning, drying and storage facilities as well as livestock farms.

Supply of agricultural inputs to the farmers is a long term activity of the Group that trace back to 1993 and is currently run in Lithuania, Latvia and Estonia. The Group represents worldwide known brands. The Group is constantly increasing its own warehousing capacity, and currently the total storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia is close to 131 thousand tons.

The subsidiary AB Linas Agro is one of the largest suppliers of fertilizers, plant protection products, certified seed to Lithuanian farmers, and SIA Linas Agro supplies agricultural inputs to Latvian farmers. AB Linas Agro has received the Lithuanian Export Award by Lithuanian Association of Commerce, Industry and Crafts for the successful year 2017.

The subsidiary UAB Dotnuva Baltic is a wholesaler and retailer of agricultural machinery and grain storage facilities, has an agricultural machinery service network in the Baltic States and a seed processing plant. Dotnuva Baltic holds one-third of Lithuanian certified seed market and has prepared over 20 thousand tons of seeds during the reporting period. The company has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros. Dotnuva Baltic is the only representative of the 'Case IH', 'Kverneland', 'Agrifac', and 'Jeantil' brands in the Baltic States. Dotnuva Baltic is the leading distributor of plows and self-propelled sprayers in Lithuania, whereas Kverneland plows hold over 40% plow market share, and Agrifac self-propelled sprayers' market share is at 30%. The Group ranked as the second largest seller of the new western tractors in Lithuania.

In order to ensure high standards of customer service and to provide quality service to the market, in 2016 Dotnuva Baltic joined the 'Red Excellence' Case IH international quality campaign, which unites Case IH dealers in Europe. The main and the largest representative offices in Dotnuva (Lithuania), Pinki (Latvia) and Tartu (Estonia) are rated at the 'Professional Dealer' level, and the other ten branches of the company in the Baltic States are at the level of 'Certified Dealer'. During the reporting period, Dotnuva Baltic received the 'Best 2017 seller' rating from the spray producer Agrifac (The Netherlands), a medal in agricultural exhibition 'Ką pasėsi...2018' and 'The Leader of Wholesale Trade 2017' award by Lithuanian business daily media 'Verslo žinios'.

Due to rainy fall in all of the Baltic States in 2017, changes in crop structure took place - the area of winter crops decreased and fertilizer consumption went down. Due to the adverse weather conditions in autumn the farmers could not use herbicides and micronutrient fertilizers at all, and therefore did not buy them, and typically less fertilizers are being used for growing summer crops. Farmers evaluated their difficult situation and tended to save money by reducing total investments per hectare of crops. Due to reduced winter crop area in 2017 and adverse weather conditions in 2018, the market for plant protection products and trace element fertilizers shrank about 15%, this has activated the vendors' competition and greatly reduced the trade margins. The Group focused on profitable transactions, which made revenue, gained from sales of fertilizers and plant protection products, 10% less and close to EUR 62 million.

The demand for certified seeds in Lithuania is increasing every year, but in 2017 autumn, trade in winter crop seeds was negatively affected by unfavorable weather conditions that ruined sowing; also rainy weather damaged some seeding material. The decreased winter crop areas brought up the demand for spring seeds like rapeseed, wheat, beans and barley- even a lack of wheat seeds has been observed in spring and the Group had to import them. The sales of certified seed were boosted by EU support for planting crop areas with certified seeds, which was EUR 17.6 per hectare, and the shortage of certified seed in the Baltic States and Poland. Revenue from seed sales grew 20% up to EUR 29 million.

In the first half of the financial year, investment in new agricultural machinery have been deferred by the farmers due to adverse weather conditions and reduced EU funding, the market for agricultural machinery had negative moods and shrank. In the second half of the year, farmers were willing to invest, although the market still did not recover. In Lithuania, the approval of the EU funding delayed until early spring, and the funding allocated to small and medium-sized livestock and horticulture farms. In Latvia, the implementation of one of the EU funding programs started in January-June of 2018, the funding being oriented for the purchase of grain harvesters, additionally the Latvian government offset the farmers' losses caused by adverse weather. In Estonia, EU funding was allocated to small and medium-sized farms, i.e. had no visible impact on the Group's sales of agricultural machinery.

Sales of the new agricultural machinery went down in Lithuania and Estonia and up in Latvia. The Group's revenue from the sale of new agricultural machinery dropped 9% up to EUR 43 million. Sales of the used machinery went down in Estonia, and up in Lithuania and Latvia, total sales revenue in all countries grew 77% up to EUR 2.1 million. Sales revenue from spare parts went up 14% up to EUR 7 million.

Slowly recovering dairy farming raised revenue from sales of dairy farming equipment by 46% up to EUR 0.46 million. In addition, the Group installed a state-of-the-art farm with a milking unit in its own farming company Šakiai District Lukšiu ŽŪB.

The unfavorable harvesting conditions and losses led to farmers' interest and investments into grain storage facilities: grain drying, cleaning and storage complexes. The Group carried out 50 installation projects for the grain complexes, i.e. 25 percent more than in previous year. Part of them will be completed next financial year, while revenue from this business gained during the reporting period was almost EUR 21 million or almost doubled from that in previous year (EUR 11 million). In addition, the Group was building two own grain elevators in Latvia.

The gross profit of the Segment grew 5.4% and amounted to EUR 18 million compared to EUR 17 million in FY 2016/17, while operating profit rose 28% from EUR 3.8 million to EUR 4.9 million.

Over 0.31 million euros has been invested during the reporting period to develop the infrastructure for fertilizers marketing, seed production, agricultural machinery trading and service, and improve management of operational processes.

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 Lukšiu ŽŪB, Biržai District Medekių ŽŪB and Sidabravo ŽŪB.

Agricultural companies were cultivating 17,266 ha of land. At the end of the reporting period the Group had 7,393 ha of the own land. The farming companies produced 105 thousand tons of agricultural produce or 15% more than previous financial year, sold 91 thousand tons of agricultural commodities or 18% more than a year before. About 60% of the products have been sold to the other companies of the Group and 40% marketed outside the Group.

Rainy autumn of 2017 allowed to seed only 40% of the projected winter crop area. Major part of the winter rapeseed and a part of the winter wheat did not survive. 332 ha of winter rapeseed were completely damaged, and the rest of the crop was in poor condition: the plants were sparse, some areas bald, the soil was crusted. It was necessary to seed more spring wheat, barley, and beans.

Around 6,967 hectares or 28% more than a year before were seeded with spring crops: 2,727 ha with barley, 1,772 ha with beans, 1,481 ha with spring wheat, 524 ha with peas and 463 ha with other crops. Spring sowing and plant growth encountered the lack of moisture, the agricultural drought started. The Group expects total harvest to be about 30% lower than in previous year.

The Group controlled farms own 3,227 dairy cows, the increase in number was insignificant. Although the milk yield per cow started to decrease due to the prolonged heat wave in the Q4, the average annual milk yield was still slightly higher as compared to that of previous year. Over 30 thousand tons of raw milk have been sold over the referenced period, or 3.8% more than a year before. The average milk price over the twelve-month period was 12.6% higher than a year before, therefore sales revenue went up from EUR 9.2 million to EUR 11.1 million. Meat sales volume was 1,455 tons (1,385 tons a year before).

The revenue of this business Segment grew almost 16% from EUR 26.8 million to EUR 31 million and operating profit decreased slightly amounting to EUR 3.2 million compared to EUR 3.3 million a year ago. The reason of decrease was change in fair value of biological assets that was negative and totaled EUR 1.6 million (was positive and totaled EUR 1.9 million in FY 2017/18). The negative change in fair value of biological assets occurred due to negative change in fair value of the future harvest of agricultural companies of the Group, which expected to be lower in FY 2018/19 as compared to the reporting period.

During the reporting period, the Group invested almost EUR 6.3 million to renew agricultural machinery and vehicles fleet, and renovate buildings.

Food Products

This business Segment includes a whole cycle poultry business, including incubation of hatching eggs, broiler breeding, production of poultry and its products, feed manufacturing for self-supply and retail sale of chicken meat and its products. Business is conducted by Latvian poultry companies AS Putnu Fabrika Kekava (incl. subsidiary SIA PFK Trader), SIA Lielzeltini, SIA Broileks, and SIA Cerova.

AS Putnu Fabrika Kekava – No1 poultry producer in Latvia with full poultry manufacturing cycle, including egg incubation, chicken hatching, broiler breeding, production of fresh poultry and processed products under brand name “Kekava”. The company's products sold under the trademark "Top choice poultry" in the export markets. The subsidiary of the company, SIA PFK Trader operates 21 retail shops all over Latvia and opened the first shop in Lithuania during the reporting period. AS Putnu Fabrika Kekava has received the BRC (British Retail Consortium) certification ISO 50001:2012 and ISO 22000:200 certification, also is Halal certified. AS Putnu Fabrika Kekava is the only poultry farm in the Baltic States that received the right to mark their poultry meat as ‘Raised without Antibiotics’.

SIA Lielzeltini – No2 poultry producer in Latvia: has an incomplete production cycle consisting of broiler breeding, production of fresh poultry and processed products sold under the brand name “Bauska”, as well as production of compound feed. The company has received ISO 22000:2006 and ISO 50001:2012 certifications, also is Halal certified.

SIA Broileks grows and sells live chicken. SIA Cerova incubate eggs and sells day-old chicks.

An average poultry price over the reporting period was EUR 1.84 /kg or 2% higher as compared to previous year.

The poultry companies produced 40.7 thousand tons of live weight or 1% more as compared to previous year. Companies sold over 32 thousand tons of poultry and poultry products or 28% more than a year before.

The poultry companies that have earlier introduced chicken, raised without antibiotics, to the market, focused on more wealth countries and increased exports of fresh meat to Sweden, Estonia and Lithuania. Exports raised the price for fresh chicken by 2% and the price for chicken products - by 4%.

Revenue from this business Segment increased by 13% from EUR 61 million to EUR 69 million while operating profit accelerated by 65% from EUR 1.5 million to EUR 2.5 million. Previous investments in modernization of production influenced the profitability of the Segment, allowing the operating profit margin to increase from 2.4% to 3.7%.

The Group invested almost EUR 4.9 million during the referenced period to upgrade poultry production equipment and increase biosafety level. The main investments aimed at improving the living conditions of birds, and the Group received EU structural funds’ support for these investments.

Other

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

The operating profit of this business Segment amounted to EUR 50 thousand as compared to a EUR 200 thousand euros loss in previous year.

The Publicly Disclosed Information and Other Events of the Reporting Period

The Publicly Disclosed Information

During the reporting period ended 30 June, 2018, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company’s website the following information:

1/6/2018 17:30 EEST	Elected Chairman of the Board of AB Linas Agro Group	Notification on material event	EN, LT
1/6/2018 17:20 EEST	Decisions of the Extraordinary General Meeting of the Shareholders of AB Linas Agro Group, Held on 1 June 2018	Notification on material event	EN, LT

31/5/2018 17:30 EEST	AB Linas Agro Group notification about interim 9 months financial results of the financial year 2017/2018	Interim information	EN, LT
17/5/2018 09:49 EEST	AB Linas Agro Group to enhance positions on the certified seeds market	Other information	EN, LT
11/5/2018 10:05 EEST	Notice on Extraordinary General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
29/3/2018 16:00 EEST	On the decision of the Supervision Service of the Bank of Lithuania	Notification on material event	EN, LT
27/3/2018 16:55 EEST	Regarding resignation from the Board of Linas Agro Group AB	Notification on material event	EN, LT
27/3/2018 11:56 EEST	Notification on Linas Agro Group AB manager's related party transactions	Notification on material event	EN, LT
27/3/2018 11:34 EEST	Linas Agro Group AB notifications on the transactions concluded by managers in issuer's securities	Notification on material event	EN, LT
28/2/2018 16:50 EET	AB Linas Agro Group notification about interim 6 months financial results of the financial year 2017/2018	Half-Yearly information	EN, LT
30/1/2018 8:34 EET	AB Linas Agro Group investor's calendar for the 2018	Other information	EN, LT
30/11/2017 10:00 EET	AB Linas Agro Group notification about interim 3 months financial results of the year 2017/2018	Interim information	EN, LT
26/10/2017 18:15 EEST	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 26 October 2017	Notification on material event	EN, LT
26/10/2017 18:15 EEST	Procedure for the payout of dividends for the financial year ended 30 June 2017	Notification on material event	EN, LT
26/10/2017 18:05 EEST	AB Linas Agro Group notification about the Annual information of the financial year 2016/2017	Annual information	EN, LT
04/10/2017 14:00 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
31/8/2017 10:10 EEST	AB Linas Agro Group notification about interim 12 months financial results of the financial year 2016/2017	Interim information	EN, LT

Other Events of the Reporting Period

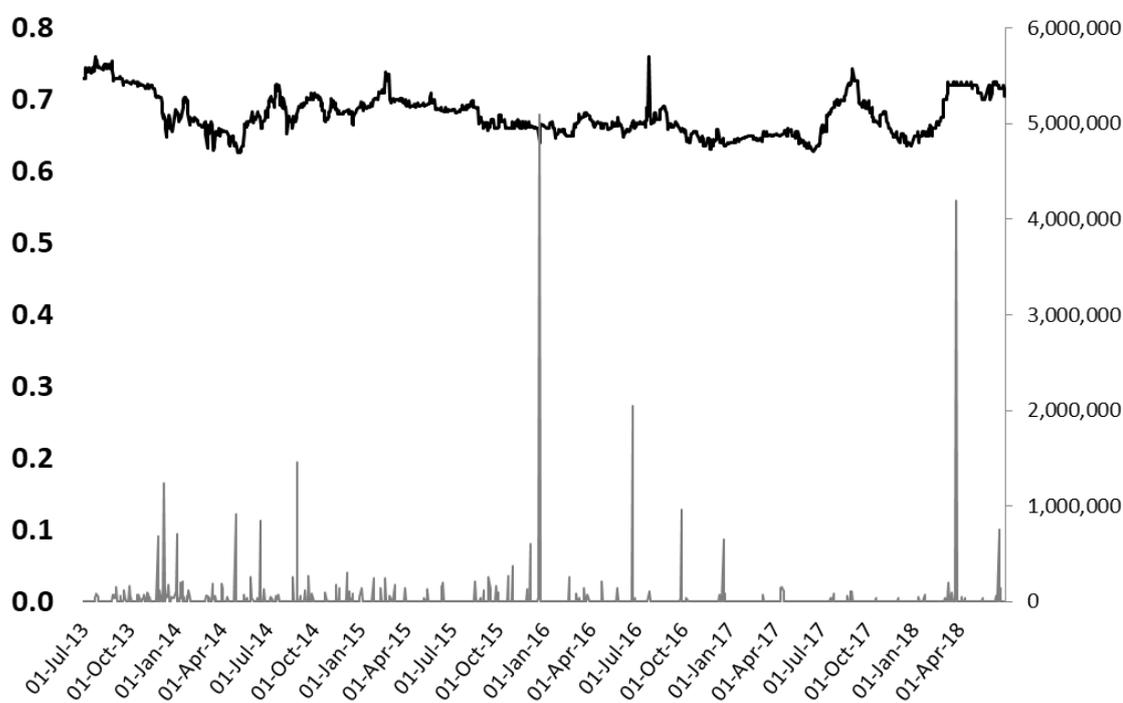
07/2017 – 06/2018	The Company additionally acquired 15 436 shares of AS Putnu Fabrika Kekava with nominal value of 614,352.80 euros.
07/2017 – 06/2018	The authorized capital of Noreikiškių ŽŪB was increased by 70,000 euros.
04/2018 – 06/2018	The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 2,000,000 euros.
07/05/2018	A liquidation process of Linas Agro A/S was instigated.
08/03/2018	A retail company UAB Kekava Foods LT was registered.
09/02/2018	The authorized capital of SIA Linas Agro Graudu Centrs was increased by 2,700,000 euros.
31/10/2017	Equity capital of Užupės ŽŪB reduced by paying out EUR 750,660.80 to shareholders.
27/9/2017	The authorized capital of UAB Lineliai was increased by 80,000 euros.
24/7/2017	The Company signed the Issuer's Securities Accounting Management Agreement with Šiaulių Bankas AB (code of legal entity 112025254, address: Tilžės St. 149, LT-76348 Šiauliai).

Subsequent Events

30/07/2018	AB Linas Agro founded a subsidiary in Ukraine LLC LINAS AGRO UKRAINA.
23/07/2018	Shareholder of UAB Lineliai made a decision to increase the authorized capital of the company by 50,000 euros.

Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 01/07/2013 until the end of the reporting period, i. e. 30 June 2018, is presented in the following diagram:



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