

**AB LINAS AGRO GROUP
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 12 MONTH PERIOD
OF THE YEAR 2016/17
(UNAUDITED)**

PREPARED ACCORDING TO
ADDITIONAL INFORMATION PREPARING AND PRESENTATION
INSTRUCTIONS ISSUED BY THE BANK OF LITHUANIA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2017	As at 30 June 2016
ASSETS			
Non-current assets			
Intangible assets	5	1,331	2,057
Property, plant and equipment	6	117,823	112,246
Investment property	7	1,408	1,359
Animals and livestock		8,019	7,578
Non-current financial assets			
Other investments and prepayments for financial assets		17	17
Non-current receivables		3,561	3,987
Non-current receivables from related parties	12	–	800
Total non-current financial assets		3,578	4,804
Deferred income tax asset		2,209	2,137
Total non-current assets		134,368	130,181
Current assets			
Crops		14,836	13,813
Livestock		2,164	1,758
Inventories		72,012	71,952
Prepayments		5,012	6,616
Accounts receivable			
Trade receivables		102,430	93,420
Receivables from related parties	12	26	18
Income tax receivable		216	664
Other accounts receivable		12,015	5,144
Total accounts receivable		114,687	99,246
Other current financial assets		802	1,616
Cash and cash equivalents		8,894	6,901
Total current assets		218,407	201,902
Total assets		352,775	332,083

(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 30 June 2017	As at 30 June 2016
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium	1	23,038	23,038
Legal reserve		3,186	2,936
Own shares		(453)	(455)
Foreign currency translation reserve		(21)	(22)
Cash flow hedge reserve		(73)	(153)
Retained earnings		95,341	88,336
Total equity attributable to equity holders of the parent		167,111	159,773
Non-controlling interest		2,314	2,214
Total equity		169,425	161,987
Liabilities			
Non-current liabilities			
Grants and subsidies		6,467	6,289
Non-current borrowings	8	21,568	16,741
Finance lease obligations		1,076	1,228
Non-current trade payables		–	1,553
Deferred income tax liability		1,353	1,139
Non-current employee benefits		453	353
Derivate financial instruments		–	120
Total non-current liabilities		30,917	27,423
Current liabilities			
Current portion of non-current borrowings	8	10,806	19,943
Current portion of finance lease obligations		506	933
Current borrowings	8, 12	76,753	58,092
Trade payables		44,112	43,239
Payables to related parties	12	–	1,514
Income tax payable		1,017	340
Derivative financial instruments		1,283	60
Other current liabilities		17,956	18,552
Total current liabilities		152,433	142,673
Total equity and liabilities		352,775	332,083

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 June)

	Notes	2016/2017 12 month	2015/2016 12 month
Sales	4	645,047	615,959
Cost of sales		(598,568)	(576,078)
Gross profit		46,479	39,881
Operating (expenses)	9	(33,940)	(33,574)
Other income	10	1,432	1,521
Other (expenses)		(1,378)	(596)
Operating profit		12,593	7,232
Income from financing activities		902	529
(Expenses) from financing activities		(2,965)	(2,445)
Profit before tax		10,530	5,316
Income tax		(1,941)	(1,372)
Net profit		8,589	3,944
Net profit attributable to:			
Equity holders of the parent		8,458	4,095
Non-controlling interest		131	(151)
		8,589	3,944
Basic and diluted earnings per share (EUR)		0.05	0.03
Net profit			
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		80	(153)
Exchange differences on translation of foreign operations		1	-
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		81	(153)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans		-	(51)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		-	(51)
Other comprehensive income/(loss) for the year, net of tax		81	(204)
Total comprehensive income, after tax		8,670	3,740
Total comprehensive income attributable to:			
The shareholders of the Company		8,539	3,891
Non-controlling interest		131	(151)
		8,670	3,740

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 April to 30 June)

	Notes	2016/2017 4 Q	2015/2016 4 Q
Sales	4	196,715	141,635
Cost of sales		(180,265)	(130,362)
Gross profit		16,450	11,273
Operating (expenses)	9	(9,079)	(9,602)
Other income	10	358	304
Other (expenses)		(1,103)	(253)
Operating profit		6,626	1,722
Income from financing activities		528	48
(Expenses) from financing activities		(870)	(374)
Profit before tax		6,284	1,396
Income tax		(192)	(485)
Net profit		6,092	911
Net profit attributable to:			
Equity holders of the parent		5,977	1,047
Non-controlling interest		115	(136)
		6,092	911
Basic and diluted earnings per share (EUR)		0.03	0.01
Net profit			
Other comprehensive income			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		80	(153)
Exchange differences on translation of foreign operations		2	-
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		82	(153)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans		-	(51)
Net other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods		-	(51)
Other comprehensive income/(loss) for the year, net of tax		82	(204)
Total comprehensive income, after tax		6,174	707
Total comprehensive income attributable to:			
The shareholders of the Company		6,059	843
Non-controlling interest		115	(136)
		6,174	707

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent											
	Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own shares	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 1 July 2015		46,032	(457)	23,038	2,704	1,819	(22)	–	84,197	157,311	1,826	159,137
Net profit for the year		–	–	–	–	–	–	–	4,095	4,095	(151)	3,944
Other comprehensive income		–	–	–	–	–	–	(153)	(51)	(204)	–	(204)
Total comprehensive income		–	–	–	–	–	–	(153)	4,044	3,891	(151)	3,740
Share capital value adjustment due to conversion to euro		61	–	–	–	–	–	–	(61)	–	–	–
Transfer of own shares		–	2	–	–	–	–	–	(2)	–	–	–
Disposal of minority interest in subsidiaries		–	–	–	–	–	–	–	(284)	(284)	652	368
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(15)	(15)
Transfer from reserves		–	–	–	232	–	–	–	(232)	–	–	–
Transfer to reserves		–	–	–	–	(1,819)	–	–	1,819	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	57	57	(98)	(41)
Balance as at 30 June 2016		46,093	(455)	23,038	2,936	–	(22)	(153)	88,336	159,773	2,214	161,987
Balance as at 1 July 2016		46,093	(455)	23,038	2,936	–	(22)	(153)	88,336	159,773	2,214	161,987
Net profit for the year		–	–	–	–	–	–	–	8,458	8,458	131	8,589
Other comprehensive income		–	–	–	–	–	1	80	–	81	–	81
Total comprehensive income		–	–	–	–	–	1	80	8,458	8,539	131	8,670
Transfer of own shares		–	2	–	–	–	–	–	(2)	–	–	–
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(26)	(26)
Transfer to reserves		–	–	–	250	–	–	–	(250)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	1	1	(5)	(4)
Balance as at 30 June 2017		46,093	(453)	23,038	3,186	–	(21)	(73)	95,341	167,111	2,314	169,425

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

CONSOLIDATED CASH FLOW STATEMENT

	12 month period ended		
	Notes	30 June 2017	30 June 2016
Cash flows from (to) operating activities			
Net profit		8,589	3,944
Adjustments for non-cash items:			
Depreciation and amortisation		9,945	10,503
Subsidies amortisation		(719)	(856)
(Gain) on disposal of property, plant and equipment		(277)	(321)
Change in impairment of property, plant and equipment and investment property		–	(7)
(Gain) on disposal of other investments		–	(3)
Change in allowance and write-offs for receivables and prepayments		134	(251)
Change in allowance for goodwill		700	–
Inventories write down to net realisable value		(5)	976
Change of provision for onerous contracts		368	–
Change in accrued expenses		686	486
Change in fair value of biological assets		(2,395)	160
Change in deferred income tax		270	(173)
Current income tax expenses		1,673	1,545
Liabilities write off		(1)	(4)
Expenses (income) from change in fair value of financial instruments		486	(543)
Interest (income)		(902)	(529)
Interest expenses		2,964	2,445
		21,516	17,372
Changes in working capital:			
Decrease in biological assets		317	3,096
Decrease (Increase) in inventories		3,211	(15,098)
Decrease (increase) in prepayments		1,403	2,147
Decrease in trade and other accounts receivable		(16,687)	4,057
(Increase) in restricted cash		133	(449)
Increase in trade and other accounts payable		(30,457)	13,020
Income tax (paid)		(1,037)	(1,251)
Net cash flows from (to) operating activities		(21,601)	22,894

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

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	12 month period ended	
		30 June 2017	30 June 2016
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(13,081)	(14,055)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,574	2,144
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods		(1,545)	(3,491)
Loans (granted)		(154)	(1,293)
Repayment of granted loans		2,255	3,106
Interest received		868	273
Net cash flows from (to) investing activities		(10,083)	(13,316)
Cash flows from (to) financing activities			
Proceeds from loans		87,490	59,943
(Repayment) of loans		(49,544)	(65,465)
Finance lease (payments)		(931)	(1,028)
Grants received		858	620
Interest (paid)		(2,964)	(2,169)
Dividends (paid) to non-controlling shareholders		(26)	(15)
Dividends (paid)		(1,202)	(1,202)
Acquisition of non-controlling interest		(4)	(41)
Net cash flows from (to) financing activities		33,677	(9,357)
Net (decrease) increase in cash and cash equivalents		1,993	221
Cash and cash equivalents at the beginning of the year		6,901	6,680
Cash and cash equivalents at the end of the year		8,894	6,901
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by finance lease		103	1,012
Unpaid acquisition of subsidiaries and minority interest		1,545	3,090
Non-cash disposal of minority interest		–	350

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 30 June 2017 and as at 30 June 2016 the shareholders of the Company were:

	As at 30 June 2017		As at 30 June 2016	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	103,905,646	65.37 %	100,269,646	63.08 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
Swedbank AS (Estonia) clients	4,819,437	3.03 %	10,367,627	6.52 %
Vytautas Šidlauskas	6,003,521	3.78 %	6,003,521	3.78 %
Other shareholders (private and institutional investors)	27,161,799	17.09 %	25,249,609	15.89 %
Total	158,940,398	100.00 %	158,940,398	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2017 (EUR 0.29 each as at 30 June 2016) and were fully paid as at 30 June 2017 and as at 30 June 2016.

The Company holds 781,972 of its own shares, percentage 0.50%, as at 30 June 2017 (785,972 as at 30 June 2016). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2017 and as at 30 June 2016.

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 30 June 2017 the number of employees of the Group was 2,218 (2,334 as at 30 June 2016).

No changes in share capital occurred during the years ending 30 June 2017 and 30 June 2016.

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 2015/2016 financial year.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 June 2017 and as at 30 June 2016 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
		30 June 2017	30 June 2016	
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	93.84%	93.81%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	93.84%	93.81%	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	93.84%	93.81%	Not operating company
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S	Denmark	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2017	30 June 2016	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.96%	98.49%	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

* 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 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 2 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

Changes in the Group during the year ended 30 June 2016

During 12 month period, ended 30 June 2016, the Company acquired 0.4218 % AS Putnu Fabrika Kekava share capital for EUR 40 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 46 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 2016, the Group acquired 0.09% Sidabravo ŽŪB share capital and 0.35% Panevėžys District Aukštadvario ŽŪB share capital for total EUR 1 thousand. All shares were acquired from the non-controlling shareholders. The difference of EUR 11 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Company canceled agreement of acquisition of 3.08% AS Putnu Fabrika Kekava share capital from the non-controlling shareholders. The difference of EUR 284 thousand of loss between the consideration to be transferred (which was accounted for as accounts payable as at 30 June 2015 in amount of EUR 350 thousand) and the carrying value of the interest disposed has been recognized within equity.

During 12 month period, ended 30 June 2016, the Group made restructurization of Užupės ŽŪB and Panevėžys District Žibartonių ŽŪB. Share capital of Panevėžio District Žibartonių ŽŪB was increased by contribution of Užupės ŽŪB property, plant and equipment. This consolidation have resulted in an increase of the effective Group ownership of Panevėžys District Žibartonių ŽŪB by 0.09% up to 99.89%.

Acquisition of SIA Paleo

On 20 April 2016 the Group acquired 100% shares of SIA Paleo for EUR 4,590 thousand to further expand business activities in Latvia. As part of business combination of SIA Paleo, the Group acquired inventory in amount of EUR 1,993 thousand from a third party SIA Latfert which is disclosed in the table below.

As at acquisition date SIA Paleo did not have any impaired accounts receivable or contractual cash flows not expected to be collected, book value of receivables represents its fair value. Revenue and profit or loss since acquisition date and from the beginning of the annual reporting period are not disclosed as they are not material to the financial statements.

At the acquisition of these subsidiaries a goodwill of EUR 1,550 thousand has been accounted for. The goodwill appears due to synergies, which are expected to be derived from vertical expansion of business.

Differences between the purchase consideration and fair values of the acquired assets, liabilities and contingent liabilities at the date close to acquisition were the following:

Acquisition date for consolidation purposes	Fair values at 1 May 2016
Property, plant and equipment and investment property	3,024
Inventories	1,993
Prepayments and other current assets	34
Cash and cash equivalents	2
Total assets	5,053
Total liabilities	(20)
Total identifiable net assets at fair value	5,033
Goodwill recognized on acquisition of subsidiary, recognised under Intangible assets (Note 0)	1,550
Total purchase consideration	6,583
Cash consideration transferred for the inventory	1,993
Purchase consideration to acquire SIA Paleo	4,590
Cash consideration transferred for the acquisition of SIA Paleo*	1,500
Less: cash acquired	(2)
Total purchase consideration, net of cash acquired	3,491

* EUR 3,090 thousand of cash consideration is deferred and will be settled within two years period. Discounting was not accounted for as deemed immaterial.

4.SEGMENT INFORMATION

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

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

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

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

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 June 2017								
Revenue								
Third parties	411,694	154,453	17,795	61,032	73	–	–	645,047
Intersegment	3,639	10,587	9,020	–	–	–	(23,246) ¹⁾	–
Total revenue	415,333	165,040	26,815	61,032	73	–	(23,246)¹⁾	645,047
Results								
Operating expenses	(6,688)	(13,762)	(3,287)	(5,636)	(23)	(4,544)	–	(33,940)
Segment operating profit (loss)	9,399	2,837	3,017	1,832	89	(4,581)	–	12,593

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and eliminations	Total
Financial year ended 30 June 2016								
Revenue								
Third parties	382,388	158,399	15,084	60,334	(246)	–	–	615,959
Intersegment	4,518	9,672	12,069	–	–	–	(26,259) ¹⁾	–
Total revenue	386,906	168,071	27,153	60,334	(246)	–	(26,259)¹⁾	615,959
Results								
Operating expenses	(6,867)	(13,585)	(2,896)	(5,824)	(24)	(4,378)	–	(33,574)
Segment operating profit (loss)	9,617	2,816	758	(1,246)	(176)	(4,537)	–	7,232

1) Intersegment revenue is eliminated on consolidation.

4. SEGMENT INFORMATION (CONT'D)

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

Revenue from external customers	12 month period ended	
	30 June 2017	30 June 2016
Lithuania	170,422	188,138
Europe (except for Scandinavian countries, CIS and Lithuania)	240,568	203,886
Scandinavian countries	51,524	59,849
Asia	134,902	97,806
Africa	30,926	54,905
CIS	16,705	11,375
	645,047	615,959

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

Non-current assets	As at 30 June 2017	As at 30 June 2016
Lithuania	65,613	65,006
Latvia	53,518	49,245
Estonia	1,429	1,406
Denmark	2	5
	120,562	115,662

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	Goodwill	Total
Cost:				
Balance as at 30 June 2015	804	613	–	1,417
Additions	22	70	–	92
Acquisition of subsidiaries	–	–	1,550	1,550
Write-offs	(21)	(15)	–	(36)
Transfers to property, plant and equipment	–	(391)	–	(391)
Reclassifications	115	(115)	–	–
Balance as at 30 June 2016	920	162	1,550	2,632
Additions	97	1	–	98
Write-offs	(10)	(17)	–	(27)
Reclassifications	(58)	58	–	–
Balance as at 30 June 2017	949	204	1,550	2,703
Accumulated amortization:				
Balance as at 30 June 2015	492	24	–	516
Charge for the year	66	27	–	93
Write-offs	(19)	(15)	–	(34)
Reclassifications	15	(15)	–	–
Balance as at 30 June 2016	554	21	–	575
Charge for the year	94	13	–	107
Write-offs	(10)	–	–	(10)
Reclassifications	(26)	26	–	–
Balance as at 30 June 2017	612	60	–	672
Impairment losses:				
Balance as at 30 June 2016	–	–	–	–
Charge for the year	–	–	700	700
Balance as at 30 June 2017	–	–	700	700
Net book value as at 30 June 2017	337	144	850	1,331
Net book value as at 30 June 2016	366	141	1,550	2,057
Net book value as at 30 June 2015	312	589	–	901

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

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2015	13,345	80,488	38,087	4,984	5,601	5,709	148,214
Additions	797	735	9,306	760	372	5,670	17,640
Acquisition of subsidiaries	121	2,837	40	23	3	–	3,024
Disposals and write-offs	(471)	(1,313)	(2,722)	(392)	(882)	(45)	(5,825)
Transfers from investment property	–	146	–	–	–	–	146
Transfers to investment property	(22)	–	–	–	–	–	(22)
Transfers from intangible assets	391	–	–	–	–	–	391
Reclassifications	–	4,711	1,522	(5)	16	(6,243)	1
Balance as at 30 June 2016	14,161	87,604	46,233	5,370	5,110	5,091	163,569
Additions	2,910	217	4,822	468	699	9,480	18,596
Disposals and write-offs	(177)	(269)	(2,208)	(451)	(252)	(293)	(3,650)
Transfers from investment property	248	–	–	–	–	–	248
Reclassifications	88	2,096	4,034	–	–	(6,218)	–
Balance as at 30 June 2017	17,230	89,648	52,881	5,387	5,557	8,060	178,763
Accumulated depreciation:							
Balance as at 30 June 2015	–	20,296	17,763	2,376	3,099	–	43,534
Charge for the year	7	5,587	4,158	797	813	–	11,362
Disposals and write-offs	(4)	(993)	(1,783)	(355)	(867)	–	(4,002)
Transfers from investment property	–	20	–	–	–	–	20
Balance as at 30 June 2016	3	24,910	20,138	2,818	3,045	–	50,914
Charge for the year	36	5,636	4,462	756	777	–	11,667
Disposals and write-offs	(2)	(476)	(892)	(440)	(240)	–	(2,050)
Balance as at 30 June 2017	37	30,070	23,708	3,134	3,582	–	60,531
Impairment losses:							
Balance as at 30 June 2015	21	434	11	–	1	–	467
(Reversal) charge for the year	(21)	(35)	(1)	–	(1)	–	(58)
Balance as at 30 June 2016	–	399	10	–	–	–	409
Balance as at 30 June 2017	–	399	10	–	–	–	409
Net book value as at 30 June 2017	17,193	59,179	29,163	2,253	1,975	8,060	117,823
Net book value as at 30 June 2016	14,158	62,295	26,085	2,552	2,065	5,091	112,246
Net book value as at 30 June 2015	13,324	59,758	20,313	2,608	2,501	5,709	104,213

7. INVESTMENT PROPERTY

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

Cost:	Land	Buildings	Total
Balance as at 30 June 2015	1,313	275	1,588
Disposals and write-offs	–	(10)	(10)
Transfers to property, plant and equipment	–	(146)	(146)
Transfers from property, plant and equipment	22	–	22
Balance as at 30 June 2016	1,335	119	1,454
Additions	289	14	303
Disposals and write-offs	–	(2)	(2)
Transfers from property, plant and equipment	(248)	–	(248)
Balance as at 30 June 2017	1,376	131	1,507
Accumulated depreciation:			
Balance as at 30 June 2015	–	65	65
Charge for the year	–	9	9
Disposals and write-offs	–	(10)	(10)
Transfers to property, plant and equipment	–	(20)	(20)
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
Impairment losses:			
Balance as at 30 June 2015	–	–	–
Charge for the year	51	–	51
Balance as at 30 June 2016	51	–	51
Balance as at 30 June 2017	51	–	51
Net book value as at 30 June 2017	1,325	83	1,408
Net book value as at 30 June 2016	1,284	75	1,359
Net book value as at 30 June 2015	1,313	210	1,523

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

8. BORROWINGS

	As at 30 June 2017	As at 30 June 2016
Non-current borrowings		
Bank borrowings secured by the Group assets	21,533	16,741
Other non-current borrowings	35	–
	21,568	16,741
Current borrowings		
Current portion of non-current bank borrowings	10,806	19,943
Current bank borrowings secured by the Group assets	73,393	56,202
Other current borrowings	3,360	1,890
	87,559	78,035
	109,127	94,776

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	12 month period ended	
	2016/2017	2015/2016
Wages and salaries and social security	21,925	21,494
Consulting expenses	1,344	997
Depreciation and amortization	1,735	1,723
Other	8,936	9,360
	33,940	33,574

10. OTHER INCOME (EXPENSES)

	12 month period ended	
	2016/2017	2015/2016
Other income		
Rental income from investment property and property, plant and equipment	252	234
Gain from currency exchange	728	–
Gain from disposal of investment property and property, plant and equipment	318	343
Change in fair value of currency financial instruments	38	264
Other income	96	680
	1,432	1,521
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(298)	(281)
Amortization of goodwill	(700)	–
Loss from disposal of property, plant and equipment	(41)	(22)
Change in fair value of currency financial instruments	(165)	–
Other expenses	(174)	(293)
	(1,378)	(596)

11. COMMITMENTS AND CONTINGENCIES

As at 30 June 2017 the Group is committed to purchase property, plant and equipment for the total amount of EUR 11,079 thousand (EUR 9,274 thousand as at 30 June 2016).

A few Group companies (Kėdainiai District Labūnavos ŽŪB, Šakiai District Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys District Žibartonių ŽŪB and Panevėžys District Aukštadvario ŽŪB) received grants from the European Union and National Paying Agency mostly for acquisition of agricultural heavy duty equipment. Kėdainiai District Labūnavos ŽŪB, Šakiai District Lukšių ŽŪB, Sidabravo ŽŪB, Panevėžys District Žibartonių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2022.

SIA Lielzeltini, 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 1,683 thousand as at 30 June 2017 (EUR 4,385 thousand as at 30 June 2016).

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 30 June 2017 and 30 June 2016 were as follows:

Members of the board of the Company:

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

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).

The Group's transactions with related parties in 12 month period ended 30 June 2017 were as follows:

2016/2017	Purchases	Sales	Receivables			Payables	Current payable loans
			Trade receivables	Current loans receivable	Non-current loans receivable		
Akola ApS group companies	891	13,339	26	–	–	–	–
Members of management board	–	2	–	–	–	–	–

As at 30 June 2016 interest rates of the Group for non-current loans receivable from related parties are equal to 4% and 2.61%.

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

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

Terms and conditions of the financial assets and liabilities:

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

The Group's receivables from related parties were nor due neither impaired as at 30 June 2017 and 30 June 2016.

13. SUBSEQUENT EVENTS

There were no important events after the reporting period.