



***AB Linas Agro Group:
Overview of activities and finance
for FY 2016/17***

A role in food supply chain



International vertically integrated agribusiness Group.



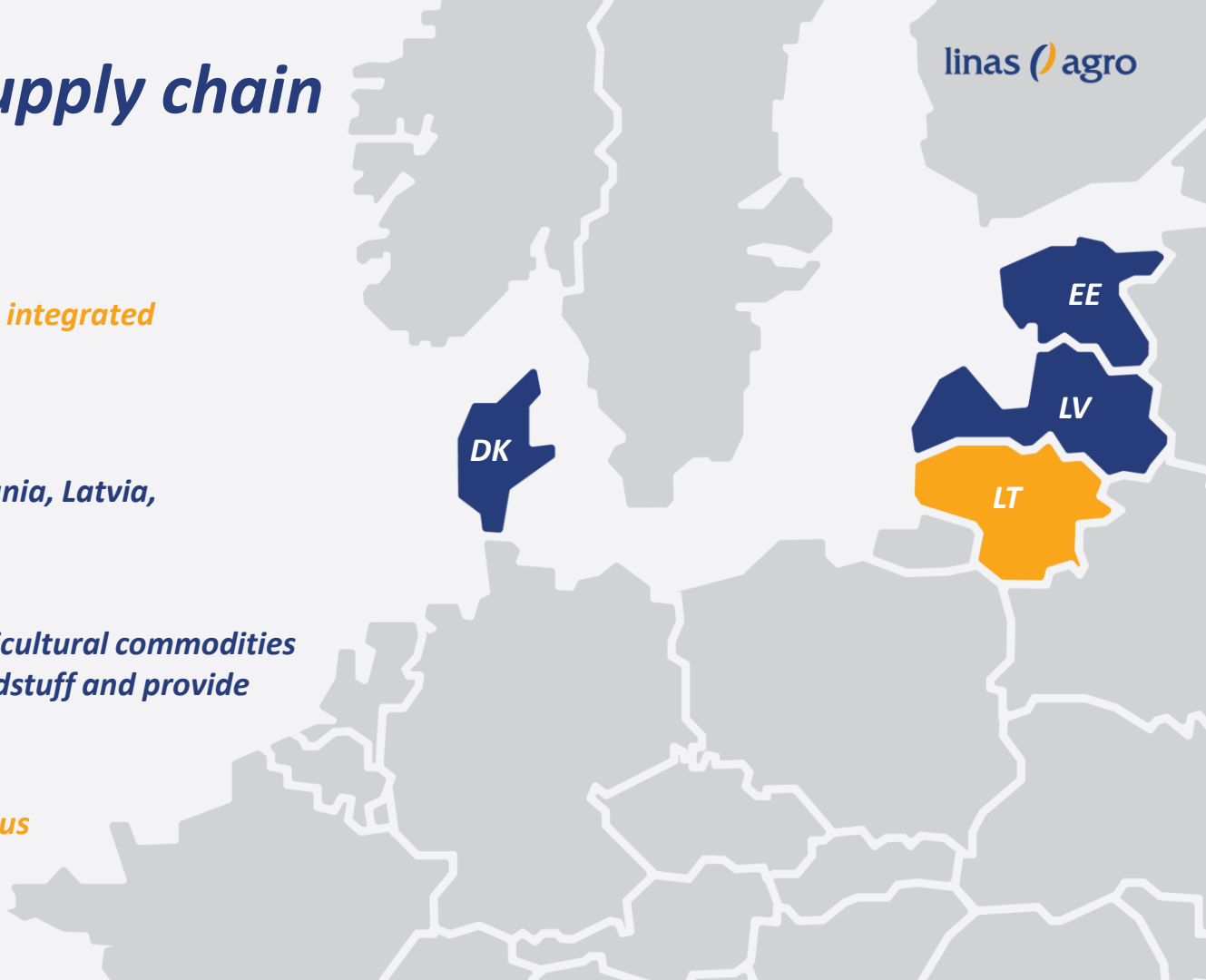
Runs business in Lithuania, Latvia, Estonia and Denmark.



Produce and trade agricultural commodities and food products, feedstuff and provide products for farming.



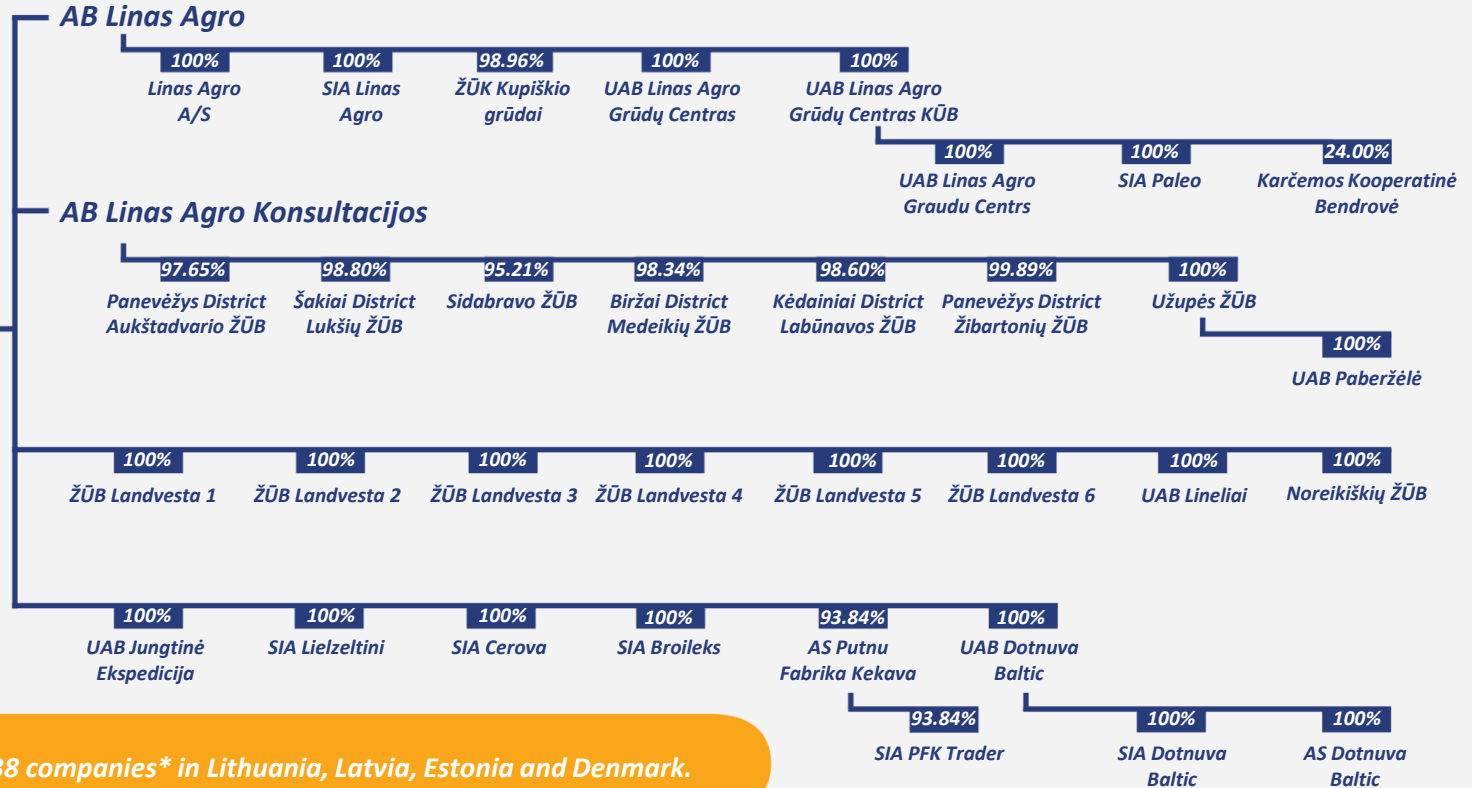
Is listed in Nasdaq Vilnius since Feb 2010.



Companies

AB Linas Agro Group

>2,200 employees



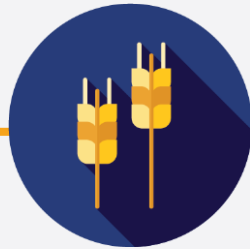
The Company controls 38 companies* in Lithuania, Latvia, Estonia and Denmark. 26 companies - 100%.

*3 dormant companies not included

Business segments



*Products
and services
for farming*



*Agricultural
production*



*Grain and
feedstuff
handling and
merchandising*



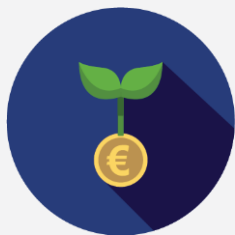
*Food
products*



*Other
products*

Financial highlights in FY 2016/17

*Fiscal year of the
company starts
July 1st*



*Consolidated
revenue - EUR
645 million*



*Sales volume
in tons – 2.4
million*

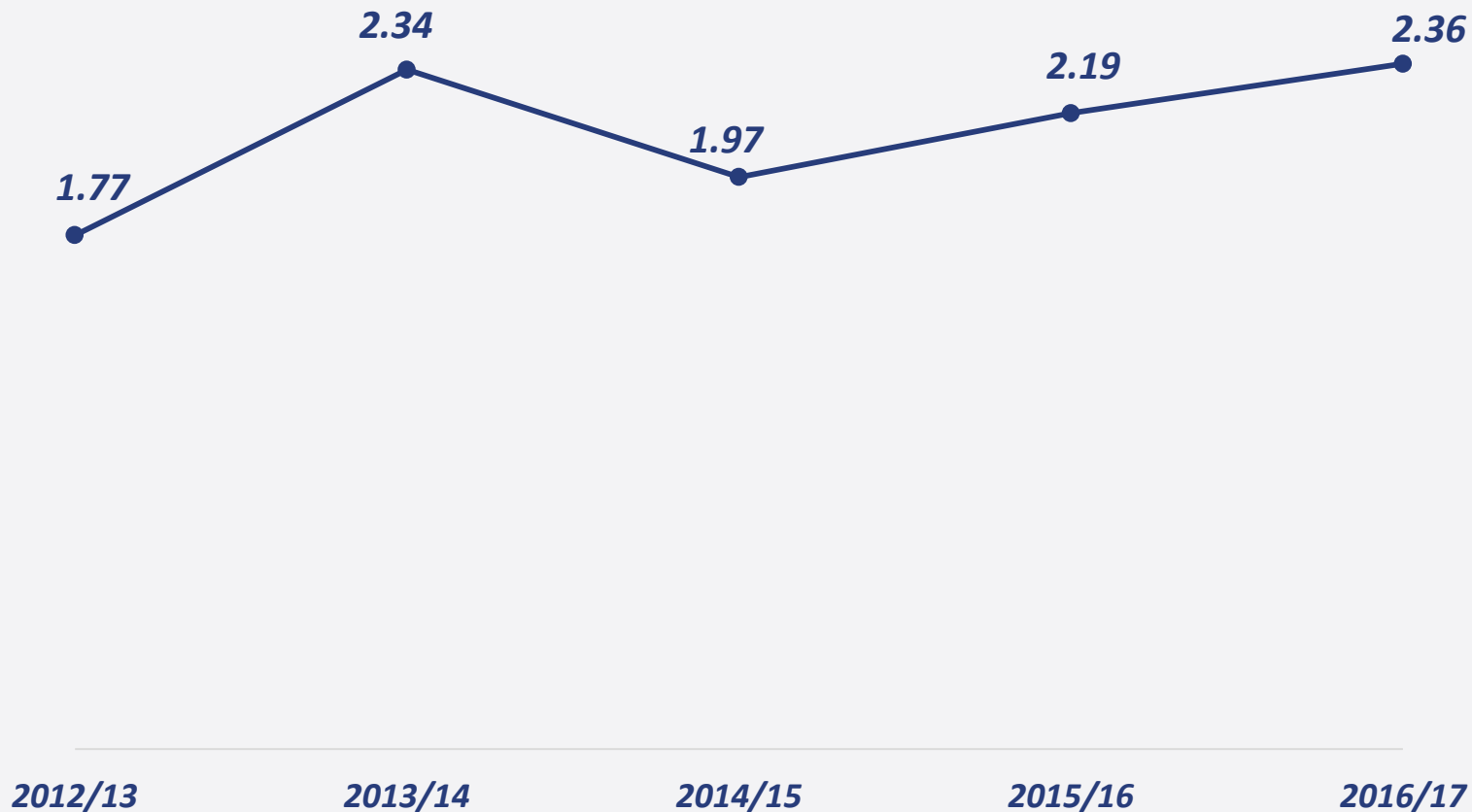


*Gross profit >
EUR 46 million*

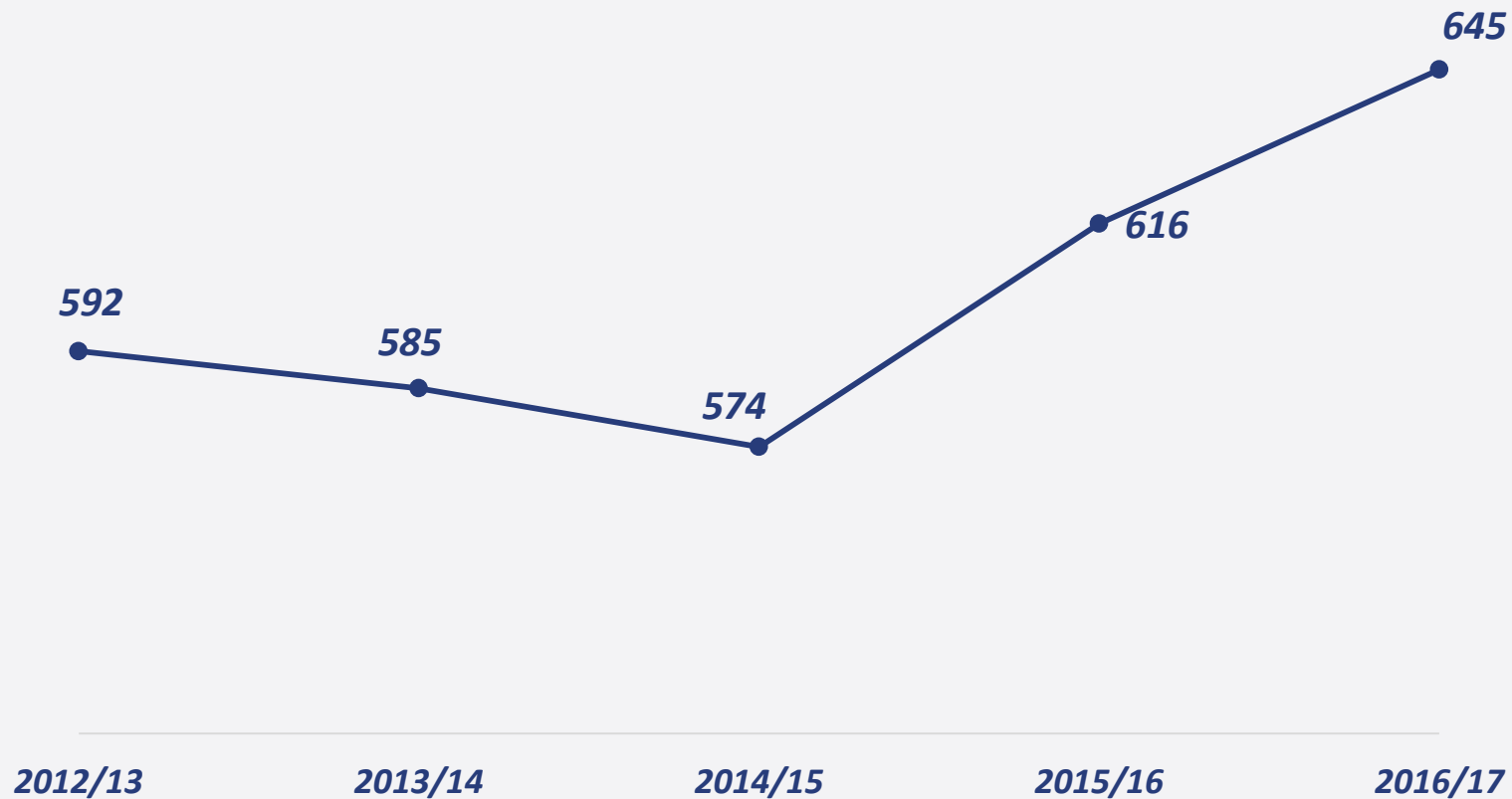


*EBITDA -
EUR 23 million*

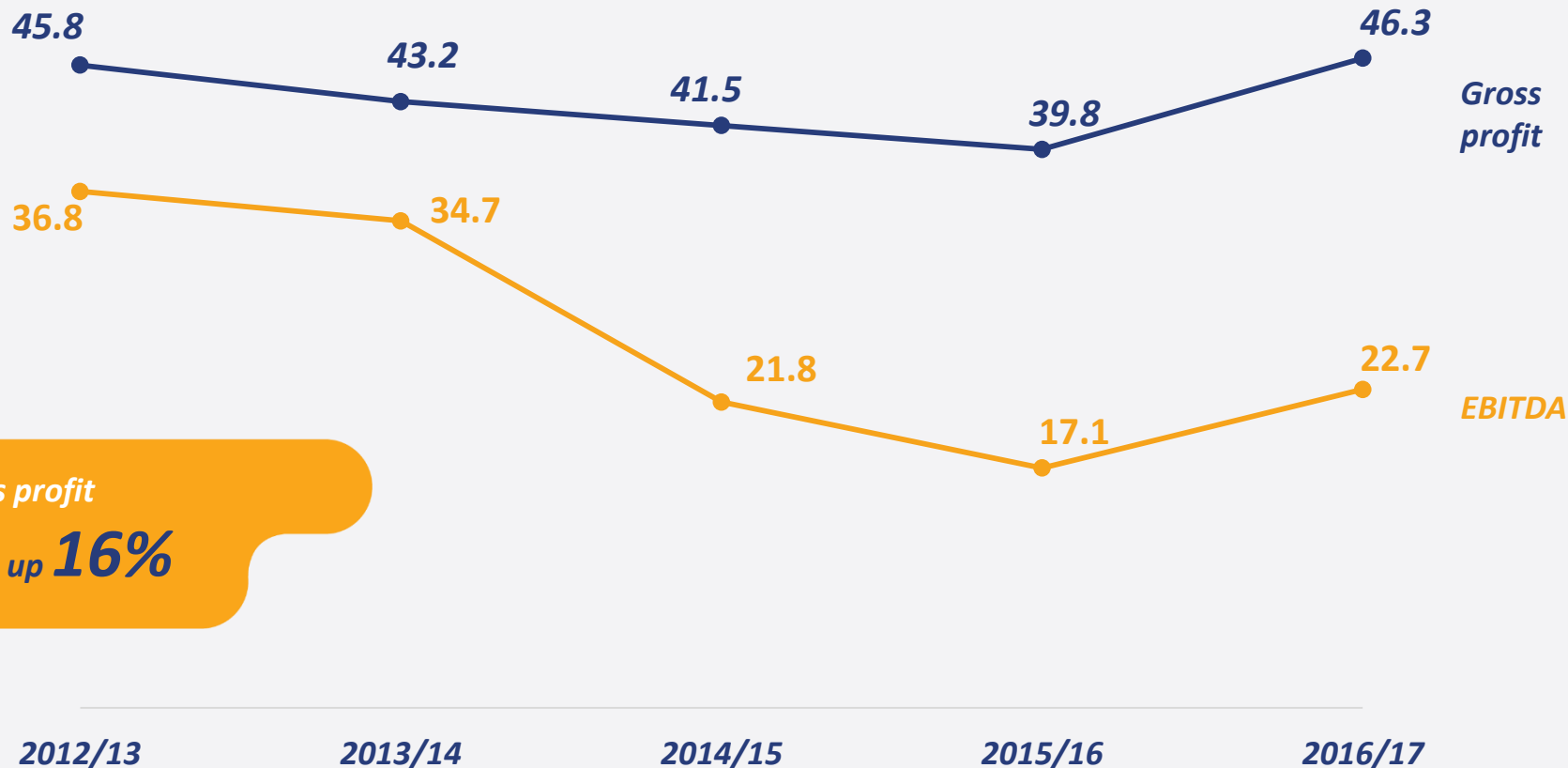
Sales volume in tons, million



Revenue, EUR million

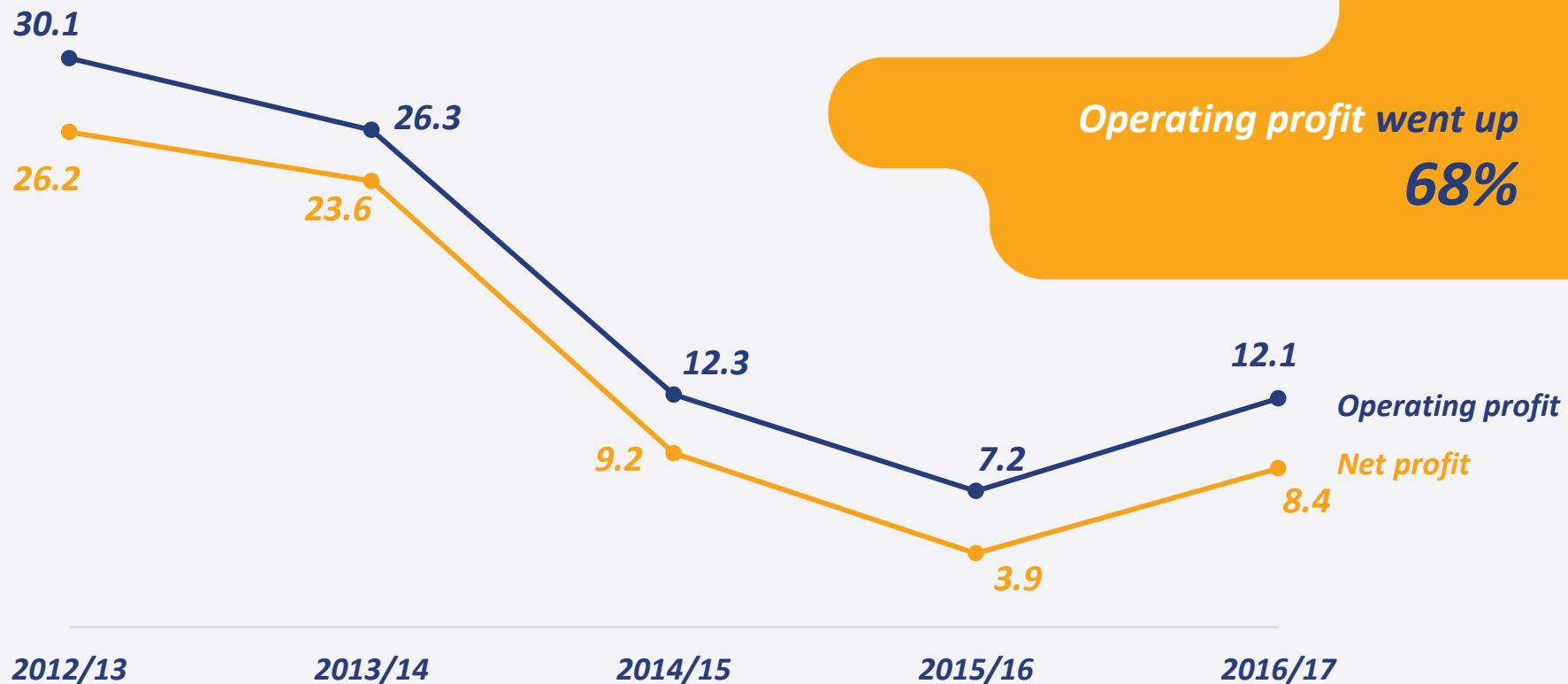


Gross profit and EBITDA, in EUR million

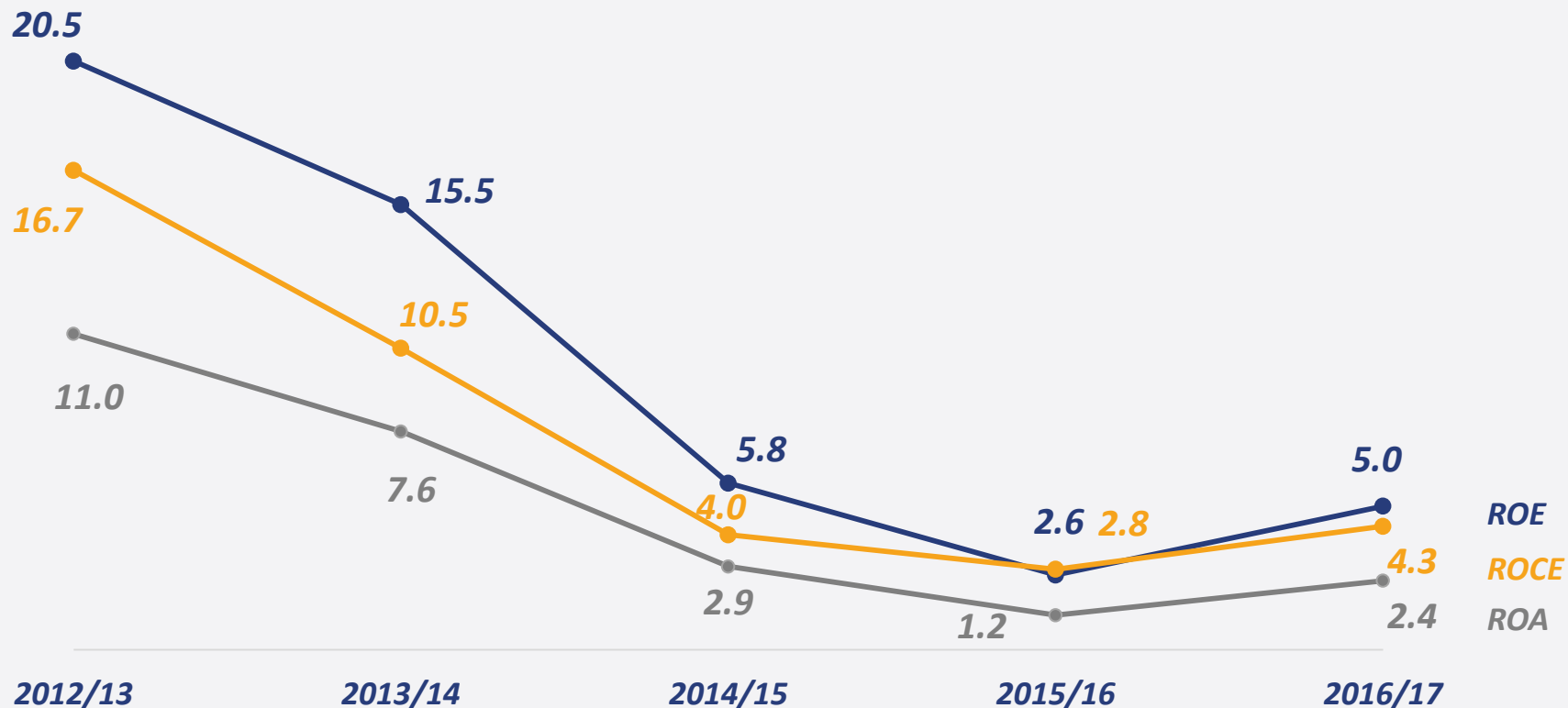


Gross profit
went up **16%**

Operating and net profit, EUR million



ROCE, ROE, ROA



Cost and the main expenses

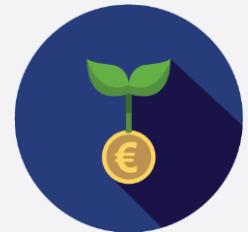
The cost of goods and services increased by 3.9% to EUR 599 million.

Operating costs accounted for EUR 34.1 million, and were 1.5% higher.

A major contributor to the growth of the costs was the increase in the labour costs that grew by nearly 2%.

Logistics expenses, accounting for 8% of the total cost, dropped by 10% to EUR 41 million due to diminished service fees.

Financial costs were up 18% and reached EUR 2.9 million.



The volume of the financial debts increased by 18% to EUR 109 million.

Major investments by character:

Totally

>18.6

EUR million
were invested



6.2

EUR million



5.3

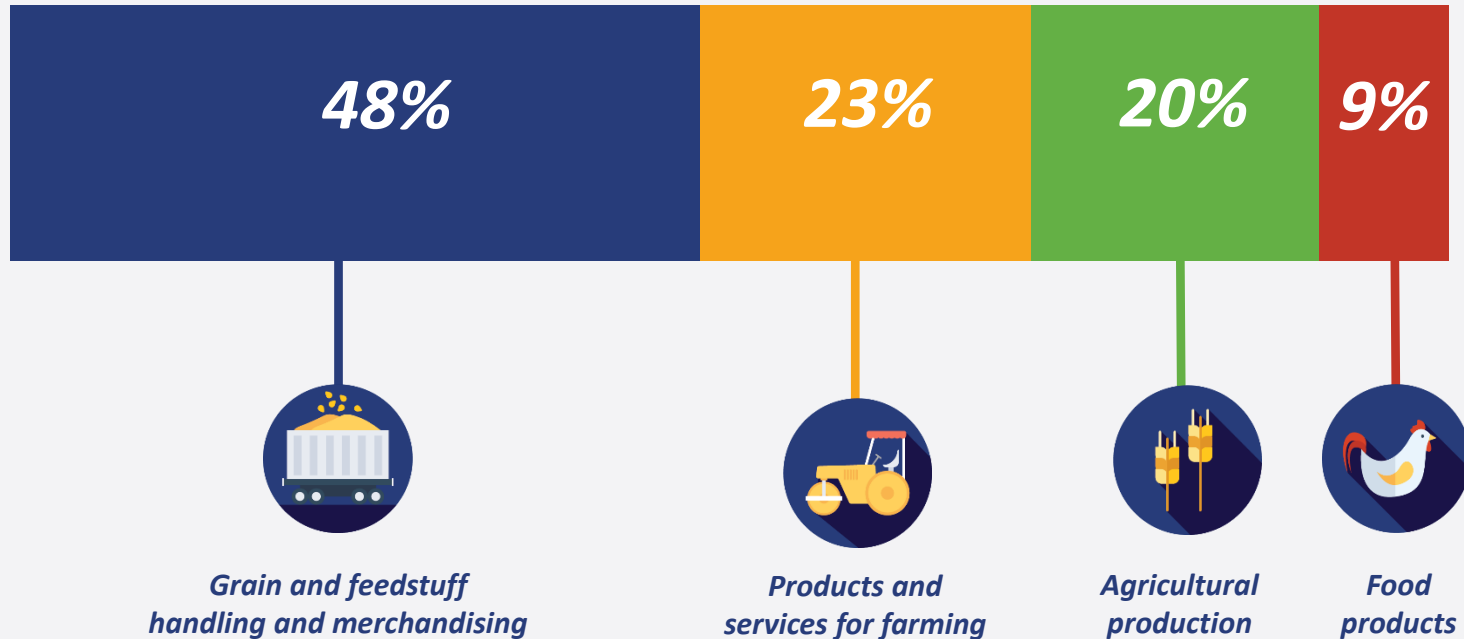
EUR million



7.0

EUR million

Operating profit structure in FY 2016/17



*Grain, oilseed and feedstuff,
handling and merchandising*



Grain and feedstuff handling and merchandising



Grain



Oilseed



Feedstuff



New activity: ecological grain and oilseeds



Grain storage and preparation



Logistic services

Revenue 

415

EUR million

Export oriented business

74%

*of revenue
received from
foreign trade*

- *The major export destinations are:*
 - *European countries (45%),*
 - *Asian countries (21%) and*
 - *African countries (5%).*
- *The capacities of the storage facilities at ports are 257,000 tons.*
- ***One of the biggest grain exporters in the Baltic states.***



Own storage capacity

Latvia

Lithuania

linas agro

Jekabpils



The own storage capacity for various grains and other products in Lithuania and Latvia is 379 thousand tons, where 256 thousand tons are used for grains.



Grain elevators

- 457.000 tons of various grains were collected and processed.
- The total gross profit of the own grain elevators grew from EUR 1.1 million to EUR 3.2 million.
- The Group started to provide grain drying service in Rezekne (Latvia), using the acquired infrastructure of SIA Paleo.



**Own feed
production
grew by 36%**



The logo for Linhas Agro is mounted on the side of a large, light blue corrugated metal building. The word "linas" is in a bold, blue, lowercase sans-serif font. To its right is a stylized yellow and blue circular icon. The word "agro" is in a blue, lowercase script font.

linas agro

*Products and services
for farming*



Products and services for farming



Certified seed



Fertilizers



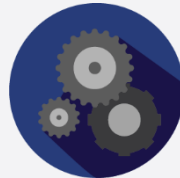
*Plant protection
products*



*Grain storage
facilities*



*Agricultural machinery
and farm equipment*



Spare parts

Revenue 

165

EUR million

Revenue



87 EUR million

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*Sales of fertilizers,
seeds and plant
protection products*

Grain storage facilities



Revenue 

19

EUR million

Revenue 

55

mln. EUR



*Sales and service of
agricultural machinery
and farming equipment*

Agricultural machinery service network

- *Dotnuva Baltic joined Case IH's Red Excellence international quality network, which is focused on continuous improvement of service quality to the end customers.*
- *Dotnuva Baltic has 14 outlets in the Baltic countries.*



A photograph of three fluffy white chicks perched on a wooden branch. The chicks are positioned from left to right, with the first two standing on the branch and the third perched on a metal post. The background is a blurred farm scene with yellow and green elements. A red banner with white text is overlaid on the right side of the image.

Food products: Poultry

Poultry brands



***AS Putnu Fabrika Kekava -
Latvian poultry producer No. 1***

***SIA Lielzeltini - Latvian poultry producer No. 2, also
produce fodder.***

SIA Broileks grow and sell live chicken.

SIA Cerova incubate eggs and sell day-old chicks.



Full manufacturing cycle



Full poultry manufacturing cycle: from egg incubation to production of fresh poultry and processed products.

Poultry sales

22 retail shops all over Latvia

Various poultry products: fresh meat, marinades, minced meat, cook-ready meals.



Companies produced **30.8** thousand tons and sold over **29.5** thousand tons of poultry and poultry products.

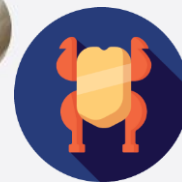


Poultry business

Revenue

61 

EUR million



Poultry meat products

86% *is bred without the use of antibiotics*

Kekava poultry farm is the first factory in the Baltic States to produce premium quality chicken meat with the 'Raised without Antibiotics' label



***Agricultural
production***

6 agricultural companies

Lithuania



17,232 ha

6,997 ha



● Arable land

● Owned arable land

Agricultural production



**Cereals
growing**



**Rapeseed
growing**



**Sugar beet
growing**



**Milk
production**



**Meat
production**

- *77 thousand tons of crop production, 29 thousand tons of raw milk and 1,385 tons of meat have been sold over*
- *the year.*

*Revenue at the same
level:*

27

EUR million

Effectivity of crop production



Wheat ——— **6.52 t/ha**
(4.75 t/ha)



Rapeseed ——— **4.04 t/ha**
(2.82 t/ha)

● Group harvest

● Average for Lithuania

Effectivity of milk production

Milking cows – 3,240



Raw milk

— 9,000 kg
(5,636 kg)

● Average annual milk yield per cow

● Average for Lithuania





Strategic goal

*To strengthen position in the
Baltic and Scandinavian markets,
to expand operations in Central
European countries.*

Long-term objectives of the company



Expansion of grain trade in the Baltics, by opening new grain elevators and strengthening warehousing positions in the ports.

EST



Expansion of fertilizer trade business in Lithuania, Latvia, Poland and other CE countries.

LV



Expansion of the capacity of poultry cultivation, produce 5 percent more poultry.

LT



Increasing productivity of agricultural companies and expansion of milk production.

PL



Building the best serving network of agricultural machinery services in the Baltics.

Contacts

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