



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

**For the 12 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 30 June 2018	As at 30 June 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	1,496	1,331
Property, plant and equipment	6	123,018	117,946
Investment property	7	1,316	1,408
Animals and livestock		8,471	8,010
Non-current financial assets			
Other investments and prepayments for financial assets		16	17
Non-current receivables		3,431	1,524
Total non-current financial assets		3,447	1,541
Non-current prepayments		–	1,784
Deferred income tax asset		2,426	1,982
<b>Total non-current assets</b>		<b>140,174</b>	<b>134,002</b>
<b>Current assets</b>			
Crops		12,856	14,836
Livestock		1,751	2,164
Inventories		96,008	72,026
Current prepayments		12,207	5,385
Accounts receivable			
Trade receivables		117,036	101,928
Receivables from related parties	12	255	470
Income tax receivable		602	255
Other accounts receivable		6,243	12,086
Total accounts receivable		124,136	114,739
Derivative financial instruments		70	28
Other current financial assets		1,485	772
Cash and cash equivalents		10,495	8,897
<b>Total current assets</b>		<b>259,008</b>	<b>218,847</b>
<b>Total assets</b>		<b>399,182</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 30 June 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		101,305	95,177
<b>Total equity attributable to equity holders of the parent</b>		<b>173,307</b>	<b>166,946</b>
<b>Non-controlling interest</b>		<b>2,020</b>	<b>2,271</b>
<b>Total equity</b>		<b>175,327</b>	<b>169,217</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		6,345	6,236
Non-current borrowings	8	27,180	20,401
Finance lease obligations		1,172	1,076
Deferred income tax liability		59	1,906
Non-current employee benefits		442	453
Derivate financial instruments		25	25
<b>Total non-current liabilities</b>		<b>35,223</b>	<b>30,097</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	6,723	11,061
Current portion of finance lease obligations		559	559
Current borrowings	8, 12	118,234	77,494
Trade payables		39,367	44,152
Payables to related parties		1	–
Income tax payable		472	937
Derivative financial instruments		987	1,395
Other current liabilities		22,289	17,937
<b>Total current liabilities</b>		<b>188,632</b>	<b>153,535</b>
<b>Total equity and liabilities</b>		<b>399,182</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 30 June)

	Notes	2017/2018 12 month	2016/2017 12 month
Sales	4	634,242	644,952
Cost of sales		(589,609)	(598,676)
<b>Gross profit</b>		<b>44,633</b>	<b>46,276</b>
Operating (expenses)	9	(37,847)	(34,077)
Other income	10	3,537	1,655
Other (expenses)		(1,494)	(1,800)
<b>Operating profit</b>		<b>8,829</b>	<b>12,054</b>
Income from financing activities		503	902
(Expenses) from financing activities		(2,581)	(2,911)
<b>Profit before tax</b>		<b>6,751</b>	<b>10,045</b>
Income tax		998	(1,637)
<b>Net profit</b>		<b>7,749</b>	<b>8,408</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent		7,390	8,320
Non-controlling interest		359	88
		<b>7,749</b>	<b>8,408</b>
Basic and diluted earnings per share (EUR)		0.05	0.05
<b>Net profit</b>			
<b>Other comprehensive income</b>			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	80
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>80</b>
<b>Total comprehensive income, after tax</b>		<b>7,749</b>	<b>8,488</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		7,390	8,400
Non-controlling interest		359	88
		<b>7,749</b>	<b>8,488</b>

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

## Consolidated statement of comprehensive income

(for the period 1 October to 30 June)

	Notes	2017/2018 4 Q	2016/2017 4 Q
Sales	4	184,994	196,620
Cost of sales		(170,900)	(180,373)
<b>Gross profit</b>		<b>14,094</b>	<b>16,247</b>
Operating (expenses)	9	(10,978)	(9,216)
Other income	10	1,371	581
Other (expenses)		(351)	(1,525)
<b>Operating profit</b>		<b>4,136</b>	<b>6,087</b>
Income from financing activities		90	528
(Expenses) from financing activities		(619)	(816)
<b>Profit before tax</b>		<b>3,607</b>	<b>5,799</b>
Income tax		1,220	112
<b>Net profit</b>		<b>4,827</b>	<b>5,911</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent		4,852	5,839
Non-controlling interest		(25)	72
		<b>4,827</b>	<b>5,911</b>
Basic and diluted earnings per share (EUR)		0.03	0.03
<b>Net profit</b>			
<b>Other comprehensive income</b>			
Other comprehensive income, to be reclassified to profit or loss in subsequent periods		–	80
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>81</b>
<b>Total comprehensive income, after tax</b>		<b>4,827</b>	<b>5,992</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		4,852	5,920
Non-controlling interest		(25)	72
		<b>4,827</b>	<b>5,992</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										
	Notes	Share capital	Own shares	Share premium	Legal reserve	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Subtotal	Non-controlling interest	Total
<b>Balance as at 1 July 2016</b>		<b>46,093</b>	<b>(455)</b>	<b>23,038</b>	<b>2,936</b>	<b>(153)</b>	<b>(22)</b>	<b>88,310</b>	<b>159,747</b>	<b>2,214</b>	<b>161,961</b>
Net profit for the year		–	–	–	–	–	–	8,320	8,320	88	8,408
Other comprehensive income		–	–	–	–	80	–	–	80	–	80
<b>Total comprehensive income</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>80</b>	<b>–</b>	<b>8,320</b>	<b>8,400</b>	<b>88</b>	<b>8,488</b>
Transfer of own shares		–	2	–	–	–	–	(2)	–	–	–
Declared dividends by company		–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	250	–	–	(250)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(26)	(26)
Acquisition of minority interest		–	–	–	–	–	–	1	1	(5)	(4)
<b>Balance as at 30 June 2017</b>		<b>46,093</b>	<b>(453)</b>	<b>23,038</b>	<b>3,186</b>	<b>(73)</b>	<b>(22)</b>	<b>95,177</b>	<b>166,946</b>	<b>2,271</b>	<b>169,217</b>
<b>Balance as at 1 July 2017</b>		<b>46,093</b>	<b>(453)</b>	<b>23,038</b>	<b>3,186</b>	<b>(73)</b>	<b>(22)</b>	<b>95,177</b>	<b>166,946</b>	<b>2,271</b>	<b>169,217</b>
Net profit for the year		–	–	–	–	–	–	7,391	7,391	358	7,749
<b>Total comprehensive income</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,391</b>	<b>7,391</b>	<b>358</b>	<b>7,749</b>
Declared dividends by company		–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	233	–	–	(233)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	(14)	(14)
Acquisition of minority interest		–	–	–	–	–	–	173	173	(596)	(423)
<b>Balance as at 30 June 2018</b>		<b>46,093</b>	<b>(453)</b>	<b>23,038</b>	<b>3,419</b>	<b>(73)</b>	<b>(22)</b>	<b>101,306</b>	<b>173,308</b>	<b>2,019</b>	<b>175,327</b>

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

## Consolidated cash flow statement

	Notes	As at 30 June 2018	As at 30 June 2017
<b>Cash flows from (to) operating activities</b>			
Net profit		7,749	8,408
<b>Adjustments for non-cash items:</b>			
Depreciation and amortisation		11,703	10,709
Subsidies amortisation		(849)	(922)
(Gain) on disposal of property, plant and equipment		(834)	(310)
Change in allowance and write-offs for receivables and prepayments		1,254	(600)
Change in allowance for goodwill		-	1,121
Inventories write down to net realisable value		(270)	(64)
Change of provision for onerous contracts		(368)	-
Change in accrued expenses		2,762	550
Change in fair value of biological assets		(906)	(2,484)
Change in deferred income tax		(2,211)	506
Change in fair value of tangible assets		53	-
Current income tax expenses		1,213	1,145
Write-offs of other investment		1	-
Dividends (income)		(183)	-
Expenses (income) from change in fair value of financial instruments		(1,819)	540
Interest (income)		(503)	(868)
Interest expenses		2,581	2,872
		<b>19,373</b>	<b>20,603</b>
<b>Changes in working capital:</b>			
Decrease in biological assets		3,415	1,061
(Increase) decrease in inventories		(22,042)	1,511
(Increase) in prepayments		(6,799)	(553)
Decrease in trade and other accounts receivable		(8,364)	(13,366)
(Increase) in restricted cash		(710)	199
Increase in trade and other accounts payable		(2,354)	(2,444)
Income tax (paid)		(1,824)	(1,037)
<b>Net cash flows from (to) operating activities</b>		<b>(19,305)</b>	<b>5,974</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 30 June 2018	As at 30 June 2017
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(21,292)	(17,281)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		2,917	1,574
Acquisition of subsidiaries (less received cash balance in the Group), including payments for subsidiaries acquired in prior periods		–	(1,545)
Loans (granted)		(130)	(154)
Repayment of granted loans		430	2,255
Dividends received		183	–
Interest received		72	868
<b>Net cash flows from (to) investing activities</b>		<b>(17,820)</b>	<b>(14,283)</b>
<b>Cash flows from (to) financing activities</b>			
Proceeds from loans		106,356	63,771
(Repayment) of loans		(63,468)	(49,591)
Finance lease (payments)		(774)	(629)
Subsidies received		820	858
Interest (paid)		(2,572)	(2,872)
Dividend (paid) to non-controlling shareholders		(14)	(26)
Dividend (paid)		(1,202)	(1,202)
Acquisition of non-controlling interest		(423)	(4)
<b>Net cash flows from (to) financing activities</b>		<b>38,723</b>	<b>10,305</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>1,598</b>	<b>1,996</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>10,495</b>	<b>8,897</b>
<b>Supplemental information of cash flows:</b>			
<b>Non-cash investing activity:</b>			
Property, plant and equipment acquisitions financed by finance lease		884	103
Unpaid acquisition of subsidiaries and minority interest		–	1,545

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

	As at 30 June 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	4,472,774	2.81 %	4,819,437	3.03 %
Other shareholders (private and institutional investors)	27,508,462	17.31 %	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 30 June 2018 (EUR 0.29 each as at 30 June 2017) and were fully paid as at 30 June 2018 and as at 30 June 2017.

The Company holds 781,972 or 0.50% of its own shares as at 30 June 2018 (781,972 as at 30 June 2017). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 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 30 June 2018 the number of employees of the Group was 2,199 (2,217 as at 30 June 2017).

No changes in share capital occurred during the years ending 30 June 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 30 June 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
		30 June 2018	30 June 2017	
<b>Investments into directly controlled subsidiaries</b>				
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
<b>Investments into indirectly controlled subsidiaries (through AB Linas Agro)</b>				
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 (under liquidation)	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 2018	30 June 2017	
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.96%	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 12 month period ended 30 June 2018*

During 12 month period, ended 30 June 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 12 month period, ended 30 June 2018, the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB, ŽŪB Landvesta 5, ŽŪB Noreikiškių, UAB Lineliai in amount EUR 2,000 thousand, EUR 35 thousand, EUR 70 thousand, EUR 80 thousand, respectively.

During the 12 month period, ended 30 June 2018, the Group increased share capital of SIA Linas Agro Graudu Centrs in amount EUR 2,700 thousand.

During the 12 month period, ended 30 June 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% share capital of AS Putnu fabrika Kekava 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, 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.

## 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 eliminations	Total
<b>Financial year ended 30 June 2018</b>								
<b>Revenue</b>								
Third parties	393,850	150,160	21,040	69,078	114	—	—	634,242
Intersegment	3,575	10,438	9,971	—	—	—	(23,984) <sup>1)</sup>	—
<b>Total revenue</b>	<b>397,425</b>	<b>160,598</b>	<b>31,011</b>	<b>69,078</b>	<b>114</b>	<b>—</b>	<b>(23,984)<sup>1)</sup></b>	<b>634,242</b>
<b>Results</b>								
Operating expenses	(8,494)	(13,971)	(3,421)	(5,335)	(161)	(6,465)	—	(37,847)
<b>Segment operating profit (loss)</b>	<b>4,074</b>	<b>4,873</b>	<b>3,222</b>	<b>2,547</b>	<b>50</b>	<b>(5,937)</b>	<b>—</b>	<b>8,829</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 eliminations	Total
<b>Financial year ended 30 June 2017</b>								
<b>Revenue</b>								
Third parties	411,694	154,453	17,795	61,032	73	—	—	645,047
Intersegment	3,639	10,587	9,020	—	—	—	(23,246) <sup>1)</sup>	—
<b>Total revenue</b>	<b>415,333</b>	<b>165,040</b>	<b>26,815</b>	<b>61,032</b>	<b>73</b>	<b>—</b>	<b>(23,246)<sup>1)</sup></b>	<b>645,047</b>
<b>Results</b>								
Operating expenses	(6,688)	(13,762)	(3,287)	(5,636)	(23)	(4,544)	—	(33,940)
<b>Segment operating profit (loss)</b>	<b>9,399</b>	<b>2,837</b>	<b>3,017</b>	<b>1,832</b>	<b>89</b>	<b>(4,581)</b>	<b>—</b>	<b>12,593</b>

1) Intersegment revenue is eliminated on consolidation.

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

Revenue from external customers	12 month period ended	
	30 June 2018	30 June 2017
Lithuania	162,626	170,422
Europe (except for Scandinavian countries, CIS and Lithuania)	208,013	240,568
Scandinavian countries	77,823	51,524
Asia	144,045	134,902
Africa	29,242	30,926
CIS	12,493	16,705
	<b>634,242</b>	<b>645,047</b>

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

Non-current assets	As at 30 June 2018	As at 30 June 2017
Lithuania	68,037	66,695
Latvia	56,593	52,559
Estonia	1,200	1,429
Denmark	—	2
	<b>125,830</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	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	246	47	–	293
Write-offs	(106)	(23)	–	(129)
Reclassifications	(50)	50	–	–
Balance as at 30 June 2018	1,039	277	1,971	3,287
<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	100	18	–	118
Write-offs	(106)	(13)	–	(119)
Reclassifications	(25)	25	–	–
Balance as at 30 June 2018	581	89	–	670
<b>Impairment losses:</b>				
Balance as at 30 June 2017	–	–	1,121	1,121
Change for the year	–	–	–	–
Balance as at 30 June 2018	–	–	1,121	1,121
<b>Net book value as at 30 June 2018</b>	<b>458</b>	<b>188</b>	<b>850</b>	<b>1,496</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	2,217	171	3,074	730	405	12,964	19,561
Disposals and write-offs	(271)	(1,864)	(3,425)	(979)	(1,225)	(6)	(7,770)
Transfers from investment property	302	–	–	–	–	–	302
Transfers to investment property	(219)	–	–	–	–	–	(219)
Reclassifications	107	9,065	2,289	153	71	(11,685)	–
Balance as at 30 June 2018	19,366	97,015	54,069	5,337	4,813	9,334	189,934
<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	44	5,947	4,846	716	747	–	12,300
Disposals and write-offs	(1)	(786)	(2,799)	(903)	(1,022)	–	(5,511)
Transfers to investment property	(1)	(2)	(34)	–	(3)	–	(40)
Reclassifications	–	–	–	128	(128)	–	–
Balance as at 30 June 2018	79	35,639	24,453	3,111	3,172	–	66,454
<b>Impairment losses:</b>							
Balance as at 30 June 2016	–	399	10	–	–	–	409
Balance as at 30 June 2017	–	399	10	–	–	–	409
Charge for the year	–	53	–	–	–	–	53
Balance as at 30 June 2018	–	452	10	–	–	–	462
<b>Net book value as at 30 June 2018</b>	<b>19,287</b>	<b>60,924</b>	<b>29,606</b>	<b>2,226</b>	<b>1,641</b>	<b>9,334</b>	<b>123,018</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 30 June 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	7	8
Transfers from tangible assets	1	–	1
Balance as at 30 June 2018	2	55	57
<b>Impairment losses:</b>			
Balance as at 30 June 2016	51	–	51
Balance as at 30 June 2017	51	–	51
Balance as at 30 June 2018	51	–	51
<b>Net book value as at 30 June 2018</b>	<b>1,240</b>	<b>76</b>	<b>1,316</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 30 June 2018	As at 30 June 2017
<b>Non-current borrowings</b>		
Bank borrowings secured by the Group assets	27,180	20,401
	27,180	20,401
<b>Current borrowings</b>		
Current portion of non-current bank borrowings	6,723	11,061
Current bank borrowings secured by the Group assets	117,171	74,279
Other current borrowings (Note 12)	1,063	3,215
	124,957	88,555
	<b>152,137</b>	<b>108,956</b>

Interest payable is normally settled monthly throughout the financial year.

## 9. Operating expenses

	2017/2018 12 month	2016/2017 12 month
Wages and salaries and social security	(23,474)	(21,925)
Consulting expenses	(715)	(1,344)
Depreciation and amortization	(1,723)	(1,735)
Other	(11,935)	(8,936)
	<b>(37,847)</b>	<b>(33,940)</b>

## 10. Other income (expenses)

	2017/2018 12 month	2016/2017 12 month
<b>Other income</b>		
Rental income from investment property and property, plant and equipment	242	252
Gain from currency exchange	443	728
Gain from disposal of investment property and property, plant and equipment	934	318
Change in fair value of currency financial instruments	1,648	38
Other income	270	96
	<b>3,537</b>	<b>1,432</b>
<b>Other (expenses)</b>		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(434)	(298)
Change in allowance for goodwill	–	(700)
Loss from disposal of property, plant and equipment	(100)	(41)
Change in fair value of currency financial instruments	(667)	(165)
Other expenses	(293)	(174)
	<b>(1,494)</b>	<b>(1,378)</b>

## 11. Commitments and contingencies

As at 30 June 2018 the Group is committed to purchase property, plant and equipment for the total amount of EUR 3,818 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, SIA Cerova and AS Putnu Fabrika Kekava 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, AS Putnu Fabrika Kekava up to 2023.

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 5,440 thousand as at 30 June 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 30 June 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;  
Darius Jaloveckas from 1 June 2018;  
Jonas Bakšys from 1 June 2018;  
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).  
Jonas Bakšys from June 2017 till present is the Member of Board at Lobiu Sala AS (Sweden).

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

The Group's transactions with related parties in 12 month period ended 30 June 2018 were as follows:

2017/2018 4 Q	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Current payable loans
			Trade receivables	Other receivable			
Akola ApS group companies	752	19,248	255	–	–	1	–
Members of management board	–	35	–	–	–	–	–

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 2018 and 30 June 2017.

## 13. Subsequent events

23 July 2018 Shareholder of UAB Lineliai made a decision to increase the authorized capital of the company by EUR 50 thousand.

30 July 2018 AB Linas Agro founded a subsidiary in Ukraine LLC LINAS AGRO UKRAINA.