Consolidated Interim Report of AB Linas Agro Group

for the Twelve-month Period of the Financial Year 2018/19, Ended 30 June, 2019

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
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E-mail	group@linasagro.lt
Website	www.linasagrogroup.lt
Bank account	LT07 7044 0600 0263 7111, AB SEB bank, bank code 70440
ISIN code	LT0000128092
Ticker in Nasdaq Vilnius	LNA1L

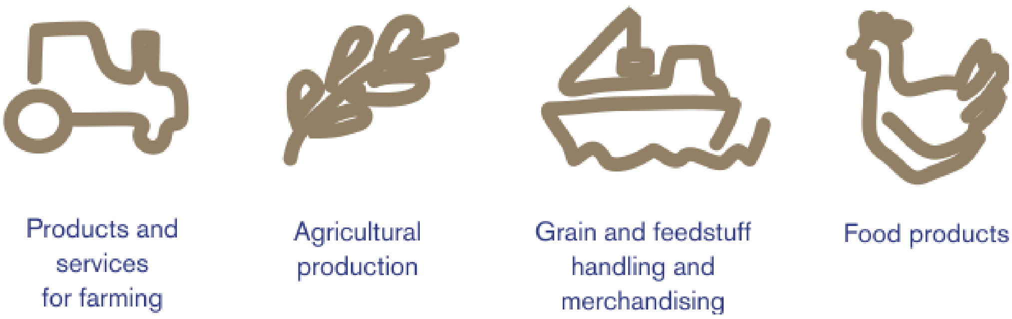
AB Linas Agro Group together with its directly and indirectly controlled companies (hereinafter – subsidiaries) makes the Group, which was founded in 1991 and operates in three countries – Lithuania, Latvia and Estonia. The financial year of the Group begins on 1 July. At the end of the reporting period the Group had 38 companies and 2,113 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.



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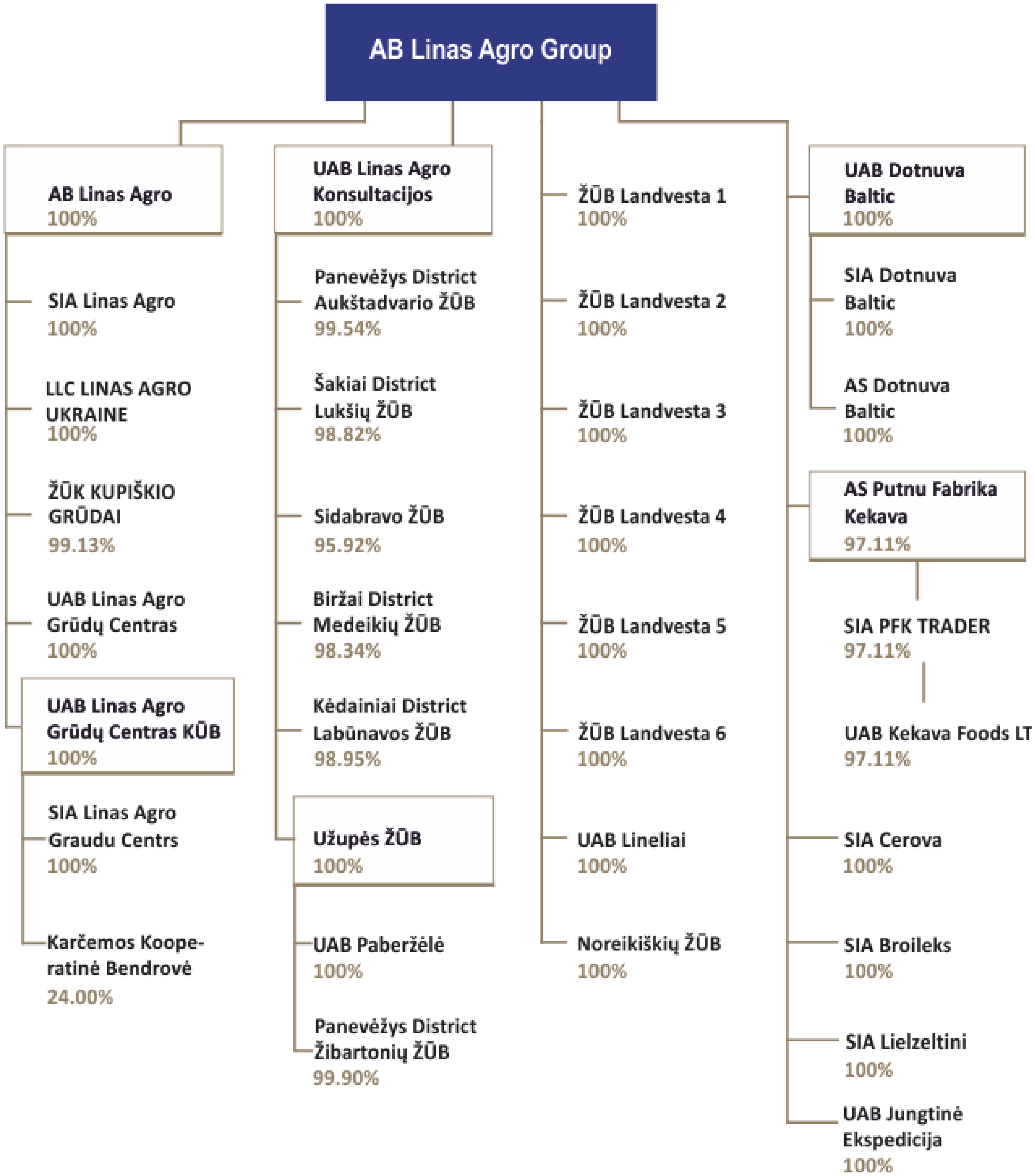
Information about subsidiaries of the Company

The Company controlled 38 companies* in Lithuania, Latvia and Estonia as at 30 June 2019.

**Dormant companies and the companies undergoing liquidation are not included in the structural chart: UAB Gerera (dormant, 100% shares), UAB Dotnuvos Technika (dormant, 100% shares), Linas Agro A/S (under liquidation, 100% shares).*



Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in 2018/19 financial year totaled EUR 746 million and was 18% more as compared to previous year (EUR 634 million).
- The Group's sales volume in tons reached 2.53 million and was 15% more as compared to previous year (2.2. million tons).
- The gross profit reached EUR 31 million and was 33% less than a year before (EUR 46 million).
- Consolidated EBITDA amounted to EUR 5.1 million and was 75% less as compared to the previous year (EUR 20.4 million).
- The Group's operating loss was EUR 5.0 million as compared to EUR 9.6 million profit gained during the previous year.
- Loss before taxes amounted to EUR 8.1 million (compared to EUR 7.5 million profit in previous year). The net loss attributable to the Group stood at EUR 6.8 million (EUR 9,0 million profit previous year).
- The gross profit in the fourth quarter of this financial year was EUR 6.6 million compared to EUR 14.1 million, gained a year before, and the operating loss amounted to EUR 3.9 million compared to EUR 4.1 million operating profit from previous year. The net loss reached EUR 3.3 million in Q4 as compared to EUR 4.8 million profit during the same period a year before.

Financial ratios

	2015/16 12 months	2016/17 12 months	2016/17 12 months	2017/18 12 months	Change 2018/19 compared to 2017/18 (thousand EUR)	Change 2018/19 compared to 2017/18 (%)
Sales revenues (thousand EUR)	615,961	644,952	634,243	745,782	111,359	17.6
Sales in tons	2,187,388	2,364,713	2,205,755	2,529,711	323,956	14.6
Gross profit (thousand EUR)	39,881	46,276	45,848	30,326	(15,522)	(33.9)
EBITDA (thousand EUR)	17,135	22,716	20,410	5,082	(15,328)	(75.1)
Operating profit (thousand EUR)	7,232	12,054	9,597	(5,041)	(14,638)	(152.5)
Earnings before taxes EBT (thousand EUR)	5,316	10,045	7,523	(8,134)	(15,657)	(208.1)
Net profit (thousand EUR)	3,944	8,408	9,463	(6,746)	(16,209)	(171.3)
Margins, %						
Gross profit margin	6.47	7. 18	7.23	4.20	(3.03)	(41.9)
EBITDA margin	2.78	3.52	3.2	0.68	(2.54)	(78.8)
Operating profit margin	1.17	1.87	1.51	(0.70)	(2.21)	(146.4)
Earnings before taxes margin	0.86	1.56	1.19	(1.10)	(2.29)	(192.0)
Net profit margin	0.64	1.30	1.49	(0.90)	(2.39)	(160.4)
Solvency ratios						
Current ratio	1.42	1.43	1.38	1.28	(0.1)	(7.25)
Debt / Equity ratio	0.59	1.09	1.26	1.3	0.04	3.17
Net financial debt / EBITDA	5.13	4.40	6.94	27.8	20.9	300.6
Return on equity (ROE), %	2.43	4.98	5.34	(4.01)	(9.35)	(175.1)
Return on capital employed (ROCE), %	2.82	4.33	2.92	(1.59)	(4.51)	(154.5)
Return on assets (ROA), %	1.19	2.38	2.36	(1.74)	(4.10)	(173.8)
Basic and diluted earnings per share (EPS)	0.03	0.05	0.06	(0.04)	(0.10)	(166.7)
Price earnings ratio (P/E) *	22.17	12.88	12.34	(15.7)	(28.04)	(227)

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

Overview

As per updated data, cereal yield in Lithuania in 2018 amounted to almost 4 million tons and was 21% less as compared with previous year, while rapeseed yield has shrunken by 20% amounting to 0.43 million tons. In Latvia cereal yield decreased by 24% amounting to 2 million tons and rapeseed yield dropped 30%. In Estonia wheat and barley production have shrunken by 43% to 0.8 million tons and rapeseed production dropped 31%.

The lower yield of various cereals, oilseeds and pulses in all Baltic states intensified competition in grain sourcing activity and reduced trade margins. The global grain prices were volatile and quite difficult to predict. For instance, the price of wheat on Euronext exchange in H1 ranged between 180 and 205 euros per ton compared to 150-180 price range a year ago, while in H2 it dropped sharply from 190 euros per ton to 165 euros per ton. All that affected prices of other grains. The international grain and oilseed markets were challenging throughout the reporting period, and this had a negative impact on the Group's performance. This particularly affected the operating margins of traditional products like wheat, barley and rapeseed. In addition, the decline in cereal demand in China as a result of swine fever and the decision by Saudi Arabia, the largest barley buyer, to use heavily its carry-over stocks and make a pause in barley purchase until the beginning of the new harvest strongly affected barley sales and thus the Group's profitability. A part of the products has been sold at negative margins.

Due to the deterioration of the financial situation of farmers, the market for agricultural inputs shrank in all Baltic countries, which intensified competition in selling goods to farmers, negatively influenced the quantities of sold goods and also trade margins, which shrank to a minimum.

Having quite a large products portfolio allowed the Group to increase its sales volumes during the reporting period from 2.2 million to 2.5 million tons. Sales of some products have increased, some have declined. The 6.3% drop was observed in traditional products – wheat and rapeseed – as their sales in tons plunged to 1.08 million tons. The decreased yield had a negative impact on performance of Group controlled grain elevators as total volume of various grains they processed was over 356 thousand tons or almost 27% less as compared to previous year. Appositively, a sound harvest in Russia and Ukraine and increased demand for various feedstuffs boosted their sales volumes in tons 50%.

Group's consolidated revenue of the respective period had an increase of 18% from EUR 634 million to EUR 746 million. Revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' increased by 29% to EUR 513 million. The growth in sales was mitigated by the increase in feedstuff sales, which soared by 64% to EUR 162 million. Revenue went up also due to the global grain price increase of 8%. Sales in business Segment 'Products and Services for Farming' decreased by 7.5%, while revenue from fertilizers and plant protection products businesses went up 18% and 2% accordingly, although revenue from sales of agricultural machinery fell by 18% due to the stagnation of the market caused by the fall in yield and the deterioration of the financial situation of farmers. Sales in business Segment 'Food products' grew 11%, however, growing energy and feedstuff prices negatively affected operating margin of this business segment. Due to the drought the crop production and sales volume in tons in Group's farming companies was 24% less as compared to previous year, but the drop in their sales was 5%, not that big because of the high grain prices, making revenue equal to EUR 29 million.

The Group's operating loss amounted to EUR 5 million and EBITDA was EUR 5.1 million as compared to corresponding EUR 9.6 million operating profit and EUR 20.4 million EBITDA a year before. The Group's net loss amounted to EUR 6.7 million as compared to EUR 9.5 million net profit in 2017/18 financial year.

To reduce operating costs, the Group is carrying out some transformations in the organizational structure: closed the dormant company in Latvia SIA Erfolg Group; merged the fertilizer warehousing company SIA Paleo to the grain elevators company SIA Linas Agro Graudu Centrs; is closing the Danish company Linas Agro A/S. The Group also implements other programs to increase efficiency of the internal processes and reduce operational costs, they cut operating costs of AB Linas Agro Group by 7% or EUR 2.7 million.

Financial Costs

Due to increased financial loans portfolio, Group's financial expenses over referenced period increased as well and amounted to EUR 3.7 million compared to that in 2017/18 financial year (EUR 2.6 million). The total amount of financial loans portfolio (including leasing) dropped from EUR 153.8 million to EUR 148.4 million. The amount of financial loans over twelve months of this financial year declined by EUR 7 million since July due to diminished amount of stocks and accounts receivable.

Cash Flow

Group's cash flow from operating activities before the changes in the working capital amounted to EUR 3.9 million as compared to EUR 26.9 million in the corresponding period of the previous year and were positive. Cash flow from operating activities after changes in working capital was positive as well and amounted to EUR 23.9 million (negative EUR 20 million over the respective period of 2017/18 financial year), the reason was decrease of stocks by EUR 4.6 million and accounts receivables by EUR 5.6 over twelve months of this financial year. Group's cash and cash equivalents amounted to EUR 7.7 million at the end of the reporting period (EUR 10.5 million in 2017/18 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

	2018/19 12 months	**2017/18 12 months**	**2016/17 12 months**	**2015/16 12 months**	**2014/15 12 months**
Grain and Feedstuff Handling and Merchandising	(8,744)	3,984	7,989	9,583	7,484
Products and Services for Farming	2,510	5,657	3,806	2,816	965
Agricultural Production	3,199	3,146	3,329	758	3,532
Food products	1,249	3,904	1,545	(1,246)	3,193
Other	255	(92)	(196)	(176)	97

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's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia was close to 331 thousand tons, while the storage capacity at ports was 184 thousand tons at the end of the reporting period. AB Linas Agro has established a subsidiary company LLC LINAS AGRO UKRAINE during the reporting period with the aim to strengthen the sourcing business in Ukraine.

The lower wheat, rapeseed and beans yield in the Baltic States as well as the trends of international grain trade had a significant influence on the purchase and sales volume of agricultural commodities, and the quality of the harvested grains reduced the necessity for drying services in the Group's grain elevators. This year, the Group's grain traders have faced some challenges to sell wheat, barley and peas. Marketing of high quality wheat, which is usually in high demand in the market, was complicated as the major importers of such a wheat, Spain and Turkey, refused to buy it. Spain itself has grown the necessary quantity of wheat and imported only small quantities from Kazakhstan, while Turkey, having improved relations with Russia, has renewed wheat imports from Russia through the Black Sea. However, barley sales have been the most challenging, since the imposition of duties on imports of barley into China and the decline in demand in Saudi Arabia have reduced the global demand for this product, which has negatively affected the profitability of trade. India, the largest consumer of peas, banned the import of peas from the EU, which made marketing of peas difficult, as other buyers (f. i., Scandinavian countries) were buying peas in small batches.

The total sales volume of grain, oilseed and feedstuff went up almost 17% to 2.1 million tons during the reporting period. The sales of traditional crops (wheat, rapeseed, barley) increased by 11% to 1.7 million tons. Due to increased world prices for various cereals, the sales revenue of the above-mentioned products went up 19% and amounted to EUR 348 million, however, price fluctuations have reduced trade margins to a minimum. The Group-owned grain elevators prepared 356 thousand tons of grain for exports or 27% less than a year before, their performance was strongly influenced by significantly lower yields and increased grain reception capacities in the Baltic ports.

The increased demand for feed grade grain in Western Europe and the Baltic States due to poor harvest in the area, a record harvest of maize in Ukraine and the establishment of subsidiary LLC LINAS AGRO UKRAINE were the main reasons that positively affected sales of various feedstuffs, sales of feedstuff in tons accelerated by 50% to 441 thousand tons and sales revenue went up 64% to EUR 162 million.

The total revenue of this business Segment went up from EUR 397 million to EUR 513 million, but the operating profit was negative and amounted to EUR 8.7 million as compared to operating profit of EUR 3.9 million a year before.

Over 2.4 million euros were invested during the reporting period to expand grain storage network and improvement of the existing infrastructure. In Latvia, the Group launched two grain elevators - in Grobina and Rezekne. The volume of grain processed in Group's elevators in Latvia grew almost 26% as compared to previous year up to 72 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 total Group's storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia increased by 6 thousand tons during the reporting period and exceeded 104 thousand tons at the end of the period. The Group sold the rarely used warehouse in Tukums, Latvia during the reporting period.

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.

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. During the reporting period, 'Dotnuva Seeds' branded seed produced by the Group had 30% of the certified seed market in Lithuania. The company has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros. During the reporting period, the line for mixing and packing grass seeds was launched at the Dotnuva seed factory to further improve the quality of the mixtures and the packing efficiency. 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 and one of the largest sellers of the new western tractors in Lithuania. In order to ensure high standards of customer service and to provide quality service to the market, Dotnuva Baltic has joined the 'Red Excellence' Case IH international quality campaign, which unites Case IH dealers in Europe.

In order to improve the service of farmers and to avoid internal competition between the subsidiaries, changes in the organizational structure of Products and Services for Farming business are taking place. Seed sales have been transferred from UAB Dotnuva Baltic to AB Linas Agro. It is planned that in the next financial year the offices of Dotnuva Baltic and Linas Agro in Latvia will be located in one agricultural service and trade center that is being built and will open on October. It will lodge the back offices of the companies, machinery department with machinery exposition, service workshop, warehouses of spare parts, also agricultural inputs will be traded there.

The increased winter crop area that survived winter well and readiness of the salesmen for the spring season have had a positive impact on the sales of fertilizers, plant protection products and micro-nutrients. Fertilizer sales grew 18% up to EUR 54 million. Although the drought in the spring reduced the size of the plant protection products market, the Group managed to maintain or even slightly increase its market share: total sales of plant protection products and micronutrients increased by 2% up to EUR 17 million.

The Group's sales and exports of spring barley, grass, catch crop mixtures seeds increased, while demand for and sales of conventional crops - winter and spring wheat and peas - shrank as farmers, due to the worsening financial situation, saved costs and used their own non-certified seeds, which were of relatively good quality.

The market of certified seeds in Lithuania shrank 16% during the reporting period. The Group's seed processing plant in Dotnuva produced almost 22 thousand tons of certified seed over the reporting period, or 10% less than in previous year, but its market share remained almost unchanged and equal to 30.4%. The traded volumes of certified seeds were 18% less than in previous year and almost reached 24 thousand tons.

However, more expensive seeds have been traded, therefore revenue, gained from seed sales decreased by only 10% to EUR 18.7 million.

Several in a row unfavorable growing seasons affected sales of agricultural machinery. The second consecutive year of poor harvest in the Baltic States and a more complicated financial and economic situation of farms have significantly decreased farmers' investments into grain complexes, new agricultural machinery and other equipment.

The prolonged drought in Lithuania in spring did not predict a good future harvest, therefore farmers have completely stopped major investments into agricultural machinery, especially because bank financing became hardly obtainable. In Lithuania, there were very few investments into grain processing equipment as only a very small number of farmers expect EU support and invest. In March and April, Lithuanian farmers applied for EU support for the purchase of agricultural machinery, so a boost in trade is expected in the next financial year. Small dairy farms are planning only small investments in farm equipment and development of milk production, and only with the support of EU funds. Therefore, the Group is planning to increase sales of farm equipment only in the next financial year.

In Latvia, farmers have a strong interest in grain processing equipment and the reconstruction of existing warehouses, but the investment will be dependent on EU funding and the projects will only be implemented in 2020/21. Latvian farmers also plan to purchase agricultural machinery only having support from EU funds.

In Estonia, sales have been hampered by the aforementioned several-year low harvest situation, coupled with a worsening economic situation for farmers, delays in EU support and banks' decisions to limit leasing of agricultural machinery, considering farming as a risky business. Farmers are actively interested in renting instead of purchasing agricultural machinery.

Group’s sales of the new agricultural machinery have shrunken in all Baltic States. The Group's revenue from the sale of new agricultural machinery decreased by 25% to almost EUR 32 million. Also, the demand for used machinery has increased notably, sales of used machinery went 14% up to EUR 2.4 million. Sales revenue from trading spare parts went up 16% to EUR 8.2 million. Revenue gained from grain processing equipment was almost EUR 11 million or 46% less as compared to previous year (EUR 21 million). A part of the Group's planned elevators construction projects will be completed in the next financial year due to the increased size of the objects: they are larger than in previous year.

Revenue from this business Segment decreased by 8% to EUR 149 million. The gross profit went down 14% and amounted to EUR 16 million, while operating profit decreased by 56% to EUR 2.5 million.

Over 277 thousand euros were invested during the reporting period to expand fertilizers storage and seed processing facilities, over 2.7 million euros - to build the mutual Dotnuva Baltic and Linas Agro office and farmers’ service center in Latvia. A grass seed mixing and packaging line has been installed in Dotnuva, which has improved mixtures quality and packing capacity.

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 Lukšių ŽŪB, Biržai District Medeikių ŽŪB and Sidabravo ŽŪB.

Agricultural companies were cultivating 17,266 ha of land. At the end of the reporting period the Group owned 7,655 ha of arable land. Of the 9,398 hectares of winter crops sown in the autumn, 33 hectares of winter crops were destroyed, and the condition of the remaining crops varied from very good to poor. The negative impact of drought is particularly strong in Žibartonių ŽŪB and Aukštadvario ŽŪB agricultural companies of Panevėžys district, as well as in agricultural company Sidabravo ŽŪB.

In spring, 4,711 ha area was sown with summer crops, including 2,394 ha of barley. Barley was in good condition at the end of the reporting period, but wheat, peas and beans crops are dense due to the drought, and good harvest is not expected.

Over 69 thousand tons of agricultural commodities were sold or 24% less than a year before. About 59% of the products have been sold to the other companies of the Group and 41% marketed outside the Group.

The Group controlled farms owned 3,206 dairy cows at the end of the reporting period, their number remained almost unchanged, although milk yields have increased. Significant increase in milk yield was observed in Kėdainiai District Labūnavos ŽŪB and Panevėžys district Žibartonių ŽŪB agricultural companies - by 9.6% and 12.2%, respectively, while the Group's total milk yield growth was 5.6%.

Almost 32 thousand tons of raw milk have been sold over the referenced period, or 5.5% more than a year before. The average milk purchase price was 8% less than a year before (declined from EUR 295 to EUR 272 per ton), therefore sales revenue dropped by 1% to EUR 11 million. Meat sales volume was 1,489 tons (1,455 tons a year before).

The revenue of this business Segment dropped almost 5% from EUR 31 million to EUR 29 million and operating profit amounted to EUR 3.2 million and remained almost unchanged compared to 3.1 million EUR profit a year before.

During the reporting period, the Group invested EUR 5.9 million to update agricultural machinery and vehicles fleet and farming facilities, also almost EUR 2 million were spent to obtain arable land for further expansion of husbandry farming. A part of the cow herd was moved to a new and modern farm with milking parlor at the Šakiai District Lukšių ŽŪB agricultural company. A new slurry storage tank was mounted at Panevėžys District Žibartonių ŽŪB agricultural company, also farms are being reconstructed. Panevėžys District Aukštadvario ŽŪB agricultural company installed a new grain dryer. A cattle-breeding barn was reconstructed at the agricultural company Sidabravo ŽŪB.

Though raw milk prices are on the low trend, the Group is positive regarding development of milk production on the long term and has plans to invest into milk production facilities and expand its cow herd. Much attention within the Group is paid to the training of animal husbandry specialists and the uptake of new products, which results in better efficiency of dairy farming.

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 are marketed 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 had one outlet in Vilnius, Lithuania, which was closed at the end of the financial year due to poor sales. AS Putnu Fabrika Kekava have the right to mark their poultry meat as 'Raised without Antibiotics'. During the reporting period AS Putnu Fabrika Kekava has received A grade BRC (British Retail Consortium) accreditation (formerly having B grade or lower rating), also has ISO 50001:2012 and ISO 22000:200 certification, and is Halal certified.

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.

Poultry prices in the EU are influenced by Polish producers, who produce 17% chicken in EU, and imports from third countries, as the average price of Brazilian chicken is 57% below the price of chicken in the EU. Increased imports of poultry meat from third countries - Brazil, Thailand and Ukraine - prevented the rise in poultry prices. The average EU price of poultry meat remained almost unchanged at EUR 1.866 / kg as compared with the previous reporting period. And the price of chicken breast has even dropped in recent months. Meanwhile, the cost of poultry production went up 8% as compared to previous year due to increased prices for grain, feedstuff and energy.

The poultry companies produced over 42 thousand tons of live weight or 3.6% more as compared to previous year. Companies sold over 32.6 thousand tons of poultry and poultry products or almost the same as a year before.

Revenue from this business Segment increased by almost 12% from EUR 69 million to EUR 77 million while operating profit went down 68% from EUR 3.9 million to EUR 1.2 million. The operating profit margin decreased accordingly from 5.7% to 1.6%, the decline was mainly due to increase in energy and feedstuff prices.

The Group invested over EUR 4 million during the referenced period for the development and renovation of poultry farms: building new poultry-houses, improvement of birds raising conditions, improvement of water quality, upgrading of meat processing equipment. As much as 21 poultry houses were renovated and 6 newly built, which will allow to produce extra 1,500 tons of poultry meat per year. The Group plans to further expand bird raising capacity, and also increase bird slaughtering capacity by 2020. Although poultry production in EU is 5% higher than consumption, but poultry consumption per capita has been steadily rising in the EU over the last few years, consumers are increasingly choosing chicken over other meat, which gives confidence in the future of this business.

Other

This business Segment includes small activities, not attributable to other Segments, f.i., grain elevators' services to the third parties, sale of minor assets, etc.

The operating profit of this business Segment amounted to EUR 255 thousand as compared to EUR 92 thousand 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, 2019, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

31/05/2019 15:00 EEST	Correction: AB Linas Agro Group notification about interim 9 months financial results of the financial year 2018/2019	Interim Information	EN, LT
31/05/2019 10:00 EEST	AB Linas Agro Group notification about interim 9 months financial results of the financial year 2018/2019	Interim Information	EN, LT
28/2/2019 16:00 EET	AB Linas Agro Group notification about interim 6 months financial results of the financial year 2018/2019	Half-Yearly information	EN, LT
3/12/2018 16:15 EET	AB Linas Agro Group investor's calendar for the 2019	Other information	EN, LT
30/11/2018 08:00 EET	AB Linas Agro Group notification about interim 3 months financial results of the financial year 2018/2019	Interim Information	EN, LT
31/10/2018 17:17 EET	Decisions of the Annual General Meeting of AB Linas Agro Group Shareholders, held on 31 October 2018	Notification on material event	EN, LT
31/10/2018 16:48 EET	Procedure for the payout of dividends for the financial year ended 30 June 2018	Notification on material event	EN, LT
31/10/2018 16:37 EET	AB Linas Agro Group notification about the Annual information of the financial year 2017/2018	Annual information	EN, LT
18/10/2018 18:14 EEST	Supplemented agenda of the General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
10/10/2018 10:30 EEST	Correction: Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT
9/10/2018 20:27 EEST	Notice on Annual General Meeting of Shareholders of AB Linas Agro Group	Notification on material event	EN, LT

19/9/2018 15:26 EEST	CORRECTION: AB Linas Agro Group investor's calendar for the 2018	Other information	EN, LT
31/8/2018 16:12 EEST	AB Linas Agro Group notification about interim 12-month financial results of the financial year 2017/2018	Interim Information	EN, LT
13/7/2018 09:42 EEST	AB Linas Agro Group signed employee stock option contracts	Other information	EN, LT

Other Events of the Reporting Period

January- June 2019	The share capital of UAB Linas Agro Konsultacijos was increased by 1,213,000 euros.
July 2018-June 2019	The capital of Noreikiškių ŽŪB was increased by 30,000 euros.
May 2019-June 2019	The capital of ŽŪB Landvesta 5 was increased by 45,000 euros.
31/5/2019	The capital of Panevėžys District Aukštadvario ŽŪB was increased by 1,009,605 euros.
Nov 2018- May 2019	The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 1,300,000 euros.
14/3/2019	SIA Paleo was merged to SIA Linas Agro Graudu Centrs.
Oct 2018-Mar 2019	The authorized capital of LLC LINAS AGRO UKRAINE was increased by 5,500,000 hryvnas (around 175,100 euros).
30/1/2019	Liquidation of SIA Erfolg Group completed.
21/1/2019	The capital of Kėdainiai District Labūnavos ŽŪB was increased by 200,000 euros.
19/9/2018	The authorized capital of UAB Lineliai was increased by 50,000 euros.
5/12/2018	The authorized capital of SIA Linas Agro was increased by 1,000,000 euros.
8/11/2018	The capital of UAB Linas Agro Grūdų Centras KŪB was increased by 1,000,000 euros.
31/10/2018	The capital of Užupės ŽŪB has been reduced by paying 140,000 euros to the shareholders.
October 2018	The Company transferred 9,000 own shares to the employees of the Group under AB Linas Agro Group Rules for Shares Issues.
30/7/2018	AB Linas Agro founded a subsidiary in Ukraine LLC LINAS AGRO UKRAINE.

Subsequent Events

6/8/2019	The authorized capital of LLC LINAS AGRO UKRAINE was increased by 2,600,000 hryvnas (around 102,970 euros).

Prices and Turnover of Shares of AB Linas Agro Group

Information on changes in the prices of Company's shares and turnover from 1/7/2013 until the end of the reporting period, i. e. 30 June 2019, is presented in the following diagram: