



**AB Linas Agro Group**  
**Consolidated unaudited**  
**Financial Statements**  
**For the 9 month period**  
**of the financial year 2018/19**

*Prepared according to  
Additional Information Preparing And Presentation  
Instructions issued by the Bank of Lithuania*



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2019	As at 30 June 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	5	1,398	1,496
Property, plant and equipment	6	126,640	122,590
Investment property	7	1,109	1,316
Animals and livestock		8,589	8,726
Non-current financial assets			
Other investments and prepayments for financial assets		16	16
Non-current receivables		2,985	1,841
Total non-current financial assets		3,001	1,857
Non-current prepayments		–	1,590
Deferred income tax asset		3,042	2,803
<b>Total non-current assets</b>		<b>143,779</b>	<b>140,378</b>
<b>Current assets</b>			
Crops		3,368	12,856
Livestock		2,817	2,312
Inventories		170,035	95,873
Current prepayments		5,764	12,206
Accounts receivable			
Trade receivables		109,713	117,036
Receivables from related parties	12	143	255
Income tax receivable		82	843
Other accounts receivable		6,661	7,128
Total accounts receivable		116,599	125,262
Derivative financial instruments		754	70
Other current financial assets		2,595	1,485
Cash and cash equivalents		7,599	10,495
<b>Total current assets</b>		<b>309,531</b>	<b>260,559</b>
<b>Total assets</b>		<b>453,310</b>	<b>400,937</b>

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	As at 31 March 2019	As at 30 June 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1	46,093	46,093
Share premium		23,038	23,038
Own shares		(448)	(453)
Legal reserve		3,611	3,419
Reserve for own share		5,000	–
Cash flow hedge reserve		(40)	(40)
Foreign currency translation reserve		(25)	(22)
Retained earnings		91,302	102,951
<b>Total equity attributable to equity holders of the parent</b>		<b>168,531</b>	<b>174,986</b>
<b>Non-controlling interest</b>		<b>2,104</b>	<b>2,088</b>
<b>Total equity</b>		<b>170,635</b>	<b>177,074</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Grants and subsidies		6,025	6,299
Non-current borrowings	8	29,791	27,180
Finance lease obligations		2,349	1,172
Deferred income tax liability		82	110
Non-current employee benefits		442	442
<b>Total non-current liabilities</b>		<b>38,689</b>	<b>35,203</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	4,270	6,835
Current portion of finance lease obligations		806	559
Current borrowings	8	172,117	118,109
Trade payables		47,347	39,079
Payables to related parties	12	61	1
Income tax payable		80	103
Derivative financial instruments		102	987
Other current liabilities		19,203	22,987
<b>Total current liabilities</b>		<b>243,986</b>	<b>188,660</b>
<b>Total equity and liabilities</b>		<b>453,310</b>	<b>400,937</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 31 March)

	Notes	2018/2019 9 month	2017/2018 9 month
Sales	4	526,349	449,248
Cost of sales		(502,066)	(418,709)
<b>Gross profit</b>		<b>24,283</b>	<b>30,539</b>
Operating (expenses)	9	(25,105)	(26,869)
Other income	10	1,512	2,166
Other (expenses)		(1,879)	(1,143)
<b>Operating profit</b>		<b>(1,189)</b>	<b>4,693</b>
Income from financing activities		506	413
(Expenses) from financing activities		(2,910)	(1,962)
<b>Profit before tax</b>		<b>(3,593)</b>	<b>3,144</b>
Income tax		101	(222)
<b>Net profit</b>		<b>(3,492)</b>	<b>2,922</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent		(3,555)	2,538
Non-controlling interest		63	384
		<b>(3,492)</b>	<b>2,922</b>
Basic and diluted earnings per share (EUR)		(0.02)	0.02
<b>Net profit</b>		<b>(3,492)</b>	<b>2,922</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(3)	–
<b>Total other comprehensive income, to be reclassified to profit or loss in subsequent periods</b>		<b>(3)</b>	<b>–</b>
<b>Total comprehensive income, after tax</b>		<b>(3,495)</b>	<b>2,922</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		(3,558)	2,538
Non-controlling interest		63	384
		<b>(3,495)</b>	<b>2,922</b>

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 January to 31 March)

	Notes	2018/2019 3 Q	2017/2018 3 Q
Sales		197,426	124,484
Cost of sales		(193,625)	(121,088)
<b>Gross profit</b>		<b>3,801</b>	<b>3,396</b>
Operating (expenses)		(6,537)	(8,861)
Other income		432	1,583
Other (expenses)		(1,633)	89
<b>Operating profit</b>		<b>(3,937)</b>	<b>(3,793)</b>
Income from financing activities		137	110
(Expenses) from financing activities		(1,263)	(663)
<b>Profit before tax</b>		<b>(5,063)</b>	<b>(4,346)</b>
Income tax		385	407
<b>Net profit</b>		<b>(4,678)</b>	<b>(3,939)</b>
<b>Net profit attributable to:</b>			
Equity holders of the parent		(4,661)	(3,909)
Non-controlling interest		(17)	(30)
		<b>(4,678)</b>	<b>(3,939)</b>
Basic and diluted earnings per share (EUR)		(0.03)	0.02
<b>Net profit</b>		<b>(4,678)</b>	<b>(3,939)</b>
<b>Other comprehensive income</b>			
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>–</b>
<b>Total comprehensive income, after tax</b>		<b>(4,678)</b>	<b>(3,939)</b>
<b>Total comprehensive income attributable to:</b>			
The shareholders of the Company		(4,661)	3,909
Non-controlling interest		(17)	(30)
		<b>(4,678)</b>	<b>(3,939)</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	Reserve for own share	Other reserves	Foreign currency translation reserve	Retained earnings	Subtotal	Non-control interest	Total
<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		–	–	–	–	–	–	–	2,538	2,538	384	2,922
Total comprehensive income		–	–	–	–	–	–	–	2,538	2,538	384	2,922
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 31 March 2018</b>		<b>46,093</b>	<b>(453)</b>	<b>23,038</b>	<b>3,419</b>	–	<b>(73)</b>	<b>(22)</b>	<b>96,453</b>	<b>168,455</b>	<b>2,045</b>	<b>170,500</b>
<b>Balance as at 1 July 2018</b>		<b>46,093</b>	<b>(453)</b>	<b>23,038</b>	<b>3,419</b>	–	<b>(40)</b>	<b>(22)</b>	<b>102,951</b>	<b>174,986</b>	<b>2,088</b>	<b>177,074</b>
Net profit for the year		–	–	–	–	–	–	–	(3,555)	(3,555)	63	(3,492)
Exchange differences on translation of foreign operations		–	–	–	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive income		–	–	–	–	–	–	(3)	(3,555)	(3,558)	63	(3,495)
Disposal of own shares		–	5	–	–	–	–	–	(5)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(17)	(17)
Declared dividends by company		–	–	–	–	–	–	–	(2,926)	(2,926)	–	(2,926)
Reserves made		–	–	–	192	5,000	–	–	(5,192)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	29	29	(30)	(1)
<b>Balance as at 31 March 2019</b>		<b>46,093</b>	<b>(448)</b>	<b>23,038</b>	<b>3,611</b>	<b>5,000</b>	<b>(40)</b>	<b>(25)</b>	<b>91,302</b>	<b>168,531</b>	<b>2,104</b>	<b>170,635</b>

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## CONSOLIDATED CASH FLOW STATEMENT

	Notes	2018/2019 9 month	2017/2018 9 month
<b>Cash flows from (to) operating activities</b>			
Net profit		(3,492)	2,922
<b>Adjustments for non-cash items:</b>			
Depreciation and amortisation		7,859	9,165
Subsidies amortisation		(474)	(639)
(Gain) on disposal of property, plant and equipment		(88)	(364)
Change in allowance and write-offs for receivables and prepayments		928	843
Inventories write down to net realisable value		(14)	928
Change of provision for onerous contracts		–	(366)
Change in accrued expenses		(6,165)	1,014
Change in fair value of biological assets		376	961
Change in deferred income tax		(227)	(514)
Current income tax expenses		127	735
Expenses (income) from change in fair value of financial instruments		715	(331)
Dividend (income)		(3)	(121)
Interest (income)		(506)	(413)
Interest expenses		2,908	1,298
		<b>1,944</b>	<b>1,962</b>
<b>Changes in working capital:</b>			
Decrease in biological assets		8,821	11,390
(Increase) in inventories		(76,414)	(69,504)
Decrease (increase) in prepayments		6,366	(5,770)
Decrease in trade and other accounts receivable		10,304	37,740
(Increase) in restricted cash		(15)	(364)
Increase in trade and other accounts payable		6,731	(41,850)
Income tax (paid)		(324)	(504)
<b>Net cash flows from (to) operating activities</b>		<b>(42,587)</b>	<b>(53,080)</b>

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

## CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	2018/2019 9 month	2017/2018 9 month
<b>Cash flows from (to) investing activities</b>			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(12,505)	(13,113)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,190	754
Loans (granted)		(68)	(60)
Repayment of granted loans		99	409
Interest received		14	29
Dividend received		3	121
<b>Net cash flows from (to) investing activities</b>		<b>(11,267)</b>	<b>(11,860)</b>
<b>Cash flows from (to) financing activities</b>			
Proceeds from loans		72,358	84,584
(Repayment) of loans		(18,795)	(14,833)
Finance lease (payments)		(727)	(570)
Grants received		147	820
Interest (paid)		(2,547)	(1,680)
Dividend (paid) to non-controlling shareholders		(17)	(14)
Dividend (paid)		(2,926)	(1,202)
Acquisition of non-controlling interest		(1)	(423)
<b>Net cash flows from (to) financing activities</b>		<b>47,492</b>	<b>66,682</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(2,896)</b>	<b>1,742</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>10,495</b>	<b>8,897</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>7,599</b>	<b>10,639</b>
<b>Supplemental information of cash flows:</b>			
<b>Non-cash investing activity:</b>			
Property, plant and equipment acquisitions financed by grants and subsidies		147	–
Property, plant and equipment acquisitions financed by finance lease		811	309

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 31 March 2019 and as at 30 June 2018 the shareholders of the Company were:

	As at 31 March 2019		As at 30 June 2018	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109 909 167	69,15 %	109,909,167	69.15 %
Darius Zubas	17 049 995	10,73 %	17,049,995	10.73 %
Tomas Pučkis	4 785 295	3,01 %	4,359,078	2.74 %
Swedbank AS (Estonia) clients	4 267 300	2,68 %	4,472,774	2.81 %
Other shareholders (private and institutional investors)	22 928 641	14,43 %	23,149,384	14.57 %
<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 31 March 2019 (EUR 0.29 each as at 30 June 2018) and were fully paid as at 31 March 2019 and as at 30 June 2018.

The Company holds 772,972 of its own shares, percentage 0.50%, as at 31 March 2019 (781,972 as at 30 June 2018). Subsidiaries and other related companies did not hold any shares of the Company as at 31 March 2019 and as at 30 June 2018.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As at 31 March 2019 the number of employees of the Group was 2,182 (2,199 as at 30 June 2018).

No changes in share capital occurred during the years ending 31 March 2019 and 30 June 2018.

### 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 2017/2018 financial year.

### 3.GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 31 March 2019 and as at 30 June 2018 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
		31 March 2019	30 June 2018	
<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 Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
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	97.10%	97.09%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.10%	97.09%	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 (under liquidation)	Latvia	–	97.09%	Not operating company
UAB Kekava Foods LT	Lithuania	97,10%	97.09%	Retail trade of food production
<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%	Not operating company
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
LLC LINAS AGRO UKRAINE	Ukraine	100%	–	Representative office

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

	Place of registration	Effective share of the stock held by the Group		Main activities
		31 March 2019	30 June 2018	
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)</b>				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	98.49%	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	98.92%	98.60%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
Panevėžys district Žibartonių ŽŪB	Lithuania	99.89%	99.89%	Mixed agricultural activities
<b>Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)</b>				
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
<b>Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)</b>				
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 (under liquidation)	Latvia	–	100%	Warehousing activity
<b>Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)</b>				
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 9 month period ended 31 March 2019

During 9 month period, ended 31 March 2019, the Company acquired 0.01% AS Putnu fabrika Kekava share capital for EUR 1 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 9 month period, ended 31 March 2019, the Group founded the share capital of LLC LINAS AGRO UKRAINE UAH 6,500 thousand (EUR 205 thousand), Kėdainiai district ŽŪB Labūnava EUR 200 thousand, UAB Gerera EUR 30 thousand.

During 9 month period, ended 31 March 2019, the Group reduced the share capital of Užupės ŽŪB by paying out EUR 140 thousand to shareholders.

During 9 month period, ended 31 March 2019, the Company increased the share capital of Linas Agro Grūdų Centras KŪB by EUR 1,000 thousand. UAB Linas Agro Konsultacijos EUR 203 thousand, UAB Lineliai EUR 50 thousand, ŽŪB Noreikiškių EUR 14 thousand.

#### Changes in the Group during the year 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, new company UAB Kekava Foods LT was established.

### 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
<b>Financial year ended 31 March 2019</b>								
<b>Revenue</b>								
Third parties	359,786	94,518	14,813	57,440	(208)	–	–	526,349
Intersegment	4,947	4,806	7,899	–	–	–	(17,652) <sup>1)</sup>	–
<b>Total revenue</b>	<b>364,733</b>	<b>99,324</b>	<b>22,712</b>	<b>57,440</b>	<b>(208)</b>	<b>–</b>	<b>(17,652)<sup>1)</sup></b>	<b>526,349</b>
<b>Results</b>								
Operating expenses	(5,288)	(10,303)	(2,240)	(5,421)	(30)	(1,823)	–	(25,105)
<b>Segment operating profit (loss)</b>	<b>822</b>	<b>145</b>	<b>(868)</b>	<b>692</b>	<b>(66)</b>	<b>(1,914)</b>	<b>–</b>	<b>(1,189)</b>

#### 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 elimina- tions	Total
<b>Financial year ended 31 March 2018</b>								
<b>Revenue</b>								
Third parties	291,673	91,967	15,076	50,426	106	–	–	449,248
Intersegment	2,810	4,602	8,539	–	–	–	(15,951) <sup>1)</sup>	–
<b>Total revenue</b>	<b>294,483</b>	<b>96,569</b>	<b>23,615</b>	<b>50,426</b>	<b>106</b>	<b>–</b>	<b>(15,951)<sup>1)</sup></b>	<b>449,248</b>
<b>Results</b>								
Operating expenses	(5,875)	(9,818)	(2,519)	(4,472)	(15)	(4,170)	–	(26,869)
<b>Segment operating profit (loss)</b>	<b>6,364</b>	<b>1,495</b>	<b>(359)</b>	<b>1,294</b>	<b>155</b>	<b>(4,256)</b>	<b>–</b>	<b>4,693</b>

1) Intersegment revenue is eliminated on consolidation.

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

Revenue from external customers	9 month period ended	
	31 March 2019	31 March 2018
Lithuania	157,891	122,374
Europe (except for Scandinavian countries, CIS and Lithuania)	87,704	149,806
Scandinavian countries	182,419	67,054
Asia	35,136	78,837
Africa	42,095	23,202
CIS	21,104	7,975
	<b>526,349</b>	<b>449,248</b>

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

Non-current assets	As at 31 March 2019	As at 30 June 2018
Lithuania	70,583	68,245
Latvia	57,589	55,957
Estonia	975	1,200
	<b>129,147</b>	<b>125,402</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	Provisional goodwill	Total
<b>Cost:</b>				
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
Additions	51	4	–	55
Write-offs	–	(5)	–	(5)
Balance as at 31 March 2019	1,090	276	1,971	3,337
<b>Accumulated amortization:</b>				
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
Charge for the year	80	73	–	153
Write-offs	–	(5)	–	(5)
Balance as at 31 March 2019	661	157	–	818
<b>Impairment losses:</b>				
Balance as at 30 June 2017	–	–	1,121	1,121
Balance as at 30 June 2018	–	–	1,121	1,121
Balance as at 31 March 2019	–	–	1,121	1,121
<b>Net book value as at 31 March 2019</b>	<b>429</b>	<b>119</b>	<b>850</b>	<b>1,398</b>
<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>

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 2017	17,230	89,643	52,131	5,433	5,562	8,061	178,060
Additions	2,219	30	3,327	723	407	12,728	19,434
Disposals and write-offs	(271)	(1,864)	(3,425)	(979)	(1,225)	(367)	(8,131)
Transfers from investment property	302	–	–	–	–	–	302
Transfers to investment property	(219)	–	–	–	–	–	(219)
Reclassifications	107	8,518	1,830	157	68	(10,680)	–
Balance as at 30 June 2018	19,368	96,327	53,863	5,334	4,812	9,742	189,446
Additions	1,391	244	3,140	330	168	7,694	12,967
Disposals and write-offs	(2)	(730)	(1,386)	(437)	(162)	(9)	(2,726)
Transfers from investment property	179	–	–	–	–	–	179
Reclassifications	10	9,528	2,795	328	125	(12,786)	–
Balance as at 31 March 2019	20,946	105,369	58,412	5,555	4,943	4,641	199,866
<b>Accumulated depreciation:</b>							
Balance as at 30 June 2017	37	30,480	22,440	3,170	3,578	–	59,705
Charge for the year	46	5,770	4,544	706	734	–	11,800
Disposals and write-offs	(1)	(788)	(2,833)	(903)	(1,025)	–	(5,550)
Transfers to investment property	(1)	–	–	–	–	–	(1)
Reclassifications	–	–	–	128	(128)	–	–
Balance as at 30 June 2018	81	35,462	24,151	3,101	3,159	–	65,954
Charge for the year	35	3,843	3,227	331	385	–	7,821
Disposals and write-offs	–	(191)	(751)	(347)	(131)	–	(1,420)
Reclassifications	–	–	5	–	(5)	–	–
Balance as at 31 March 2019	116	39,114	26,632	3,085	3,408	–	72,355
<b>Impairment losses:</b>							
Balance as at 30 June 2017	–	399	10	–	–	–	409
Charge for the year	–	297	154	–	42	–	493
Balance as at 30 June 2018	–	696	164	–	42	–	902
Disposals and write-offs	–	(29)	(1)	–	–	–	(30)
Balance as at 31 March 2019	–	667	163	–	42	–	872
<b>Net book value as at 31 March 2019</b>	<b>20,830</b>	<b>65,588</b>	<b>31,617</b>	<b>2,470</b>	<b>1,493</b>	<b>4,641</b>	<b>126,639</b>
<b>Net book value as at 30 June 2018</b>	<b>19,287</b>	<b>60,169</b>	<b>29,548</b>	<b>2,233</b>	<b>1,611</b>	<b>9,742</b>	<b>122,590</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>

As at 30 June 2018 the Group reviewed useful lives, residual values and depreciation methods and made decision to change the useful lives, residual values for property, plant and equipment groups and subgroups and related grants.

As the result of these changes, the Group's depreciation charge for the period ended 31 March 2019 is EUR 7,821 thousand, instead of EUR 9,757 thousand calculated by previous useful lives and residual values. The amortization of grants for the period ended 31 March 2019 is EUR 524 thousand, instead of EUR 699 thousand calculated by previous useful lives and residual values.

## 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 2017	1,376	131	1,507
Transfers to property, plant and equipment	(302)	–	(302)
Transfers from property, plant and equipment	219	–	219
Balance as at 30 June 2018	1,293	131	1,424
Disposals and write-offs	(26)	(7)	(33)
Transfers to property, plant and equipment	(179)	–	(179)
Balance as at 31 March 2019	1,088	124	1,212
<b>Accumulated depreciation:</b>			
Balance as at 30 June 2017	–	48	48
Charge for the year	1	7	8
Transfers from property, plant and equipment	1	–	1
Balance as at 30 June 2018	2	55	57
Charge for the year	1	2	3
Disposals and write-offs	–	(7)	(7)
Balance as at 31 March 2019	3	50	53
<b>Impairment losses:</b>			
Balance as at 30 June 2017	51	–	51
Balance as at 30 June 2018	51	–	51
Balance as at 31 March 2019	51	–	51
<b>Net book value as at 31 March 2019</b>	<b>1,034</b>	<b>74</b>	<b>1,108</b>
<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>

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



## 8. BORROWINGS

	As at 31 March 2019	As at 30 June 2018
<b>Non-current borrowings</b>		
Bank borrowings secured by the Group assets	29,782	27,171
Other non-current borrowings	9	9
	<b>29,791</b>	<b>27,180</b>
<b>Current borrowings</b>		
Current portion of non-current bank borrowings	4,270	6,835
Current bank borrowings secured by the Group assets	167,165	117,110
Other current borrowings	4,952	999
	<b>176,387</b>	<b>124,944</b>
	<b>206,178</b>	<b>152,124</b>

Interest payable is normally settled monthly throughout the financial year.

## 9. OPERATING EXPENSES

	2018/2019 9 month	2017/2018 9 month
Wages and salaries and social security	(15,068)	(17,017)
Consulting expenses	(515)	(446)
Depreciation and amortization	(785)	(1,303)
Other	(8,737)	(8,103)
	<b>(25,105)</b>	<b>(26,869)</b>

## 10. OTHER INCOME (EXPENSES)

	2018/2019 9 month	2017/2018 9 month
<b>Other income</b>		
Gain from currency exchange	–	308
Rental income from investment property and property, plant and equipment	152	187
Gain from disposal of investment property and property, plant and equipment	596	387
Dividend income	3	–
Change in fair value of currency financial instruments	625	1,042
Other income	136	242
	<b>1,512</b>	<b>2,166</b>
<b>Other (expenses)</b>		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(261)	(365)
Loss from disposal of property, plant and equipment	(508)	(22)
Currency exchange loss	(55)	–
Change in fair value of currency financial instruments	(799)	(607)
Other expenses	(256)	(149)
	<b>(1,879)</b>	<b>(1,143)</b>

## 11. COMMITMENTS AND CONTINGENCIES

As at 31 March 2019 the Group is committed to purchase property, plant and equipment for the total amount of EUR 2,709 thousand (EUR 4,168 thousand as at 30 June 2018).

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, 2022, 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 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, AS Putnu fabrika Kekava – up to the end 2020, 2022 and 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 3,080 thousand as at 31 March 2019 (EUR 3,080 thousand as at 30 June 2018).

In August 2018 the Group company AB Linas Agro received a ruling from the Customs of the Republic of Lithuania (hereafter – Customs) stating that Customs made additional calculation for the calendar year 2016 – 2017. The decision increased the taxes in EUR 644 thousand for fertilizers import in mentioned period. The AB Linas Agro management estimate the possibility to pay the taxes is 50 % and recognized as accruals in EUR 322 thousand amount and deferred tax asset in EUR 48 thousand for the year ended 31 March 2019. The AB Linas Agro management does not concur with Customs assessment and the decision is appealed.

## 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 31 March 2019 and 30 June 2018 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).  
 Lobiu Sala AS (Sweden) (Jonas Bakšys is the Member of Board of this company).  
 Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).

The Group's transactions with related parties in 9 month period ended 31 March 2019 were as follows:

### 2019 3 Q

	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Payments received in advance
			Trade receivables	Other receivable			
Akola ApS group companies	461	19,407	143	–	–	61	1,669
Members of management board	–	–	–	–	–	–	–

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 31 March 2019 and 30 June 2018.

## 13. SUBSEQUENT EVENTS

There are no subsequent events.