



**Consolidated Interim Report
of AB Linas Agro Group**

**for the Six-month Period
of the Financial Year 2018/19,
Ended 31 December, 2018**



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1. Reporting period of the Interim Report

Financial year of AB Linas Agro Group starts on 1 July of the calendar year and ends on 30 June of the next year, therefore this interim report is prepared for the first six months of the financial year 2018/19, and all the figures are stated as at 31 December 2018, unless otherwise indicated. AB Linas Agro Group is also referred to as the Company and its group of companies is referred to as Group in this report.

2. References and other explanatory notes on the information disclosed in the Report

All financial data in this semi-annual report are prepared in accordance with Financial Reporting Standards unless otherwise stated. Financial result is unaudited.

3. 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
Fax	+370 45 50 73 04
E-mail	group@linasagro.lt
Website	www.linasagro.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 41 companies. The Company does not have any branches and representative offices.

3.1. 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 preparation 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.



Products and services for farming



Agricultural production



Grain and feedstuff handling and merchandising



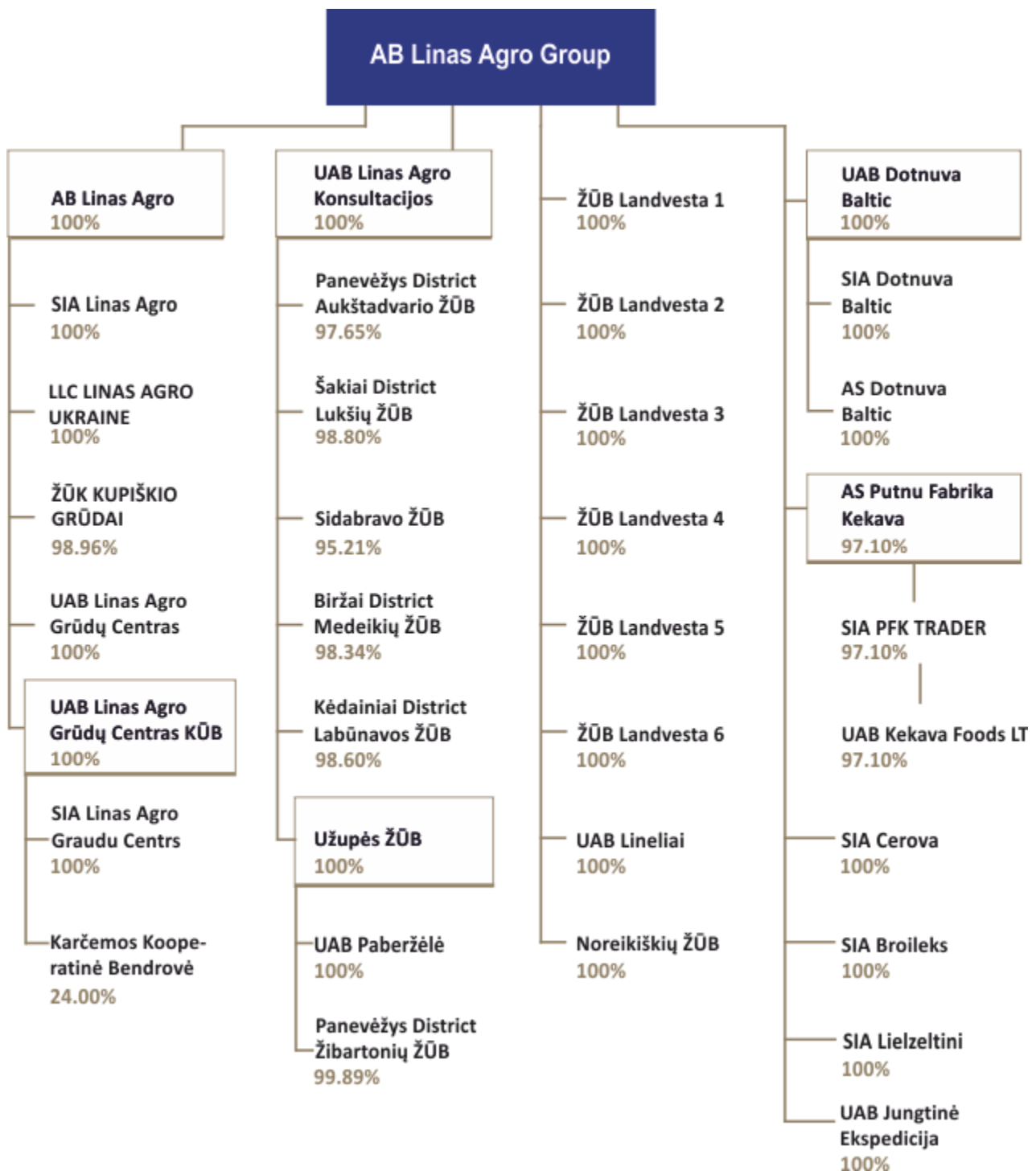
Food products

3.2. Information about subsidiaries of the Company

3.2.1. Effective Stock held by AB Linas Agro Group

The Company controlled 40 companies* in Lithuania, Latvia and Estonia as at 31 December 2018.

*Dormant companies and the companies undergoing liquidation or merge 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), SIA Erfolg Group (under liquidation, 97.10% shares), SIA Paleo (under merge to SIA Linas Agro Graudu Centrs, 100% shares).



3.2.2. Shareholding structure of the companies

As at 31 December 2018, AB Linas Agro Group controlled, either directly or indirectly, the following companies*:

*Dormant companies UAB Gerera (100% shares owned by AB Linas Agro), UAB Dotnuvos Technika (100% shares owned by UAB Dotnuva Baltic), the companies under liquidation SIA Erfolg Group (100% shares owned by AS Putnu Fabrika Kekava) and Linas Agro A/S (100% shares owned by AB Linas Agro), also SIA Paleo (under merge to SIA Linas Agro Graudu Centrs, 100% shares) are not included.

** AB Linas Agro Group and UAB Linas Agro Grūdų Centras hold 50% of votes each in UAB Linas Agro Grūdų Centras KŪB.

*** The Group owns 24% parts of Karčemos Kooperatinė Bendrovė, but controls this company and consolidates in the financial statements.

Company	Status	Share of the stock held by companies				Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Linas Agro Konsultacijos	UAB Linas Agro Grūdų centras	
AB Linas Agro	Subsidiary	100%				100%
SIA Linas Agro	Subsidiary		100%			100%
UAB Linas Agro Grūdų Centras	Subsidiary		100%			100%
UAB Linas Agro Grūdų Centras KŪB **	Subsidiary	59.56%	40.43%		0.01%	100%
SIA Linas Agro Graudu Centrs LLC LINAS AGRO UKRAINE	Subsidiary				100%	100%
UAB Linas Agro Konsultacijos	Subsidiary	100%				100%
Noreikiškių ŽŪB	Subsidiary	99.95%		0.05%		100%
Panevėžys District Aukštadvario ŽŪB	Subsidiary			97.65%		97.65%
Sidabravo ŽŪB	Subsidiary			95.21%		95.21%
Šakiai District Lukšių ŽŪB	Subsidiary			98.80%		98.80%
Biržai District Medeikių ŽŪB	Subsidiary			98.28%	Kėdainiai District Labūnavos ŽŪB owns 0.06% parts of the company	98.34%
Kėdainiai District Labūnavos ŽŪB	Subsidiary			98.60%		98.60%
Užupės ŽŪB	Subsidiary	0.05%		99.95%		100%
Panevėžys District Žibartonių ŽŪB	Subsidiary	0.05%		49.02%	Užupės ŽŪB owns 50.82% parts of the company	99.89%

Company	Status	Share of the stock held by companies			Share of the stock held by the Group
		AB Linas Agro Group	AB Linas Agro	UAB Dotnuva Baltic	
UAB Paberžėlė	Subsidiary	Užupės ŽŪB owns 100% shares of the company			100%
UAB Lineliai	Subsidiary	100%			100%
ŽŪB Landvesta 1	Subsidiary	76.47%	23.53%		100%
ŽŪB Landvesta 2	Subsidiary	76.97%	23.03%		100%
ŽŪB Landvesta 3	Subsidiary	13.91%	86.09%		100%
ŽŪB Landvesta 4	Subsidiary	26.42%	73.58%		100%
ŽŪB Landvesta 5	Subsidiary	66.71%	33.29%		100%
ŽŪB Landvesta 6	Subsidiary	15.51%	84.49%		100%
ŽŪK KUPIŠKIO GRŪDAI	Subsidiary	Lukšių ŽŪB, Aukštadvario ŽŪB and Sidabravo ŽŪB holds 6.29%, Medeikių ŽŪB – 31.45%, AB Linas Agro – 49.69% parts of the company			98.96%
UAB Dotnuva Baltic	Subsidiary	100%			100%
SIA Dotnuva Baltic	Subsidiary			100%	100%
AS Dotnuva Baltic	Subsidiary			100%	100%
UAB Jungtinė Ekspedicija	Subsidiary	100%			100%
Karčemos Kooperatinė Bendrovė***	Subsidiary	UAB Linas Agro Grūdų centras KŪB owns 20% parts of the company and Panevėžys District Žibartonių ŽŪB own 4% parts of the company			24%

Company	Status	Share of the stock held by companies			Share of the stock held by the Group
		AB Linas Agro Group	AS Putnu Fabrika Kekava	SIA Lielzeltini	
AS Putnu Fabrika Kekava	Subsidiary	60.82%		36.28%	97.10%
SIA PFK Trader	Subsidiary		100%		97.10%
SIA Lielzeltini	Subsidiary	100%			100%
SIA Cerova	Subsidiary	100%			100%
SIA Broileks	Subsidiary	100%			100%
UAB Kekava Foods LT	Subsidiary	SIA PFK Trader owns 100% shares of the company.			97.10%

3.2.3. Activities and contact data of the companies of the Group*

* Dormant companies are not included:

1. UAB Gerera, private limited liability company, founded 15/1/1993, code of legal entity 147676584, address Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras);
2. UAB Dotnuvos Technika, private limited liability company, founded 25/6/1998, code of legal entity 161452398, address Parko St. 6, Akademija, LT-58351 Kėdainiai District, Lithuania, company register – State Enterprise Centre of Registers (Valstybės įmonė Registrų centras).
3. SIA Erfolg Group, private limited liability company under liquidation, founded 30/11/2009, code of legal entity 50103261581, address Gaismas iela 2A-48, Kekava, Kekava district, Latvia, company register – Register of Enterprises of the Republic of Latvia.
4. Linas Agro A/S, private limited liability company under liquidation, founded 15/3/1994, code of legal entity CVR 17689037, address Vinkel Allé 1, DK-9000 Aalborg, Denmark, register of the company – Danish Commerce and Companies Agency.
5. SIA Paleo, private limited liability company under merge to SIA Linas Agro Graudu centrs, founded 15/02/ 2000, code of legal entity 40003480783, address “Iecavas baze”, Iecavas district., LV-3913 Latvia, company register – Register of Enterprises of the Republic of Latvia.

Subsidiaries in Lithuania

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
AB Linas Agro	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs supply	8/7/1991, Code of legal entity 1473 28026, public limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 333 Fax +370 45 507 444 E-mail info@linasagro.lt www.linasagro.lt , www.rapsai.lt
UAB Linas Agro Grūdų Centras	Management services	5/7/2002, Code of legal entity 148450944, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 365 Fax +370 45 507 344 E-mail grudai@linasagro.lt
UAB Linas Agro Grūdų Centras KŪB	Grain processing and storage	10/7/2002, Code of legal entity 148451131, limited partnership, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 343 Fax +370 45 507 344 E-mail grudu.centras@linasagro.lt
UAB Linas Agro Konsultacijos	Management of subsidiary farming companies	23/6/2003, Code of legal entity 248520920, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibuoklių St. 14, LT-57125 Kėdainiai, Lithuania Ph. +370 688 674 29 E-mail konsultavimas@linasagro.lt
ŽŪB Landvesta 1	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501060, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 2	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501085, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
ŽŪB Landvesta 3	Rent and management of agricultural purposes land	21/10/2005, Code of legal entity 300501092, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 4	Rent and management of agricultural purposes land	23/04/2007, Code of legal entity 300709428, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143, Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 5	Rent and management of agricultural purposes land	16/8/2007, Code of legal entity 301019661, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
ŽŪB Landvesta 6	Rent and management of agricultural purposes land	14/1/2008, Code of legal entity 301520074, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail info@landvesta.lt
UAB Dotnuva Baltic	Sale of seeds, agricultural machinery	5/3/1996, Code of legal entity 261415970, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Parko St. 6, Akademija, 58351 Kėdainiai district, Lithuania Ph.+370 347 370 30 Fax +370 347 370 40 E-mail info@dotnuvabaltic.lt www.dotnuvabaltic.lt
Noreikiškių ŽŪB	Rent and management of agricultural purposes land	16/8/2012, Code of legal entity 302841649, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 70, Žibartoniai vill. LT-38323 Panevėžys district, Lithuania Ph.+370 45 507 333 Fax +370 45 507 444 E-mail noreikiskes@linasagro.lt
Užupės ŽŪB	Mixed agricultural activities	6/4/2011, Code of legal entity 302612561, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill. LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail uzupe@linasagro.lt
UAB Paberžėlė	Rent and management of agricultural purposes land	30/6/2008, Code of legal entity 301772627, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Liaudės St. 81, Užupės vill., LT-58311 Kėdainiai district, Lithuania Ph. +370 698 58583 E-mail paberzele@linasagro.lt
UAB Lineliai	Rent and management of agricultural purposes land	9/3/2012, Code of legal entity 302740714, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Smėlynės St. 2C, LT-35143 Panevėžys, Lithuania Ph. +370 45 507 406 Fax +370 45 507 404 E-mail lineliai@linasagro.lt
Šakiai District Lukšių ŽŪB	Mixed agricultural activities	30/10/1992, Code of legal entity 174317183, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Lukšių vill. 2, LT-71176 Šakiai district, Lithuania Ph. +370 345 442 88 Fax +370 345 442 25 E-mail luksiai@linasagro.lt

Company name	Principal activities	Registration date, code of legal entity, legal form, company register	Contact data
Kėdainiai District Labūnavos ŽŪB	Mixed agricultural activities	25/2/1992, Code of legal entity 161228959, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Barupės St. 9, Labūnavos vill. LT-58173 Kėdainiai district, Lithuania Ph. + 370 347 34 4166 Fax + 370 347 34 180 E-mail labunava@linasagro.lt
Biržai District Medeikių ŽŪB	Growing and sale of crop	5/10/1992, Code of legal entity 154771488, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Biržų St.32, Medeikių vill., LT-41462 Biržai district, Lithuania Ph. +370 450 584 22 Fax +370 450 584 12 E-mail medeikiai@linasagro.lt
ŽŪK KUPIŠKIO GRŪDAI	Grain processing and storage	8/4/1999, Code of legal entity 160189745, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Technikos St. 6D, LT-40122 Kupiškis, Lithuania Ph./Fax +370 459 529 16 E-mail info@kupiskiogrudai.lt
Panevėžys District Aukštadvario ŽŪB	Mixed agricultural activities	9/3/1993, Code of legal entity 168573274, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pirties St. 3, Aukštadvario vill. LT-38255 Panevėžys district, Lithuania Ph./fax +370 45 592 651 E-mail aukstadvaris@linasagro.lt
Sidabravo ŽŪB	Mixed agricultural activities	20/4/1993, Code of legal entity 171331516, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Pergalės St. 1A, Sidabravas, LT-82251 Radviliškis district, Lithuania Ph. +370 422 477 27 Fax +370 422 476 18 E-mail sidabravas@linasagro.lt
UAB Jungtinė Ekspedicija	Logistics and forwarding services	17/2/1998, Code of legal entity 141642963, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Nemuno g. 2A, LT-91199 Klaipėda, Lithuania Ph. +370 46 310 163 Fax +370 46 312 529 E-mail info@je.lt www.je.lt
Panevėžys District Žibartonių ŽŪB	Mixed agricultural activities	22/5/1992, Code of legal entity 168521815, agricultural company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Žibartonių St. 74, Žibartoniai vill., LT-78323 Panevėžys district, Lithuania Ph. +370 45 557 444 Fax +370 45 557 486 E-mail zibartoniai@linasagro.lt
Karčemos Kooperatinė Bendrovė	Grain processing and storage	9/3/2010, Code of legal entity 302487798, co-operative society, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Šiaulių St. 72, Gustonys vill. LT-38355 Panevėžys district, Lithuania Ph. +370 45 454 051 Fax +370 45 454 054 E-mail priemimas@karcemoskb.lt
UAB Kekava Foods LT	Retail in specialized stores	8/3/2018, Code of legal entity 304784428, private limited liability company, Register of Enterprises of Republic of Lithuania, VĮ Registrų centras	Subačiaus St. 5, 01302 Vilnius, Lithuania Ph. +370 612 03 958 E-mail kekava.foods@linasagro.lt

Subsidiaries operating in foreign countries

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Linas Agro	Wholesale trade of grains and oilseeds, agricultural inputs supply	23/4/2003, Code of legal entity 53603019011, Register of Enterprises of the Republic of Latvia	Bauskas St. 2, LV-3001 Jelgava, Latvia Ph. +371 630 840 24 Fax +371 630 842 24 E-mail info@linasagro.lv www.rapsim.lv
SIA Linas Agro Graudu Centrs	Grain processing and storage	2/5/2013, Code of legal entity 43603059101, Register of Enterprises of the Republic of Latvia	"Jaunsalieši", LV-5202 Jekabpils, Latvia Ph. +371 220 001 82 E-mail graudu.centrs@linasagro.lv
LLC LINAS AGRO UKRAINE	Representative office	30/07/2018, Code of legal entity 42340549, The United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations of Ukraine	Legal address: Verhniy Val St. 28, Kiev, 04071, Ukraine Ph. + 380 96 634 24 02 E-mail info.ukraine@linasagro.lv
SIA Dotnuva Baltic	Sale of seeds, agricultural machinery	26/04/2010, Code of legal entity 43603041881, Register of Enterprises of the Republic of Latvia	Jūrmalas St. 13C, Pinki, LV–2107 Babītes district, Latvia Ph. +371 679 131 61 Fax +371 677 602 52 E-mail info@dotnuvabaltic.lv www.dotnuvabaltic.lv
AS Dotnuva Baltic	Sale of seeds, agricultural machinery	11/11/2010, Code of legal entity 12019737, Estonian Central Register of Securities (Eesti Väärtpaberikeskus AS)	Savimäe 7, Vahi 60534, Tartu district, Estonia Ph. +372 661 2800 Fax +372 661 8004 E-mail info@dotnuvabaltic.ee www.dotnuvabaltic.ee
AS Putnu Fabrika Kekava	Poultry farming, production and marketing of poultry and poultry products	11/6/1991, Code of legal entity 50003007411, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA PFK TRADER	Food retail	26/8/2013, Code of legal entity 40103703853, Register of Enterprises of the Republic of Latvia	Kekava, Kekava district, LV-2123 Latvia Ph. +371 6787 4000 Fax +371 6787 4001 E-mail info@pfkekava.lv www.vistas.lv
SIA Lielzeltini	Poultry farming, production and marketing of poultry and poultry products, feed production	7/7/1994, Code of legal entity 40003205232, Register of Enterprises of the Republic of Latvia	"Mazzeltini", Janeikas, Bauskas district, Latvia Ph. +371 6396 0770 Fax +371 6396 0768 E-mail lielteltini@lielteltini.lv www.lielteltini.lv
SIA Broileks	Chicken breeding and sale	7/12/2009, Code of legal entity 50103262981, Register of Enterprises of the Republic of Latvia	Gaismas St. 2A-48, Kekava LV-2123, Latvia Ph./Fax +371 67313182

Company name	Principal activities	Registration date, code of legal entity, company register	Contact data
SIA Cerova	Egg incubation and chicken sale	8/10/2003, Code of legal entity 43603019946, Register of Enterprises of the Republic of Latvia	Centra St. 11, Musa, Bauskas district, Latvia Ph. +371 2633 4110 Fax +371 6392 6234 E-mail cerova@latnet.lv

4. Employees

As at 31 December 2018 the number of employees of the Group was 2,130 or 71 employees less than as at 31 December 2017 (2,201).

AB Linas Agro Group has no collective agreement.

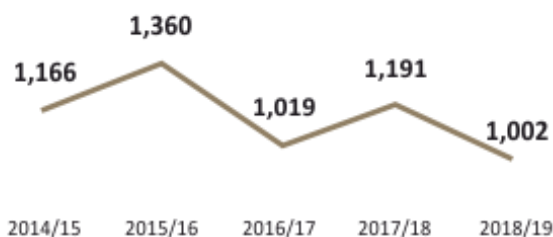
5. Activity and Financial Results of the Group

- Consolidated revenue of AB Linas Agro Group in six months of 2018/19 financial year totaled EUR 329 million and was 1.3% more as compared to previous year (EUR 325 million).
- The Group's sales volume in tons reached 1 million and was 16% less as compared to previous year (1.2 million tons).
- The gross profit reached EUR 20.5 million and was 24.5% less than a year before (EUR 27.1 million).
- Consolidated EBITDA amounted to EUR 8 million and was 44% less and as compared to the previous year (EUR 14.5 million).
- The Group's operating profit was EUR 2.7 million or 66% less as compared to the respective period of the previous year (EUR 8.5 million).
- Profit before taxes amounted to EUR 1.5 million (compared to EUR 7.5 million previous year). The net profit attributable to the Group stood at EUR 1.1 million (EUR 6.7 million previous year).
- The gross profit in the second quarter of this financial year decreased from EUR 12.6 million to EUR 8.1 million, and the operating loss amounted to EUR 1.7 million compared to EUR 2.2 million operating profit from previous year. The net loss reached EUR 2.2 million in Q2 as compared to profit of EUR 2.1 million a year ago.

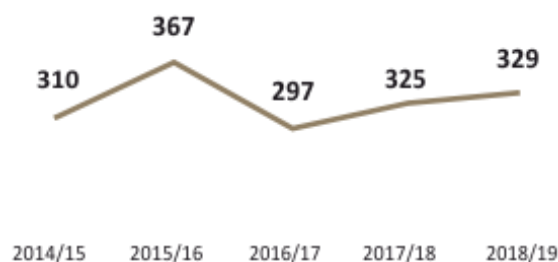
5.1. Financial indicators

	2018/19 6 months	2017/18 6 months	2016/17 6 months	2015/16 6 months	2014/15 6 months
Sales in tons	1,002,876	1,190,608	1,018,791	1,360,481	1,166,017
Sales revenue (thousand EUR)	328,923	324,764	297,193	366,981	310,366
Gross profit (thousand EUR)	20,482	27,143	21,755	25,266	16,739
Gross profit margin, %	6	8	7	7	5
EBITDA (thousand EUR)	8,063	14,549	8,575	13,649	8,686
EBITDA margin, %	3	5	3	4	3
Operating profit (thousand EUR)	2,748	8,486	3,657	9,256	3,731
Operating profit margin, %	1	3	1	2	1
Earnings before taxes EBT (thousand EUR)	1,470	7,490	2,584	8,386	2,700
Earnings before taxes margin, %	0.4	2	1	2	1
Net profit (thousand EUR)	1,186	6,861	1,709	7,075	2,064
Net profit margin, %	0.4	2	0.6	2	0.7
Current ratio	1.3	1.4	1.3	1.7	1.5
Debt / Equity ratio	0.6	0.9	0.9	0.6	0.8
Net financial debt / EBITDA	27	10.2	16.5	7.0	12.8
Return on equity (ROE), %	0.6	3.9	1.0	4.3	1.2
Return on capital employed (ROCE), %	0,7	2.5	0.8	3.4	1.4
Basic and diluted earnings per share (EUR) (EPS)	0.01	0.04	0.01	0.04	0.01

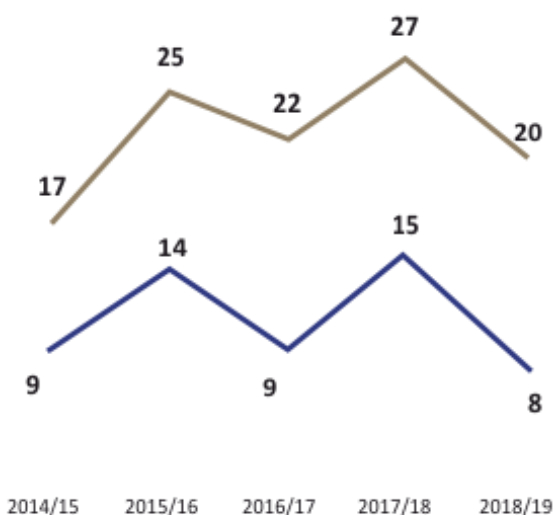
Sales volume in thousand tons



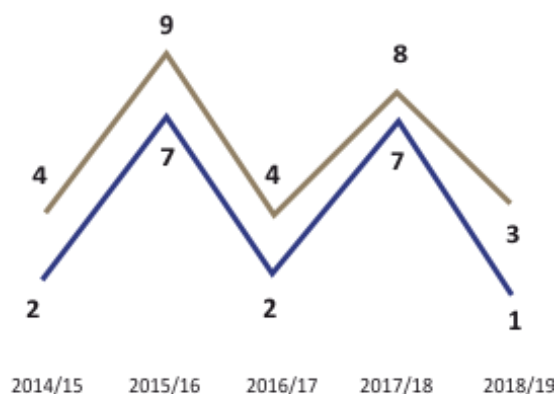
Sales revenue, EUR million



Gross profit and EBITDA, EUR million



Operating and Net profit, EUR million



■ Gross profit ■ EBITDA

■ Operating profit ■ Net profit

5.2. Overview

As per updated data of International Grain Council (IGC), the world grain and oilseed production will be around 2,121 million tons in 2018 and will be 1% less as compared to that in 2017 (2,142 million tons), while world grain ending stocks have shrunk by 8% from 646 million to 593 million tons. Therefore, the global prices for various grains and oilseeds over July-December period went up as compared to the respective period of previous year. For instance, the price of wheat on Euronext exchange ranged between 180 and 205 euros per ton in July-December, while previous year it has been EUR 150-180 per ton.

The harvest situation in all Baltic countries was a real challenge for agricultural business. The very wet autumn of 2017 in all the Baltic States hampered the planting of winter crops that are usually more fertile, while the droughty summer of 2018 reduced the yield of spring crops or even completely destroyed some of them. In 2018, cereal harvest in Lithuania was 21% lower than in 2017 and almost reached 4 million tons, rapeseed yield shrunk by 20% to 544 thousand tons. In Latvia, the yield of cereals was 2 million tons or 24% lower. In Estonia, crop yield fell by 30% to 0.9 million tons.

The tendencies of increase in farm size, growth of co-operation, and the collapse of small livestock farms is further monitored. The changing structure of farms and the shrinking market in the Baltics has increased competition in all activities over the current half-year. This has encouraged suppliers of goods and services to the farmers to enhance their sales structures and search for new attractive offers to the market.

Due to decreased yield in Lithuania and Latvia and increased competition, AB Linas Agro Group sales volume in tons dropped from 1.2 million tons in previous year to 1 million tons. The biggest drop was observed in traditional products group - wheat, barley and rapeseed – as their sales in tons plunged 29% to 572 thousand tons. The decreased yield had a negative impact on performance of Group controlled elevators as total volume of various grains they processed dropped 27% 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 by 52%.

Group's consolidated revenue of the first six months of 2018/19 financial year had a slight increase of 1.3% from EUR 325 million and amounted to EUR 329 million. Revenue of the largest Group's business Segment 'Grain and Feedstuff Handling and Merchandising' remained almost unchanged (a slight decrease of 1.6%) and were EUR 209.8 million compared to EUR 213.3 million in previous year. The fall in sales was mitigated by the increase in feedstuff sales, which increased by 47% from EUR 56 million to EUR 83 million. Revenue went up also due to increased world prices on various grains as those rose in a range of 15-20%. Sales in business Segment 'Products and Services for Farming' also increased 3.8%, where revenues from fertilizers and plant protection products businesses went up 10% and 16% accordingly. Revenue from business Segment 'Food products' grew 16%. Due to the draught the crop production in Group controlled farms was 27% less as compared to 2017 year, but drop in their revenue was not that big because of high grain prices and equal to 9.5%.

The Group's operating profit amounted to EUR 2.8 million and EBITDA was EUR 8.1 million as compared to corresponding EUR 8.5 million and EUR 14.6 million a year before. The Group's net profit amounted to EUR 1.2 million as compared to EUR 6.9 million in 2017/18 financial year.

To reduce operating costs, the Group is carrying out some transformations in the organizational structure:

- Closing the dormant company in Latvia- SIA Erfolg Group; the liquidation process is expected to be over in January, 2019;
- Merging the fertilizer warehousing company SIA Paleo to the grain elevators company SIA Linas Agro Graudu Centrs, expecting to complete this process by March, 2019.

5.3. Financial Costs

Due to increased financial loans portfolio, Group's financial expenses over referenced period increased as well and amounted to EUR 1.6 million compared to that in 2017/18 financial year (EUR 1.3 million). The total amount of financial loans portfolio (including leasing) grew from EUR 160 million to EUR 226 million. The amount of financial loans over first six months of this financial year grew by EUR 72 million since July due to increased various stocks and undergoing long-term investments into Group's business operations.

5.4. Cash Flow

Group's cash flow from operating activities before the changes in the working capital decreased to EUR 2 million as compared to EUR 15.9 million in the corresponding period of the previous year and were negative. Cash flow from operating activities after changes in working capital was negative and amounted to

EUR 95.5 million (negative EUR 61.9 million over the respective period of 2017/18 financial year), the reason was increase of stocks by EUR 116 million over first six months of this financial year as the trading season accelerated. Group's cash and cash equivalents amounted to EUR 7.5 million at the end of the reporting period (EUR 10.6 million in 2017/18 financial year).

5.5. Investments

During the reporting period, the Group's subsidiaries have invested over EUR 9.2 million. Major investments of the Group by character:

Investment object	Investment amount, thousand EUR
Grain storage equipment, warehouses, buildings, various appliances and other machinery	2,738
Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land	3,890
Modernization and renovation of poultry farms	2,532

5.6. 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.

5.6.1. Operating Profit (loss) by Segments, thousand euro

	2018/19 6 months	2017/18 6 months	2016/17 6 months	2015/16 6 months	2014/15 6 months
Grain and Feedstuff Handling and Merchandising	3,185	6,718	4,058	10,660	2,598
Products and Services for Farming	965	2,750	2,157	1,559	1,338
Agricultural Production	(560)	474	(875)	(1,307)	(1,376)
Food products	1,124	1,533	499	252	2,557
Other	(176)	41	134	59	49

5.6.2. 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 consistently expands the capacity of its own grain elevators, and currently the Group's own storage capacity for various grains and other agricultural commodities in Lithuania and Latvia is close to 331 thousand tons. The capacities of the storage facilities at ports operated by the Group reach 211 thousand tons. 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 grain yield in the Baltic States and 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 the challenge of selling high-quality wheat, which is usually in demand on the market. The main importers of such wheat are Spain and Turkey. Spain itself has grown the necessary quantity of wheat and imports only small quantities from Kazakhstan; Russia, having improved relations with Turkey, has renewed wheat exports to Turkey through the Black Sea, pushing out the Baltic grain from the market.

The total sales volume of grain, oilseed and feedstuff dropped 17% from during the reporting period from 953 thousand tons to 793 thousand tons. Grain elevators owned by the Group collected and processed over 341 thousand tons of various agricultural commodities or 27% less as compared to the respective period of the 2017/18 financial year (466 thousand tons). The sales of traditional crops (wheat, rapeseed, barley) decreased the most by 29%: their trading volumes dropped from 807 thousand tons to 572 thousand tons. Due increased world prices for various cereals, their sales revenue decreased not as much and amounted to EUR 125 million. At the same time sales of feedstuff in tons accelerated by 52% and sales revenue went up from EUR 56 million to EUR 83 million. The increased demand for feed 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.

The total revenue of this business Segment dropped from EUR 213 million to EUR 209 million. Segment's operating profit dropped 48% from EUR 6.7 million to EUR 3.2 million.

Over 2.3 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 16% as compared to previous year up to over 66 thousand tons.

Taking into consideration the increased competition in export markets, lower yields in the Baltic States and reduced demand for grain drying service because of the nice harvesting season, also grain stocks after the end of the reporting period and grain price fluctuations in the market, the Group's management does not expect a positive result for this segment in this financial year.

5.6.3. 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 Group is constantly increasing its own warehousing capacity, and currently the total storage capacity for

warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia is almost 105 thousand tons.

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. The company has a certificate in preparation and trade of organic seeds issued by the PE Ekoagros. 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, whereas Kverneland plows hold over 40% plow market share, and Agrifac self-propelled sprayers' market share is at 30%. The Group is among 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 already been transferred from UAB Dotnuva Baltic to AB Linas Agro, also agricultural inputs sales and back office teams of Linas Agro and Dotnuva Baltic were merged in Lithuania, the same process is taking place in Latvia as well. It is planned that in the next financial year the offices of Dotnuva Baltic and Linas Agro in Latvia will be located in one building. The office and trade center that will be opened in summer 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.

Autumn weather in 2018 was favorable for sowing, therefore the record area of 1.028 million ha has been planted with winter crops in Lithuania or even 49.9% more than a year before. The increased crop area and readiness for the growing season have had a positive impact on the sales of fertilizers, plant protection products and micro-nutrients, which has grown by 7% up to EUR 45 million.

Although winter crop area has increased, the financial situation of farmers has worsened considerably due to the damage caused by drought and the decrease of the yield in 2018, therefore farmers, willing to save costs, have used their homemade seeds, which were of quite a good quality. The market for certified seeds has shrunk 28% during the reporting period to 29,560 tons. The Group's sales of certified seeds were 24% less than in previous year and a bit more than 11 thousand tons. However, more expensive seeds (rapeseed, hybrid barley, wheat) were traded, therefore revenue, gained from seed sales, decreased just 6%. The Group's seed factory in Dotnuva produced 12% less production during the reporting period than a year before. In the second quarter of the year, the finishing works of the grass seed line took place to be ready for the spring trading season.

This year, the tendency of the purchase of agricultural machinery in Lithuania is influenced by two latest unfavorable growing seasons. The second consecutive year of poor harvest in the Baltic States, fluctuations in grain prices and a more complicated financial and economic situation of farms have significantly decreased farmers' investments into grain complexes, new agricultural machinery and other equipment. In Lithuania, a very small number of clients plan to use EU support for grain processing equipment, while Latvian farmers are planning to invest in grain complexes, but many of them are looking for EU support and postponing investments. The EU funding program for agricultural modernization, that has been announced at the end of the year, did not boost the market, as it will reach small and medium-sized farms only in years 2020-2021. Investments in the development of milk production were even less significant. Although dairy prices have been declining recently, farmers are still planning to expand production, but are

waiting for EU funding, therefore the Group expects significant sales of farm equipment only in the next financial year. As the market has shrunken, competition has noticeably increased.

Sales of the new agricultural machinery went up in Lithuania and down in Latvia and Estonia. The Group's revenue from the sale of new agricultural machinery decreased by 2% to almost EUR 16 million. Meanwhile, the demand for used machinery and machinery rent service has increased notably. Sales of used machinery increased, total sales revenue went up 73% up to EUR 1.7 million. Sales revenue from trading spare parts went up 11% to EUR 4.3 million.

Due to lower 2018 cereals yield and especially favorable weather conditions during the harvesting season (no need to dry grain) farmers have slowed down investments in grain elevators, dryers and warehouses. Revenue from this business gained during the reporting period was almost EUR 5.8 million or 5% less as compared to previous year (EUR 6 million).

Revenue from this business Segment increased by 4% from EUR 71 million to EUR million 74. The gross profit went down 8% and amounted to EUR 8.3 million as compared to EUR 9 million in FY 2017/18, while operating profit decreased 65% from EUR 2.8 million to EUR 1 million.

Over 111 thousand euros were invested during the reporting period to expand fertilizers storage facilities, over 395 thousand euros to build the mutual Dotnuva Baltic and Linas Agro office, trading and service center in Latvia.

The Group predicts that operating profit of this business Segment will remain the same as it was in 2017/18.

5.6.4. 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 had 7,489 ha of the own arable land. The harvested area amounted to 13,775 hectares, and 9,398 ha area or 28% more was planted with winter crops- mainly wheat and rapeseed. The quality of planted crops was very good at the end of the reporting period.

The farming companies produced 77 thousand tons of agricultural production or 24% less than previous financial year. The amount of harvested wheat was the largest one - 33 thousand tons, of malting barley - almost 13 thousand, of rapeseed - 8 thousand tons, peas - 7 thousand tons, as much as 12 thousand tons of sugar beet were yielded. The average wheat yield was 5.76 t/ha, malting barley yield – 4.76 t/ha, rapeseed – 3.20 t/ha, and beans – 3.91 t/ha.

As much as 51 thousand tons of agricultural commodities were sold or 15% less than a year before. About 53% of the products have been sold to the other companies of the Group and 47% marketed outside the Group.

The Group controlled farms own 3,214 dairy cows, their number remained almost unchanged. Although milk yields in the farming companies of the Group have decreased due to the hot weather during the first three months of the reporting period, milk yields went up 3% over the first half of the financial year. Over 15 thousand tons of raw milk have been sold over the referenced period, or 3% more than a year before. The average milk purchase price over the six-month period was 12.7% less than a year before, therefore sales

revenue dropped from EUR 5.8 million to EUR 5.4 million. Meat sales volume was 724 tons (731 tons a year before).

The revenue of this business Segment dropped 10% from EUR 18.1 million to EUR 16.4 million and operating profit of EUR 0.5 million, gained previous year, has turned into loss amounting to EUR 0.6 million. The reason of decrease was drop in the yield of cereals and lower milk purchase prices.

During the reporting period, the Group invested EUR 3.9 million to update agricultural machinery and vehicles fleet, also renovate dairy farms. A part of the cow herd was moved to a new and modern farm with milking parlor at the Šakiai District Lukšiai agricultural company. A new slurry storage tank was mounted at Panevėžys District Žibartoniai agricultural company, also farms are being reconstructed.

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.

The Group expects the operating profit of this business Segment to be 25% less as compared to previous year.

5.6.5. 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 1 in Lithuania. 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.

Over the last ten years, poultry production in the EU has been growing steadily and at a much faster rate than consumption, production is 5% higher than consumption. Overproduction pushes the prices of poultry meat down. During the reporting period, the average EU price of poultry meat fell by 4.6% on average from 192 Eur / 100 kg in July to 183 Eur / 100 kg in December. The average price of poultry sold by the Group during the reporting period was 226 EUR / kg or 12% higher than a year before due to the exceptional quality of the product, however, as a result of higher prices for cereals and other feed, the self-cost of poultry farming has increased significantly.

The poultry companies produced over 21 thousand tons of live weight or 2% more as compared to previous year. Companies sold over 16 thousand tons of poultry and poultry products or 4.5% more than a year before.

Revenue from this business Segment increased by almost 16% from EUR 34 million to EUR 39 million while operating profit went down by 27% from EUR 1.5 million to EUR 1.1 million. The operating profit margin decreased accordingly from 4.5% to 2.9%.

The Group invested over EUR 2.5 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.

The Group expects the operating profit for this business Segment to be close that of previous year.

5.6.6. 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 loss of this business Segment amounted to EUR 0.2 thousand as compared to EUR 41 thousand profit in previous year.

6. The Publicly Disclosed Information and Other Events of the Reporting Period

6.1. The Publicly Disclosed Information

During the reporting period ended 31 December, 2018, the Company publicly disclosed and distributed via Nasdaq Vilnius GlobeNewswire system and in Company's website the following information:

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

6.2. Other Events of the Reporting Period

September- December 2018	The authorized capital of UAB Lineliai was increased by 80,076 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.
24/10/2018	The capital of LLC LINAS AGRO UKRAINE was increased by 2,800,000 UAH (87,000 euros).
October 2018	The Company transferred 9,000 own shares to the employees of the Group under AB Linas Agro Group Rules for Shares Issues.
10/10/2018	Participants of UAB Linas Agro Grūdų Centras KŪB approved the Activity agreement and decided to increase capital of UAB Linas Agro Grūdų Centras KŪB by 1,300,000 euros.
21/8/2018	The decision of the sole shareholder to reorganize the companies, by merging SIA Paleo to SIA Linas Agro Graudu Centrs, was made.
30/7/2018	AB Linas Agro founded a subsidiary in Ukraine LLC LINAS AGRO UKRAINE.

6.3. Subsequent Events

20/2/2019	A decision to increase capital of LLC LINAS AGRO UKRAINE by 2,700,000 hryvnas (about 88 100 euros) was taken.
31/1/2019	Liquidation of SIA Erfolg Group finalized.
22/1/2019	The capital of UAB Linas Agro Konsultacijos was increased by 203,000 euros.
21/1/2019	The capital of Kėdainiai District Labūnavos ŽŪB was increased by 200,000 euros.

7. Scope of risk and management thereof

7.1. Market risk

Market risk shall be understood as a risk to generate profit lower than planned if the tone of market prices is unfavorable. This may happen if market price fell below the intervention prices (minimal purchase prices for grains established by state authorities) as it would prevent the Group from receiving surplus profit.

In a market situation when grain purchase prices fall due to certain reasons, intervention prices are used as a leverage to uphold a certain price level and thus to ensure guaranteed income to farmers. When intervention prices are higher than or identical to market prices, the Group sells the purchased grains to the agency and thus earns certain income that under regular market conditions would be lower than market prices. Starting from 2005, intervention prices are set by the EU and are calculated for two years in advance. The mechanism has not been applied so far; however, if intervention prices were applied, the Group would have been deprived of surplus profit.

In H1 of FY 2018/19 this risk did not manifest itself as regards the Company and the Group.

7.2. Risk related to activities of subsidiaries

Subsidiary companies of the Group are engaged in the trade of agricultural raw materials, agricultural production, rearing of poultry and poultry production, storage of agricultural products and other activities. Poultry enterprises need to face the operational risk related to this sector including the cessation of the production as well as disease, environmental and other risks. Even though most of the subsidiaries are profitable, adverse developments in the markets, in which the parent company and its subsidiaries operate, may affect their yields. Managers for corresponding businesses within the Group follow closely and analyze the activity of the subsidiary companies and their key transactions, provide operational budgets of the companies under the authority of the Group's Board as well as monitor the implementation and key developments in these companies' budgets.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2018/19.

7.3. Political risk

Agriculture is a strictly regulated and supervised sector of economy in the European Union. Although this regulation and control are mostly aimed at ensuring sufficient income for entities engaged in agricultural activities, political changes may affect the situation in the market where the Group operates. For example, reduction of subsidies to agriculture may affect the activities of agricultural companies controlled by the Group. Also, demand for agricultural products is impacted by political decisions - embargoes, import or export bans.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2018/19.

7.4. Social risk

The experience and knowledge of the management determine the ability of the Group to retain its competitive status and implement its growth strategy. However, there are no guarantees that all key employees of the Group will stay with the Group in the future. Loss of such employees or the Group's failure to recruit new employees possessing appropriate knowledge may have a significant adverse impact on the business outlook and financial position of the Group. Non-competition agreements are signed with some executives.

This risk did not manifest itself as regards the Company and the Group in H1 of FY 2018/19.

7.5. Counterparty risk

The Group enters forward contracts with farmers who commit the delivery of production under terms and conditions of the contract. As the prices of products increase, the risk of breach of forward

contracts and non-delivery of production by counterparties emerges. The bigger the difference between the contract price and the current market price on the day of delivery, the higher is the risk.

The Group, according its risk management policy is using risk management mitigating tools for forward purchases. No loss has been recorded, as the situation in the market was positive for such forward purchases. The Group continuously monitored and analyzed the market, has revised and stringent the terms of its purchase agreements, analyzed probable scenarios for losses and made certain decisions to control risk (for example, setting limits on forward contracts, evaluation and assessment of client's credit rating, capacity of cultivated land etc.).

In order to manage the risk related to certain products, the Group concludes forward contracts on commodity exchange NYSE Euronext Paris SA. The Group trades in futures to control the price risk arising from purchasing and selling rapeseed and wheat. The Group has approved an internal trade risk management system and established the credit risk management committee that analyses trade transactions entered into by the Company as well as their amounts and limits. Some of the buyers (buyers' solvency risk) are insured with international insurance companies.

In the first half of the financial year 2018/19, the Company and the Group were partially exposed to this risk, as the Group had to negotiate with the farmers the fulfillment of their obligations.

8. Authorized capital and shares of the Company

On 31 December, 2018 the authorized capital of the Company amounted to EUR 46,092,715.42. The authorized capital of the Company is divided into 158,940,398 ordinary registered non-certificated shares. The nominal value of one share is EUR 0.29. ISIN code of the shares is LT0000128092.

Type of shares	Number of shares	Nominal value (EUR)	Total nominal value (EUR)	Portion in the authorized capital (%)
Ordinary registered shares	158,940,398	0.29	46,092,715.42	100
Total	158,940,398	–	46,092,715.42	100

All the shares of the Company are fully paid and they are not subject to any restrictions of the transfer of securities.

At the end of the reporting period, the Company held 772,972 units of Company's shares.

The subsidiaries of the Company have not acquired any shares of the Company.

All shares issued by the Company grant equal rights to the Company's shareholders. The Company has not issued any shares of a class other than the aforementioned ordinary shares. Each ordinary share of the Company shall grant one vote at the General Meeting of Shareholders (except 772,972 ordinary registered shares acquired by the Company that do not give the right to vote). Neither limitations of the rights granted by the Company's shares nor special control rights for shareholders are provided for in the Company's Articles of Association.

9. Information about trade in the Company's securities in regulated markets

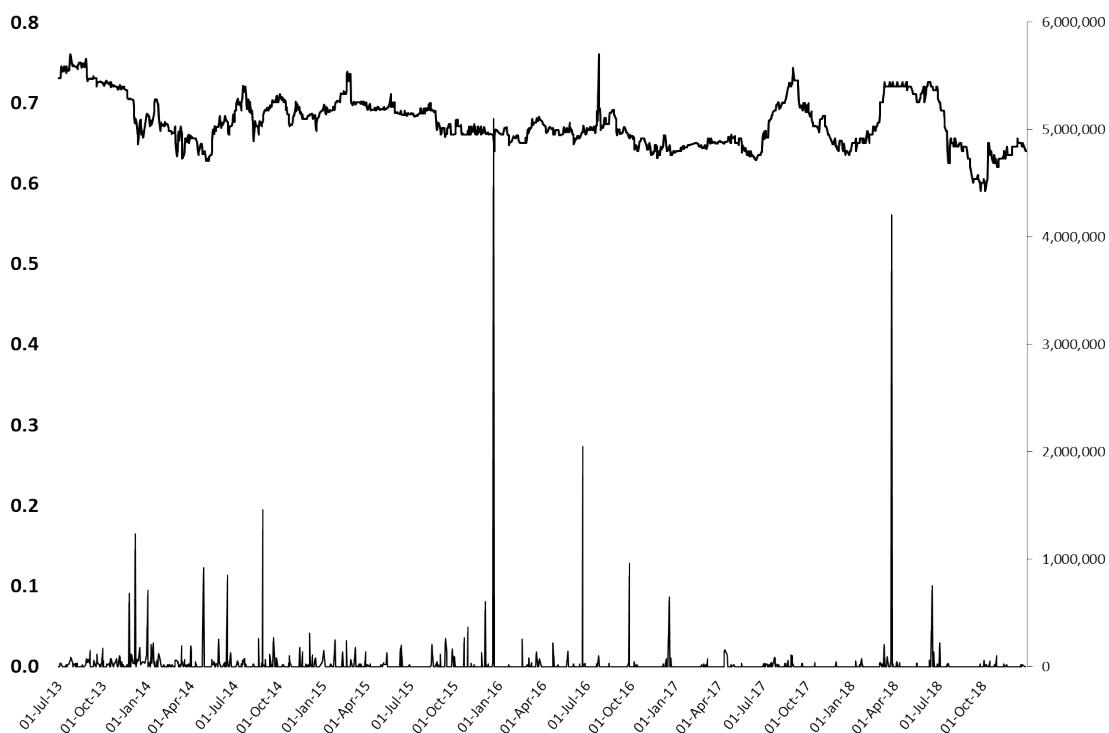
All 158,940,398 ordinary registered shares of the Company were included in the Official List of Nasdaq Vilnius Stock Exchange (ISIN Code of the shares is LT0000128092) during the reporting period, lasting 1 July 2018- 31 December 2018. The ticker of the shares on Nasdaq Vilnius Stock Exchange is LNA1L. Trading in the Company's shares on Nasdaq Vilnius Stock Exchange started on 17 February 2010. The securities of the subsidiaries of the Company are not being traded on regulated markets.

9.1. Agreements concluded with intermediaries of the public securities market

On July 24, 2017, the Company signed the agreement of the Issuer's securities accounting management contract with AB Šiaulių Bankas, represented by the Securities Transactions Division (code 112025254, address: Šeimyniškių St 1A, LT-09312 Vilnius).

9.2. 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. 31 December 2018, is presented in the following diagram:



10. Shareholders

According to the list of shareholders provided by AB Linas Agro Group securities account operator AB Šiaulių Bankas (data for the end of 31 December 2018), the number of Company's shareholders at the end of the reporting period totaled 669.

Shareholders controlling more than 5% of Company's shares as at 31 December 2018:

	Number of shares held	Portion in the authorized capital and voting rights, %
Akola ApS (public company, code of legal entity 25174879, registration address Thistedvej 68, st., 9400 Norresundby, Denmark)	109,909,167	69.15
Darius Zubas	17,049,995	10.73

11. Bodies of the Company

According to the AB Linas Agro Group Articles of Association, the Company's bodies shall be as follows:

- The general Meeting of Shareholders;
- The Board;
- The Head of the Company (Managing Director).

The Supervisory Board shall not be formed in the Company. Since 28 October 2010 Audit Committee is formed by the Company.

One general meeting of shareholders was held during the reporting period – on 31st of October, 2018.

The Company's Board consists of seven members elected for four years period. The Board of the Company was elected by the Company's Extraordinary General Meeting of Shareholders on 1 June 2018. As at 31 December 2018, the number of the Company's Board members was 7. The Company does not have independent members of the Board. Four meetings of the Board have been organized and held during the first half of financial year, members of the Board attended it 100 percent.

The Head of the Company did not change during six months of 2018/19 financial year, ended 31 December 2018. The Head of the Company is also the Chairman of the Board of the Company.

The members of the bodies of AB Linas Agro Group have never been convicted for the property, management procedures and financial offences.

11.1. The Board

The members of the board as at 31 December, 2018:

Name	Number of shares held and participation in Company's authorized capital	Position within the Board	Cadence starts	Cadence ends
Darius Zubas	17,049,995 or 10.73% of shares	Chairman	1/6/2018	31/5/2022
Andrius Pranckevičius	Does not have shares of the Company	Deputy Chairman	1/6/2018	31/5/2022
Dainius Pilkauskas	480,281 or 0.3% of shares	Member	1/6/2018	31/5/2022
Tomas Tumėnas	2,200 or 0.001% of shares	Member	1/6/2018	31/5/2022
Arūnas Zubas	480,281 or 0.3% of shares	Member	1/6/2018	31/5/2022
Darius Jaloveckas	Does not have shares of the Company	Member	1/6/2018	31/5/2022
Jonas Bakšys	3,400,000 or 2.14% of shares	Member	1/6/2018	31/5/2022

Darius Zubas (b. 1965) - the main founder of the Group. Graduated from Veterinary Academy of Lithuanian University of Health Sciences in 1988.

Andrius Pranckevičius (b. 1976) - A Bachelor's degree in Business Administration in 1998, Master's degree in Marketing Management in 2000 at Kaunas University of Technology. Joined the Group in 1999.

Dainius Pilkauskas (b. 1966) - Master's degree in Animal Science at Veterinary Academy of Lithuanian University of Health Sciences in 1991. Has been employed within the Group since 1991.

Tomas Tumėnas (b. 1972) - Master's degree in Economics at Vilnius University and a certificate in International Business Economics from Aalborg University in 1995. Master's degree in Business Administration at Manchester Business School, The University of Manchester in 2011. Joined the Group in 2001.

Arūnas Zubas (b. 1962) - Master's degree in Chemical Technology at Kaunas University of Technology in 1985. He was employed within the Group from 1995 to 2005.

Darius Jaloveckas (b. 1971 m.) - Master's Degree in Economics at Aleksandras Stulginskis University (former Lithuanian Academy of Agriculture) in 1994. Joined the Group in 2015.

Jonas Bakšys (b. 1975 m.) - Bachelor's degree in International Economics at Concordia University (USA) in 1997, Master's degree in Business Administration at University of Surrey (UK) in 2003. Joined the Group in 2004.

Board members controlling more than 5% of other Companies shares and votes:

Name	Participation in other Companies authorized capital
Darius Zubas	Akola ApS 95% votes; UAB MESTILLA 14.3% votes
Jonas Bakšys (joint community property with spouse together)	UAB Vividum 100%

Andrius Pranckevičius, Arūnas Zubas, Dainius Pilkauskas, Tomas Tumėnas and Darius Jaloveckas do not have more than 5% of shares in the other companies.

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfillment of their obligations.

The Company has not granted any loans, guarantees or surety ships to the members of the Board that would ensure fulfillment of their obligations, also did not transfer them any assets.

11.2. Management of the Company

Details of the Company's Management remained unchanged during the reporting period. Company Management as of 31 December 2018:

Position	Name and surname	Employed since
Managing Director	Darius Zubas	01/09/1996
Deputy Managing Director	Andrius Pranckevičius	19/11/2009
Finance Director	Tomas Tumėnas	19/11/2009
Chief Accountant	Ramutė Masiokaitė	19/11/2009

The Management of the Company work under open-ended contracts of employment.

Information about Darius Zubas, Andrius Pranckevičius, and Tomas Tumėnas is provided in the chapter **The Board**.

Ramutė Masiokaitė (b. 1971) – Chief Accountant. Does not own shares of the Company. Graduated from Vilnius University in 1994 and acquired the qualifications of economics, financial and credit specialist. She started her employment with the Group in 1998 in the capacity of the Chief Accountant of AB Linas Agro. In 2001 she became Finance Controller of AB Linas Agro and works so far, in 2009 was appointed as Chief Accountant of AB Linas Agro Group.

11.3. Committees formed by the Company

Since 28 October 2010 Audit Committee is formed by the Company, the members of the Committee are elected for the term of office of 4 (four) years. The Audit Committee is responsible for the implementation of risk management systems related to the preparation of consolidated financial statements. The term of office of the members of the Audit Committee started on October 31, 2018 and will end on October 30, 2022. The Audit Committee consists of 3 members, two of whom are independent.

11.3.1. The members of the Audit Committee (as at December 2018):

Andrius Drazdys - independent member of the Audit Committee. Employed at UAB Vilniaus Margarino Gamykla as a Chief Finance Officer. Does not own shares of the Company.

Agnė Preidyte - independent member of the Audit Committee. Employed at Pricewaterhouse-Coopers, UAB as Consultant. Does not own shares of the Company.

Irma Antanaitienė – member of the Audit Committee. Employed at AB Linas Agro as Accountant. Does not own shares of the Company.

12. Procedure for amending the Company's articles of association

The Company's Articles of Association shall be amended exclusively by the general meeting of shareholders under the Law of the Republic of Lithuania on Companies. Adoption of a decision to amend the Company's Articles of Association shall be the jurisdiction of the Company's General Meeting of Shareholders subject to a qualified majority of 2/3 of votes of the shareholders participating in the Meeting, with the exception of cases specified in the Law of the Republic of Lithuania on Companies.

13. Information about the compliance with the Corporate Governance Code

The Company complies with the company management procedures stipulated in the Law of the Republic of Lithuania on Companies. The Company complies with the essential management principles for the companies listed on Nasdaq Vilnius. The managing bodies of the company are the General Meeting of Shareholders, the Board of the Company and the Head of the Company (Managing Director). The Company does not have the Supervisory Board. The Company's Board consists of seven members elected for a period of four years, but the Chairman of the Board is also the Head of the Company (Managing Director). The Company has the Audit Committee.