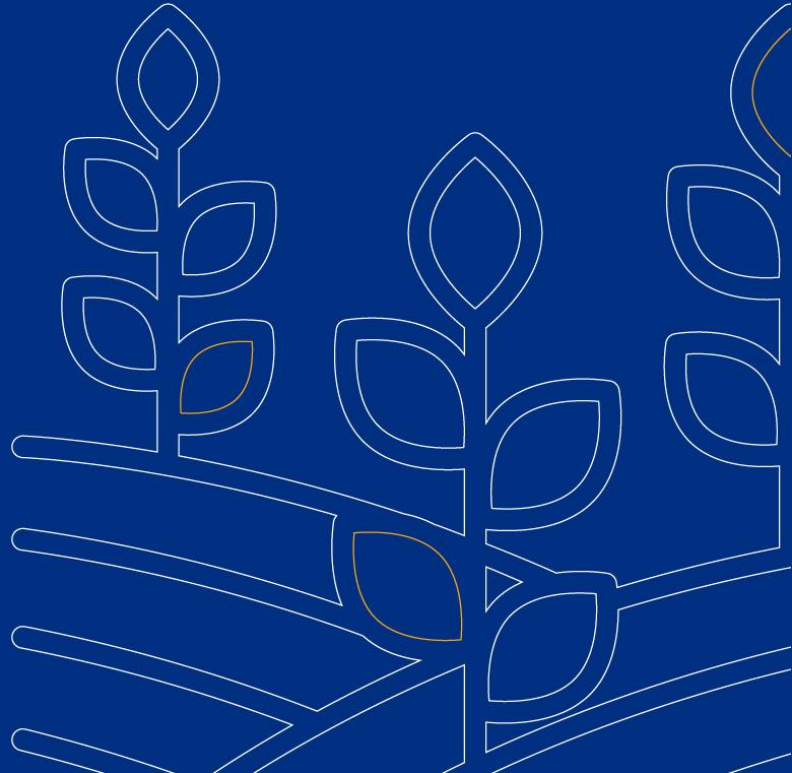


AB Linas Agro Group

Overview of activities and finance

for FY 2018/19



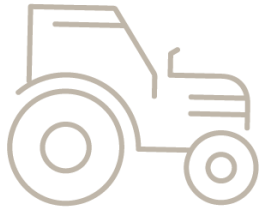
We are

***international vertically integrated
agribusiness and food Group.***

2,113
employees



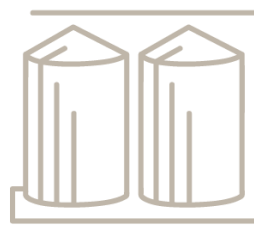
linas  agro



products &
services for
farming



agricultural
production



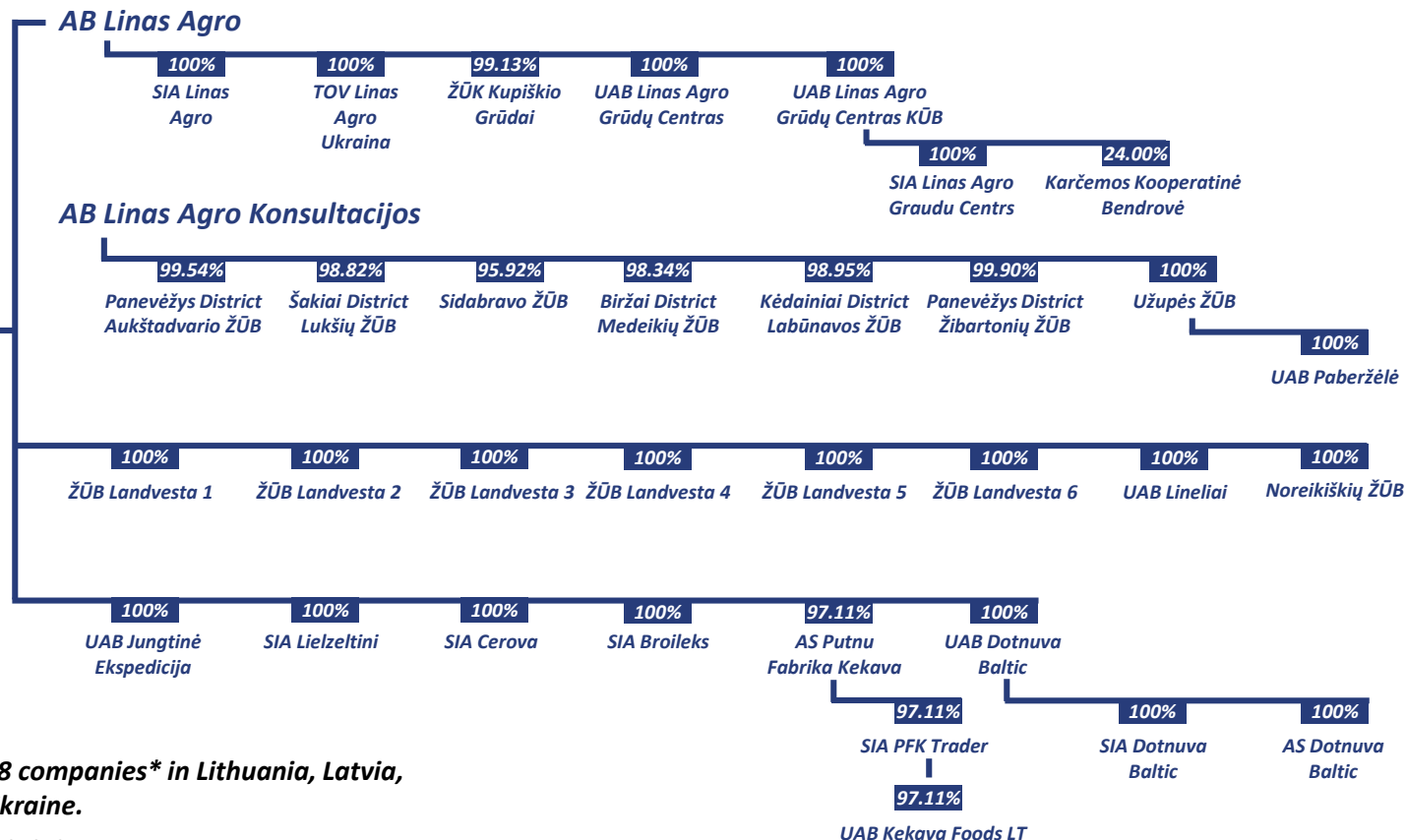
grain & feedstuff
handling &
merchandising



food products

Companies

AB Linas Agro Group



The Company controls 38 companies* in Lithuania, Latvia, Estonia, Denmark and Ukraine.

*3 dormant companies not included

Financial highlights

in FY 2017/18

Fiscal year of the company starts July 1st

**Consolidated
revenue,
million euros**

743



17%

**Sales volume,
million tons**

2.5



15%

**Gross profit,
million euros**

29



37%

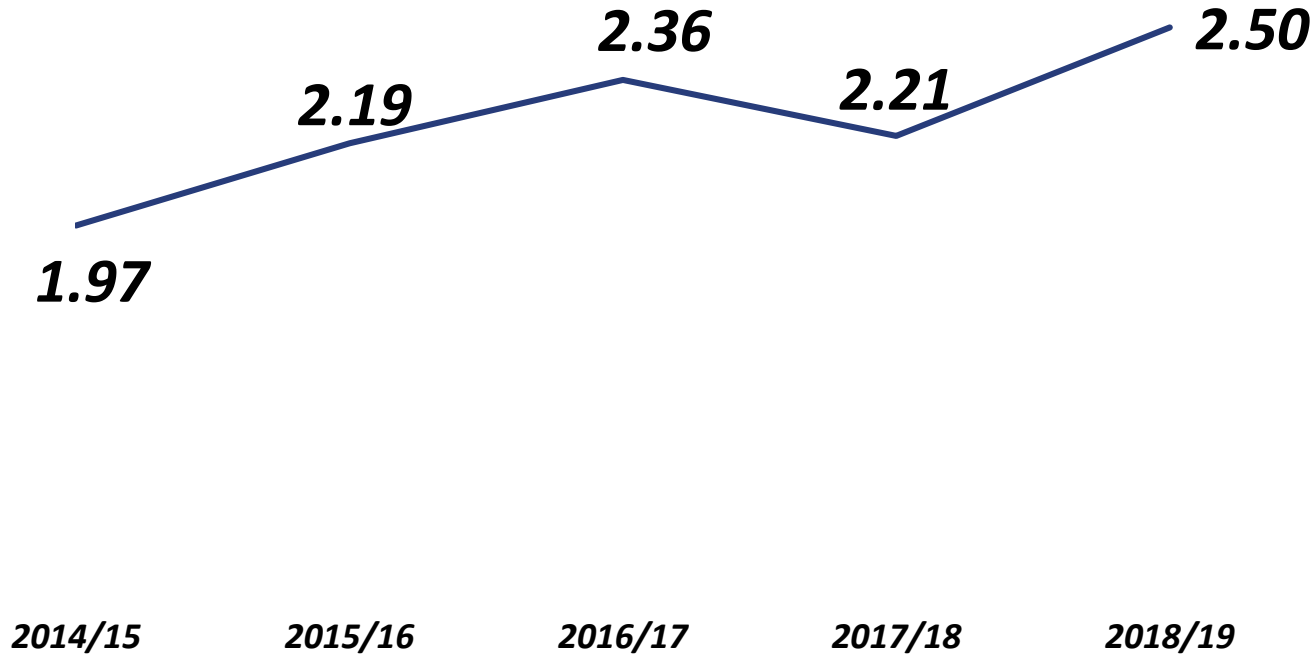
**EBITDA,
million euros**

5.6

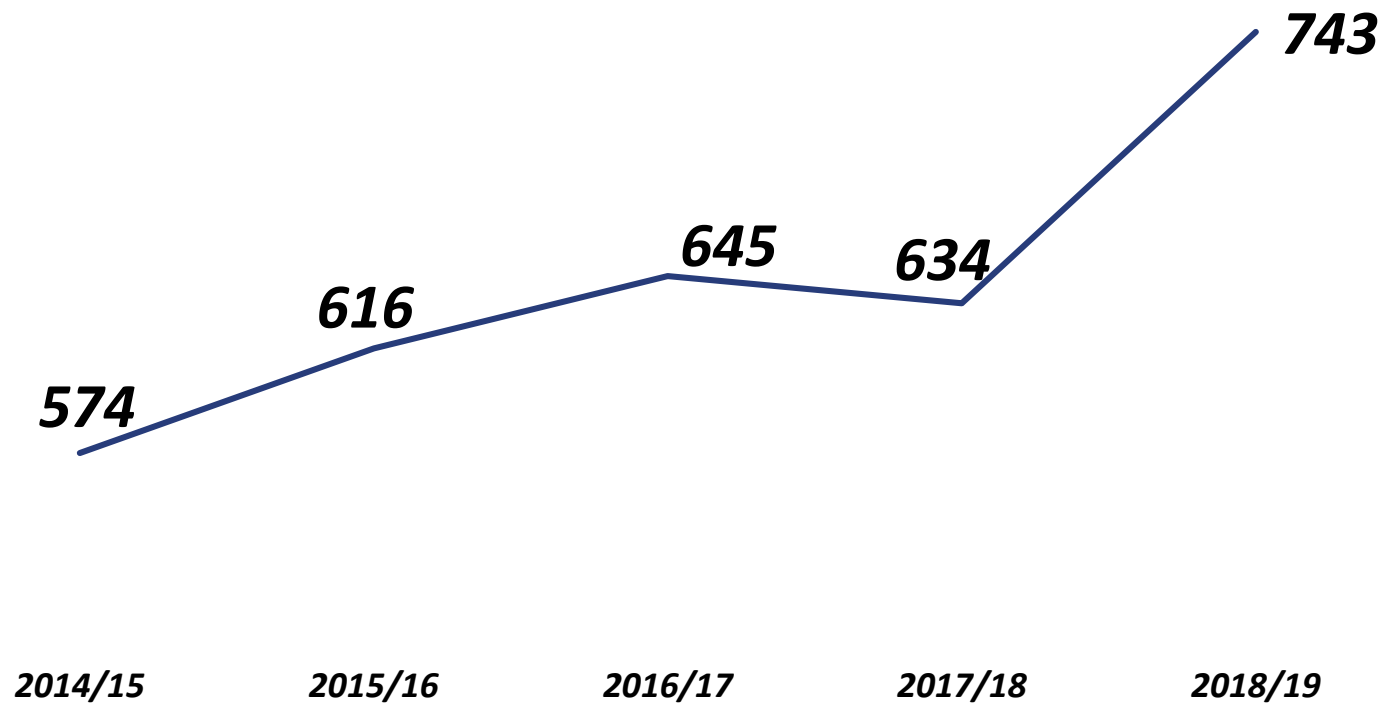


73%

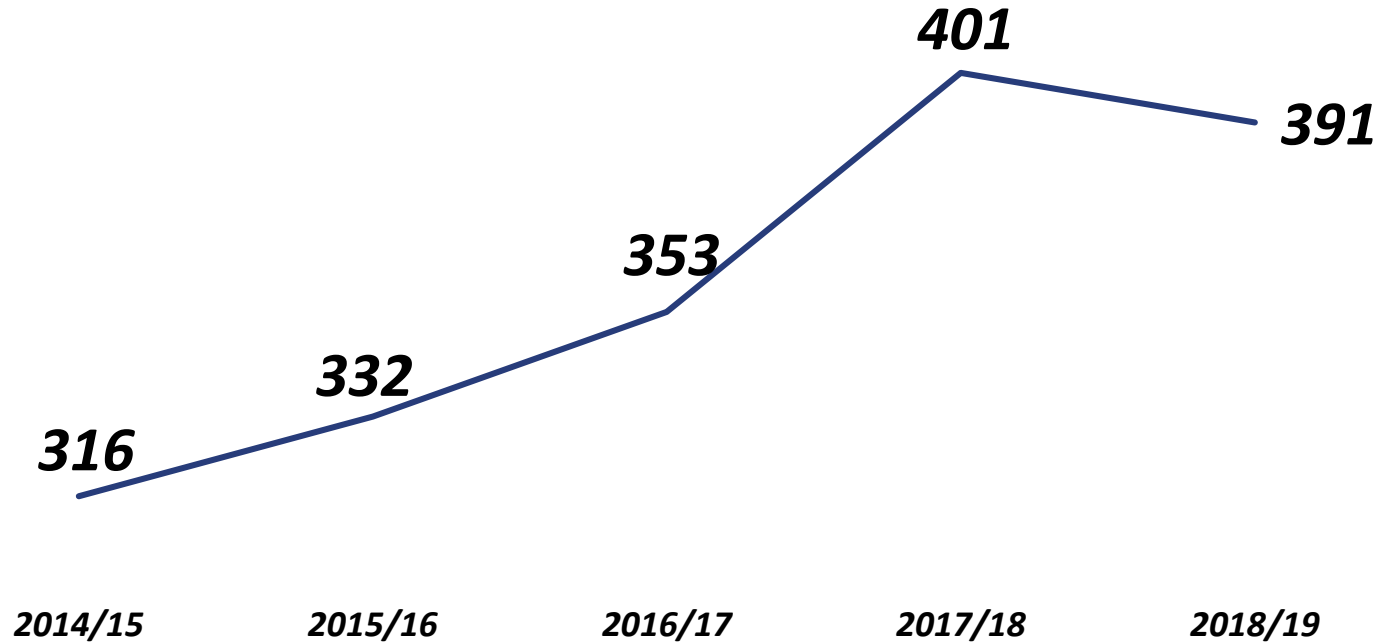
Sales volume in tons, million



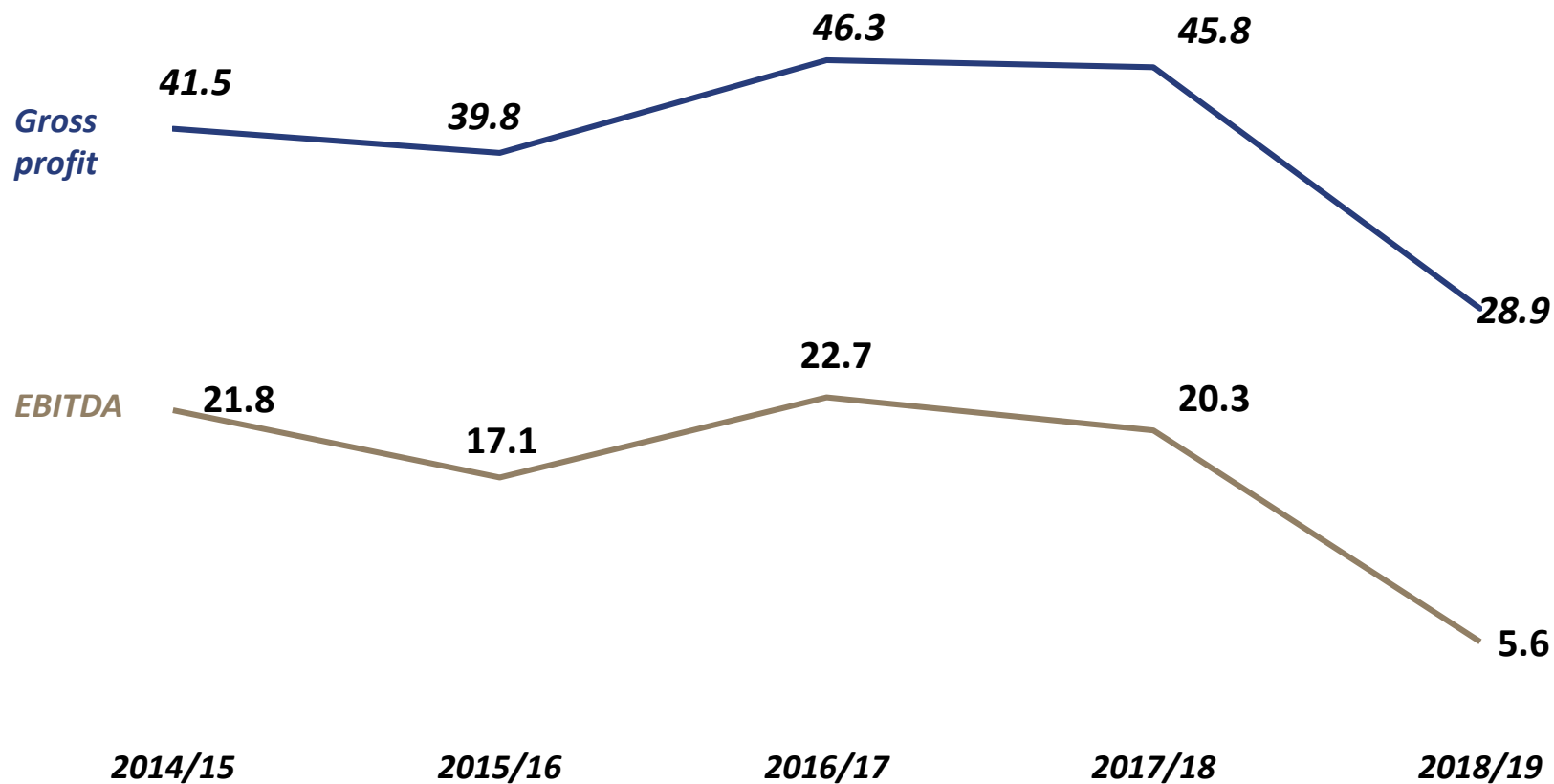
Revenue, EUR million



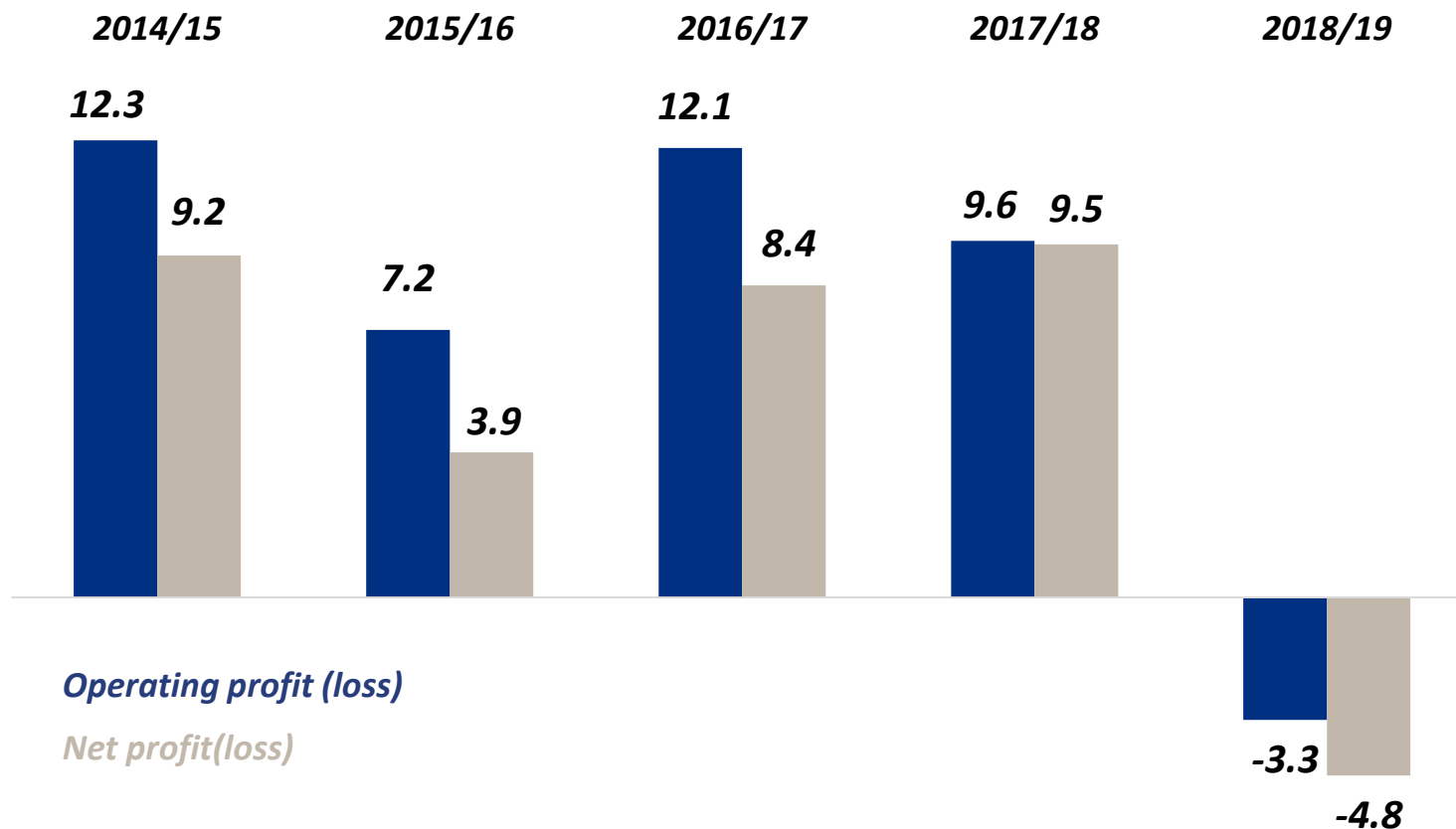
Assets, EUR million



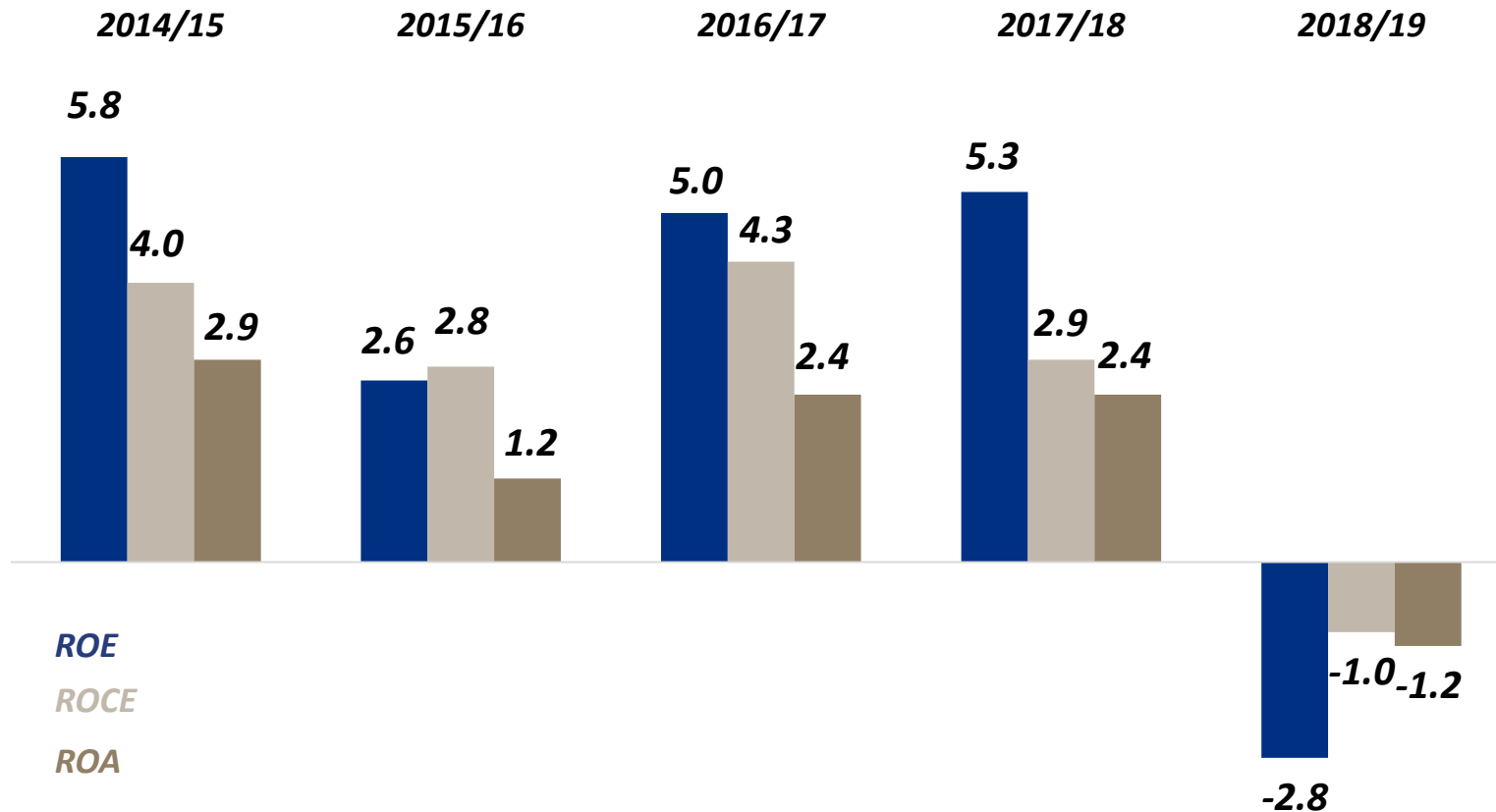
Gross profit and EBITDA, EUR million



Operating and net profit (loss), EUR million



Key financial metrics



Cost and the main expenses

The cost of goods and services increased by 21% to EUR 714 million.

Operating costs decreased by 8% to EUR 35 million.

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

Logistics expenses, accounting for 6% of the total cost, increased by 4% to EUR 42.8 million.

Financial costs went up 38% to EUR 3.7 million.

67% of revenue received from export

The main export commodity – wheat, grown in Lithuania and Latvia.

The major export destinations are:


- *European countries (72%);*
- *Asian countries (18%);*
- *African countries (10%).*

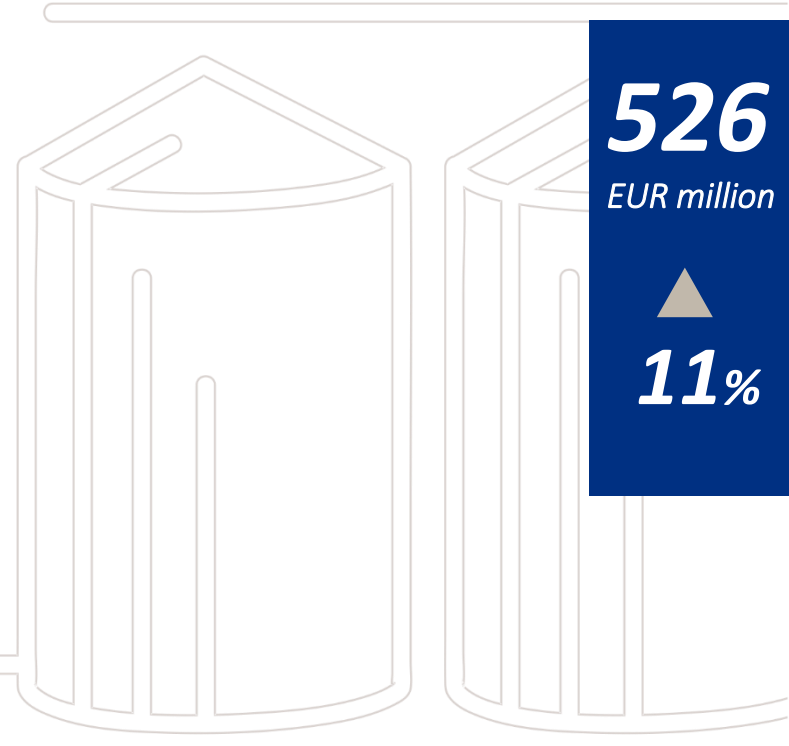
One of the biggest grain exporters in the Baltic states.

The storage facilities **184**
at ports can store thousand
tons

*Revenue
from export*

526
EUR million


11%



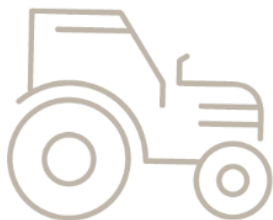
Investments

17

EUR million

- ***Grain storage equipment, warehouses, buildings, various appliances and other machinery - EUR 5.4 million.***
- ***Purchase and upgrade of agricultural machinery, vehicles, equipment, buildings and purchase of land - EUR 7.5 million.***
- ***Modernization and renovation of poultry farms - EUR 4.2 million.***

Operating profit structure in FY 2018/19



products &
services for
farming

32%



agricultural
production

36%



food products

27%

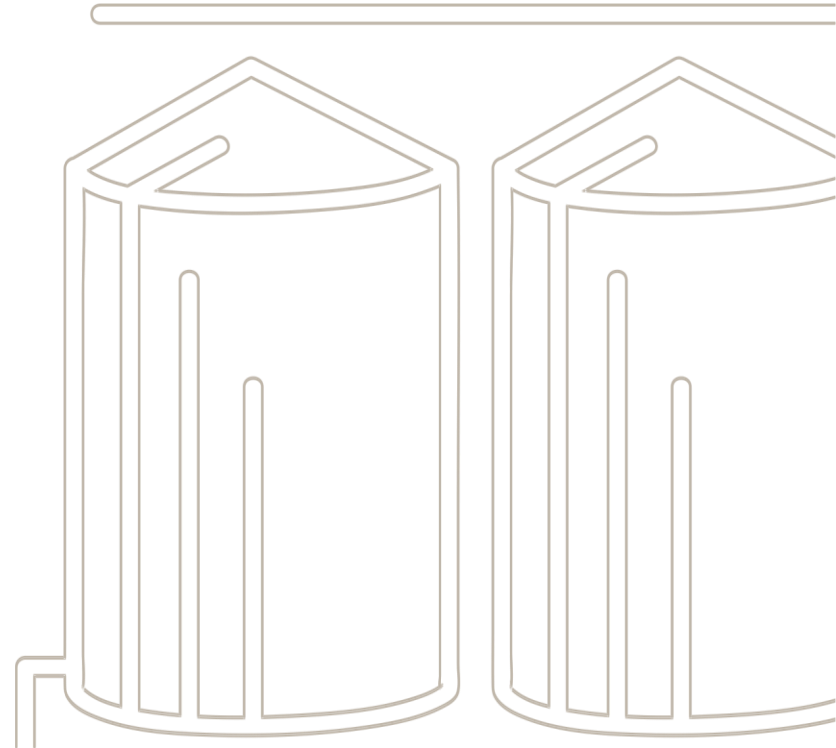


grain & feedstuff
handling &
merchandising

***Business
was
unprofitable***

Grain and feedstuff handling and merchandising

Since 1991



Grain and feedstuff handling and merchandising



Grain



Oilseed



Feedstuff



*Ecologic grain
and oilseeds*



*Grain storage
and preparation*



*Logistic
services*

Revenue

513

EUR million

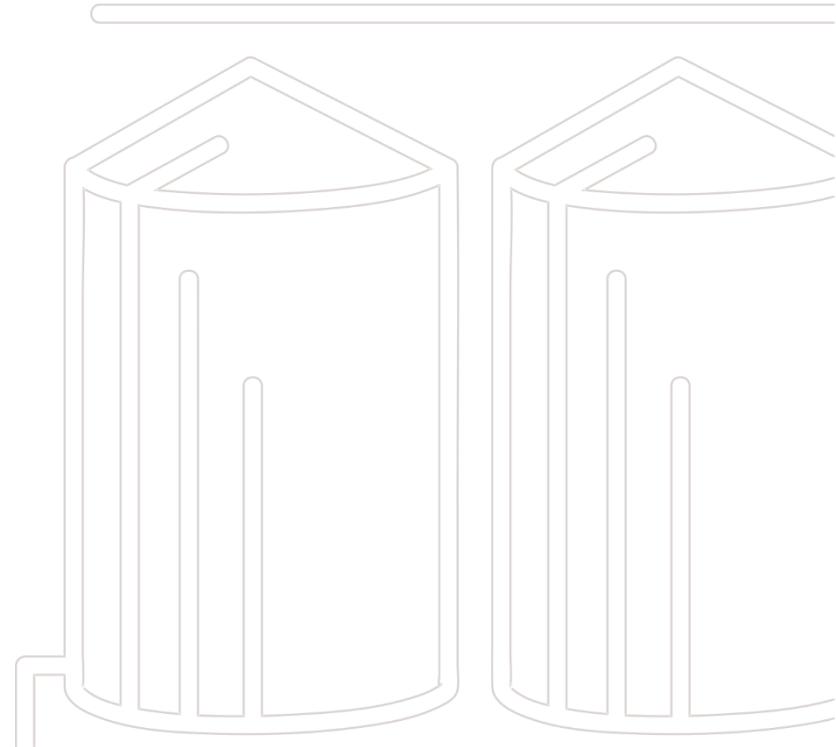
▲
29%

Achievements and changes

The sales of traditional products(wheat, rapeseed, barley) increased by 11% to 1.7 million tons.

Feedstuff sales went up 50% to 441 thousand tons.

A subsidiary company LLC LINAS AGRO UKRAINE was founded to strengthen the sourcing business in Ukraine.

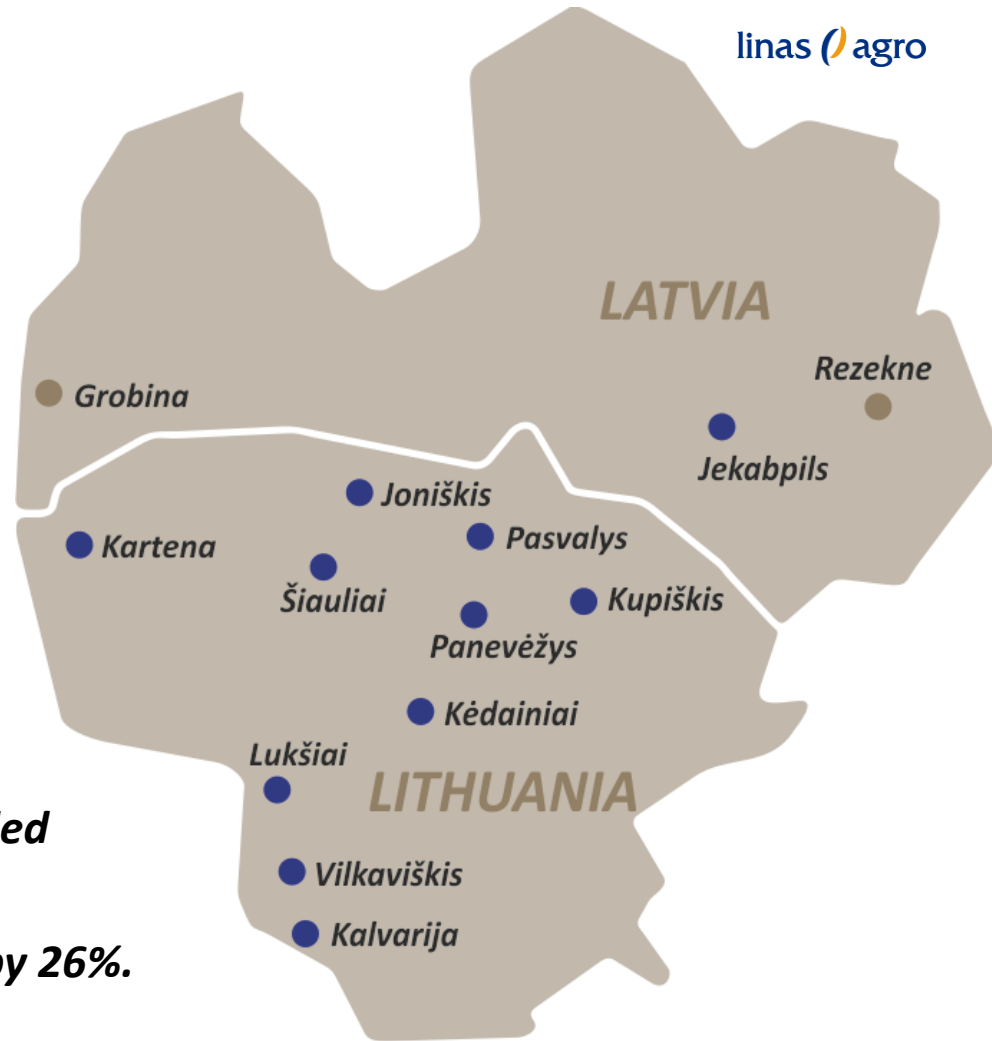


Development of grain sourcing network

Two grain elevators in Latvia (Grobina and Rezekne) as well as grain reception station were built.

331 – total grain storage capacity of own elevators
thousand tons

The own grain elevators network handled 356 thousand tons of various grains. The quantities handled in Latvia grew by 26%.



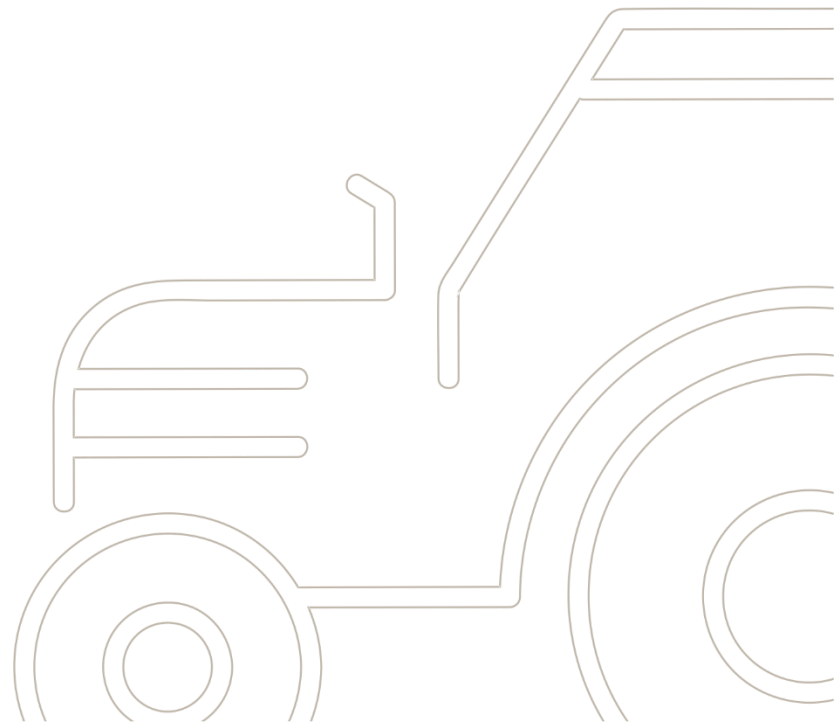
An interesting detail

In 2018, the elevator in Grobina was acknowledged the Building of the Year in Latvia and came in the 3rd in the Industrial Warehousing Category.



Products and services for farming

Since 1993



Products and services for farming



Certified seed



Fertilizers



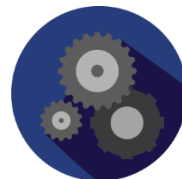
*Plant protection
products*



*Grain storage
facilities and
farm equipment*



*Agricultural
machinery*



*Spare parts
and service*

Revenue

149

EUR million



7.5%

Products for crop production



Certified seed



Fertilizers



*Plant protection
products*

Consolidated revenue, million euros



Farming machinery

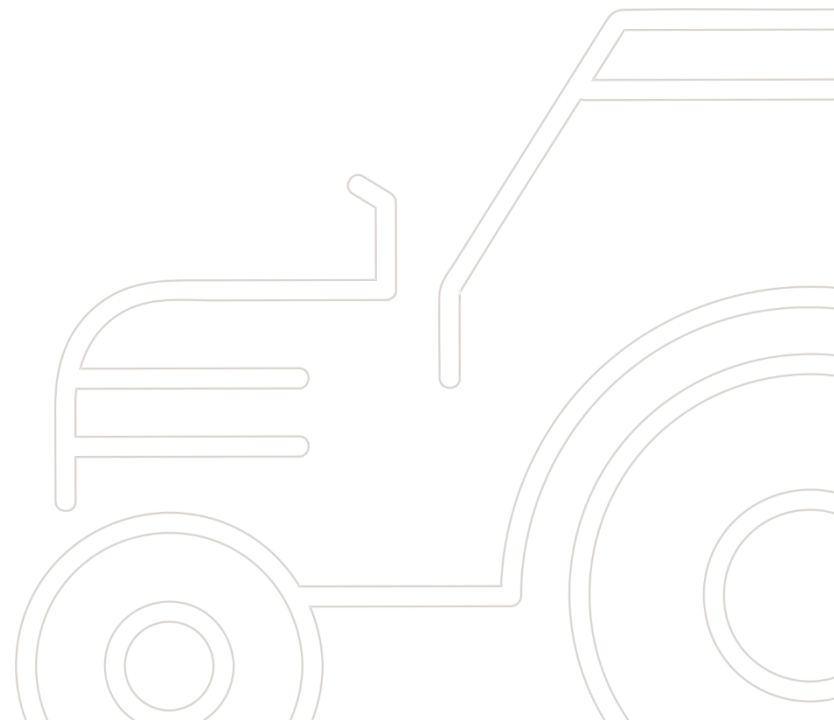
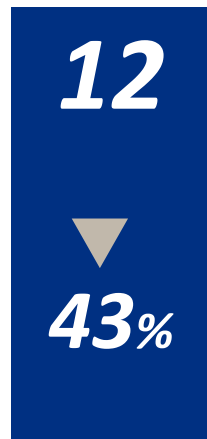


Grain storage facilities and farm equipment



Agricultural machinery, spare parts and service equipment

Consolidated revenue, million euros



Changes in trade and service network

- *Dotnuva Baltic has 14 outlets in the Baltics.*
- *Linus Agro a network of 15 farm service centers.*

The total Group's storage capacity for warehousing seeds, fertilizers and plant protection products in Lithuania and Latvia increased by 6 thousand tons to 104 thousand tons.



Achievements and changes

Seed sales have been transferred from UAB Dotnuva Baltic to AB Linas Agro, seed production run by UAB Dotnuva Baltic.

The line for mixing and packing grass seeds launched at the Dotnuva seed factory to further improve the quality of the mixtures and the packing efficiency.

The rarely used warehouse in Tukums, Latvia that have been a part of previously bought company SIA Paleo, was sold.

Construction of farmers service center in Ozolnieki, Latvia is coming to the end. It will accomodate companies SIA Linas Agro and SIA Dotnuva Baltic.



Agricultural production

Since 2003



6 agricultural companies

17,266 ha

▲ 7,655 ha

● *Arable land*

● *Own arable land*



Revenue

26

EUR million



15%

Agricultural production



*Cereals
growing*

69 thousand tons of crop production

▼ **24%**



*Rapeseed
growing*



*Sugar beet
growing*



*Milk
production*

**32 thousand tons
of raw milk**

▲ **5,5%**



*Beef cattle
rearing*

**1,489 tons of
meat**

▲ **2%**

Effectivity of crop production



Wheat

Average yield 5.76 t/ha, maximum yield 7.9 t/ha
(3.7 t/ha)



Rapeseed

Average yield 3.20 t/ha, maximum yield 4.41 t/ha
(2.1 t/ha)

● *Average for Lithuania in 2018*

Due to poor harvest, crop production grown and sold was 24% lower than in previous year.

Achievements in milk production

Milk yields have increased: average milk yield growth was 5.6%. Significant increase in Kėdainiai District Labūnavos ŽŪB (9.6%) and Panevėžys district Žibartonių ŽŪB (12.2%).

Agricultural company Šakiai District Lukšių ŽŪB was ranked the second most effective in the category of companies in 2018 and milked at average 11,262 kg from a cow.

Sidabravo ŽŪB came in third place among the most effective milk producers, and milked 10,471 kg from a cow.

3,206 milking cows



Development of milk production

A part of the cow herd was moved to a new and modern farm with milking parlor at the Šakiai District Lukšiy ŽŪB agricultural company.

A new slurry storage tank was mounted at Panevėžys District Žibartonių ŽŪB agricultural company, also farms are being reconstructed.

A cattle-breeding barn was reconstructed at the agricultural company Sidabravo ŽŪB.



Food products: poultry

Since 2013



Producers and brands

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



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

SIA Broileks grow and sell live chicken.

SIA Cerova incubate eggs and sell day-old chicks.

Full production cycle.

Own sales network: 21 retail shop.



Production and sales

*Poultry
production,
thousand tons of
live weight*



*Sales in
thousand tons*



*Consolidated
revenue,
EUR million*



Achievements and changes

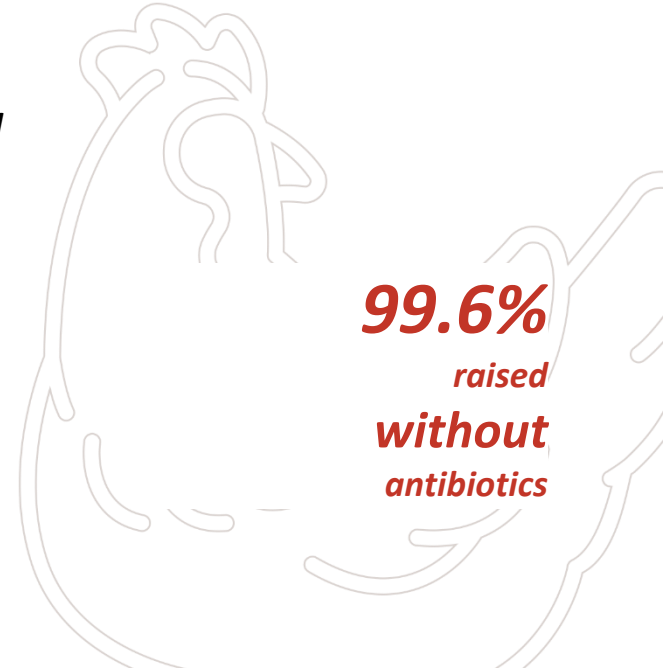
Exports of poultry to Sweden went up, exports of chilled chicken meat to Finland were started, expanded sales in the CIS countries. A license to export chicken products to China obtained.

The EPEF (European Poultry Efficiency Factor) of 400 achieved 54 times per year.

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.



AS Putnu Fabrika Kekava has received A grade BRC (British Retail Consortium) accreditation (formerly having B grade or lower rating).



99.6%
raised
without
antibiotics

An interesting detail

According to the data of the research company AC Nielsen, the chicken sausage 'Doktora' by Kekava was the most successful new product (Best New Launch) in the category of meat products in Latvia, and was ranked the third most popular food product in Latvia in 2018.



Strategic goals

9
EUR million

investments are
planned for FY
2019/20

linas  agro

- *To export grain from the Baltic States in a sustainable manner and increase profitability in this activity. Increase operational efficiency, reduce operating costs. Further strengthen trading activities in the Ukraine.*
- *To grow profitably in Products and services for farming business while ensuring a good income for the farmer. Find and market solutions to help plants adapt to changing climate conditions. To have one of the best agricultural machinery service networks in the Baltic States. Increase sales of the seed brand 'Dotnuva Seeds' by increasing seed storage capacity and creating the most efficient seed logistics chain.*
- *To further expand the poultry farming capacity, to increase the poultry slaughtering capacity by 2020, modernize the feed production unit, install new poultry packing equipment, and improve the logistics solutions in the poultry business.*
- *To further increase the productivity of crop and dairy farms and expand the volume of raw milk production by modernizing production and increasing the number of dairy cows.*