

AUGA group, AB



28-02-2019

## CONFIRMATION OF RESPONSIBLE PERSONS

In accordance with the Law on Securities of the Republic of Lithuania and the Rules on the Information Disclosure approved by the Board of the Bank of Lithuania, we hereby confirm that, to the best of our knowledge, the attached interim consolidated financial statements of AUGA group, AB for the twelve months' period ended 31 December 2018, have been prepared in accordance with the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flow of AUGA group, AB group.

ENCLOSURE: unaudited interim consolidated financial statements of AUGA group, AB for the twelve months' period ended 31 December 2018.

General Manager


A handwritten signature in blue ink, appearing to be 'L. Bulzgys', written over a horizontal dotted line.

Linas Bulzgys

Chief Financial Officer

A handwritten signature in blue ink, appearing to be 'M. Repečka', written over a horizontal dotted line.

Martynas Repečka

A photograph of a rural landscape with rolling green hills, a line of trees, and a brown plowed field in the foreground. The sky is blue with scattered white clouds. A thin green diagonal line runs from the bottom left towards the top right, partially overlapping the landscape and the text below.

Consolidated Interim  
Financial Statements for 12  
Months Ended 31 December 2018  
(Unaudited)

2018

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(All amounts are in EUR thousand, unless otherwise stated)

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

**I. GENERAL INFORMATION**

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***Accounting period covered by the Report***

The report covers 12 months period ended 31 December 2018.

***Key data on the issuer***

|   |  |
|---|--|
| Name of the company:                          | AUGA group, AB (hereinafter – AUGA group, AB or the Company)       |
| Share capital:                                | EUR 65,950,713.08  |
| Address of headquarters:                      | Konstitucijos av. 21C, Quadrum North, LT-08130, Vilnius, Lithuania |
| Telephone:                                    | +370 5 233 53 40   |
| Fax:  | +370 5 233 53 45   |
| E-mail address:                               | <a href="mailto:info@auga.lt">info@auga.lt</a>                     |
| Website:                                      | <a href="http://www.auga.lt">www.auga.lt</a>                       |
| Legal entity form:                            | Legal entity, joint stock company                                  |
| Place and date of registration:               | 25 June 2003, Vilnius  |
| Register code:                                | 126264360  |
| Registrant of the Register of Legal entities: | VĮ Registrų centras  |

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### II. MANAGEMENT REPORT

During the twelve months of 2018, AUGA group, AB and its subsidiaries (hereinafter - the Group) sales revenue amounted to EUR 54.79 million, a 12% increase compared to the same period of 2017, when it was EUR 48.78 million.

The Group's gross profit for the twelve months of 2018 amounted to EUR 3.74 million and was lower compared to the same period of 2017 (gross profit for the first nine months of 2017 - EUR 14.93 million).

During the twelve months period of 2018, the Group incurred EUR 6.26 million net loss (EUR 5.02 million net profit was earned in the same period last year).

| Main financial results, million EUR | 12 months of 2018 | 12 months of 2017 | Change, % |
|-------------------------------------|-------------------|-------------------|-----------|
| Revenues                            | 54.79             | 48.78             | 12%       |
| Gross profit (loss)                 | 3.74              | 14.93             | -75%      |
| Net profit (loss)                   | -6.26             | 5.02              | -125%     |
| EBITDA                              | 3.30              | 14.19             | -77%      |

The Group's EBITDA<sup>1</sup> for the twelve months of 2018, eliminating one-time transaction, in particularly, the one-off costs related to the termination of the acquisition of shares of UAB Arginta Engineering, amounted to EUR 3.30 million. Compared to the same period of 2017, EBITDA indicator was EUR 14.19 million.

#### Crop segment overview

Crop growing segment sales revenue for the twelve months of 2018 amounted to EUR 17.52 million compared to EUR 14.20 million for the same period in 2017 (23% increase). Crop growing segment cost of sales for the twelve months of 2018 was EUR 17.99 million versus EUR 13.77 million for the twelve months of 2017. Total agricultural produce inventory write-offs and impairment during the twelve months of 2018 amounted to EUR 1.40 million compared to EUR 0.30 million during the twelve months of 2017. During the year of 2017 part of agricultural produce inventory write-offs and impairment were accounted in gain (loss) on revaluation of agricultural produce at point of harvest. For better disclosure purposes all agricultural produce inventory write-offs and impairment were accounted separately during the year of 2018. The total result of sales of agricultural produce was EUR 1.88 million loss for the twelve months of 2018 (EUR 0.13 million profit for the same period in 2017).

#### Cash crop harvest results in the season of 2017/2018

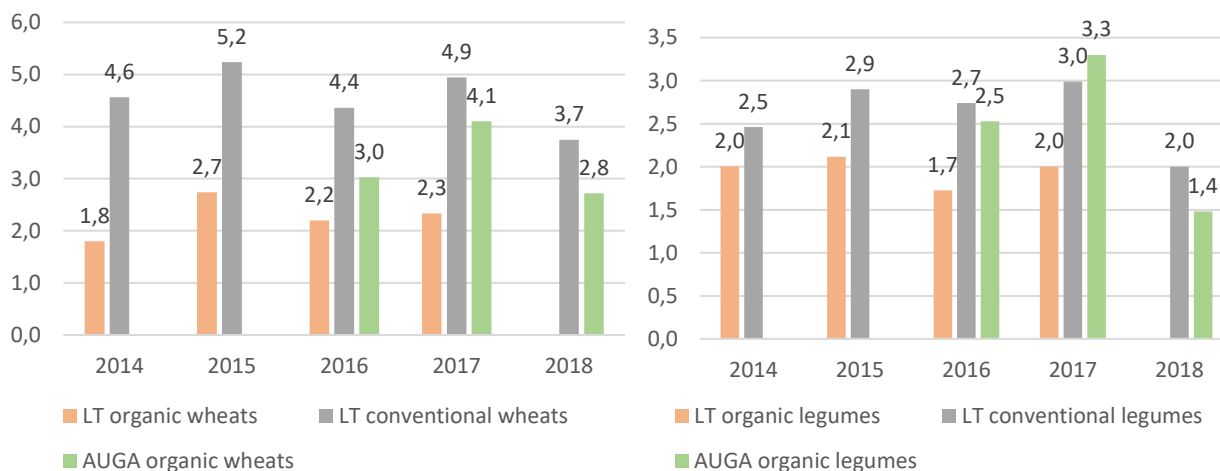
As it was already discussed in Group's consolidated interim financial statements for nine months ended 30 September 2018, the 2017/2018 season was challenging. Due to the rainy autumn in 2017 relatively small area of winter crops was planted. As a result, the area of summer crops increased significantly from about 10 thousand ha in the season of 2016/2017 to 21.5 thousand ha in the season of 2017/2018. Based on the results of the season of 2016/2017, when legume crops were highly successful in terms of profitability as well as crop rotation requirements, half of all summer cash crops (about 10.7 thousand ha) in 2017/2018 consisted of leguminous crops - peas and beans.

The summer of 2018 was arid and in most regions of Lithuania there was a shortage of rain. In several dozen regions it was recorded as a dangerous meteorological phenomenon. The shortage of rain had a significant negative impact on the crop yields in most of the Group's cultivated lands. After harvesting, it can be stated that the mostly adverse effect of the drought was on summer legume crops - peas and beans, which yields in the 2017/2018 season were more than twice lower than in season 2016/2017. The large area dedicated to these crops had a significantly negative effect on the results of the harvest of 2017/2018. Below is a comparison of the two main crops grown by the Group - wheat and legumes.

<sup>1</sup> EBITDA = net cash flow from operating activities before changes in working capital, as it is disclosed in cash flow statement, including gain (loss) on changes in fair value of biological assets.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)



**Wheat yield in Lithuania, t/ha**

**Legumes yield in Lithuania, t/ha**

*NOTE: The data of LT organic farms in 2018 has not yet been published.*

*Reference: Lithuanian Statistics Department, data of the survey of the activities of Lithuanian agricultural producers included in the Farm Accountancy Data Network (FADN), the Group's data.*

Changes in yields of other cash crops in the season of 2017/2018 compared to the season of 2016/2017 were mixed. For instance, the yields of sugar beets, soya, corn were higher, while rapeseed, oats, rye and other were lower. Significant increase in sugar beets yields compensated losses in yields of other cash crops resulting in overall average harvest yield of other cash crops to around 5.10 t/ha in the season of 2017/2018 versus 4.97 t/ha in the season 2016/2017.

Despite the significant decrease in cash crop yields in the season of 2017/2018, the fair value of cash crops totalled to EUR 22.16 million and was slightly above EUR 21.47 million reached in season 2016/2017 mainly due to increased cash crops area - 28.5 thousand ha versus 18.8 thousand ha.

In accordance with International Accounting Standards (Standard 41 Agriculture) agricultural produce is measured at fair value at its point of harvest which reflects the expected market price of the produce, eliminating related sales costs. The difference between the fair value of the harvest and the total costs incurred when growing the harvest is represented in profit (loss) statement line Gain (loss) on changes in fair values of biological assets and on recognition at fair value of agricultural produce at point of harvest.

Due to such accounting treatment market price estimation is very important criterion for assessing the fair value of the harvest. It should be noted that at the time of the publication of the financial statements for the twelve months of 2018, most of the 2017/2018 season harvest has already been sold or contracted at fixed prices for the sale of the crops, so the fair value of the crops can be measured reliably. Below is a comparison of the cash crops prices at which the harvest was evaluated (at fair value) in the seasons of 2016/2017 and 2017/2018.

| Average price of 1 tonne of crop, eliminating sales costs, EUR | 2017/2018 | 2016/2017 | Comparison 2017/2018 with 2016/2017, % |
|--|-----------|-----------|--|
| <b>Wheat</b>   | 259       | 254       | 2%                                     |
| <b>Legumes</b>   | 371       | 374       | -1%                                    |
| <b>Other cash crops</b>  | 221       | 236       | -6%                                    |

As can be seen from the data above, the price of 1 tonne of wheat in the season of 2017/2018 was 2% higher compared to the season of 2016/2017, while legumes - 1% lower, other cash crops - 6% lower. This indicates that the prices of the respective organic grains are very stable and that the Group can sell the harvested production in the international markets for organic raw materials at the prices which reflect the "price premium" of organic produce. It should be noted, that other cash crops average price is very dependent on the actual mix of cultivated crops, as it includes such high yield, but lower price per 1 tonne of crop as sugar beets, so it vary more between seasons. In addition, due to the fact that recently acquired AUGA Raseiniai, UAB was still in organic farming transitional period around 23% of 2017/2018 season harvest was priced at transitional period production prices which are lower 10-30% than fully organic production prices.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

The total production cost of cash crops was EUR 25.07 million in the season of 2017/2018 compared to EUR 16.40 million in the season of 2016/2017. The main reason for increase in total production cost of cash crops was increased cultivated cash crop area. In addition, when evaluating the results of the harvest in 2017/2018 season based on production cost, it is necessary to consider the fact that this year's harvest was negatively impacted by the one-off costs incurred due to cultivating abandoned lands in 2017, which were taken over from the bankrupt companies of KTG group in Lithuania. In 2016/2017 most of the overtaken lands were managed to restore their quality and fertility, therefore most of them were not sown and left to fallow (about 6 thousand ha). For this reason in the season of 2016/2017 the costs associated with the management of these lands were accumulated and left for the season of 2017/2018, when the crops were harvested for the first time by the group from these fields. Such costs amounted to about EUR 3.0 million and are reflected in the results of the harvest of 2017/2018. Eliminating these one-off costs which are related to processes and works that are not typical of the ordinary crop rotation cycle of organic farming, allows to ensure better comparability of the production cost of the harvest between 2017/2018 and 2016/2017 seasons.

The comparison of the production cost per hectare of land for the seasons of 2016/2017 and 2017/2018 is presented in the table below.

| <b>Cost per 1 ha cultivated land, EUR</b> | <b>2017/2018*</b> | <b>2017/2018**</b> | <b>2016/2017</b> | <b>Comparison 2017/2018** with 2016/2017, %</b> |
|---|-------------------|--------------------|------------------|---|
| <b>Wheat</b>                              | 881               | 811                | 762              | 6%  |
| <b>Legumes</b>                            | 790               | 671                | 759              | -12%  |
| <b>Other cash crops</b>                   | 986               | 886                | 1019             | -13%  |

\* Costs per 1 ha of cultivated land without eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017;

\*\* Costs per 1 ha of cultivated land eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017.

As can be seen from the data presented the costs per 1 ha of cultivated land after eliminating one-off costs remained at very similar level comparing to last year. The increase in wheat costs was mainly due to higher seed prices, related to the lack of seeds in the market in the spring of 2018, as well as rising fuel costs due to higher fuel prices. Despite the significant increase in cultivated land, very complicated autumn in 2017 due to rainy weather and challenging spring 2018 sowing due to double sown areas, the Group has managed to control direct costs associated with the cash crops. It should be noted, that other cash crops cost per 1 ha of cultivated land are very dependent on the mix of cultivated crops, as it includes such high cost crops like sugar beets, so it might vary more between seasons.

The challenges and adverse factors discussed above have led to a negative 2017/2018 season crop growing segment outcome in the twelve months of 2018. In total EUR 2.91 million loss on revaluation of agricultural produce at the point of harvest was recognised for twelve months of 2018. In comparison, there was EUR 5.07 million gain on revaluation of agricultural produce at the point of harvest for twelve months of 2017. Comparison of the gain (loss) on revaluation of agricultural produce at point of harvest between different cash crops and seasons is provided in the table below.

| <b>Gain (loss) on revaluation of agricultural produce at point of harvest, EUR/ha</b> | <b>2017/2018*</b> | <b>2017/2018**</b> | <b>2016/2017</b> |
|---|-------------------|--------------------|------------------|
| <b>Wheat</b>  | -149              | -78                | 281              |
| <b>Legumes</b>  | -268              | -150               | 476              |
| <b>Other cash crops</b>   | 142               | 243                | 156              |

\* Gain (loss) on revaluation of agricultural produce at point of harvest per 1 ha of cultivated land without eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017;

\*\* Gain (loss) on revaluation of agricultural produce at point of harvest per 1 ha of cultivated land eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017.

As it can be seen from the table above the highest loss on revaluation of agricultural produce at point of harvest per 1 ha of cultivated land in the season of 2017/2018 was on legumes. Loss was also recorded on wheat, while other cash crops were profitable. It could be noted that in 2016/2017 season legumes were the most profitable cash crop.

### Forage crop harvest results in the season of 2017/2018

Evaluating harvest results of forage crops it should be noted that the fair value of forage crop at its point of harvest is measured at production cost incurred on forage crop. In other words, forage crop production cost is used as a measure of the fair value of that forage crop since there is no active market for forage crops and there is no reliable data to calculate market price of the forage crops. Due to this the net result on revaluation of forage crops at the point of harvest is equal to zero.

The total production cost of forage crops was EUR 5.79 million in the season of 2017/2018 compared to EUR 4.74 million in the season of 2016/2017. The increase in production cost directly relates to increased area of forage crops from 8.2 thousand ha to 9.0 thousand ha. After elimination of one-off costs related to the proper preparation of abandoned land (discussed above), average cost per 1 ha of cultivated land of forage crop was 621 EUR/ha in the season of 2017/2018 or 8% higher than in the season of 2016/2017 when it was 577 EUR/ha.

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(All amounts are in EUR thousand, unless stated otherwise)

| Cost per 1 ha cultivated land, EUR | 2017/2018* | 2017/2018** | 2016/2017 | Comparison 2017/2018** with 2016/2017, % |
|------------------------------------|------------|-------------|-----------|--|
| <b>Forage crops</b>                | 643        | 621         | 577       | 8%                                       |

\* Costs per 1 ha of cultivated land without eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017;  
 \*\* Costs per 1 ha of cultivated land eliminating one-off costs related to the proper preparation of abandoned land overtaken in the season of 2016/2017.

Draught in 2018 summer negatively impacted forage crops yields. Average forage crops yield was 4.9 tonne/ha in 2017/2018 season while 6.1 tonne/ha were harvested the season earlier.

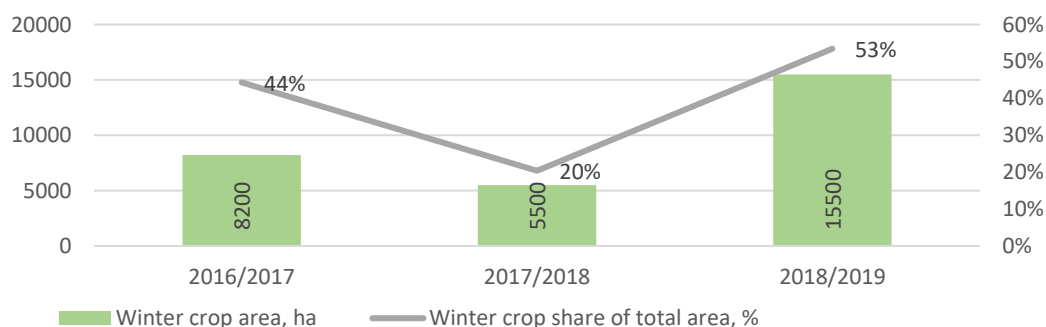
*Agricultural subsidies and gross profit of the crop growing segment*

The total amount of agricultural subsidies was EUR 9.16 million in the year 2018 compared to EUR 8.16 million prior year. The amount of direct subsidies increased from EUR 4.54 million in the year 2017 to EUR 5.75 million in the year 2018 due to expansion of Group’s cultivated land area. However, the expansion of Group’s cultivated land area had no effect on the amount of organic subsidies since this expansion is related to the acquisition of former Raseinių agra, UAB (now AUGA Raseiniai, UAB) in the year 2018. Despite transferring to organic farming AUGA Raseiniai, UAB did not receive organic farming subsidies in the year 2018 as all resources of Lithuanian agricultural policy for 2014-2020 branch “Organic agriculture” were already allocated earlier. On the other hand, organic farming programs in which part of former KTG group cultivated lands participated and received organic farming subsidies in previous years were ended in 2018 according to schedule of these programs. This resulted in a decrease in the total amount of organic subsidies received by the Group in year 2018 compared to year 2017. Total amount of organic farming subsidies was EUR 3.41 million in year 2018 compared to EUR 3.62 million year earlier. Crop rotation and mix of crops that were grown by the Group had minor effect on fluctuations in the total amount of organic subsidies received.

Gross profit of crop growing segment including result of sales of agricultural produce, gain (loss) on revaluation of agricultural produce at point of harvest and agricultural subsidies, amounted to EUR 4.37 million in the year 2018 compared to EUR 13.36 million the year earlier.

*Preparation for the season of 2018/2019*

It is important to note that the fall of 2018 was very favourable for autumn sowing and other preparatory land works for the season of 2018/2019. During the autumn of 2018 the Group had sowed 15,5 thousand ha of winter crops, which represent more than half (53%) of the total planted grain crops area in the season of 2018/2019. For comparison, in the season of 2017/2018, due to bad weather in the autumn of 2017, the Group harvested winter crops from only 5,5 thousand ha (winter crops amounted to only about 20% of the total cash crops area). In the season of 2016/2017, winter crops comprised about 44% of total area of cash crops. Winter crops generally have higher yield potential compared to summer crops. For instance, according to the Group’s harvest data, in the season of 2017/2018 winter wheat yields were 27% higher compared to summer wheat.



In addition, favourable 2018 autumn weather also allowed for proper cultivation of the land and preparation for summer crop sowing in the spring 2019. In the case of organic farming, land works require more time and resources, and their proper preparation has a very significant effect on yield.

At the beginning of 2019 the Group signed 3 years agreement with Nordic Sugar Kėdainiai, AB for growing and selling organic sugar beets. As a result it is planned to double growing area of sugar beet from 800 ha last year to 1500 ha. Sugar beets were one of the most profitable crops in 2017/2018 season.



## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### **Mushroom segment overview**

The revenue of the mushroom growing segment was EUR 26.46 million for twelve months of 2018, around EUR 2 million or 8% higher compared to the twelve months of 2017 when revenue was EUR 24.43 million. Revenue from mushroom sales increased by EUR 2.33 million while revenue from mushroom seedbed sales decreased by EUR 0.31 million.

Mushroom sales revenue increase relates to both – increased sales volume and average sales price. 12.15 thousand tonnes of mushrooms were sold in the year 2018 compared to 12.02 thousand tonnes the year earlier. The average price of 1 tonne of mushrooms sold was 1,966 EUR/tonne in the twelve months of 2018 (1,792 EUR/tonne in the twelve months of 2017). Average prices increased both of organic and non-organic mushrooms.

In the twelve months of 2018, the share of organic mushrooms was about 7.2% of total volume of mushrooms sold comparing to 5.4% reached in 2017. Organic mushrooms revenue share in total mushrooms sales was even larger and reached 10.8% in 2018 (8.9% in 2017). The increasing share of organic produce in the mushroom segment not only reflects the strategic goals of the Group, but also improves the results of the overall profit of the mushroom growing segment, since the average price of organic produce was about 50% higher, but costs are very similar to that of conventional products, because the organic compost is prepared from raw material of the by-products of other segments such as cow manure, straw, etc.

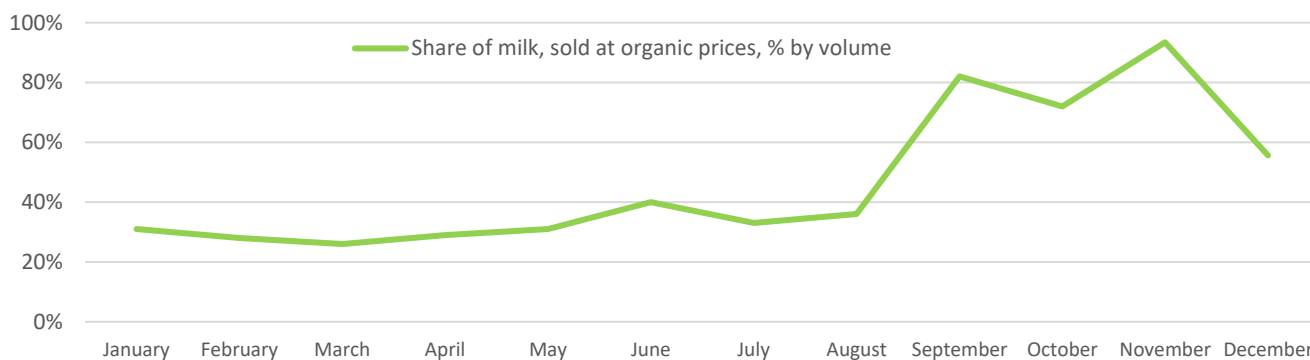
The total cost of sales of the mushroom growing segment was EUR 24.73 million in 2018 and was EUR 1.23 million higher compared to 2017 when it was EUR 23.50 million. The average cost of 1 tonne of mushrooms sold increased from 1,727 EUR/tonne in 2017 to 1,838 EUR/tonne in 2018. While cost of mushroom seedbed decreased in the twelve months of 2018 compared to the same period of 2017.

Significant revenue increase resulted in higher gross profit of mushroom growing segment: EUR 1.73 million in the twelve months of 2018 versus EUR 0.93 million in the twelve months of 2017.

### **Dairy segment overview**

Dairy segment sales revenue for the twelve months of 2018 amounted to EUR 8.95 million and was around the same level as during the twelve months of 2017 when it was EUR 9.01 million. Total amount of milk sold slightly decreased from 23.1 thousand tons in 2017 to 22.6 thousand tons in 2018. Average price of milk sold was around 359 euros per tonne that was 1% higher comparing to the same period last year.

Share of organic milk sales volume increased to 46% comparing to 14% in the same period of 2017, however, lower market prices for non-organic milk led to an average sale price of milk sold at almost similar level as in 2017. The share of organic milk sales by volume fluctuated between 30-40% in the first three quarters of 2018, picking up in September and during the fourth quarter averaging around 74%. As it can be seen from the graph provided below fluctuations in the share of milk sold at organic prices remain significant since the sales are still dependent on several important clients and their business needs in particular month. Share of milk sold at organic prices has important effect on average milk price sold as organic price premium is around 30%.



Dairy segment cost of sales increased significantly and totalled to EUR 10.26 million during twelve months of 2018 compared to EUR 8.41 million during the same period last year. The deterioration of the dairy segment cost of sales was mainly driven by an increase in cost of feed.

The cost of feed increased due to the following main reasons: (a) due to unfavourable weather conditions preparation of grass feed was complicated and yields were low both in the season of 2016/2017 and 2017/2018. The quality of the collected grass feeds was also relatively poor. All this has led to an increase in the cost of grass feed. (b) organic grains used for cattle feed during 2018 were harvested in 2017 and evaluated at the higher organic prices, reflecting their market value.

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(All amounts are in EUR thousand, unless stated otherwise)

The rise in cost of feed resulted in both higher milk production costs and cattle growing costs. Higher cattle growing costs had direct impact on increased loss from revaluation of biological assets (animal herd) due to increased loss from sales of cattle meat. The Group does not grow beef cattle, but because of the natural change in the cattle herd, aged and unproductive dairy cattle are sold for meat. The market price of such cattle meat is relatively low and does not compensate the value of the cattle, used for accounting purposes.

Gross loss of diary segment was EUR 2.42 million for twelve months period ended 31 December 2018 (gross profit of EUR 0.59 million was reported for twelve months period ended 31 December 2017).

### ***End-consumer packaged goods segment***

Total revenues of end-consumer packaged goods segment amounted to EUR 1.86 million during the twelve months of 2018 and was 1.8 times higher than during the same period of 2017 when it was EUR 1.05 million. Steady increase in end-consumer packaged goods indicates good potential for this segment development. Segment is of strategic importance for the Group due to diversification of current business lines as well as higher value added to existing products. This segment covers ready-to-eat soups, packaged vegetables, bottled milk and milk-shakes and other products.

Distribution of end-consumer products with *AUGA* brand in the domestic Baltics market was increased significantly in local retail chains during last 6 months. This gives solid base for further sales increase in 2019 in the Baltics. Further progress was achieved in the export markets. Contracts are finalized and sales are expected to start in the near future to such markets as the United States of America, South Korea, the United Arab Emirates, Romania, Ukraine.

Cost of sales was rising well, because most of the products in this segment are still selling on comparably low scale what results in high cost of sales and low margins at the moment. Cost of sales was EUR 1.79 million for the twelve months of 2018 compared to EUR 1.00 million for the same period in 2017.

High cost of sales resulted in EUR 0.07 million gross profit of end-consumer packaged goods segment during the twelve months of 2018. Gross profit of EUR 0.05 million reported for the same period in 2017.

### ***Operating expenses***

The Group's operating expenses for the twelve months of 2018 were significantly influenced by two one-off effects recorded in the first quarter of 2018: (a) the reversal of impairment loss of the assets of Karakash Agro OOO and Karakash OOO due to the signed agreement to sell the respective subsidiaries in the first quarter of 2018 (effect of EUR 1.8 million); (b) accrued expenses related to the termination of the acquisition of shares of UAB Arginta Engineering in the first quarter of 2018 (effect of EUR 0.7 million). After eliminating one-off effects, the Group's operating expenses for the twelve months of 2018 amounted to EUR 9.96 million comparing to EUR 8.59 million for the same period in 2017. Payroll and social security expenses increased by EUR 0.2 million due to increase in average salaries as well as number of personnel. Depreciation and amortisation costs, included in OPEX, increased by EUR 0.36 million in twelve months of 2018 compared to the same period in 2017 mainly due to amortisation costs of long-term land-rent contracts intangible asset which was accounted after acquisition of AUGA Raseiniai, UAB. In addition, EUR 0.2 million of accounts receivable impairment was accounted in application of new 9<sup>th</sup> International Financial Reporting Standard "Financial instruments" requirements during the twelve months of 2018.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### III. FINANCIAL STATEMENTS

#### Consolidated balance sheet

| ASSETS  | Notes | 31 December<br>2018<br>unaudited | 31 December<br>2017<br>audited |
|---|-------|----------------------------------|--------------------------------|
| <b>Non-current assets</b>   |       |                                  |                                |
| Property, plant and equipment   | 4     | 92,768                           | 85,235                         |
| Intangible assets   |       | 2,386                            | 839                            |
| Long term receivables   | 7     | 6,266                            | 3,497                          |
| Available for sale investments  |       | -                                | 286                            |
| Associates  |       | 355                              | 355                            |
| Deferred tax asset  |       | 1,411                            | 890                            |
| Biological assets   | 5     | 9,129                            | 8,029                          |
| <b>Total non-current assets</b>   |       | <b>112,315</b>                   | <b>99,131</b>                  |
| <b>Current assets</b>   |       |                                  |                                |
| Biological assets   | 5     | 14,430                           | 10,111                         |
| Inventory   | 6     | 28,613                           | 25,547                         |
| Trade receivables, advance payments and other receivables               | 7     | 16,341                           | 10,765                         |
| Cash and cash equivalents   |       | 2,279                            | 620                            |
|   |       | <b>61,663</b>                    | <b>47,043</b>                  |
| Assets classified as held for sale                                      |       | -                                | 2,374                          |
| <b>Total current assets</b>   |       | <b>61,663</b>                    | <b>49,417</b>                  |
| <b>TOTAL ASSETS</b>   |       | <b>173,978</b>                   | <b>148,548</b>                 |
| <b>EQUITY AND LIABILITIES</b>   |       |                                  |                                |
| <b>Capital and reserves</b>   |       |                                  |                                |
| Share capital   | 2     | 65,951                           | 54,351                         |
| Share premium   |       | 6,707                            | 738                            |
| Revaluation reserve   |       | 7,203                            | 5,889                          |
| Legal reserve   |       | 1,649                            | 579                            |
| Reserve to provide shares for employees                                 |       | 957                              | -                              |
| Currency exchange differences   |       | (165)                            | (165)                          |
| Retained earnings / (accumulated deficit)                               |       | 9,106                            | 17,241                         |
| <b>Equity attributable to equity holders of the parent</b>              |       | <b>91,408</b>                    | <b>78,633</b>                  |
| Non-controlling interest  |       | 234                              | 382                            |
| <b>Total equity</b>   |       | <b>91,642</b>                    | <b>79,015</b>                  |
| <b>Non-current liabilities</b>  |       |                                  |                                |
| Borrowings  | 8     | 13,845                           | 16,535                         |
| Obligations under finance lease   |       | 7,893                            | 5,987                          |
| Deferred grant income   |       | 3,433                            | 3,657                          |
| Deferred tax liability  |       | 656                              | 656                            |
| <b>Total non-current liabilities</b>                                    |       | <b>25,827</b>                    | <b>26,835</b>                  |
| <b>Current liabilities</b>  |       |                                  |                                |
| Current portion of non-current borrowings                               | 8     | 9,306                            | 4,506                          |
| Current portion of non-current obligations under finance lease          |       | 3,615                            | 2,956                          |
| Current borrowings  | 8     | 21,270                           | 13,607                         |
| Trade payables  |       | 16,121                           | 14,467                         |
| Other payables and current liabilities                                  |       | 6,197                            | 5,855                          |
|   |       | <b>56,509</b>                    | <b>41,391</b>                  |
| Liabilities directly associated with assets classified as held for sale |       | -                                | 1,307                          |
| <b>Total current liabilities</b>  |       | <b>56,509</b>                    | <b>42,698</b>                  |
| <b>Total liabilities</b>  |       | <b>82,336</b>                    | <b>69,533</b>                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |       | <b>173,978</b>                   | <b>148,548</b>                 |

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

**Consolidated income statement**

|   | Notes       | 12 months period ended 31 December |               |
|---|-------------|------------------------------------|---------------|
|   |             | 2018 unaudited                     | 2017 audited  |
| Revenues  | <u>9</u>    | 54,788                             | 48,784        |
| Cost of sales   | <u>9</u>    | (46,322)                           | (38,012)      |
| Gain (loss) on changes in fair values of biological assets and on recognition at fair value of agricultural produce at point of harvest | <u>5, 9</u> | (4,723)                            | 4,159         |
| <b>GROSS PROFIT</b>   |             | <b>3,743</b>                       | <b>14,931</b> |
| Operating expenses  | <u>10</u>   | (8,832)                            | (8,585)       |
| Other income  | <u>11</u>   | 890                                | 351           |
| <b>OPERATING PROFIT</b>   |             | <b>(4,199)</b>                     | <b>6,697</b>  |
| Finance cost  | <u>12</u>   | (2,292)                            | (1,904)       |
|   |             | <b>(6,491)</b>                     | <b>4,793</b>  |
| Share of net profit (loss) of associates accounted for using the equity method  |             | (286)                              | -             |
| <b>(PROFIT) LOSS BEFORE INCOME TAX</b>  |             | <b>(6,777)</b>                     | <b>4,793</b>  |
| Income tax expense  |             | 521                                | 222           |
| <b>NET (PROFIT) / LOSS FOR THE PERIOD</b>   |             | <b>(6,256)</b>                     | <b>5,015</b>  |
| <b>ATTRIBUTABLE TO:</b>   |             |                                    |               |
| Equity holders of the Company   |             | (6,108)                            | 4,926         |
| Non-controlling interest  |             | (148)                              | 89            |
|   |             | <b>(6,256)</b>                     | <b>5,015</b>  |
| <b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>  |             |                                    |               |
| <b>NET (PROFIT)/ LOSS FOR THE PERIOD</b>  |             | <b>(6,256)</b>                     | <b>5,015</b>  |
| <b>Other comprehensive income:</b>  |             |                                    |               |
| <i>Items that will not be reclassified to profit or loss:</i>   |             |                                    |               |
| Currency exchange differences   |             | -                                  | 52            |
| Revaluation of land, gross of tax   |             | 1,383                              | 1,800         |
| Deferred tax liability from revaluation   |             | (69)                               | (90)          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>  |             | <b>(4,942)</b>                     | <b>6,777</b>  |
| <b>ATTRIBUTABLE TO:</b>   |             |                                    |               |
| Equity holders of the Company   |             | (4,794)                            | 6,688         |
| Non-controlling interest  |             | (148)                              | 89            |
|   |             | <b>(4,942)</b>                     | <b>6,777</b>  |

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

**Consolidated statement of changes in equity**

|   | Share capital | Share premium  | Revaluation reserve | Currency exchange differences | Reserve to provide shares for employees | Legal reserve | Retained earnings | Equity attributable to the shareholders of the company | Non-controlling interest | Total          |
|---|---------------|----------------|---------------------|-------------------------------|---|---------------|-------------------|--|--------------------------|----------------|
| <b>Balance as at 31 December 2016 (audited)</b>     | <b>54,351</b> | <b>7,890</b>   | <b>4,179</b>        | <b>(217)</b>                  | <b>-</b>                                | <b>579</b>    | <b>5,163</b>      | <b>71,945</b>  | <b>293</b>               | <b>72,238</b>  |
| <b>Comprehensive income</b>                         |               |                |                     |                               |   |               |                   |  |                          |                |
| Net profit (loss) for the period                    | -             | -              | -                   | -                             | -                                       | -             | 4,926             | 4,926  | 89                       | 5,015          |
| <b>Other comprehensive income</b>                   |               |                |                     |                               |   |               |                   |  |                          |                |
| Revaluation of land, net of tax                     | -             | -              | 1,710               | -                             | -                                       | -             | -                 | 1,710  | -                        | 1,710          |
| Currency exchange differences                       | -             | -              | -                   | 52                            | -                                       | -             | -                 | 52   | -                        | 52             |
| <b>Total comprehensive income</b>                   | <b>-</b>      | <b>-</b>       | <b>1,710</b>        | <b>52</b>                     | <b>-</b>                                | <b>-</b>      | <b>4,926</b>      | <b>6,688</b>   | <b>89</b>                | <b>6,777</b>   |
| <b>Transactions with shareholders</b>               |               |                |                     |                               |   |               |                   |  |                          |                |
| Transfer of share premium to retained earnings      | -             | (7,152)        | -                   | -                             | -                                       | -             | 7,152             | -  | -                        | -              |
| <b>Total transactions with shareholders</b>         | <b>-</b>      | <b>(7,152)</b> | <b>-</b>            | <b>-</b>                      | <b>-</b>                                | <b>-</b>      | <b>7,152</b>      | <b>-</b>   | <b>-</b>                 | <b>-</b>       |
| <b>Balance as at 31 December 2017 (audited)</b>     | <b>54,351</b> | <b>738</b>     | <b>5,889</b>        | <b>(165)</b>                  | <b>-</b>                                | <b>579</b>    | <b>17,241</b>     | <b>78,633</b>  | <b>382</b>               | <b>79,015</b>  |
| <b>Comprehensive income</b>                         |               |                |                     |                               |   |               |                   |  |                          |                |
| Net profit (loss) for the period                    | -             | -              | -                   | -                             | -                                       | -             | (6,108)           | (6,108)  | (148)                    | (6,256)        |
| <b>Other comprehensive income</b>                   |               |                |                     |                               |   |               |                   |  |                          |                |
| Revaluation of land (net of tax)                    | -             | -              | 1,314               | -                             | -                                       | -             | -                 | 1 314  | -                        | 1,314          |
| <b>Total comprehensive income</b>                   | <b>-</b>      | <b>-</b>       | <b>1,314</b>        | <b>-</b>                      | <b>-</b>                                | <b>-</b>      | <b>(6,108)</b>    | <b>(4,794)</b>   | <b>(148)</b>             | <b>(4,942)</b> |
| <b>Transactions with shareholders</b>               |               |                |                     |                               |   |               |                   |  |                          |                |
| Transfer to legal reserve                           | -             | -              | -                   | -                             | -                                       | 1,070         | (1,070)           | -  | -                        | -              |
| Transfer to reserve to provide shares for employees | -             | -              | -                   | -                             | 957                                     | -             | (957)             | -  | -                        | -              |
| Issue of ordinary shares, net of transaction costs  | 11,600        | 5,969          | -                   | -                             | -                                       | -             | -                 | 17,569   | -                        | 17,569         |
| <b>Total transactions with shareholders</b>         | <b>11,600</b> | <b>5,969</b>   | <b>-</b>            | <b>-</b>                      | <b>957</b>                              | <b>1,070</b>  | <b>(2,027)</b>    | <b>17,569</b>  | <b>-</b>                 | <b>17,569</b>  |
| <b>Balance as at 31 December 2018 (unaudited)</b>   | <b>65,951</b> | <b>6,707</b>   | <b>7,203</b>        | <b>(165)</b>                  | <b>957</b>                              | <b>1,649</b>  | <b>9,106</b>      | <b>91,408</b>  | <b>234</b>               | <b>91,642</b>  |

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

**Consolidated statement of cash flows**

|   | Notes     | 12 months period ended 31 December |                |
|---|-----------|------------------------------------|----------------|
|   |           | 2018 unaudited                     | 2017 audited   |
| <b>Cash flows from /(to) operating activities</b>                             |           |                                    |                |
| <b>Net profit (loss) before income tax and non-controlling interest</b>       |           | <b>(6,777)</b>                     | <b>4,793</b>   |
| <b>Adjustments for non-cash expenses (income) items and other adjustments</b> |           |                                    |                |
| Depreciation expense  | <u>4</u>  | 7,478                              | 6,800          |
| Amortization expense  |           | 554                                | 178            |
| Write offs and impairment of PPE  | <u>4</u>  | 35                                 | 41             |
| (Profit) loss on sales of non-current assets                                  | <u>11</u> | (59)                               | (2)            |
| Share of losses (profits) of associates                                       |           | 286                                | -              |
| (Profit) loss on sale of investment property                                  | <u>1</u>  | (162)                              | -              |
| Impairment of receivables   |           | 200                                | -              |
| Write-offs of inventory   | <u>6</u>  | 1,590                              | 1,102          |
| Net finance cost  | <u>12</u> | 1,749                              | 1,904          |
| Reversal of impairment of PPE   | <u>10</u> | (1,828)                            | -              |
| Gain (loss) on changes in fair value of biological assets                     | <u>5</u>  | 4,723                              | (4,159)        |
| Grants related to assets, recognized as income                                |           | (484)                              | (623)          |
| <b>Changes in working capital</b>   |           |                                    |                |
| (Increase) decrease in biological assets                                      | <u>5</u>  | (10,142)                           | (6,568)        |
| (Increase) decrease in trade receivables and prepayments                      | <u>7</u>  | (3,824)                            | 3,468          |
| (Increase) decrease in inventory  | <u>6</u>  | (3,975)                            | (6,675)        |
| (Decrease) increase in trade and other payables                               |           | 1,184                              | 5,908          |
|   |           | <b>(9,452)</b>                     | <b>6,167</b>   |
| Interest paid, netto  |           | (1,729)                            | (1,802)        |
| <b>Net cash flows from /(to) operating activities</b>                         |           | <b>(11,181)</b>                    | <b>4,365</b>   |
| <b>Cash flows from /(to) investing activities</b>                             |           |                                    |                |
| Purchase of property, plant and equipment                                     |           | (3,865)                            | (4,950)        |
| Purchase of non-current intangible assets                                     |           | -                                  | (17)           |
| Purchase of investments   |           | (1,768)                            | (1,321)        |
| Purchase of associates  |           | -                                  | (355)          |
| Proceeds from sales of investment property, PPE                               |           | 210                                | 616            |
| Proceeds from sales of investments  | <u>1</u>  | 500                                | -              |
| Grants related to assets, received from NPA                                   | <u>7</u>  | 260                                | 373            |
| Other loans repaid  |           | -                                  | 143            |
| Other loans granted   | <u>7</u>  | (1,801)                            | (1,041)        |
| <b>Net cash flows from/(to) investing activities</b>                          |           | <b>(6,464)</b>                     | <b>(6,552)</b> |
| <b>Cash flows from /(to) financing activities</b>                             |           |                                    |                |
| Proceeds from issue of shares   |           | 17,568                             | -              |
| Loans repaid to banks   |           | (3,735)                            | (5,921)        |
| Borrowings received   |           | 6,189                              | 12,130         |
| Other borrowings obtained (paid)  |           | 4,000                              | (1,547)        |
| Finance lease repayments  |           | (4,718)                            | (3,504)        |
| <b>Net cash flows from/(to) financing activities</b>                          |           | <b>19,304</b>                      | <b>1,158</b>   |
| <b>Net (decrease) / increase in cash and cash equivalents</b>                 |           | <b>1,659</b>                       | <b>(1,030)</b> |
| <b>Cash and cash equivalents at the beginning of the period</b>               |           | <b>620</b>                         | <b>1,650</b>   |
| <b>Cash and cash equivalents at the end of the period</b>                     |           | <b>2,279</b>                       | <b>620</b>     |

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### IV. EXPLANATORY NOTES

#### 1. Basis of the preparation

The accompanying interim financial information for the period ended 31 December 2018, has been prepared in accordance with IAS 34, 'Interim financial reporting'. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017, as described in those annual financial statements. This financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2017, which have been prepared in accordance with IFRS as adopted by the EU.

The presentation currency is euro (EUR). The financial statements are presented in thousands of euro, unless indicated otherwise. Financial statements for the 12 months period ended 31 December 2018 are not audited. Financial statements for the year ended 31 December 2017 are audited by the external auditor UAB PriceWaterhouseCoopers.

The preparation of financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information, are disclosed below.

#### Business combinations

On 26 February 2018 AUGA group, AB has completed the purchase of 100% share of UAB Raseinių agra (now – UAB AUGA Raseiniai) for EUR 2.4 million. Share sale and purchase agreement was signed on 10 November 2017, as per released notification on material event. UAB Raseinių agra was established in October 2017 as a result of spin-off procedure from UAB Agra Corporation, shareholders of which decided to withdraw from agricultural business and to focus in the area of investment property management. UAB Raseinių agra managed around 5,200 ha of agricultural land. The preliminary fair value estimation of UAB Raseinių agra as at the date of acquisition is as follows:

|  | <b>Raseinių agra UAB</b>                 |
|--|--|
|  | <b>Fair value as at 26 February 2018</b> |
| <i>Non-current assets</i>                        |  |
| Land-rent contracts                              | 2,120                                    |
| PPE  | 2,932                                    |
| <i>Current assets</i>                            |  |
| Inventory  | 834                                      |
| Trade receivables and other current assets       | 337                                      |
| Cash and cash equivalents                        | 231                                      |
| <i>Long term liabilities</i>                     |  |
| Financial liabilities                            | (2,046)                                  |
| Borrowings from AGRA companies                   | (1,273)                                  |
| Deferred tax liability                           | (20)                                     |
| <i>Short term liabilities</i>                    |  |
| Other financial liabilities                      | (107)                                    |
| Trade payables and other current liabilities     | (573)                                    |
| <b>Net assets at acquisition date</b>            | <b>2,435</b>                             |
| Acquired share capital, %                        | 100.0                                    |
| Total value of the acquired investment           | <b>2,435</b>                             |
| Cash paid for shares at the time of the purchase | 2,435                                    |
| <b>Total purchase consideration</b>              | <b>2,435</b>                             |
| <b>Goodwill</b>                                  | <b>-</b>                                 |

The purchase price allocation of the acquired net assets will be finalized till the end of 2018.

The Group has acquired UAB Raseinių agra to expand its agricultural land area and increase efficiency of human and technical resources. The companies under acquisition are located next to Group's cultivation areas in the Raseiniai region.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

*Business combinations (continued)*

|   |              |
|---|--------------|
| Outflow of cash to acquire UAB Raseinių agra, net of cash acquired: |              |
| Purchase consideration settled in cash                              | 2,435        |
| Less: cash and cash equivalents acquired                            | 231          |
| Net cash outflow on acquisition                                     | <b>2,204</b> |

The fair value of acquired trade receivables is EUR 337 thousand. The gross contractual amount for trade receivables is EUR 337 thousand, of which none is expected to be uncollectible.

The acquired UAB Raseinių agra did not contribute any revenue or profit (loss) to the Group till 26 February 2018.

If the acquisition of UAB Raseinių agra had occurred on 1 January 2018, the Group's Revenue of 2018 would have been larger by EUR 29 thousand; net profit lower by EUR 169 thousand.

On 9 February 2018 the Group has signed a contract to sell two subsidiaries - Karakash OOO and Karakash Agro OOO which were operating in Crimea. The sale was finalized in 10 May 2018 and the gain on the transaction was accounted in other income. The result in the table is the preliminary impact based on the current assessment of timing and amount of payment. The details of the result of the Group's subsidiaries disposal is as follows:

### Disposal of subsidiaries

|  | <b>Karakash Agro OOO</b>                |
|--|---|
|  | <b>Carrying value of the investment</b> |
| <i>Assets classified as held for sale</i>                                      |   |
| Property plant and equipment (after reversal of impairment)                    | 2,742                                   |
| Biological assets  | 737                                     |
| Inventory  | 144                                     |
| Trade receivables and other current assets                                     | 683                                     |
| Cash and cash equivalents  | 5                                       |
| <i>Liabilities directly associated with assets classified as held for sale</i> |   |
| Trade payables and other current liabilities                                   | (1,416)                                 |
| <b>Net assets at disposal date</b>   | <b>2,895</b>                            |
| Sold share capital, %  | 100.00                                  |
| Paid in cash   | 500                                     |
| Deferred consideration   | 2,568                                   |
| <b>Total sales consideration</b>   | <b>3,068</b>                            |
| Expenses incurred due to disposal of subsidiaries                              | 11                                      |
| <b>Total gain on transaction</b>   | <b>162</b>                              |

## 2. Share capital

The share capital of AUGA group, AB as at 31 December 2018 was EUR 65,950,713.08 (54,350,713.08 as at 31 December 2017). The share capital was divided into 227,416,252 ordinary shares (187,416,252 ordinary shares as at 31 December 2017). Each issued share has a EUR 0.29 nominal value and fully paid. Each share had usual material and proprietary and non-proprietary rights as per Law on Companies of the Republic of Lithuania and the Company's Articles of Association.



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### Shareholders

Total number of shareholders on 31 December 2018 was 1,149 (one thousand one hundred forty-nine), and on 31 December 2017 it was 915 (nine hundred fifteen). The shareholders owning more than 5% of shares in the Company are the following:

| Entity / person                                  | 31 December 2018   |               | 31 December 2017   |               |
|--|--------------------|---------------|--------------------|---------------|
|  | Number of shares   | % owned       | Number of shares   | % owned       |
| Baltic Champs Group UAB                          | 125,167,939        | 55.04         | 165,167,939        | 88.13         |
| European Bank for Reconstruction and Development | 19,810,636         | 8.71          | -                  | -             |
| ME Investicija UAB                               | 19,030,801         | 8.37          | -                  | -             |
| Žilvinas Marcinkevičius                          | 15,919,138         | 7.00          | -                  | -             |
| Other shareholders                               | 47,487,738         | 20.88         | 22,248,313         | 11.87         |
| <b>Total</b>                                     | <b>227,416,252</b> | <b>100.00</b> | <b>187,416,252</b> | <b>100.00</b> |

Information on the shares of the Company directly held by the members of the Supervisory Board, the Board of Directors and the top management as of 31 December 2018:

| Name, Surname    | Position              | Owned shares in the Company, units | Owned shares in the Company, % |
|------------------|-----------------------|------------------------------------|--------------------------------|
| Kęstutis Juščius | Chairman of the Board | 1,392                              | 0.0007%                        |
| Marijus Bakas    | Member of Board       | 39,062                             | 0.02%                          |

Kęstutis Juščius, Chairman of the Board, is the sole shareholder of Baltic Champs Group, UAB, as of 31 December 2018 controlling 55.04% of shares in AUGA group, AB.

### The sales of the Issuer's securities on exchanges and other organized markets

Starting since 2 April 2008 the Company was listed on Vilnius Stock Exchange Main list, since 1 May 2009, the Company was moved to the Secondary list of NASDAQ Vilnius Stock Exchange (hereinafter – NASDAQ Vilnius). On 27 August 2018 the shares in the Company were listed on Nasdaq Vilnius Baltic Main list. As of 8 July 2011, the Company's shares are also traded on the Warsaw Stock Exchange.

Information about the Company's shares trading on the NASDAQ Vilnius.

| Reporting period | Price, EUR |       |              | Date of last session | Total turnover |              |
|------------------|------------|-------|--------------|----------------------|----------------|--------------|
|                  | max        | min   | Last session |                      | Units          | EUR, million |
| 2018 I quarter   | 0.645      | 0.490 | 0.520        | 2018.03.29           | 1,183,206      | 0.677        |
| 2018 II quarter  | 0.535      | 0.462 | 0.510        | 2018.06.29           | 946,347        | 0.467        |
| 2019 III quarter | 0.540      | 0.476 | 0.496        | 2018.09.28           | 1,619,810      | 0.806        |
| 2019 IV quarter  | 0.494      | 0.370 | 0.400        | 2018.12.28           | 2,514,247      | 1.033        |

*The sales of the Issuer's securities on exchanges and other organized markets (continued)*

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(All amounts are in EUR thousand, unless stated otherwise)

AUGA group, AB share price variance (Eur) and Volume for the period of 1 January 2015 to 31 December 2018.



### Agreements with the intermediaries in public trading securities

The Company and UAB FMĮ Orion Securities (A. Tumėno st. 4, B korpusas, LT-01109, Vilnius) signed an agreement regarding handling of Shareholders accounts.

### 3. The Structure of the Group

As of 31 December 2018, the consolidated Group (hereinafter the Group) consists of the Company and one hundred thirty-five subsidiaries (31 December 2017: one hundred thirty-six subsidiaries). The subsidiaries included in the Group's consolidated financial statements for the both periods are indicated below.

| No. | Name of subsidiary        | Legal form | Legal entity code | Registered office                             | Profile | Group ownership interest, % |            |
|-----|---------------------------|------------|-------------------|---|---------|-----------------------------|------------|
|     |                           |            |                   |   |         | 2018 12 31                  | 2017 12 31 |
| 1.  | Baltic Champs UAB         | *4         | 302942064         | Šiaulių region, Poviliškių v., 15             | **A     | 100,00%                     | 100,00%    |
| 2.  | AVG Investment UAB        | *4         | 300087691         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **G     | 100,00%                     | 100,00%    |
| 3.  | AWG Investment 1 UAB      | *4         | 301745765         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **G     | 100,00%                     | 100,00%    |
| 4.  | AWG Investment 2 UAB      | *4         | 301807590         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **G     | 100,00%                     | 100,00%    |
| 5.  | Agross UAB                | *4         | 301807601         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **H     | 100,00%                     | 100,00%    |
| 6.  | Grain Lt UAB              | *4         | 302489354         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **H     | 97,41%                      | 97,41%     |
| 7.  | Ars Ingenii UAB           | *4         | 302602713         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **H     | 100,00%                     | 100,00%    |
| 8.  | AgroGis UAB               | *4         | 302583978         | Vilniaus mun., Vilnius, Konstitucijos av. 21C | **D     | 95,00%                      | 95,00%     |
| 9.  | Agro Management Team UAB  | *4         | 302599498         | Jonavos region, Bukonių v., Lankesos st. 2    | **E     | 100,00%                     | 100,00%    |
| 10. | Agrotechnikos centras UAB | *4         | 302589187         | Jonavos region, Bukonių v., Lankesos st. 2    | **F     | 100,00%                     | 100,00%    |
| 11. | AUGA trade UAB            | *4         | 302753875         | Jonavos region, Bukonių v., Lankesos st. 2    | **H     | 100,00%                     | 100,00%    |

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(All amounts are in EUR thousand, unless stated otherwise)

|     |   |    |           |   |     |         |         |
|-----|---|----|-----------|---|-----|---------|---------|
| 12. | Agricultural entity Žemės fondas                  | *1 | 300558595 | Vilniaus mun., Vilnius, Konstitucijos av. 21C   | **E | 100,00% | 100,00% |
| 13. | UAB Žemės vystymo fondas 6                        | *4 | 300589719 | Vilniaus mun., Vilnius, Smolensko st. 10  | **E | 100,00% | 100,00% |
| 14. | UAB Žemės vystymo fondas 9                        | *4 | 300547638 | Jonavos region, Bukonių v., Lankesos st. 2  | **E | 100,00% | 100,00% |
| 15. | UAB Žemės vystymo fondas 10                       | *4 | 301522723 | Jonavos region, Bukonių v., Lankesos st. 2  | **E | 100,00% | 100,00% |
| 16. | UAB Žemės vystymo fondas 20                       | *4 | 300887726 | Jonavos region, Bukonių v., Lankesos st. 2  | **B | 100,00% | 100,00% |
| 17. | AUGA Grūduva UAB                                  | *4 | 174401546 | Šakių region, Gotlybiškių v., Radviliškio region, Vaitiekūnų v., Spindulio st. 13   | **A | 98,97%  | 97,41%  |
| 18. | Agricultural entity AUGA Spindulys                | *1 | 171330414 | Panevėžio region, Smilgių mstl. Panevėžio st. 23-1  | **A | 99,99%  | 99,96%  |
| 19. | Agricultural entity AUGA Smilgiai                 | *1 | 168548972 | Radviliškio region, Skėmių v., Kėdainių st. 36  | **A | 100,00% | 100,00% |
| 20. | Agricultural entity AUGA Skėmiai                  | *1 | 171306071 | Kėdainių region, Kirmėlių v., Anykščių region, Kirmėlių v., Raseinių region, Paraseinio v., Šiaulių region, Žadžiūnų v., Gudelių st. 30-2   | **A | 99,97%  | 99,87%  |
| 21. | Agricultural entity AUGA Nausodė                  | *1 | 154179675 | Anykščių region, Kirmėlių v., Raseinių region, Paraseinio v., Šiaulių region, Žadžiūnų v., Gudelių st. 30-2   | **A | 99,93%  | 99,80%  |
| 22. | Agricultural entity AUGA Dumšiškės                | *1 | 172276179 | Raseinių region, Paraseinio v., Šiaulių region, Žadžiūnų v., Gudelių st. 30-2   | **A | 99,88%  | 99,38%  |
| 23. | Agricultural entity AUGA Žadžiūnai                | *1 | 175706853 | Gudelių st. 30-2  | **A | 99,81%  | 99,02%  |
| 24. | Agricultural entity AUGA Mantviliškis             | *1 | 161274230 | Kėdainių region, Mantviliškio v., Molėtų region, Kazlų v., Škiemonių st. 2A   | **A | 99,94%  | 98,79%  |
| 25. | Agricultural entity AUGA Alanta                   | *1 | 167527719 | Škiemonių st. 2A  | **A | 99,99%  | 98,55%  |
| 26. | Agricultural entity AUGA Eimučiai                 | *1 | 175705032 | Šiaulių region, Žadžiūnų v., Gudelių st. 30-2   | **A | 99,24%  | 98,41%  |
| 27. | Agricultural entity AUGA Vėriškės                 | *1 | 171305165 | Radviliškio region, Vėriškių v., Radviliškio region, Želsvos v., Marijampolės mun., Želsvos v., Jonavos region, Bukonių v., Radviliškio region, Kairėnų v., Jurbarko region, Klišių v., Vytauto Didžiojo st. 99 | **A | 99,93%  | 99,86%  |
| 28. | Agricultural entity AUGA Želsvelė                 | *1 | 165666499 | Marijampolės mun., Želsvos v., Jonavos region, Bukonių v., Radviliškio region, Kairėnų v., Jurbarko region, Klišių v., Vytauto Didžiojo st. 99  | **A | 99,86%  | 97,17%  |
| 29. | Agricultural entity AUGA Lankesa                  | *1 | 156913032 | Jonavos region, Bukonių v., Radviliškio region, Kairėnų v., Jurbarko region, Klišių v., Vytauto Didžiojo st. 99   | **A | 96,91%  | 96,24%  |
| 30. | Agricultural entity AUGA Kairėnai                 | *1 | 171327432 | Radviliškio region, Kairėnų v., Jurbarko region, Klišių v., Vytauto Didžiojo st. 99   | **A | 98,47%  | 94,82%  |
| 31. | Agricultural entity AUGA Jurbarkai                | *1 | 158174818 | Panevėžio region, Gustonių v., M. Kriaučiūno st. 15   | **A | 98,46%  | 87,78%  |
| 32. | Agricultural entity AUGA Gustoniai                | *1 | 168565021 | M. Kriaučiūno st. 15  | **A | 100,00% | 99,72%  |
| 33. | Cooperative entity Siesarčio ūkis                 | *3 | 302501098 | Šakių region, Gotlybiškių v., Mokyklos st. 18   | **A | 99,44%  | 99,44%  |
| 34. | Cooperative entity Kašėta                         | *3 | 302501251 | Jonavos region, Bukonių v., Lankesos st. 2  | **A | 99,44%  | 99,44%  |
| 35. | Agricultural entity Gustonys                      | *1 | 302520102 | Panevėžio region, Gustonių v., M. Kriaučiūno st. 15   | **E | 100,00% | 100,00% |
| 36. | Agricultural entity Skėmių pienininkystės centras | *1 | 302737554 | Radviliškio region, Skėmių v., Alyvų st. 1  | **A | 48,67%  | 48,67%  |
| 37. | Cooperative entity Agrobokštai                    | *3 | 302485217 | Vilniaus mun., Vilnius, Konstitucijos av. 21C   | **A | 97,94%  | 97,94%  |
| 38. | Cooperative entity Dotnuvėlės valdos              | *3 | 302618614 | Šiaulių region, Žadžiūnų v., Gudelių st. 30-2   | **A | 99,22%  | 99,22%  |
| 39. | Cooperative entity Nevėžio lankos                 | *3 | 302618596 | Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60   | **A | 96,51%  | 96,51%  |
| 40. | Cooperative entity Radviliškio kraštas            | *3 | 302618742 | Radviliškio region, Skėmių v., Kėdainių st. 13  | **A | 98,67%  | 98,67%  |
| 41. | Cooperative entity Šventosios pievos              | *3 | 302618201 | Raseinių region, Kalnųjų mstl. Žieveliškės st. 1  | **A | 96,36%  | 96,36%  |
| 42. | Cooperative entity Kairių ūkis                    | *3 | 302615194 | Panevėžio region, Gustonių v., M. Kriaučiūno st. 15   | **A | 98,68%  | 98,68%  |
| 43. | Cooperative entity Šiaurinė valda                 | *3 | 302615187 | Šiaulių region, Poviliškių v., 15 Kelmės region, Pašiaušės v., Vilties st. 2  | **A | 96,15%  | 96,15%  |
| 44. | Cooperative entity žemė                           | *3 | 302618767 | Vilties st. 2   | **A | 98,43%  | 98,43%  |
| 45. | Cooperative entity Žalmargėlis                    | *3 | 303145954 | Vilniaus mun., Vilnius, Smolensko st. 10-100  | **A | 98,32%  | 98,32%  |
| 46. | Cooperative entity Juodmargėlis                   | *3 | 303159014 | Raseinių region, Kalnųjų mstl. Žieveliškės st. 1  | **A | 99,35%  | 99,35%  |
| 47. | Cooperative entity Agromilk                       | *3 | 302332698 | Raseinių region, Kalnųjų mstl. Žieveliškės st. 1  | **A | 96,28%  | 96,28%  |
| 48. | Cooperative entity Purpurėja                      | *3 | 302542337 | Širvintų region, Širvintų v., Zosinos st. 7   | **A | 99,53%  | 99,53%  |
| 49. | UAB Bukonių ekologinis ūkis                       | *4 | 302846621 | Vilniaus mun., Vilnius, Konstitucijos av. 21C   | **A | 100,00% | 100,00% |

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| 50. | Agrosaulė 8 UAB<br>Biržai distr., Rinkuškiai<br>reclamation infrastructure<br>users association | *4 | 302846105 | Vilniaus mun., Vilnius,<br>Smolensko st. 10-100                               | **G | 100,00% | 100,00% |
| 51. | Pasvalys distr., Pušalotas<br>reclamation infrastructure<br>users association                   | *2 | 302465556 | Biržų region, Biržai, Vytauto st.<br>38                                       | **A | 48,67%  | 48,67%  |
| 52. | Skėmiai reclamation<br>infrastructure users<br>association                                      | *2 | 302465563 | Pasvalio region, Diliauskų v.,<br>Diliauskų st. 23                            | **A | 48,67%  | 48,67%  |
| 53. | Vaitiekūnai reclamation<br>infrastructure users<br>association                                  | *2 | 303170256 | Šiaulių region, Žadžiūnų v.,<br>Gudelių st. 30-2                              | **A | 48,67%  | 48,67%  |
| 54. | Association Grūduvos<br>melioracija   | *2 | 303170306 | Šiaulių region, Žadžiūnų v.,<br>Gudelių st. 30-2                              | **A | 48,67%  | 48,67%  |
| 55. | Pauliai reclamation<br>infrastructure users<br>association                                      | *2 | 302567116 | Šakių region, Gotlybiškių v.,<br>Mokyklos st. 2                               | **A | 65,81%  | 65,81%  |
| 56. | Nausode reclamation<br>infrastructure users<br>association                                      | *2 | 303169909 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30                                  | **A | 100,00% | 100,00% |
| 57. | Traktorių nuomos centras<br>UAB   | *4 | 304219592 | Vilniaus mun., Vilnius,<br>Konstitucijos av. 21C                              | **A | 70,74%  | 70,74%  |
| 58. | Traktorių nuomos<br>paslaugos UAB   | *4 | 302820808 | Jonavos region, Bukonių v.,<br>Lankesos st. 2                                 | **A | 100,00% | 100,00% |
| 59. | Arnega UAB  | *4 | 302820797 | Jonavos region, Bukonių v.,<br>Lankesos st. 2                                 | **A | 100,00% | 100,00% |
| 60. | AgroSchool OU<br>Public institution   | *6 | 12491954  | Harju maakond, Tallinn,<br>Kesklinna linnaosa, Lai tn 32-8,<br>10133          | **G | 100,00% | 100,00% |
| 62. | AgroSchool  | *5 | 303104797 | Vilniaus mun., Vilnius,<br>Smolensko st. 10-100                               | **C | 50,00%  | 50,00%  |
| 63. | AUGA Ramučiai UAB   | *4 | 302854479 | Akmenės region, Ramučių v.,<br>Klevų st. 11                                   | **A | 100,00% | 100,00% |
| 64. | AUGA Luganta UAB  | *4 | 300045023 | Kelmės region, Pašiaušės v.,<br>Vilniaus mun., Vilnius,<br>Saltoniškių st. 29 | **A | 100,00% | 100,00% |
| 65. | eTime invest UAB  | *4 | 300578676 | Adalet st. 18, Chechova,<br>Razdolnenskiy distr., Krym                        | **G | 100,00% | 100,00% |
| 66. | Karakash Agro OOO   | *6 | 37171461  | Adalet st. 18, Chechova,<br>Razdolnenskiy distr., Krym                        | **A | 0,00%   | 100,00% |
| 67. | Karakash OOO  | *6 | 37171461  | Jonavos region, Bukonių v.,<br>Lankesos st. 2                                 | **A | 0,00%   | 100,00% |
| 68. | ŽVF Projektai UAB<br>Agricultural entity Alantos<br>ekologinis ūkis                             | *4 | 300137062 | Lankesos st. 2  | **E | 52,62%  | 52,62%  |
| 69. | Agricultural entity<br>Dumšiškių ekologinis ūkis  | *1 | 303324747 | Molėtų region, Kazlų v.,<br>Skiemonių st. 2A                                  | **A | 100,00% | 100,00% |
| 70. | Agricultural entity Eimučių<br>ekologinis ūkis  | *1 | 303324722 | Raseinių region, Paraseinio v.,<br>Paraseinio st. 2                           | **A | 100,00% | 100,00% |
| 71. | Agricultural entity<br>Grūduvos ekologinis ūkis   | *1 | 303324715 | Šiaulių region, Žadžiūnų v.,<br>Gudelių st. 30-2                              | **A | 100,00% | 100,00% |
| 72. | Agricultural entity<br>Jurbaruko ekologinis ūkis  | *1 | 303324804 | Šakių region, Gotlybiškių v.,<br>Mokyklos st. 2                               | **A | 100,00% | 100,00% |
| 73. | Agricultural entity Kairėnų<br>ekologinis ūkis  | *1 | 303325361 | Jurbarko region, Klišių v.,<br>Vytauto Didžiojo st. 99                        | **A | 100,00% | 100,00% |
| 74. | Agricultural entity<br>Lankesos ekologinis ūkis   | *1 | 303325774 | Radviliškio region, Vaitiekūnų v.,<br>Spindulio st. 13-2                      | **A | 100,00% | 100,00% |
| 75. | Agricultural entity<br>Mantviliškio ekologinis ūkis   | *1 | 303325710 | Jonavos region, Bukonių v.,<br>Lankesos st. 2                                 | **A | 100,00% | 100,00% |
| 76. | Agricultural entity<br>Nausodės ekologinis ūkis   | *1 | 303325703 | Kėdainių region, Mantviliškio v.,<br>Liepos 6-osios st. 60                    | **A | 100,00% | 100,00% |
| 77. | Agricultural entity Skėmių<br>ekologinis ūkis   | *1 | 303325781 | Anykščių region, Nausodės v.,<br>Nausodės st. 55                              | **A | 100,00% | 100,00% |
| 78. | Agricultural entity Smilgių<br>ekologinis ūkis  | *1 | 303325692 | Radviliškio region, Skėmių v.,<br>Kėdainių st. 13                             | **A | 100,00% | 100,00% |
| 79. | Agricultural entity<br>Spindulio ekologinis ūkis  | *1 | 303325824 | Panevėžio region, Smilgiai,<br>Panevėžio st. 23-1                             | **A | 100,00% | 100,00% |
| 80. | Agricultural entity Vėriškių<br>ekologinis ūkis   | *1 | 303325817 | Radviliškio region, Vaitiekūnų v.,<br>Spindulio st. 13-2                      | **A | 100,00% | 100,00% |
| 81. | Agricultural entity<br>Žadžiūnų ekologinis ūkis   | *1 | 303325849 | Radviliškio region, Skėmių v.,<br>Kėdainių st. 13                             | **A | 100,00% | 100,00% |
| 82. | Agricultural entity<br>Želsvelės ekologinis ūkis  | *1 | 303325870 | Šiaulių region, Žadžiūnų v.,<br>Gudelių st. 30-2                              | **A | 100,00% | 100,00% |
| 83. |   | *1 | 303325856 | Marijampolės mun., Želsvos v.,<br>Želsvelės st. 1                             | **A | 100,00% | 100,00% |

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| 84.  | Prestviigi OU                           | *6 | 12654600    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 85.  | Turvaste partners OU                    | *6 | 12655410    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 86.  | Nakamaa Agro OU                         | *6 | 12655522    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10113            | **G | 100,00% | 100,00% |
| 87.  | Hindaste Invest OU                      | *6 | 12655384    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 88.  | Tuudi River OU                          | *6 | 12655640    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 89.  | Palderma Partners OU                    | *6 | 12654959    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 90.  | Ave-Martna Capital OU                   | *6 | 12655155    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 91.  | Hobring Invest OU                       | *6 | 12655427    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 92.  | Rukkirahhu Capital OU                   | *6 | 12655232    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 93.  | Pahasoo OU                              | *6 | 12655367    | Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133            | **G | 100,00% | 100,00% |
| 94.  | Cooperative entity Ganiklis             | *3 | 303429417   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 95.  | Cooperative entity Ganiavos gėrybės     | *3 | 303429431   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 96.  | Cooperative entity Žemėpačio pieno ūkis | *3 | 303432388   | Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30                  | **A | 98,09%  | 98,09%  |
| 97.  | Cooperative entity Žemynos pienelis     | *3 | 303427989   | Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30                  | **A | 98,09%  | 98,09%  |
| 98.  | Cooperative entity Lygiadienio ūkis     | *3 | 303428087   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 99.  | Cooperative entity Laumės pieno ūkis    | *3 | 303427996   | Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30                  | **A | 98,09%  | 98,09%  |
| 100. | Cooperative entity Medeinis pienas      | *3 | 303428112   | Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30                  | **A | 98,09%  | 98,09%  |
| 101. | Cooperative entity Gardaitis            | *3 | 303429381   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 102. | Cooperative entity Dimstipatis          | *3 | 303429424   | Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region, | **A | 98,09%  | 98,09%  |
| 103. | Cooperative entity Aušlavis             | *3 | 303429456   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 104. | Cooperative entity Austėjos pieno ūkis  | *3 | 303428094   | Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region, | **A | 98,09%  | 98,09%  |
| 105. | Cooperative entity Aitvaro ūkis         | *3 | 303429374   | Radviliškio region, Skėmių v., Alyvų st. 1-3                              | **A | 98,09%  | 98,09%  |
| 106. | Cooperative entity Giraičio pieno ūkis  | *3 | 303429399   | Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region, | **A | 98,09%  | 98,09%  |
| 107. | Fentus 10 GmbH                          | *6 | HRB106477   | Berlin, Germany   | **G | 100,00% | 100,00% |
| 108. | Norus 26 AG                             | *6 | HRB109356 B | StraBe des 17 Juni 10b 10623 Berlin, Germany                              | **G | 100,00% | 100,00% |
| 109. | LT Holding AG                           | *6 | HRB109265 B | StraBe des 17 Juni 10b 10623 Berlin, Germany                              | **G | 100,00% | 100,00% |
| 110. | KTG Agrar UAB                           | *4 | 300127919   | Vilniaus mun., Vilnius, Konstitucijos av. 21C                             | **A | 100,00% | 100,00% |
| 111. | Agrar Raseiniai UAB                     | *4 | 300610316   | Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30                  | **A | 100,00% | 100,00% |
| 112. | AUGA Mažeikiai UAB                      | *4 | 300610348   | Mažeikių av. 9, Naikių v., Mažeikių region,                               | **A | 100,00% | 100,00% |
| 113. | PAE Agrar UAB                           | *4 | 300867691   | Raseinių region, Gėluvos v., Dvaro st. 30                                 | **A | 100,00% | 100,00% |

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| 114. | Delta Agrar UAB                 | *4 | 300868875 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 115. | KTG Grūdai UAB                  | *4 | 302637486 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 116. | KTG Eko Agrar UAB               | *4 | 300510650 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 117. | Agronita UAB                    | *4 | 300132574 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 118. | Agronuoma UAB                   | *4 | 303204954 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 119. | VL Investment Vilnius 12<br>UAB | *4 | 303205611 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 120. | Agrar Ašva UAB                  | *4 | 301608542 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 121. | Agrar Varduva UAB               | *4 | 301608791 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 122. | Agrar Seda UAB                  | *4 | 301608777 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 123. | Agrar Kvistė UAB                | *4 | 302308067 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 124. | Agrar Luoba UAB                 | *4 | 302308035 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 125. | Agrar Gaja UAB                  | *4 | 302594412 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 126. | Agrar Ariogala UAB              | *4 | 301626540 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 127. | Agrar Girdžiai UAB              | *4 | 301621568 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 128. | Agrar Vidauja UAB               | *4 | 301622531 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 129. | Agrar Raudonė UAB               | *4 | 302309532 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 130. | Agrar Venta UAB                 | *4 | 302307855 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 131. | Agrar Nerys UAB                 | *4 | 302594063 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 132. | Agrar Gėluva UAB                | *4 | 302312133 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 133. | Agrar Betygala UAB              | *4 | 302312222 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 134. | Agrar Dubysa UAB                | *4 | 302312215 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 135. | Agrar Pauliai UAB               | *4 | 302312165 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 136. | Agrar Mituva UAB                | *4 | 302312172 | Raseinių region, Gėluvos v.,<br>Dvaro st. 30    | **A | 100,00% | 100,00% |
| 137. | AUGA Raseiniai UAB              | *4 | 304704364 | Raseinių region, Kalnųjai,<br>Žieveliškės st. 1 | **A | 100,00% | 0,00%   |

COMMENTS:

- \*
- \*1 Agricultural entity
- \*2 Association
- \*3 Cooperative entity
- \*4 Private limited Company
- \*5 Public institution
- \*6 Foreign legal entity

- \*\*
- \*\*A Agricultural operations
- \*\*B Cash pool of the group
- \*\*C Human resource management
- \*\*D IT system development
- \*\*E Land management
- \*\*F Lease of machinery
- \*\*G Management of subsidiaries
- \*\*H Trade and logistics

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

**4. Property, plant and equipment**

|   | Land          | Buildings     | Constructions and machinery | Vehicles, equipment and other property, plant and equipment | Construction in progress | Total           |
|---|---------------|---------------|-----------------------------|---|--------------------------|-----------------|
| <b>As at 31 December 2016 (audited)</b>                     | <b>13,548</b> | <b>42,380</b> | <b>16,713</b>               | <b>2,415</b>  | <b>1,206</b>             | <b>76,262</b>   |
| - purchase of subsidiaries                                  | 1,948         | 704           | 2,107                       | 480   | -                        | <b>5,239</b>    |
| - additions   | 1,566         | 733           | 6,432                       | 1,254   | 282                      | <b>10,267</b>   |
| - disposals and write-offs                                  | -             | -             | (369)                       | (159)   | (99)                     | <b>(627)</b>    |
| - revaluation   | 1,717         | -             | -                           | -   | -                        | <b>1,717</b>    |
| - depreciation  | -             | (2,119)       | (3,923)                     | (758)   | -                        | <b>(6,800)</b>  |
| - reclassification to assets held for sale                  | -             | (98)          | (291)                       | (434)   | -                        | <b>(823)</b>    |
| - reclassifications   | -             | (17)          | 478                         | 15  | (476)                    | -               |
| <b>As at 31 December 2017 (audited)</b>                     | <b>18,779</b> | <b>41,583</b> | <b>21,147</b>               | <b>2,813</b>  | <b>913</b>               | <b>85,235</b>   |
| - purchase of subsidiaries                                  | 114           | 1,639         | 1,028                       | 132   | 19                       | <b>2,932</b>    |
| - additions   | 1,431         | 565           | 7,907                       | 755   | 380                      | <b>11,038</b>   |
| - disposals and write-offs                                  | -             | (47)          | (123)                       | (77)  | -                        | <b>(247)</b>    |
| - revaluation   | 1,314         | -             | -                           | -   | -                        | <b>1,314</b>    |
| - depreciation  | -             | (2,245)       | (4,441)                     | (818)   | -                        | <b>(7,504)</b>  |
| - reclassifications   | -             | -             | -                           | -   | -                        | -               |
| <b>As at 31 December 2018</b>                               | <b>21,638</b> | <b>41,495</b> | <b>25,518</b>               | <b>2,805</b>  | <b>1,312</b>             | <b>92,768</b>   |
| <b>Acquisition cost as at</b>                               |               |               |                             |   |                          |                 |
| 31 December 2016  | 13,548        | 49,216        | 25,905                      | 3,771   | 1,206                    | <b>93,646</b>   |
| 31 December 2017  | 18,779        | 50,538        | 30,552                      | 4,350   | 913                      | <b>105,132</b>  |
| 31 December 2018  | 21,638        | 52,695        | 39,364                      | 5,160   | 1,312                    | <b>120,169</b>  |
| <b>Accumulated depreciation and impairment losses as at</b> |               |               |                             |   |                          |                 |
| 31 December 2016  | -             | (6,836)       | (9,192)                     | (1,356)   | -                        | <b>(17,384)</b> |
| 31 December 2017  | -             | (8,955)       | (9,405)                     | (1,537)   | -                        | <b>(19,897)</b> |
| 31 December 2018  | -             | (11,200)      | (13,846)                    | (2,355)   | -                        | <b>(27,401)</b> |
| <b>Carrying amount as at 31 December 2016</b>               | <b>13,548</b> | <b>42,380</b> | <b>16,713</b>               | <b>2,415</b>  | <b>1,206</b>             | <b>76,262</b>   |
| <b>Carrying amount as at 31 December 2017</b>               | <b>18,779</b> | <b>41,583</b> | <b>21,147</b>               | <b>2,813</b>  | <b>913</b>               | <b>85,235</b>   |
| <b>Carrying amount as at 31 December 2018</b>               | <b>21,638</b> | <b>41,495</b> | <b>25,518</b>               | <b>2,805</b>  | <b>1,312</b>             | <b>92,768</b>   |

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### 5. Biological assets

The movement of Group's biological assets (in EUR thousand) consisted of the following:

|  | Non – current assets |                 | Current assets   |               | Total         |
|--|----------------------|-----------------|------------------|---------------|---------------|
|  | Dairy cows           | Other livestock | Mushroom seedbed | Crops         |               |
| <b>Balance as at 31 December 2016</b>                  | <b>3,920</b>         | <b>2,918</b>    | <b>1,017</b>     | <b>4,226</b>  | <b>12,081</b> |
| Direct purchases                                       | -                    | 19              | -                | -             | 19            |
| Biological assets acquired with subsidiaries           | -                    | -               | -                | 915           | 915           |
| Biological assets reclassified to assets held for sale | -                    | -               | -                | (512)         | (512)         |
| Accumulated expenses                                   | -                    | 2,887           | 24,646           | 26,802        | 54,335        |
| Transfer from groups                                   | 2,246                | (2,246)         | -                | -             | -             |
| Direct sales   | (387)                | (235)           | -                | -             | (622)         |
| Harvest  | -                    | -               | (24,498)         | (27,555)      | (52,053)      |
| Revaluation  | (1,095)              | 184             | -                | 5,070         | 4,159         |
| Write-offs   | (105)                | (77)            | -                | -             | (182)         |
| <b>Balance as at 31 December 2017</b>                  | <b>4,579</b>         | <b>3,450</b>    | <b>1,165</b>     | <b>8,946</b>  | <b>18,140</b> |
| Direct purchases                                       | -                    | 20              | -                | -             | 20            |
| Accumulated expenses                                   | -                    | 3,911           | 25,614           | 34,261        | 63,785        |
| Transfer between groups                                | 2,839                | (2,839)         | -                | -             | -             |
| Direct sales   | (526)                | (301)           | -                | -             | (827)         |
| Harvest  | -                    | -               | (24,691)         | (27,956)      | (52,647)      |
| Revaluation  | (1,504)              | (310)           | -                | (2,909)       | (4,723)       |
| Write-offs   | (113)                | (76)            | -                | -             | (189)         |
| <b>Balance as at 31 December 2018</b>                  | <b>5,275</b>         | <b>3,854</b>    | <b>2,088</b>     | <b>12,342</b> | <b>23,559</b> |

### 6. Inventory

The movement of Group's inventory quantities (in tonnes) consisted of the following:

|  | Wheat         | Legumes       | Mushrooms  | Milk      | End-consumer packaged goods |               |               | Raw materials* | Total         |
|--|---------------|---------------|------------|-----------|-----------------------------|---------------|---------------|----------------|---------------|
|  |               |               |            |           | Other                       | Forage        |               |                |               |
| <b>Balance as at 31 December 2016</b>                                      | <b>15,994</b> | <b>9,134</b>  | <b>6</b>   | <b>-</b>  | <b>1,400</b>                | <b>7,447</b>  | <b>51,487</b> | <b>-</b>       | <b>85,468</b> |
| Purchases  | -             | -             | -          | -         | 92                          | 4,378         | 672           | -              | 5,142         |
| Sales  | (26,497)      | (9,108)       | (12,054)   | (23,060)  | (1,600)                     | (5,198)       | -             | -              | (77,517)      |
| Production   | 25,337        | 13,040        | 12,145     | 25,296    | 208                         | 8,766         | 59,486        | -              | 144,279       |
| Consumed in preparation of biological assets (livestock)                   | (941)         | (1,141)       | -          | (1,817)   | -                           | (1,991)       | (51,854)      | -              | (57,744)      |
| Consumed in preparation of biological assets (crops and mycelium seedbeds) | -             | -             | -          | -         | -                           | -             | -             | -              | -             |
| Inventory write-offs   | -             | -             | -          | (408)     | -                           | (182)         | -             | -              | (590)         |
| <b>Balance as at 31 December 2017</b>                                      | <b>13,893</b> | <b>11,925</b> | <b>91</b>  | <b>11</b> | <b>100</b>                  | <b>13,220</b> | <b>59,791</b> | <b>-</b>       | <b>99,031</b> |
| Purchases  | 2,612         | -             | -          | -         | 512                         | -             | 735           | -              | 3,860         |
| Sales  | (21,432)      | (12,841)      | (12,147)   | (22,634)  | (2,084)                     | (43,966)      | (2,562)       | -              | (117,666)     |
| Production   | 25,040        | 15,033        | 12,244     | 24,157    | 1,651                       | 45,655        | 49,170        | -              | 172,950       |
| Consumed in preparation of biological assets (livestock)                   | (1,495)       | (775)         | -          | (1,230)   | -                           | (539)         | (54,570)      | -              | (58,609)      |
| Consumed in preparation of biological assets (crops and mycelium seedbeds) | 1,874         | (974)         | -          | -         | -                           | (1,692)       | -             | -              | (4,540)       |
| Inventory write-offs   | (322)         | (180)         | -          | (292)     | -                           | (1,063)       | (2,439)       | -              | (4,295)       |
| <b>Balance as at 31 December 2018</b>                                      | <b>16,423</b> | <b>12,188</b> | <b>194</b> | <b>12</b> | <b>179</b>                  | <b>11,616</b> | <b>50,126</b> | <b>-</b>       | <b>90,738</b> |

\*Raw materials consist of various units of measure, thus it cannot be disclosed in this table.



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(All amounts are in EUR thousand, unless stated otherwise)

*Inventory (continued)*

The movement of Group's inventory values (in EUR thousand) consisted of the following:

|  | Wheat        | Legumes      | Mushrooms  | Milk    | End-consumer packaged goods | Other        | Forage       | Raw materials | Total           |
|--|--------------|--------------|------------|---------|-----------------------------|--------------|--------------|---------------|-----------------|
| <b>Balance as at 31 December 2016</b>                                      | <b>3,304</b> | <b>2,856</b> | <b>11</b>  | -       | <b>193</b>                  | <b>1,751</b> | <b>3,512</b> | <b>3,530</b>  | <b>15,157</b>   |
| Purchases  | -            | -            | -          | -       | 152                         | 2,881        | 982          | 13,860        | <b>17,875</b>   |
| Sales  | (5,809)      | (2,993)      | (24,068)   | (7,491) | (430)                       | (2,638)      | -            | (1,651)       | <b>(45,080)</b> |
| Production   | 6,205        | 4,947        | 24,201     | 8,084   | 130                         | 7,759        | 5,361        | -             | <b>56,687</b>   |
| Consumed in preparation of biological assets (livestock)                   | (222)        | (413)        | -          | (477)   | -                           | (2,491)      | (4,782)      | -             | <b>(8,385)</b>  |
| Consumed in preparation of biological assets (crops and mycelium seedbeds) | -            | -            | -          | -       | -                           | -            | -            | (10,389)      | <b>(10,389)</b> |
| Inventory write-offs   | -            | -            | -          | (116)   | -                           | (202)        | -            | -             | <b>(318)</b>    |
| <b>Balance as at 31 December 2017</b>                                      | <b>3,478</b> | <b>4,397</b> | <b>144</b> | -       | <b>45</b>                   | <b>7,060</b> | <b>5,073</b> | <b>5,350</b>  | <b>25,547</b>   |
| Purchases  | 808          | -            | -          | -       | 1,100                       | -            | 468          | 17,058        | <b>19,434</b>   |
| Sales  | (5,699)      | (4,829)      | (24,731)   | (9,434) | (1,793)                     | (6,115)      | (94)         | (927)         | <b>(53,622)</b> |
| Production   | 6,488        | 5,576        | 24,691     | 10,043  | 733                         | 10,099       | 5,793        | -             | <b>63,423</b>   |
| Consumed in preparation of biological assets (livestock)                   | (388)        | (288)        | -          | (494)   | -                           | (803)        | (5,376)      | -             | <b>(7,349)</b>  |
| Consumed in preparation of biological assets (crops and mycelium seedbed)  | (417)        | (360)        | -          | -       | -                           | (434)        | -            | (14,499)      | <b>(15,710)</b> |
| Inventory write-offs   | (82)         | (66)         | -          | (115)   | -                           | (642)        | (155)        | (341)         | <b>(1,401)</b>  |
| <b>Balance as at 31 December 2018</b>                                      | <b>4,188</b> | <b>4,430</b> | <b>104</b> | -       | <b>85</b>                   | <b>9,165</b> | <b>5,709</b> | <b>6,641</b>  | <b>30,322</b>   |

## 7. Receivables and advance payments

As at the balance sheet date Group's receivables and advance payments consisted of the following:

|   | As at 31 December 2018 | As at 31 December 2017 (audited) |
|---|------------------------|----------------------------------|
| Total trade accounts receivable               | 7,757                  | 5,867                            |
| VAT receivable                                | 525                    | 402                              |
| Receivables from National Paying Agency       | 4,442                  | 558                              |
| Accounts receivable from private individuals  | 69                     | 34                               |
| Other receivables                             | 92                     | 48                               |
| Advance payments and deferred expenses        | 3,735                  | 3,935                            |
| Less: allowance for doubtful financial assets | (279)                  | (79)                             |
| <b>Total trade accounts receivable, net</b>   | <b>16,341</b>          | <b>10,765</b>                    |
| Non-current receivables, gross                | 6,266                  | 3,497                            |
| <b>Total</b>                                  | <b>22,607</b>          | <b>14,341</b>                    |

Receivables from the National Paying Agency are the direct subsidies receivable for crops and milk, which are due by 30 April of the following year.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### 8. Financial liabilities

The Group's long-term borrowings consisted of the following:

|   | <b>As at 31 December<br/>2018</b> | <b>As at 31 December<br/>2017 (audited)</b> |
|---|-----------------------------------|---|
| <i>Borrowings from banks</i>  |                                   |   |
| Mushroom growing companies  | 3,949                             | 5,927                                       |
| Agricultural entities   | 11,155                            | 10,841                                      |
| Agricultural cooperatives   | 297                               | 600   |
| <i>Long-term payment to 3<sup>rd</sup> parties</i>                      |                                   |   |
| Long-term payable to the State  | 1,401                             | 1,535                                       |
| Long-term payable to creditors  | 5,290                             | 1,041                                       |
| Long-term payable to the investment fund for purchased land             | 1,059                             | 1,097                                       |
| <b>Total</b>  | <b>23,151</b>                     | <b>21,041</b>                               |
| <b>Less:</b> amounts, payable within one year (according to agreements) | <b>(9,306)</b>                    | <b>(4,506)</b>                              |
| <b>Total long-term borrowings</b>                                       | <b>13,845</b>                     | <b>16,535</b>                               |

The Group owes payable amount to the State of EUR 1,401 thousand for land acquisition made by Group in 2008 - 2014. The payable amount to State is over 15-year period.

Due to significant deterioration in Group's financial results in the second half of 2018 credit and credit line agreements with main lenders of the Group (Luminor bank AS and Swedbank, AB) were amended. It was agreed not to apply the Financial Debt<sup>2</sup> to EBITDA<sup>3</sup> ratio covenant until the end of the third quarter of 2019 and to extend credit lines for a year. Since the Financial Debt to EBITDA ratio covenant was not applied for year end of 2018, the Group met all the financial covenants set by the creditors as at 31 December 2018.

The long-term borrowings and payables are repayable as follows:

|                              | <b>As at 31 December<br/>2018</b> | <b>As at 31 December<br/>2017</b> |
|------------------------------|-----------------------------------|-----------------------------------|
| <i>Borrowings from banks</i> |                                   |                                   |
| Within second year           | 10,856                            | 5,905                             |
| Within third and fourth year | 1,968                             | 9,503                             |
| After fifth year and later   | 1,021                             | 1,127                             |
| <b>Total</b>                 | <b>13,845</b>                     | <b>16,535</b>                     |

The Group's short-term borrowings were the following:

|                                    | <b>As at 31 December<br/>2018</b> | <b>As at 31 December<br/>2017 (audited)</b> |
|------------------------------------|-----------------------------------|---|
| <i>Borrowings from banks</i>       |                                   |   |
| Mushroom growing companies         | 2,400                             | 2,400                                       |
| Agricultural entities              | -                                 | 997   |
| Parent company                     | 18,870                            | 3,210                                       |
| Grain selling entity               | -                                 | 7,000                                       |
| <b>Total short-term borrowings</b> | <b>21,270</b>                     | <b>13,607</b>                               |

Short-term loans from banks include EUR 21,270 thousand (in 2017: EUR 13,607 thousand) credit-line facilities.

<sup>2</sup> Financial debt = long-term financial liabilities + short-term financial liabilities.

<sup>3</sup> EBITDA = net cash flow from operating activities before changes in working capital, as it is disclosed in cash flow statement, including gain (loss) on changes in fair value of biological assets.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### 9. Results of business segments

| <b>MUSHROOM SEGMENT</b>                                       | <i>12-month period ended<br/>31 December 2018</i> | <i>12-month period ended<br/>31 December 2017</i> |
|---|---|---|
| <b>Total tonnage sold, tons</b>                               | <b>12,147</b>                                     | <b>12,018</b>                                     |
| Non-organic mushrooms, tons                                   | 11,271  | 11,367  |
| Organic mushrooms, tons                                       | 876   | 651   |
| <b>Total revenues from mushroom sales, EUR'000</b>            | <b>23,875</b>                                     | <b>21,539</b>                                     |
| Non-organic mushrooms, EUR'000                                | 21,296  | 19,630  |
| Organic mushrooms, EUR'000                                    | 2,579   | 1,909   |
| <b>Total cost of mushrooms sold, EUR'000</b>                  | <b>22,331</b>                                     | <b>20,756</b>                                     |
| Non-organic mushrooms, EUR'000                                | 20,720  | 19,631  |
| Organic mushrooms, EUR'000                                    | 1,611   | 1,125   |
| <b>Total revenues from sales of mushroom seedbed, EUR'000</b> | <b>2,581</b>                                      | <b>2,893</b>                                      |
| <b>Total cost from sales of mushroom seedbed, EUR'000</b>     | <b>2,400</b>                                      | <b>2,748</b>                                      |
| <b>Gross profit of mushroom growing segment, EUR'000</b>      | <b>1,725</b>                                      | <b>928</b>  |
| Depreciation included in cost of mushroom sales, EUR'000      | 1,815   | 1,692   |

### CROP GROWING SEGMENT

| <b>a) Sales of agricultural produce</b>                 | <i>12-month period ended<br/>31 December 2018</i> | <i>12-month period ended<br/>31 December 2017</i> |
|---|---|---|
| Total revenue of sold agricultural produce, EUR'000     | 17,515  | 14,203  |
| Total cost of sold agricultural produce*, EUR'000       | 17,989  | 13,768  |
| Total inventory write-offs, EUR'000                     | 1,401   | 302   |
| <b>Result of sales of agricultural produce, EUR'000</b> | <b>(1,875)</b>                                    | <b>133</b>  |

\* The cost of sold agricultural produce represents the value of crops evaluated at fair values at point of harvest and related sales costs.

| <b>b) Harvest of agricultural produce</b>  | <i>12-month period ended 31<br/>December 2018</i> | <i>12-month period ended 31<br/>December 2017</i> |
|--|---|---|
| <b>Total cultivated land, ha</b>   | <b>38,474</b>                                     | <b>33,099</b>                                     |
| Wheat  | 8,854   | 6,548   |
| Legumes  | 10,684  | 4,117   |
| Other cash crops   | 8,950   | 8,130   |
| Forage Crops   | 9,009   | 8,223   |
| Fallow   | 977   | 6,081   |
| <b>Average harvest yield, t/ha</b>   |   |   |
| Wheat  | 2,83  | 4,10  |
| Legumes  | 1,41  | 3,30  |
| Other cash crops   | 5,10  | 4,97  |
| Forage Crops   | 4,93  | 6,05  |
| <b>Total fair value of harvest, EUR'000</b>  | <b>27,956</b>                                     | <b>26,209</b>                                     |
| Wheat  | 6,488   | 6,830   |
| Legumes  | 5,576   | 5,085   |
| Other cash crops   | 10,099  | 9,552   |
| Forage Crops   | 5,793   | 4,742   |
| <b>Total production cost of harvest, EUR'000</b>                                       | <b>30,865</b>                                     | <b>21,140</b>                                     |
| Wheat  | 7,803   | 4,988   |
| Legumes  | 8,444   | 3,124   |
| Other cash crops   | 8,825   | 8,286   |
| Forage Crops   | 5,793   | 4,742   |
| <b>Gain (loss) on revaluation of agricultural produce at point of harvest, EUR'000</b> | <b>(2,909)</b>                                    | <b>5,069</b>                                      |

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(All amounts are in EUR thousand, unless stated otherwise)

*Crop growing segment (continued)*

|                                    | <i>12-month period ended 31<br/>December 2018</i> | <i>12-month period ended 31<br/>December 2017</i> |
|------------------------------------|---|---|
| <b>c) Agricultural subsidies</b>   |   |   |
| Direct subsidies, EUR'000          | 5,750   | 4,541   |
| Organic farming subsidies, EUR'000 | 3,405   | 3,620   |
| <b>Total subsidies, EUR'000</b>    | <b>9,155</b>                                      | <b>8,161</b>                                      |

|   |              |               |
|---|--------------|---------------|
| <b>Gross profit of crop growing segment per period, EUR'000 (a+b+c)</b> | <b>4,371</b> | <b>13,363</b> |
| Depreciation included in the harvest of agricultural produce, EUR'000   | 3,893        | 3,195         |

| <b>DAIRY SEGMENT</b>  | <i>12-month period ended 31<br/>December 2018</i> | <i>12-month period ended 31<br/>December 2017</i> |
|---|---|---|
| <b>Total tonnage sold, tons</b>                               | <b>23,397</b>                                     | <b>23,875</b>                                     |
| Non-organic milk, tons  | 12,245  | 19,849  |
| Organic milk, tons  | 10,389  | 3,231   |
| Cattle, tons  | 763   | 795   |
| <b>Total revenues of dairy segment, EUR'000</b>               | <b>8,954</b>                                      | <b>9,010</b>                                      |
| Non-organic milk, EUR'000                                     | 3,882   | 6,868   |
| Organic milk, EUR'000   | 4,246   | 1,338   |
| Cattle, EUR'000   | 827   | 804   |
| <b>Total cost of dairy segment, EUR'000</b>                   | <b>10,261</b>                                     | <b>8,411</b>                                      |
| Milk, EUR'000   | 9,434   | 7,607   |
| Cattle, EUR'000   | 827   | 804   |
| <b>Revaluation of biological assets, EUR'000</b>              | <b>(1,814)</b>                                    | <b>(910)</b>                                      |
| <b>Total subsidies, EUR'000</b>                               | <b>698</b>  | <b>810</b>  |
| Other   | -   | 89  |
| <b>Gross profit of dairy segment, EUR'000</b>                 | <b>(2,423)</b>                                    | <b>587</b>  |
| Depreciation included in cost of dairy segment sales, EUR'000 | 531   | 414   |

| <b>END-CONSUMER PACKAGED GOODS</b>   | <i>12-month period ended 31<br/>December 2018</i> | <i>12-month period ended 31<br/>December 2017</i> |
|--|---|---|
| Total revenue from end-consumer packaged goods sales, EUR'000                  | 1,864   | 1,047   |
| Total cost of sales of end-consumer packaged goods, EUR'000                    | 1,793   | 997   |
| <b>Gross profit of sales of end-consumer packaged goods, EUR'000</b>           | <b>70</b>   | <b>50</b>   |
| Depreciation included in cost of sales of end-consumer packaged goods, EUR'000 | -   | -   |

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### 10. Operating expenses

Operating expenses breakdown by business segments was the following:

|  | 12-month period ended 31<br>December<br>2018 | 12-month period ended 31<br>December<br>2017 |
|--|--|--|
| Operating expenses by mushroom segment, EUR'000          | 1,241  | 1,199  |
| Operating expenses of crop growing segment, EUR'000      | 2,896  | 2,235  |
| Operating expenses of dairy segment, EUR'000             | 1,848  | 1,425  |
| Centralized operating expenses*, EUR'000                 | 2,847  | 3,725  |
| <b>Total operating expenses of all segments, EUR'000</b> | <b>8,832</b>                                 | <b>8,585</b>                                 |
| Depreciation included in operating expenses, EUR'000     | 1,239  | 876  |

\* Including expenses related to termination of Arginta Engineering UAB purchase agreement (EUR 715 thousand) and reversal of impairment of Karakash agro OOO and Karakash OOO property, plant and equipment (EUR (1,828) thousand).

Operating expenses breakdown by type of expenses was the following:

|  | <b>12-month period ended 31<br/>December</b> |              |
|--|--|--------------|
|  | <b>2018</b>                                  | <b>2017</b>  |
| Payroll expenses                             | 3,206  | 3,054        |
| Social security expenses                     | 995  | 948          |
| Fines and late payments*                     | 858  | 80           |
| Depreciation and amortization                | 1,239  | 876          |
| PPE impairment**                             | (1,859)                                      | -            |
| Impairment of accounts receivable            | 200  | -            |
| Consultations and business plan preparations | 624  | 603          |
| Insurance and tax expense                    | 656  | 516          |
| Selling expenses                             | 555  | 585          |
| Real estate registration and notaries        | 142  | 180          |
| Rent and utilities                           | 326  | 272          |
| Fuel and transportation costs                | 554  | 351          |
| Office administration and other expenses     | 1 336  | 1 120        |
| <b>Total</b>                                 | <b>8,832</b>                                 | <b>8,585</b> |

\* Including expenses related to termination of Arginta Engineering UAB purchase agreement (EUR 715 thousand).

\*\*Due to the fact that the Group sold its subsidiaries Karakash agro OOO and Karakash OOO, the impairments of assets which were done in previous periods were reversed to meet the assets' value at the moment of the sale (EUR (1,828) thousand). The sale transaction of Karakash agro OOO and Karakash OOO was completed in May, 2018.

### 11. Other income

Other income breakdown by type was the following:

|   | <b>12-month period ended 31<br/>December</b> |                       |
|---|--|-----------------------|
|   | <b>2018</b>                                  | <b>2017 (audited)</b> |
| Proceeds from sales of PPE                        | 39   | (2)                   |
| Transaction of Karakash OOO agro and Karakash OOO | 161  | -                     |
| Interest and fines income                         | 543  | 93                    |
| Insurance benefits                                | 88   | 78                    |
| Other income                                      | 59   | 182                   |
| <b>Total</b>                                      | <b>890</b>                                   | <b>351</b>            |

In May 2018 the Group has completed the sales transaction of Karakash agro OOO and Karakash OOO and recognised EUR 162 thousand profit. Please refer to 1<sup>st</sup> note for more details about the transaction.

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(All amounts are in EUR thousand, unless stated otherwise)

### 12. Financial expenses

Financial expenses breakdown by type was the following:

|                                      | 12-month period ended 31 December |                |
|--------------------------------------|-----------------------------------|----------------|
|                                      | 2018                              | 2017 (audited) |
| Bank interest expenses               | 1,556                             | 941            |
| Leasing and other financial expenses | 674                               | 266            |
| Other borrowings interest expenses   | 319                               | 456            |
| Currency exchange differences        | 4                                 | (13)           |
| Fair value change of derivatives     | 80                                | 80             |
| Other financial expenses             | 58                                | 174            |
| <b>Total</b>                         | <b>2,292</b>                      | <b>1,904</b>   |

### 13. Material transactions with related parties

On 27 February 2018 AUGA group, AB and Baltic Champs Group, UAB signed loan agreement on extension of up to EUR 3 million loan. On 24 August 2018 the loan was repaid in full.

On 3 October 2018 AUGA group, AB and Baltic Champs Group, UAB signed loan agreement on extension of up to EUR 4 million loan. Final repayment date of the loan on 25 March 2020. The loan is provided with no collateral, there is no up front or similar fees, and with fixed interest rate that meets market conditions.

### 14. Subsequent events January 2018 - February 2019

The Company informs of all material events over the CNS system of NASDAQ Vilnius and on the ESPI information system which is operated by Polish FSA, as well as on Electronic Information Base which is operated by Warsaw Stock Exchange.

#### Announ-

#### cement date Announcement header

|            |  |
|------------|--|
| 27-02-2019 | AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2018   |
| 27-12-2018 | Dates of periodic information disclosure of AUGA group, AB for the year 2019 (investor calendar)   |
| 13-12-2018 | The main lenders of AUGA group, AB decided to extend credit lines for a year and not to apply the Financial Debt and EBITDA ratio covenant until the end of third quarter of the year 2019 |
| 04-12-2018 | Announcement about investor conference webinar to introduce unaudited financial results for the 9 months of 2018   |
| 02-12-2018 | CORRECTION: AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 9 months of 2018  |
| 30-11-2018 | Interim information of AUGA group, AB for the 9-month period ended 30 September 30, 2018   |
| 29-11-2018 | AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 9 months of 2018  |
| 25-09-2018 | Notification on transaction concluded by person closely associated with the person discharging managerial responsibilities   |
| 31-08-2018 | Unaudited financial information of AUGA group, AB for the 6 month period ended 30 June 2018  |
| 29-08-2018 | All conditions for registration and introduction to trading of newly-issued shares in Poland have been satisfied   |
| 29-08-2018 | Management Board of AUGA group, AB adopted a decision to increase capital of subsidiaries  |
| 29-08-2018 | Resolutions of Warsaw Stock Exchange and KDPW regarding new shares   |
| 27-08-2018 | Notifications on the acquisition or disposal of voting rights and on transaction concluded by person closely associated with the person discharging managerial responsibilities            |
| 27-08-2018 | AUGA group shares now traded on the Baltic Main List   |
| 24-08-2018 | Notification on the acquisition of voting rights, AUGA group, AB   |
| 24-08-2018 | Listing of shares of AUGA group, AB on Baltic Main List, trading will be resumed on 27 August 2018   |
| 23-08-2018 | AUGA group Successfully Completed Secondary Public Offering by Selling All Offered Shares  |
| 23-08-2018 | New wording of Articles of Association of AUGA group, AB and the new shares were registered  |
| 20-08-2018 | AUGA group, AB notification on final offer price, final number of allocated shares and allocation  |
| 17-08-2018 | Trading will be suspended in AUGA group, AB shares   |
| 13-08-2018 | AUGA group opens doors to North America  |

## **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(All amounts are in EUR thousand, unless stated otherwise)

|            |   |
|------------|---|
| 24-07-2018 | Updated presentation of AUGA group, AB  |
| 20-07-2018 | Approved second supplement to the prospectus of public offering of shares of AUGA group, AB and their admission to regulated markets  |
| 19-07-2018 | Management Board of AUGA group, AB decided to apply for an extension of the public offer period   |
| 19-07-2018 | In the course of public offering of shares in AUGA group, AB, the Framework Agreement was signed with European Bank for Reconstruction and Development  |
| 17-07-2018 | Approved supplement to the prospectus of public offering of shares of AUGA group, AB and their admission to regulated markets   |
| 16-07-2018 | Decision of extraordinary shareholders' meeting of AUGA group, AB which took place on 16 July 2018  |
| 10-07-2018 | Updated presentation of AUGA group, AB  |
| 03-07-2018 | Correction: Approved prospectus of public offering of shares of AUGA group, AB and their admission to regulated markets   |
| 03-07-2018 | Approved prospectus of public offering of shares of AUGA group, AB and their admission to regulated markets   |
| 26-06-2018 | Decision of Nasdaq Vilnius concerning conditional admission of AUGA group, AB shares to the Main Trading List   |
| 22-06-2018 | Notice on Convocation of the Extraordinary General Meeting of Shareholders of AUGA group, AB on 16 July 2018  |
| 01-06-2018 | Presentation of AUGA group, AB at the event "CEO meets investors" organised by NASDAQ OMX Vilnius   |
| 31-05-2018 | Interim information of AUGA group, AB for the 3 months period ended 31 March 2018   |
| 14-05-2018 | Supreme Administrative Court of Lithuania partly satisfied the appeal by the Company regarding decision of Bank of Lithuania  |
| 30-04-2018 | Decisions of Ordinary General Meeting of Shareholders of AUGA group, AB which took place on 30 April 2018   |
| 20-04-2018 | CORRECTION: Notice on the draft decisions of an Ordinary General Meeting of Shareholders of AUGA group, AB to be held on 30 April 2018 and consolidated annual financial statements for the year 2017             |
| 19-04-2018 | Notice on the draft decisions of an Ordinary General Meeting of Shareholders of AUGA group, AB to be held on 30 April 2018 and consolidated annual financial statements for the year 2017 filed for the year 2018 |
| 17-04-2018 | Notice on the update of the agenda of the Ordinary General Meeting of Shareholders of AUGA group, AB to be held on 30 April 2018  |
| 06-04-2018 | Notice on Convocation of the Ordinary General Meeting of Shareholders of AUGA group, AB on 30 April, 2018   |
| 06-04-2018 | CORRECTION: AUGA group, AB Sustainability Report  |
| 03-04-2018 | AUGA group, AB Sustainability Report  |
| 28-03-2018 | Decisions of extraordinary shareholder's meeting of AUGA group, AB which took place on 28th March, 2018   |
| 14-03-2018 | AUGA group, AB decided against proceeding with the shares purchase of Arginta Engineering   |
| 14-03-2018 | Updated presentation of AUGA group, AB  |
| 08-03-2018 | CORRECTION: Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 28 March 2018  |
| 06-03-2018 | Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 28 March 2018  |
| 28-02-2018 | AUGA group, AB unaudited financial information for 12 months ended 31 December 2017   |
| 26-02-2018 | AUGA group, AB has successfully completed acquisition of UAB Raseinių agra shares   |
| 09-02-2018 | Subsidiary of AUGA group, AB sells shares of OOO Karakash Agro  |
| 23-01-2018 | AUGA group, AB seeks to raise up to EUR 20 million of additional share capital through a public offering by the middle of 2018  |
| 23-01-2018 | AUGA group, AB acquires shares of UAB Arginta Engineering   |
| 11-01-2018 | Dates of periodic information disclosure of AUGA group, AB for the year 2018 (investor calendar)  |