

AUGA group, AB



28-02-2020

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 2019, 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 2019.

General Manager

A blue ink signature of Kęstutis Juščius, written over a dotted line.

Kęstutis Juščius

Head of Finance Department

A blue ink signature of Eimantas Gudonis, written over a dotted line.

Eimantas Gudonis

A photograph of a lush green field of grass, likely a golf course, with numerous water droplets on the blades. The field stretches to a distant horizon under a hazy sky. A thin green diagonal line runs from the bottom left of the image towards the top right, separating the image from the text area.

AUGA GROUP AB

Consolidated Interim Financial
Statements for 12 months
ended 31 December
2019 (unaudited)

2019

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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I. GENERAL INFORMATION

Accounting period covered by the Report

The report covers 12 months period ended 31 December 2019.

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:	info@auga.lt
Website:	www.auga.lt
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

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II. MANAGEMENT REPORT

During the twelve months of 2019, AUGA group's, AB and its subsidiaries (hereinafter - the Group), sales revenue amounted to EUR 71.13 million, a 30% increase compared to the same period in 2018, when it totalled EUR 54.75 million.

The Group's gross profit for the twelve months of 2019 amounted to EUR 11.92 million and was EUR 8.26 million higher compared to the same period of 2018 when it was - EUR 3.66 million.

Main financial results, million EUR	12 months of 2019	12 months of 2018
Revenues	71,134	54,749
Gross profit (loss)	11,920	3,663
Net profit (loss) (eliminating IFRS 16 effect)	(2,020)	(5,980)
Net profit (loss) (without elimination of IFRS 16 effect)	(3,015)	data not available
EBITDA (eliminating IFRS 16 effect)	11 048	3,546
EBITDA (without elimination of IFRS 16 effect)	17 188	data not available

During the twelve-month period of 2019, the Group incurred EUR 2.44 million net loss compared to EUR 5.98 million net loss a year earlier. It should be noted that the financial results of the twelve months of 2018 were impacted by two one-off events unrelated to usual business: the termination of the acquisition of shares of UAB Arginta Engineering in the first quarter of 2018 which had a negative effect of EUR 0.72 million and the sale of two subsidiaries in Crimea, namely, Karakash and Karakash Agro, which had a positive EUR 2.07 million impact on the financial results.

Excluding one-off effects from the financial results of 2018 (positive EUR 1.35 million) as well as IFRS 16 impact on the results of 2019 (negative EUR 0.99 million), provision due to NPA sanctions (negative EUR 1.95 million) and accounting for the employee share option plan (negative EUR 0.24 million) - the net result improved by EUR 7.51 million. The Group would have earned EUR 0.18 million net profit during the year of 2019 compared to EUR 7.33 million net loss during the same period last year.

Given that the application of new IFRS 16 requirements had a significant impact on the Group's EBITDA¹, the Group is publishing two EBITDA calculations for the 2019 that will serve as a comparative basis: (a) without elimination of IFRS 16 effect and; (b) eliminating IFRS 16 effect to EBITDA. Due to the fact that new IFRS 16 requirements were applied only from the beginning of 2019, EBITDA data with IFRS 16 effect is not and will not be available for the year 2018.

EBITDA increased as a result of the change in accounting policy after implementation of new IFRS 16 requirements. Depreciation of right-of-use assets and interest expenses related to lease liabilities arising from right-of-use assets are now excluded from calculation of EBITDA, whereas operating lease expenses were previously included in calculation of EBITDA.

The impact of implementation of IFRS 16 on the calculation of EBITDA for the four quarters of 2019 is presented below:

	12-month period ended 31 December 2019 before IFRS16	IFRS 16	12-month period ended 31 December 2019 as presented in FS
Net profit (loss) before income tax and non-controlling interest	(2,793)	(995)	(3,788)
Adjustments for non-cash expenses (income) items and other adjustments			
Depreciation	7,365	5,492	12,857
Amortization	454	(450)	4
Expenses of share-based payments	247	-	247
Write-offs and impairments of inventory and other allowances	2,041	-	2,041
Provision due to possible sanctions of NPA	1,950	-	1,950
(Profit) loss on sales of non-current assets	16	-	16
Net finance cost	2,210	2,093	4,303
Grants related to assets, recognized as income	(442)	-	(442)
EBITDA:	11,048	6,140	17,188

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

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The Group's EBITDA for the twelve months of 2019, eliminating IFRS 16 effect, amounted to EUR 9.42 million. During the same period in 2018, the Group's EBITDA after elimination of one-time transactions, in particular, the one-off costs related to the termination of the acquisition of shares of UAB Arginta Engineering, amounted to EUR 3.55 million.

The agreement with major Group creditors (banks) foresees that covenants stated in loan contracts throughout the year 2019 and 2020 should be calculated eliminating the IFRS 16 effect. Moreover, it was agreed with the banks to change DEBT/EBITDA level for 2019 3Q – 2020 4Q and slightly adjust the formula for EBITDA calculation eliminating gain (loss) on fair value changes of livestock from the aforementioned calculation. Despite changed definition of EBITDA in use by the banks in the financial covenants' calculation, the Group will publish EBITDA calculated according to the formula used in previous periods to ensure comparability and consistency.

Adoption of IFRS 16 also had a significant impact on the level of financial liabilities disclosed in financial statements. Due to the adoption of IFRS 16, the financial liabilities as at 31 December, 2019 increased by 59%. However, eliminating IFRS 16 effect financial liabilities as at 31 December 2019 were slightly higher compared to the ones of 2018:

Financial liabilities	31 December 2019	31 December 2018
Current and non-current financial liabilities	93,993	55,862
Current and non-current financial liabilities (excl. IFRS 16 effect)	59,034	55,862
Cash and cash equivalents	3,813	2,281
Adjusted working capital²	40,284	37,674
Current and non-current financial liabilities (excl. IFRS 16 effect) – cash and cash equivalents - adjusted working capital	14,936	15,907

Management of the Group believes that another important factor evaluating financial liabilities level of the Group is the adjusted working capital level. Organic agriculture is very working capital-intensive business and working capital changes have significant impact on cash flows of the Group and inevitably financial liabilities level. As it can be seen from the table above adjusted working capital of the Group has increased by EUR 2.61 million since the end of 2018 due to inputs into the biological assets (not yet harvested crops) and inventory (harvested crops). Deducting cash and cash equivalents and adjusted working capital from the level of financial liabilities more clearly indicates the financial liabilities that are not covered by working capital and cash operated by the Group. Financial liabilities of the Group excluding IFRS 16 effect minus cash and cash equivalents minus adjusted working capital as at 31 December 2019 were EUR 14.94 million or EUR 0.97 million lower than at the end of 2018.

Crop growing segment overview

Crop growing segment sales results

Crop growing segment sales revenue for the four quarters of 2019 amounted to EUR 29.49 million compared to EUR 17.48 million for the same period in 2018 (with a 69% increase). The cost of sales of Crop growing segment for the four quarters of 2019 were EUR 30.45 million versus EUR 17.42 million in 2018. Total agricultural produce inventory write-offs and impairment during the twelve months of 2019 amounted to EUR 1.54 million compared to EUR 1.40 million during the twelve months of 2018. The gross profit of sales of agricultural produce for the twelve months of 2019 resulted in a loss of EUR 2.50 million (a loss of EUR 1.34 million was incurred for the same period in 2018).

Harvest of the season 2018/2019

The total cultivated land area by the Group amounts to around 38.56 thousand hectares in the season of 2018/2019 and remains at the same level as in the season of 2017/2018. In the season of 2018/2019, 28.67 thousand hectares were seeded with cash crops (28.5 thousand in the season of 2017/2018), out of which 11.50 thousand ha were dedicated to wheat, 8.04 thousand ha to legumes and 9.13 thousand ha to other cash crops. Forage crops comprise 8.98 thousand ha in the season of 2018/2019, compared to 9.0 thousand ha in 2017/2018 season.

By the end of reporting period (31 December 2019), all crops were already harvested. Gain (loss) for all crops harvested in 2019 was valued by the recognition of fair value at the point of harvest.

The estimated fair value of the harvested crops as at 31 December 2019 is higher than the costs incurred by EUR 3.83 million and this difference was accounted as gain and disclosed within the changes in the fair value of biological assets in the financial statements. For comparison, a EUR 3.45 million loss was recognized from fair value of agricultural produce at

² Adjusted working capital = Current biological assets + Trade receivables, advance payments and other receivables + Inventory – Trade payables – Other payables and current liabilities. The adjusted working capital formula eliminates cash and financing elements allowing the reader to see how the short-term assets and liabilities directly related to operations of the Group are being utilized.

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point of harvest in 2018. Thus, the overall harvest results of 2018/2019 season are significantly better (by EUR 7.28 million) compared to previous year. As at 31 December 2019 the winter crops prepared for 2020 harvest were in a good condition and there were no signs of winterkill effects. Due to that the Group is available to estimate the fair value of winter crops (winter wheat, rapeseed, barley and rye) as at 31 December 2019 using following formula and assumptions:

Fair value of the crop = Costs incurred + (Cultivated area in ha * forecasted average yield in tons per ha * forecasted grain price per ton – cultivated area in ha * forecasted total cost per ha) * T * (1 - X), where:

- Cost incurred is cost actually incurred for particular crop during as at 31 December 2019.
- Cultivated area in ha is the area of particular crop seeded and expected to be harvested.
- Forecasted average yield in tons per ha.
- Forecasted grain price per ton – average sales prices in contracts for 2018/2019 season harvest.
- Forecasted total cost per ha.
- T is a portion of time in percentage already passed from sowing date until the forecasted harvest date (as at 31 December 2019 the completion was estimated to around 30% depending on the crop).
- X is the adjustment parameter for possible unexpected negative effects to the harvest. 20% was used in fair value estimations as at 31 December 2019.

The estimated fair value of the 2019/2020 season's winter crops as at 31 December 2019 is higher than the costs incurred by EUR 1.45 million and this difference is accounted as gain on changes in the fair value of biological assets and on recognition at fair value of agricultural produce at point of harvest in financial statements.

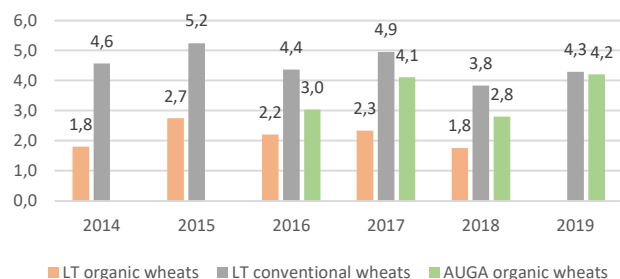
It should be noted that agricultural produce harvested from forage crops is accounted for at production cost. In other words, forage crop production cost is used as a measure of the fair value of the produce since there is no active market for forage crops and there is no reliable data to calculate market price of the forage crops. Therefore, the net result on revaluation of forage crops is equal to zero.

In line with the previous discussions on the Group's consolidated interim financial statements drawing on previous periods, shortage of rain in spring and beginning of summer of 2019 (April was declared to be one of the driest months in the last decade by Lithuanian Hydrometeorological Service) as well as unusually hot June of 2019, had a negative impact on the yield of most cash crops, especially legumes.

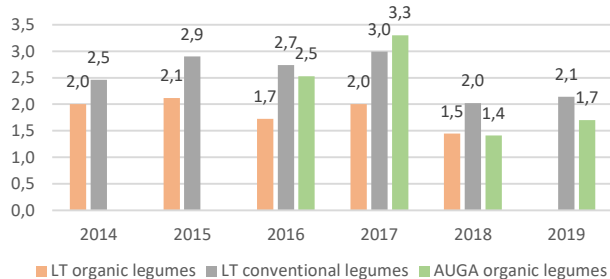
As it can be seen from the graph below, the average wheat yield was 4.2 t/ha in 2019, compared to only 2.8 t/ha in 2018 and 4.1 t/ha in 2017. Despite the fact that average wheat yield this year was better compared to previous year, the Group believes that the potential was around 15% higher if weather conditions would have been more typical for the season.

On the other hand, unfavorable weather conditions had a more negative impact on the expected legumes yield. It was slightly better than in 2018, but significantly lower than in 2017. Although, results from legumes were disappointing for two years in a row, the Group constantly improves technology base used in growing these crops and believes that upside yield potential is very significant for these crops should weather conditions correspond to the climate zone.

As can be seen from the data presented, the Group average wheat and legumes yields are getting closer to the average yields generated in non-organic farms in Lithuania. The list of reasons behind increasing yields include: annual technology improvements, gained experience in organic farming, improved land cultivation and land quality:



Wheat yield in Lithuania, t/ha



Legumes yield in Lithuania, t/ha

NOTE: The data of LT organic farms in 2019 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 2018/2019 compared to the season of 2017/2018 were mixed. The yields of sugar beets, oats, rye, barley, rapeseed, corn were higher, while the yield of soy was lower. Due to increased yields

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of most of the cash crops the overall average harvest yield of other cash crops amounted to 8.24 t/ha compared to 5.10 t/ha in the season of 2017/2018.

Table below depicts comparison of wheat, legumes and other cash crops prices at which the harvest was evaluated (at point of harvest) in the seasons of 2017/2018 and 2018/2019. It should be noted that at the time of the publication of the financial statements for the twelve months of 2019, significant part of the 2018/2019 season harvest has already been sold or contracted at fixed prices for the sale of the crops, so the fair value of the majority of crops was estimated based on actual contract prices.

Average price of 1 tonne of crop, eliminating sales costs, EUR	2018/2019	2017/2018	Comparison 2018/2019 with 2017/2018, %
Wheat	243	256	(5%)
Legumes	357	371	(4%)
Other cash crops	181	221	(18%)

As can be seen from the data above, the price of 1 tonne of wheat in the season of 2018/2019 was 5% lower compared to the season of 2017/2018, price of legumes – also 4% lower. Average price of other cash-crops was significantly lower due to a different crop mix.

It should be noted that average price of other cash crops is very dependent on the actual mix of cultivated crops as both yields and prices of cash crops vary significantly. In the season of 2018/2019 the yield of sugar beets increased by almost 15% compared to previous period, while the price of the sugar beets remained more than twice lower compared to other cash crops. In general, prices of cultures included in the other cash crops group in the season of 2018/2019 remained similar compared to the prices used in the season of 2017/2018.

Costs comparison per hectare of land for wheat, legumes and other cash crops for the seasons of 2017/2018 and 2018/2019 is presented in the table below.

Cost per 1 ha cultivated land, EUR	2018/2019	2017/2018*	Comparison 2018/2019 with 2017/2018, %
Wheat	884	881	0%
Legumes	792	790	0%
Other cash crops	1,176	1,038	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.

As can be seen from the table above the costs per 1 ha of cultivated land of wheat and legumes remained the same comparing the seasons of 2017/2018 and 2018/2019. It is important to mention, that adoption of IFRS 16 in 2019 had positive impact on the costs side of around 28 EUR/ha since part of lease payments costs (interest part) are excluded from production costs and included in financial costs. As a result the actual cost per ha of wheat and legume increased slightly higher – around 4% while the cost per ha of other cash crops increased around 16%. The cost increase is mainly related to better land preparation and more inputs to the land during the season to have better yield potential. However, the full potential for some cultures was not achieved in 2018/2019 season due to unfavorable weather conditions already discussed.

Comparison of the gain (loss) on revaluation of agricultural produce at point of harvest for wheat, legumes and other cash crops during the seasons of 2017/2018 and 2018/2019 is provided in the table below. In case of wheat and other cash crops the results significantly improved. The gain of wheat was 217 EUR/ha in 2018/2019 season compared to 157 EUR/ha loss in 2017/2018 season, while the gain of other cash crops was 324 EUR/ha compared to 90 EUR/ha. On the other hand, legumes were loss making during the season of 2018/2019 as well as in the previous season although the loss per ha reduced. Loss on revaluation at the point of harvest from legumes was 195 EUR/ha in 2018/2019 season compared to 268 EUR/ha a year earlier. As it was already discussed, despite the fact that results from legumes were disappointing for two years in a row the Group constantly improves the technologies used in growing these crops and believes that upside yield potential is very significant for these crops should weather conditions been more favorable. For instance, during 2016/2017 season the yield of legumes was almost double as high and these crops were among the most profitable that season.

Gain (loss) on revaluation of agricultural produce at point of harvest, EUR/ha	2018/2019	2017/2018*
Wheat	217	(157)
Legumes	(195)	(268)
Other cash crops	324	90

* 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.

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Forage crop harvest results in the season of 2018/2019

Evaluating harvest results of forage crops it should be noted that the produce of forage crops at point of harvest is measured at production cost. In other words, forage crops production cost is used as a measure of the fair value of the produce 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 7.16 million in the season of 2018/2019 compared to EUR 5.79 million in the season of 2017/2018. Average cost per 1 ha of cultivated land of forage crop was 797 EUR/ha in the season of 2017/2018 or 24% higher than in the season of 2017/2018 when it was 643 EUR/ha. The increase in production cost directly relates to increased spending mainly related with land preparation.

Cost per 1 ha cultivated land, EUR	2018/2019	2017/2018*
Forage crops	797	643

* 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.

Average forage crops yield was 6.10 tonne/ha in 2018/2019 season while 4.93 tonne/ha were harvested the season earlier. However unfavourable weather in 2019 negatively impacted forage crops yields and the actual yield was lower than expected.

Agricultural subsidies and gross profit of the crop growing segment

The total amount of agricultural subsidies accrued during the four quarters of 2019 was EUR 8.53 million compared to EUR 9.08 million during the same period in 2018.

Agricultural subsidies, EUR	2019	2018
Direct subsidies	5,420	5 677
Organic farming subsidies	3,113	3 405
Total agricultural subsidies	8,533	9 082

It should be noted that there are still important details to clarify with the National Paying Agency and other Governmental institutions in order to finalise the amount of organic farming subsidies for the year 2019. It was expected that the final decision by the Governmental institutions will be adopted by the end of 2019, however, the Group still awaits for the official decision by the Governmental institutions.

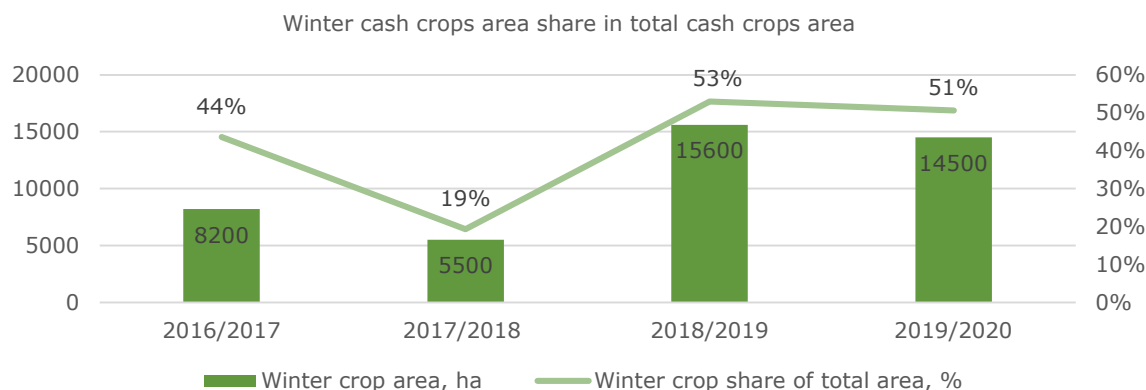
Gross profit of crop growing segment including result of sales of agricultural produce, gain (loss) on changes on recognition at fair value of agricultural produce at point of harvest and agricultural subsidies, amounted to EUR 11.32 million at the end of the year of 2019 compared to EUR 4.29 million the year earlier.

Preparation for the season of 2019/2020

Weather conditions in the fall of 2019 were favourable for autumn sowing and other preparatory land works for the season of 2019/2020. As a result, the seeding of winter crops and land preparation works were completed on time. During the autumn of 2019 the Group had sowed around 14.5 thousand ha of winter crops, which represent around half of the total cash crops area to be planted in the season of 2019/2020. For comparison, in the season of 2018/2019 around 15.6 thousand of winter cash crops were seeded. The condition of the winter crops as at reporting date is good. Favourable 2019 autumn weather also allowed for proper cultivation of the land and preparation for summer crop sowing in the spring 2020. As a result, the Group is well prepared for the season of 2019/2020 and positive about next year harvest potential.

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Mushroom segment overview

The revenue of the mushroom growing segment was EUR 28.71 million for the twelve months of 2019, around EUR 2.25 million or 9% higher compared to the same period in 2018 when revenue was EUR 26.46 million. Revenue from mushroom sales increased by EUR 2.44 million while revenue from mushroom seedbed sales reduced by EUR 0.19 million.

Mushroom sales revenue increase relates to increased average sales prices of non-organic mushrooms. Serving fresh market is priority for the Group due to better prices and the purpose of keeping strong relations with the clients. Since prices of fresh mushrooms are higher than those sold to processors, increased volume share of fresh mushrooms also had impact on average prices. The average price of 1 tonne of mushrooms sold during the twelve-month period of 2019 was 2,147 EUR (1,966 EUR/tonne during the twelve months of 2018).

The total cost of sales of the mushroom growing segment accounted for EUR 26.14 million in the four quarters of 2019 and was EUR 1.41 million higher compared to the same period in 2018 when it was EUR 24.73 million. Average cost of 1 tonne of mushrooms sold increased from 1,838 EUR/tonne to 1,936 EUR/tonne.

The average sales price of mushrooms and the average cost of sales of mushrooms increase is mostly related to the increase of sales of fresh mushrooms with packaging (the cost and sales price of packaged mushrooms is higher than that of weighed mushrooms sold in reusable containers).

The gross profit of mushroom growing segment for the twelve-month period of 2019 amounted to EUR 2.57 million and was higher by EUR 0.84 million compared to 2018 (the gross profit of mushroom growing segment in 2018 amounted to EUR 1.73 million).

Dairy segment overview

Dairy segment sales revenue for the four quarters of 2019 amounted to EUR 10.14 million and was around 13% higher comparing to the same period a year earlier. Dairy segment sales comprise of sales of milk and cattle. Sales of milk increased due to both - increase in volume of produced milk (by 8%) and increase in share of milk sold with organic price premium (by from 46% in 2018 to 74% in 2019) - together contributed EUR 1.18 million to sales revenue growth. Sales of cattle decreased by EUR 0.11 million due to lower quantity and price of sold cattle.

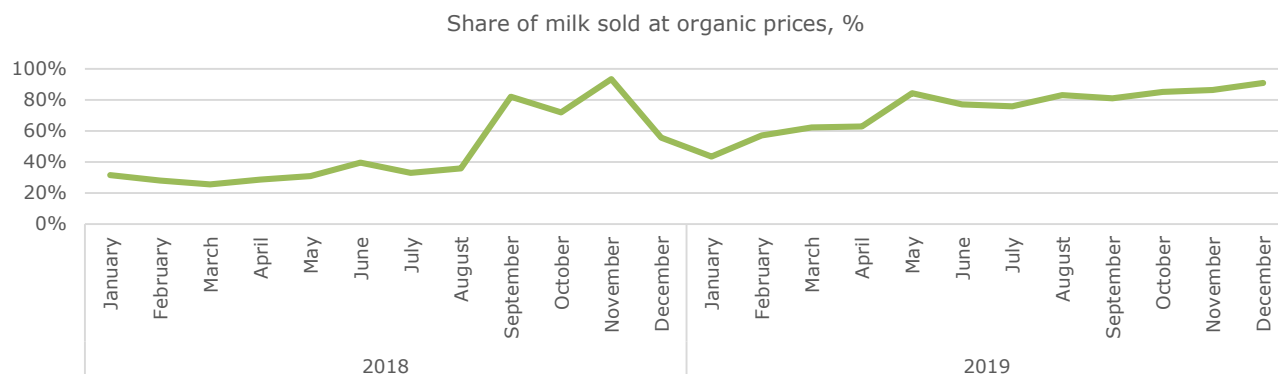
Total amount of milk sold per twelve months of 2019 amounted to 24.49 thousand tonnes (or 19.73 kg per cow per day) compared to 22.63 thousand tonnes (or 18.43 kg per cow per day) during the same period of 2018 (8% increase). Average price of milk sold was around EUR 385 per tonne during the four quarters of 2019 or 7% higher compared to the same period last year when it was EUR 359 per tonne.

The volume share of milk sold at organic production prices was around 78% in the first four quarters of 2019 comparing to 52% in the same period of 2018. Moreover, the total amount of organic milk sales increased from 10.39 thousand tonnes during the four quarters in 2018 to 18.07 thousand tonnes during the four quarters in 2019 (61% increase year on year basis).

As it can be seen from the graph since May 2019 the share of milk sold at organic prices was around 80% and fluctuations in the share percentage were significantly lower compared to earlier periods. Thus, the Group managed to stabilize milk sold at organic prices share. However, the Group is further aiming to have a more diversified client portfolio in order to further increase organic milk share of sales. The Group is still in the process of getting its organic milk production certified according to China requirements which require the whole chain of production: from the farm till the processors to be certified. These certificates will widen potential to sell all the milk with organic price premium. The certification project is falling behind the schedule, but the Group plans to complete the certification during the first quarter of 2020.

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Dairy segment cost of sales amounted to EUR 10.64 million during the twelve months of 2019 compared to EUR 10.26 million during the same period last year (4% increase). Despite of increase of the total dairy segment cost of sales which was mainly driven by an increase in cost of feed, cost of milk per kg went down by 3% due to the increase in milk yields.

During the four quarters of 2019 the Group has incurred a loss of EUR 2.19 million on revaluation of biological assets (animal herd) comparing to EUR 1.81 million loss during the same period last year. The loss occurs when dairy animals which are sold for meat are revaluated to their fair value based on the price of meat as well as animal write-offs.

Despite increased loss from revaluation of biological assets, the result from milk sales improved and the total gross loss of dairy segment lowered to EUR 1.93 million during the twelve-month period ended 31 December 2019 (gross loss of EUR 2.42 million was reported for twelve-month period ended 31 December 2018).

End-consumer packaged goods segment

Total revenues of end-consumer packaged goods segment amounted to EUR 2.79 million during the twelve months of 2019 compared to EUR 1.86 million a year earlier.

In 2019, the Group has entered into an agreement with a retailer to begin supplying the US market. Negotiations with retailers in the US and other export market chains continue. A stronger position in the Swedish market for private label soups and other canned goods was established.

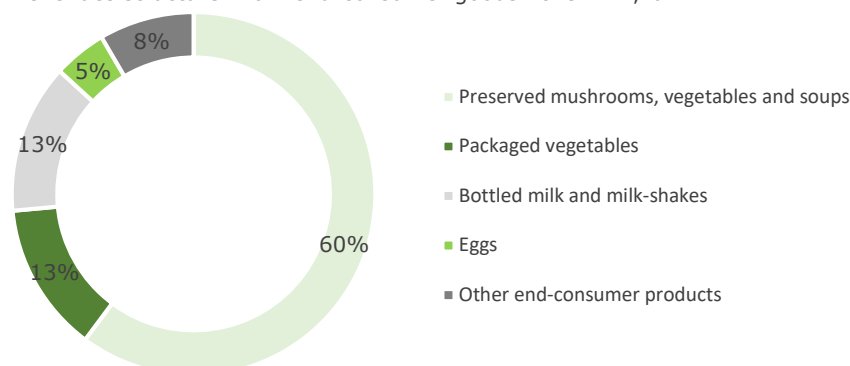
Preserved products, especially ready-to-eat organic soups, remain the main export product in the segment.

Cost of sales were EUR 2.83 million for the twelve months of 2019 compared to EUR 1.79 million for the same period in 2018.

For the first four quarters of 2019 gross profit of EUR 0.05 million was recorded (gross profit of EUR 0.07 million reported for the same period in 2018).

Revenues structure from the sale of the end consumer goods as at 31 December 2019 is depicted in the chart below.

Revenues structure from end-consumer goods 2019 12M,%



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Operating expenses

The Group's operating expenses for the twelve months of 2019 amounted to EUR 11.53 million, while operating expenses in 2018 amounted to EUR 10.35 in 2018. Operating expenses of 2019 increased due to accrual of EUR 1.95 million made due to possible sanctions by the National Payment Agency as per Lithuanian Rural Development Program of 2014-2020 measure "Organic Farming" the Group failed to sow perennial grass crops in each of declared fields for at least 1 year but not more than two years per 5 year period of the program. The Group does not have enough information whether sanctions will be applied or not and what would be the total amount of these sanctions. Therefore, accrual is based solely on the Group's calculations. In addition, 2019 the Group started accounting for share-based payments for employees which affected the operating expenses by EUR 0.24. These expenses are equity-settled only and does not have any influence on the Group's cash-flows.

Operating expenses of 2018 were negatively impacted by one-off expenses related to the termination of the acquisition of shares of UAB Arginta Engineering in the first quarter of 2018 (negative effect of EUR 0.72 million). Taking into consideration all aforementioned one-off effects, operating expenses of the Group slightly decreased in 2019 compared to the same period in 2018 and amounted to EUR 9.33 million and EUR 9.63 respectively.

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III. FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS		31 December 2019 unaudited	31 December 2018 audited
	Notes		
Non-current assets			
Property, plant and equipment	4	128,108	92,892
Intangible assets		14	2,427
Long term receivables at amortized cost	7	5,676	5,641
Investments accounted for using equity method		57	57
Available for sale financial assets		355	355
Deferred tax asset		2,211	1,438
Biological assets	5	9,396	9,128
Total non-current assets		145,817	111,938
Current assets			
Biological assets	5	16,035	14,390
Inventory	6	28,958	28,708
Trade receivables, advance payments and other receivables	7	15,395	14,573
Cash and cash equivalents		3,813	2,281
Total current assets		64,201	59,952
TOTAL ASSETS		210,018	171,890
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	65,951	65,951
Share premium		6,707	6,707
Revaluation reserve		10,256	7,155
Legal reserve		1,649	1,649
Reserve to provide shares for employees		957	957
Retained earnings / (accumulated deficit)		6,158	8,937
Equity attributable to equity holders of the parent		91,678	91,356
Non-controlling interest		369	359
Total equity		92,047	91,715
Non-current liabilities			
Borrowings	8	20,670	13,829
Obligations under lease	9	36,150	7,889
Deferred grant income		2,992	3,433
Deferred tax liability		882	883
Total non-current liabilities		60,694	26,034
Current liabilities			
Current portion of non-current borrowings	8	10,819	9,256
Current portion of non-current obligations under lease	9	7,054	3,618
Current borrowings	8	19,300	21,270
Trade payables		13,432	14,681
Other payables and current liabilities		6,671	5,316
Total current liabilities		57,277	54,141
Total liabilities		117,971	80,175
TOTAL EQUITY AND LIABILITIES		210,018	171,890

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

Consolidated income statement

	Notes	12 months period ended 31 December	
		2019 unaudited	2018 audited
Revenues	<u>10</u>	71,134	54,749
Cost of sales	<u>10</u>	(62,296)	(45,824)
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, 10</u>	3,082	(5,262)
GROSS PROFIT		11,920	3,663
Operating expenses	<u>11</u>	(11,532)	(10,354)
Other income	<u>12</u>	744	2,753
OPERATING PROFIT		1,132	(3,938)
Finance cost	<u>13</u>	(4,919)	(2,295)
Share of net profit (loss) of associates accounted for using the equity method		-	(229)
PROFIT (LOSS) BEFORE INCOME TAX		(3,787)	(6,462)
Income tax expense		773	482
NET PROFIT / (LOSS) FOR THE PERIOD		(3,014)	(5,980)
ATTRIBUTABLE TO:			
Equity holders of the Company		(3,025)	(5,957)
Non-controlling interest		10	(23)
		(3,015)	(5,980)
STATEMENT OF OTHER COMPREHENSIVE INCOME			
NET PROFIT/ (LOSS) FOR THE PERIOD		(3,015)	(5,980)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(3,015)	(5,980)
ATTRIBUTABLE TO:			
Equity holders of the Company		(3,025)	(5,957)
Non-controlling interest		10	(23)
		(3,015)	(5,980)

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
Balance as at 31 December 2017 (audited)	54,351	738	5,889	(165)	-	579	17,086	78,478	382	78,860
Comprehensive income										
Net profit (loss) for the period	-	-	-	-	-	-	(5,957)	(5,957)	(23)	(5,980)
Sale of subsidiary	-	-	-	165	-	-	(165)	-	-	-
Other comprehensive income										
Revaluation of land, net of tax	-	-	1,266	-	-	-	-	1,266	-	1,266
Currency exchange differences	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	1,266	165	-	-	(6,122)	(4,691)	(23)	(4,714)
Transactions with shareholders										
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
Total transactions with shareholders	11,600	5,969	-	-	957	1,070	(2,027)	17,569	-	17,569
Balance as at 31 December 2018 (audited)	65,951	6,707	7,155	-	957	1,649	8,936	91,355	359	91,714
Comprehensive income										
Net profit (loss) for the period	-	-	-	-	-	-	(3,025)	(3,025)	10	(3,015)
Amortization of SBP	-	-	-	-	-	-	247	247	-	247
Other comprehensive income										
Revaluation of land (net of tax)	-	-	3,101	-	-	-	-	3,101	-	3,101
Total comprehensive income	-	-	3,101	-	-	-	(2,778)	323	10	333
Transactions with shareholders										
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2019 (unaudited)	65,951	6,707	10,256	-	957	1,649	6,158	91,678	369	92,047

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Statement of cash flows

	Notes	12 months period ended 31 December	
		2019 unaudited	2018 audited
Cash flows from /(to) operating activities			
Net profit (loss) before income tax and non-controlling interest		(3,788)	(6,462)
Adjustments for non-cash expenses (income) items and other adjustments			
Depreciation expenses (PPE)	4	7,365	7,504
Depreciation expenses (RUA)		5,492	-
Amortization expense		4	565
Expenses of share-based payments		247	-
Write offs and impairment of PPE		-	52
(Profit) loss on sales of non-current assets		16	(15)
Share of losses (profits) of investments accounted for using equity method		-	229
(Gain) / loss on sale of subsidiaries		-	(2,062)
Loss provision of receivables		180	31
Provision due to possible sanctions of NPA	11	1,950	-
Write-offs of inventory		1,861	1,590
Net finance cost	13	2,210	1,774
Net finance cost (IFRS16)		2,093	-
Impairment of PPE	11	-	109
(Gain) / loss on changes in fair value of biological assets	5	(3,082)	5,262
Grants related to assets, recognized as income		(442)	(484)
Changes in working capital			
(Increase) decrease in biological assets		2,571	(10,640)
(Increase) decrease in trade receivables and prepayments		(1,451)	(2,535)
(Increase) decrease in inventory		(2,111)	(3,918)
(Decrease) increase in trade and other payables		(5,338)	(739)
		7,778	(9,739)
Interest paid, netto		(2,210)	(1,747)
Net cash flows from /(to) operating activities		5,568	(11,486)
Cash flows from /(to) investing activities			
Purchase of property, plant and equipment		(3,312)	(4,025)
Purchase of non-current intangible assets		-	(12)
Purchase of investments		-	(2,193)
Proceeds from sales of PPE		383	210
Proceeds from sales of investments		-	985
Grants related to assets, received from NPA		-	260
Other loans repaid		857	-
Other loans granted		(442)	(1,261)
Net cash flows from/(to) investing activities		(2,514)	(6,036)
Cash flows from /(to) financing activities			
Proceeds from issue of shares		-	17,569
Bonds		18,523	-
Loans repaid to banks		(11,899)	(18,450)
Borrowings received		3,730	21,199
Other borrowings obtained (paid)		(3,920)	4,000
Finance lease repayments		(7,953)	(5,135)
Net cash flows from/(to) financing activities		(1,519)	19,183
Net (decrease) / increase in cash and cash equivalents		1,534	1,661
Cash and cash equivalents at the beginning of the period		2,281	620
Cash and cash equivalents at the end of the period		3,813	2,281

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IV. EXPLANATORY NOTES

1. Basis of the preparation

The accompanying interim financial information for the 12 months period ended 31 December 2019, 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 2018, as described in those annual financial statements. This financial information should be read in conjunction with the consolidated annual report and consolidated financial statements for the year 2018 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 2019 are not audited. Financial statements for the year ended 31 December 2018 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.

Changes in accounting policies

Adoption of IFRS 16

The group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6%.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019; as short-term leases (which were recognized as expense on a straight-line basis);
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For leases previously classified as operating leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. This resulted in measurement adjustments of EUR 34,893 thousand for right-of-use assets and EUR 34,893 thousand lease liabilities for variable lease payments based on an index or rate. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

	1 January 2019
<i>Operating lease commitments disclosed as at 31 December 2018</i>	43,896
Discounted using the lessee's incremental borrowing rate of at the date of initial application	34,893
Add: finance lease liabilities recognized as at 31 December 2018	11,287
Lease liability recognized as at 1 January 2019	46,180
Current lease liabilities	7,731
Non-current lease liabilities	38,449
	46,180

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

Changes in accounting policies (continued)

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognized right-of-use assets relate to the following types of assets:

	31 December 2019	1 January 2019
Land	38,031	36,710
Buildings	975	1,038
Total	39,006	37,748

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

	31 December 2018 as originally presented	IFRS 16	1 January 2019 (after recognition)
Non-current assets			
Property plant and equipment	92,892	41,407	134,229
Intangible assets	2,427	(2,401)	26
Total non-current assets	111,938	39,006	150,944
TOTAL ASSETS	171,890	39,006	210,896
Non-current liabilities			
Obligations under finance lease	7,889	34,893	42,782
Total non-current liabilities	26,034	34,893	60,927
Current liabilities			
Current portion of finance lease liabilities	3,618	4,113	7,731
Total current liabilities	54,141	4,113	58,254
Total liabilities	80,175	39,006	119,181
TOTAL EQUITY AND LIABILITIES	171,890	39,006	210,896

The net impact on retained earnings on 31 December 2019 was a decrease of EUR 995 thousand. This negative impact arises due to the change of accounting principles only and in any case is not related to monetary expenses.

Share-based payments

Share-based payments are accounted as the Group has started Employee Share Option plan which is described in Note 2 share capital.

Accounting for expenses during the vesting period

Total cumulative expenses are calculated based on the formula described below. The expenses are accrued in the profit (loss) statement and equity based on the days lapsed since the grant date till the reporting date. Each year the entity will revise the expense to reflect the best available estimate of the number of equity instruments expected to vest.

The total expenses of share-based payments are calculated based on the formula:

$$\text{Share price @ grant date} \times \text{Granted shares} \times (1 - \text{annual staff turnover})^{\text{(vesting period)}}$$

Where:

The share price of options is based on the closing price at grant date at which the company's shares are traded on the Nasdaq Stock Exchange.

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

Changes in accounting policies (continued)

The grant date of the Option is set to be the date of the share-based payment agreement between the Company and the receiver as all the terms and conditions are set in this agreement and there are no other arrangements which would need to be confirmed at a later date.

Granted shares – shares to be granted to employee based on the Option agreement.

Staff turnover – chance that the option will be exercised is adjusted by the forecasted staff turnover percent during the vesting period. The ratio is calculated based on historical staff turnover data of 2 years. The historical staff turnover data includes turnover only of the positions which are set to receive the share-based payments. The turnover of other positions are excluded from the ratio.

There are option agreements which are signed with a special condition – that the receivers do not need to fulfill the service condition, but they will still need to wait 3 years vesting period before being able to exercise the option. Due to this staff turnover adjustment is excluded in the calculation of the expenses of these options as it does not affect their chances to receive the option.

Vesting period is set in the Option agreement and is equal to 3 years.

Accounting for issue of the shares

When the vesting period will end and if the service conditions are met – the entity shall execute the shares-based transactions. The entity will issue new shares at the nominal value of EUR 0.29 from the Reserve to provide shares for employees and increase its share capital.

2. Share capital

The share capital of AUGA group, AB as at 31 December 2019 was EUR 65,950,713.08 (65,950,713.08 as at 31 December 2018). The share capital was divided into 227,416,252 ordinary shares (227,416,252 ordinary shares as at 31 December 2018). 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.

Employee share option plan

The establishment of the AUGA group, AB Employee Option Plan was approved by shareholders at the annual general shareholders' meeting which took place on 30 April, 2019. The Employee Option Plan is designed to provide long-term benefits for the employees, increase their performance and motivation to remain in the entity's employment.

Under the plan, participants are granted options to receive the Company's shares which only vest if service conditions are met. The service condition for the Option receiver is to complete a 3-year term of service to the Group. After the condition is met employee is eligible to exercise the option. There are no other vesting or performance conditions for the receiver. If the receiver does not fulfill the service condition – the option does not come into force and he is not eligible to exercise the option.

The option loses force if any restructuring, bankruptcy, liquidation or similar proceedings of the Company are commenced, and such proceedings continue and / or end with liquidation of the Company; Also if both parties (the Company and the receiver) agree to terminate the option agreement and if the receiver has caused damage to the Company through his actions or omissions.

These share-based payments for employees are equity-settled only. When exercisable, each option is convertible into one ordinary fully-fledged share. The shares will be issued from the Reserve to provide shares for employees (formed and approved by the shareholders) at the nominal value of 0.29 and will increase the Company's share capital.

Options are granted under the plan for no consideration. There are no social security contributions or income tax which would be payable by the Company at the time of the exercise (or any other time during the vesting period) and which should be accrued in the liabilities. Employees who shall exercise the option and receive the shares of the company will need to pay the income tax on their own at the time of exercise.

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Share capital (continued)

Movement of the share options provided to employees:

	31 December 2019		31 December 2018	
	Av. Price	Number of options	Av. Price	Number of options
Opening balance	0.458	200,000	-	-
Granted during the period	0.374	2,348,860	0.458	200,000
Exercised during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Balance at the end of the period	0.376	2,548,860	0.458	200,000
<i>Weighted average remaining contractual life of the deferred shares outstanding at the end of period</i>		2.26		2.78

Share options outstanding at the end of the reporting period have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	Share options 31 December 2019	Share options 31 December 2018
2018-10-12	2022-05-30	0,458	200,000	200,000
2019-04-17	2022-05-30	0,374	2,348,860	-
Total			2,548,860	200,000
<i>Weighted average remaining contractual life of options outstanding at end of period</i>			2.26	2.78

Shareholders

Total number of shareholders on 31 December 2019 was 1,330 (one thousand three hundred thirty) and on 31 December 2018 it was 1,149 (one thousand one hundred forty-nine). The shareholders owning more than 5% of shares in the Company are the following:

Entity / person	31 December 2019		31 December 2018	
	Number of shares	% owned	Number of shares	% owned
Baltic Champs Group UAB (identification code: 145798333; address: Poviliškiai v., Šiauliai region mun., Lithuania)	125,167,939	55.04	125,167,939	55.04
European Bank for Reconstruction and Development (identification code: EBRDGB2LXXXX; address: One Exchange Square, London EC2A 2JN, UK)	19,810,636	8.71	19,810,636	8.71
ME Investicija UAB (identification code: 302489393; address: Račių st. 1, Vilnius, Lithuania)	19,082,801	8.39	19,030,801	8.37
Žilvinas Marcinkevičius	15,919,138	7.00	15,919,138	7.00
Other shareholders	47,435,738	20.86	47,487,738	20.88
Total	227,416,252	100.00	227,416,252	100.00

Information on the shares of the Company held by the members of the Board and the top executives as of 31 December 2019:

Name, Surname	Position	Owned shares in the Company, units	Owned shares in the Company, %
Kęstutis Juščius*	CEO	1,392	0.0006%
Tomas Krakauskas**	Member of the Board	119,000	0.052%

* Kęstutis Juščius, CEO, is the ultimate owner of Baltic Champs Group UAB, controlling 55.04% of the Company's shares.

** Tomas Krakauskas is an employee of UAB ME Investicijos, which holds 8.39% of the Company's shares.

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Data about securities traded on regulated markets

The securities of the Company are included in Main List of NASDAQ Vilnius stock exchange (symbol: AUG1L).

Type of shares	Number of shares	Share nominal value (in EUR)	Total share capital (in EUR)	Issue Code ISIN
Ordinary registered shares	227,416,252	0.29	65,950,713.08	LT0000127466

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
2019 I quarter	0.398	0.352	0.362	2019-03-29	1,814,224	0.683
2019 II quarter	0.412	0.358	0.388	2019-06-28	6,628,718	2.213
2019 III quarter	0.406	0.351	0.367	2019-09-30	1,334,237	0.506
2019 VI quarter	0.384	0.354	0.364	2019-12-30	1,289,610	0.476

AUGA group, AB share price variance (Eur) and Volume for the period of 1 January 2015 to 31 December 2019.



Source: NASDAQ Vilnius stock exchange

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 2019, the consolidated Group (hereinafter the Group) consists of the Company and one hundred thirty-six subsidiaries (31 December 2018: one hundred thirty-five subsidiaries). On 5 March 2019 subsidiary UAB "Ars Ingenii" (legal entity code 302602713) was sold which was not related to main activities of the Group and not generated any revenue. On 9 August 2019 two additional subsidiaries were acquired – Tėvynės žemėlė UAB (legal entity code 303301428) and Tėviškės žemėlė UAB (legal entity code 303207199). The latter subsidiary owns land portfolio which was previously consolidated to the Group's consolidated balance sheet on the basis of land repurchase agreement. Tėvynės žemėlė UAB is the sole shareholder of Tėviškės žemėlė UAB and does not hold any other significant assets except shares of this subsidiary. 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, %	
						2019 12 31	2018 12 31
1.	Baltic Champs UAB	*4	302942064	Šiaulių region, Poviliškių v., 15	**A	100,00%	100,00%

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

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	0,00%	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%
12.	Agricultural entity Žemės fondas	*1	300558595	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**E	100,00%	100,00%
13.	Žemės vystymo fondas 6 UAB	*4	300589719	Vilniaus mun., Vilnius, Smolensko st. 10	**E	100,00%	100,00%
14.	Žemės vystymo fondas 9 UAB	*4	300547638	Jonavos region, Bukonių v., Lankesos st. 2	**E	100,00%	100,00%
15.	Žemės vystymo fondas 10 UAB	*4	301522723	Jonavos region, Bukonių v., Lankesos st. 2	**E	100,00%	100,00%
16.	Žemės vystymo fondas 20 UAB	*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%	98,97%
18.	Spindulys	*1	171330414	Panevėžio region, Smilgių mstl.	**A	99,99%	99,99%
19.	Agricultural entity AUGA Smilgiai	*1	168548972	Panevėžio st. 23-1	**A	100,00%	100,00%
20.	Agricultural entity AUGA Skėmiai	*1	171306071	Radviliškio region, Skėmių v., Kėdainių st. 36	**A	99,97%	99,97%
21.	Agricultural entity AUGA Nausodė	*1	154179675	Anykščių region, Kirmėlių v.,	**A	99,93%	99,93%
22.	Agricultural entity AUGA Dumšiškės	*1	172276179	Raseinių region, Paraseinio v., Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,88%	99,88%
23.	Agricultural entity AUGA Žadžiūnai	*1	175706853	Gudelių st. 30-2	**A	99,81%	99,81%
24.	Agricultural entity AUGA Mantviliškis	*1	161274230	Kėdainių region, Mantviliškio v., Molėtų region, Kazlų v., Škiemonių st. 2A	**A	99,94%	99,94%
25.	Agricultural entity AUGA Alanta	*1	167527719	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,99%	99,99%
26.	Agricultural entity AUGA Eimučiai	*1	175705032	Gudelių st. 30-2	**A	99,24%	99,24%
27.	Agricultural entity AUGA Vėriškės	*1	171305165	Radviliškio region, Vėriškių v.,	**A	99,93%	99,93%
28.	Agricultural entity AUGA Želsvelė	*1	165666499	Marijampolės mun., Želsvos v.,	**A	99,86%	99,86%
29.	Agricultural entity AUGA Lankesa	*1	156913032	Jonavos region, Bukonių v.,	**A	96,91%	96,91%
30.	Agricultural entity AUGA Kairėnai	*1	171327432	Radviliškio region, Kairėnų v., Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	98,47%	98,47%
31.	Agricultural entity AUGA Jurbarkai	*1	158174818	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	98,46%	98,46%
32.	Agricultural entity AUGA Gustoniai	*1	168565021	Šakių region, Gotlybiškių v., Mokyklos st. 18	**A	100,00%	100,00%
33.	Cooperative entity Siesarčio ūkis	*3	302501098	Jonavos region, Bukonių v., Lankesos st. 2	**A	99,44%	99,44%
34.	Cooperative entity Kašėta	*3	302501251	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	99,44%	99,44%
35.	Agricultural entity Gustonys	*1	302520102	Radviliškio region, Skėmių v., Alyvų st. 1	**E	100,00%	100,00%
36.	Agricultural entity Skėmių pienininkystės centras	*1	302737554	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	48,67%	48,67%
37.	Cooperative entity Agrobokštai	*3	302485217	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	97,94%	97,94%
38.	Cooperative entity Dotnuvėlės valdos	*3	302618614	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	99,22%	99,22%
39.	Cooperative entity Nevėžio lankos	*3	302618596		**A	96,51%	96,51%

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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, Kalnujų mstl. Žievelišės 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	**A	96,15%	96,15%
44.	Cooperative entity Šušvės žemė	*3	302618767	Kelmės region, Pašiaušės v., 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, Kalnujų mstl. Žievelišės st. 1	**A	99,35%	99,35%
47.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnujų mstl. Žievelišės 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.	Bukonių ekologinis ūkis UAB	*4	302846621	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	100,00%	100,00%
50.	Agrosaulė 8 UAB	*4	302846105	Vilniaus mun., Vilnius, Smolensko st. 10-100	**G	100,00%	100,00%
51.	Biržai distr., Rinkuškiai reclamation infrastructure users association	*2	302465556	Biržų region, Biržai, Vytauto st. 38	**A	48,67%	48,67%
52.	Pasvalys distr., Pušalotas reclamation infrastructure users association	*2	302465563	Pasvalio region, Diliauskų v., Diliauskų st. 23	**A	48,67%	48,67%
53.	Skėmiai reclamation infrastructure users association	*2	303170256	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
54.	Vaitiekūnai reclamation infrastructure users association	*2	303170306	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
55.	Association Grūdovos melioracija	*2	302567116	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	65,81%	65,81%
56.	Pauliai reclamation infrastructure users association	*2	303169909	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
57.	Nausode reclamation infrastructure users association	*2	304219592	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	70,74%	70,74%
58.	Traktorių nuomos centras UAB	*4	302820808	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
59.	Traktorių nuomos paslaugos UAB	*4	302820797	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
60.	Arnega UAB	*4	302661957	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
61.	AgroSchool OU	*6	12491954	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
62.	Public institution AgroSchool	*5	303104797	Vilniaus mun., Vilnius, Smolensko st. 10-100	**C	50,00%	50,00%
63.	AUGA Ramučiai UAB	*4	302854479	Akmenės region, Ramučių v., Klevų st. 11	**A	100,00%	100,00%
64.	AUGA Luganta UAB	*4	300045023	Kelmės region, Pašiaušės v., Vilniaus mun., Vilnius	**A	100,00%	100,00%
65.	eTime invest UAB	*4	300578676	Saltoniškių st. 29	**G	100,00%	100,00%
66.	ŽVF Projektai UAB	*4	300137062	Jonavos region, Bukonių v., Lankesos st. 2	**E	52,62%	52,62%
67.	Agricultural entity Alantos ekologinis ūkis	*1	303324747	Molėtų region, Kazlų v., Skiemonių st. 2A	**A	100,00%	100,00%
68.	Agricultural entity Dumšiškių ekologinis ūkis	*1	303324722	Raseinių region, Paraseinio v., Paraseinio st. 2	**A	100,00%	100,00%
69.	Agricultural entity Eimučių ekologinis ūkis	*1	303324715	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
70.	Agricultural entity Grūdovos ekologinis ūkis	*1	303324804	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	100,00%	100,00%
71.	Agricultural entity Jurbarkų ekologinis ūkis	*1	303325361	Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	100,00%	100,00%
72.	Agricultural entity Kairėnų ekologinis ūkis	*1	303325774	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%
73.	Agricultural entity Lankesos ekologinis ūkis	*1	303325710	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
74.	Agricultural entity Mantviliškio ekologinis ūkis	*1	303325703	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	100,00%	100,00%
75.	Agricultural entity Nausodės ekologinis ūkis	*1	303325781	Anykščių region, Nausodės v., Nausodės st. 55	**A	100,00%	100,00%

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76.	Agricultural entity Skėmių ekologinis ūkis	*1	303325692	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
77.	Agricultural entity Smilgių ekologinis ūkis	*1	303325824	Panevėžio region, Smilgiai, Panevėžio st. 23-1	**A	100,00%	100,00%
78.	Agricultural entity Spindulio ekologinis ūkis	*1	303325817	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%
79.	Agricultural entity Vėriškių ekologinis ūkis	*1	303325849	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
80.	Agricultural entity Žadžiūnų ekologinis ūkis	*1	303325870	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
81.	Agricultural entity Želsvelės ekologinis ūkis	*1	303325856	Marijampolės mun., Želsvos v., Želsvelės st. 1	**A	100,00%	100,00%
82.	Prestviigi OU	*6	12654600	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
83.	Turvaste partners OU	*6	12655410	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
84.	Nakamaa Agro OU	*6	12655522	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10113	**G	100,00%	100,00%
85.	Hindaste Invest OU	*6	12655384	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
86.	Tuudi River OU	*6	12655640	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
87.	Palderma Partners OU	*6	12654959	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
88.	Ave-Martna Capital OU	*6	12655155	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
89.	Hobring Invest OU	*6	12655427	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
90.	Rukkirahhu Capital OU	*6	12655232	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
91.	Pahasoo OU	*6	12655367	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
92.	Cooperative entity Ganiklis	*3	303429417	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
93.	Cooperative entity Ganiavos gėrybės	*3	303429431	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
94.	Cooperative entity Žemėpačio pieno ūkis	*3	303432388	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
95.	Cooperative entity Žemynos pienelis	*3	303427989	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
96.	Cooperative entity Lygiadienio ūkis	*3	303428087	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
97.	Cooperative entity Laumės pieno ūkis	*3	303427996	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
98.	Cooperative entity Medeinos pienas	*3	303428112	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
99.	Cooperative entity Gardaitis	*3	303429381	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
100.	Cooperative entity Dimstipatis	*3	303429424	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
101.	Cooperative entity Aušlavis	*3	303429456	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
102.	Cooperative entity Austėjos pieno ūkis	*3	303428094	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
103.	Cooperative entity Aitvaro ūkis	*3	303429374	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
104.	Cooperative entity Giraičio pieno ūkis	*3	303429399	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
105.	Fentus 10 GmbH	*6	HRB106477 HRB109356	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
106.	Norus 26 AG	*6	B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%

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107.	LT Holding AG	*6	HRB109265 B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
108.	KTG Agrar UAB	*4	300127919	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	100,00%	100,00%
109.	Agrar Raseiniai UAB	*4	300610316	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
110.	AUGA Mažeikiai UAB	*4	300610348	Mažeikių av. 9, Naikių v., Mažeikių region,	**A	100,00%	100,00%
111.	PAE Agrar UAB	*4	300867691	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
112.	Delta Agrar UAB	*4	300868875	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
113.	KTG Grūdai UAB	*4	302637486	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
114.	KTG Eko Agrar UAB	*4	300510650	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
115.	Agronita UAB	*4	300132574	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
116.	Agronuoma UAB	*4	303204954	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
117.	VL Investment Vilnius 12 UAB	*4	303205611	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
118.	Agrar Ašva UAB	*4	301608542	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
119.	Agrar Varduva UAB	*4	301608791	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
120.	Agrar Seda UAB	*4	301608777	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
121.	Agrar Kvistė UAB	*4	302308067	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
122.	Agrar Luoba UAB	*4	302308035	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
123.	Agrar Gaja UAB	*4	302594412	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
124.	Agrar Ariogala UAB	*4	301626540	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
125.	Agrar Girdžiai UAB	*4	301621568	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
126.	Agrar Vidauja UAB	*4	301622531	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
127.	Agrar Raudonė UAB	*4	302309532	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
128.	Agrar Venta UAB	*4	302307855	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
129.	Agrar Nerys UAB	*4	302594063	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
130.	Agrar Gėluva UAB	*4	302312133	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
131.	Agrar Betygala UAB	*4	302312222	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
132.	Agrar Dubysa UAB	*4	302312215	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
133.	Agrar Pauliai UAB	*4	302312165	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
134.	Agrar Mituva UAB	*4	302312172	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
135.	AUGA Raseiniai UAB	*4	304704364	Raseinių region, Kalnųjai, Žievelišės st. 1	**A	100,00%	100,00%
136.	Tėvynės žemelė UAB	*4	303301428	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**G	100,00%	0,00%
137.	Tėviškės žemelė UAB	*4	303207199	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**E	100,00%	0,00%

COMMENTS:

*	**	
*1 Agricultural entity	**A Agricultural operation	**G Management of subsidiaries
*2 Association	**B Cash pool of the group	**H Trade and logistics
*3 Cooperative entity	**C Human resource management	
*4 Private limited Company	**D IT system development	
*5 Public institution	**E Land management	
*6 Foreign legal entity	**F Lease of machinery	

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4. Property, plant and equipment

	Right-of-use assets (IFRS16)	Land	Buildings	Constructions and machinery	Vehicles, equipment and other property, plant and equipment	Construction in progress	Total
As at 31 December 2017 (audited)	-	18,779	41,583	21,147	2,813	913	85,235
- purchase of subsidiaries	-	114	1,639	1,028	132	19	2,932
- additions	-	139	565	8,090	696	380	11,121
- disposals and write-offs	-	-	(47)	(123)	(77)	-	(247)
- revaluation	-	1,355	-	-	-	-	1,355
- depreciation	-	-	(2,245)	(4,441)	(818)	-	(7,504)
- reclassifications	-	-	-	-	-	-	-
As at 31 December 2018 (audited)	-	21,638	41,495	25,701	2,746	1,312	92,892
- purchase of subsidiaries	39,301	-	-	-	-	-	39,301
- additions	-	482	6	1,488	324	1,655	3,955
- disposals and write-offs	-	(19)	(37)	(305)	(117)	-	(478)
- revaluation	-	3,152	-	-	-	-	3,152
- depreciation	(5,492)	-	(2,249)	(4,282)	(755)	-	(12,778)
- reclassifications	2,401	-	921	-	-	(1,260)	2,062
As at 31 December 2019 (unaudited)	36,211	25,253	40,136	22,602	2,198	1,707	128,107
Acquisition cost as at							
31 December 2017	-	18,779	50,538	30,552	4,350	913	105,132
31 December 2018	-	21,638	52,695	39,547	5,101	1,312	120,293
31 December 2019	41,703	25,253	53,585	40,730	5,308	1,707	168,286
Accumulated depreciation and impairment losses as at							
31 December 2017	-	-	(8,955)	(9,405)	(1,537)	-	(19,897)
31 December 2018	-	-	(11,200)	(13,846)	(2,355)	-	(27,401)
31 December 2019	(5,492)	-	(13,449)	(18,128)	(3,110)	-	(40,179)
Carrying amount as at 31 December 2017	-	18,779	41,583	21,147	2,813	913	85,235
Carrying amount as at 31 December 2018	-	21,638	41,495	25,701	2,746	1,312	92,892
Carrying amount as at 31 December 2019	36,211	25,253	40,136	22,602	2,198	1,707	128,107

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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	
Balance as at 31 December 2017	4,579	3,450	1,165	8,946	18,140
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)
Balance as at 31 December 2018	5,275	3,854	2,088	12,342	23,559
Direct purchases	-	-	-	-	-
Accumulated expenses	-	3,182	26,359	35,893	65,434
Transfer between groups	1,845	(1,845)	-	-	-
Direct sales	(470)	(246)	-	-	(716)
Harvest	-	-	(26,221)	(39,708)	(65,929)
Revaluation	(691)	(1,048)	-	5,281	3,542
Write-offs	(215)	(245)	-	-	(460)
Balance as at 31 December 2019	5,744	3,653	2,226	13,809	25,432

6. Inventory

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

	Wheat	Legumes	Mushrooms	Milk	End-consumer packaged goods*	Other	Forage	Raw materials*	Total
Balance as at 31 December 2017	13,893	11,925	97	11	-	13,220	59,791	-	98,937
Purchases	2,612	-	-	-	-	-	735	-	3,347
Sales	(21,432)	(12,841)	(12,147)	(22,634)	-	(43,966)	(2,562)	-	(115,582)
Production	25,040	15,033	12,244	24,157	-	45,655	49,170	-	171,299
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	(321)	(180)	-	(292)	-	(1,062)	(2,438)	-	(4,293)
Balance as at 31 December 2018	16,423	12,188	194	12	-	11,616	50,126	-	90,559
Purchases	2,721	2,115	-	-	-	2,897	96	-	7,829
Sales	(35,984)	(13,385)	(12,256)	(24,549)	-	(72,734)	(1,208)	-	(160,116)
Production	51,268	18,055	12,063	26,165	-	85,755	69,418	-	262,724
Consumed in preparation of biological assets (livestock)	(2,200)	(3,725)	-	(1,268)	-	(4,154)	(56,306)	-	(67,653)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(5,901)	(7,575)	-	-	-	(6,126)	-	-	(19,602)
Inventory write-offs	(339)	(161)	-	(342)	-	(1,155)	(2,786)	-	(4,783)
Balance as at 31 December 2019	25,988	7,512	1	18	-	16,099	59,340	-	108,958

*End-consumer packaged goods and raw materials consist of various units of measure, thus it cannot be disclosed in this table.

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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
Balance as at 31									
December 2017	3,478	4,397	144	-	45	7,060	5,073	5,350	25,547
Purchases	808	-	-	-	1,100	-	468	17,058	19,434
Sales	(5,699)	(4,829)	(24,731)	(9,434)	(1,793)	(6,115)	(94)	(927)	(53,622)
Production	6,488	5,576	24,691	10,043	733	8,485	5,793	-	61,809
Consumed in preparation of biological assets (livestock)	(388)	(288)	-	(494)	-	(803)	(5,376)	-	(7,349)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(417)	(360)	-	-	-	(434)	-	(14,499)	(15,710)
Inventory write-offs	(82)	(66)	-	(115)	-	(642)	(155)	(341)	(1,401)
Balance as at 31									
December 2018	4,188	4,430	104	-	85	7,551	5,709	6,641	28,708
Purchases	875	992	-	-	2,943	3,722	6	12,318	20,856
Sales	(9,473)	(4,880)	(26,348)	(9,925)	(2,987)	(14,208)	(25)	(587)	(68,433)
Production	12,659	6,461	26,247	10,676	174	15,108	4,808	3,438	79,571
Consumed in preparation of biological assets (livestock)	(495)	(1,407)	-	(479)	-	(1,194)	(3,829)	(5,749)	(13,153)
Consumed in preparation of biological assets (crops and mycelium seedbed)	(963)	(2,887)	-	-	-	(3,253)	-	(10,409)	(17,512)
Inventory write-offs	(86)	(57)	-	(135)	(30)	(845)	(206)	(35)	(1,394)
Balance as at 31									
December 2019	6,705	2,652	3	137	185	6,881	6,463	5,617	28,643

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 2019	As at 31 December 2018
Total trade accounts receivable	8,465	6,411
VAT receivable	639	719
Receivables from National Paying Agency	3,458	4,302
Accounts receivable from private individuals	43	68
Other receivables	173	1,097
Advance payments and deferred expenses	2,684	2,042
Less: loss allowance	(68)	(66)
Total trade accounts receivable, net	15,395	14,573
Non-current receivables, gross	5,976	5,840
Less: loss allowance	(299)	(199)
Total	21,071	20,214

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.

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8. Financial liabilities

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

	As at 31 December 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Mushroom growing companies	1,970	3,949
Agricultural entities	6,435	10,901
<i>Long-term payment to 3rd parties</i>		
Long-term payable to the State	-	1,401
Long-term payable to creditors	3,489	5,197
Long-term payable to the investment fund for purchased land	1,072	1,637
Bonds	18,523	-
Total	31,489	23,085
Less: amounts, payable within one year (according to agreements)	(10,819)	(9,256)
Total long-term borrowings	20,670	13,829

In December 2019 the Group issued 20,000 units of Green Bonds (hereinafter – Bonds) with a nominal value of EUR 1,000 and an annual interest rate of 6%. The maturity date of Bonds is as at 17 December 2024. Interest payment dates are set at 17 December of each year until 2024. The Bonds were introduced to trading on regulated market in AB Nasdaq Vilnius Bond list. Balance sheet value of the bonds represent the value of the bonds after discounts and related expenses. Both, the discounts and related expenses will be accounted as interest expenses and capitalized to the value of the bonds over the 5-year period.

As at 31 December 2018 the Group owed payable amount to the State of EUR 1,401 thousand for land acquisition made by Group in 2008 - 2014. The payable amount to State was over 15-year period. As at 31 December 2019 the loan was fully repaid.

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

	As at 31 December 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Within second year	997	10,840
Within third and fourth year	571	1,968
After fifth year and later	19,102	1,021
Total	20,670	13,829

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

	As at 31 December 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
Parent company	16,900	18,870
Total short-term borrowings	19,300	21,270

Short-term loans from banks include EUR 19,300 thousand (in 2018: EUR 21,270 thousand) credit-line facilities.

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9. Leases

The Group's leases consisted of the following:

	As at 31 December 2019	As at 31 December 2018
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	34,960	-
Lease liabilities related to other assets**	8,245	11,287
Total	43,205	11,287
Less: amounts payable within one year		
Lease liabilities related to right-of-use assets*	4,113	-
Lease liabilities related to other assets**	2,942	3,618
Total	7,054	3,618
Total long-term leases	36,150	7,669

* Lease liabilities accounted as operational lease before adoption of IFRS 16.

** Lease liabilities accounted as financial lease before adoption of IFRS 16.

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10. Results of business segments

CROP GROWING SEGMENT

a) Sales of agricultural produce	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Total revenue of sold agricultural produce, EUR'000	29,490	17,475
Total cost of sold agricultural produce*, EUR'000	(30,449)	(17,416)
Total inventory write-offs and impairment, EUR'000	(1,540)	(1,402)
Result of sales of agricultural produce, EUR'000	(2,499)	(1,343)
* The cost of sold agricultural produce represents the value of crops evaluated at fair values at point of harvest and related sales costs.		
b) Harvest of agricultural produce	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Total cultivated land, ha	38,564	38,474
Wheat	11,503	8,854
Legumes	8,039	10,684
Other cash crops	9,129	8,950
Forage Crops	8,984	9,009
Fallow	910	977
Average harvest yield, t/ha		
Wheat	4.21	2.83
Legumes	1.67	1.41
Other cash crops	8.24	5.10
Forage Crops	6.10	4.93
Total fair value of harvest, EUR'000	39,708	27,883
Wheat	13,664	6,415
Legumes	4,798	5,576
Other cash crops	14,090	10,099
Forage Crops	7,156	5,793
Total production cost of harvest, EUR'000	(34,426)	(31,332)
Wheat	(10,168)	(7,803)
Legumes	(6,369)	(8,444)
Other cash crops	(10,733)	(9,292)
Forage Crops	(7,156)	(5,793)
Gain (loss) on revaluation of agricultural produce at point of harvest, EUR'000	5,281	(3,449)
c) Agricultural subsidies	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Direct subsidies, EUR'000	5,420	5,677
Organic farming subsidies, EUR'000	3,113	3,405
Total subsidies, EUR'000	8,533	9,082
Gross profit of crop growing segment per period, EUR'000 (a+b+c)	11,315	4,290
Depreciation included in the harvest of agricultural produce, EUR'000	4,070	4,052

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Results of business segments (continued)

MUSHROOM SEGMENT	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Total tonnage sold, tons	12,256	12,147
Non-organic mushrooms, tons	11,335	11,271
Organic mushrooms, tons	921	876
Total revenues from mushroom sales, EUR'000	26,319	23,875
Non-organic mushrooms, EUR'000	23,609	21,296
Organic mushrooms, EUR'000	2,710	2,579
Total cost of mushrooms sold, EUR'000	(23,733)	(22,331)
Non-organic mushrooms, EUR'000	(21,808)	(20,720)
Organic mushrooms, EUR'000	(1,925)	(1,611)
Total revenues from sales of mushroom seedbed, EUR'000	2,388	2,581
Total cost from sales of mushroom seedbed, EUR'000	(2,488)	(2,400)
Gross profit of mushroom growing segment, EUR'000	2,486	1,725
Depreciation included in cost of mushroom sales, EUR'000	1,649	1,815

DAIRY SEGMENT	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Total tonnage sold, tons	25,224	23,397
Non-organic milk, tons	6,425	12,245
Organic milk, tons	18,067	10,389
Cattle, tons	732	763
Total revenues of dairy segment, EUR'000	10,138	8,954
Non-organic milk, EUR'000	2,051	3,882
Organic milk, EUR'000	7,371	4,246
Cattle, EUR'000	716	827
Total cost of dairy segment, EUR'000	(10,641)	(10,261)
Milk, EUR'000	(9,925)	(9,434)
Cattle, EUR'000	(716)	(827)
Revaluation of biological assets, EUR'000	(2,199)	(1,813)
Total subsidies, EUR'000	774	698
Gross profit of dairy segment, EUR'000	(1,928)	(2,422)
Depreciation included in cost of dairy segment sales, EUR'000	507	531

END-CONSUMER PACKAGED GOODS	<i>12-month period ended 31 December 2019</i>	<i>12-month period ended 31 December 2018</i>
Total revenue from end-consumer packaged goods sales	2,798	1,864
Total cost of sales of end-consumer packaged goods	(2,752)	(1,793)
Gross profit of sales of end-consumer packaged goods	45	70
Depreciation included in cost of sales of end-consumer packaged goods	-	-

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11. Operating expenses

Operating expenses breakdown by business segments was the following:

	12-month period ended 31 December	
	2019	2018
Operating expenses by mushroom segment	1,372	1,250
Operating expenses of crop growing segment	2,486	2,614
Operating expenses of dairy segment	1,586	1,667
Centralized operating expenses	6,088	4,823
Total operating expenses of all segments	11,532	10,354
Depreciation included in operating expenses	697	1,106

Operating expenses breakdown by type of expenses was the following:

	12-month period ended 31 December	
	2019	2018
Payroll expenses	3,529	3,206
Social security expenses	1,171	995
SBP amortization*	247	-
Fines and late payments	2,177	858
Depreciation of property, plant and equipment	697	1,106
Loss allowance of accounts receivable	180	31
Consultations and business plan preparations	339	624
Insurance and tax expense	609	672
Selling expenses	594	555
Fuel costs	198	254
Real estate registration and notaries	117	152
Rent and utilities	362	326
Transportation costs	275	300
Office administration	457	418
Other expenses	558	857
Total	11,532	10,354

* Share-Based Payments expenses – equity-settled expenses related to share options granted per Employee Option Plan. Expenses are recognized evenly per 3-year vesting period. For the details refer to the note 2.

** (1) The Group accounted for provision of EUR 1,950 thousand due to possible sanctions by the National Payment Agency;
(2) The Group accrued all the expenses which needed to be paid due to termination of Arginta Engineering UAB purchase agreement (EUR 715 thousand) in 2018.

12. Other income

Other income breakdown by type was the following:

	12-month period ended 31 December	
	2019	2018
Gain (loss) from sale of property, plant and equipment	49	15
Gain (loss) from sale of subsidiaries	-	2,062
Write-down of liabilities	3	-
Fines income	616	521
Insurance benefits	60	109
Other income (expenses)	15	46
Total	743	2,753

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13. Financial expenses

Financial expenses breakdown by type was the following:

	12-month period ended 31	
	December	
	2019	2018
Bank interest expenses	1,851	1,304
Leasing and other financial expenses	854	868
Interest expenses (IFRS16)	2,093	-
Fair value change of derivatives	-	80
Currency exchange differences	19	5
Other financial expenses	102	38
Total	4,919	2,295

14. Material transactions with related parties

On 3 October 2018 AUGA group, AB and Baltic Champs Group, UAB signed Agreement on extension of up to EUR 4 million loan. Final repayment date of the loan 25 March 2020. The loan is provided with no collateral, with no up-front or similar fees, and with fixed interest rate that meets market conditions. As at 31 December 2019 the loan amount outstanding was EUR 2.5 million.

On 1 March 2019 AUGA group, AB and Baltic Champs Group, UAB signed Agreement on extension of up to EUR 2 million loan. Final repayment date of the loan 31 December 2019. The loan is provided with no collateral, with no up-front or similar fees, and with fixed interest rate that meets market conditions. As at 31 December 2019 the loan was fully repaid.

15. Subsequent events January 2019 - February 2020

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.

Announcement date	Announcement header
27.02.2020	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2019
19.02.2020	AUGA group became the first Baltic issuer on the Nasdaq Sustainable Bond Network
28.01.2020	Dates of periodic information disclosure of AUGA group, AB for the year 2020 (investor calendar)
18.12.2019	AUGA group, AB Tranche 1 of green bonds will be introduced to trading on a regulated market as from 20 December 2019; the documents regarding establishment of collateral in favour of the bondholders have been signed
13.12.2019	AUGA group, AB has allocated all tranche 1 bonds of the aggregate nominal value of EUR 20,000,000, with the demand being 125% of the offer base
05.12.2019	Announcement of the amended and restated final terms of tranche 1 of bonds under the base prospectus of programme of offering of bonds of AUGA group, AB and their admission to trading on AB Nasdaq Vilnius
03.12.2019	AUGA group, AB updated presentation for investors and held an investor conference webinar
29.11.2019	Interim information of AUGA group, AB for the 9-month period ended 30 September 2019
28.11.2019	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months period of 2019
27.11.2019	The first tranche of AUGA group green bonds programme will be offered next week
27.11.2019	Announcement of final terms of tranche 1 of bonds under the base prospectus of programme of offering of bonds of AUGA group, AB and their admission to trading on AB Nasdaq Vilnius
26.11.2019	Approved base prospectus of programme of offering of bonds of AUGA group, AB and their admission to trading on AB Nasdaq Vilnius
22.11.2019	AUGA group entered U.S. market
28.10.2019	AUGA group, AB made strategic decision to turn to capital markets for financing by issuing bonds
18.10.2019	Updated presentation of AUGA group, AB, and news subscription for investors

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Announcement date	Announcement header
09.10.2019	AUGA group signed a deal with leading food suppliers in Sweden
05.09.2019	AUGA group results for the first half of the year inspire optimism
30.08.2019	Interim information of AUGA group, AB for the 6-month period ended June 30, 2019
26.08.2019	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 6 months period ended 30 June 2019
26.08.2019	AUGA group started selling Lithuanian organic products in United Arab Emirates
19.06.2019	AUGA group implements a unique governance model
17.06.2019	Decisions of extraordinary General Meeting of Shareholders of AUGA group, AB which took place on 17 June 2019
05.06.2019	Notice on the update of question of the agenda of the extraordinary General Meeting of Shareholders of AUGA group, AB on 17 June 2019 by draft of decision
03.06.2019	Announcement about investor conference webinar to introduce unaudited financial results for the 3 months period of 2019
29.05.2019	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2019
24.05.2019	Notice on Convocation of the extraordinary General Meeting of Shareholders of AUGA group, AB on 17 June 2019
24.05.2019	Regarding penalty to board member Linas Strelis and his resignation
30.04.2019	Decisions of Ordinary General Meeting of Shareholders of AUGA group, AB which took place on 30 April 2019
19.04.2019	AUGA group, AB proposed changes to the general manager, management structure and board members
19.04.2019	Notice on the update of questions of the agenda of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2019 by drafts of decisions
18.04.2019	AUGA group, AB Notification of transactions by persons discharging managerial responsibilities
11.04.2019	Notice on the update of questions of the agenda of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2019 by drafts of decisions and related information
08.04.2019	Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2019 and on its draft decisions
01.03.2019	Announcement about investor conference webinar to introduce unaudited financial results for the 12 months of 2018
28.02.2019	Interim information of AUGA group, AB for the 12-month period ended 31 December 2018
27.02.2019	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2018