



AUGA GROUP, AB

Consolidated Interim Financial
Statements for 9 Months Period
Ended 30 September 2019
(Unaudited)

2019

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

I. GENERAL INFORMATION

Accounting period covered by the Report

The report covers 9 months period ended 30 September 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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(All amounts are in EUR thousand, unless stated otherwise)

II. MANAGEMENT REPORT

During the first nine months of 2019, AUGA group, AB and its subsidiaries' (hereinafter - the Group) sales revenue amounted to EUR 47.05 million, a 12% increase compared to the same period of 2018, when it was EUR 42.16 million.

The Group's gross profit for the three quarters of 2019 amounted to EUR 8.00 million and was EUR 6.24 million higher compared to the same period of 2018 (gross profit for the three quarters of 2018 - EUR 1.76 million).

Main financial results, million EUR	9 months of 2019	9 months of 2018
Revenues	47,054	42,164
Gross profit (loss)	8,000	1,756
Net profit (loss) (eliminating IFRS 16 effect)	(782)	(4,878)
Net profit (loss) (without elimination of IFRS 16 effect)	(1,279)	(4,878)
EBITDA (eliminating IFRS 16 effect)	7,858	1,740
EBITDA (without elimination of IFRS 16 effect)	12,434	data not available

During the first nine-month period of 2019, the Group incurred EUR 1.28 million net loss compared to EUR 4.88 million loss a year earlier. It should be noted that the financial results of the first nine months of 2018 were highly impacted by several one-off events which had a positive net effect: (a) sale of Karakash Agro OOO and Karakash OOO in the second quarter of 2018 and the reversal of impairment loss of the assets of Karakash Agro OOO and Karakash OOO prior to the sale (total positive effect of EUR 1.99 million); (b) accrued expenses related to the termination of the acquisition of shares of UAB Arginta Engineering in the first quarter of 2018 (negative effect of EUR 0.71 million). Total positive net effect of the aforementioned one-off effects was EUR 1.28 million in 2018.

Excluding one-off effects from financial results for the first nine months of 2018 (positive EUR 1.28 million) as well as IFRS 16 (negative EUR 0.50 million) and accounting of employee share option plan (negative EUR 0.15 million) impacts from financial results for the first nine months of 2019 the net result significantly improved year on year basis. The Group would have incurred only EUR 0.63 million net loss during the three quarters of 2019 compared to EUR 6.16 million net loss during the same period last year, excluding the aforementioned effects.

Since the application of new IFRS 16 requirements had significant impact to the Group's EBITDA¹, for comparison purposes the Group is publishing two EBITDA calculations throughout the year 2019: (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 to the calculation of EBITDA of the first three quarters of 2019 is presented below:

	9-month period ended 30 September 2019 before IFRS16	IFRS 16	9-month period ended 30 September 2019 as presented in FS
Net profit (loss) before income tax and non-controlling interest	(782)	(497)	(1,279)
Adjustments for non-cash expenses (income) items and other adjustments			
Depreciation	5,712	4,400	10,112
Amortization	342	(338)	4
Expenses of share-based payments	149	-	149
Write-offs and impairments of inventory	1,182	-	1,182
(Profit) loss on sales of non-current assets	(56)	-	(56)
Net finance cost	1,637	1,011	2,648
Grants related to assets, recognized as income	(326)	-	(326)
EBITDA:	7,858	4,576	12,434

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 first nine months of 2019, eliminating IFRS 16 effect, amounted to EUR 7.86 million. During the same period in 2018 the Group's EBITDA after elimination of one-time transaction, in particularly, the one-off costs related to the termination of the acquisition of shares of UAB Arginta Engineering, amounted to EUR 1.74 million.

There is an agreement with major Group creditors (banks) that covenants stated in loan contracts throughout the year 2019 and 2020 should be calculated eliminating IFRS 16 effect. Moreover, it was agreed with the banks to increase DEBT/EBITDA level for 2019 3Q – 2020 4Q and slightly change EBITDA calculation formula eliminating gain (loss) on fair value changes of livestock from EBITDA calculation. Despite changed definition of EBITDA to be used in financial covenants calculation with the banks, 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 30 September 2019 increased by 55%. However, eliminating IFRS 16 effect financial liabilities as at 30 September 2019 were slightly lower compared to the end of 2018.

Financial liabilities	30 September 2019	31 December 2018
Current and non-current financial liabilities	86,568	55,862
Current and non-current financial liabilities (excl. IFRS 16 effect)	55,542	55,862
Cash and cash equivalents	808	2,281
Adjusted working capital²	40,199	37,674
Current and non-current financial liabilities (excl. IFRS 16 effect) – cash and cash equivalents - adjusted working capital	14,535	15,907

Management of the Group believes that another important factor evaluating financial liabilities level of the Group is to take into account the adjusted working capital level. Organic agriculture is very working capital-intensive business and working capital changes have significant impact to 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 2.53 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 30 September 2019 were EUR 14.54 million or EUR 1.37 million lower than at the end of 2018.

Crop growing segment overview

Crop growing segment sales results

Crop growing segment sales revenue for the three quarters of 2019 amounted to EUR 16.45 million compared to EUR 15.59 million for the same period in 2018 (6% increase). Crop growing segment cost of sales for the three quarters of 2019 were EUR 17.73 million versus EUR 16.14 million in 2018. Total agricultural produce inventory write-offs and impairment during the nine months of 2019 amounted to EUR 0.73 million compared to EUR 0.75 million during the nine months of 2018. The gross result of sales of agricultural produce was EUR 2.01 million loss for the first nine months of 2019 (EUR 1.28 million loss for the same period in 2018).

Progress in the season of 2018/2019

The total cultivated land area by the Group amounts to around 38.56 thousand hectares in the season of 2018/2019 and is about the same 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.

As at the end of reporting period (30 September 2019) majority of cash crops except sugar beets, soy, corn and vegetables were already harvested. For cash crops already harvested as at 30 September 2019 gain (loss) on recognition at fair value of agricultural produce at point of harvest was calculated and for the cash crops harvest of which was not yet completed as at 30 September 2019, fair value of the crops as at balance sheet date was calculated using the same methodology as in previous quarters during 2019. It is important to mention as at reporting date (29 November 2019) harvesting of all cash crops was completed so preliminary data was already available for fair value estimations as at 30 September 2019.

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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Based on the condition of the cash crops that were not yet harvested as at 30 September 2019 and the preliminary harvested yields the Group estimated the fair value of the crops as at 30 September 2019 using the 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 the season of 2018/2019 as at 30 September 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 already signed for 2018/2019 season harvest, and where contracts were still not available - average sales prices of 2018.
- 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 30 September 2019 the completion was estimated to around 80-95% depending on the crop).
- X is the adjustment parameter for possible unexpected negative effects to the harvest. 5% was used in fair value estimations as at 30 September 2019 since majority of preliminary data were already available for estimations.

The estimated fair value of the harvested and not yet harvested crops as at 30 September 2019 is higher than the costs incurred by EUR 3.88 million and this difference was 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. For comparison, EUR 3.80 million loss on recognition at fair value of agricultural produce at point of harvest was reported as at 30 September 2018. Thus, the overall harvest results of 2018/2019 season are significantly better than the previous year.

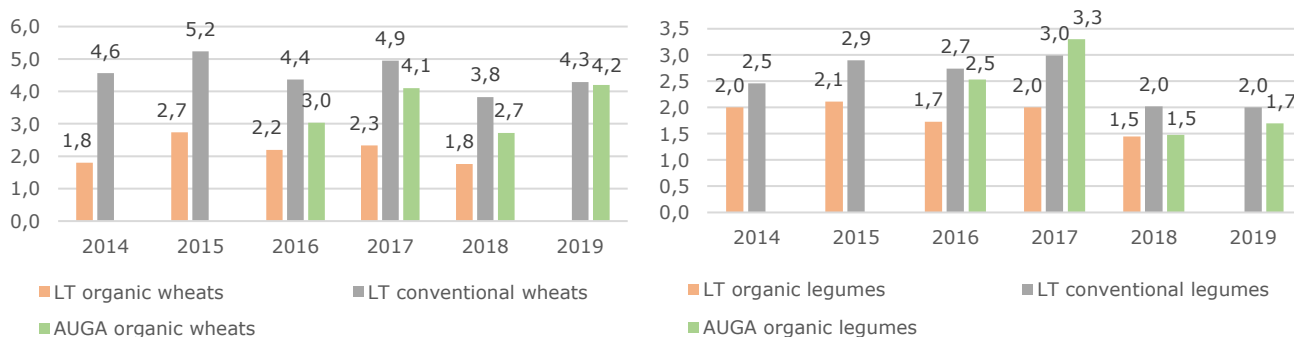
It should be noted that the fair value of forage crop even at its point of harvest is measured at production cost incurred on forage crop. In other words, forage crop production cost is used as a measure of the fair value of that forage crop since there is no active market for forage crops and there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

As it was already discussed in the Group’s consolidated interim financial statements for six months period ended 30 June 2019, shortage of rain in spring and beginning of summer of 2019 (April 2019 was declared one of the driest during the last decade by Lithuanian Hydrometeorological Service) as well as unusually hot June of 2019 had 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 2.7 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 average.

On the other hand, unfavorable weather conditions had more negatively impacted average 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 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, that is closer to average weather conditions for this climate zone.

As can be seen from the data presented, the Group average wheat and legumes yields are getting closer to the average yields achieved on non-organic farms in Lithuania. These are related to the technology being improved each year, the experience gained in organic farming, and 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, the data of conventional farms in the LT is preliminary. 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.

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Table below depicts comparison of the two main grain crops - wheat and legumes - prices at which the harvest was evaluated (at fair value) 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 nine 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	262	268	-2%
Legumes	359	354	1%

As can be seen from the data above, the price of 1 tonne of wheat in the season of 2018/2019 was 2% lower compared to the season of 2017/2018, while legumes - 1% higher. This indicates that the prices of the respective organic grains are stable and that the Group can sell the harvested production in the international markets for organic raw materials at the prices which reflect the "price premium" of organic produce.

Since different methodology was applied in estimating fair value of not yet harvested crops as at 30 September in 2018 and 2019, the comparison of Other cash crops which contained not yet harvested crops is not provided. However, it could be stated that there are no significant changes in market prices estimations for crops containing Other cash crops category in 2019 compared to 2018.

The comparison of the costs of the two main grain crops - wheat and legumes - per hectare of land 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	925	881	5%
Legumes	830	790	5%

As can be seen from the table above the costs per 1 ha of cultivated land of wheat and legumes increased by 5% 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 18 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 7%. 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 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 and legumes during the seasons of 2017/2018 and 2018/2019 is provided in the table below. In case of wheat the result significantly improved and the gain was 177 EUR/ha in 2018/2019 season compared to 154 EUR/ha loss in 2017/2018 season. 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 224 EUR/ha in 2018/2019 season compared to 266 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	177	-154
Legumes	-224	-266

Agricultural subsidies and gross profit of the crop growing segment

The total amount of agricultural subsidies accrued during the three quarters of 2019 was EUR 6.62 million compared to EUR 6.90 million during the same period in 2018. Crop declaration for the season 2018/2019 is finished. However, there are still important details to be cleared with National Paying Agency and other governmental institutions regarding the amount of organic farming subsidies for the year 2019. The amount of organic farming subsidies for the Group for the year 2019 could be lower compared to planned to accrue amount with current assumptions. The final decisions by the governmental institutions should be adopted and final amounts of organic subsidies for the year 2019 should be clear no earlier than in December 2019.

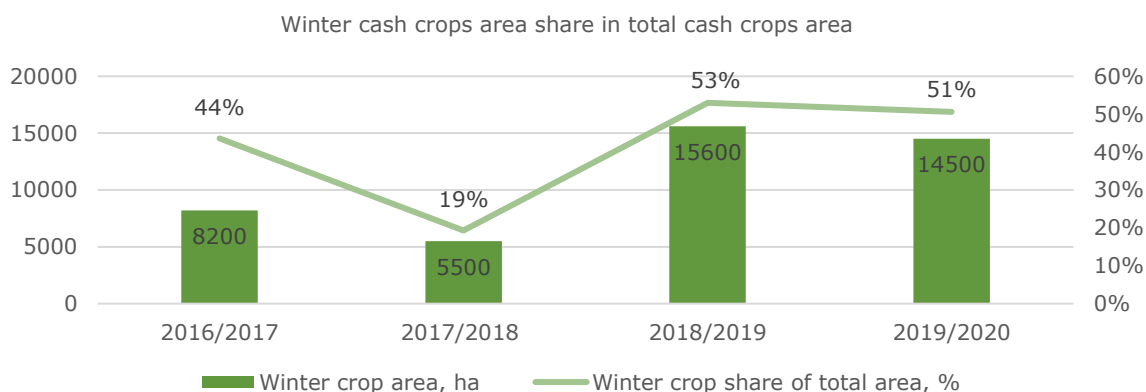
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Gross profit of crop growing segment including result of sales of agricultural produce, gain (loss) on changes in fair value of biological assets and agricultural subsidies, amounted to EUR 8.49 million in the first nine months of 2019 compared to EUR 1.81 million the year earlier.

Preparation for the season of 2019/2020

Weather conditions in the fall of 2019 was 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.



Mushroom segment overview

The revenue of the mushroom growing segment was EUR 21.14 million for the nine months of 2019, around EUR 2.11 million or 11% higher compared to the same period in 2018 when revenue was EUR 19.04 million. Revenue from mushroom sales increased by EUR 2.00 million while revenue from mushroom seedbed sales increased by EUR 0.11 million.

Mushroom sales revenue increase relates to increased average sales prices. 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 – both organic and non-organic average prices increased. The average price of 1 tonne of mushrooms sold during the nine-month period of 2019 was 2,139 EUR (1,898 EUR/tonne during the nine months of 2018).

The total cost of sales of the mushroom growing segment accounted for EUR 19.63 million in the first three quarters of 2019 and was EUR 2.42 million higher compared to the same period in 2018 when it was EUR 17.21 million. Average cost of 1 tonne of mushrooms sold increased from 1,716 EUR/tonne to 1,982 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 nine-month period of 2019 was slightly lower compared to the same period in 2018: respectively EUR 1.51 million and EUR 1.82 million.

Dairy segment overview

Dairy segment sales revenue for the first three quarters of 2019 amounted to EUR 7.63 million and was around 17% higher comparing to the same period a year earlier. Dairy segment sales comprise of sales of milk and cattle. The increased total volume of milk sold (by 10%) and increased average price of milk sold (by 9%) - both contributed to sales revenue growth while sales of cattle decreased by EUR 84 thousand due to lower quantity of sold cattle.

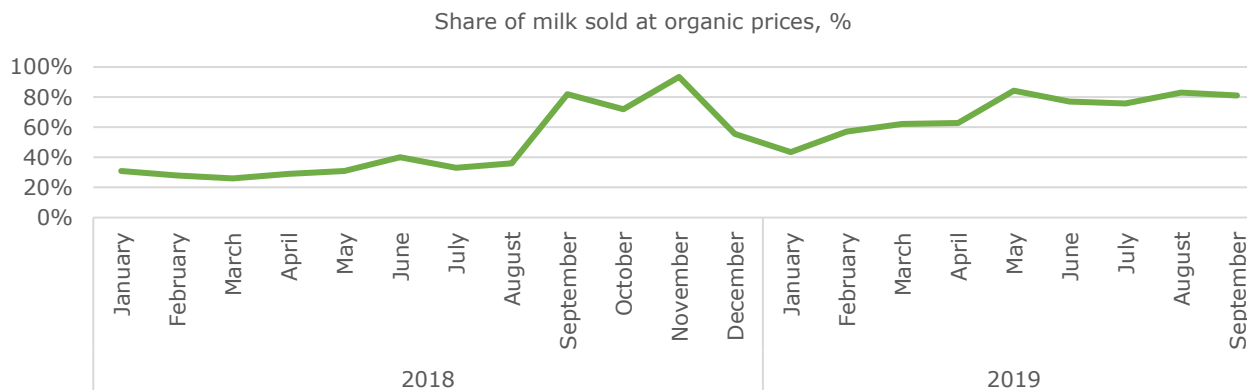
Total amount of milk sold per nine months of 2019 amounted to 18.60 thousand tonnes (or 20.04 kg per cow per day) compared to 16.93 thousand tonnes (or 18.45 kg per cow per day) during the same period of 2018 (10% increase). Average price of milk sold was around EUR 380 per tonne in the first three quarters of 2019 or 9% higher compared to the same period last year when it was EUR 347 per tonne.

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The volume share of milk sold at organic production prices was around 69% in the first three quarters of 2019 comparing to 37% in the same period of 2018. Moreover, the total amount of organic milk sales increased from 6.20 thousand tonnes during the first three quarters in 2018 to 12.91 thousand tonnes during the first three quarters in 2019 (108% 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 lagging behind the schedule, but the Group plans to complete the certification during the first quarter of 2020.



Dairy segment cost of sales amounted to EUR 7.64 million during first nine months of 2019 compared to EUR 7.33 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 4% due to the increase in milk yields.

During the nine-month period of 2019 the Group has incurred a loss of EUR 2.31 million on revaluation of biological assets (animal herd) comparing to EUR 1.54 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 remained almost at the same level compared to previous year. The gross loss of dairy segment equalled to EUR 2.00 million loss for the nine-month period ended 30 September 2019 (gross loss of EUR 1.94 million was reported for nine-month period ended 30 September 2018).

End-consumer packaged goods segment

Total revenues of end-consumer packaged goods segment amounted to EUR 1.83 million during the first nine months of 2019 compared to EUR 1.01 million a year earlier.

The USA market was entered at the end of third quarter of 2019 and first orders have already been delivered to Costco Wholesale USA. Negotiations with several major retailers in the USA and other countries are in process with estimation to be finished in the first quarter of 2020.

Preserved products, especially ready-to-eat organic soups, remain the main export product in the segment. Although intense talks on expansion of range with dairy products are in process in Middle East.

Cost of sales were EUR 1.83 million for the first nine months of 2019 compared to EUR 0.94 million for the same period in 2018.

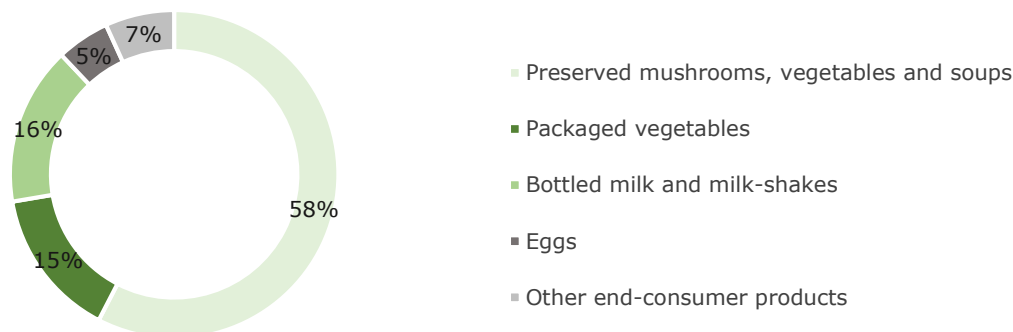
For the first three quarters of 2019 gross profit of EUR 0.01 million was recorded (gross profit of EUR 0.06 million reported for the same period in 2018).

Revenues structure from the sale of the end consumer goods as at 30 September 2019 is depicted in the chart below.

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Revenues structure from end-consumer goods 2019 9 months,%



Operating expenses

The Group's operating expenses for the first nine months of 2019 was around EUR 6.83 million. Comparing them to the previous year it should be noted that operating expenses for the first nine months of 2018 were significantly impacted by two one-off effects recorded in the first quarter of 2018: (a) the reversal of impairment loss of the assets of Karakash Agro OOO and Karakash OOO due to the signed agreement to sell the respective subsidiaries in the first quarter of 2018 (positive effect of EUR 1.8 million); (b) accrued expenses related to the termination of the acquisition of shares of UAB Arginta Engineering in the first quarter of 2018 (negative effect of EUR 0.7 million). In 2019 the Group started accounting for share-based payments for employees which affected the operating expenses by EUR 0.15 million during the nine months of 2019. These expenses are equity-settled only and does not have any influence on the Groups cash-flows. Taking into consideration all these aforementioned effects, operating expenses of the Group during three quarters of 2019 remained almost at the same level as in 2018. For comparison, operating expenses of the Group totalled EUR 6.68 million during three quarters of 2019 and EUR 6.74 million during the same period in 2018.

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III. FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS	Notes	30 September 2019 unaudited	31 December 2018 audited
Non-current assets			
Property, plant and equipment	4	123,948	92,892
Intangible assets		14	2,427
Long term receivables at amortised cost	7	5,773	5,641
Investments accounted for using equity method		57	57
Available for sale financial assets		355	355
Deferred tax asset		1,438	1,438
Biological assets	5	8,553	9,128
Total non-current assets		140,138	111,938
Current assets			
Biological assets	5	19,008	14,390
Inventory	6	32,574	28,708
Trade receivables, advance payments and other receivables	7	20,392	14,573
Cash and cash equivalents		808	2,281
Total current assets		72,782	59,952
TOTAL ASSETS		212,920	171,890
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	65,951	65,951
Share premium		6,707	6,707
Revaluation reserve		7,155	7,155
Legal reserve		1,649	1,649
Reserve to provide shares for employees		957	957
Retained earnings / (accumulated deficit)		7,798	8,937
Equity attributable to equity holders of the parent		90,217	91,356
Non-controlling interest		367	359
Total equity		90,584	91,715
Non-current liabilities			
Borrowings	8	15,233	13,829
Obligations under lease	9	39,145	7,889
Deferred grant income		3,108	3,433
Deferred tax liability		882	883
Total non-current liabilities		58,368	26,034
Current liabilities			
Current portion of non-current borrowings	8	5,551	9,256
Current portion of non-current obligations under lease	9	1,639	3,618
Current borrowings	8	25,000	21,270
Trade payables		22,335	14,681
Other payables and current liabilities		9,443	5,316
Total current liabilities		63,968	54,141
Total liabilities		122,336	80,175
TOTAL EQUITY AND LIABILITIES		212,920	171,890

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Consolidated income statement

	Notes	9 months period ended 30 September	
		2019 unaudited	2018 unaudited
Revenues	<u>10</u>	47,054	42,164
Cost of sales	<u>10</u>	(40,618)	(35,074)
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>	1,564	(5,334)
GROSS PROFIT		8,000	1,756
Operating expenses	<u>11</u>	(6,831)	(5,622)
Other income	<u>12</u>	533	673
OPERATING PROFIT		1,702	(3,193)
Finance cost	<u>13</u>	(2,981)	(1,685)
Share of net profit (loss) of associates accounted for using the equity method		-	-
(PROFIT) LOSS BEFORE INCOME TAX		(1,279)	(4,878)
Income tax expense		-	-
NET (PROFIT) / LOSS FOR THE PERIOD		(1,279)	(4,878)
ATTRIBUTABLE TO:			
Equity holders of the Company		(1,287)	(4,768)
Non-controlling interest		8	(110)
		(1,279)	(4,878)
STATEMENT OF OTHER COMPREHENSIVE INCOME			
NET (PROFIT)/ LOSS FOR THE PERIOD		(1,279)	(4,878)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,279)	(4,878)
ATTRIBUTABLE TO:			
Equity holders of the Company		(1,287)	(4,768)
Non-controlling interest		8	(110)
		(1,279)	(4,878)

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(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	8,937	91,356	359	91,715
Comprehensive income										
Net profit (loss) for the period	-	-	-	-	-	-	(1,287)	(1,287)	8	(1,279)
Amortization of SBP	-	-	-	-	-	-	149	149	-	149
Other comprehensive income										
Revaluation of land (net of tax)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	(1,138)	(1,138)	8	(1,130)
Transactions with shareholders										
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2019 (unaudited)	65,951	6,707	7,155	-	957	1,649	7,799	90,218	367	90,584

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

Consolidated statement of cash flows

	Notes	9 months period ended 30 September	
		2019 unaudited	2018 unaudited
Cash flows from /(to) operating activities			
Net profit (loss) before income tax and non-controlling interest		(1,279)	(4,878)
Adjustments for non-cash expenses (income) items and other adjustments			
Depreciation expenses (PPE)	4	5,712	5,698
Depreciation expenses (RUA)		4,400	-
Amortization expense		4	305
Expenses of share-based payments		149	-
Write offs and impairment of PPE		-	35
(Profit) loss on sales of non-current assets		(56)	(59)
Share of losses (profits) of associates		-	-
(Profit) loss on sale of investment property		-	(162)
Impairment of receivables		-	-
Write-offs of inventory		1,182	971
Net finance cost	13	1,637	1,314
Net finance cost (IFRS16)		1,011	-
Reversal of impairment of PPE	11	-	(1,828)
Gain (loss) on changes in fair value of biological assets	5	(1,564)	5,334
Grants related to assets, recognized as income		(326)	(371)
Changes in working capital			
(Increase) decrease in biological assets		(8,021)	(11,237)
(Increase) decrease in trade receivables and prepayments		(6,690)	(12,420)
(Increase) decrease in inventory		(5,048)	(2,335)
(Decrease) increase in trade and other payables		11,522	10,322
		2,633	(9,311)
Interest paid, netto		(1,637)	(1,294)
Net cash flows from /(to) operating activities		996	(10,605)
Cash flows from /(to) investing activities			
Purchase of property, plant and equipment		(2,883)	(3,135)
Purchase of investments		-	(1,768)
Proceeds from sales of PPE		383	210
Proceeds from sales of investments		-	500
Grants related to assets, received from NPA		-	65
Other loans repaid		857	-
Other loans granted		(539)	(810)
Net cash flows from/(to) investing activities		(2,182)	(4,938)
Cash flows from /(to) financing activities			
Proceeds from issue of shares		-	17,574
Loans repaid to banks		(2,741)	(15,776)
Borrowings received		3,730	19,190
Other borrowings obtained (paid)		440	-
Finance lease repayments		(1,714)	(2,405)
Net cash flows from/(to) financing activities		(285)	18,583
Net (decrease) / increase in cash and cash equivalents		(1,471)	3,040
Cash and cash equivalents at the beginning of the period		2,281	620
Cash and cash equivalents at the end of the period		808	3,659

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IV. EXPLANATORY NOTES

1. Basis of the preparation

The accompanying interim financial information for the 9 months period ended 30 September 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 interim financial information for 9-months period ended 30 September 2018 and the balance sheet as of 31 December 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 9 months period ended 30 September 2019 and 30 September 2018 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 3.79%.

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 35,346 thousand for right-of-use assets and EUR 35,346 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.

	<u>1 January 2019</u>
<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	35,346
Add: finance lease liabilities recognized as at 31 December 2018	<u>11,507</u>
Lease liability recognized as at 1 January 2019	<u>46,853</u>
Current lease liabilities	8,405
Non-current lease liabilities	<u>38,449</u>
	<u><u>46,853</u></u>

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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:

	<u>30 September 2019</u>	<u>1 January 2019</u>
Land	32,612	36,710
Buildings	947	1,038
Total	33,559	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	37,748	130,640
Intangible assets	2,427	(2,401)	26
Total non-current assets	111,938	35,347	147,285
TOTAL ASSETS	171,890	35,347	207,237
Non-current liabilities			
Obligations under finance lease	7,889	30,560	38,449
Total non-current liabilities	26,034	30,560	56,594
Current liabilities			
Current portion of finance lease liabilities	3,618	4,787	8,405
Total current liabilities	54,141	4,787	58,928
Total liabilities	80,175	35,347	115,522
TOTAL EQUITY AND LIABILITIES	171,890	35,347	207,237

The net impact on retained earnings on 30 September 2019 was a decrease of EUR 497 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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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 30 September 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:

	30 September 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 30 September 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 30 September 2019 was 1,323 (one thousand three hundred twenty-three) 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	30 September 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 30 September 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

AUGA group, AB share price variance (Eur) and Volume for the period of 1 January 2015 to 30 September 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 30 September 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 Ingeni" (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 žemelė UAB (legal entity code 303301428) and Tėviškės žemelė 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 žemelė UAB is the sole shareholder of Tėviškės žemelė 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 09 30	2018 12 31
1.	Baltic Champs UAB	*4	302942064	Šiaulių region, Poviliškių v., 15	**A	100,00%	100,00%

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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.	Agricultural entity AUGA Spindulys	*1	171330414	Panevėžio region, Smilgių mstl. Panevėžio st. 23-1	**A	99,99%	99,99%
19.	Agricultural entity AUGA Smilgiai	*1	168548972	Radviliškio region, Skėmių v., Kėdainių st. 36	**A	100,00%	100,00%
20.	Agricultural entity AUGA Skėmiai	*1	171306071	Kėdainių region, Kirmėlių v., Anykščių region, Kirmėlių v.,	**A	99,97%	99,97%
21.	Agricultural entity AUGA Nausodė	*1	154179675	Raseinių region, Paraseinio v., Dumšiškės	**A	99,93%	99,93%
22.	Agricultural entity AUGA Dumšiškės	*1	172276179	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,88%	99,88%
23.	Agricultural entity AUGA Žadžiūnai	*1	175706853	Kėdainių region, Mantviliškio v., Molėtų region, Kazlų v.,	**A	99,81%	99,81%
24.	Agricultural entity AUGA Mantviliškis	*1	161274230	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	Radviliškio region, Vėriškių v.,	**A	99,24%	99,24%
27.	Agricultural entity AUGA Vėriškės	*1	171305165	Marijampolės mun., Želsvos v.,	**A	99,93%	99,93%
28.	Agricultural entity AUGA Želvelė	*1	165666499	Jonavos region, Bukonių v.,	**A	99,86%	99,86%
29.	Agricultural entity AUGA Lankesa	*1	156913032	Radviliškio region, Kairėnų v., Jurbarko region, Klišių v.,	**A	96,91%	96,91%
30.	Agricultural entity AUGA Kairėnai	*1	171327432	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. Žieveliškės st. 1	**A	96,36%	96,36%
42.	Cooperative entity Kairių ūkis	*3	302615194	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	98,68%	98,68%
43.	Cooperative entity Šiaurinė valda	*3	302615187	Šiaulių region, Poviliškių v., 15	**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. Žieveliškės st. 1	**A	99,35%	99,35%
47.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnujų mstl. Žieveliškės st. 1	**A	96,28%	96,28%
48.	Cooperative entity Purpurėja	*3	302542337	Širvintų region, Širvintų v., Zosinos st. 7	**A	99,53%	99,53%
49.	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, Saltoniškių st. 29	**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., Kėdainių st. 60	**A	100,00%	100,00%
75.	Agricultural entity Nausodės ekologinis ūkis	*1	303325781	Liepos 6-osios st. 60	**A	100,00%	100,00%
				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 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 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 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., Raseinių 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, Žieveliškės 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	35,558	-	-	-	-	-	35,558
- additions	-	514	44	1,117	249	1,377	3,301
- disposals and write-offs	-	(2)	(36)	(252)	(80)	-	(370)
- revaluation	-	-	-	-	-	-	-
- depreciation	(4,400)	-	(1,672)	(3,192)	(571)	-	(9,835)
- reclassifications	2,401	-	-	260	-	(260)	2,401
As at 30 September 2019 (unaudited)	33,559	22,150	39,831	23,634	2,344	2,429	123,947
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
30 September 2019	37,959	22,150	52,703	40,672	5,270	2,429	161,183
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)
30 September 2019	(4,400)	-	(12,872)	(17,038)	(2,926)	-	(37,236)
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 30 September 2019	33,559	22,150	39,831	23,634	2,344	2,429	123,947

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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	-	2,302	19,633	26,753	48,688
Transfer between groups	1,390	(1,390)	-	-	-
Direct sales	(359)	(209)	-	-	(568)
Harvest	-	-	(19,480)	(26,204)	(45,684)
Revaluation	(985)	(980)	-	3,875	1,910
Write-offs	(167)	(179)	-	-	(346)
Balance as at 30 September 2019	5,154	3,399	2,241	16,767	27,561

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	2,722	2,115	-	-	-	2,572	96	-	7,505
Sales	(21,180)	(9,486)	(9,013)	(18,598)	-	(11,441)	(3,645)	-	(73,363)
Production	51,077	18,126	8,822	19,802	-	17,232	62,497	-	177,556
Consumed in preparation of biological assets (livestock)	(1,740)	(2,904)	-	(929)	-	(2,943)	(41,952)	-	(50,468)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(5,390)	(7,377)	-	-	-	(2,956)	-	-	(15,723)
Inventory write-offs	(238)	(135)	-	(268)	-	(992)	(2,208)	-	(3,841)
Balance as at 30 September 2019	41,674	12,527	3	19	-	13,088	64,914	-	132,225

*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	-	-	1,997	3,111	6	9,986	16,967
Sales	(5,550)	(3,482)	(17,865)	(6,867)	(1,951)	(7,145)	(211)	(592)	(43,663)
Production	12,614	6,484	17,767	7,315	136	7,195	3,571	3,306	58,388
Consumed in preparation of biological assets (livestock)	(399)	(1,096)	-	(341)	-	(844)	(2,818)	(4,240)	(9,738)
Consumed in preparation of biological assets (crops and mycelium seedbed)	(815)	(2,833)	-	-	-	(2,306)	-	(9,921)	(15,875)
Inventory write-offs	(62)	(48)	-	(104)	(2)	(257)	(160)	(26)	(659)
Balance as at 30									
September 2019	10,851	4,447	6	3	265	7,305	6,097	5,154	34,128

7. Receivables and advance payments

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

	As at 30 September 2019	As at 31 December 2018
Total trade accounts receivable	7,976	6,411
VAT receivable	2,028	719
Receivables from National Paying Agency	6,984	4,302
Accounts receivable from private individuals	52	68
Other receivables	28	1,097
Advance payments and deferred expenses	3,337	2,042
Less: loss allowance	(68)	(66)
Total trade accounts receivable, net	20,392	14,573
Non-current receivables, gross	5,972	5,840
Less: loss allowance	(199)	(199)
Total	26,165	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 30 September 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Mushroom growing companies	2,541	3,949
Agricultural entities	9,611	10,901
<i>Long-term payment to 3rd parties</i>		
Long-term payable to the State	1,229	1,401
Long-term payable to creditors	6,347	5,197
Long-term payable to the investment fund for purchased land	1,056	1,637
Total	20,784	23,085
Less: amounts, payable within one year (according to agreements)	(5,551)	(9,256)
Total long-term borrowings	15,233	13,829

The Group owes payable amount to the State of EUR 1,229 thousand for land acquisition made by Group in 2008 - 2014. The payable amount to State is over 15-year period.

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

	As at 30 September 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Within second year	11,655	10,840
Within third and fourth year	1,963	1,968
After fifth year and later	1,615	1,021
Total	15,233	13,829

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

	As at 30 September 2019	As at 31 December 2018
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
Parent company	22,600	18,870
Total short-term borrowings	25,000	21,270

Short-term loans from banks include EUR 25,000 thousand (in 2018: EUR 21,270 thousand) credit-line facilities.

9. Leases

The Group's leases consisted of the following:

	As at 30 September 2019	As at 31 December 2018
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	31,027	-
Lease liabilities related to other assets**	9,758	11,507
Total	40,784	11,507
Less: amounts payable within one year		
Lease liabilities related to right-of-use assets*	270	-
Lease liabilities related to other assets**	1,368	3,618
Total	1,639	3,618
Total long-term leases	39,145	7,889

* 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>9-month period ended 30 September 2019</i>	<i>9-month period ended 30 September 2018</i>
Total revenue of sold agricultural produce, EUR'000	16,448	15,592
Total cost of sold agricultural produce*, EUR'000	(17,727)	(16,137)
Total inventory write-offs, EUR'000	(732)	(747)
Result of sales of agricultural produce, EUR'000	(2,011)	(1,292)

* 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>9-month period ended 30 September 2019</i>	<i>9-month period ended 30 September 2018</i>
Total cultivated land, ha	38,584	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	4.20	2.72
Legumes	1.69	1.48
Other cash crops	8.47*	5.19
Forage Crops	-	-
Total fair value of harvest, EUR'000	30,079	19,099
Wheat	12,674	6,443
Legumes	4,867	5,600
Other cash crops	12,538**	7,055
Total production cost of harvest, EUR'000	(26,204)	(22,894)
Wheat	(10,636)	(7,803)
Legumes	(6,672)	(8,444)
Other cash crops	(8,896)	(6,647)
Gain (loss) on revaluation of agricultural produce at point of harvest, EUR'000	3,875	(3,795)

*Forecasted average harvest yield as at 30 September 2019. For more information please see management report section of crop growing segment overview.

**The Group estimated the fair value of Other cash crops as at 30 September 2019. For more information please see management report section of crop growing segment overview.

c) Agricultural subsidies	<i>9-month period ended 30 September 2019</i>	<i>9-month period ended 30 September 2018</i>
Direct subsidies, EUR'000	3,910	3,991
Organic farming subsidies, EUR'000	2,712	2,905
Total subsidies, EUR'000	6,622	6,896
Gross profit of crop growing segment per period, EUR'000 (a+b+c)	8,487	1,826
<i>Depreciation included in the harvest of agricultural produce, EUR'000</i>	<i>3,207</i>	<i>3,460</i>

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

Results of business segments (continued)

MUSHROOM SEGMENT	9-month period ended 30 September 2019	9-month period ended 30 September 2018
Total tonnage sold, tons	9,013	9,105
Non-organic mushrooms, tons	8,356	8,446
Organic mushrooms, tons	657	659
Total revenues from mushroom sales, EUR'000	19,276	17,278
Non-organic mushrooms, EUR'000	17,307	15,323
Organic mushrooms, EUR'000	1,969	1,954
Total cost of mushrooms sold, EUR'000	(17,865)	(15,623)
Non-organic mushrooms, EUR'000	(16,491)	(14,477)
Organic mushrooms, EUR'000	(1,374)	(1,146)
Total revenues from sales of mushroom seedbed, EUR'000	1,866	1,757
Total cost from sales of mushroom seedbed, EUR'000	(1,768)	(1,591)
Gross profit of mushroom growing segment, EUR'000	1,508	1,821
Depreciation included in cost of mushroom sales, EUR'000	1,258	1,361
 DAIRY SEGMENT	 9-month period ended 30 September 2019	 9-month period ended 30 September 2018
Total tonnage sold, tons	19,144	17,537
Non-organic milk, tons	5,689	10,730
Organic milk, tons	12,909	6,200
Cattle, tons	546	607
Total revenues of dairy segment, EUR'000	7,634	6,530
Non-organic milk, EUR'000	1,831	3,351
Organic milk, EUR'000	5,236	2,527
Cattle, EUR'000	567	651
Total cost of dairy segment, EUR'000	(7,641)	(7,329)
Milk, EUR'000	(7,074)	(6,678)
Cattle, EUR'000	(567)	(651)
Revaluation of biological assets, EUR'000	(2,311)	(1,539)
Total subsidies, EUR'000	318	400
Gross profit of dairy segment, EUR'000	(2,001)	(1,938)
Depreciation included in cost of dairy segment sales, EUR'000	402	403
 END-CONSUMER PACKAGED GOODS	 9-month period ended 30 September 2019	 9-month period ended 30 September 2018
Total revenue from end-consumer packaged goods sales, EUR'000	1 832	1,007
Total cost of sales of end-consumer packaged goods, EUR'000	(1,826)	(943)
Gross profit of sales of end-consumer packaged goods, EUR'000	6	64
Depreciation included in cost of sales of end-consumer packaged goods, EUR'000	-	-

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11. Operating expenses

Operating expenses breakdown by business segments was the following:

	9-month period ended 30 September	
	2019	2018
Operating expenses by mushroom segment, EUR'000	971	906
Operating expenses of crop growing segment, EUR'000	1,755	1,819
Operating expenses of dairy segment, EUR'000	1,119	1,161
Centralized operating expenses, EUR'000	2,986	1,736*
Total operating expenses of all segments, EUR'000	6,831	5,622
Depreciation included in operating expenses, EUR'000	519	474

* Including expenses related to termination of Arginta Engineering UAB purchase agreement (EUR 715 thousand) and reversal of impairment of Karakash Agro OOO and Karakash OOO property, plant and equipment which had positive effect (EUR 1,828 thousand). Total positive net effect of aforementioned one-offs was EUR 1.1 million.

Operating expenses breakdown by type of expenses was the following:

	9-month period ended 30 September	
	2019	2018
Payroll expenses	2,538	2,336
Social security expenses	834	725
SBP amortization*	149	-
Fines and late payments**	187	825
Depreciation of property, plant and equipment	519	474
PPE impairment***	-	(1,884)
Consultations and business plan preparations	248	513
Insurance and tax expense	509	557
Selling expenses	414	416
Fuel costs	156	162
Real estate registration and notaries	72	136
Rent and utilities	265	239
Transportation costs	208	328
Office administration	276	255
Other expenses	456	540
Total	6,831	5,622

* 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.

** 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.

*** Due to the fact that the Group has signed an agreement to sell its subsidiaries Karakash Agro OOO and Karakash OOO, the impairments of assets which were done in previous periods were reversed in 2018 to meet the assets' value at the moment of the sale which had positive effect (EUR (1,828) thousand).

12. Other income

Other income breakdown by type was the following:

	9-month period ended 30 September	
	2019	2018
Gain (loss) from sale of property, plant and equipment	80	59
Gain (loss) from sale of subsidiaries	3	162
Interest and fines income	332	371
Insurance benefits	25	81
Other income	93	-
Total	533	673

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13. Financial expenses

Financial expenses breakdown by type was the following:

	9-month period ended 30 September	
	2019	2018
Bank interest expenses	1,350	1,162
Leasing and other financial expenses	509	485
Interest expenses (IFRS16)	1,011	-
Currency exchange differences	16	4
Other financial expenses	95	34
Total	2,981	1,685

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 30 September 2019 the loan amount outstanding was EUR 4 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 30 September 2019 the loan was fully repaid.

15. Subsequent events January - November 2019

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

Announcement

date	Announcement header
28.11.2019	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 9 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
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 9 months of 2019

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Announcement date	Announcement header
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