

AUGA GROUP, AB

Consolidated Interim Report
and Consolidated Interim
Financial Statements for 6 Months
Period Ending 30 June 2021
(Unaudited)

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I. GENERAL INFORMATION

1.1. Accounting period covered by the report

Consolidated interim report was prepared for the 6-month period ended 30 June 2021.

1.2. 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 head office:	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:	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

1.3. Main lines of business of the Group

Operations area:	Organic agriculture
Main operating segments:	Crop growing and sale, milk production and sale, mushroom growing and sale, fast moving consumer goods production and sale.

1.4. The structure of the Group

As of 30 June 2021, the consolidated Group (hereinafter the Group) consists of the Company and 137 subsidiaries (31 December 2020: 137 subsidiaries). Please refer to the financial statements note 3 for a detailed list of the Group companies.

1.5. Agreements with the mediators of securities public circulation

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

1.6. 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

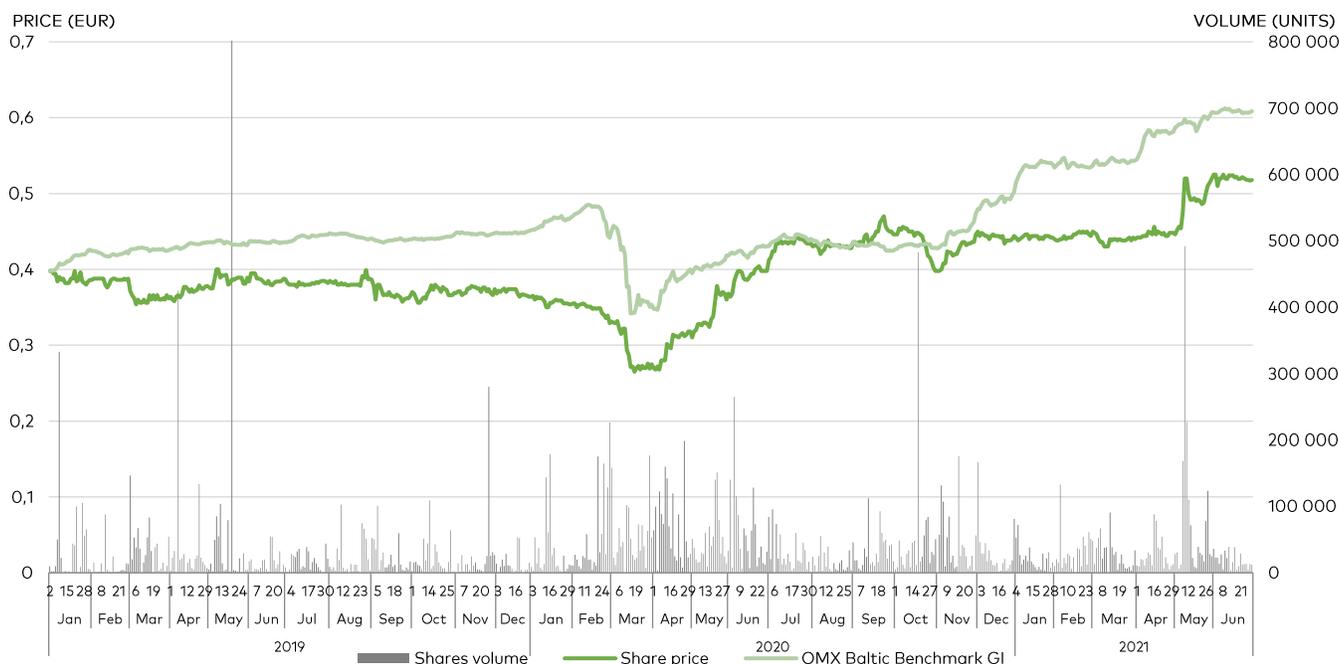
The securities of the Company are also traded in Warsaw stock exchange.



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

Reporting period	Price, EUR					Total turnover	
	Average	Open	High	Low	Last	Units	EUR, million
2021 half year	0.470	0.444	0.530	0.426	0.517	4,147,709	1,948

AUGA group, AB shares volume, share price and OMX Baltic Benchmark index variance for the period of 1 January 2019 to 30 June 2021.



Source: NASDAQ Vilnius stock exchange

1.7. Information on non-financial reporting

The Company does not prepare interim non-financial reporting information. Annual Sustainability report of the Company for the year 2020 is provided in the Group's consolidated annual report for the year ending 31 December 2020.

1.8. Significant post balance sheet events

Post balance sheet events are disclosed in the consolidated financial statements of the Group for the 6-month period ending 30 June 2021. See financial statements' note 14 for more details.



II. MANAGEMENT REPORT

2.1. Overall results

The aggregate sales of AUGA group AB amounted to EUR 33.13 million in the first half of 2021, representing a 4% decrease on the same period last year, when aggregate sales were EUR 34.69 million.

During the first 6-month of 2021, the gross profit of the Group amounted to EUR 8.50 million. This marks a 1% decline on the year's equivalent period before when aggregate gross profit was EUR 8.58 million. In 2021, the Group earned a EUR 0.75 million net profit, compared to EUR 1.30 million a year earlier.

In 2021, the Group's EBITDA amounted to EUR 11.14 million, representing a 3% decline compared to the previous year, when EBITDA was EUR 11.53 million.

Main financial results, EUR million	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Revenues	33.13	34.69	28.84	-4%	+20%
Gross profit (loss)	8.50	8.58	6.33	-1%	+35%
Gross profit margin	26%	25%	22%	+4%	+13%
Net profit (loss)	0.75	1.30	0.34	-43%	+282%
Net profit margin	2%	4%	1%	-40%	+218%
EBITDA	11.14	11.53	9.33	-3%	+24%
EBITDA margin	34%	33%	32%	+1%	+3%

2.2. Crop growing segment overview

Results of crop growing segment consist of crop harvest fair value, sales of the previous and current year harvest and agricultural subsidies.

Harvest in the season of 2020/2021

The total cultivated land area by the Group amounts to 39.1 thousand hectares (ha) in the 2020/2021 season and is slightly less than the cultivated area in the 2019/2020 season. In the 2020/2021 season, 30.9 thousand ha is seeded with cash crops (30.6 thousand in the 2019/2020 season) out of which 10.4 thousand ha is dedicated to wheat, 8.1 thousand ha to legumes and 12.4 thousand ha to other cash crops. The majority – 8.9 thousand ha out of total 10.4 thousand ha – of wheat was winter wheat, which is a similar proportion to the season of 2019/2020 as winter crops usually have higher yield potential compared to summer alternatives. Forage crops comprises 6.8 thousand ha in the 2020/2021 season compared to 8.2 thousand ha in the 2019/2020 season.



At the end of each quarter the Group evaluates the fair value of crops which have not yet been harvested. The Group estimated the total fair value of crops as of 30 June 2021 using following formula and assumptions:

Fair value of the crop = Costs incurred + (Cultivated area in ha * forecasted average yield as tonnes per ha * forecasted price per tonne – cultivated area in ha * forecasted total cost per ha) * T * (1 - x), where:



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

- Cost incurred is cost actually incurred for particular crop during the season of 2020/2021.
- Cultivated area in ha is the area of particular crop seeded and expected to be harvested.
- Forecasted average yield in tonnes per ha is the expected yield for a particular crop based on the previous season's results, updated according to the most recent data.
- Forecasted price per tonne – average sales prices in contracts adjusted according to the developments in the market.
- Forecasted total cost per ha. The current level of accumulated costs adjusted by average historical cost levels of 2019 - 2020 were used for fair value estimation. It is expected that costs will remain at a similar level as that recorded in the previous periods.
- T is the portion of time that has already passed from sowing date until the forecasted harvest date expressed as a percentage. As of 30 June 2021, the average completion percentage estimated was around 72% depending on the crop. For the following seasons crops the average completion percentage reached 16%.
- X is an adjustment parameter for possible unexpected negative effects to the harvest. 10% was used in fair value estimations as of 30 June 2021 for current season crops, while adjustment parameter for the following season's crops was 30%.

The formula discussed above will be used to estimate fair value of cash crops (winter and summer crops) for coming quarters as well until the actual harvest will be completed. In each quarterly estimation forecasted parameters will be adjusted if needed or actual data will be used if already available.

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. Due to this the net result on revaluation of forage crops is equal to zero.

As of 30 June 2021 the Group has finalised seeding of clover that will be harvested in the following season.

As of 30 June 2021, the Group recognized a EUR 6.53 million gain on the initial recognition of biological assets at fair value for cash crops and seed clover. It should be noted that as of 31 December 2020 Group recognised gain of EUR 2.02 million on the initial recognition of biological assets at fair value for the 2020/2021 season's crops. Thus, gain on the initial recognition of biological assets at fair value accounted for in the first half of 2021 amounts to EUR 4.51 million. Although the weather at the end of last year and in the first half of 2021 allowed to expect a good harvest in 2021, the extreme heat wave recorded in the summer have forced the Group to adjust harvest forecasts, especially for summer cultures. Increase in crops market prices and better quality of the harvest should partially offset these losses, however, once the forecast for lower yields is confirmed, the profit on the recognition of biological assets at fair value in the next six-month period should be lower. Similar trend was observed in the second half in 2020 as well.

Crops value, EUR million	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Gain (loss) on revaluation of biological assets at fair value recognised in previous period	2.02	1.45	-	+39%	n/a
Gain (loss) on revaluation of biological assets at fair value recognised in current period	4.51	4.93	3.29	-9%	+50%
Total gain (loss) on revaluation of biological assets at fair value	6.53	6.38	3.29	+2%	+94%

Crop growing segment sales results

Total revenue generated from sales in the crop growing segment amounted to EUR 9.48 million in 2021. This is a 12% decrease in revenue compared to 2020, when sales revenue was EUR 10.83 million. Even though harvest in the 2019/2020 season was larger compared to 2018/2019 season, sales in 2021 have decreased as larger share of previous season's harvest was sold in 2020, while the harvest of 2018/2019 was sold in 2019 and 2020 in similar proportions.

Crop growing segment results, EUR million	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sales revenue	9.48	10.83	8.29	-12%	+31%
Cost of sales	10.66	11.44	9.06	-7%	+26%
Inventory write-offs	0.43	0.69	0.49	-37%	+37%
Result of sales of agricultural produce	(1.61)	(1.30)	(1.27)	-24%	-3%



The crop growing segment's sales cost for the 6-month of 2021 amounted to EUR 10.66 million versus EUR 11.44 million in 2020. The increase in cost of sales in the first 6-month of 2021 were impacted by one-off event – additional drying and cleaning cost of clover seeds (EUR 0.42 million). Total agricultural produce inventory write-offs and impairment during the 6-month of 2021 amounted to EUR 0.43 million compared to EUR 0.69 million during the 6-month of 2020.

Agricultural subsidies and gross profit of the crop growing segment

Total amount of agricultural subsidies accrued for 6-month of 2021 was EUR 4.62 million compared to EUR 3.71 million during the same period in 2020. Accrued subsidies amount is based on calculations according to the latest information available on subsidising programmes regulations for 2021. Increase in subsidies amount in 2021 is mainly related with increased amount of organic subsidies. Due to changes in subsidizing programme the Group will be entitled to receive organic subsidies for all organic crops declared while in previous year the Group received organic subsidies only for part of its crops.

In 2021, gross profit from the crop growing segment, encompassing the results of agricultural produce sales, gain (loss) on changes in fair value of biological assets and agricultural subsidies amounted to EUR 7.51 million. This demonstrated a 2% uplift compared to a gross profit of EUR 7.34 million in 2020.

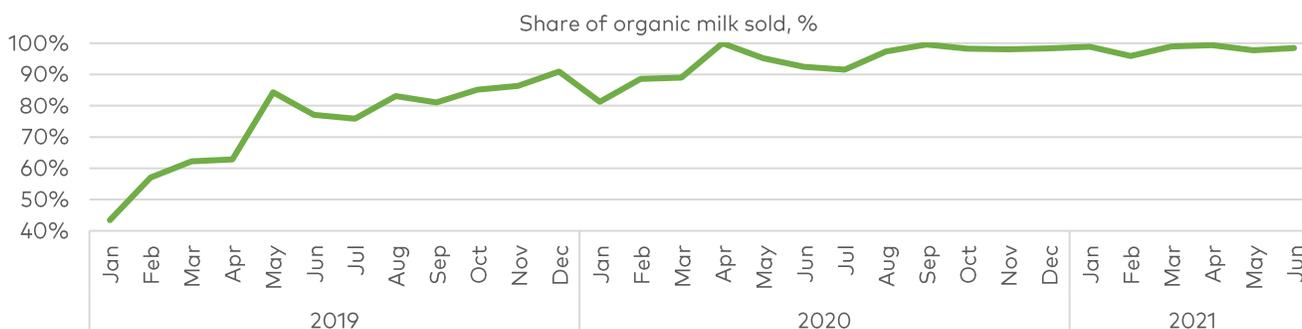
Gross profit of crop growing segment, EUR million	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Gain (loss) on revaluation of biological assets at fair value recognised in reporting period	4.51	4.93	3.29	-9%	+50%
Result of sales of agricultural produce	(1.61)	(1.30)	(1.27)	-24%	-3%
Subsidies	4.62	3.71	3.51	+25%	+6%
Gross profit	7.51	7.34	5.54	+2%	+33%

2.3. Dairy segment overview

Total sales revenue of the dairy segment amounted to EUR 6.73 million in 2021. This compares to total sales of EUR 6.66 million in 2020 and represents a 1% increase. The Group's companies faced challenges in the production process at the beginning of the year, so the planned goal of increasing milk yields was not met. Average milk yield in the first half of 2021 were 21.87 kg per cow per day compared to 21.84 kg per cow per day in 2020. As strong focus was placed on this segment, milk yield in June 2021 was higher by 4% compared to June 2020. However, due fluctuation in sales as the Group approaches new markets and increased amount of milk used for newly born heifers, quantity of milk sold decreased by 3% - from 13.16 thousand tonnes in the 6-month of 2020 to 12.81 thousand tonnes in the 6-month of 2021.

In the 6-month of 2021 the average price of milk sold was around EUR 413 per tonne or 4% higher comparing to the same period last year when it was EUR 397 per tonne. Average milk price increased due to the larger share of organic milk sold and sales to new markets.

The share of milk sold at organic production prices reached 98% in the 6-month of 2021 compared to 91% during the same period in 2020. As can be seen from the graph below, the share of milk sold at organic prices had been steadily growing from the beginning of 2019 and reached maximum in the second half of 2020.



The dairy segment's cost of sales amounted to EUR 6.69 million during the 6-month of 2021 compared to EUR 6.27 million during the same period last year (7% increase). The cost of milk increased due to changes in feeds structure.



During the 6-month of 2021, a loss of EUR 1.81 million was incurred on the revaluation of biological assets (animal herd). In comparison, a EUR 1.61 million loss was incurred during the same period a year earlier. The Group is seeking to increase milk yields per cow, which would result in increased production quantities and reduced costs. In order to achieve higher milk yields and the quality of cow herd in general, aged and not productive cows are substituted with younger heifers. Write-offs of aged cows increased loss from revaluation of biological assets. The substitution began in 2020 and continues throughout 2021. As planned, the Group is increasing the number of cows it has and plans to reach 3.6 thousand.

Challenges in production and higher losses from the revaluation of biological assets resulted in a loss of EUR 0.27 million in the dairy segment, compared to a EUR 0.09 million gross profit in 2020. Further attention to this segment, herd renewal and the use of new technologies are expected to improve segment performance.

	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Total quantity of products sold, t	13,538	13,902	13,247	-3%	+5%
Milk, t	12,812	13,158	12,699	-3%	+4%
Dairy commodities, t	335	355	193	-6%	+85%
Cattle, t	391	388	356	+1%	+9%
Revenue, EUR million	6.73	6.66	5.70	+1%	+17%
Milk, EUR million	5.29	5.22	4.82	+1%	+8%
Dairy commodities, EUR million	1.00	1.07	0.49	-6%	+116%
Cattle, EUR million	0.44	0.37	0.39	+19%	-5%
Cost of sales, EUR million	6.69	6.27	5.62	+7%	+12%
Milk, EUR million	5.32	4.85	4.74	+10%	+2%
Dairy commodities, EUR million	0.93	1.06	0.49	-12%	+115%
Cattle, EUR million	0.44	0.37	0.39	+19%	-5%
Revaluation of biological assets, EUR million	(1.81)	(1.61)	(1.49)	-12%	-8%
Subsidies, EUR million	1.51	1.31	1.11	+15%	+18%
Gross profit, EUR million	(0.27)	0.09	(0.30)	n/a	n/a

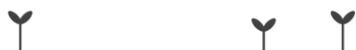
2.4. Mushroom segment overview

In the first half of 2021, the Group company operating in this segment faced the challenges with an increase in the number of workers suffering from COVID-19 in its production units. As a result, the company had to reduce its production and sales volumes, and the long production process did not reduce the costs incurred in production. These risks are expected to be avoided in the future, with vaccination rates in mushroom production units now reaching 60-69%.

It is also important to note that the COVID-19 pandemic and the hot summer weather have led to a general decrease in production capacity across the market at the end of the second quarter, leading to a situation where demand exceeds supply.

Sales in the mushroom growing segment were lower compared to previous year and amounted to EUR 14.33 million during the 6-month of 2021. In the equivalent period in 2020, sales in this segment were EUR 15.21 million. The revenue from mushroom sales were lower by EUR 0.19 million as the volume of mushrooms produced was 6,179 tonnes compared to 6,466 tonnes in the first half of 2020. Revenue from mushroom seedbed sales decreased by EUR 0.70 million as the sales channel to Russia closed due to the COVID-19 pandemic.

During the 6-month of 2021, the share of organic mushrooms decreased and amounted to 6.3% of total mushrooms volume sold, while in previous year share of organic mushrooms was 7.6%.



In the 6-month of 2021, average non-organic and organic mushrooms sales price increased by around 2% compared to the same period in 2020. The average price of 1 tonne of mushrooms sold was 2,221 EUR/tonne in the 6-month of 2021 (2,168 EUR/tonne in the 6-month of 2020). The average mushroom price increased mainly due to larger sales of packaged mushrooms.

The total cost of sales of the mushroom growing segment amounted to EUR 13.74 million in the 6-month of 2021 and was EUR 0.41 million lower compared to the same period in 2020 when it was EUR 14.15 million. The average cost of 1 tonne of mushrooms sold increased from 2,010 EUR/tonne to 2,145 EUR/tonne. Cost of mushrooms mainly increased due to higher sales of packaged mushrooms and reduced production volume due to higher number of infected employees in the second quarter of 2021.

According to the Group's data, the gross profit of the segment for the 6-month period of 2021 amounted to EUR 0.59 million, demonstrating a 44% fall on the same period last year, when the gross profit of the segment was EUR 1.07 million.

	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sold mushrooms, t	6,335	6,579	6,001	-4%	+10%
Average price (Eur/t)	2,221	2,168	2,107	+2%	+3%
Total revenue, EUR million	14.33	15.21	13.80	-6%	+10%
Mushroom sales revenue, EUR million	14.07	14.26	12.64	-1%	+13%
Compost sales revenue, EUR million	0.25	0.95	1.16	-73%	-18%
Cost of sale, EUR million	13.74	14.15	12.76	-3%	+11%
Cost of mushrooms sold, EUR million	13.59	13.22	11.69	+3%	+13%
Cost of compost sold, EUR million	0.15	0.93	1.07	-84%	-15%
Gross profit, EUR million	0.59	1.07	1.04	-44%	+1%

2.5. Fast moving consumer goods (FMCG) segment

Total sales in the segment amounted to EUR 2.59 million in the first half of 2021. In the equivalent period last year, sales in the FMCG segment were EUR 1.99 million.

Although higher growth was recorded in the first quarter of this year than in the second, the FMCG segment continues to show good results. The slowdown in the second quarter was driven by transport challenges – capacity shortage in logistics and increased transportation costs. These reasons have led customers to reduce frequency of order, but increase their value, with a large proportion of orders being moved to the third quarter of 2021. Sales in July 2021 were 69% higher than in July 2020.

Cost of sales were EUR 1.93 million for the 6-month of 2021 compared to EUR 1.90 million for the same period in 2020.

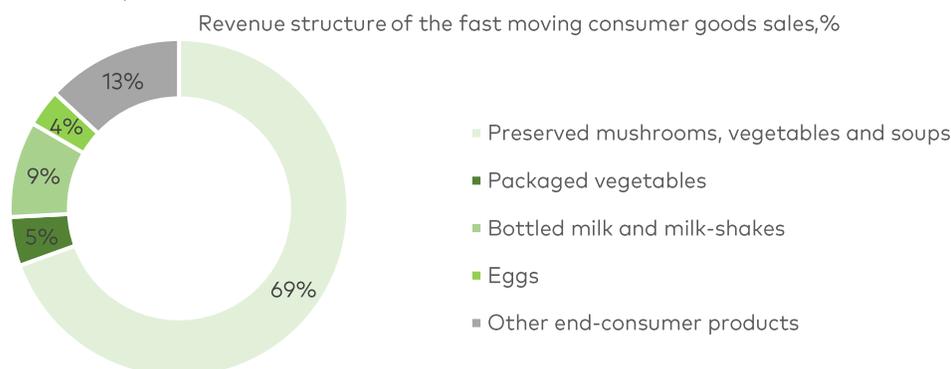
During the first 6-month of 2021, the FMCG segment's gross profit jumped to EUR 0.66 million. During the same period in 2020, gross profit amounted to EUR 0.09 million. It should be noted that Grybai LT KB (entity operating in the FMCG segment) results were included in the consolidated financial statements as of 1 June 2020. The segment's profitability margin remains at the similar level, reaching 25% in the first half of 2021.

FMCG segment results, EUR million	6-month of 2021	6-month of 2020	6-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sales revenue	2.59	1.99	1.05	+30%	+90%
Cost of goods sold	1.93	1.90	1.01	+1%	+89%
Gross profit	0.66	0.09	0.04	+647%	+121%

During the 6-month of 2021 the Group has exported its products to 33 countries compared to 27 countries in the same period in 2020. Sales grew both in local and in foreign markets – sales in Lithuania, USA and Japan had the highest impact to the sales growth in the segment.



Preserved products, especially ready-to-eat organic soups, remain the main product group in the segment. The FMCG sales revenue structure for 2021 is depicted in the chart below.



2.6. Operating expenses

The Group's operating expenses during the first half of 2021 amounted to EUR 5.15 million compared to EUR 4.59 million in the same period last year. Operating expenses increased mainly due to increased salaries, selling expenses and share-based payment expenses. Additionally, operating expenses of Grybai LT KB is fully represented in 2021, while operating expenses of Grybai LT KB were only partly represented in the comparative period as the respective entity was included in the consolidated financial statements as of 1 June 2020.

2.7. Capital expenditures

Total investments (additions) into property, plant and equipment amounted to EUR 6.19 million in the first half of 2021 (EUR 2.25 million in the first half of 2020). The split of investments (additions) into property, plant and equipment is provided in the table below.

Investments (additions) into property, plant and equipment, EUR'000

	Land	Buildings	Constructions and machinery	Vehicles, equipment and other	Construction in progress	Total
Half-year 2021	1,020	104	3,439	637	986	6,186
Half-year 2020	444	208	992	274	336	2,253

Investments into property, plant and equipment have increased in 2021 as the Group is focusing its resources to implement goals determined in the strategy: development and implementation of new technologies, securing its own organic combined feedstock production capacity, improving animal welfare and agricultural operations.

2.8. Assessment of main types of exposures to risk

In 2020, AUGA Group management performed a review of the largest risks and prepared a risk management framework alongside with the risk assessment heat map. The risks were reviewed from both probability and severity perspectives. The risk management framework was approved by the Audit Committee in 2021.

Defined key risks for the Group:

Weather conditions. Climatic conditions are one of the most significant risk factors of agricultural activities. Poor or adverse meteorological conditions have a major impact on productivity and may adversely affect the yield of agricultural products, cause harm to the preparation of foodstuffs, destroy crops, and cause other damage. Any damage arising due to adverse climatic conditions may negatively affect the Group's financial situation, its business and its results.

Changes in EU subsidies. The Group receives significant income from EU subsidies, and they are important for the continued viability of the business. If, for any reason, these subsidies were removed or reduced, this could have significant implications in many areas of the Group's business. These would include (i) reduced operating cash flows and profitability, and (ii) decreases in the value of land and investment property resulting in the possible impairment of property, plants and equipment. Significant changes in EU subsidy programmes could also threaten the long-term viability of the Group's operations.



The prices of agricultural products. The Group's income and business results are subject to many factors, including the prices of agricultural products, which are beyond the Group's control. Various unpredictable factors (such as climatic conditions, national agricultural policy, and fluctuations in worldwide demand caused by changes in the world population, changes in living conditions, and varying volumes of competing products in other countries) have a significant influence on the prices of agricultural products. Factors such as climatic conditions, infections, pest infestations, the national agricultural policy of different countries, and more, may have a strong impact on the supply of primary agricultural products and their prices. Changes in demand for primary agricultural materials may be greatly affected by various international and local programmes implemented in compliance with national agricultural policies. Changes in international demand are also determined by changes in the world population and the living conditions in different countries across the world. These factors may cause significant fluctuations in the prices of agricultural products and, consequently, adversely effect the Group's activities, financial situation and results.

Credit/financing risks. Organic agriculture is a working capital intensive business. As a result, deployment of borrowed capital is significant: as of 30 June 2021, the aggregate interest-bearing debt of the Group amounted to EUR 65.15 million (on 31 December 2020 the figure was EUR 59.91 million). The Group's level of borrowed capital may entail significant consequences, for instance: (i) the Group's ability to obtain additional financing for working capital, capital expenditure, acquisitions, servicing of debt, and other purposes may be restricted; (ii) the Group's flexibility to adapt to changing market conditions may be limited; (iii) undertakings with certain limitations on business and financial matters contained in credit agreements, although typical for such types of financing transaction, may nonetheless restrict the Group's ability to borrow more funds, mortgage property and/or participate in mergers or transactions of other types, which may to a certain extent restrict the active implementation of development possibilities and, potentially, decrease competitive advantages in the future; and (iv) the Group's ability to prolong existing revolving facilities could be limited.

The refinancing of credit facilities in 2020 significantly decreased those risks because the new credit agreements: (i) increased the proportion of long-term facilities thus decreasing refinancing risk; and (ii) have looser financial covenants and fewer restrictions, and provide more flexibility and opportunities for investments and expansion. The diversification of financing products (banking loans, bonds), the financing of separate companies instead of syndicated loans, and an increase in the number of financing banks (refinancing was provided by both previous and new banks) have further decreased risks.

Risk of diseases. The Group's business is *inter alia* related to assets of plant or animal origin. Diseases can directly affect the results of the Group due to their impact on production volumes and quality, and write-offs. Epidemic cattle diseases (e.g., bovine spongiform encephalopathy or 'mad cow disease') and other diseases and bacteria may reduce demand for such products due to fear of the consequences arising from these issues. Such changes may impact the Group's financial condition. This risk is especially significant for the mushroom growing segment due to the concentration of production capacities.

Liquidity risk. Due to the Group's working capital intensive business model, long production cycle in the crop growing segment, and fluctuations in the sales volumes of agricultural products, the Group faces significant changes in demand for working capital through the year.

The refinancing of credit facilities from banks in 2020 and the securing additional revolving limits, together with the Group's improving cash flow, are decreasing this risk.

Possible risks related to environmental regulation. The Group has to comply with environmental regulations and it may be held liable for improper compliance with such rules. In its operations, the Group must comply with different environmental rules regulating the labelling, use, and storage of different hazardous substances used in the Group's activities. These rules require the installation of procedures and technologies for the proper treatment of any hazardous substances, and provide for the Group's liability in managing and eliminating any pollution of the environment. In addition to liability for current activities, the Group may also be liable for any previous operations if it appears that such operations caused damage to the environment. Furthermore, any changes in environmental regulations, both national and international, may bind the Group to introduce measures to meet the required standards.

Loss of recognitions and certifications. The Group is currently recognised as an organic producer and holds, among others, USDA Organic, Global GAP, Kosher and BRC Food certification. This certification can be considered an important part of the Group's brand and market positioning, and thus a loss of these certifications may result in a decline in demand or damage to the Group's brand value. Loss of certification as an organic producer would also reduce potential income from EU subsidies relating to organic farming.

Delays in the development of strategic projects. The Group is in a transition process, and several key projects, such as (i) Biogas cycle infrastructure, (ii) Specialised feed technology, and (iii) Regenerative crop-rotation, are particularly important for the successful implementation of the Group's strategy. The development of these projects face several risks, including:

- the failure to innovate, launch and commercialise these projects;
- a lack of project management capabilities;
- and a lack of human resources.



2.9. COVID-19 pandemic effect

In light of the COVID-19 pandemic's effects on the business environment, measures have been taken to address the most significant coronavirus-related risks throughout the Group's key business units, namely crop growing, dairy production, mushroom growing and fast-moving consumer goods (FMCG).

All Group companies are operating at the required capacities. Mushroom growing company faced increased numbers of infection within workers in the second quarter of 2021, however such short-term drop in production capacity did not have material impact to the Group's operations. Additional measures have been taken to ensure the safety of the Group's employees and the continuation of its daily activities. Part of administration employees are working remotely, processes in production and agricultural entities were set up to avoid unnecessary contacts in order to prevent the spread of the virus.

At the market level, agricultural production companies stood out as some of the least affected by the crisis, given the nature of their produce and increased demand from households. However, Group's management takes into account possible risks to the operating segments and puts effort in order to diminish its effect to the results.

Crop growing

The Group's management did not see any significant changes in the crop market. If the pandemic continues and the Group would face a labour shortage due to high numbers of infected or quarantined persons this risk may be mitigated via temporary employment.

Dairy

Milk production has been running at regular capacity and there were no problems with product demand. The management is not seeing in present nor does it forecast a decrease of demand in this segment. However, the risk of labour shortage remains, if the numbers of infected or quarantined persons were to rise dramatically. If this scenario occurs, the Group is ready to mitigate this risk with temporary employment.

Mushroom growing

The biggest threat in the mushroom growing segment is related to production, given the labour intensity of the production operations. Therefore, the Group has implemented various measures to ensure the safety of employees and to minimize contact among them. The Group could face a shortage of labour if the number of infected or quarantined persons were to increase dramatically. Labour shortages are successfully compensated with temporary employment from the outside and secondment from other companies of the Group.

In 2021, several business areas of the segment remain negatively affected by the pandemic due to instability in the market:

- sales to wholesalers working with HoReCa decreased,
- sales of mushroom seedbeds to Russia decreased,
- market volatility increased which made it challenging to sell mushrooms at the best fresh mushroom price.
- Increased number of infected employees in production units have resulted in decreased production output in short-term.

The Group is looking for new export markets for sales diversification and implements efficiency initiatives to reduce costs.

FMCG

The growing demand for long shelf-life packaged products (dairy products, soups, etc.) was observed across all markets. In terms of the associated risks in this segment, these are mainly related to possible interruptions in the supply chain of raw materials that the Group cannot produce in-house.



3. Corporate governance and personnel

3.1. Governance model

The current corporate governance structure was introduced in 2019 when the Company changed to a one tier board structure instead of a two-tier structure, with the Board taking over the functions of previous Supervisory Council.

Currently, there are three corporate bodies in the Company – the General shareholders' meeting, the Board and the Chief Executive Officer (CEO) and an advisory body – the Audit Committee.



The general meeting of shareholders is the supreme body of the Company.

In compliance with the best corporate governance practices the Articles of the Company determine the following functions and responsibilities of the Board:

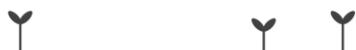
- approval of the Company's strategy;
- approval of the annual budget and business plan;
- approval of the risk level acceptable in the Company's activity and the risk management policy;
- approval of the annual financial and non-financial targets for the CEO;
- responsibility of overseeing and leading the Company's compliance with the best corporate governance practices.

The Board also appoints, removes CEO, and supervises his activities.

The Audit Committee operates in line with the principles, outlined in the Regulations of Audit Committee of AUGA group. The Audit Committee is an advisory body of the Board. The main functions of the Audit Committee include:

- monitoring the process of the Company's financial statement preparation,
- monitoring the audit process,
- analysing the effectiveness of internal audit and risk management systems,
- approval of requirements for external auditors and evaluates both the qualification and experience of external auditors.

The CEO is in charge of the daily management of the Company and has the authority to represent the Company. According to the Articles, the CEO is entitled to take decisions on transactions the value of which do not exceed 1/20 of the authorised capital of the Company; for transactions exceeding the latter threshold, the Board's approval is required.



3.2. Share capital structure and shareholders

The share capital of AUGA group AB as of 30 June 2021 is EUR 65.95 million (31 December 2020: EUR 65.95 million). The share capital is divided into 227,416,252 ordinary shares (2020: 227,416,252 ordinary shares). Each issued share has a EUR 0.29 nominal value and fully paid.

Total number of shareholders on 30 June 2021 was 2,158 and on 31 December 2020 it was 1,866.

The shareholders owning more than 5% of shares in the Company are the following:

Shareholder's name	30 June 2021		31 December 2020	
	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
UAB "ME Investicija" (identification code: 302489393; address: Račių st. 1, Vilnius, Lithuania)	19,082,801	8.39	19,082,801	8.39
Žilvinas Marcinkevičius	15,919,138	7.00	15,919,138	7.00
Minority shareholders	47,435,738	20.86	47,435,738	20.86
Total	227,416,252	100.00	227,416,252	100.00

No shareholder has special voting rights.

Information on the shares of the Company held by the members of the Board and the top executives as of 30 June 2021:

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	0.0523
Mindaugas Ambrasas	CFO	6,881	0.0030

* 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 Investicija", which holds 8.39% of the Company's shares.

Information on own shares

The Company has not acquired any of its own shares.

Share transfer restrictions

Laws and the Articles of Association do not provide for restrictions on the transfer of shares.

Separate share transfer restrictions are possible, but these can only be imposed by the shareholders and only in agreed-upon cases.

The Company was advised of the following contractual share transfer restrictions by one of the main shareholders of the Company: Baltic Champs Group, UAB agreed on certain restrictions with (i) its financing bank in respect of the financing provided by it, and (ii) AS LHV bank, which acted as a global lead manager of the Company's shares during the secondary public offering carried out by the Company in 2018. In the latter case, restrictions were undertaken by the majority shareholder in relation to the latter public offering.

Information on significant agreements, which could be affected by the change in shareholder structure

Bank loans and financial lease agreements of Group companies, including the Company, have a change of control clause at the Group level which is standard practice for such agreements. The Company or the Group has not entered into any other significant agreements whose validity, amendment and termination could be affected by a change in shareholder structure.

Agreements between the shareholders

As at the date of 30 June 2021 the Company is not aware/was not advised of any agreements between the shareholders.



On 19 July 2018 the Company, its major shareholder Baltic Champs Group, UAB (Shareholder), Kestutis Juščius and the European Bank for Reconstruction and Development (EBRD) entered into a framework agreement (Framework Agreement). Although in its nature it is not a shareholder agreement, it provides for the undertaking of the Shareholder to vote in favour of the election of an EBRD nominee to the Board of the Company, provided that the EBRD holds at least 3% of the Company's shares. The Company also undertook to comply with certain environment and social compliance and corporate governance recommendations and other requirements of the EBRD.

3.3. The Board and its Committees

The Articles provide that at least 1/3 of the Board members must be independent. In 2019, the AGM approved independency criteria for members of the Company's collegiate bodies, which by and large comply with the independency criteria established by the Law on Companies of Republic of Lithuania, namely, that to be independent, a member must not be related with the Company and/or its controlling shareholder¹.

All current Board members are not related to the Company and/or its controlling shareholder; 4 of them are independent according to the self-evaluation of the Board conducted at the first Board meeting.

Information about the Board members of the Company as of 30 June 2021:

Name, Surname	Position	Status	Appointment date
Andrej Cyba	Member	Independent	30.04.2021
Tomas Krakauskas*	Member	Non-executive	30.04.2021
Dalius Misiūnas	Chairman	Independent	30.04.2021
Murray Steele**	Member	Independent	30.04.2021
Michaela Tod	Member	Independent	30.04.2021

*Although according to the independency criteria established in the Law on Companies of the Republic of Lithuania and approved by the 2019 AGM Tomas Krakauskas could be deemed independent, on his request he is not considered independent due to his employment relationship with the Company's minority shareholder UAB „ME Investicija“ (holds 8.39% of shares).

** Board member Murray Steele has been nominated by the European Bank of Reconstruction and Development (EBRD), which holds 8.71% of the Company's shares, and he receives top up remuneration from the EBRD for conduct of board member functions; however, (i) EBRD is not a controlling shareholder; and (ii) he advised the Board that he acts independently on his own discretion as an independent board member; therefore, he is deemed to be an independent board member.

The current Board's tenure is until the annual general meeting of shareholders of the Company in 2023.

Members of the Board

Andrej Cyba

Education, qualification: Vilnius University, Management and Business Administration, Bachelor's degree.

Activity: Member of the Board of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: Chief Business Development Officer of UAB "INVL Asset Management" (legal form: Private limited company, code 126263073, registered address Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chairman of the Board of UAB FMJ "INVL Finasta" (legal form: Private limited company, code 304049332, registered address Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chairman of Supervisory Board of IPAS "INVL Asset Management" (legal form: Private limited company, code 40003605043, registered address Smilšu 7-1, Riga, Latvia) (2016 – present); Chairman of the Supervisory Board of AS "INVL ATKLĀTAIS PENSIJU FONDS" (legal form: Public limited company, code 40003377918, registered address Smilšu 7-1, Riga, Latvia) (2016 - present); Board Member of AB "Vilkyškių pieninė" (legal form: Public limited company, code 277160980, registered address Prano Lukošaičio str. 14, Vilkyškiai, Pagėgiai district municipality, Lithuania) (2008 - present); CEO of UAB "Piola" (legal form: Private limited company, code 120974916, registered address Mindaugo str. 16-52, Vilnius, Lithuania) (2009 – present); CEO of UAB "PFE GP1" (legal form: Private limited company, code 302582709, registered address Maironio str. 11, Vilnius, Lithuania) (2012 – present); CEO of UAB "PEF GP2" (legal form: Private limited company, code 302582716, registered address Maironio str. 11, Vilnius, Lithuania) (2012 – present). Board Member of SIA "Baltic Dairy Board" (legal form: Private limited company, code 43603036823, registered address Stacijas 1, Bauska, Latvia) (2021 – present).

¹ Independency criteria for board members are set out in Article 33 section 7 of the Law on Companies of the Republic of Lithuania; independency criteria approved by the 2019 AGM may be accessed by following this link: <https://cns.omxgroup.com/cdsPublic/viewDisclosure.action?disclosureId=887602&messageId=1117217>



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

Tomas Krakauskas

Education, qualification: Vilnius University, Management and Business Administration, Bachelor's degree; ISM University of Management and Economics, ISM executive school, Master's degree.

Activity: Member of the Board of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: Chief investment Officer of UAB "ME investicija" (legal form: Private limited company, code 302489393, registered address Račių str. 1, Vilnius, Lithuania) (2016 – present); Chairman of the board of UAB "Viena sąskaita" (legal form: Private limited company, code 300530005, registered address Savanorių ave. 192, Kaunas, Lithuania) (2017 – present).

Dalius Misiūnas (chairman of the Board)

Education, qualification: Lund University (Sweden), PhD in Technology Science; Kaunas University of Technology, Electrical Engineering, Bachelor's degree; Baltic Institute of Corporate Governance, Professional Board member certificate; Baltic Institute of Corporate Governance, Chairman of the Board certificate.

Activity: Chairman of the Board of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: President at ISM University of Management and Economics (legal form: Private limited company, code 111963319, registered address Aušros Vartų str. 7A, Vilnius, Lithuania) (2019 – present)

Murray Steele

Education, qualification: Glasgow university (United Kingdom), Mechanical Engineering, Bachelor's degree; Glasgow university (United Kingdom), Aeronautical Thermodynamics, Master's degree; Cranfield university (United Kingdom), Business Administration, Master's degree.

Activity: Member of the Board of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: Chairman of the board of Octopus Apollo VCT (legal form: Venture capital trust, code OAP3, registered address: 33 Holborn, London, EC1N 2HT, United Kingdom) (2008 – present); Chairman of the Board of Surface Generation (legal form: Private limited company, code 04379384, registered address: Brackenbury Court, Lyndon Barns Edith Weston Road, Lyndon, Oakham, England, LE15 8TW, United Kingdom) (2008 – present).

Michaela Tod

Education, qualification: Vienna University of Economics and Business, Business and Economics, Master's degree.

Activity: Member of the Board of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2021 – present).

Miscellaneous: Supervisory Board member of mytheresa.com GmbH (legal form: Private limited Company, code: HRB 135658, registered address Einsteinring street 37, Munich, Germany) (2020 – present).

In the first half of 2021, 6 ordinary meetings of the Board were held. Meetings were convened according to the preliminary approved schedule of the Board meetings. During all Board meetings there was quorum prescribed by legal acts.

Members of Audit Committee

Members of Audit Committee of the Company as of 30 June 2021:

Name, Surname	Position	Status
Andrej Cyba	Chairman	Independent
Murray Steele	Member	Independent
Michaela Tod	Member	Independent

In the first half of 2021, 5 meetings of the Audit Committee were held. During all Audit Committee meetings there was quorum prescribed by legal acts.



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

Management

Kęstutis Juščius, CEO

Education, qualification: Vilnius University, Business Administration, Bachelor's Degree.

Activity: CEO of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: Chairman of the Board of Baltic Champs Group, UAB (legal form: Private limited company, code 145798333, registered address Poviliškių k. Šiauliai district municipality, Lithuania) (2014 - present), President of Lithuanian Mushrooms Growers and Processors Association (2013 – present) legal form: Association, code 124135819, registered address Zibalų str. 37, Širvintos, Lithuania).

Mindaugas Ambrasas, CFO

Education, qualification: Vilnius University, Master's degree in Economics.

Activity: CFO of AUGA group, AB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius) (2020 – present).

3.4. Management bodies remuneration

The Company's management bodies include the Members of the Board and the Chief Executive Officer (6 persons).

The members of the Board receive remuneration for the performance of board member functions, i.e.:

- (a) EUR 1,900 (before taxes) for members of the Board and EUR 2,500 (before taxes) for the chairman of the Board per one Board meeting, which includes preparation for the meeting, travel time to/from the meeting, attending the meeting, follow-up questions and closure work related to the meeting. Should there be more than 12 board meetings in 12 months, the indicated remuneration is to be paid for each meeting. Should there be less than 12 meetings per 12 consecutive months, the Board member will nonetheless receive remuneration for 12 meetings per 12 months. Remuneration shall not be paid for decisions made in writing or any other way in between the meetings nor for meetings which the board member did not attend;
- (b) For Board members living abroad – compensation for travel and accommodation costs for/during attendance of the Board meeting – not exceeding EUR 500 + VAT (Lithuanian tariff) in respect to one board meeting in which they participated; if the Board member participates in a meeting via communication/IT measures (not physically traveling to Lithuania), travel costs compensation shall not be paid for such participation.

The remuneration of the CEO of the Company includes an official monthly wage and additional benefits granted irrespective of performance results and paid to all employees meeting the established criteria in accordance with the procedure in force in the Group (e.g. health insurance). In addition to the official monthly wage or remuneration received in a different form, the CEO can be included in the Employee share option plan.

Remuneration paid to the Board and CEO of the company is in compliance with the adopted Company's remuneration policy which is approved by shareholders at the annual general shareholders' meeting and is publicly available on the Company's website (<https://auga.lt/en/investors/management/remuneration-policies/#tabs>).

The Company and its collegial bodies' members have not concluded any agreements regarding compensation in the event of resignation, unjustifiable redundancy, or change in ownership structure.

Table below summarises gross salaries and other payments calculated for the members of the management bodies:

Remuneration paid to members of the Board and CEO of the Company as of 30 June 2021, EUR	Salaries	Bonuses	Total
Average for 1 member of the management bodies	16,920	-	16,920
Total amount for all members of the Board and CEO (6 persons 1/1/2021–30/6/2021)	101,518	-	101,518

3.5. Personnel

On 30 June 2021, the Group had 1,291 employees (31 December 2020: 1,271 employees).



3.6. 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 employees, increase their performance and increase their motivation to remain in the entity's employment.

Under the plan, participants are granted options to receive 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, an employee is eligible to exercise this option. There are no other vesting or performance conditions for the receiver. If the receiver does not fulfil the service condition, the option does not come into force according to the Company decision and they are not eligible to exercise the option, unless otherwise determined by the decision of the board (regarding the employees subordinated to the board) or the decision of the chief executive of the Company (regarding the employees subordinated to the management).

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. Moreover, it also loses force 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 their 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 accrued within the Company's liabilities. Employees who exercise the option and receive the shares of the company will need to pay income tax on their own at the time of such exercise.

Additional information about share option plan:

	2021	2020	2019
Number of participating employees	235	221	205
Number of allocated shares	2,381,701	2,226,830	2,558,860

3.7. Information on transactions with related parties

No material transactions with related parties occurred in 2021.

3.8. Information on compliance with the Code of Corporate Governance

Information on AUGA group AB compliance with the Code of Corporate Governance is provided as Annex No. 2 to the Company's consolidated annual report for the year ended 31 December 2020.

3.9. Data on publicly announced information

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.

The summary of publicly announced information by the Company is provided in the financial statements note 14.



III. FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS	Notes	30 June 2021 unaudited	31 December 2020 audited
Non-current assets			
Property, plant and equipment	4	99,207	97,009
Right-of-use assets	4	32,501	35,543
Intangible assets		3,474	3,477
Long term receivables at amortized cost	7	446	446
Investments accounted for using equity method		57	57
Financial assets at fair value through profit or loss		-	-
Deferred tax asset		1,359	1,359
Biological assets	5	9,611	9,699
Total non-current assets		146,655	147,590
Current assets			
Biological assets	5	36,747	17,052
Inventory	6	17,245	30,435
Trade receivables advance payments and other receivables	7	21,864	16,084
Cash and cash equivalents		3,336	2,541
Total current assets		79,192	66,112
TOTAL ASSETS		225,847	213,702
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	65,951	65,951
Share premium		6,707	6,707
Revaluation reserve		9,213	9,213
Legal reserve		2,041	1,834
Reserve to provide shares for employees		3,002	2,509
Retained earnings / (accumulated deficit)		6,576	6,237
Equity attributable to equity holders of the parent		93,490	92,450
Non-controlling interest		353	366
Total equity		93,843	92,816
Non-current liabilities			
Borrowings	8	50,901	40,494
Obligations under lease	9	35,601	33,682
Deferred grant income		3,214	3,248
Deferred tax liability		1,483	1,483
Total non-current liabilities		91,199	78,907
Current liabilities			
Current portion of non-current borrowings	8	1,710	3,409
Current portion of non-current obligations under lease	9	4,509	7,556
Current borrowings	8	4,566	9,400
Trade payables		19,111	16,335
Other payables and current liabilities		10,909	5,279
Total current liabilities		40,805	41,979
Total liabilities		132,004	120,886
TOTAL EQUITY AND LIABILITIES		225,847	213,702



Consolidated statement of profit or loss and statement of other comprehensive income

	Notes	6-month period ending 30 June	
		2021 unaudited	2020 unaudited
Revenues	<u>10</u>	33,128	34,698
Cost of sales	<u>10</u>	(27,329)	(29,431)
Gain (loss) on initial recognition of a biological asset at fair value and from a change in fair value of a biological asset	<u>5, 10</u>	2,697	3,318
GROSS PROFIT		8,496	8,585
Operating expenses	<u>11</u>	(5,146)	(4,591)
Other income	<u>12</u>	270	228
OPERATING PROFIT		3,620	4,222
Finance cost	<u>13</u>	(2,873)	(2,922)
Share of net profit (loss) of associates accounted for using the equity method			-
PROFIT (LOSS) BEFORE INCOME TAX		747	1,300
Income tax expense		-	-
NET PROFIT / (LOSS) FOR THE PERIOD		747	1,300
ATTRIBUTABLE TO:			
Equity holders of the Company		759	1,310
Non-controlling interest		(12)	(10)
		747	1,300
STATEMENT OF OTHER COMPREHENSIVE INCOME			
NET PROFIT/ (LOSS) FOR THE PERIOD		747	1,300
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		747	1,300
ATTRIBUTABLE TO:			
Equity holders of the Company		759	1,310
Non-controlling interest		(12)	(10)
		747	1,300



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 of 31 December 2019 (audited)	65,951	6,707	8,488	-	1,624	1,834	5,102	89,706	369	90,075
<i>Comprehensive income</i>										
Net profit (loss) for the period	-	-	-	-	-	-	1,772	1,772	20	1,792
Share based payment expenses	-	-	-	-	-	-	247	247	-	247
<i>Other comprehensive income</i>										
Revaluation of land, net of tax	-	-	725	-	-	-	-	725	-	725
Total comprehensive income	-	-	725	-	-	-	2,019	2,744	20	2,764
<i>Transactions with shareholders</i>										
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-
Transfer to reserve to provide shares for employees	-	-	-	-	885	-	(885)	-	-	-
Dividends granted by subsidiaries to the non-controlling interest	-	-	-	-	-	-	-	-	(23)	(23)
Total transactions with shareholders	-	-	-	-	885	-	(885)	-	(23)	(23)
Balance as of 31 December 2020 (audited)	65,951	6,707	9,213	-	2,509	1,834	6,237	92,450	366	92,816
<i>Comprehensive income</i>										
Net profit (loss) for the period	-	-	-	-	-	-	759	759	(12)	747
Share based payment expenses	-	-	-	-	-	-	281	281	-	281
<i>Other comprehensive income</i>										
Revaluation of land (net of tax)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,509	1,834	1,040	1,040	(12)	1,028
<i>Transactions with shareholders</i>										
Transfer to legal reserve	-	-	-	-	-	207	(207)	-	-	-
Transfer to reserve to provide shares for employees	-	-	-	-	493	-	(493)	-	-	-
Dividends granted by subsidiaries to the non-controlling interest	-	-	-	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	493	207	(700)	-	-	-
Balance as of 30 June 2021 (unaudited)	65,951	6,707	9,213	-	3,002	2,041	6,576	93,490	353	93,843



Consolidated statement of cash flows

	Notes	6-month period ending 30 June	
		2021 unaudited	2020 unaudited
Cash flows from /(to) operating activities			
Net profit (loss) before income tax and non-controlling interest		747	1,300
<i>Adjustments for non-cash expenses (income) items and other adjustments</i>			
Depreciation expenses (PP&E)	<u>4</u>	3,793	3,620
Depreciation expenses (ROU* assets)	<u>4</u>	3,043	2,998
Amortization expenses		7	4
Expenses of share-based payments	<u>11</u>	281	123
Write offs and impairment of PPE		-	-
(Gain) loss on sales of non-current assets	<u>12</u>	(22)	(12)
(Gain) loss on sale of subsidiaries		-	-
Loss allowance for receivables		-	-
Write-offs of inventory	<u>5, 6</u>	849	857
Net finance cost	<u>13</u>	1,640	1,682
Net finance cost (IFRS 16)	<u>13</u>	1,057	1,151
Loss (gain) on changes in fair value of biological assets	<u>5</u>	(2,697)	(3,318)
Grants related to assets, recognized as income		(258)	(188)
<i>Changes in working capital</i>			
(Increase) decrease in biological assets		(18,470)	(19,078)
(Increase) decrease in trade receivables and prepayments		(5,812)	(5,447)
(Increase) decrease in inventory		12,341	12,384
(Decrease) increase in trade and other payables		8,420	10,065
Cash flows from operating activities		<u>4,881</u>	<u>6,141</u>
Interest paid, netto		(1,048)	(1,307)
Net cash flows from/(to) operating activities		<u>3,833</u>	<u>4,834</u>
Cash flows from /(to) investing activities			
Purchase of property, plant and equipment	<u>4</u>	(3,190)	(1,705)
Purchase of investments		(2)	(1,504)
Proceeds from sales of investment property, PPE		94	54
Proceeds from sales of investments		-	-
Grants related to assets		224	-
Other loans repaid		-	-
Other loans granted		36	-
Net cash flows from/(to) investing activities		<u>(2,838)</u>	<u>(3,155)</u>
Cash flows from /(to) financing activities			
Bonds		-	-
Repayment of bank borrowings		(7,383)	(1,576)
Proceeds from borrowings		11,282	4,600
Proceeds (repayments) of other borrowings		-	(3,553)
Finance lease payments		(4,138)	(3,828)
Net cash flows from/(to) financing activities		<u>(239)</u>	<u>(4,357)</u>
Net (decrease) / increase in cash and cash equivalents		795	(2,677)
Cash and cash equivalents at the beginning of the period		2,541	3,732
Cash and cash equivalents at the end of the period		<u>3,336</u>	<u>1,056</u>

* ROU assets – Right-of-use assets



IV. EXPLANATORY NOTES

1. Basis of the preparation

The accompanying interim financial information for the 6-month period ending 30 June 2021, 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 ending 31 December 2020, as described in those annual financial statements. This financial information should be read in conjunction with the interim financial information for 6-month period ended 30 June 2020 and annual financial statements for the year ending 31 December 2020 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 6-month period ending 30 June 2021 and 6-month period ending 30 June 2020 are not audited. Financial statements for the year ending 31 December 2020 are audited by the external auditor UAB PriceWaterhouseCoopers.

Critical accounting estimates and assumptions

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. Critical accounting estimates and assumptions remain the same as disclosed in the audited annual financial statements for period ending 31 December 2020.

IFRS 16, Leases

Based on 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 as of 31 December 2020 was 6%. The incremental borrowing remained unchanged in 2021.

In applying IFRS 16, 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 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.

Revaluation of biological assets (crops)

The Group estimates the total fair value of crops using following formula and assumptions:

Fair value of the crop = Costs incurred + (Cultivated area in ha * forecasted average yield as tonnes per ha * forecasted price per tonne – 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 till the reporting date.
- Cultivated area in ha is an area of particular crop seeded and expected to be harvested.
- Forecasted average yield tonnes per ha.
- Forecasted price per tonne. Contracted average sales prices are used for fair value estimation adjusted according to the development in the market.
- Forecasted total cost per ha. Average historical cost levels are used for fair value estimation.
- T is a time portion, spanning from the sowing date to the forecasted harvest date.
- X is an adjustment parameter for possible unexpected negative effects to the harvest.

Revaluation of biological assets (livestock)

Due to the specifics of the agricultural market, fair value of milking cows cannot be determined by using comparable market prices method, as such biological assets in areas where the Group operates are not traded on active markets which could enable the use of market value. The Group values cows using the discounted cash flow method. The model uses projected revenues from milk sales over the remaining useful life of each animal using a forecasted milk price. Milk price forecast is the average milk price assumption of the following 3 years was. Current cow herd has an estimated working life of 1 to 3 years. At the end of the working period the cow is estimated to be sold for meat. The forecasted revenues are reduced with costs directly related to herd growing (feeds, medicines, employee salaries and other). The free cash-flow is discounted with post tax WACC.



For valuation of other livestock the Group calculates the fair value by taking the average price of meat per kilo. For young bulls and heifers, the value of livestock is determined by using the market values of meat (different for different groups of animals) and multiplying the price of 1 kg by the total weight of specific group of animals.

Share-based payments

Total cumulative expenses of share-based payments 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.

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.

2. Share capital and reserves

Share capital and share premium of the Company

The share capital of AUGA group AB as of 30 June 2021 was EUR 65,951 thousand (31 December 2020: EUR 65,951 thousand). The share capital is divided into 227,416,252 ordinary shares (31 December 2020: 227,416,252 ordinary shares). Each issued share has a EUR 0.29 nominal value and fully paid. Each share had usual material and intangible rights as per Law on Companies of the Republic of Lithuania and the Company's statutes.

Share premium at the end of 30 June 2021 amounted to EUR 6,707 thousand (31 December 2020: EUR 6,707 thousand).

Shareholders

Total number of shareholders on 30 June 2021 was 2,158 and on 31 December 2020 it was 1,866.

The shareholders owning more than 5% of shares in the Company are the following:

Entity / person	30 June 2021		31 December 2020	
	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	19,082,801	8.39
Žilvinas Marcinkevičius	15,919,138	7.00	15,919,138	7.00
Other shareholders	47,435,738	20.86	47,435,738	20.86
Total	227,416,252	100.00	227,416,252	100.00

No shareholder has special voting rights.

Information on the shares of the Company held by the members of the Board and the top executives as of 30 June 2021:

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%
Mindaugas Ambrasas	CFO	6,881	0.003%

* 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.

Reserves of the Company

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfer of at least 5% of net profit, calculated in accordance with Lithuanian regulatory legislation on accounting, is compulsory until the reserve including share premium reaches 10% of the share capital. The legal reserve can be used to cover the accumulated losses. The legal reserve of the Company equalled to EUR 2,041 thousand as of 30 June 2021 (31 December 2020: EUR 1,834 thousand).

Revaluation reserve comprises revaluation of land portfolio owned by the Group. Land portfolio valuation is performed by independent valuator. The valuation for reporting period was performed in 2020. Revaluation reserve as of 30 June 2021 amounted to EUR 9,213 thousand (31 December 2020: EUR 9,213 thousand).

In 2018 the Company formed a reserve to grant shares for employees. Transfers to this reserve is performed annually when the board approves issue of additional shares options. Reserve to grant shares for employees as of 30 June 2021 amounted to EUR 3,002 thousand (31 December 2020: EUR 2,509 thousand).

Employee Option Plan was approved by shareholders at the annual general shareholders' meeting on 30 April, 2019. 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.

Reserve to grant shares for employees	Number of shares, units	Value, EUR
Total reserve as of 31 December 2019	5,600,000	1,624
Shares allocated to employees based on option agreements	4,785,690	1,388
Unallocated shares	3,866,034	1,121
Total reserve as of 31 December 2020	8,651,724	2,509
Shares allocated to employees based on option agreements	7,167,391	2,079
Unallocated shares	3,184,333	923
Total reserve as of 30 June 2021	10,351,724	3,002

3. The structure of the Group

As of 30 June 2021, the Group consisted of the Company and 137 subsidiaries (31 December 2020: 137). Detailed list of all subsidiaries in 2021 and 2020 is provided below.

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/21	31/12/20
1.	Baltic Champs UAB	*4	302942064	Šiaulių region, Poviliškių v., 15	**A	100,00%	100,00%
2.	AVG Investment UAB	*4	300087691	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
3.	AWG Investment 1 UAB	*4	301745765	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
4.	AWG Investment 2 UAB	*4	301807590	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
5.	Agross UAB	*4	301807601	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	100,00%	100,00%
6.	Grain Lt UAB	*4	302489354	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	100,00%	97,41%
7.	AgroGis UAB	*4	302583978	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**D	95,00%	95,00%
8.	Agro Management Team UAB	*4	302599498	Jonavos region, Bukonių v., Lankešos st. 2	**E	100,00%	100,00%
9.	Agrotechnikos centras UAB	*4	302589187	Jonavos region, Bukonių v., Lankešos st. 2	**F	100,00%	100,00%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/21	31/12/20
10.	AUGA trade UAB	*4	302753875	Jonavos region, Bukonių v., Lankesos st. 2	**H	100,00%	100,00%
11.	Agricultural entity Žemės fondas	*1	300558595	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**E	100,00%	100,00%
12.	Žemės vystymo fondas 6 UAB	*4	300589719	Vilniaus mun., Vilnius, Smolensko st. 10	**E	100,00%	100,00%
13.	Žemės vystymo fondas 9 UAB	*4	300547638	Jonavos region, Bukonių v., Lankesos st. 2	**E	100,00%	100,00%
14.	Žemės vystymo fondas 10 UAB	*4	301522723	Jonavos region, Bukonių v., Lankesos st. 2	**E	100,00%	100,00%
15.	Žemės vystymo fondas 20 UAB	*4	300887726	Jonavos region, Bukonių v., Lankesos st. 2	**B	100,00%	100,00%
16.	AUGA Grūduva UAB	*4	174401546	Šakių region, Gotlybiškių v.,	**A	98,97%	98,97%
17.	Agricultural entity AUGA Spindulys	*1	171330414	Radviliškio region, Vaitiekūnų v., Spindulio st. 13	**A	99,99%	99,99%
18.	Agricultural entity AUGA Smilgiai	*1	168548972	Panevėžio region, Smilgių mstl. Panevėžio st. 23-1	**A	100,00%	100,00%
19.	Agricultural entity AUGA Skėmiai	*1	171306071	Radviliškio region, Skėmių v., Kėdainių st. 36	**A	100,00%	99,97%
20.	Agricultural entity AUGA Nausodė	*1	154179675	Anykščių region, Kirmėlių v.,	**A	99,93%	99,93%
21.	Agricultural entity AUGA Dumšiškės	*1	172276179	Raseinių region, Paraseinio v.,	**A	99,88%	99,88%
22.	Agricultural entity AUGA Žadžiūnai	*1	175706853	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,81%	99,81%
23.	Agricultural entity AUGA Mantviliškis	*1	161274230	Kėdainių region, Mantviliškio v.,	**A	99,94%	99,94%
24.	Agricultural entity AUGA Alanta	*1	167527719	Molėtų region, Kazlų v., Skiemonių st. 2A	**A	99,99%	99,99%
25.	Agricultural entity AUGA Eimučiai	*1	175705032	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,24%	99,24%
26.	Agricultural entity AUGA Vėriškės	*1	171305165	Radviliškio region, Vėriškių v.,	**A	99,93%	99,93%
27.	Agricultural entity AUGA Želsvelė	*1	165666499	Marijampolės mun., Želsvos v.,	**A	99,86%	99,86%
28.	Agricultural entity AUGA Lankesa	*1	156913032	Jonavos region, Bukonių v.,	**A	96,91%	96,91%
29.	Agricultural entity AUGA Kairėnai	*1	171327432	Radviliškio region, Kairėnų v.,	**A	98,47%	98,47%
30.	Agricultural entity AUGA Jurbarkai	*1	158174818	Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	98,46%	98,46%
31.	Agricultural entity AUGA Gustoniai	*1	168565021	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	100,00%	100,00%
32.	Cooperative entity Siesarčio ūkis	*3	302501098	Šakių region, Gotlybiškių v., Mokyklos st. 18	**A	99,44%	99,44%
33.	Cooperative entity Kašėta	*3	302501251	Jonavos region, Bukonių v., Lankesos st. 2	**A	99,44%	99,44%
34.	Agricultural entity Gustonys	*1	302520102	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**E	100,00%	100,00%
35.	Agricultural entity Skėmių pienininkystės centras	*1	302737554	Radviliškio region, Skėmių v., Alyvų st. 1	**A	48,67%	48,67%
36.	Cooperative entity Agrobokštai	*3	302485217	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	97,94%	97,94%
37.	Cooperative entity Dotnuvėlės valdos	*3	302618614	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,22%	99,22%
38.	Cooperative entity Nevėžio lankos	*3	302618596	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	96,51%	96,51%
39.	Cooperative entity Radviliškio kraštas	*3	302618742	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	98,67%	98,67%
40.	Cooperative entity Šventosios pievos	*3	302618201	Raseinių region, Kalnų mstl. Žieveliškės st. 1	**A	96,36%	96,36%
41.	Cooperative entity Kairių ūkis	*3	302615194	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	98,68%	98,68%
42.	Cooperative entity Šiaurinė valda	*3	302615187	Šiaulių region, Poviliškių v., 15	**A	96,15%	96,15%
43.	Cooperative entity Šušvės žemė	*3	302618767	Kelmės region, Pašiaušės v., Vilties st. 2	**A	98,43%	98,43%
44.	Cooperative entity Žalmargėlis	*3	303145954	Vilniaus mun., Vilnius, Smolensko st. 10-100	**A	98,32%	98,32%
45.	Cooperative entity Juodmargėlis	*3	303159014	Raseinių region, Kalnų mstl. Žieveliškės st. 1	**A	99,35%	99,35%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/21	31/12/20
46.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnųjų mstl. Žievelišės st. 1	**A	96,28%	96,28%
47.	Cooperative entity Purpurėja	*3	302542337	Širvintų region, Širvintų v., Zosinos st. 7	**A	99,53%	99,53%
48.	Bukonių ekologinis ūkis UAB	*4	302846621	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	100,00%	100,00%
49.	Agrosaulė 8 UAB	*4	302846105	Vilniaus mun., Vilnius, Smolensko st. 10-100	**G	100,00%	100,00%
50.	Biržai distr., Rinkuškiai reclamation infrastructure users association	*2	302465556	Biržų region, Biržai, Vytauto st. 38	**A	48,67%	48,67%
51.	Pasvalys distr., Pušalotas reclamation infrastructure users association	*2	302465563	Pasvalio region, Diliauskų v., Diliauskų st. 23	**A	48,67%	48,67%
52.	Skėmiai reclamation infrastructure users association	*2	303170256	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
53.	Vaitiekūnai reclamation infrastructure users association	*2	303170306	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
54.	Association Grūdųvos melioracija	*2	302567116	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	65,81%	65,81%
55.	Pauliai reclamation infrastructure users association	*2	303169909	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
56.	Nausode reclamation infrastructure users association	*2	304219592	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	70,74%	70,74%
57.	Traktorių nuomos centras UAB	*4	302820808	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
58.	Traktorių nuomos paslaugos UAB	*4	302820797	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
59.	Arnega UAB	*4	302661957	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
60.	AgroSchool OU	*6	12491954	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
61.	Public institution AgroSchool	*5	303104797	Vilniaus mun., Vilnius, Smolensko st. 10-100	**C	50,00%	50,00%
62.	AUGA Ramučiai UAB	*4	302854479	Akmenės region, Ramučių v., Klevų st. 11	**A	100,00%	100,00%
63.	AUGA Luganta UAB	*4	300045023	Kelmės region, Pašiaušės v.,	**A	100,00%	100,00%
64.	eTime invest UAB	*4	300578676	Vilniaus mun., Vilnius, Saltoniškių st. 29	**G	100,00%	100,00%
65.	ŽVF Projektai UAB	*4	300137062	Jonavos region, Bukonių v., Lankesos st. 2	**E	52,62%	52,62%
66.	Agricultural entity Alantos ekologinis ūkis	*1	303324747	Molėtų region, Kazlų v., Skiemonių st. 2A	**A	100,00%	100,00%
67.	Agricultural entity Dumšiškių ekologinis ūkis	*1	303324722	Raseinių region, Paraseinio v., Paraseinio st. 2	**A	100,00%	100,00%
68.	Agricultural entity Eimučių ekologinis ūkis	*1	303324715	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
69.	Agricultural entity Grūdųvos ekologinis ūkis	*1	303324804	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	100,00%	100,00%
70.	Agricultural entity Jurbarkų ekologinis ūkis	*1	303325361	Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	100,00%	100,00%
71.	Agricultural entity Kairėnų ekologinis ūkis	*1	303325774	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%
72.	Agricultural entity Lankesos ekologinis ūkis	*1	303325710	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
73.	Agricultural entity Mantviliškio ekologinis ūkis	*1	303325703	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	100,00%	100,00%
74.	Agricultural entity Nausodės ekologinis ūkis	*1	303325781	Anykščių region, Nausodės v., Nausodės st. 55	**A	100,00%	100,00%
75.	Agricultural entity Skėmių ekologinis ūkis	*1	303325692	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
76.	Agricultural entity Smilgių ekologinis ūkis	*1	303325824	Panevėžio region, Smilgiai, Panevėžio st. 23-1	**A	100,00%	100,00%
77.	Agricultural entity Spindulio ekologinis ūkis	*1	303325817	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%
78.	Agricultural entity Vėriškių ekologinis ūkis	*1	303325849	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
79.	Agricultural entity Žadziūnų ekologinis ūkis	*1	303325870	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	100,00%	100,00%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/21	31/12/20
80.	Agricultural entity Želsvelės ekologinis ūkis	*1	303325856	Marijampolės mun., Želsvos v., Želsvelės st. 1	**A	100,00%	100,00%
81.	Prestviigi OU	*6	12654600	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
82.	Turvaste partners OU	*6	12655410	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
83.	Nakamaa Agro OU	*6	12655522	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10113	**G	100,00%	100,00%
84.	Hindaste Invest OU	*6	12655384	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
85.	Tuudi River OU	*6	12655640	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
86.	Palderma Partners OU	*6	12654959	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
87.	Ave-Martna Capital OU	*6	12655155	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
88.	Hobring Invest OU	*6	12655427	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
89.	Rukkirahhu Capital OU	*6	12655232	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
90.	Pahasoo OU	*6	12655367	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
91.	Cooperative entity Ganiklis	*3	303429417	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
92.	Cooperative entity Ganiavos gėrybės	*3	303429431	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
93.	Cooperative entity Žemėpačio pieno ūkis	*3	303432388	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
94.	Cooperative entity Žemynos pienelis	*3	303427989	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
95.	Cooperative entity Lygiadienio ūkis	*3	303428087	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
96.	Cooperative entity Laumės pieno ūkis	*3	303427996	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
97.	Cooperative entity Medeinos pienas	*3	303428112	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
98.	Cooperative entity Gardaitis	*3	303429381	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
99.	Cooperative entity Dimstipatis	*3	303429424	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
100.	Cooperative entity Aušlavis	*3	303429456	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
101.	Cooperative entity Austėjos pieno ūkis	*3	303428094	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
102.	Cooperative entity Aitvaro ūkis	*3	303429374	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
103.	Cooperative entity Giraičio pieno ūkis	*3	303429399	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
104.	Fentus 10 GmbH	*6	HRB106477	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
105.	Norus 26 AG	*6	HRB109356B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
106.	LT Holding AG	*6	HRB109265B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
107.	KTG Agrar UAB	*4	300127919	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	100,00%	100,00%
108.	Agrar Raseiniai UAB	*4	300610316	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
109.	AUGA Mažeikiai UAB	*4	300610348	Mažeikių av. 9, Naikių v., Mažeikių region,	**A	100,00%	100,00%
110.	PAE Agrar UAB	*4	300867691	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
111.	Delta Agrar UAB	*4	300868875	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
112.	KTG Grūdai UAB	*4	302637486	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/21	31/12/20
113.	KTG Eko Agrar UAB	*4	300510650	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
114.	Agronita UAB	*4	300132574	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
115.	Agronuoma UAB	*4	303204954	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
116.	VL Investment Vilnius 12 UAB	*4	303205611	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
117.	Agrar Ašva UAB	*4	301608542	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
118.	Agrar Varduva UAB	*4	301608791	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
119.	Agrar Seda UAB	*4	301608777	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
120.	Agrar Kvistė UAB	*4	302308067	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
121.	Agrar Luoba UAB	*4	302308035	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
122.	Agrar Gaja UAB	*4	302594412	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
123.	Agrar Ariogala UAB	*4	301626540	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
124.	Agrar Girdžiai UAB	*4	301621568	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
125.	Agrar Vidauja UAB	*4	301622531	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
126.	Agrar Raudonė UAB	*4	302309532	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
127.	Agrar Venta UAB	*4	302307855	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
128.	Agrar Nerys UAB	*4	302594063	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
129.	Agrar Gėluva UAB	*4	302312133	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
130.	Agrar Betygala UAB	*4	302312222	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
131.	Agrar Dubysa UAB	*4	302312215	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
132.	Agrar Pauliai UAB	*4	302312165	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
133.	Agrar Mituva UAB	*4	302312172	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
134.	AUGA Raseiniai UAB	*4	304704364	Raseinių region, Kalnųjai, Žieveliškės st. 1	**A	100,00%	100,00%
135.	Tėvynės žemelė UAB	*4	303301428	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**G	100,00%	100,00%
136.	Tėviškės žemelė UAB	*4	303207199	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**E	100,00%	100,00%
137.	Cooperative entity Grybai LT	*3	302765404	Žibaly st. 37, Širvintos	**I	100,00%	100,00%

COMMENTS:

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

4. Property, plant and equipment

GROUP	Vehicles, equipment and other property, plant and equipment					Total
	Land	Buildings	Constructions and machinery	Construction in progress		
Carrying amount						
As of 31 December 2019	60,622	40,978	22,602	2,198	1,707	128,108
- purchase of subsidiaries	-	2,262	2,223	132	-	4,617
- additions	6,667	454	2,289	781	2,273	12,465
- disposals and write-offs	(6)	(17)	(147)	(46)	-	(216)
- revaluation	851	-	-	-	-	851
- depreciation (including ROU assets)	(5,855)	(2,499)	(4,196)	(722)	-	(13,273)
- reclassifications	-	271	718	2	(990)	-
As of 31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
- additions	1,020	104	3,439	637	985	6,186
- disposals and write-offs	-	(68)	(93)	(31)	-	(192)
- revaluation	-	-	-	-	-	-
- depreciation (including ROU assets)	(2,973)	(1,271)	(2,135)	(457)	-	(6,836)
- reclassifications	-	-	-	1,619	(1,619)	-
As of 30 June 2021	60,326	40,213	24,699	4,113	2,357	131,708
Acquisition cost or revaluated amount as of						
31 December 2019	65,981	54,560	40,730	5,308	1,707	168,286
31 December 2020	73,493	57,529	45,813	6,177	2,991	186,004
30 June 2021	74,513	57,565	49,159	8,402	2,358	191,996
Accumulated depreciation and impairment losses as of						
31 December 2019	(5,359)	(13,582)	(18,128)	(3,110)	-	(40,179)
31 December 2020	(11,214)	(16,081)	(22,324)	(3,832)	-	(53,452)
30 June 2021	(14,187)	(17,351)	(24,459)	(4,289)	-	(60,287)
Carrying amount as of						
31 December 2019	60,622	40,978	22,602	2,198	1,707	128,108
31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
30 June 2021	60,326	40,213	24,699	4,113	2,357	131,708

Right-of-use assets (ROU assets) recognized by the Group included the following type of assets:

	Land	
	30 June 2021	31 December 2020
Right of use assets		
Acquisition cost	46,020	40,728
Additions	-	5,292
Less: accumulated depreciation	(14,187)	(11,214)
Carrying amount	31,833	34,806
	Buildings	
	30 June 2021	31 December 2020
Right of use assets		
Acquisition cost	1,008	975
Additions	-	33
Less: accumulated depreciation	(340)	(271)
Carrying amount	668	737

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 of 31 December 2019	5,744	3,654	2,226	13,809	25,433
Direct purchases	-	123	-	-	123
Accumulated expenses	-	3,821	28,171	34,912	66,904
Transfer between groups	2,707	(2,707)	-	-	-
Direct sales	(523)	(224)	-	-	(747)
Harvest	-	-	(28,248)	(41,510)	(69,758)
Revaluation	(1,371)	(1,146)	-	7,692	5,175
Write-offs	(247)	(131)	-	-	(378)
Balance as of 31 December 2020	6,310	3,389	2,149	14,903	26,751
Direct purchases	-	249	-	-	249
Accumulated expenses	-	1,917	13,736	50,439	66,091
Transfer between groups	1,739	(1,739)	-	-	-
Direct sales	(307)	(135)	-	-	(442)
Harvest	-	-	(13,736)	(35,253)	(48,989)
Revaluation	(1,256)	(352)	-	4,509	2,901
Write-offs	(149)	(54)	-	-	(203)
Balance as of 30 June 2021	6,337	3,274	2,149	34,598	46,358

6. Inventory

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

	Wheat	Legumes	Mushrooms	Milk	End-consumer goods*	Other*	Forage	Raw materials*	Total
Balance as of 31 December 2019	25,988	7,512	1	18	-	-	59,340	-	92,859
Purchases	1,773	4,915	-	-	-	-	-	-	6,798
Sales	(54,732)	(17,269)	(12,906)	(25,338)	-	-	(836)	-	(111,191)
Production	51,461	31,115	12,911	26,890	-	-	79,840	-	202,217
Consumed in preparation of biological assets (livestock)	(1,432)	(2,425)	-	(1,104)	-	-	(59,315)	-	(64,276)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(5,692)	(9,752)	-	-	-	-	-	-	(15,444)
Inventory write-offs	(327)	(66)	-	(450)	-	-	(5,970)	-	(6,813)
Balance as of 31 December 2020	17,039	14,030	6	16	-	-	73,059	-	104,150
Purchases	407	2,564	-	-	-	-	-	-	2,971
Sales	(14,289)	(9,280)	(6,335)	(12,958)	-	-	(1,138)	-	(43,999)
Production	-	-	6,336	13,796	-	-	26,193	-	46,325
Consumed in preparation of biological assets (livestock)	(77)	(113)	-	(645)	-	-	(30,131)	-	(30,966)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(746)	(2,965)	-	-	-	-	-	-	(3,710)
Inventory write-offs	(192)	(159)	-	(204)	-	-	(2,055)	-	(2,610)
Balance as of 30 June 2021	2,142	4,077	7	6	-	-	65,929	-	72,161

*Consists of various units of measure, thus it cannot be disclosed in this table.



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

	Wheat	Legumes	Mushrooms	Milk	End-consumer goods	Other	Forage	Raw materials	Total
Balance as of 31 December 2019	6,705	2,652	3	137	185	6,881	6,463	5,932	28,958
Inventory acquired with subsidiaries	-	-	-	-	234	-	-	818	1,052
Purchases	655	2,063	-	-	4,056	4,314	-	12,126	23,225
Sales	(12,675)	(5,984)	(26,888)	(9,685)	(4,259)	(16,939)	(47)	(1,137)	(77,625)
Production	10,456	10,946	26,898	10,166	153	15,821	6,484	3,045	83,969
Consumed in preparation of biological assets (livestock)	(308)	(932)	-	(417)	-	(1,609)	(4,443)	(5,774)	(13,483)
Consumed in preparation of biological assets (crops and mycelium seedbed)	(1,236)	(3,713)	-	-	-	(1,910)	-	(7,263)	(14,122)
Inventory write-offs	(81)	(23)	-	(190)	(16)	(365)	(672)	(83)	(1,430)
Balance as of 31 December 2020	3,516	5,009	13	11	353	6,193	7,785	7,664	30,544
Purchases	145	1,098	-	-	1,459	2,509	-	7,285	12,496
Sales	(2,974)	(3,384)	(13,586)	(5,319)	(1,822)	(3,560)	(99)	(126)	(30,870)
Production	-	-	13,587	5,663	96	-	1,770	71	21,187
Consumed in preparation of biological assets (livestock)	(20)	(37)	-	(260)	(2)	(206)	(2,720)	(3,146)	(6,391)
Consumed in preparation of biological assets (crops and mycelium seedbed)	(220)	(1,263)	-	-	-	(2,224)	-	(5,367)	(9,074)
Inventory write-offs	(40)	(57)	-	(92)	(5)	(247)	(188)	(18)	(648)
Balance as of 30 June 2021	407	1,367	14	3	79	2,464	6,548	6,363	17,245

7. Receivables and advance payments

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

	As of 30 June 2021	As of 31 December 2020
Trade receivables	3,878	6,628
VAT receivable	1,688	1,281
Receivables from National Paying Agency	6,289	86
Accounts receivable from private individuals	21	84
Other receivables	4,940	3,915
Advance payments and deferred expenses	5,728	4,771
Less: loss allowance	(680)	(680)
Total trade accounts receivable, net	21,864	16,084
Non-current receivables, gross	450	450
Less: loss allowance	(4)	(4)
Total	22,310	16,530

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.



8. Financial liabilities

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

	<u>As of 30 June 2021</u>	<u>As of 31 December 2020</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	8,241	8,892
FMCG companies	1,096	1,184
Agricultural entities	20,475	11,003
Parent company	3,000	3,000
<i>Other borrowings</i>		
Creditors	580	753
Investment fund for purchased land	253	253
Green Bonds	18,966	18,818
Total	52,611	43,903
Less: amounts, payable within one year (according to agreements)	<u>(1,710)</u>	<u>(3,409)</u>
Total long-term borrowings	50,901	40,494

On 13 December 2019 the Group issued 20,000 units of Green Bonds (hereinafter – Bonds) with a nominal value of EUR 1,000. Balance sheet value of the bonds represent the value of the bonds after discounts and other related expenses. These expenses and discounts are accounted as interest expenses and capitalized to the value of the bonds over the 5-year period.

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

	<u>As of 30 June 2021</u>	<u>As of 31 December 2020</u>
<i>Financial liabilities to banks and bondholders</i>		
Within second year	5,849	5,186
Within third and fourth year	35,098	25,843
After fifth year and later	9,954	9,465
Total	50,901	40,494

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

	<u>As of 30 June 2021</u>	<u>As of 31 December 2020</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
FMCG companies	-	-
Parent company	-	-
Grain selling entity	2,166	7,000
Total short-term borrowings	4,566	9,400

Short-term loans from banks as of 30 June 2021 include EUR 4,566 thousand credit-line facilities (2020: EUR 9,400 thousand).



9. Leases

The Group's leases consisted of the following:

	<u>As of 30 June 2021</u>	<u>As of 31 December 2020</u>
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	32,140	34,626
Lease liabilities related to other assets**	7,970	6,613
Total	40,110	41,239
Less: amounts payable within one year		
Lease liabilities related to right-of-use assets*	2,486	4,607
Lease liabilities related to other assets**	2,023	2,950
Total	4,509	7,557
Total long-term leases	35,601	33,682

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

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

10. Results of business segments

CROP GROWING SEGMENT

a) Harvest of agricultural produce	<i>6-month period ending</i> <i>30 June 2021</i>	<i>6-month period ending</i> <i>30 June 2020</i>
Total cultivated land, ha	39,139	39,637
Wheat	10,440	11,896
Legumes	8,056	9,035
Other cash crops	12,397	9,664
Forage Crops	6,773	8,168
Fallow	1,473	875
 Average harvest yield, t/ha		
Wheat	-	-
Legumes	-	-
Other cash crops	-	-
Forage Crops	-	-
 Total fair value of harvest, EUR'000	 35,253	 33,550
Wheat	9,636	11,294
Legumes	6,263	6,512
Other cash crops	15,255	12,052
Forage Crops	4,098	3,691
 Total production cost of harvest, EUR'000	 28,726	 27,167
Wheat	7,748	9,450
Legumes	5,117	5,515
Other cash crops	11,763	8,513
Forage Crops	4,098	3,691
 Total gain (loss) on revaluation of biological assets at fair value, EUR'000*	 6,527	 6,382
<i>Gain (loss) on revaluation of biological assets at fair value recognized in previous periods, EUR'000*</i>	<i>2,018</i>	<i>1,450</i>
Gain (loss) on revaluation of biological assets recognized in reporting period, EUR'000*	4,509	4,932

*Estimated gain (loss) on recognition of cash crops at fair value as of 30 June 2021. For more information please see management report's section 2.2.



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

b) Sales of agricultural produce	6-month period ending 30 June 2021	6-month period ending 30 June 2020
Total revenue of sold agricultural produce, EUR'000	9,480	10,830
Total cost of sold agricultural produce*, EUR'000	10,663	11,444
Total inventory write-offs, EUR'000	431	689
Result of sales of agricultural produce, EUR'000	(1,614)	(1,304)

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

c) Agricultural subsidies	6-month period ending 30 June 2021	6-month period ending 30 June 2020
Direct subsidies, EUR'000	2,544	2,348
Organic farming subsidies, EUR'000	2,073	1,368
Total subsidies, EUR'000	4,617	3,716
Gross profit of crop growing segment per period, EUR'000 (a+b+c)	7 513	7,344
<i>Depreciation included in the harvest of agricultural produce, EUR'000</i>	1,777	1,945

DAIRY SEGMENT	6-month period ending 30 June 2021	6-month period ending 30 June 2020
Total quantity sold, tonnes	13,538	13,902
Non-organic milk, tonnes	225	1,166
Organic milk, tonnes	12,587	11,993
Dairy commodities, tonnes	335	355
Cattle, tonnes	391	388
Total revenues of dairy segment, EUR'000	6,732	6,661
Non-organic milk, EUR'000	77	382
Organic milk, EUR'000	5,209	4,838
Dairy commodities, EUR'000	1,004	1,069
Cattle, EUR'000	442	371
Total cost of dairy segment, EUR'000	6,694	6,273
Milk, EUR'000	5,319	4,846
Dairy commodities, EUR'000	933	1,056
Cattle, EUR'000	442	371
Revaluation of biological assets, EUR'000	(1,812)	(1,613)
Total subsidies, EUR'000	1,507	1,312
Gross profit of dairy segment, EUR'000	(267)	86
<i>Depreciation included in cost of dairy segment sales, EUR'000</i>	313	254

MUSHROOM SEGMENT	6-month period ending 30 June 2021	6-month period ending 30 June 2020
Total quantity sold, tonnes	6,335	6,579
Non-organic mushrooms, tonnes	5,934	6,078
Organic mushrooms, tonnes	401	501
Total revenues from mushroom sales, EUR'000	14,072	14,263
Non-organic mushrooms, EUR'000	12,663	12,661
Organic mushrooms, EUR'000	1,408	1,602
Total cost of mushrooms sold, EUR'000	13,586	13,221
Non-organic mushrooms, EUR'000	12,659	12,141
Organic mushrooms, EUR'000	927	1,080
Total revenues from sales of mushroom seedbed, EUR'000	254	951
Total cost from sales of mushroom seedbed, EUR'000	150	827
Gross profit of mushroom growing segment, EUR'000	589	1,066
<i>Depreciation included in cost of mushroom sales, EUR'000</i>	830	810



END-CONSUMER PACKAGED GOODS	<i>6-month period ending</i> 30 June 2021	<i>6-month period ending</i> 30 June 2020
Total revenue from end-consumer packaged goods sales, EUR'000	2,591	1,993
Total cost of sales of end-consumer packaged goods, EUR'000	1,929	1,904
Gross profit of sales of end-consumer packaged goods, EUR'000	661	88
<i>Depreciation included in cost of sales of end-consumer packaged goods, EUR'000</i>	178	29

11. Operating expenses

Operating expenses breakdown by type of expenses was the following:

	6-month period ending 30 June	
	2021	2020
Payroll expenses	1,887	1,774
Social security expenses	510	479
Share based payments amortization	281	123
Fines and late payments	5	40
Depreciation PP&E, ROU assets and amortization of IA	437	394
Loss allowance of amounts receivable	-	-
Consultations and business plan preparations	88	140
Insurance and tax expense	234	296
Selling expenses	480	331
Fuel costs	127	79
Real estate registration and notaries	59	62
Rent and utilities	178	190
Transportation costs	145	115
Office administration	246	241
Other expenses	469	327
Total	5,146	4,591

In April 2019 the Company approved Employee Option Plan thus Share-Based Payments expenses were recognized. It should be noted that respective expenses are equity-settled and are recognized evenly per 3-year vesting period.

12. Other income

Other income breakdown by type was the following:

	6-month period ending 30 June	
	2021	2020
Gain (loss) from sale of property, plant and equipment	22	12
Write down of liabilities	-	-
Gain (loss) from sale of subsidiaries	-	-
Interest and fines income	176	89
Insurance benefits	91	23
Other income (expenses)	(19)	104
Total	270	228

13. Financial expenses

Financial expenses breakdown by type was the following:

	6-month period ending 30 June	
	2021	2020
Bank interest expenses	718	835
Bond interest expenses	768	748
Leasing and other financial expenses	254	129
Interest expenses (IFRS 16)	1,057	1,151
Currency exchange differences	51	12
Other financial expenses	25	47
Total	2,873	2,922

14. Subsequent events January – August 2021

The Company informs of all material events over the CNS (Company News System) of NASDAQ Vilnius and on the ESPI (Electronic Information Transfer 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
23.08.2021	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 6 months of 2021
30.07.2021	Notification on the disposal of voting rights
30.07.2021	Notification on transaction concluded by person closely associated with the person discharging managerial responsibilities
22.07.2021	Notification on transaction concluded by person closely associated with the person discharging managerial responsibilities
08.06.2021	Regarding payment of higher interest to green bond holders
01.06.2021	AUGA group, AB presentation of financial results for the 3 months of 2021
31.05.2021	Report on the interim financial results of AUGA Group, AB for the three-month period ended 31 March 2021
24.05.2021	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 3 months of 2021
03.05.2021	Annual information for 2020
30.04.2021	Decisions of the Ordinary General Meeting of Shareholders of AUGA group, AB which Took Place on 30th April 2021
22.04.2021	AUGA group, AB Notification of transactions by persons discharging managerial responsibilities
22.04.2021	AUGA group, AB progresses with its employee motivation scheme through share options
19.04.2021	Notice on the update of questions of the agenda of the ordinary general meeting of shareholders of AUGA group, AB on 30 April 2021 by drafts of decisions and related information
12.04.2021	CORRECTION: AUGA group, AB will organise an Investor Conference Webinar dedicated to retail investors
12.04.2021	AUGA group, AB will organise an Investor Conference Webinar dedicated to retail investors
08.04.2021	Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2021
06.04.2021	AUGA group, AB (the Company) increased subsidiary UAB Grain LT (Grain LT) share capital by EUR 10 million by capitalized Grain LT's debt to the Company
01.03.2021	AUGA group, AB presentation of financial results for the 12 months of 2020
26.02.2021	Interim information on AUGA group, AB for the 12-month period ending 31 December 2020
24.02.2021	AUGA group, AB (the Company) acquired 100% UAB Grain LT (Grain LT) shares from another company of the group UAB AUGA Grūduva
23.02.2021	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2020
17.02.2021	AUGA group, AB Published Green Bond Report
03.02.2021	Dates of periodic information disclosure of AUGA group, AB for the year 2021 (investor calendar)
27.01.2021	Announcement on suspension of AUGA group, AB green bonds trading for one day due to NASDAQ technical change in trading system

V. 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 consolidated interim financial statements of AUGA group, AB for the six-month period ended 30 June 2021, have been prepared in accordance with the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flow of AUGA group, AB group.

Chief Executive Officer

Kęstutis Juščius

Chief Financial Officer

Mindaugas Ambrasas

