



## **AUGA GROUP AB**

Consolidated Interim  
Financial Statements for  
12 Months Period Ending  
31 December 2020  
(Unaudited)

**2020**

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## I. GENERAL INFORMATION

### 1.1. Accounting period covered by the report

Consolidated annual report was prepared for the 12 months period ended 31 December 2020.

### 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:	Legal entity, joint stock company
Place and date of registration:	25 June 2003, Vilnius
Register code:	126264360
Registrant of the Register of Legal entities:	VĮ Registrų centras

### 1.3. Main lines of business of the Group

Operations area:	Organic agriculture
Main operating segments:	Grain 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 31 December 2020, the consolidated Group (hereinafter the Group) consists of the Company and 137 subsidiaries (31 December 2019: 136 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

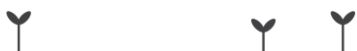
The Company and FMJ Orion Securities UAB (A. Tumėno st. 4, B building, LT-01109 Vilnius) signed an agreement regarding handling of Shareholders accounts.

### 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			Date of last session	Total turnover	
	max	min	Last session		Units	EUR, million
2020 I quarter	0.362	0.265	0.273	2020.03.31	2,953,395	0.957
2020 II quarter	0.406	0.268	0.398	2020.06.30	3,615,072	1.226
2020 III quarter	0.478	0.398	0.446	2020.09.30	1,725,034	0.754
2020 IV quarter	0.455	0.396	0.438	2020.12.30	2,646,002	1.142

AUGA group, AB share price variance (Eur) and Volume for the period of 1 January 2015 to 31 December 2020.



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 2019 is provided as Annex No. 2 of the Company's consolidated annual report for the year ending 31 December 2019. Annual Sustainability report for the year 2020 will be provided with the Company'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 12 months period ending 31 December 2020. See financial statements' note 16 for more details.





## II. MANAGEMENT REPORT

### 2.1. Overall results

AUGA group, AB, and its subsidiaries demonstrated strong financial results, improving both revenue and profitability.

During the 12 months of 2020, the Group's sales revenue amounted to EUR 83.11 million in the 12-month period of 2020. This marks a 17% rise on the equivalent period of the year before, when sales revenue was EUR 71.13 million. Revenue increased in all segments, with the highest increases in crop-growing segment (sales increased by EUR 7.89 million) and FMCG segment (sales increased by EUR 2.12 million).

The Group's gross profit reached EUR 15.83 million in 2020. This demonstrated a 61% rise compared to the same period last year (2019), when gross profit amounted to EUR 9.85 million. During the 12 months of 2020, the Group earned a EUR 0.94 million net profit, compared to a EUR 3.22 million loss a year earlier.

In 2020, the Group's EBITDA amounted to EUR 21.07 million, representing a 23% rise compared to the previous year, when EBITDA was EUR 17.12 million.

Main financial results, EUR million	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Revenues	83.11	71.13	54.75	+17%	+30%
Gross profit (loss)	15.83	9.85	3.66	+61%	+169%
Gross profit margin	19%	14%	7%	+38%	+107%
Net profit (loss)	0.94	(3.22)	(5.98)	n/a	+46%
Net profit margin	1%	(5%)	(11%)	n/a	+59%
EBITDA	21.07	17.12	3.55*	+23%	+383%
EBITDA margin	25%	24%	6%	+5%	+272%

\*Excluding IFRS16 effect, as IFRS16 implemented as of 1 January 2019

### 2.2. Crop growing segment overview

In 2020, the Group achieved significantly better results in the crop growing segment compared to the previous year. This is due to improved production technologies and somewhat favourable weather conditions. The early harvesting and lower quality of certain crops prevented the Company from achieving even higher results in the segment.

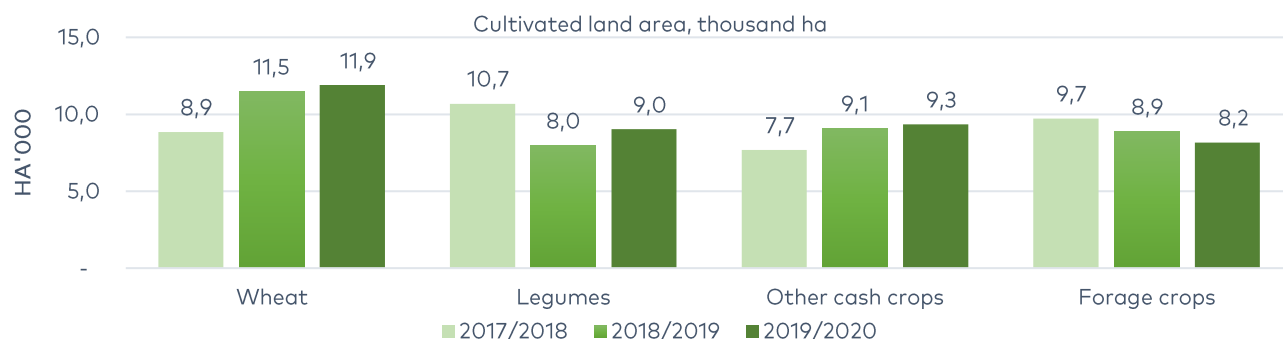
The sowing of crops for the upcoming season proceeded smoothly, and the current condition of crops is good. Therefore, the management of the company has positive expectations for 2021's results.

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 2019/2020*

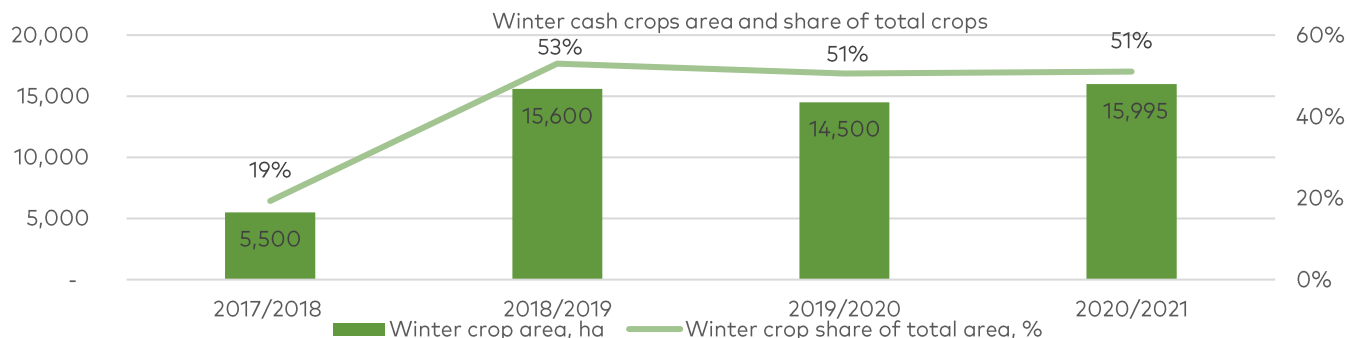
The total cultivated land area by the Group amounted to 39.6 thousand hectares (ha) in the 2019/2020 season and was more than 1 thousand ha larger than in the 2018/2019 season. In the 2019/2020 season, 30.6 thousand ha were seeded with cash crops (28.7 thousand in the 2018/2019 season) out of which 11.9 thousand ha were dedicated to wheat, 9.0 thousand ha to legumes and 9.7 thousand ha to other cash crops. The majority – 11.3 thousand ha out of total 11.9 thousand ha – of wheat was winter wheat, which was a similar proportion to the season of 2018/2019 as winter crops usually have higher yield potential compared to summer alternatives. Forage crops comprised 8.2 thousand ha in the 2019/2020 season compared to 8.9 thousand ha in the 2018/2019 season.





By the end of reporting period (31 December 2020), all cultures of the 2019/2020 season were fully harvested. Gain (loss) on initial recognition of biological assets at fair value was recognised for wheat, legumes, and other cash crops, while harvest of forage crops was valued at cost. Gain on initial recognition of crops at fair value harvested in the 2019/2020 season amounted to EUR 7.11 million compared to EUR 3.83 million gain recognized for the season of 2018/2019. In 2020, the harvest's fair value increased by EUR 3.28 million or by 85%. It should be noted that EUR 1.45 million gain on initial recognition of biological assets at fair value for the 2019/2020 season's harvest had already been recognized as of 31 December 2019. Thus, gain on initial recognition of biological assets at fair value accounted for as of 31 December 2020 amounts to EUR 5.66 million.

At the end of each quarter the Group evaluates the fair value of crops which have not yet been sown. Weather conditions in the fall of 2020 were favourable for sowing and other preparatory land works for the season of 2020/2021. As a result, seeding and land preparation works for winter cash crops to be sown in the season of 2020/2021 were completed on time. In 2020, the Group sowed around 15.99 thousand ha of cash crops – winter wheat, winter rye, winter rapeseed and seed clover - which will be harvested in 2021. This represent 51% of total cash crops area to be sown in the season of 2020/2021. For comparison, in the 2019/2020 season around 14.5 thousand ha of winter cash crops were sown in the autumn of 2019. The condition of the cash crops at the reporting date is good. Cold weather during winter months should not have adverse impact to the seeded crops as high amount of snow protects the crop from cold temperatures. Favourable autumn weather also allowed for proper cultivation of the land and preparation for summer crop sowing in the spring 2021. As a result, the Group is well prepared for the season of 2020/2021 and positive about next year harvest potential.



As of the 31 December 2020 the Group recognized a EUR 2.02 million gain from the revaluation on biological assets at fair value for winter crops and seed clover (to be sown in 2021).

The formula and assumptions used for crop fair value estimation are provided below:

Fair value of the crop = Costs incurred + (Cultivated area in ha \* forecasted average yield as tonnes per ha \* forecasted grain 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 of 2019/2020 as of 31 December 2020.
- 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 current season's results.
- Forecasted grain price per tonne – average sales prices in contracts for the 2019/2020 season harvest. 96% of the current year's harvest has been contracted at the date of this report's publication.
- Forecasted total cost per ha. The current level of accumulated costs adjusted by average historical cost levels of 2018 - 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 31 December 2020 the average completion percentage estimated was around 37% depending on the crop.
- X is an adjustment parameter for possible unexpected negative effects to the harvest. 20% was used in fair value estimations as of 31 December 2020.



Total gain on the initial recognition of biological assets at fair value as of 31 December 2020 amounts to EUR 7.68 million compared to EUR 5.28 million gain accounted for in 2019. The results of the current season's harvest have improved by EUR 2.40 million compared to previous period.

Harvest results, EUR million	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Gain (loss) on revaluation of biological assets at fair value (harvest of the 2019/2020 season)	5.66	3.83	(3.45)	+48%	n/a
Gain (loss) on revaluation of biological assets at fair value (crops to be sown in the 2020/2021 season)	2.02	1.45	-	+39%	-
<b>Total gain (loss) on revaluation of biological assets at fair value</b>	<b>7.68</b>	<b>5.28</b>	<b>(3.45)</b>	<b>+45%</b>	<b>n/a</b>

As presented below, land plots of wheat, legumes and other cash crops have slightly increased in the 2019/2020 season compared to the previous period and constituted 77% (2019: 74%) of total land area.

Harvested land plot by culture group, ha	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Wheat	11,896	11,503	8,852	+3%	+30%
Legumes	9,035	8,039	10,682	+12%	-25%
Other cash crops	9,664	9,129	8,950	+6%	+2%

Comparison of wheat, legumes and other cash crops average cost per hectare of land is provided in the table below.

Cost per 1 ha cultivated land, EUR/ha	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Wheat	818	884	881	-7%	0%
Legumes	805	792	790	+2%	0%
Other cash crops	1,139	1,176	1,038	-3%	+13%

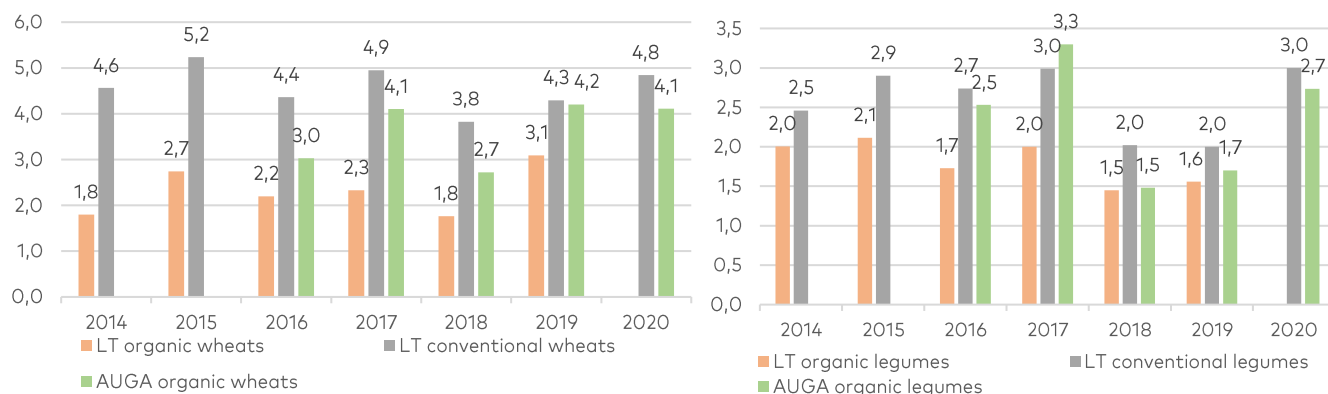
The cost of legumes remained at a similar level in the 2019/2020 season compared to previous season, while the average cost of wheat has decreased by 7% and average cost of other cash crops have decreased by 3%. The cost of legumes slightly increased compared to the previous year due to increased harvest transportation, cleaning, and drying cost as the harvest in 2020 significantly increased compared to 2019. The cost of wheat and other cash crops has slightly decreased due to reduced land tillage costs as more effective technologies are now being applied for land tillage and other land preparatory work. By decreasing crop growing costs whilst implementing more efficient methods for land tillage and crop harvesting is important milestone in improving crop growing segment results.

The table below depicts the variance between yields in current and previous seasons. Wheat yield in 2020 was 4.11 t/ha which is similar to 4.21 t/ha in 2019. The Group has anticipated a higher yield for wheat of at least 4% this year. Legumes' yield in 2020 increased compared to the previous year from 1.67 t/ha to 2.70 t/ha. However, increase in legumes' yield was 10% lower than expected for the 2019/2020 season. The average yield of other cash crops was 18% higher as the yields for 8 out of 13 other cash crops have increased compared to the previous year.

Average yield, t/ha	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Wheat	4.11	4.21	2.83	-2%	+49%
Legumes	2.70	1.67	1.41	+62%	+18%
Other cash crops	9.72	8.24	5.10	+18%	+62%

As it can be seen from the data presented, the Group's average yields of legumes are close to the average yields achieved by non-organic farms in Lithuania. While the yield of wheat in 2020 was lower than the yield of conventional wheat, due to specific fertilisation and weather conditions, the Group is constantly improving its technology and agricultural practices and in the long-term aims to achieve organic crop yields that are as close as possible to country's average conventional crop yields.





Wheat yield in Lithuania, t/ha

Legumes yield in Lithuania, t/ha

NOTE: The data of LT organic farms for 2020 has not yet been published, the data of conventional farms in the LT is preliminary. Reference: Lithuanian Statistics Department, data of the survey of the activities of Lithuanian agricultural producers included in the Farm Accountancy Data Network (FADN), the Group's data.

The table below provides comparison of wheat, legumes and other cash crops prices at which the harvest was evaluated at fair value in the seasons of 2019/2020, 2018/2019 and 2017/2018. It should be noted that at the time of publication of this report, 96% of the 2019/2020 season's harvest has already been contracted at fixed prices, therefore fair value of crops was estimated based on average contract prices.

Average price of 1 tonne of crop, eliminating sales costs, EUR/t	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Wheat	208	243	256	-15%	-5%
Legumes	353	357	371	-1%	-4%
Other cash crops	174	181	221	-4%	-18%

As can be seen from the data above, the price of 1 tonne of wheat in the 2019/2020 season decreased by 15% compared to the previous season. This decrease in wheat prices was caused by two reasons: price decrease in the market and the unusually large amount of feed quality wheat in the mix. In the 2019/2020 season, the quality of harvested wheat was worse compared to previous seasons: in the 2019/2020 season the feed wheat (lower quality and price) proportion in the whole harvest reached 75% compared to the 2018/2019 season when it was 35%. As the Group had much more feed wheat than expected, more wheat had to be sold on the spot, which decreased the average wheat price even more.

The average price of legumes remained stable in the 2019/2020 season and allowed for the improvement of harvest results as the yield increased and the costs remained at similar level. The prices of other cash crops slightly decreased in 2020. It should be noted that the average price of other cash crops group depends on the actual crop mix each year. A moderate decrease in prices in 2020 were observed for sugar beet, rye and barley, while prices of oat and rapeseed increased.

The table below provide information on gain (loss) per hectare for wheat, legumes, and other cash crops.

Gain (loss) on revaluation of agricultural produce at point of harvest, EUR/ha	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Wheat	35	217	(157)	-84%	n/a
Legumes	148	(195)	(269)	n/a	+28%
Other cash crops	550	324	90	+70%	+260%

Average gain per 1 hectare from wheat significantly decreased in the 2019/2020 season compared to previous season due to decreased market prices and the lower quality of the harvest. However, the Group succeeded in cutting wheat growing costs, which helped to diminish the negative impact of price and quality decreases. Legumes' result in the 2019/2020 season was significantly better compared to previous seasons. Higher results were achieved due to increased yield. However, the Group believes that the yield potential was around 10% higher for legumes and expects even better results in the future. Results from other cash crops have increased due to the increased yield of most cultures – 8 out of 13 cultures included in the other cash crops group had better yields in 2020 compared to the previous year. The improved results of rapeseed and oat mostly contributed to the positive results of other cash crops.



While evaluating the harvest results of forage crops, it should be noted that the produce of forage crops at the point of harvest is measured at production cost. In other words, forage crops production cost is used as a measure of the fair value of the produce of that forage crop since there is no active market for forage crops and there is no reliable data to calculate market price of forage crops. Due to this, the net result on revaluation of forage crops at the point of harvest is equal to zero. Average cost per 1 ha of cultivated land of forage crop was 767 EUR/ha in the 2019/2020 season or 6% higher than in the 2018/2019 season when it was 721 EUR/ha. This increase in production cost directly relates to the increased harvesting cost due to increased yield. The Group achieved better yields for forage crops in 2020 – the yield increased by 21% compared to previous year.

Results of forage crops	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Cost per 1 ha cultivated land, EUR	767	721	643	+6%	+12%
Average yield, t/ha	7.39	6.10	4.93	+21%	+24%

The Group grows forage crops for its own use. Therefore, the quality and yields of forage crops directly impact the results of the dairy segment. Higher yields of forage crops at stable cost level allows for the reduction of forage crops cost per tonne and this positively affects the cost level of milk produced. In addition, the quality of forage crops harvested is important in achieving higher milk yields. The harvest of the forage crops in the 2019/2020 season is of a better quality compared to the previous year. Better quality and reduced cost per tonne of forage crops in the 2019/2020 season is expected to have a positive impact on the milk cost and yields in 2021.

Despite the improved results in 2020, the Group believes that the potential of this year's harvest could have been even higher:

- Weather conditions in the season 2019/2020 were rather favourable, however heavy rain during the winter and spring of 2020 led to the poorer quality of certain crops.
- Sales prices have decreased for 8 out of 17 cultures in 2020 compared to the previous year; however, the negative impact on wheat quality reflected in the sales prices of wheat as the average price decreased by 15% compared to the previous season.
- Yields increased for 11 out of 17 cultures, however the yield potential was not fully realized for several main crops – wheat, legumes and sugar beets.

#### *Crop growing segment sales results*

Total revenue generated from sales in the crop growing segment amounted to EUR 37.38 million in 2020. This is a 27% rise in revenue compared to 2019, when sales revenue was EUR 29.49 million.

As of 31 December 2020 around 95% of current season harvest was contracted, out of which 63% were sold and delivered to the clients. Group's sales in the 12 months of 2020 increased due to larger quantities sold as the harvest quantities are increasing year-on-year.

Crop growing segment results, EUR million	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Sales revenue	37.38	29.49	17.48	+27%	+69%
Cost of sales	38.20	30.45	17.42	+25%	+75%
Inventory write-offs	1.43	1.54	1.40	-7%	+10%
<b>Result of sales of agricultural produce</b>	<b>(2.25)</b>	<b>(2.49)</b>	<b>(1.34)</b>	<b>-10%</b>	<b>+86%</b>

The crop growing segment's sales cost for the 12 months of 2020 amounted to EUR 38.20 million versus EUR 30.45 million in 2019. The cost of sales increase was 2% lower compared to the percentage of revenue increase. Total agricultural produce inventory write-offs and impairment during the 12 months of 2020 amounted to EUR 1.43 million compared to EUR 1.54 million during the 12 months of 2019. Even though crops sales quantities in 2020 have increased, prices of commodities in 2020 were lower than in 2019, which resulted in a sales of agricultural produce loss of EUR 2.25 million for the first 12 months of 2020. The result of agricultural produce sales improved by EUR 0.24 million compared to previous period.

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

As of 31 December 2020, the Group has reclassified the subsidies related to grasslands and pastures from agricultural to dairy segment in order to gain a better representation of the segments' results. This reclassification was performed in comparable the period as well. The performed reclassification does not affect any other disclosures or results in general.





The total amount of agricultural subsidies accrued for 12 months of 2020 was EUR 7.45 million compared to EUR 5.19 million during the same period in 2019. It should be noted that in 2019 the Group was sanctioned and did not receive EUR 2.07 million of expected organic subsidies. If the number of sanctions imposed in 2019 were eliminated, the subsidies amount for 2020 slightly increased due to the declaration of larger land plots. By the end of 2020, the majority of expected subsidies' amount had already been received. The received subsidies were in line with the Group's expectations and no sanctions were applied as organic farming requirements for which Group had been sanctioned in 2019 were removed in 2020.

In 2020, 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 12.88 million. This demonstrated a 61% uplift compared to a gross profit of EUR 7.98 million in 2019. The gain on the initial recognition of biological assets at fair value recognized in 2020 increased by 45% comparing to previous period.

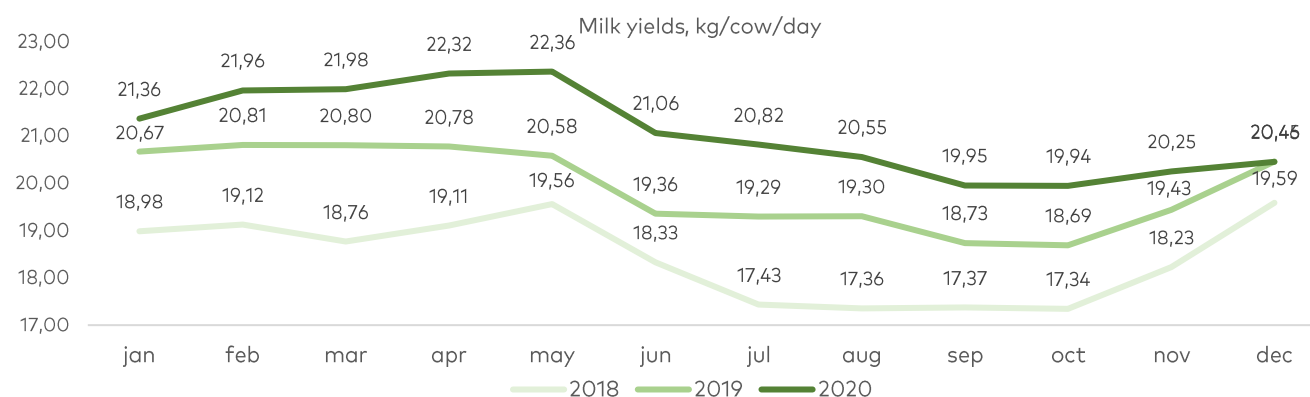
Gross profit of crop growing segment, EUR million	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019 %	Variance 2019/2018, %
Gain (loss) on initial recognition of a biological asset at fair value and from a change in fair value of a biological asset recognized in reporting period	7.68	5.28	(3.45)	+45%	n/a
Result of sales of agricultural produce	(2.25)	(2.49)	(1.34)	+10%	+86%
Subsidies	7.45	5.19	6.96	+43%	-25%
<b>Gross profit</b>	<b>12.88</b>	<b>7.98</b>	<b>(1.29)</b>	<b>+61%</b>	<b>n/a</b>

### 2.3. Dairy segment overview

In 2020, the primary focus of the AUGA group was to increase the efficiency of its dairy segment, and the Group can already see that this strategy is yielding its first positive impact on results.

The Group is planning to continue its efficiency agenda in 2021 by increasing dairy cow herd numbers, improving feed quality, and achieving a lower feed cost.

Total sales revenue of the dairy segment grew to EUR 10.81 million in 2020. This compares to total sales of EUR 10.14 million in 2019 and represents a 7% increase. The increased volume of milk sold, as a result of improved yields per cow, and the higher share of milk sold at organic production prices both contributed to this increase in sales revenue. The total quantity of milk sold increased by 4% - from 24.49 thousand tonnes (or 19.91 kg per cow per day) in the 12 months of 2019 to 25.38 thousand tonnes (or 21.09 kg per cow per day) in the 12 months of 2020. Milk yields dynamics for the past three years are provided in the graph below.

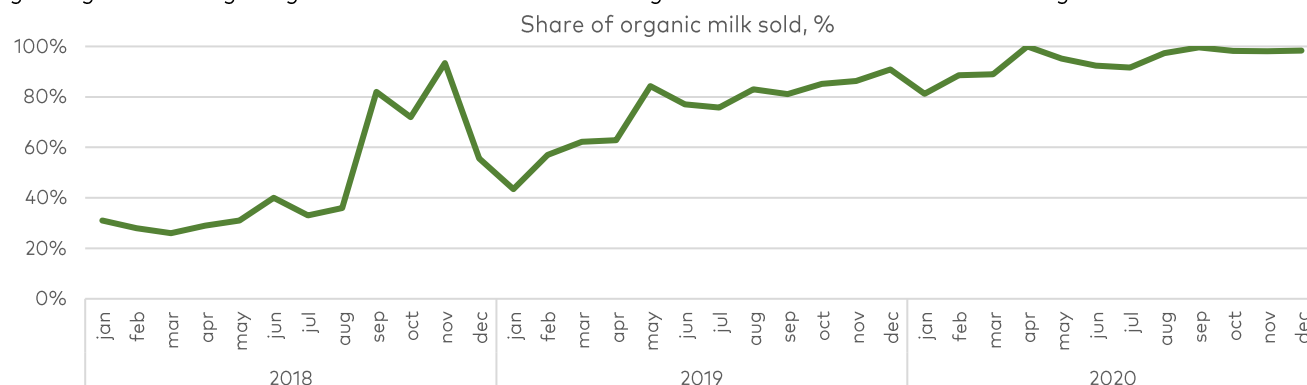


The decrease in milk yields in the third and fourth quarters of 2020 is a seasonal drop that is directly related to the change in feed regime from pasture to farms and other conditions that affect the productivity of milking cows. Despite this seasonal decrease, milk yields are still better than in previous years.

The Group's organic milk price decreased by 1.7 % in the 12 months of 2020 and was EUR 401 per tonne (in the 12 months of 2019 the price of organic milk was EUR 408 per tonne). In the 12 months of 2020 the average price of milk sold was around EUR 397 per tonne or 3.1% higher comparing to the same period last year when it was EUR 385 per tonne. Average milk price increased due to the larger share of organic milk sold.



The share of milk sold at organic production prices reached 94% in the 12 months of 2020 which is significantly higher compared to 74% during the same period in 2019. As can be seen from the graph below, the share of milk sold at organic prices has been steadily growing from the beginning of 2019 and there have been no significant fluctuations in the share of organic milk sold.



The dairy segment's cost of sales amounted to EUR 10.43 million during the 12 months of 2020 compared to EUR 10.64 million during the same period last year (2% decrease). The cost of milk remained at the similar level compared to the previous year; however, the Group is currently reviewing its forage structure in order to reduce cost and to increase the yield of milk. In addition, draught in the 2018/2019 season adversely impacted yields and the quality of forage crops which were fed to cows during 2020. The improved quality and harvest of forage crops of the 2019/2020 season should have a positive impact on milk cost in 2021.

During the 12 months of 2020, a loss of EUR 2.52 million was incurred on the revaluation of biological assets (animal herd). In comparison, a EUR 2.19 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.

As of 31 December 2020, the Group has reclassified the subsidies related to grasslands and pastures from the agricultural to dairy segment to provide a better representation of the segments' results. This reclassification was performed in all periods; therefore, the results between periods are comparable and respective reclassification does not affect any other disclosures or results at large.

As milk yields and the gross result from milk sales increased, whilst costs remained at a similar level, the gross result of the dairy segment improved compared to the previous year. In the 12-month period of 2020, gross profit for the dairy segment amounted to EUR 0.39 million, compared to a EUR 0.66 million gross loss in 2019.

	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Total quantity of products sold, t	26,084	25,224	23,397	+3%	+8%
Milk, t	25,384	24,492	22,634	+4%	+8%
Cattle, t	700	732	763	-4%	-4%
Revenue, EUR million	10.81	10.14	8.96	+7%	+13%
Milk, EUR million	10.07	9.42	8.13	+7%	+16%
Cattle, EUR million	0.75	0.72	0.83	+4%	-13%
Cost of sales, EUR million	10.43	10.64	10.26	-2%	+4%
Milk, EUR million	9.69	9.93	9.43	-2%	+5%
Cattle, EUR million	0.75	0.72	0.83	+4%	-13%
Revaluation of biological assets, EUR million	(2.52)	(2.19)	(1.81)	+14%	+21%
Subsidies, EUR million	2.53	2.04	2.83	+24%	-28%
<b>Gross profit, EUR million</b>	<b>0.39</b>	<b>(0.66)</b>	<b>(0.29)</b>	<b>n/a</b>	<b>+124%</b>

## 2.4. Mushroom segment overview

Although production volumes increased in 2020, overall results were lower.

The global pandemic had a tangible impact on results. The market became volatile in terms of supply and demand, there was a drop in sales to the catering sector and reduced consumption during the winter holiday season. This situation was compounded by limited export sales of mushroom seedbed. Moreover, the cost of goods increased due to the heightened demand for packaged mushrooms, and operational costs grew due to increased spending on employee safety. The sales price increase only partially offset these additional costs.

The Group expects the market situation to stabilize once the pandemic is under control and is actively looking for new export markets to diversify sales. It is also implementing efficiency initiatives to reduce costs.

Overall, the sales in the mushroom growing segment increased by 5% to EUR 30.00 million during the 12 months of 2020. In the equivalent period in 2019, sales in this segment were EUR 28.71 million. The revenue from mushroom sales grew by EUR 2.06 million while revenue from mushroom seedbed sales decreased by EUR 0.77 million.

Mushroom sales revenue increased due to the higher volume of sales – 12.91 thousand tonnes of mushrooms were sold in the 12 months of 2020 compared to 12.26 thousand tonnes a year earlier (5% increase). This increase was mostly related to better mushroom yields compared to previous period.

During the 12 months of 2020, the share of organic mushrooms remained unchanged compared to previous year and amounted to 7.5% of total volume of mushrooms sold.

In the 12 months of 2020, average non-organic and organic mushrooms sales price increased by around 4% compared to the same period in 2019. The average price of 1 tonne of mushrooms sold was 2,199 EUR/tonne in the 12 months of 2020 (2,147 EUR/tonne in the 12 months of 2019). The average mushroom price increased due to larger sales of packaged mushrooms and the resale of forest mushrooms. However due to the unusually high amount of wild forest mushrooms in local forests, the demand for fresh mushrooms decreased in the second half of 2020 and the Group had to sell a larger proportion of mushrooms to processing (at a lower price). In addition, the global pandemic caused by COVID-19 and quarantine limitations negatively impacted sales to the HoReCa segment and household consumption in the last quarter of 2020 during the winter holiday season.

The sales of seedbed in 2020 have decreased by 32% compared to the previous year. This reduction was due to the closed sales channel to Russia due to the COVID-19 pandemic.

The total cost of sales of the mushroom growing segment amounted to EUR 28.25 million in the 12 months of 2020 and was EUR 2.03 million higher compared to the same period in 2019 when it was EUR 26.22 million. The average cost of 1 tonne of mushrooms sold increased from 1,936 EUR/tonne to 2,083 EUR/tonne. Cost of mushrooms mainly increased due to higher sales of packaged mushrooms.

According to the Group's data, the gross profit of the segment for the 12-month period of 2020 amounted to EUR 1.75 million, demonstrating a 29% fall on the same period last year, when the gross profit of the segment was EUR 2.49 million. The decrease in gross profit is mainly related to market volatility and increased costs in the current environment caused by the global pandemic.

	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Sold mushrooms, t	12,906	12,256	12,147	+5%	+1%
Average price (Eur/t)	2,199	2,147	1,966	+2%	+9%
Total revenue, EUR million	30.00	28.71	26.46	+5%	+9%
Mushroom sales revenue, EUR million	28.38	26.32	23.88	+8%	+10%
Compost sales revenue, EUR million	1.62	2.39	2.58	-32%	-7%
Cost of sale, EUR million	28.25	26.22	24.73	+8%	+6%
Cost of mushrooms sold, EUR million	26.89	23.73	22.33	+13%	+6%
Cost of compost sold, EUR million	1.36	2.49	2.40	-45%	+4%
<b>Gross profit, EUR million</b>	<b>1.75</b>	<b>2.49</b>	<b>1.82</b>	<b>-29%</b>	<b>+37%</b>





## 2.5. Fast moving consumer goods (FMCG) segment

The segment continued to experience significant growth in 2020, mainly driven by development in its export operations, in particular to the U.S. market.

In the future, the Group will continue expanding its presence in home market and export business. The access to newly opened markets and successful contracts signed in 2020 will continue to have a positive impact on the segment's growth in 2021.

Total sales of the segment grew to EUR 4.92 million in 2020. This compares to sales of EUR 2.80 million in 2019 and represents a 76% increase. The significant increase in the FMCG segment sales has been impacted by the higher demand in both local and foreign markets. While COVID-19 pandemic has slowed the launch of new products, the demand for long shelf-life products compensated for the deceleration. Moreover, the Group expanded its exports markets, which positively affected sales.

FMCG segment results, EUR million	12 months of 2020	12 months of 2019	12 months of 2018	Variance 2020/2019, %	Variance 2019/2018, %
Sales revenue	4.92	2.80	1.86	+76%	+50%
Cost of goods sold	4.12	2.75	1.79	+50%	+53%
<b>Gross profit</b>	<b>0.80</b>	<b>0.05</b>	<b>0.70</b>	<b>+1636%</b>	<b>-93%</b>

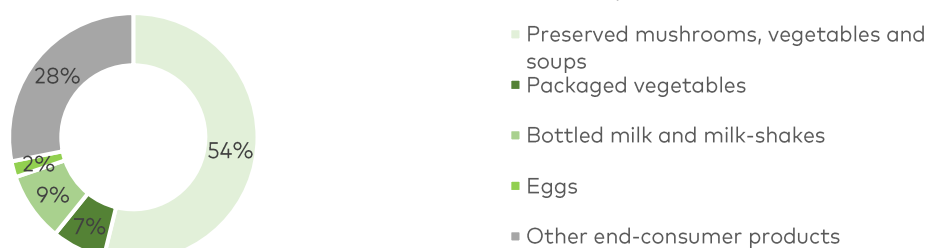
The table below provide information on FMCG sales share and sales increase by major markets.

Country	Share of total sales, %			Increase in sales, %	
	12 months of 2020	12 months of 2019	12 months of 2018	2020/2019	2019/2018
Lithuania	29%	53%	69%	+14%	+46%
USA	36%	14%	0%	+458%	n/a
Sweden	6%	5%	0%	+163%	n/a
Japan	6%	4%	0%	+206%	n/a
Latvia	5%	5%	4%	+91%	+146%
Other	19%	20%	27%	+111%	+39%

During the 12 months of 2020 the Group has expanded its exports and currently sells its products to 31 countries compared to 23 countries in the same period in 2019. Sales grew in both local and foreign markets, however, due to export expansion, the share of local sales has decreased. Increased sales to the USA by 458% had the highest impact on sales growth in the FMCG segment.

Preserved products, especially ready-to-eat organic soups, remain the main product group in the segment. The FMCG sales revenue structure for 2020 is depicted in the chart below.

FMCG sales revenue structure 2020 12M,%



Cost of sales were EUR 4.12 million for the 12 months of 2020 compared to EUR 2.75 million for the same period in 2019. In the 12 months of 2020, the FMCG segment's gross profit jumped to EUR 0.80 million, while during the same period in 2019, gross profit amounted to EUR 0.05 million.

As of 28 May 2020 the Group has acquired full control of Grybai LT, KB which produces and sells packaged consumer goods. Grybai LT, KB is included in the Group's consolidated financial statements as of 1 June 2020. The acquisition of Grybai LT, KB improved the results of the FMCG segment as Grybai LT, KB contribution to consolidated sales revenue of the Group amounted to EUR 1.30 million in 2020.

## 2.6. Operating expenses

The Group's operating expenses during 2020 amounted to EUR 10.21 million compared to EUR 9.58 million in the same period last year. The increase is mostly related to the increased insurance and selling expenses. Additionally, the operating expenses of the newly acquired entity Grybai LT, KB were included in consolidated financial statements as of 1 June 2020.

## 2.7. 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).

Additional measures have been taken to ensure the safety of the Group's employees and the continuation of its daily activities. With additional measures applied, all Group companies are operating at the required capacities.

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, prolonged restrictions eventually impact all businesses. Later in the year, the mushroom segment was somewhat affected by pandemic caused changes in the market.

### *Crop growing*

The Company'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, as was successfully done in 2020.

### *Dairy*

Milk production has been running at regular capacity and there were no problems with product demand. The management is not seeing at 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, as was done in 2020.

### *Mushroom growing*

The biggest threat in the mushroom growing segment is related to production, given the labour intensity of the production operations. Therefore, the Company 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 were successfully compensated with temporary employment from the outside and secondment from other companies of the Group in 2020.

In 2020, several business areas of the segment were 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.

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.



### III. FINANCIAL STATEMENTS

#### Consolidated balance sheet

ASSETS	Notes	31 December 2020 unaudited	31 December 2019 audited
<b>Non-current assets</b>			
Property, plant and equipment	4	96,749	91,897
Right-of-use assets	4	35,543	36,211
Intangible assets		2,723	14
Long term receivables at amortized cost	7	1,409	5,676
Investments accounted for using equity method		57	57
Financial assets at fair value through profit or loss		-	355
Deferred tax asset		1,273	1,069
Biological assets	5	9,699	9,397
<b>Total non-current assets</b>		<b>147,453</b>	<b>144,676</b>
<b>Current assets</b>			
Biological assets	5	16,813	16,035
Inventory	6	30,544	28,958
Trade receivables advance payments and other receivables	7	14,880	13,322
Cash and cash equivalents		2,537	3,732
<b>Total current assets</b>		<b>64,744</b>	<b>62,047</b>
<b>TOTAL ASSETS</b>		<b>212,227</b>	<b>206,723</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	2	65,951	65,951
Share premium		6,707	6,707
Revaluation reserve		9,092	8,488
Legal reserve		1,834	1,834
Reserve to provide shares for employees		2,509	1,624
Retained earnings / (accumulated deficit)		5,382	5,102
<b>Equity attributable to equity holders of the parent</b>		<b>91,475</b>	<b>89,706</b>
Non-controlling interest		371	369
<b>Total equity</b>		<b>91,846</b>	<b>90,075</b>
<b>Non-current liabilities</b>			
Borrowings	8	40,478	20,670
Obligations under lease	9	33,682	36,150
Deferred grant income		3,248	2,992
Deferred tax liability		1,412	1,509
<b>Total non-current liabilities</b>		<b>78,820</b>	<b>61,321</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	3,409	10,819
Current portion of non-current obligations under lease	9	7,556	7,054
Current borrowings	8	9,400	19,300
Trade payables		16,334	13,433
Other payables and current liabilities		4,862	4,721
<b>Total current liabilities</b>		<b>41,561</b>	<b>55,327</b>
<b>Total liabilities</b>		<b>120,381</b>	<b>116,648</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>212,227</b>	<b>206,723</b>



*Consolidated income statement*

	Notes	12 months period ending 31 December	
		2020 unaudited	2019 audited
Revenues	<u>10</u>	83,114	71,134
Cost of sales	<u>10</u>	(72,450)	(64,369)
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>	5,161	3,082
<b>GROSS PROFIT</b>		<b>15,825</b>	<b>9,847</b>
Operating expenses	<u>11</u>	(10,212)	(9,582)
Other income	<u>12</u>	407	744
<b>OPERATING PROFIT</b>		<b>6,020</b>	<b>1,009</b>
Finance cost	<u>13</u>	(5,520)	(5,000)
Share of net profit (loss) of associates accounted for using the equity method		-	-
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>501</b>	<b>(3,991)</b>
Income tax expense		442	773
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>		<b>943</b>	<b>(3,218)</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		918	(3,228)
Non-controlling interest		25	10
		<b>943</b>	<b>(3,218)</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>			
<b>NET PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>943</b>	<b>(3,218)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>943</b>	<b>(3,218)</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		918	(3,228)
Non-controlling interest		25	10
		<b>943</b>	<b>(3,218)</b>



*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 2018 (audited)	65,951	6,707	7,155	-	957	1,649	8,937	91,356	359	91,715
<i>Comprehensive income</i>										
Net profit (loss) for the period	-	-	-	-	-	-	(3,228)	(3,228)	10	(3,218)
Share based payment expenses	-	-	-	-	-	-	247	247	-	247
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-	-
Revaluation of land, net of tax	-	-	1,332	-	-	-	-	1,332	-	1,332
<b>Total comprehensive income</b>	-	-	1,332	-	-	-	(2,982)	(1,649)	10	(1,639)
<i>Transactions with shareholders</i>										
Transfer to legal reserve	-	-	-	-	-	185	(185)	-	-	-
Transfer to reserve to provide shares for employees	-	-	-	-	667	-	(667)	-	-	-
<b>Total transactions with shareholders</b>	-	-	-	-	667	185	(852)	-	-	-
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	-	-	-	-	-	-	918	918	25	943
Share based payment expenses	-	-	-	-	-	-	247	247	-	247
<i>Other comprehensive income</i>	-	-	-	-	-	-	-	-	-	-
Revaluation of land (net of tax)	-	-	604	-	-	-	-	604	-	604
<b>Total comprehensive income</b>	-	-	604	-	-	-	1,165	1,769	25	1,794
<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)
<b>Total transactions with shareholders</b>	-	-	-	-	885	-	(885)	-	(23)	(23)
Balance as of 31 December 2020 (unaudited)	65,951	6,707	9,092	-	2,509	1,834	5,382	91,475	371	91,846



*Consolidated statement of cash flows*

	Notes	12 months period ending 31 December	
		2020 unaudited	2019 audited
<b>Cash flows from /(to) operating activities</b>			
Net profit (loss) before income tax and non-controlling interest		501	(3,992)
<i>Adjustments for non-cash expenses (income) items and other adjustments</i>			
Depreciation expenses (PP&E)	4	7,276	7,286
Depreciation expenses (ROU* assets)	4	5,995	5,492
Amortization expenses		4	12
Expenses of share-based payments	11	247	247
Write offs and impairment of PPE		-	-
(Gain) loss on sales of non-current assets		(12)	16
(Gain) loss on sale of subsidiaries		-	-
Loss allowance for receivables		237	182
Provision for sanctions of NPA		-	2,073
Write-offs of inventory	5,6	2,037	1,861
Net finance cost	13	3,513	2,907
Net finance cost (IFRS 16)	13	1,748	2,093
Loss (gain) on changes in fair value of biological assets	5	(5,161)	(3,082)
Grants related to assets, recognized as income		(468)	(442)
<i>Changes in working capital</i>			
(Increase) decrease in biological assets		4,081	2,570
(Increase) decrease in trade receivables and prepayments		(2,405)	(1,453)
(Increase) decrease in inventory		(2,595)	(2,111)
(Decrease) increase in trade and other payables		1,632	(3,244)
Cash flows from operating activities		<u>16,630</u>	<u>9,799</u>
Interest paid, netto		<u>(5,249)</u>	<u>(4,384)</u>
<b>Net cash flows from /(to) operating activities</b>		<u>11,381</u>	<u>5,415</u>
<b>Cash flows from /(to) investing activities</b>			
Purchase of property, plant and equipment	4	(6,875)	(3,241)
Purchase of investments	14	(1,504)	-
Proceeds from sales of investment property, PPE		122	383
Proceeds from sales of investments		355	-
Grants related to assets		724	-
Other loans repaid		-	857
Other loans granted		-	(442)
<b>Net cash flows from/(to) investing activities</b>		<u>(7,178)</u>	<u>(2,443)</u>
<b>Cash flows from /(to) financing activities</b>			
Bonds		-	18,523
Repayment of bank borrowings		(24,162)	(11,899)
Proceeds from borrowings		29,938	3,730
Proceeds (repayments) of other borrowings		(3,553)	(3,920)
Finance lease payments		<u>(7,615)</u>	<u>(7,953)</u>
<b>Net cash flows from/(to) financing activities</b>		<u>(5,394)</u>	<u>(1,519)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,194)</b>	<b>1,453</b>
Cash and cash equivalents at the beginning of the period		3,732	2,281
Cash and cash equivalents at the end of the period		<u>2,537</u>	<u>3,732</u>

\* ROU assets – Right-of-use assets



## VI. EXPLANATORY NOTES

### 1. Basis of the preparation

The accompanying interim financial information for the 12-month period ending 31 December 2020, 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 2019, as described in those annual financial statements. This financial information should be read in conjunction with the annual financial statements for the year ending 31 December 2019 which have been prepared in accordance with IFRS as adopted by the EU.

The presentation currency is euro (EUR). The financial statements are presented in thousands of euro, unless indicated otherwise. Financial statements for the 12-month period ending 31 December 2020 are not audited. Financial statements for the year ending 31 December 2019 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 2019.

#### 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 1 January 2019 was 6%. The incremental borrowing remained unchanged throughout 2019 and 2020.

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 grain 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 grain price per tonne. contracted average sales prices are used for fair value estimation.
- 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.





*Revaluation of biological assets (livestock) (continued)*

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 premium of the Company*

The share capital of AUGA group AB as of 31 December 2020 was EUR 65,951 thousand (as of 31 December 2019: EUR 65,951 thousand). The share capital is divided into 227,416,252 ordinary shares (2019: 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.

On 23 August 2018 AUGA group AB successfully completed secondary public offering by issuing 40,000,000 share units. The shares were sold for the total amount of EUR 18 million at EUR 0.45 price per share. Share premium represent the price premium paid by the shareholders, deducting the expenses related to the whole offering process. Share premium at the end of 31 December 2020 amounted to EUR 6,707 thousand (31 December 2019: EUR 6,707 thousand).

*Shareholders*

Total number of shareholders on 31 December 2020 was 1,866 (one thousand eight hundred sixty six) and on 31 December 2019 it was 1,330 (one thousand three hundred thirty).





2. *Share capital and reserves (continued)*

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

Entity / person	31 December 2020		31 December 2019	
	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
<b>Total</b>	<b>227,416,252</b>	<b>100.00</b>	<b>227,416,252</b>	<b>100.00</b>

Information on the shares of the Company held by the members of the Board and the top executives as of 31 December 2020:

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 1,834 thousand as of 31 December 2020 (EUR 1,834 thousand as of 31 December 2019).

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 31 December 2020 amounted to EUR 9,092 thousand (EUR 8,488 thousand as of 31 December 2019).

In 2018 the Company formed a reserve to grant shares for employees. The value of the reserve increased by EUR 885 thousand in 2020 due to implementation of employee share option plan (in 2019 reserve increased by EUR 667 thousand). Reserve to grant shares for employees as of 31 December 2020 amounted to EUR 2,509 thousand (EUR 1,624 thousand as of 31 December 2019).

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 2018	3,300,000	957
Shares allocated to employees based on option agreements as of 31 December 2019	2,548,860	739
Unallocated shares as of 31 December 2019	3,051,140	885
<b>Total reserve as of 31 December 2019</b>	<b>5,600,000</b>	<b>1,624</b>
Shares allocated to employees based on option agreements as of 31 December 2020	4,765,690	1,382
Unallocated shares as of 31 December 2020	3,886,034	1,127
<b>Total reserve as of 31 December 2020</b>	<b>8,651,724</b>	<b>2,509</b>

In 2020 the reserve to provide share for employees was increased by 3,051,724 shares with a nominal value of EUR 0.29 and in total of EUR 885 thousand. In 2020 the Group recognised employee benefit expenses of EUR 247 thousand related share options granted to employees.



### 3. The structure of the Group

As of 31 December 2020, the consolidated Group (hereinafter the Group) consisted of the Company and 137 subsidiaries (31 December 2019: 136). On 14 February 2020 Group companies Baltic Champs UAB and AUGA Luganta UAB together with other shareholders of Grybai LT KB, capitalised loans provided to Grybai LT KB which resulted in an increase in share capital of Grybai LT KB and a change in the Group's interest in the company. As a result, the Group's share in Grybai LT KB increased from 22% to 61%. On 28 May 2020 Group companies Agromilk, KB, Juodmargelis, KB and Šventosios pievos, KB bought-out the rest of minority shareholders and with this transaction the Group took over the full control of Grybai LT KB. On 15 December 2020 Agromilk, KB, Juodmargelis, KB and Šventosios pievos, KB sold its shares to Grybai LT, KB to Baltic Champs UAB. Detailed list of all subsidiaries is provided below.

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						2020 12 31	2019 12 31
1.	Baltic Champs UAB	*4	302942064	Šiaulių region, Poviliškių v., 15	**A	100,00%	100,00%
2.	AVG Investment UAB	*4	300087691	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
3.	AWG Investment 1 UAB	*4	301745765	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
4.	AWG Investment 2 UAB	*4	301807590	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
5.	Agross UAB	*4	301807601	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	100,00%	100,00%
6.	Grain Lt UAB	*4	302489354	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	97,41%	97,41%
7.	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., Lankesos st. 2	**E	100,00%	100,00%
9.	Agrotechnikos centras UAB	*4	302589187	Jonavos region, Bukonių v., Lankesos st. 2	**F	100,00%	100,00%
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	99,97%	99,97%
20.	Agricultural entity AUGA Nausodė	*1	154179675	Anykščių region, Kirmėlių v.,	**A	99,93%	99,93%
21.	Agricultural entity AUGA Dumsiškės	*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%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						2020 12 31	2019 12 31
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, Kalnųjų 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, Paviliškių 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, Kalnųjų mstl. Žieveliškės st. 1	**A	99,35%	99,35%
46.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnųjų mstl. Žieveliškės 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, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
53.	Vaitiekūnai reclamation infrastructure users association	*2	303170306	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
54.	Association Grūdovos 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, Gėlupos 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%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						2020 12 31	2019 12 31
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, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
69.	Agricultural entity Grūduvos 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 Žadžiūnų ekologinis ūkis	*1	303325870	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
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%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						2020 12 31	2019 12 31
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%
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%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						2020 12 31	2019 12 31
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 žemėlė UAB	*4	303301428	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**G	100,00%	100,00%
136.	Tėviškės žemėlė 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%	22,03%

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	Land	Buildings	Constructions and machinery	Vehicles, equipment and other property, plant and equipment	Construction in progress	Total
<b>Carrying amount</b>						
As of 31 December 2018	21,638	41,495	25,701	2,746	1,312	92,892
Change in accounting policy	38,031	975	-	-	-	39,006
- additions	777	6	1,488	324	1,655	4,250
- disposals and write-offs	(19)	(37)	(305)	(117)	(339)	(817)
- revaluation	3,152	-	-	-	-	3,152
- depreciation (including ROU assets)	(5,359)	(2,382)	(4,282)	(755)	-	(12,778)
- reclassifications	2,401	921	-	-	(921)	2,401
<b>As of 31 December 2019</b>	<b>60,622</b>	<b>40,978</b>	<b>22,602</b>	<b>2,198</b>	<b>1,707</b>	<b>128,108</b>
- purchase of subsidiaries	-	2,282	2,238	122	-	4,642
- additions	6,701	469	2,413	793	1,812	12,188
- disposals and write-offs	(6)	(16)	(147)	(47)	-	(216)
- revaluation	840	-	-	-	-	840
- depreciation (including ROU assets)	(5,855)	(2,499)	(4,194)	(722)	-	(13,270)
- reclassifications	-	271	718	2	(990)	-
<b>As of 31 December 2020</b>	<b>62,302</b>	<b>41,485</b>	<b>23,630</b>	<b>2,346</b>	<b>2,529</b>	<b>132,292</b>
<b>Acquisition cost or revaluated amount as of</b>						
31 December 2018	21,638	52,695	39,547	5,101	1,312	120,293
31 December 2019	65,981	54,560	40,730	5,308	1,707	168,286
31 December 2020	73,517	57,565	45,952	6,178	2,529	185,741
<b>Accumulated depreciation and impairment losses as of</b>						
31 December 2018	-	(11,200)	(13,846)	(2,355)	-	(27,401)
31 December 2019	(5,359)	(13,582)	(18,128)	(3,110)	-	(40,179)
31 December 2020	(11,214)	(16,081)	(22,322)	(3,832)	-	(53,449)
<b>Carrying amount as of</b>						
31 December 2018	21,638	41,495	25,701	2,746	1,312	92,892
31 December 2019	60,622	40,978	22,602	2,198	1,707	128,108
31 December 2020	62,302	41,485	23,630	2,346	2,529	132,292

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

	Land	
	31 December 2020	31 December 2019
<b>Right of use assets</b>		
Acquisition cost	40,728	40,433
Additions	5,315	295
Less: accumulated depreciation	(11,214)	(5,359)
<b>Carrying amount</b>	<b>34,829</b>	<b>35,369</b>
	Buildings	
	31 December 2020	31 December 2019
<b>Right of use assets</b>		
Acquisition cost	975	975
Additions	10	-
Less: accumulated depreciation	(271)	(133)
<b>Carrying amount</b>	<b>714</b>	<b>842</b>



## 5. Biological assets

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

	Non – current assets		Current assets		Total
	Dairy cows	Other livestock	Mushroom seedbed	Crops	
<b>Balance as of 31 December 2018</b>	<b>5,275</b>	<b>3,853</b>	<b>2,088</b>	<b>12,302</b>	<b>23,518</b>
Direct purchases	-	32	-	-	32
Accumulated expenses	-	3,613	26,359	34,484	64,456
Transfer between groups	2,302	(2,302)	-	-	-
Direct sales	(470)	(246)	-	-	(716)
Harvest	-	-	(26,221)	(38,258)	(64,479)
Revaluation	(1,028)	(1,171)	-	5,281	3,082
Write-offs	(336)	(125)	-	-	(461)
<b>Balance as of 31 December 2019</b>	<b>5,743</b>	<b>3,654</b>	<b>2,226</b>	<b>13,809</b>	<b>25,432</b>
Direct purchases	14	123	-	-	137
Accumulated expenses	-	3,429	28,488	34,354	66,271
Transfer between groups	2,350	(2,350)	-	-	-
Direct sales	(523)	(224)	-	-	(747)
Harvest	-	-	(28,248)	(41,494)	(69,742)
Revaluation	(1,123)	(1,015)	-	7,678	5,540
Write-offs	(151)	(228)	-	-	(379)
<b>Balance as of 31 December 2020</b>	<b>6,310</b>	<b>3,389</b>	<b>2,466</b>	<b>14,347</b>	<b>26,512</b>

## 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
<b>Balance as of 31 December 2018</b>	<b>16,423</b>	<b>12,188</b>	<b>194</b>	<b>12</b>	-	-	<b>50,126</b>	-	<b>78,943</b>
Purchases	2,721	2,115	-	-	-	-	96	-	4,932
Sales	(35,984)	(13,385)	(12,256)	(24,549)	-	-	(1,208)	-	(87,382)
Production	51,268	18,055	12,063	26,165	-	-	69,418	-	176,969
Consumed in preparation of biological assets (livestock)	(2,200)	(3,725)	-	(1,268)	-	-	(56,306)	-	(63,499)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(5,901)	(7,575)	-	-	-	-	-	-	(13,476)
Inventory write-offs	(339)	(161)	-	(342)	-	-	(2,786)	-	(3,628)
<b>Balance as of 31 December 2019</b>	<b>25,988</b>	<b>7,512</b>	<b>1</b>	<b>18</b>	-	-	<b>59,340</b>	-	<b>92,859</b>
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)
<b>Balance as of 31 December 2020</b>	<b>17,039</b>	<b>14,030</b>	<b>6</b>	<b>16</b>	-	-	<b>73,059</b>	-	<b>104,150</b>

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





6. Inventory (continued)

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
<b>Balance as of 31 December 2018</b>	<b>4,188</b>	<b>4,430</b>	<b>104</b>	<b>-</b>	<b>85</b>	<b>7,551</b>	<b>5,709</b>	<b>6,641</b>	<b>28,708</b>
Purchases	875	992	-	-	2,943	3,722	6	12,318	20,856
Sales	(9,473)	(4,880)	(26,348)	(9,925)	(2,987)	(14,208)	(25)	(587)	(68,433)
Production	12,659	6,461	26,247	10,676	174	15,108	4,808	3,438	79,571
Consumed in preparation of biological assets (livestock)	(495)	(1,407)	-	(479)	-	(1,194)	(3,829)	(5,749)	(13,153)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	(963)	(2,887)	-	-	-	(3,253)	-	(10,094)	(17,197)
Inventory write-offs	(86)	(57)	-	(135)	(30)	(845)	(206)	(35)	(1,394)
<b>Balance as of 31 December 2019</b>	<b>6,705</b>	<b>2,652</b>	<b>3</b>	<b>137</b>	<b>185</b>	<b>6,881</b>	<b>6,463</b>	<b>5,932</b>	<b>28,958</b>
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)
<b>Balance as of 31 December 2020</b>	<b>3,516</b>	<b>5,009</b>	<b>13</b>	<b>11</b>	<b>353</b>	<b>6,193</b>	<b>7,785</b>	<b>7,664</b>	<b>30,544</b>

7. Receivables and advance payments

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

	As of 31 December 2020	As of 31 December 2019
Trade receivables	8,422	7,247
VAT receivable	1,280	639
Receivables from National Paying Agency	272	1,385
Accounts receivable from private individuals	83	43
Other receivables	538	1,173
Advance payments and deferred expenses	4,353	2,982
Less: loss allowance	(66)	(148)
<b>Total trade accounts receivable, net</b>	<b>14,880</b>	<b>13,322</b>
Non-current receivables, gross	1,948	5,975
Less: loss allowance	(538)	(299)
<b>Total</b>	<b>16,289</b>	<b>18,998</b>

Receivables from the National Paying Agency are the direct subsidies receivable for crops and milk, which are due by 30 April of the following year. Majority of subsidies for 2020 were already received by the end of 2020.



## 8. Financial liabilities

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

	<u>As of 31 December 2020</u>	<u>As of 31 December 2019</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	8,892	1,970
FMCG companies	1,184	-
Agricultural entities	11,003	6,435
Parent company	3,000	-
<i>Other borrowings</i>		
Creditors	753	3,489
Investment fund for purchased land	253	1,072
Green Bonds	18,818	18,523
<b>Total</b>	<b>43,903</b>	<b>31,489</b>
<b>Less: amounts, payable within one year (according to agreements)</b>	<b>(3,409)</b>	<b>(10,819)</b>
<b>Total long-term borrowings</b>	<b>40,494</b>	<b>20,670</b>

On 13 December 2019 the Group issued 20,000 units of Green Bonds (hereinafter – Bonds) with a nominal value of EUR 1,000 and an annual interest rate of 6%. The maturity date of Bonds falls on 17 December 2024. Interest payment dates are set at 17 December of each year until 2024. The Bonds were introduced to trading on regulated market in AB Nasdaq Vilnius Bond list. Balance sheet value of the bonds represent the value of the bonds after discounts and 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 companies of the Group have signed agreements to refinance loans and provide additional limits with commercial banks on November 25 of this year.

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

	<u>As of 31 December 2020</u>	<u>As of 31 December 2019</u>
<i>Financial liabilities to banks and bondholders</i>		
Within second year	5,186	997
Within third and fourth year	25,843	571
After fifth year and later	9,465	19,102
<b>Total</b>	<b>40,494</b>	<b>20,670</b>

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

	<u>As of 31 December 2020</u>	<u>As of 31 December 2019</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
FMCG companies	-	-
Parent company	-	16,900
Grain selling entity	7,000	-
<b>Total short-term borrowings</b>	<b>9,400</b>	<b>19,300</b>

Short-term loans from banks include EUR 9,400 thousand (in 2019: EUR 19,300 thousand) credit-line facilities.



## 9. Leases

The Group's leases consisted of the following:

	<u>As of 31 December 2020</u>	<u>As of 31 December 2019</u>
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	34,626	34,960
Lease liabilities related to other assets**	6,613	8,245
<b>Total</b>	<b>41,239</b>	<b>43,205</b>
<b>Less: amounts payable within one year</b>		
Lease liabilities related to right-of-use assets*	4,607	4,113
Lease liabilities related to other assets**	2,950	2,942
<b>Total</b>	<b>7,557</b>	<b>7,054</b>
<b>Total long-term leases</b>	<b>33,682</b>	<b>36,150</b>

\* 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

<b>a) Harvest of agricultural produce</b>	<i>12-month period ending 31 December 2020</i>	<i>12-month period ending 31 December 2019</i>
<b>Total cultivated land, ha</b>	<b>39,637</b>	<b>38,564</b>
Wheat	11,896	11,503
Legumes	9,035	8,039
Other cash crops	9,664	9,129
Forage Crops	8,168	8,984
Fallow	875	910
 <b>Average harvest yield, t/ha</b>		
Wheat	4.11	4.21
Legumes	2.70	1.67
Other cash crops	9.72	8.24
Forage Crops	7.39	6.10
 <b>Total fair value of harvest, EUR'000</b>	<b>41,494</b>	<b>37,582</b>
Wheat	10,149	12,663
Legumes	8,612	4,798
Other cash crops	16,470	13,641
Forage Crops	6,264	6,480
 <b>Total production cost of harvest, EUR'000</b>	<b>34,384</b>	<b>33,750</b>
Wheat	9,729	10,168
Legumes	7,274	6,369
Other cash crops	11,118	10,733
Forage Crops	6,264	6,480
<b>Total gain (loss) on revaluation of biological assets at fair value, EUR'000*</b>	<b>7,110</b>	<b>3,831</b>
<i>Gain (loss) on revaluation of biological assets at fair value recognized in previous periods, EUR'000*</i>	<i>1,450</i>	<i>-</i>
<i>Gain (loss) on revaluation of the following seasons' winter crops at fair value, EUR'000*</i>	<i>2,018</i>	<i>1,450</i>
<b>Gain (loss) on revaluation of biological assets recognized in reporting period, EUR'000</b>	<b>7,678</b>	<b>5,281</b>

\*Estimated gain (loss) on recognition of winter crops at fair value. For more information please see management report's section 2.2.



10. Results of business segments (continued)

b) Sales of agricultural produce	12-month period ending 31 December 2020	12-month period ending 31 December 2019
Total revenue of sold agricultural produce, EUR'000	37,380	29,490
Total cost of sold agricultural produce*, EUR'000	38,203	30,449
Total inventory write-offs, EUR'000	(1,430)	(1,540)
<b>Result of sales of agricultural produce, EUR'000</b>	<b>(2,253)</b>	<b>(2,499)</b>

\* 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	12-month period ending 31 December 2020	12-month period ending 31 December 2019
Direct subsidies, EUR'000	4,880	4,364
Organic farming subsidies, EUR'000	2,574	831
<b>Total subsidies, EUR'000</b>	<b>7,454</b>	<b>5,195</b>
<b>Gross profit of crop growing segment per period, EUR'000 (a+b+c)</b>	<b>12,879</b>	<b>7,977</b>
<i>Depreciation included in the harvest of agricultural produce, EUR'000</i>	<i>3,724</i>	<i>3,991</i>

DAIRY SEGMENT	12-month period ending 31 December 2020	12-month period ending 31 December 2019
Total quantity sold, tonnes	26,084	25,224
Non-organic milk, tonnes	1,517	6,425
Organic milk, tonnes	23,867	18,067
Cattle, tonnes	700	732
Total revenues of dairy segment, EUR'000	10,812	10,140
Non-organic milk, EUR'000	494	2,052
Organic milk, EUR'000	9,571	7,372
Cattle, EUR'000	747	716
Total cost of dairy segment, EUR'000	10,433	10,641
Milk, EUR'000	9,686	9,925
Cattle, EUR'000	747	716
Revaluation of biological assets, EUR'000	(2,517)	(2,199)
Total subsidies, EUR'000	2,533	2,039
<b>Gross profit of dairy segment, EUR'000</b>	<b>396</b>	<b>(661)</b>
<i>Depreciation included in cost of dairy segment sales, EUR'000</i>	<i>589</i>	<i>507</i>

MUSHROOM SEGMENT	12-month period ending 31 December 2020	12-month period ending 31 December 2019
Total quantity sold, tonnes	12,906	12,256
Non-organic mushrooms, tonnes	11,943	11,335
Organic mushrooms, tonnes	964	921
Total revenues from mushroom sales, EUR'000	28,383	26,319
Non-organic mushrooms, EUR'000	25,390	23,609
Organic mushrooms, EUR'000	2,993	2,710
Total cost of mushrooms sold, EUR'000	26,888	23,733
Non-organic mushrooms, EUR'000	24,805	21,808
Organic mushrooms, EUR'000	2,083	1,925
Total revenues from sales of mushroom seedbed, EUR'000	1,618	2,388
Total cost from sales of mushroom seedbed, EUR'000	1,360	2,488
<b>Gross profit of mushroom growing segment, EUR'000</b>	<b>1,753</b>	<b>2,486</b>
<i>Depreciation included in cost of mushroom sales, EUR'000</i>	<i>1,534</i>	<i>1,649</i>



10. Results of business segments (continued)

END-CONSUMER PACKAGED GOODS	12-month period ending 31 December 2020	12-month period ending 31 December 2019
Total revenue from end-consumer packaged goods sales, EUR'000	4,921	2,798
Total cost of sales of end-consumer packaged goods, EUR'000	4,123	2,752
<b>Gross profit of sales of end-consumer packaged goods, EUR'000</b>	<b>798</b>	<b>45</b>
<i>Depreciation included in cost of sales of end-consumer packaged goods, EUR'000</i>	207	-

11. Operating expenses

Operating expenses breakdown by type of expenses was the following:

	12-month period ending 31 December	
	2020	2019
Payroll expenses	3,689	3,700
Social security expenses	997	999
Share based payments amortization	247	247
Fines and late payments	63	227
Depreciation PP&E, ROU assets and amortization of IA	754	888
Loss allowance of amounts receivable	237	180
Consultations and business plan preparations	187	339
Insurance and tax expense	808	609
Selling expenses	930	594
Fuel costs	194	198
Real estate registration and notaries	151	117
Rent and utilities	365	193
Transportation costs	297	275
Office administration	503	457
Other expenses	790	559
<b>Total</b>	<b>10,212</b>	<b>9,582</b>

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:

	12-month period ending 31 December	
	2020	2019
Gain (loss) from sale of property, plant and equipment	32	(16)
Write down of liabilities	-	3
Gain (loss) from sale of subsidiaries	-	-
Interest and fines income	260	616
Insurance benefits	100	60
Other income (expenses)	15	81
<b>Total</b>	<b>407</b>	<b>744</b>



### 13. Financial expenses

Financial expenses breakdown by type was the following:

	<u>12-month period ending 31 December</u>	
	<u>2020</u>	<u>2019</u>
Bank interest expenses	1,524	1,908
Bond interest expenses	1,492	-
Leasing and other financial expenses	633	853
Interest expenses (IFRS 16)	1,748	2,093
Currency exchange differences	28	19
Other financial expenses	95	127
<b>Total</b>	<b>5,520</b>	<b>5,000</b>

### 14. Business combinations

On 14 February 2020 Group companies Baltic Champs UAB and AUGA Luganta UAB together with other shareholders of Grybai LT, KB capitalised loans provided to Grybai LT, KB which resulted in an increase in share capital of Grybai LT, KB and a change in the Group's interest in the company. As a result, the Group's share in Grybai LT, KB increased from 22% to 61%. On 28 May 2020 Group companies Agromilk, KB, Juodmargelis, KB and Šventosios pievos, KB has bought-out the rest of minority shareholders and with this transaction the Group took over the full control of Grybai LT, KB. On 15 December 2020, Baltic Champs UAB bought shares of Grybai LT, KB from other Group companies and became main shareholder of Grybai LT, KB.

Grybai LT, KB owns production plant that produces end-consumer goods.

Fair value estimation of Grybai LT, KB is as follows:

<b>Business combination</b>	<u>Grybai LT, KB</u> <u>Fair value as of</u> <u>31 May 2020</u>
<i>Non-current assets</i>	
PPE	4,617
<i>Current assets</i>	
Inventory	1,028
Trade receivables and other current assets	270
Cash and cash equivalents	2
<i>Long term liabilities</i>	
Financial liabilities	(1,287)
Borrowings from AUGA group companies	(3,525)
Deferred tax liability	-
<i>Short term liabilities</i>	
Other financial liabilities	(99)
Trade payables and other current liabilities	(586)
<b>Net assets at acquisition date</b>	<b>420</b>
Acquired share capital, %	100.00
Total value of the acquired investment	420
Cash paid for shares	1,504
Loan capitalisation	1,626
<b>Total purchase consideration</b>	<b>3,130</b>
<b>Goodwill</b>	<b>2,710</b>

Before the take-over of full control, Grybai LT, KB provided manufacturing services to the Group and produced end-consumer goods under Auga brand and other brands. The Group has acquired Grybai LT, KB in order to expand its production capacity of end-consumer goods, have full control over manufacturing processes and improve these processes.



#### 14. Business combinations (continued)

Outflow of cash to acquire Grybai LT, KB, net of cash acquired:

Purchase consideration settled in cash	1,504
Less: cash and cash equivalents acquired	<u>2</u>
<b>Net cash outflow on acquisition</b>	<b><u>1,502</u></b>

The fair value and gross amount of acquired trade receivables is EUR 270 thousand. None is expected to be uncollectible.

The acquired entity is included in the consolidated financial statements of the Group as of 1 June 2020. The acquired entity contributed to consolidated revenue by EUR 1.30 million and net profit of EUR 0.28 million in the period from 1 June 2020 to 31 December 2020.

#### 15. Material transactions with related parties

On 19 June 2020 AUGA group, AB has repaid loan to Baltic Champs Group, UAB (holding 55.04 per cent of shares in AUGA group, AB) signed on 3 October 2018 for EUR 4 million.

#### 16. Subsequent events January 2020 – February 2021

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

Announcement date	Announcement header
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
01.12.2020	AUGA group, AB presentation of financial results for the 9 months of 2020
01.12.2020	CORRECTION: Report on interim financial results of AUGA group, AB for 9-months period ended 30 September 2020
01.12.2020	Report on interim financial results of AUGA group, AB for 9-months period ended 30 September 2020
26.11.2020	The companies of AUGA group, AB have signed agreements with financial institutions to refinance loans and provide additional limits
24.11.2020	AUGA group, AB will organize an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2020
16.11.2020	WOOD & Company has published a report on AUGA group, AB
06.11.2020	CORRECTION: Dates of periodic information disclosure of AUGA group, AB for the year 2020 (investor calendar)
02.09.2020	AUGA group, AB presentation of financial results for the 6 months of 2020
31.08.2020	Report on interim financial results of AUGA group, AB for six-months period ended 30 June 2020
28.08.2020	AUGA group, AB will organize an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2020
01.07.2020	AUGA group, AB enters Australian market
20.06.2020	Enlight Research has published a report on AUGA group
02.06.2020	AUGA group, AB held an investor conference webinar
01.06.2020	AUGA group, AB has published detailed Strategy presentation for investors
31.05.2020	AUGA group, AB presentation of financial results for the 3 months of 2020
29.05.2020	Companies controlled by AUGA group, AB acquired the control of Cooperative company "Grybai LT".
26.05.2020	AUGA group, AB will hold an Investor Conference Webinar to introduce unaudited financial results for the 3 months of 2020

30.04.2020	Decisions of the Ordinary General Meeting of Shareholders of AUGA group, AB which Took Place on 30th April
27.04.2020	INFORMATION FOR MEDIA: AUGA group, AB introduces its five-year strategy: key aims include delivering organic food with no cost to nature and becoming a synonym for sustainability
22.04.2020	AUGA group, AB Notification of transactions by persons discharging managerial responsibilities
22.04.2020	AUGA group, AB progresses with its employee motivation scheme through share options
17.04.2020	Notice on the update of questions of the agenda of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2020 by drafts of decisions and related information
11.04.2020	Notice on the update of questions of the agenda of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2020 by drafts of decisions and related information
08.04.2020	Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 30 April 2020
04.03.2020	AUGA group, AB held an investor conference webinar
28.02.2020	Interim information on AUGA group, AB for the 12-month period ended 31 December 2019
27.02.2020	AUGA group will hold an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2019
19.02.2020	AUGA group became the first Baltic issuer on the Nasdaq Sustainable Bond Network
28.01.2020	Dates of periodic information disclosure of AUGA group, AB for the year 2020 (investor calendar)

