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

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

2018

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

I. GENERAL INFORMATION

Accounting period covered by the Report

The report covers 12 months period ended 31 December 2018.

Key data on the issuer

Name of the company:	AUGA group, AB (hereinafter – AUGA group, AB or the Company)
Share capital:	EUR 65,950,713.08
Address of headquarters:	Konstitucijos av. 21C, Quadrum North, LT-08130, Vilnius, Lithuania
Telephone:	+370 5 233 53 40
Fax:	+370 5 233 53 45
E-mail address:	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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

II. MANAGEMENT REPORT

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

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

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

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

The Group's EBITDA¹ for the twelve months of 2018, eliminating one-time transaction, in particularly, the one-off costs related to the termination of the acquisition of shares of UAB Arginta Engineering, amounted to EUR 3.30 million. Compared to the same period of 2017, EBITDA indicator was EUR 14.19 million.

Crop segment overview

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

Cash crop harvest results in the season of 2017/2018

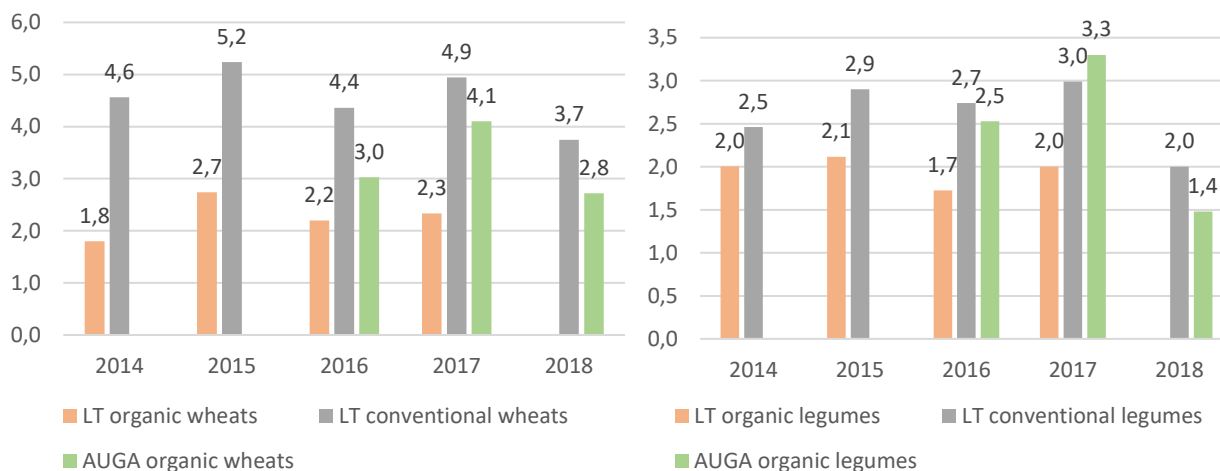
As it was already discussed in Group's consolidated interim financial statements for nine months ended 30 September 2018, the 2017/2018 season was challenging. Due to the rainy autumn in 2017 relatively small area of winter crops was planted. As a result, the area of summer crops increased significantly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

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

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

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



Wheat yield in Lithuania, t/ha

Legumes yield in Lithuania, t/ha

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

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

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

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

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

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

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

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

Forage crop harvest results in the season of 2017/2018

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

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

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

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

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

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

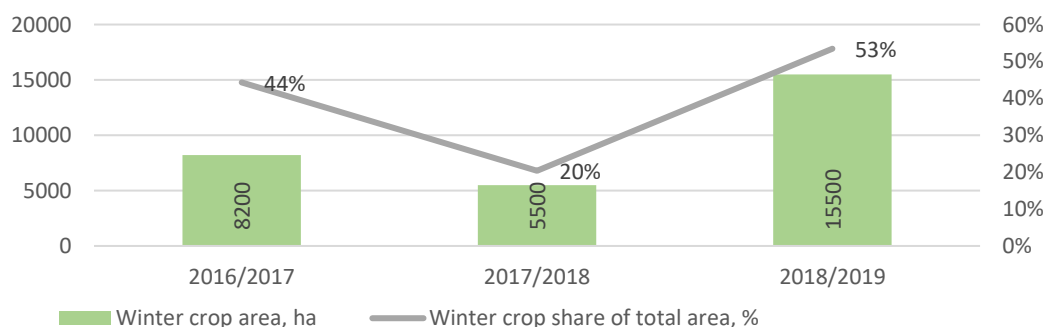
Agricultural subsidies and gross profit of the crop growing segment

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

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

Preparation for the season of 2018/2019

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



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

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

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

Mushroom segment overview

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

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

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

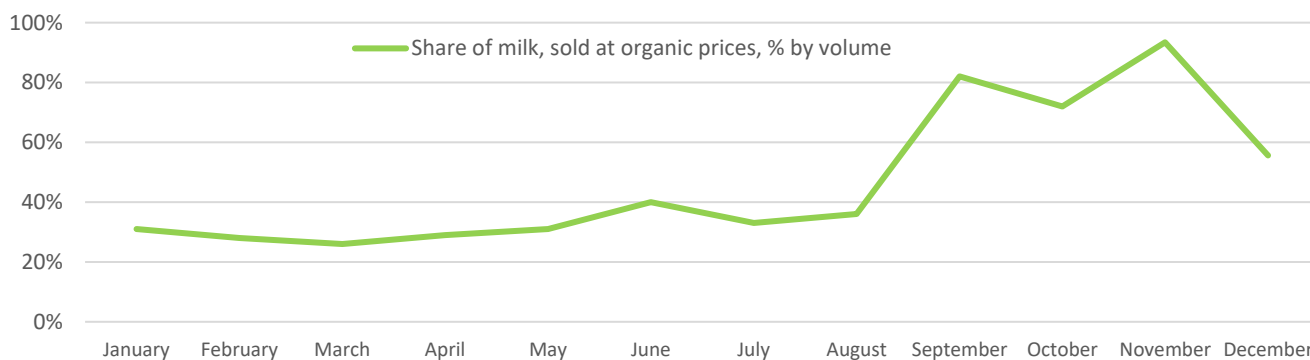
The total cost of sales of the mushroom growing segment was EUR 24.73 million in 2018 and was EUR 1.23 million higher compared to 2017 when it was EUR 23.50 million. The average cost of 1 tonne of mushrooms sold increased from 1,727 EUR/tonne in 2017 to 1,838 EUR/tonne in 2018. While cost of mushroom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

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

Dairy segment overview

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

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



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

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

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

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

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

End-consumer packaged goods segment

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

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

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

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

Operating expenses

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

III. FINANCIAL STATEMENTS

Consolidated balance sheet

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Consolidated income statement

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

Consolidated statement of changes in equity

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

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Consolidated statement of cash flows

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

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IV. EXPLANATORY NOTES

1. Basis of the preparation

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

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

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

Business combinations

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

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

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

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

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Business combinations (continued)

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

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

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

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

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

Disposal of subsidiaries

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

2. Share capital

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

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Shareholders

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

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

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

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

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

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

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

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

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

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

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



Agreements with the intermediaries in public trading securities

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

3. The Structure of the Group

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

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

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

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

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

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

COMMENTS:

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

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

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4. Property, plant and equipment

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

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5. Biological assets

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

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

6. Inventory

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

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

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

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Inventory (continued)

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

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

7. Receivables and advance payments

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

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

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

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8. Financial liabilities

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

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

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

Due to significant deterioration in Group's financial results in the second half of 2018 credit and credit line agreements with main lenders of the Group (Luminor bank AS and Swedbank, AB) were amended. It was agreed not to apply the Financial Debt² to EBITDA³ ratio covenant until the end of the third quarter of 2019 and to extend credit lines for a year. Since the Financial Debt to EBITDA ratio covenant was not applied for year end of 2018, the Group met all the financial covenants set by the creditors as at 31 December 2018.

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

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

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

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

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

² Financial debt = long-term financial liabilities + short-term financial liabilities.

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

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9. Results of business segments

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

CROP GROWING SEGMENT

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

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

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

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

Crop growing segment (continued)

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

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

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

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

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

10. Operating expenses

Operating expenses breakdown by business segments was the following:

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

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

Operating expenses breakdown by type of expenses was the following:

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

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

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

11. Other income

Other income breakdown by type was the following:

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

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

12. Financial expenses

Financial expenses breakdown by type was the following:

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

13. Material transactions with related parties

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

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

14. Subsequent events January 2018 - February 2019

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

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

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

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