



## **AUGA GROUP, AB**

Consolidated Interim  
Financial Statements  
for 12 Months Period  
Ended 31 December 2021  
(Unaudited)

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## I. GENERAL INFORMATION

### 1.1. Accounting period covered by the report

Consolidated interim report was prepared for the 12-month period ended 31 December 2021.

### 1.2. Key data on the issuer

Name of the company:	AUGA group, AB (hereinafter – AUGA group, AB or the Company)
Share capital:	EUR 65,950,713.08
Address of head office:	Konstitucijos av. 21C, Quadrum North, LT-08130, Vilnius, Lithuania
Telephone:	+370 5 233 53 40
Fax:	+370 5 233 53 45
E-mail address:	info@auga.lt
Website:	www.auga.lt
Legal entity form:	Joint stock company
Place and date of registration:	25 June 2003, Vilnius
Register code:	126264360
Registrant of the Register of Legal entities:	VĮ Registrų centras

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

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

### 1.4. The structure of the Group

As of 31 December 2021, the consolidated Group (hereinafter the Group) consists of the Company and 127 subsidiaries (31 December 2020: 137 subsidiaries). Please refer to the financial statements note 3 for a detailed list of the Group companies.

### 1.5. Agreements with the mediators of securities public circulation

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

### 1.6. Data about securities traded on regulated markets

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

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

The securities of the Company were also traded in Warsaw Stock Exchange (hereinafter, "WSE"). On 6 December 2021 the Company provided a request to the Polish Financial Supervision Authority to delist the shares of the Company from trading on the WSE. The request was filed, taking into consideration the tender offer, aimed at delisting of shares of the Company from trading on WSE, was implemented and the necessary decision of the general meeting of shareholders of the Company adopted. The Company will inform as from which date the shares of the Company will be delisted from trading on the WSE.



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

Reporting period	Price, EUR					Total turnover	
	Average	Open	High	Low	Last	Units	EUR
2021 I-IV quarters	0.503	0.444	0.560	0.426	0.498	19,565,724	9,833,736

AUGA group, AB shares volume, share price and OMX Baltic Benchmark index variance for the period of 1 January 2019 to 31 December 2021.



Source: NASDAQ Vilnius stock exchange

## 1.7. Information on non-financial reporting

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

## 1.8. Significant post balance sheet events

Post balance sheet events are disclosed in the consolidated financial statements of the Group for the 12-month period ending 31 December 2021. See financial statements' note 15 for more details.



## II. MANAGEMENT REPORT

### 2.1. Overall results

The aggregate sales of AUGA group AB amounted to EUR 71.78 million in the four quarters of 2021, representing a 14% decrease on the same period last year, when aggregate sales were EUR 83.07 million.

During the 12-month period of 2021, the gross profit of the Group amounted to EUR 3.92 million. This marks a 75% decline on the year's equivalent period before when aggregate gross profit was EUR 15.77 million. In 2021, the Group incurred a EUR 14.03 million loss, compared to EUR 1.79 million profit a year earlier.

In 2021, the Group's EBITDA amounted to EUR 9.06 million, representing a 56% decline compared to the previous year, when EBITDA was EUR 20.83 million.

Changing climate conditions and heatwaves during the season led to production challenges in 2021. This mainly affected the overall annual results and resulted in a loss, as it had already been reflected in the 9-month period report. Additional losses in the fourth quarter were incurred as additional provisions for receivables were formed, but this did not affect EBITDA ratio. Losses also increased due to additional write-offs of inventories.

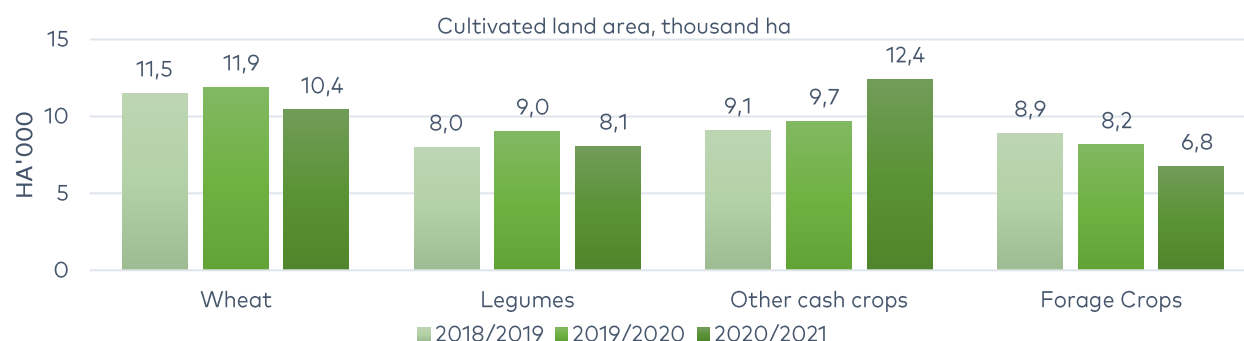
Main financial results, EUR million	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Revenues	71.78	83.07	71.13	-14%	+17%
Gross profit (loss)	3.92	15.77	9.85	-75%	+60%
Gross profit margin	5%	19%	14%	-71%	+38%
Net profit (loss)	(14.03)	1.79	(3.22)	n/a	n/a
Net profit margin	(20%)	2%	(5%)	n/a	n/a
EBITDA	9.06	20.83	17.12	-56%	+22%
EBITDA margin	13%	25%	24%	-50%	+4%

### 2.2. Crop growing segment overview

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

#### Harvest in the season of 2020/2021

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



As of 31 December 2021, the Group has finalized harvesting all the crops. For cash crops already harvested as of 31 December 2021 gain (loss) on revaluation of agricultural produce at point of harvest was calculated. Value of forage crops was based on actual costs.

At the end of each quarter the Group evaluates the fair value of crops which have not yet been harvested. The Group estimated the total fair value of crops as of 31 December 2021 using following formula and assumptions:

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

- Cost incurred is cost actually incurred for particular crop as of 31 December 2021.
- Cultivated area in ha is the area of particular crop seeded and expected to be harvested.
- Forecasted average yield in tonnes per ha is the expected yield for a particular crop based on the previous season's results, updated according to the most recent data.
- Forecasted price per tonne – average sales prices in contracts adjusted according to the developments in the market.
- Forecasted total cost per ha. Actual costs accrued at the end of the period, adjusted for growth in the main cost components by 5%.
- 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 2021, the average completion percentage estimated for current season crops 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.

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

Table below provides harvested land plot by crop group in 2020/2021, 2019/2020 and 2018/2019 seasons. Land plot of wheat and legumes slightly decreased in the season of 2020/2021 compared to previous period and constituted 60% of all cash crops land plot compared to 68% in the previous season.

Harvested land plot by culture group, HA	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Wheat	10,441	11,896	11,503	-12%	+3%
Legumes	8,056	9,035	8,039	-11%	+12%
Other cash crops	12,397	9,664	9,129	+28%	+6%

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-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Wheat	786	818	884	-4%	-7%
Legumes	802	805	792	0%	+2%
Other cash crops	1,085	1,139	1,176	-5%	-3%

Cost of legumes remained at the similar level in the season of 2020/2021 compared to previous season, while the cost of wheat per hectare in 2020/2021 season decreased compared to last year. Cost of legumes remained at the same level as in previous year as some cost increased while other decreased – land tillage cost has increased while cleaning and drying along with seeds cost have decreased. Cost of wheat has decreased in 2021 due to reduced organic fertilizer costs and reduced cleaning and drying costs as the harvest amount was lower compared to previous season. As wheat and other cash crops constitute 74% of all cash crops in Group's crop structure, decreasing wheat growing cost is an important milestone in improving crop growing segment results.

Table below depicts wheat, legume and other cash crops yields in the 2020/2021 and past two seasons. Wheat yield in 2020/2021 was 3.27 t/ha which is 20% lower than the yield of wheat in the previous year. Legumes yield in 2021 decreased by 60% compared to previous year from 2.7 t/ha to 1.09 t/ha. Yield decreased due to weather conditions in June and July - average temperature in June was second highest since 1961, while average temperature in July was the highest in the previous 60 years. A relatively low yield was produced as plants stop growing when the air temperature reaches 25–27 °C. During the heatwave in Lithuania, the nights were too hot for dew to form, thus, the plants did not have the right conditions to revive overnight. Legumes along with other summer cultures were affected the most.

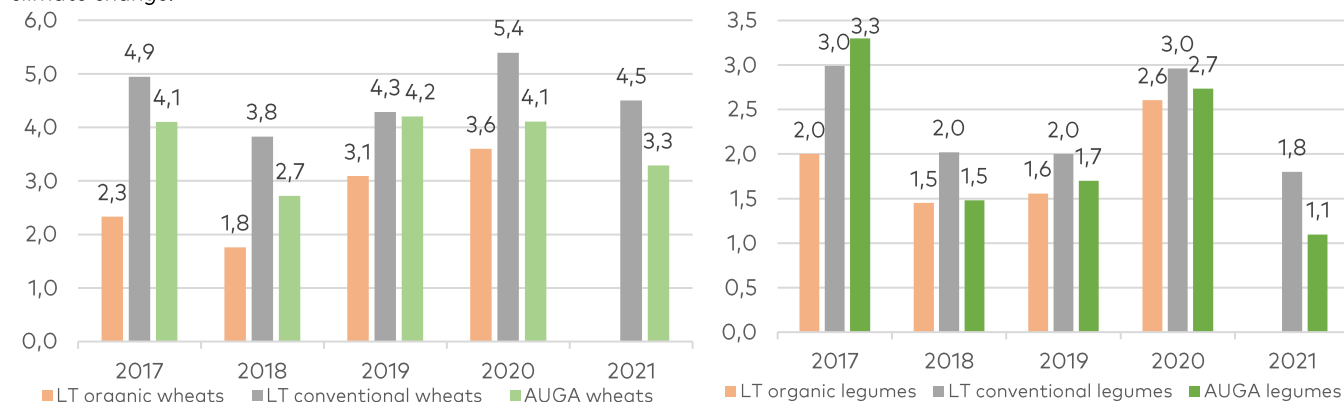


Average yield, t/ha	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Wheat	3.27	4.11	4.21	-20%	-2%
Legumes	1.09	2.70	1.67	-60%	+62%
Other cash crops	5.72	9.72	8.24	-41%	+18%

The Group has anticipated a higher yield this year. As can be seen from the table below, actual wheat yield was 20% lower, while the yield of legumes was 64% lower compared to the expected yield at the beginning of harvesting.

Average yield in the season of 2020/2021, t/ha	Forecasted result for the season of 2020/2021	Actual result for the season of 2020/2021	Variance, %
Wheat	4.11	3.27	-20%
Legumes	3.07	1.09	-64%
Other cash crops	7.93	5.72	-28%

As can be seen from the data presented, Group's average wheat and legumes yields in 2021 were lower compared to the yields achieved in conventional farming. Extreme weather conditions had negative impact on the Group crops, especially on legumes as organic farms are more sensitive to extreme weather. It should be noted that according to the requirements imposed to the organic farms, the Group is entitled to harvest certain amount of legumes land plot. For implementation of the Group's long-term strategic goals, it is very important to achieve organic agriculture crop yields as close as possible to country's average conventional agriculture yields. Therefore, one of the Group's goals established in the long-term strategy is to substitute up to 50% of cash crops with leguminous grasses by 2025. Leguminous grasses are less sensitive to hot weather that are expected in the future as a result of climate change.



NOTE: The data of LT organic farms for 2021 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.

Table below depicts comparison of wheat, legumes and other cash crops prices at which the harvest was evaluated (at fair value) in the seasons of 2020/2021, 2019/2020 and 2018/2019. It should be noted that at the time of the publication of the financial statements for the four quarters of 2021, significant part of the 2020/2021 season harvest has already been sold or contracted at fixed prices, therefore fair value of the crops was estimated based on average contract prices.

Average price of 1 tonne of crop, eliminating sales costs, EUR/t	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Wheat	241	208	243	+16%	-15%
Legumes	347	353	357	0%	-1%
Other cash crops	189	174	181	+9%	-4%

As can be seen from the data above, the price of 1 tonne of wheat in the season of 2020/2021 increased by 16% compared to previous season. The increase is partly related to better quality of the wheat harvest – the Group harvested 55% of food wheat and 45% feed wheat. The prices of legumes slightly decreased in the season of 2020/2021. Average price of legumes has decreased as the structure of the legumes harvest changed – the proportion of beans, which is more expensive crop than peas, has decreased.



Due to poorer crops harvest in the market, market prices started to grow in August. However, part of Group's cash crops are contracted before the harvesting in order to manage risk. As the yield of certain crops fell by about 60%, the Group dedicated almost all the harvest to cover previous contracts. Thus, increase in legumes market price will not significantly impact the harvest result. However, rising market prices had a positive impact on the crop growing segment result in the 4<sup>th</sup> quarter when the remaining uncontracted harvest has been sold at higher prices.

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-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Wheat	2	35	217	-93%	-84%
Legumes	(422)	148	(195)	n/a	n/a
Other cash crops	(10)	550	324	n/a	+70%

Average gain per 1 hectare from wheat decreased in the season of 2020/2021 compared to previous season due to poorer harvest. However, the Group succeeded in cutting wheat growing costs while the market prices grew, which helped to diminish negative impact of decreased harvest. Legumes result in the season of 2020/2021 was significantly worse compared to previous seasons. Loss from legumes were influenced by poor harvest – yield was by 60% lower compared to previous year. Poor harvest resulted from extreme heat waves in the summer. 8 out of 13 other cash crops were subject to a decreased yield.

Average total cost of forage crops per hectare of cultivated land in 2020/2021 season, was 826 Eur/ha or 8% more than in 2019/2020 season, when they amounted 767 Eur/ha. The increase of costs per 1 ha of forage crops is attributed to a decrease of land dedicated to growing forage crops. In 2021 the area used for forage crops is 15% smaller compared to the previous year.

Forage crops results	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Cost per 1 ha cultivated land, EUR/ha	826	767	721	+8%	+12%
Average yield, t/ha	7.57	7.39	6.10	+2%	+24%

As of 31 December 2021, the Group recognized a EUR 3.49 million loss on the initial recognition of biological assets at fair value. It should be noted that as of 31 December 2020 Group has already recognised a loss of EUR 2.02 million on the initial recognition of biological assets at fair value for the 2020/2021 season's crops. Group has also calculated a EUR 2.33 million gain on the initial recognition of biological assets at fair value. Therefore, the total loss on revaluation of biological assets at fair value for the year 2021 is EUR 3.18 million.

Crops value, EUR million	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Gain (loss) on revaluation of biological assets at fair value (harvest of the 2020/2021 season)	(5.51)	5.67	3.83	n/a	+48%
Gain (loss) on revaluation of biological assets at fair value (crops sown in the 2021/2022 season)	2.33	2.02	1.45	+15%	+39%
<b>Total gain (loss) on revaluation of biological assets at fair value (-a+b)</b>	<b>(3.18)</b>	<b>7.69</b>	<b>5.28</b>	<b>n/a</b>	<b>+46%</b>

#### Crop growing segment sales results

Total revenue generated from sales in the crop growing segment amounted to EUR 23.61 million in 2021. This is a 37% decrease in revenue compared to 2020, when sales revenue was EUR 37.38 million. Sale decreased due to the following reasons: (1) smaller share of previous season's harvest was sold in 2021 compared to 2020, while the harvest of 2018/2019 was sold in 2019 and 2020 in similar proportions; (2) the harvest in the 2020/2021 season is significantly lower compared to the 2019/2020 season.





Crop growing segment results, EUR million	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sales revenue	23.61	37.38	29.49	-37%	+27%
Cost of sales	25.20	38.19	30.45	-34%	+25%
Inventory write-offs	4.05	1.39	1.54	+191%	-10%
<b>Result of sales of agricultural produce</b>	<b>(5.63)</b>	<b>(2.20)</b>	<b>(2.49)</b>	<b>-155%</b>	<b>+12%</b>

The crop growing segment's sales cost for the 12-month of 2021 amounted to EUR 25.20 million versus EUR 38.19 million in 2020. The increase in cost of sales in the 12-month of 2021 were impacted by one-off event – additional drying and cleaning cost of clover seeds and inventory impairment (EUR 0.77 million). Total agricultural produce inventory write-offs during the 12-month of 2021 amounted to EUR 4.05 million compared to EUR 1.39 in the equivalent period of 2020 due to additional write-offs and changes in internal pricing of forage crops.

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

Total amount of agricultural subsidies accrued for 12-month of 2021 was EUR 9.69 million compared to EUR 7.45 million during the same period in 2020. Accrued subsidies amount is based on calculations according to the latest information available on subsidising programmes regulations for 2021. Increase in subsidies amount in 2021 is mainly related with increased organic subsidies. Due to changes in subsidizing programme the Group will be entitled to receive organic subsidies for all organic crops declared while in the previous year the Group received organic subsidies only for part of its crops.

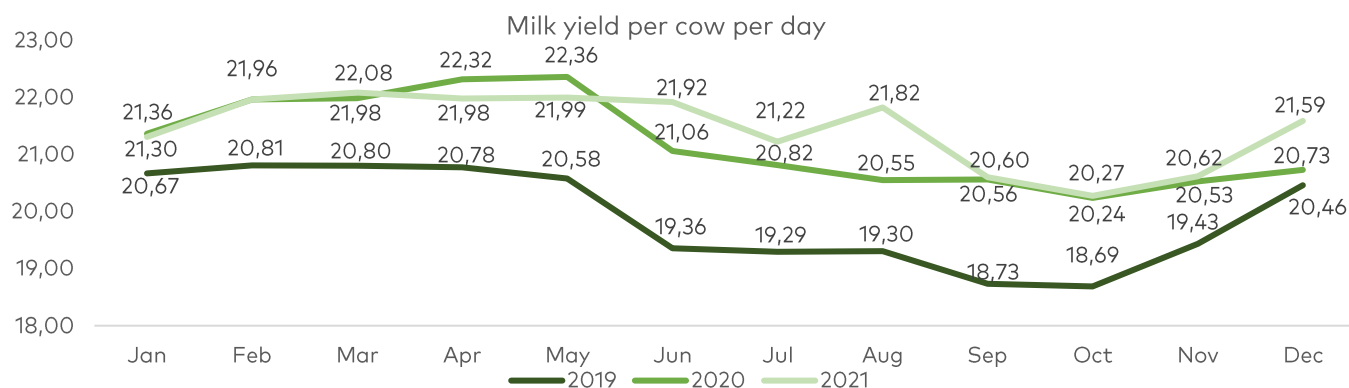
In 2021, gross result from the crop growing segment, encompassing the results of agricultural produce sales, gain (loss) on changes in fair value of biological assets and agricultural subsidies amounted to a EUR 0.89 million loss, compared to gross profit of EUR 12.94 million in the previous year. The loss mainly resulted from the poor harvest in 2021.

Gross profit of crop growing segment, EUR million	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Gain (loss) on revaluation of biological assets at fair value recognised in reporting period	(3.18)	7.69	5.28	n/a	+46%
Result of sales of agricultural produce	(5.63)	(2.20)	(2.49)	-155%	+12%
Subsidies	9.69	7.45	5.19	+30%	+43%
<b>Gross profit</b>	<b>0.89</b>	<b>12.94</b>	<b>7.98</b>	<b>-93%</b>	<b>+62%</b>

### 2.3. Dairy segment overview

Total sales revenue of the dairy segment amounted to EUR 13.61 million in 2021. This compares to total sales of EUR 12.95 million in 2020 and represents a 5% increase. The Group faced challenges in production at the beginning of the year, and milk yield did not reach the desired result during the first half of the year. Moreover, due to the Group's strategic attention to the dairy segment, the results were improved in second half of the year. Average milk yield in 2021 was 21.45 kg per cow per day compared to 21.21 kg per cow per day in 2020 (1% increase). Despite fluctuations of sales in new markets and increased internal milk usage, higher production capacities have contributed to the growth of sold milk volumes – from 25.38 thousand tonnes in 2020 to 25.69 thousand tonnes in 2021 (1% increase).





In the 12-month of 2021 the average price of milk sold was around EUR 416 per tonne or 5% higher comparing to the same period last year when it was EUR 397 per tonne. Average milk price increased due to the larger share of organic milk sold, sales to new markets and rising market prices at the end of the year.

The share of milk sold at organic production prices reached 98% in the 12-month of 2021 compared to 94% during the same period in 2020. The share of milk sold at organic prices had been steadily growing from the beginning of 2019 and currently falls in the range of 95-100%.

The dairy segment's cost of sales amounted to EUR 13.15 million during the 12-month of 2021 compared to EUR 12.56 million during the same period last year (5% increase). The cost of milk increased due to changes in feeds structure.

During the 12-month of 2021, a loss of EUR 2.77 million was incurred on the revaluation of biological assets (animal herd). In comparison, a EUR 2.52 million loss was incurred during the same period a year earlier. The Group is seeking to increase milk yields per cow, which would allow to increase the production quantities and reduced costs. In order to achieve higher milk yields and the quality of cow herd in general, aged cows are substituted with more productive ones. Write-offs of aged cows increased loss from revaluation of biological assets. The substitution began in 2020 and continues throughout 2021.

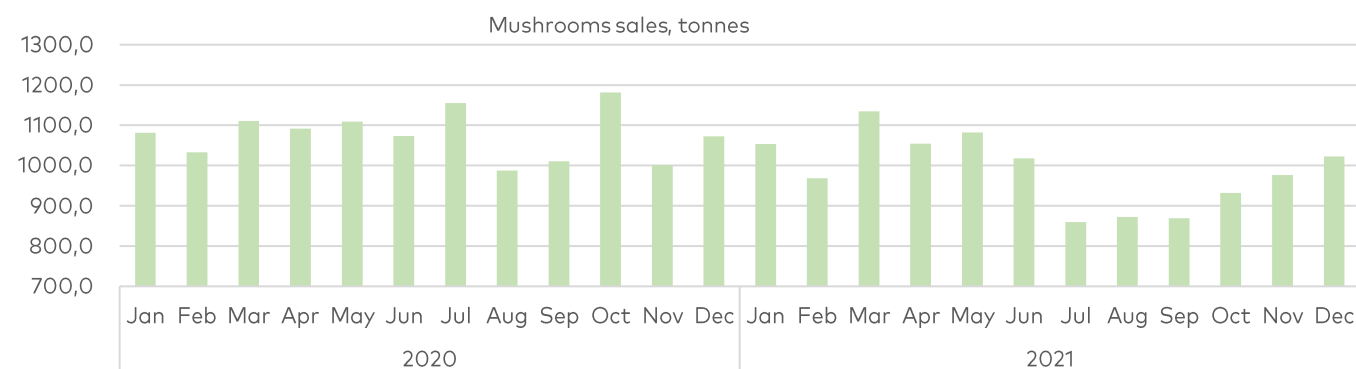
Gross profit of EUR 0.85 million was recorded in the dairy segment, compared to a EUR 0.4 million gross profit in 2020. Difficulties in the production process and increased loss from revaluation from biological assets (animal herd) did not allow to fully reach expected results. However, further attention to this segment, herd renewal and the use of new technologies have improved segment performance and the Group expects to continue this growth trend in the following periods as well.



	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Total quantity of products sold, t	27,053	26,799	25,891	+1%	+4%
Milk, t	25,685	25,384	24,492	+1%	+4%
Dairy commodities, t	624	714	667	-13%	+7%
Cattle, t	743	700	732	+6%	-4%
Revenue, EUR million	13.61	12.95	12.05	+5%	+12%
Milk, EUR million	10.69	10.07	9.42	+6%	+7%
Dairy commodities, EUR million	2.02	2.13	1.91	-5%	+12%
Cattle, EUR million	0.90	0.75	0.72	+20%	+4%
Cost of sales, EUR million	13.15	12.56	12.62	+5%	-0,5%
Milk, EUR million	10.36	9.75	9.93	+6%	-2%
Dairy commodities, EUR million	1.89	2.07	1.97	-9%	+5%
Cattle, EUR million	0.90	0.75	0.72	+20%	+4%
Revaluation of biological assets, EUR million	(2.77)	(2.52)	(2.19)	-10%	-14%
Subsidies, EUR million	3.17	2.53	2.04	+25%	+24%
<b>Gross profit, EUR million</b>	<b>0.85</b>	<b>0.40</b>	<b>(0.72)</b>	<b>+113%</b>	<b>n/a</b>

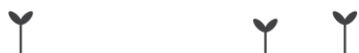
#### 2.4. Mushroom segment overview

The results of the mushroom segment were impacted negatively due to challenges in the production process and COVID-19 pandemic, which had caused a decrease in the production capacities. The Group has consistently increased its production volumes in the fourth quarter and, as a result, have restored the production volumes in the end of 2021.



Sales in the mushroom growing segment were lower compared to previous year and amounted to EUR 28.36 million during the 12-month of 2021. In the equivalent period in 2020, sales in this segment were EUR 30 million. The revenue from mushroom sales were lower by EUR 1.64 million as the volume of mushrooms produced was 12,002 tonnes compared to 12,906 tonnes in the 12-month period of 2020. The Group experienced this decrease due to disruptions in the production processes which were caused by extremely high temperatures during the summer and an increased number of COVID-19 cases. Revenue from mushroom seedbed sales decreased by EUR 1.15 million as the sales channel to Russia closed and restrictions due to COVID-19 were imposed.

During the 12-month period of 2021, the share of organic mushrooms decreased and amounted to 5.7% of total mushrooms volume sold, while in previous year share of organic mushrooms was 7.5%.



In the 12-month period of 2021, average non-organic and organic mushrooms sales price increased by around 6% compared to the same period in 2020. The average price of 1 tonne of mushrooms sold was 2,323 EUR/tonne in the 12-month period of 2021 (2,199 EUR/tonne in the 12-month period of 2020). The average mushroom price increased mainly due to larger sales of packaged mushrooms and rising selling price.

The total cost of sales of the mushroom growing segment amounted to EUR 27.77 million in the 12-month period of 2021 and was EUR 0.48 million lower compared to the same period in 2020 when it was EUR 28.25 million. The average cost of 1 tonne of mushrooms sold increased from 2,084 EUR/tonne to 2,294 EUR/tonne. Cost of mushrooms mainly increased due to the disruptions in the production process. Furthermore, the length of the production process itself did not allow the Group to solve this problem fast by minimizing the costs that it bears in this process as most of these are fixed costs. Also, higher sales of packaged mushrooms resulted in higher packaging costs which in turn increased the total costs of this segment.

According to the Group's data, the gross profit of the segment for the 12-month period of 2021 amounted to EUR 0.59 million, demonstrating a 66% fall on the same period last year, when the gross profit of the segment was EUR 1.75 million. In the beginning of 2022 production volumes of this segment have reached the historical average level and this will have a positive impact on the profitability of the mushroom segment.

	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sold mushrooms, t	12,002	12,906	12,256	-7%	+5%
Average price (Eur/t)	2,323	2,199	2,147	+6%	+2%
Total revenue, EUR million	28.36	30.00	28.71	-5%	+5%
Mushroom sales revenue, EUR million	27.89	28.38	26.32	-2%	+8%
Compost sales revenue, EUR million	0.47	1.62	2.39	-71%	-32%
Cost of sale, EUR million	27.77	28.25	26.22	-2%	+8%
Cost of mushrooms sold, EUR million	27.53	26.89	23.73	+2%	+13%
Cost of compost sold, EUR million	0.24	1.36	2.49	-82%	-45%
<b>Gross profit, EUR million</b>	<b>0.59</b>	<b>1.75</b>	<b>2.49</b>	<b>-66%</b>	<b>-29%</b>

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

Total sales in the segment amounted to EUR 6.19 million in the four quarters of 2021. In the equivalent period last year, sales in the FMCG segment were EUR 4.88 million.

Plans for this segment were corrected by disrupted logistics worldwide, but the segment continued to grow. In 2021, sales growth in this segment was 27%. Logistics create some challenges, but based on current pipeline, reopened business fairs and live contacts with customers, the Group expects not lower growth in 2022 as well.

Cost of sales were EUR 4.60 million for the 12-month period of 2021 compared to EUR 4.13 million for the same period in 2020.

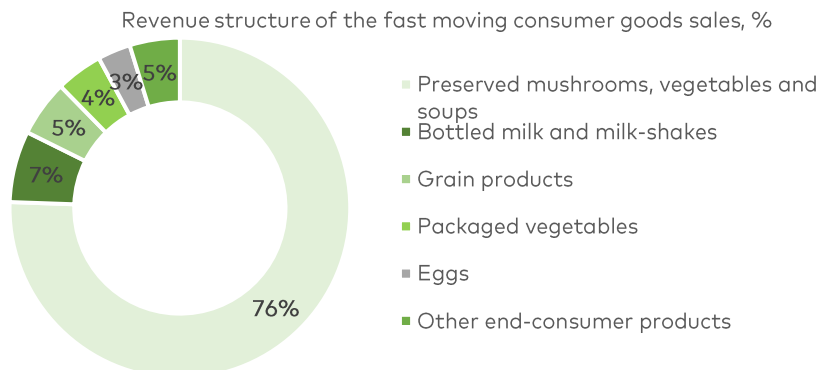
During the 12-month period of 2021, the FMCG segment's gross profit jumped to EUR 1.59 million. During the same period in 2020, gross profit amounted to EUR 0.75 million. It should be noted that Grybai LT KB (entity operating in the FMCG segment) results were included in the consolidated financial statements as of 1 June 2020. The segment's profitability margin is growing and reached 26% in the 12-month period of 2021.

FMCG segment results, EUR million	12-month of 2021	12-month of 2020	12-month of 2019	Variance 2021/2020, %	Variance 2020/2019, %
Sales revenue	6.19	4.88	2.80	+27%	+74%
Cost of goods sold	4.60	4.13	2.75	+11%	+50%
<b>Gross profit</b>	<b>1.59</b>	<b>0.75</b>	<b>0.05</b>	<b>+112%</b>	<b>+1530%</b>



During the 12-month period of 2021 the Group has exported its products to 36 countries compared to 31 countries in the same period in 2020. Sales grew both in local and in foreign markets – sales in Lithuania, USA and Japan had the highest impact to the sales growth in the segment.

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



## 2.6. Operating expenses

The Group's operating expenses during the 12-month period of 2021 amounted to EUR 12.81 million compared to EUR 10.23 million in the same period last year. Operating expenses increased mainly due to increased salaries, selling, share-based payments and impairment of receivables expenses. Additionally, operating expenses of Grybai LT KB is fully represented in 2021, while operating expenses of Grybai LT KB were only partly represented in the comparative period as the respective entity was included in the consolidated financial statements as of 1 June 2020.

## 2.7. Capital expenditures

Total investments (additions) into property, plant and equipment amounted to EUR 10.05 million in the four quarters of 2021 (EUR 7.14 million in the four quarters of 2020). The split of investments (additions) into property, plant and equipment is provided in the table below.

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

	Land*	Buildings*	Constructions and machinery	Vehicles, equipment and other	Construction in progress	Total
2021 I-IV quarters	1,182	495	4,396	1,091	2,891	10,054
2020 I-IV quarters	1,375	421	2,289	781	2,273	7,139

\*excluding additions related with the right-of-use assets.

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

In September of 2021, the Group introduced its first hybrid biomethane-electric tractor for professional use. This is the Group's first step in offering technological solutions that will eliminate climate pollution throughout the food supply chain, from field to table, and allow food to be produced with no cost to nature. The Group is currently developing other sustainable solutions for technologies that will eliminate greenhouse gas emissions from the soil and digestive processes of cattle. These technology projects are part of the Group's strategy to become an AgTech company.

## 2.8. 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. Part of administration employees are working remotely, processes in production and agricultural entities were set up to avoid unnecessary contacts in order to prevent the spread of the virus.

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

#### *Crop growing*

The Group's management did not see any significant changes in the crop market, especially as all obligations under existing agreements are being met. If the pandemic continues and the Group would face a labour shortage due to high numbers of infected or quarantined persons this risk may be mitigated via temporary employment.

#### *Dairy*

Milk production has been running at regular capacity and there were no problems with product demand. The milk is supplied to the local market (Baltic States along with Poland) and Germany. It's mainly used to produce fresh products. The management is not seeing in present nor does it forecast a decrease of demand in this segment. However, the risk of labour shortage remains, if the numbers of infected or quarantined persons were to rise dramatically. If this scenario occurs, the Group is ready to mitigate this risk with temporary employment.

#### *Mushroom growing*

The biggest threat in the mushroom growing segment is related to production, given the labour intensity of the production operations. Therefore, the Group has implemented various measures to ensure the safety of employees and to minimize contact among them. Despite the additional measures, infection outbreaks in production units caused temporary workforce shortage in the production units that negatively affected segment results.

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

- sales to wholesalers working with HoReCa decreased,
- sales of mushroom seedbeds to Russia decreased,
- market volatility increased which made it challenging to sell mushrooms at the best fresh mushroom price, increased demand for packaged produce reduced the margin.
- Increased number of infected employees in production units have resulted in decreased production output as part of the production was not harvested. Part of the production was overgrown and was utilised together with the seedbed. In order to reduce the shortage of workforce, the Group reallocated part of the employees to the mushroom growing entity and hired additional workforce. However, the effectiveness of temporary employees was lower than expected.

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. Moreover, increased logistics cost and shortage of transportation result in fluctuations in the segment.



### III. FINANCIAL STATEMENTS

#### Consolidated balance sheet

ASSETS	Notes	31 December 2021 unaudited	31 December 2020 audited
<b>Non-current assets</b>			
Property, plant and equipment	4	99,886	97,009
Right-of-use assets	4	39,374	35,543
Intangible assets		3,485	3,477
Long term receivables at amortized cost	7	449	446
Investments accounted for using equity method		57	57
Financial assets at fair value through profit or loss		-	-
Deferred tax asset		2,121	1,359
Biological assets	5	9,996	9,699
<b>Total non-current assets</b>		<b>155,368</b>	<b>147,590</b>
<b>Current assets</b>			
Biological assets	5	19,590	17,052
Inventory	6	24,108	30,435
Trade receivables advance payments and other receivables	7	12,426	16,084
Cash and cash equivalents		2,461	2,541
		<b>58,585</b>	<b>66,112</b>
Assets held for sale		315	-
<b>Total current assets</b>		<b>58,900</b>	<b>66,112</b>
<b>TOTAL ASSETS</b>		<b>214,268</b>	<b>213,702</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		10,250	9,213
Legal reserve		2,041	1,834
Reserve to provide shares for employees		3,002	2,509
Retained earnings / (accumulated deficit)		(7,924)	6,237
<b>Equity attributable to equity holders of the parent</b>		<b>80,027</b>	<b>92,450</b>
Non-controlling interest		358	366
<b>Total equity</b>		<b>80,385</b>	<b>92,816</b>
<b>Non-current liabilities</b>			
Borrowings	8	46,115	40,494
Obligations under lease	9	37,723	33,682
Deferred grant income		3,105	3,248
Deferred tax liability		1,685	1,483
<b>Total non-current liabilities</b>		<b>88,628</b>	<b>78,907</b>
<b>Current liabilities</b>			
Current portion of non-current borrowings	8	5,767	3,409
Current portion of non-current obligations under lease	9	7,776	7,556
Current borrowings	8	5,583	9,400
Trade payables		19,657	16,335
Other payables and current liabilities		6,473	5,279
<b>Total current liabilities</b>		<b>45,256</b>	<b>41,979</b>
<b>Total liabilities</b>		<b>133,884</b>	<b>120,886</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>214,268</b>	<b>213,702</b>



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

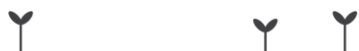
	Notes	12-month period ending 31 December	
		2021 unaudited	2020 audited
Revenues	<u>10</u>	71,778	83,073
Cost of sales	<u>10</u>	(61,914)	(72,475)
Gain (loss) on initial recognition of a biological asset at fair value and from a change in fair value of a biological asset	<u>5, 10</u>	(5,948)	5,175
<b>GROSS PROFIT</b>		<b>3,916</b>	<b>15,773</b>
Operating expenses	<u>11</u>	(12,811)	(10,227)
Other income	<u>12</u>	636	471
Other gains/(losses)	<u>13</u>	(71)	879
<b>OPERATING PROFIT</b>		<b>(8,330)</b>	<b>6,896</b>
Finance cost	<u>14</u>	(6,444)	(5,547)
Share of net profit (loss) of associates accounted for using the equity method		-	-
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<b>(14,774)</b>	<b>1,350</b>
Income tax expense		(743)	442
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>		<b>(14,031)</b>	<b>1,792</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		(14,023)	1,772
Non-controlling interest		(8)	20
		<b>(14,031)</b>	<b>1,792</b>
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME</b>			
<b>NET PROFIT/ (LOSS) FOR THE PERIOD</b>		<b>(14,031)</b>	<b>1,792</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Currency exchange differences		-	-
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation of land, gross of tax		1,221	851
Deferred tax liability from revaluation		(183)	(126)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(12,993)</b>	<b>2,517</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the Company		(12,985)	2,497
Non-controlling interest		(8)	20
		<b>(12,993)</b>	<b>2,517</b>





*Consolidated statement of changes in equity*

	Share capital	Share premium	Revaluation reserve	Reserve to provide shares for employees	Legal reserve	Retained earnings	Equity attributable to the shareholders of the company	Non-controlling interest	Total
Balance as of 31 December 2019 (audited)	65,951	6,707	8,488	1,624	1,834	5,102	89,706	369	90,075
<i>Comprehensive income</i>									
Net profit (loss) for the period	-	-	-	-	-	1,772	1,772	20	1,792
Share based payment expenses	-	-	-	-	-	247	247	-	247
<i>Other comprehensive income</i>									
Revaluation of land, net of tax	-	-	725	-	-	-	725	-	725
<b>Total comprehensive income</b>	-	-	<b>725</b>	-	-	<b>2,019</b>	<b>2,744</b>	<b>20</b>	<b>2,764</b>
<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>	-	-	-	<b>885</b>	-	<b>(885)</b>	-	<b>(23)</b>	<b>(23)</b>
Balance as of 31 December 2020 (audited)	65,951	6,707	9,213	2,509	1,834	6,237	92,450	366	92,816
<i>Comprehensive income</i>									
Net profit (loss) for the period	-	-	-	-	-	(14,023)	(14,023)	(8)	(14,031)
Share based payment expenses	-	-	-	-	-	562	562	-	562
<i>Other comprehensive income</i>									
Revaluation of land (net of tax)	-	-	1,037	-	-	-	1,037	-	1,037
<b>Total comprehensive income</b>	-	-	<b>1,037</b>	-	-	<b>(13,461)</b>	<b>(12,424)</b>	<b>(8)</b>	<b>(12,432)</b>
<i>Transactions with shareholders</i>									
Transfer to legal reserve	-	-	-	-	207	(207)	-	-	-
Transfer to reserve to provide shares for employees	-	-	-	493	-	(493)	-	-	-
Dividends granted by subsidiaries to the non-controlling interest	-	-	-	-	-	-	-	-	-
<b>Total transactions with shareholders</b>	-	-	-	<b>493</b>	<b>207</b>	<b>(700)</b>	-	-	-
Balance as of 31 December 2021 (unaudited)	65,951	6,707	10,250	3,002	2,041	(7,925)	80,026	358	80,384



*Consolidated statement of cash flows*

	Notes	12-month period ending 31 December	
		2021 unaudited	2020 audited
<b>Cash flows from /(to) operating activities</b>			
Net profit (loss) before income tax and non-controlling interest		(14,773)	1,350
<i>Adjustments for non-cash expenses (income) items and other adjustments</i>			
Depreciation expenses (PP&E)	4	7,812	7,279
Depreciation expenses (ROU* assets)	4	6,482	5,995
Amortization expenses		2	11
Expenses of share-based payments	11	562	247
Write offs and impairment of PPE		3	-
(Gain) loss on sales of non-current assets	13	71	21
Gain (loss) on remeasurement of interest held in Grybai LT, KB at fair value		-	(900)
Loss allowance for receivables		1,186	237
Write-offs of inventory	5, 6	1,779	2,063
Additional write-offs of forage crops	6	2,973	-
Interest and fines income		-	(349)
Finance cost	14	3,529	3,798
Finance cost (IFRS 16)	14	2,567	1,748
Loss (gain) on changes in fair value of biological assets	5	5,948	(5,175)
Grants related to assets, recognized as income		(523)	(466)
Revaluation to net realizable value of agricultural produce		369	(200)
<i>Changes in working capital</i>			
(Increase) decrease in biological assets		(9,562)	3,856
(Increase) decrease in trade receivables and prepayments		2,455	(784)
(Increase) decrease in inventory		1,206	(2,425)
(Decrease) increase in trade and other payables		4,959	1,912
Cash flows from operating activities		17,045	18,218
Interest paid, netto		(6,149)	(4,846)
<b>Net cash flows from /(to) operating activities</b>		<b>10,896</b>	<b>13,373</b>
<b>Cash flows from /(to) investing activities</b>			
Purchase of property, plant and equipment	4	(6,983)	(6,636)
Purchase of non-current intangible assets		-	(9)
Payment for acquisition of subsidiary, net of cash acquired		-	(1,352)
Purchase of investments		(2)	-
Proceeds from sales of investment property, PPE		194	148
Proceeds from sale of financial assets at fair value through profit or loss		-	224
Grants related to assets		380	722
Other loans repaid		574	-
Other loans granted		-	(324)
<b>Net cash flows from/(to) investing activities</b>		<b>(5,837)</b>	<b>(7,227)</b>
<b>Cash flows from /(to) financing activities</b>			
Bonds		-	-
Repayment of bank borrowings		(13,948)	(32,410)
Proceeds from borrowings		18,789	36,681
Other loans received (repaid)		(753)	(3,588)
Finance lease payments		(9,226)	(8,022)
<b>Net cash flows from/(to) financing activities</b>		<b>(5,138)</b>	<b>(7,339)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(79)</b>	<b>(1,192)</b>
Cash and cash equivalents at the beginning of the period		2,541	3,732
Cash and cash equivalents at the end of the period		2,461	2,541

\* ROU assets – Right-of-use assets



## IV. EXPLANATORY NOTES

### 1. Basis of the preparation

The accompanying interim financial information for the 12-month period ending 31 December 2021, has been prepared in accordance with IAS 34, 'Interim financial reporting'. The accounting policies applied are consistent with those of the annual financial statements for the year ending 31 December 2020, as described in those annual financial statements. This financial information should be read in conjunction with the annual financial statements for the year ending 31 December 2020 which have been prepared in accordance with IFRS as adopted by the EU.

The presentation currency is euro (EUR). The financial statements are presented in thousands of euro, unless indicated otherwise. Financial statements for the 12-month period ending 31 December 2021 are not audited. Financial statements for the year ending 31 December 2020 are audited by the external auditor UAB PriceWaterhouseCoopers.

#### Critical accounting estimates and assumptions

The preparation of financial information in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information, are disclosed below. Critical accounting estimates and assumptions remain the same as disclosed in the audited annual financial statements for period ending 31 December 2020.

#### IFRS 16, Leases

Based on IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities as of 31 December 2020 was 6%. The incremental borrowing remained unchanged in 2021.

In applying IFRS 16, the Group has used the following practical expedients permitted by the standard:

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

#### Revaluation of biological assets (crops)

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

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

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

#### Revaluation of biological assets (livestock)

Fair value of milking cows is valued by 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 4 years was. Current cow herd has an estimated working life of 1 to 4 years. At the end of the working period the cow is estimated to be sold for meat. The forecasted revenues are reduced with costs directly related to herd growing (feeds, medicines, employee salaries and other). The free cash-flow is discounted with post tax WACC.

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



## Share-based payments

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

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

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

Where:

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

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

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

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

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

## 2. Share capital and reserves

### *Share capital and share premium of the Company*

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

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

### *Shareholders*

Total number of shareholders on 31 December 2021 was 2,525 and on 31 December 2020 it was 1,866.



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

Entity / person	31 December 2021		31 December 2020	
	Number of shares	% owned	Number of shares	% owned
Baltic Champs Group UAB (identification code: 145798333; address: Poviliškiai v., Šiauliai region mun., Lithuania)	126,686,760	55.71	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
Žilvinas Marcinkevičius	15,919,138	7.00	15,919,138	7.00
ME Investicija UAB (identification code: 302489393; address: Račių st. 1, Vilnius, Lithuania)	-	<5.00	19,082,801	8.39
Other shareholders	64,999,718	28.58	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>

No shareholder has special voting rights.

Information on the shares of the Company held by the members of the Board and the top executives as of 31 December 2021:

Name, Surname	Position	Owned shares in the Company, units	Owned shares in the Company, %
Kęstutis Juščius*	CEO	1,392	0.0006%
Tomas Krakauskas	Member of the Board	119,000	0.052%
Mindaugas Ambrasas	CFO	6,881	0.003%

\* Kęstutis Juščius, CEO, is the ultimate owner of Baltic Champs Group UAB, controlling 55.71% of the Company's shares.

#### Reserves of the Company

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

Revaluation reserve comprises revaluation of land portfolio owned by the Group. Land portfolio valuation is performed by independent valuator. The valuation for reporting period was performed in 2020. Revaluation reserve as of 31 December 2021 amounted to EUR 10,250 thousand (31 December 2020: EUR 9,213 thousand).

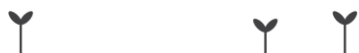
In 2018 the Company formed a reserve to grant shares for employees. Transfers to this reserve is performed annually when the board approves issue of additional shares options. Reserve to grant shares for employees as of 31 December 2021 amounted to EUR 3,002 thousand (31 December 2020: EUR 2,509 thousand).

Employee Option Plan was approved by shareholders at the annual general shareholders' meeting on 30 April, 2019. The service condition for the Option receiver is to complete a 3-year term of service to the Group. After the condition is met employee is eligible to exercise the option.

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

### 3. The structure of the Group

As of 31 December 2021, the Group consisted of the Company and 127 subsidiaries (31 December 2020: 137). Detailed list of all subsidiaries in 2021 and 2020 is provided below.



No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						31/12/21	31/12/20
1.	Baltic Champs UAB	*4	302942064	Šiaulių region, Poviliškių v., 15	**A	100,00%	100,00%
2.	AVG Investment UAB	*4	300087691	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
3.	AWG Investment 1 UAB	*4	301745765	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
4.	AWG Investment 2 UAB	*4	301807590	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**G	100,00%	100,00%
5.	Agross UAB	*4	301807601	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	100,00%	100,00%
6.	Grain Lt UAB	*4	302489354	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**H	100,00%	97,41%
7.	AgroGis UAB	*4	302583978	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**D	95,00%	95,00%
8.	Agro Management Team UAB	*4	302599498	Jonavos region, Bukonių v., 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	100,00%	99,97%
20.	Agricultural entity AUGA Nausodė	*1	154179675	Anykščių region, Kirmėlių v.,	**A	99,93%	99,93%
21.	Agricultural entity AUGA Dumšiškės	*1	172276179	Raseinių region, Paraseinio v.,	**A	99,88%	99,88%
22.	Agricultural entity AUGA Žadžiūnai	*1	175706853	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,81%	99,81%
23.	Agricultural entity AUGA Mantviliškis	*1	161274230	Kėdainių region, Mantviliškio v.,	**A	99,94%	99,94%
24.	Agricultural entity AUGA Alanta	*1	167527719	Molėtų region, Kazlų v., Skiemonių st. 2A	**A	99,99%	99,99%
25.	Agricultural entity AUGA Eimučiai	*1	175705032	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,24%	99,24%
26.	Agricultural entity AUGA Vėriškės	*1	171305165	Radviliškio region, Vėriškių v.,	**A	99,93%	99,93%
27.	Agricultural entity AUGA Želsvelė	*1	165666499	Marijampolės mun., Želsvos v.,	**A	99,86%	99,86%
28.	Agricultural entity AUGA Lankesa	*1	156913032	Jonavos region, Bukonių v.,	**A	96,91%	96,91%
29.	Agricultural entity AUGA Kairėnai	*1	171327432	Radviliškio region, Kairėnų v.,	**A	98,47%	98,47%
30.	Agricultural entity AUGA Jurbarkai	*1	158174818	Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	98,46%	98,46%
31.	Agricultural entity AUGA Gustoniai	*1	168565021	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	100,00%	100,00%
32.	Cooperative entity Siesarčio ūkis	*3	302501098	Šakių region, Gotlybiškių v., Mokyklos st. 18	**A	99,44%	99,44%
33.	Cooperative entity Kašėta	*3	302501251	Jonavos region, Bukonių v., Lankesos st. 2	**A	99,44%	99,44%
34.	Agricultural entity Gustonys	*1	302520102	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**E	100,00%	100,00%
35.	Agricultural entity Skėmių pienininkystės centras	*1	302737554	Radviliškio region, Skėmių v., Alyvų st. 1	**A	48,67%	48,67%
36.	Cooperative entity Agrobokštai	*3	302485217	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	97,94%	97,94%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						31/12/21	31/12/20
37.	Cooperative entity Dotnuvėlės valdos	*3	302618614	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	99,22%	99,22%
38.	Cooperative entity Nevėžio lankos	*3	302618596	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	96,51%	96,51%
39.	Cooperative entity Radviliškio kraštas	*3	302618742	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	98,67%	98,67%
40.	Cooperative entity Šventosios pievos	*3	302618201	Raseinių region, Kalnų mstl. Žieveliškės st. 1	**A	96,36%	96,36%
41.	Cooperative entity Kairių ūkis	*3	302615194	Panevėžio region, Gustonių v., M. Kriaučiūno st. 15	**A	98,68%	98,68%
42.	Cooperative entity Šiaurinė valda	*3	302615187	Šiaulių region, Poviliškių v., 15	**A	96,15%	96,15%
43.	Cooperative entity Šušvės žemė	*3	302618767	Kelmės region, Pašiaušės v., Vilties st. 2	**A	98,43%	98,43%
44.	Cooperative entity Žalmargėlis	*3	303145954	Vilniaus mun., Vilnius, Smolensko st. 10-100	**A	98,32%	98,32%
45.	Cooperative entity Juodmargėlis	*3	303159014	Raseinių region, Kalnų mstl. Žieveliškės st. 1	**A	99,35%	99,35%
46.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnų 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.	Pasvalys distr., Pušalotas reclamation infrastructure users association	*2	302465563	Pasvalio region, Diliauskų v., Diliauskų st. 23	**A	48,67%	48,67%
51.	Skėmiai reclamation infrastructure users association	*2	303170256	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
52.	Vaitiekūnai reclamation infrastructure users association	*2	303170306	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
53.	Association Grūdovos melioracija	*2	302567116	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	65,81%	65,81%
54.	Pauliai reclamation infrastructure users association	*2	303169909	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
55.	Nausode reclamation infrastructure users association	*2	304219592	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	70,74%	70,74%
56.	Traktorių nuomos centras UAB	*4	302820808	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
57.	Traktorių nuomos paslaugos UAB	*4	302820797	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
58.	Arnega UAB	*4	302661957	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
59.	AgroSchool OU	*6	12491954	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
60.	Public institution AgroSchool	*5	303104797	Vilniaus mun., Vilnius, Smolensko st. 10-100	**C	50,00%	50,00%
61.	AUGA Ramučiai UAB	*4	302854479	Akmenės region, Ramučių v., Klevų st. 11	**A	100,00%	100,00%
62.	AUGA Luganta UAB	*4	300045023	Kelmės region, Pašiaušės v.,	**A	100,00%	100,00%
63.	eTime invest UAB	*4	300578676	Vilniaus mun., Vilnius, Saltoniškių st. 29	**G	100,00%	100,00%
64.	ŽVF Projektai UAB	*4	300137062	Jonavos region, Bukonių v., Lankesos st. 2	**E	52,62%	52,62%
65.	Agricultural entity Alantos ekologinis ūkis	*1	303324747	Molėtų region, Kazlų v., Skiemonių st. 2A	**A	100,00%	100,00%
66.	Agricultural entity Dumšiškių ekologinis ūkis	*1	303324722	Raseinių region, Paraseinio v., Paraseinio st. 2	**A	100,00%	100,00%
67.	Agricultural entity Eimučių ekologinis ūkis	*1	303324715	Šiaulių region, Žadziūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
68.	Agricultural entity Grūdovos ekologinis ūkis	*1	303324804	Šakių region, Gotlybiškių v., Mokyklos st. 2	**A	100,00%	100,00%
69.	Agricultural entity Jurbarkų ekologinis ūkis	*1	303325361	Jurbarko region, Klišių v., Vytauto Didžiojo st. 99	**A	100,00%	100,00%
70.	Agricultural entity Kairėnų ekologinis ūkis	*1	303325774	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%

No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						31/12/21	31/12/20
71.	Agricultural entity Lankesos ekologinis ūkis	*1	303325710	Jonavos region, Bukonių v., Lankesos st. 2	**A	100,00%	100,00%
72.	Agricultural entity Mantviliškio ekologinis ūkis	*1	303325703	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	100,00%	100,00%
73.	Agricultural entity Nausodės ekologinis ūkis	*1	303325781	Anykščių region, Nausodės v., Nausodės st. 55	**A	100,00%	100,00%
74.	Agricultural entity Skėmių ekologinis ūkis	*1	303325692	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
75.	Agricultural entity Smilgių ekologinis ūkis	*1	303325824	Panevėžio region, Smilgiai, Panevėžio st. 23-1	**A	100,00%	100,00%
76.	Agricultural entity Spindulio ekologinis ūkis	*1	303325817	Radviliškio region, Vaitiekūnų v., Spindulio st. 13-2	**A	100,00%	100,00%
77.	Agricultural entity Vėriškių ekologinis ūkis	*1	303325849	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	100,00%	100,00%
78.	Agricultural entity Žadžiūnų ekologinis ūkis	*1	303325870	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
79.	Agricultural entity Želsvelės ekologinis ūkis	*1	303325856	Marijampolės mun., Želsvos v., Želsvelės st. 1	**A	100,00%	100,00%
80.	Prestviigi OU	*6	12654600	Harju maakond, Tallinn, Kesklinna linnaosa, Lai tn 32-8, 10133	**G	100,00%	100,00%
81.	Cooperative entity Ganiklis	*3	303429417	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
82.	Cooperative entity Ganiavos gėrybės	*3	303429431	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
83.	Cooperative entity Žemėpačio pieno ūkis	*3	303432388	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
84.	Cooperative entity Žemynos pienelis	*3	303427989	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
85.	Cooperative entity Lygiadienio ūkis	*3	303428087	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
86.	Cooperative entity Laumės pieno ūkis	*3	303427996	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
87.	Cooperative entity Medeinos pienas	*3	303428112	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	98,09%	98,09%
88.	Cooperative entity Gardaitis	*3	303429381	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
89.	Cooperative entity Dimstipatis	*3	303429424	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
90.	Cooperative entity Aušlavis	*3	303429456	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
91.	Cooperative entity Austėjos pieno ūkis	*3	303428094	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
92.	Cooperative entity Aitvaro ūkis	*3	303429374	Radviliškio region, Skėmių v., Alyvų st. 1-3	**A	98,09%	98,09%
93.	Cooperative entity Giraičio pieno ūkis	*3	303429399	Mažeikių aplinkl. 9, Naikių v., Mažeikių apylinkės sen., Mažeikių region,	**A	98,09%	98,09%
94.	Fentus 10 GmbH	*6	HRB106477	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
95.	Norus 26 AG	*6	HRB109356B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
96.	LT Holding AG	*6	HRB109265B	StraBe des 17 Juni 10b 10623 Berlin, Germany	**G	100,00%	100,00%
97.	KTG Agrar UAB	*4	300127919	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	100,00%	100,00%
98.	Agrar Raseiniai UAB	*4	300610316	Raseinių region, Ariogalos sen. Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
99.	AUGA Mažeikiai UAB	*4	300610348	Mažeikių av. 9, Naikių v., Mažeikių region,	**A	100,00%	100,00%
100.	PAE Agrar UAB	*4	300867691	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
101.	Delta Agrar UAB	*4	300868875	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
102.	KTG Grūdai UAB	*4	302637486	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
103.	KTG Eko Agrar UAB	*4	300510650	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, %	
						31/12/21	31/12/20
104.	Agronita UAB	*4	300132574	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
105.	Agronuoma UAB	*4	303204954	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
106.	VL Investment Vilnius 12 UAB	*4	303205611	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
107.	Agrar Ašva UAB	*4	301608542	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
108.	Agrar Varduva UAB	*4	301608791	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
109.	Agrar Seda UAB	*4	301608777	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
110.	Agrar Kvistė UAB	*4	302308067	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
111.	Agrar Luoba UAB	*4	302308035	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
112.	Agrar Gaja UAB	*4	302594412	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
113.	Agrar Ariogala UAB	*4	301626540	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
114.	Agrar Girdžiai UAB	*4	301621568	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
115.	Agrar Vidauja UAB	*4	301622531	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
116.	Agrar Raudonė UAB	*4	302309532	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
117.	Agrar Venta UAB	*4	302307855	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
118.	Agrar Nerys UAB	*4	302594063	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
119.	Agrar Gėluva UAB	*4	302312133	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
120.	Agrar Betygala UAB	*4	302312222	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
121.	Agrar Dubysa UAB	*4	302312215	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
122.	Agrar Pauliai UAB	*4	302312165	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
123.	Agrar Mituva UAB	*4	302312172	Raseinių region, Gėluvos v., Dvaro st. 30	**A	100,00%	100,00%
124.	AUGA Raseiniai UAB	*4	304704364	Raseinių region, Kalnųjai, Žieveliškės st. 1	**A	100,00%	100,00%
125.	Tėvynės žemelė UAB	*4	303301428	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**G	100,00%	100,00%
126.	Tėviškės žemelė UAB	*4	303207199	Antano Tumėno st. 4, Vilniaus mun., Vilnius	**E	100,00%	100,00%
127.	Cooperative entity Grybai LT	*3	302765404	Žibaly st. 37, Širvintos	**I	100,00%	100,00%

COMMENTS:

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

#### 4. Property, plant and equipment

GROUP	Vehicles, equipment and other property, plant and equipment					Total
	Land	Buildings	Constructions and machinery	plant and equipment	Construction in progress	
<b>Carrying amount</b>						
As of 31 December 2019	60,622	40,978	22,602	2,198	1,707	128,108
- purchase of subsidiaries	-	2,262	2,223	132	-	4,617
- additions	6,667	454	2,289	781	2,273	12,465
- disposals and write-offs	(6)	(17)	(147)	(46)	-	(216)
- revaluation	851	-	-	-	-	851
- depreciation (including ROU assets)	(5,855)	(2,499)	(4,196)	(722)	-	(13,273)
- reclassifications	-	271	718	2	(990)	-
As of 31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
- additions	11,539	495	4,396	1,091	2,891	20,412
- disposals and write-offs	(2)	(155)	(123)	(33)	-	(313)
- revaluation	1,221	-	-	-	-	1,221
- depreciation (including ROU assets)	(6,351)	(2,535)	(4,470)	(939)	-	(14,295)
- reclassifications	-	-	(314)	1,679	(1,681)	(315)
As of 31 December 2021	68,686	39,253	22,977	4,143	4,201	139,260
<b>Acquisition cost or revaluated amount as of</b>						
31 December 2019	65,981	54,560	40,730	5,308	1,707	168,286
31 December 2020	73,493	57,529	45,813	6,177	2,991	186,004
31 December 2021	86,251	57,869	49,771	8,914	4,201	207,006
<b>Accumulated depreciation and impairment losses as of</b>						
31 December 2019	(5,359)	(13,582)	(18,128)	(3,110)	-	(40,179)
31 December 2020	(11,214)	(16,081)	(22,324)	(3,832)	-	(53,452)
31 December 2021	(17,565)	(18,616)	(26,794)	(4,771)	-	(67,746)
<b>Carrying amount as of</b>						
31 December 2019	60,622	40,978	22,602	2,198	1,707	128,108
31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
31 December 2021	68,686	39,253	22,977	4,143	4,201	139,260

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

	Land	
	31 December 2021	31 December 2020
<b>Right of use assets</b>		
Acquisition cost	46,648	40,728
Additions	9,729	5,292
Less: accumulated depreciation	(17,565)	(11,214)
<b>Carrying amount</b>	<b>38,812</b>	<b>34,806</b>
	Buildings	
	31 December 2021	31 December 2020
<b>Right of use assets</b>		
Acquisition cost	1,008	975
Additions	-	33
Disposals and write-offs	(44)	-
Less: accumulated depreciation	(403)	(271)
<b>Carrying amount</b>	<b>562</b>	<b>737</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 2019</b>	<b>5,744</b>	<b>3,654</b>	<b>2,226</b>	<b>13,809</b>	<b>25,433</b>
Direct purchases	-	123	-	-	123
Accumulated expenses	-	3,821	28,171	34,912	66,904
Transfer between groups	2,707	(2,707)	-	-	-
Direct sales	(523)	(224)	-	-	(747)
Harvest	-	-	(28,248)	(41,510)	(69,758)
Revaluation	(1,371)	(1,146)	-	7,692	5,175
Write-offs	(247)	(131)	-	-	(378)
<b>Balance as of 31 December 2020</b>	<b>6,310</b>	<b>3,389</b>	<b>2,149</b>	<b>14,903</b>	<b>26,751</b>
Direct purchases	-	205	-	-	205
Accumulated expenses	-	3,763	27,116	36,372	67,251
Transfer between groups	3,547	(3,547)	-	-	-
Direct sales	(609)	(290)	-	-	(899)
Harvest	-	-	(26,975)	(30,800)	(57,774)
Revaluation	(2,101)	(307)	-	(3,175)	(5,583)
Write-offs	(257)	(107)	-	-	(364)
<b>Balance as of 31 December 2021</b>	<b>6,890</b>	<b>3,106</b>	<b>2,290</b>	<b>17,300</b>	<b>29,586</b>

## 6. Inventory

As of December 31 the Group's inventories consisted of the following:

	As of 31 December 2021	As of 31 December 2021
Finished goods (agricultural produce)	18,832	25,007
Raw materials	6,812	6,677
<b>Total</b>	<b>25,644</b>	<b>31,684</b>
Less: Revaluation to net realizable value of agricultural produce	(1,536)	(1,249)
<b>Carrying amount</b>	<b>24,108</b>	<b>30,435</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 2021	As of 31 December 2020
Trade receivables	4,659	6,628
VAT receivable	601	1,281
Receivables from National Paying Agency	1,449	86
Accounts receivable from private individuals	81	84
Other receivables	3,579	3,915
Prepayments and deferred expenses	3,924	4,771
Less: loss allowance	(1,867)	(680)
<b>Total trade accounts receivable, net</b>	<b>12,426</b>	<b>16,084</b>
Non-current receivables, gross	452	450
Less: loss allowance	(3)	(4)
<b>Total</b>	<b>12,875</b>	<b>16,530</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.



## 8. Financial liabilities

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

	<u>As of 31 December 2021</u>	<u>As of 31 December 2020</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	7,590	8,892
FMCG companies	1,007	1,184
Agricultural entities	21,189	11,003
Parent company	2,728	3,000
<i>Other borrowings</i>		
Creditors	-	753
Investment fund for purchased land	253	253
Green Bonds	19,114	18,818
<b>Total</b>	<b>51,882</b>	<b>43,903</b>
Less: amounts, payable within one year (according to agreements)	(5,767)	(3,409)
<b>Total long-term borrowings</b>	<b>46,115</b>	<b>40,494</b>

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

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

	<u>As of 31 December 2021</u>	<u>As of 31 December 2020</u>
<i>Financial liabilities to banks and bondholders</i>		
Within second year	9,853	5,186
Within third and fourth year	35,939	25,843
After fifth year and later	323	9,465
<b>Total</b>	<b>46,115</b>	<b>40,494</b>

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

	<u>As of 31 December 2021</u>	<u>As of 31 December 2020</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
Grain selling entity	3,183	7,000
<b>Total short-term borrowings</b>	<b>5,583</b>	<b>9,400</b>

Short-term loans from banks as of 31 December 2021 include EUR 5,583 thousand credit-line facilities (2020: EUR 9,400 thousand).

## 9. Leases

The Group's leases consisted of the following:

	<u>As of 31 December 2021</u>	<u>As of 31 December 2020</u>
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	39,114	34,626
Lease liabilities related to other assets**	6,385	6,613
<b>Total</b>	<b>45,499</b>	<b>41,239</b>
<b>Less: amounts payable within one year</b>		
Lease liabilities related to right-of-use assets*	5,078	4,607
Lease liabilities related to other assets**	2,697	2,950
<b>Total</b>	<b>7,776</b>	<b>7,557</b>
<b>Total long-term leases</b>	<b>37,723</b>	<b>33,682</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

a) Harvest of agricultural produce	12-month period ending 31 December 2021	12-month period ending 31 December 2020
Total cultivated land, ha	39,139	39,637
Wheat	10,440	11,896
Legumes	8,056	9,035
Other cash crops	12,459	9,664
Forage Crops	6,711	8,168
Fallow	1,472	875
Average harvest yield, t/ha		
Wheat	3.27	4.10
Legumes	1.09	2.70
Other cash crops	5.68	9.72
Forage Crops	7.67	7.39
Total fair value of harvest, EUR'000	30,800	41,510
Wheat	8,229	10,149
Legumes	3,057	8,612
Other cash crops	13,409	16,485
Forage Crops	6,105	6,264
Total production cost of harvest, EUR'000	34,291	34,386
Wheat	8,205	9,729
Legumes	6,459	7,274
Other cash crops	13,522	11,119
Forage Crops	6,105	6,264
Total gain (loss) on revaluation of biological assets at fair value, EUR'000*	(3,491)	7,124
<i>Gain (loss) on revaluation of biological assets at fair value recognized in previous periods, EUR'000*</i>	(2,018)	(1,450)
<i>Gain (loss) on revaluation of winter crops at point of harvest for following period, EUR'000*</i>	2,334	2,018
Gain (loss) on revaluation of biological assets recognized in reporting period, EUR'000*	(3,175)	7,692

\*Estimated gain (loss) on recognition of cash crops at fair value as of 31 December 2021. For more information please see management report's section 2.2.

b) Sales of agricultural produce	12-month period ending 31 December 2021	12-month period ending 31 December 2020
Total revenue of sold agricultural produce, EUR'000	23,614	37,380
Total cost of sold agricultural produce*, EUR'000	25,195	38,194
Total inventory write-offs, EUR'000	4,047	1,390
Result of sales of agricultural produce, EUR'000	(5,628)	(2,204)

\* 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 2021	12-month period ending 31 December 2020
Direct subsidies, EUR'000	5,553	4,880
Organic farming subsidies, EUR'000	4,137	2,574
Total subsidies, EUR'000	9,690	7,454
Gross profit of crop growing segment, EUR'000 (a+b+c)	887	12,942
<i>Depreciation included in the harvest of agricultural produce, EUR'000</i>	3,825	4,196



DAIRY SEGMENT	12-month period ending 31 December 2021	12-month period ending 31 December 2020
Total quantity sold, tonnes	27,053	26,799
Non-organic milk, tonnes	557	1,517
Organic milk, tonnes	25,128	23,867
Dairy commodities, tonnes	624	714
Cattle, tonnes	743	700
Total revenues of dairy segment, EUR'000	13,611	12,945
Non-organic milk, EUR'000	194	494
Organic milk, EUR'000	10,496	9,571
Dairy commodities, EUR'000	2,022	2,133
Cattle, EUR'000	899	747
Total cost of dairy segment, EUR'000	13,154	12,564
Milk, EUR'000	10,364	9,750
Dairy commodities, EUR'000	1,891	2,067
Cattle, EUR'000	899	747
Revaluation of biological assets, EUR'000	(2,772)	(2,517)
Total subsidies, EUR'000	3,169	2,533
<b>Gross profit of dairy segment, EUR'000</b>	<b>853</b>	<b>396</b>
<i>Depreciation included in cost of dairy segment sales, EUR'000</i>	<i>644</i>	<i>589</i>

MUSHROOM SEGMENT	12-month period ending 31 December 2021	12-month period ending 31 December 2020
Total quantity sold, tonnes	12,002	12,906
Non-organic mushrooms, tonnes	11,323	11,943
Organic mushrooms, tonnes	679	964
Total revenues from mushroom sales, EUR'000	27,885	28,383
Non-organic mushrooms, EUR'000	25,362	25,390
Organic mushrooms, EUR'000	2,523	2,993
Total cost of mushrooms sold, EUR'000	27,534	26,888
Non-organic mushrooms, EUR'000	25,832	24,805
Organic mushrooms, EUR'000	1,702	2,083
Total revenues from sales of mushroom seedbed, EUR'000	475	1,618
Total cost from sales of mushroom seedbed, EUR'000	240	1,360
<b>Gross profit of mushroom growing segment, EUR'000</b>	<b>586</b>	<b>1,753</b>
<i>Depreciation included in cost of mushroom sales, EUR'000</i>	<i>1,651</i>	<i>1,534</i>

FAST-MOVING CONSUMER GOODS	12-month period ending 31 December 2021	12-month period ending 31 December 2020
Total revenue from fast-moving consumer goods sales, EUR'000	6,193	4,880
Total cost of fast-moving consumer goods, EUR'000	4,603	4,130
<b>Gross profit of fast-moving consumer goods segment, EUR'000</b>	<b>1,590</b>	<b>750</b>
<i>Depreciation included in cost of sales of fast-moving consumer goods, EUR'000</i>	<i>357</i>	<i>206</i>



## 11. Operating expenses

Operating expenses breakdown by type of expenses was the following:

	<u>12-month period ending 31 December</u>	
	<u>2021</u>	<u>2020</u>
Payroll expenses	3,887	3,689
Social security expenses	1,050	997
Share based payments amortization	562	247
Fines and late payments	25	63
Depreciation PP&E, ROU assets and amortization of IA	812	754
Write-offs and impairments of PPE	3	-
Loss allowance of amounts receivable	1,186	237
Consultations and business plan preparations	259	187
Insurance and tax expense	756	767
Selling expenses	1,616	930
Fuel costs	256	194
Real estate registration and notaries	117	151
Rent and utilities	393	365
Transportation costs	313	297
Office administration	626	503
Other expenses	950	846
<b>Total</b>	<b><u>12,811</u></b>	<b><u>10,227</u></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:

	<u>12-month period ending 31 December</u>	
	<u>2021</u>	<u>2020</u>
Interest and fines income	348	349
Insurance benefits	108	100
Other income (expenses)	180	22
<b>Total</b>	<b><u>636</u></b>	<b><u>471</u></b>

## 13. Other gains/(losses)

Other gains/(losses) breakdown by type was the following:

	<u>12-month period ending 31 December</u>	
	<u>2021</u>	<u>2020</u>
Gain (loss) on sale of investment property	-	(131)
Gain (loss) from sale of property, plant and equipment	(71)	110
Gain (loss) from sale of subsidiaries	-	900
<b>Total</b>	<b><u>(71)</u></b>	<b><u>879</u></b>



#### 14. Financial expenses

Financial expenses breakdown by type was the following:

	12-month period ending 31 December	
	2021	2020
Bank interest expenses	1,640	1,684
Bond interest expenses	1,532	1,492
Leasing and other financial expenses	235	255
Interest expenses (IFRS 16)	2,567	1,748
Other borrowings interest expenses	270	214
Currency exchange differences	61	47
Fair value change of derivatives	-	8
Other financial expenses	139	99
<b>Total</b>	<b>6,444</b>	<b>5,547</b>

#### 15. Subsequent events January – December 2021

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

Announcement date	Announcement header
30.12.2021	Dates of periodic information disclosure of AUGA group, AB for the year 2022 (investor calendar)
17.12.2021	Information regarding the interest payment to the AUGA group green bond owners
06.12.2021	The request to delist the shares of AUGA group, AB from trading on the Warsaw Stock Exchange was provided
02.12.2021	The report on the implementation of tender offer and the notification on the transaction in issuer's securities of the person closely associated with person discharging managerial responsibilities
01.12.2021	AUGA group, AB presentation of financial results for the 9 months of 2021
30.11.2021	Report on interim financial results of AUGA group, AB for the 9-month period ended 30 September 2021
22.11.2021	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 9 months of 2021
14.10.2021	Decisions of the Extraordinary General Meeting of Shareholders of AUGA group, AB which Took Place on 14th October 2021
08.10.2021	Opinion of the Management Board of AUGA group, AB about the submitted tender offer, aimed at delisting of shares of the company from trading on the Warsaw Stock Exchange
08.10.2021	Regarding announcement of the circular of the tender offer, aimed at delisting the shares of AUGA group, AB from trading on the Warsaw Stock Exchange
30.09.2021	Notification on transaction concluded by person closely associated with the person discharging managerial responsibilities
29.09.2021	AUGA group, AB presents the first technology for the "green" food chain - a climate-friendly tractor
29.09.2021	Regarding the trading suspension in AUGA group, AB shares
23.09.2021	Trading in shares of AUGA group was suspended on the Warsaw Stock Exchange
22.09.2021	Announcement of the notification of the Board of AUGA group, AB about the intention to delist the shares of the company from trading on the regulated market of the Warsaw Stock Exchange
22.09.2021	Notice on the update of questions of the agenda of the extraordinary general meeting of shareholders of AUGA group, AB on 14 October 2021 by drafts of decisions and related information
22.09.2021	Notice on Convocation of the Extraordinary General Meeting of Shareholders of AUGA group, AB on 14 October 2021
02.09.2021	AUGA group, AB presentation of financial results for the 6 months of 2021
31.08.2021	Report on interim financial results of AUGA group, AB for six-months period ended 30 June 2021
23.08.2021	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 6 months of 2021
30.07.2021	Notification on the disposal of voting rights
30.07.2021	Notification on transaction concluded by person closely associated with the person discharging managerial responsibilities





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



## V. CONFIRMATION OF RESPONSIBLE PERSONS

In accordance with the Law on Securities of the Republic of Lithuania and the Rules on the Information Disclosure approved by the Board of the Bank of Lithuania, we hereby confirm that, to the best of our knowledge, the consolidated interim financial statements of AUGA group, AB for the twelve-month period ended 31 December 2021, have been prepared in accordance with the International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flow of AUGA group, AB group.

Chief Executive Officer

Kęstutis Juščius

Chief Financial Officer

Mindaugas Ambrasas

