



AUGA GROUP, AB

Consolidated Interim
Financial Statements for
6 Months Period
Ended 30 June 2022
(Unaudited)

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I. GENERAL INFORMATION

1.1. Accounting period covered by the report

Consolidated interim report was prepared for the 6-month period ended 30 June 2022.

1.2. Key data on the issuer

Name of the company:	AUGA group, AB (hereinafter – AUGA group, AB or the Company)
Share capital:	EUR 66,617,089.58
Address of head office:	Konstitucijos av. 21C, Quadrum North, LT-08130, Vilnius, Lithuania
Telephone:	+370 5 233 53 40
Fax:	+370 5 233 53 45
E-mail address:	info@auga.lt
Website:	www.auga.lt
Legal entity form:	Joint stock company
Place and date of registration:	25 June 2003, Vilnius
Register code:	126264360
Registrant of the Register of Legal entities:	VĮ Registrų centras

1.3. Main lines of business of the Group

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

1.4. The structure of the Group

As of 30 June 2022, the consolidated Group (hereinafter the Group) consists of the Company and 126 subsidiaries (31 December 2021: 127 subsidiaries). Please refer to the financial statements note 3 for a detailed list of the Group companies.

1.5. Agreements with the mediators of securities public circulation

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

1.6. Data about securities traded on regulated markets

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

Type of shares	Number of shares	Share nominal value (in EUR)	Total share capital (in EUR)	Issue Code ISIN
Ordinary registered shares	229,714,102	0.29	66,617,089.58	LT0000127466

The securities of the Company were also traded in Warsaw Stock Exchange. On 14 March 2022 the Polish Financial Supervision Authority has made the decision to give consent to the delisting of the Company's shares from the Warsaw Stock Exchange from 8 April 2022. As of this date, the Company's shares will no longer be listed on the Warsaw Stock Exchange. The board of Warsaw Stock Exchange has also agreed to delist the Company's shares from the respective exchange on 8 April 2022. Because of delisting, the last day of trading of Company's shares in the regulated market of Warsaw Stock Exchange was 7 April 2022.



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

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

Reporting period	Price, EUR					Total turnover	
	Average	Open	High	Low	Last	Units	EUR
2022 I half	0.474	0.498	0.524	0.400	0.460	2,254,666	1,067,464

AUGA group, AB shares volume, share price and OMX Baltic Benchmark index variance for the period of 1 January 2020 to 30 June 2022.



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 2021 is provided in the Group's consolidated annual report for the year ending 31 December 2021.

1.8. Significant post balance sheet events

Post balance sheet events are disclosed in the consolidated financial statements of the Group for the 6-month period ending 30 June 2022. See financial statements' note 15 for more details.



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

II. MANAGEMENT REPORT

2.1. Overall results

The aggregate sales of AUGA group AB and its subsidiaries (hereinafter the Group) amounted to EUR 33.99 million in the first 6 months of 2022, representing a 3% increase on the same period last year, when aggregate sales were EUR 33.13 million.

The Group's gross profit increased by 46% in the first half of 2022 and reached EUR 12.43 million whereas the gross profit last year was EUR 8.5 million. Over a period of six months, the Group's net profit amounted to EUR 3.65 million.

EBITDA amounted to EUR 15.05 million in the six months of 2022 and was 35% higher compared to the same period last year, when EBITDA amounted to EUR 11.14 million.

The overall sales results for the first half of this year are similar to last year's, since the 2021 harvest was sold in the first half of 2022. The sales results for this year's harvest will start to be seen only as of the third quarter, though the final profit and EBITDA figures already show positive trends: profit is up compared to last year, largely due to expectations for the outcome of this season's harvest.

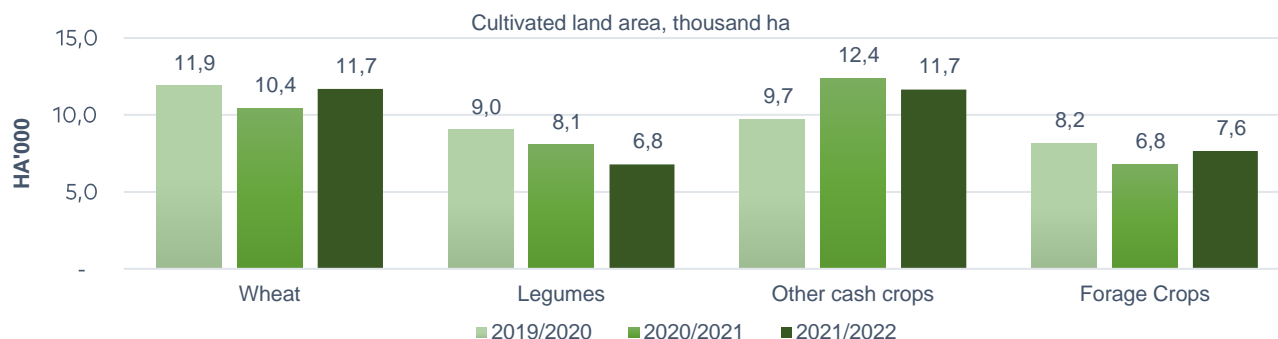
Main financial results, EUR million	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Revenues	33.99	33.13	34.69	+3%	-4%
Gross profit (loss)	12.43	8.50	8.58	+46%	-1%
Gross profit margin	37%	26%	25%	+42%	+4%
Net profit (loss)	3.65	0.75	1.30	+387%	-43%
Net profit margin	11%	2%	4%	+437%	-40%
EBITDA	15.05	11.14	11.53	+35%	-3%
EBITDA margin	44%	34%	33%	+30%	+1%

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 2021/2022

The total cultivated land area by the Group amounted to 38.5 thousand hectares (ha) in the 2021/2022 season and is slightly less than the cultivated area in the 2020/2021 season. In the 2021/2022 season, 30.3 thousand ha is seeded with crops (30.9 thousand in the 2020/2021 season) out of which 11.7 thousand ha is dedicated to wheat, 6.8 thousand ha to legumes and 11.7 thousand ha to other cash crops. The majority – 10.1 thousand ha out of total 11.7 thousand ha – of wheat will be winter wheat as winter crops usually have higher yield potential compared to summer alternatives. Forage crops comprise 7.6 thousand ha in the 2021/2022 season compared to 6.8 thousand ha in the 2020/2021 season.



At the end of each quarter the Group evaluates the fair value of crops which have not yet been harvested. The Group estimated the total fair value of crops as of 30 June 2022 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 a particular crop during the 2021/2022 season.



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

- Cultivated area in ha is the area of a 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 most relevant information about the crops and updated according to the most recent data.
- Forecasted price per tonne. The fair value calculations relied on the negotiated, future prices of crops after taking into account the contracts already signed with regards to the sale of the 2021/2022 harvest.
- Forecasted total cost per ha. Actual costs incurred during the 2020/2021 season which are adjusted by 21% upwards due to the growth of the main cost components.
- T is the portion of time that has already passed from sowing date until the forecasted harvest date expressed as a percentage. As of 30 June 2022, the average completion percentage estimated for this year's harvest crops was around 73% while the average completion percentage of next year crops was around 15%.
- X is an adjustment parameter for possible unexpected negative effects to the harvest. 10% was used in fair value estimations as of 30 June 2022. Crops of the following harvest were adjusted by 30%.

The formula discussed above will be used to estimate fair value of cash crops (winter and summer crops) for coming quarters as well until the actual harvest will be completed. Forecasted parameters used in the fair value estimation will be re-evaluated quarterly and adjusted by taking into consideration the most recent data.

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

As of 30 June 2022 seeding of clover, that will be harvested next year, was completed.

As assessed at 30 June of 2022, the crop harvest will be better than last year, with higher product prices offsetting increased production costs as the major factor impacting results. Nevertheless, the Group will only be able to assess the final result of the crop segment for 2022 after the third quarter ends. As of 30 June 2022, the Group recognized a EUR 9.62 million gain on revaluation of biological assets at fair value. It should be noted that as of 31 December 2021 Group recognised gain of EUR 2.33 million on revaluation of biological assets at fair value for the 2021/2022 season's crops. Thus, gain on revaluation of biological assets at fair value accounted for in the first half of 2022 amounts to EUR 7.29 million.

Crops value, EUR million	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Gain (loss) on revaluation of biological assets at fair value recognized in previous period	2.33	2.02	1.45	+15%	+39%
Gain (loss) on revaluation of biological assets at fair value recognized in reporting period	7.29	4.51	4.93	+62%	-9%
Total gain (loss) on revaluation of biological assets at fair value	9.62	6.53	6.38	+47%	+2%

Crop growing segment sales results

Total revenue generated from sales in the crop growing segment amounted to EUR 8.85 million in 2022, which marks a decrease of EUR 0.63 million in revenue compared to 2021.

Decrease of the revenue of the crop growing segment in the 1st half of 2022 is a result of poor harvest of 2020/2021 season, which was being sold in this period. Nonetheless, the decrease in revenue was partly compensated by the increase in prices.

Crop growing segment results, EUR million	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Sales revenue	8.85	9.48	10.83	-7%	-12%
Cost of sales	8.08	10.66	11.44	-24%	-7%
Inventory write-offs	0.76	0.43	0.69	+77%	-37%
Result of internal transactions	(0.71)	-	-	n/a	
Result of sales of agricultural produce	(0.70)	(1.61)	(1.30)	+57%	-24%

The crop growing segment's cost of sales for the 6 months of 2022 amounted to EUR 8.08 million, 24% less compared to last year. In order to assess the results of each segment more precisely, the transactions between segments are executed based on fixed pricing, thus, starting from 2022 such transactions are presented separately and amounted to a loss of EUR 0.71 million to the crop growing segment in the 1st half of 2022.

Agricultural subsidies and gross profit of the crop growing segment



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

Total amount of agricultural subsidies accrued in 6 months of 2022 was EUR 4.70 million compared to EUR 4.62 million during the same period in 2021. Accrued subsidies amount is based on calculations according to currently applicable requirements of subsidising programmes regulations.

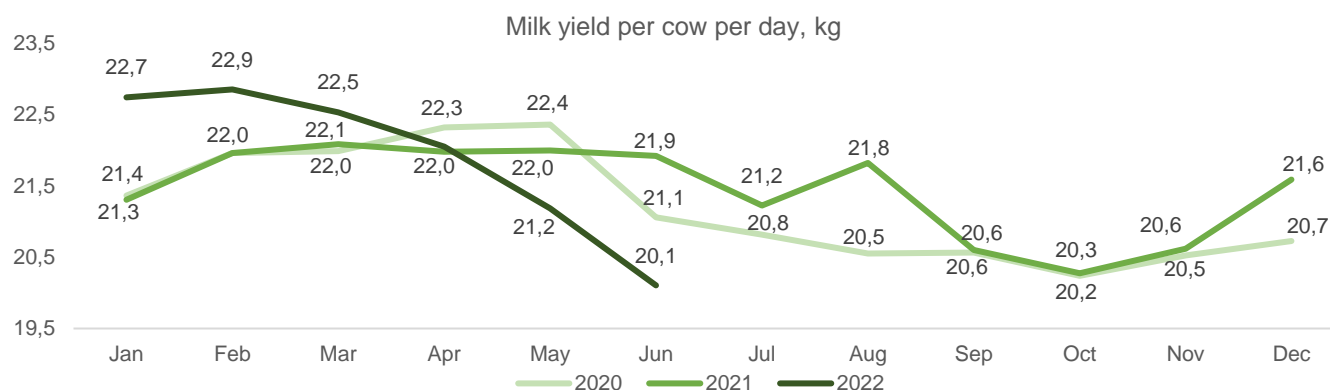
The gross profit of the crop growing segment, encompassing the results of agricultural produce sales, gain (loss) on changes in fair value of biological assets and agricultural subsidies, has improved in 2022 when compared to last year due to the increased gain on revaluation of biological assets at fair value and improving result of sales of agricultural produce.

Gross profit of crop growing segment, EUR million	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Gain (loss) on revaluation of biological assets at fair value recognised in reporting period	7.29	4.51	4.93	+62%	-9%
Result of sales of agricultural produce	(0.70)	(1.61)	(1.30)	+57%	-24%
Subsidies	4.70	4.62	3.71	+2%	+25%
Gross profit	11.29	7.51	7.34	+50%	+2%

2.3. Dairy segment overview

The result of the dairy segment in the first half of 2022 has improved compared to the same period last year. Rising production prices had the largest effect. Compared to last year the total sales revenue of the dairy segment grew by 21% and reached EUR 8.14 million in the 1st half of 2022. Rising revenue is also a result of a growing cow herd (from 3,509 in 1st half of 2021 to 3,582 cows in 1st half of 2022).

The average milk yield in the first half of 2022 remained stable compared to the same period last year. However, milk production in the second quarter of this year decreased by 4 percent compared to the same quarter last year. This was due to last year's poor harvest and the consequent loss of this year's feed quality due to lack of feed ingredients. It is expected that after the new 2022 year harvest, the feed composition of the crop will be updated and the milk yield will return to the previous level.



In the 6 months of 2022 the average price of milk sold was around EUR 497 per tonne and 20% higher comparing to the same period last year when it was EUR 413 per tonne.

The dairy segment's cost of sales amounted to EUR 7.18 million during the 6 months of 2022 which is EUR 0.49 million more than in the same period last year.

During the 6 months of 2022, a loss of EUR 1.09 million was incurred due to the revaluation of biological assets (animal herd). In comparison, the loss due to the revaluation of biological assets (animal herd) was 66% higher last year.

In the 1st half of 2022, the Group has recorded a EUR 1.56 million gross profit increase in the dairy segment when compared to last year.



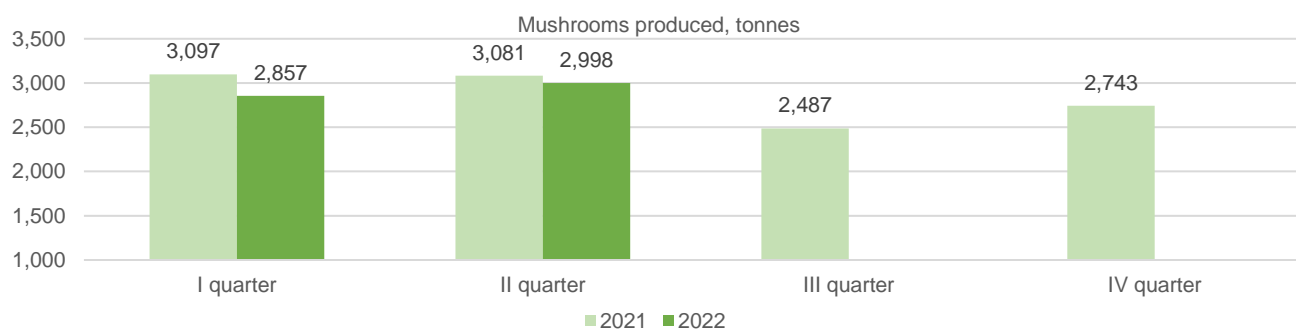
(All amounts are in EUR thousand, unless stated otherwise)

	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Total quantity of products sold, t	13,924	13,538	13,902	+3%	-3%
Milk, t	13,278	12,812	13,158	+4%	-3%
Dairy commodities, t	235	335	355	-30%	-6%
Cattle, t	411	391	388	+5%	+1%
Revenue, EUR million	8.14	6.73	6.66	+21%	+1%
Milk, EUR million	6.60	5.29	5.22	+25%	+1%
Dairy commodities, EUR million	0.81	1.00	1.07	-19%	-6%
Cattle, EUR million	0.73	0.44	0.37	+66%	+19%
Cost of sales, EUR million	7.18	6.69	6.27	+7%	+7%
Milk, EUR million	5.66	5.31	4.85	+7%	+10%
Dairy commodities, EUR million	0.79	0.93	1.06	-15%	-12%
Cattle, EUR million	0.73	0.44	0.37	+66%	+19%
Revaluation of biological assets, EUR million	(1.09)	(1.81)	(1.61)	+40%	-12%
Subsidies, EUR million	1.43	1.51	1.31	-5%	+15%
Gross profit, EUR million	1.29	(0.27)	0.09	n/a	n/a

2.4. Mushroom segment overview

Sales in the mushroom growing segment decreased slightly compared to previous year and amounted to EUR 14.28 million during the 6 months of 2022.

The Group has been facing various production challenges since the 3rd quarter of 2021, however, the production capacity is returning to normal level.



The ratio of organic mushrooms sold has increased and reached 8.2% during the 2nd quarter of 2022. The same ratio last year was equal to 6.3%.

In the 6-month period of 2022, the average non-organic and organic mushrooms sales price per tonne, which was equal to EUR 2,297, has increased by 3% when compared to the equivalent period in 2021.

Growing costs are becoming a challenge. The total cost of sales of the mushroom growing segment amounted to EUR 14.62 million in the 6-month period of 2022 and was EUR 0.88 million higher compared to the same period in 2021. The average cost of 1 tonne of mushrooms sold increased from 2,145 EUR/tonne to 2,351 EUR/tonne. Cost of mushrooms mainly has shifted upwards due to growing energy and transportation costs that showed an increase of 52% (EUR 847 thousand) when compared to the corresponding period last year.



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

As a result, the gross result of the segment was negative and for the 6-month period of 2022 amounted to a loss of EUR 0.33 million. During the same period last year, the Group has recorded a gross profit of EUR 0.59 million. Although production volumes are returning to previous levels, it is impossible in a short term to incorporate the rising energy prices into the final sale price of the mushrooms.

Planned investments into production of renewable energy for self-consumption and biomethane production projects that are already being developed by the Group should reduce the dependency on energy costs and enable better control over them.

	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Sold mushrooms, t	6,109	6,335	6,579	-4%	-4%
Average price (Eur/t)	2,297	2,221	2,168	3%	+2%
Total revenue, EUR million	14.28	14.33	15.21	0%	-6%
Mushroom sales revenue, EUR million	14.03	14.07	14.26	0%	-1%
Compost sales revenue, EUR million	0.25	0.25	0.95	0%	-73%
Cost of sale, EUR million	14.62	13.74	14.15	+6%	-3%
Cost of mushrooms sold, EUR million	14.36	13.59	13.22	+6%	+3%
Cost of compost sold, EUR million	0.25	0.15	0.93	+67%	-84%
Gross profit, EUR million	(0.33)	0.59	1.07	n/a	-44%

2.5. Fast-moving consumer goods (FMCG) segment

Total sales of the segment amounted to EUR 2.72 million in the 2nd quarter of 2022. In the equivalent period last year, sales of the FMCG segment were EUR 0.13 million lower. The results of the segment did not show growth in the first half of 2022. Seasonality of sales is increasing for FMCG products, part of planned sales are expected to materialise in the third quarter. But given the global surge in inflation and logistics disruptions that pose challenges for projects in Japan and US markets, it is expected that this year's growth plan for the segment will not be met.

Cost of sales were EUR 2.53 million compared to EUR 1.93 million last year.

Growing costs have also had an effect on the segment's profitability. During the 6-month period of 2022, the FMCG segment's gross profit has decreased to EUR 0.19 million. During the same period in 2021, gross profit amounted to EUR 0.66 million. Seasonality of sales have caused delay in the revision of product pricing, therefore, results of the revision should only be seen in the 3rd quarter.

FMCG segment results, EUR million	6-month of 2022	6-month of 2021	6-month of 2020	Variance 2022/2021, %	Variance 2021/2020, %
Sales revenue	2.72	2.59	1.99	+5%	+30%
Cost of goods sold	2.53	1.93	1.90	+31%	+1%
Gross profit	0.19	0.66	0.09	-71%	+647%

During the 6-month period of 2022 the Group has exported its products to 27 countries compared to 33 countries in the same period in 2021.

Preserved products, especially ready-to-eat organic soups, remain the main product group in the segment.

The 2022 FMCG sales revenue structure with respect to product types is depicted in the chart below.





2.6. Operating expenses

The Group's operating expenses during the 1st half of 2022 amounted to EUR 5.78 million compared to EUR 5.15 million in the same period last year. Operating expenses increased mainly due to increased salaries, selling, insurance expenses.

2.7. Capital expenditures

Total investments (additions) into property, plant and equipment amounted to EUR 2.3 million in the 1st half of 2022 (EUR 6.2 million in the 1st half of 2021). The split of investments (additions) into property, plant and equipment is provided in the table below.

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

	Land*	Buildings*	Constructions and machinery	Vehicles, equipment and other	Construction in progress	Total
Half-year 2022	378	465	738	132	598	2,311
Half-year 2021	1,020	104	3,439	637	986	6,186

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

Despite the fact that investments in fixed assets decreased The Group is continuing the technology projects planned in 2022. Biomethane production facilities are being developed, one of the units will start operating already late this year. The future biomethane production capacity will fully satisfy the Group's needs. During the last quarter of the year, the Group plans to complete the first batch of tractors powered by biomethane and electricity. The Group is also continuing its tests of specialised feed technology aimed at higher dairy yields and lower CO2 emissions from cattle digestion.

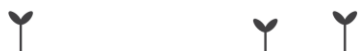
2.8. Risk management

The Risk Management Guidelines were approved by the Company's Audit Committee and the independent Board in 2021. Each year, the Group performs an assessment of the main risks and draws up a risk assessment map. In its risk assessment, the Group took into account both risk probability and risk significance..

The main risks identified for the Group are:

Climate conditions: Climate conditions are one of the most important risk factors for agricultural activity. Poor or unfavorable meteorological conditions have a significant impact on productivity and may adversely affect the yield of agricultural products, hurt the preparation of feed, destroy crops, and cause other damage. Any damage caused by adverse climate conditions can negatively affect the performance of the Group

Prices of agricultural products. The Group's revenue and performance depend on a number of factors, including prices of raw materials for agricultural production, which are beyond the Group's control. Agricultural product prices are strongly influenced by various factors that are difficult to predict and are not dependent on the Group (weather conditions, state policy in agriculture, changes in global demand due to demographic changes, changes in living conditions, competitive products in other countries). Factors such as climate conditions, infections, pest infestations, national agricultural policies in different countries, and so on can have a significant impact on the supply and prices of primary agricultural products. Changes in demand for key agricultural raw materials may be affected by various international and local programs implemented in accordance with the national agricultural policies as well as variations in global demand due to demographic shifts and changes in living conditions in different countries around the world. These factors can cause significant fluctuations in the prices of agricultural products and may therefore have a negative impact on the Group's activities, financial situation, and performance.



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

Changes in EU subsidies: The Group generates significant revenues from EU subsidies, which is important for the continuity of its activities. If, for any reason, these subsidies were to be terminated or reduced, this could have significant consequences for many of the Group's activities, including reduced cash flows and profitability of its operating activities, a decrease in the value of land and investment property, as well as possible value drops on property, facilities, or equipment. Significant changes in EU subsidy programmes could also threaten the long-term continuity of the Group's activities.

Postponing the implementation of strategic projects. The Group is currently in a transition period and several key projects related to the development of biogas infrastructure, the development of specialised feed technologies, and regenerative crop rotation are crucial for the implementation of the Group's long-term strategy. In developing these projects, the Group faces the following risks:

- insufficient innovation, unsuitability for practical or market use;
- lack of skills in project management;
- lack of human resources.

Liquidity risk. The Group's business model requires high working capital and the production cycle of the crop segment is long and the sales volume of crop production fluctuates over the years. Therefore, the Group faces significant fluxes in working capital needs..

Increase in land leasing costs. The Group leases 88% of the farmland used by AUGA group. We believe that in the long term, leasing land instead of managing it allows us to use the available resources more efficiently and ensures a higher return for the Group's shareholders. However, the increase of inflation in 2022 put pressure on lease price growth.

Risk of disease. The Group's activities are related to the property of plant or animal origin. Diseases can have a direct impact on the Group's results, production quantity and quality, write-offs. Bovine epidemic diseases (e.g.: bovine spongiform encephalopathy, commonly known as mad cow disease), any other diseases, bacteria, etc. can reduce the demand for such products, fearing possible consequences. Such changes can aggravate the Group's financial situation.

This risk is particularly significant for the mushroom segment due to the high concentration of production capacity in one location.

Discrepancy in investment volumes vs needs. Currently, AUGA group is in a transition period: the Group needs to ensure the development of existing activities, the implementation of efficiency programmes and the Group's long-term strategy. Both areas require investments, the financing of which depends on the Group's results, market situation, and other external factors.

Increase in production costs. In June 2022 9% inflation was recorded in Lithuania, with average wages rising by 13.7 %. Fuel, wages, leasing of land and agricultural machinery are significant cost components in the Group's activities, so it is necessary to ensure cost growth control and compensate for the increase in costs by increasing efficiency and sales prices.

Financing risk: Organic agriculture requires a lot of working capital. A significant level of the Group's borrowed capital could have material consequences, such as:

- the Group's access to additional financing for working capital, investments, acquisitions, debt servicing, etc. can be restricted;
- the Group's flexibility to adapt to changing market conditions can be limited;
- while certain restrictions in credit agreements relating to business and financial matters are specific to such financing transactions, they can still limit the Group's ability to borrow more funds, pledge assets, and/or engage in other types of mergers or transactions, which to a certain extent can limit the possibilities for active development and possibly reduce the competitive advantage in the future;
- possible restrictions on the extension of the maturities of existing financial liabilities.

The AUGA group understands that it has an impact on the environment, social and economic areas through its development. The main topics of the impact are listed in the sustainability report of 2021 section Materiality assessment of sustainability criteria.

Financial and capital risks are described in more detail in Note 3 of the financial statements.

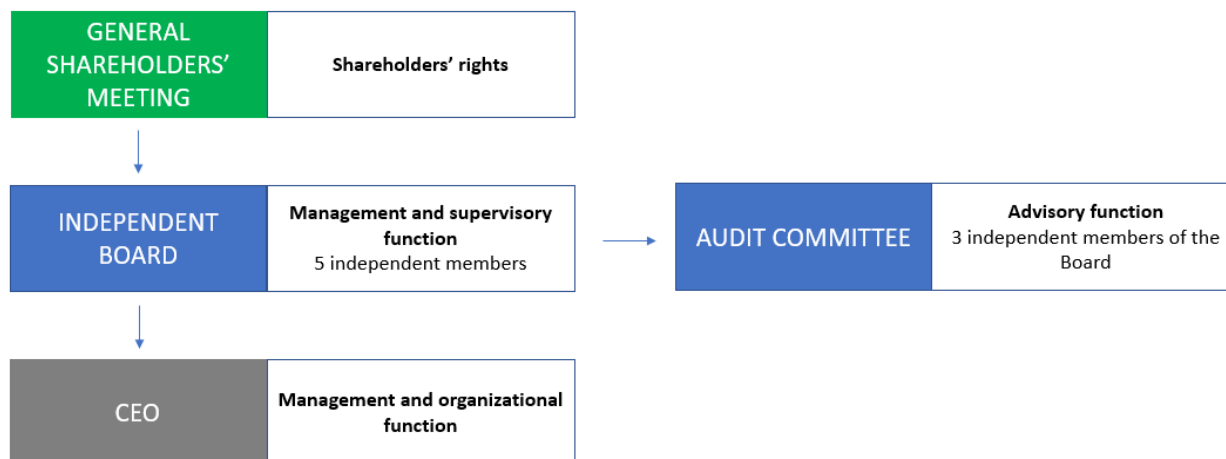
3. Corporate governance and personnel

3.1. Governance model

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

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





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

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

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

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

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

The main functions of the Audit Committee include:

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

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

3.2. Share capital structure and shareholders

The share capital of AUGA group AB as of 30 June 2022 is EUR 66.62 million (31 December 2021: EUR 65.95 million). The share capital is divided into 229,714,102 ordinary shares (2021: 227,416,252 ordinary shares). Each issued share has a EUR 0.29 nominal value and fully paid. The number of shares and authorized capital increased due to implementation (realization) of the first stock option contracts in June 2022, which were signed in 2019, under the employee stock option program.

Total number of shareholders on 30 June 2022 was 2,789 and on 31 December 2021 it was 2,528.

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



AUGA GROUP, AB
Konstitucijos av. 21C, Quadrum North, LT-08130, Vilnius, Lithuania
CONSOLIDATED INTERIM REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR 6-MONTH PERIOD ENDING 30 JUNE 2022

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



Shareholder's name	30 June 2022		31 December 2021	
	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	55.15	126,686,760	55.71
European Bank for Reconstruction and Development (identification code: EBRDGB2LXXX; address: One Exchange Square, London EC2A 2JN, UK)	19,810,636	8.62	19,810,636	8.71
Žilvinas Marcinkevičius	15,919,138	6.93	15,919,138	7.00
Minority shareholders	67,297,568	29.30	64,999,718	28.58
Total	229,714,102	100.00	227,416,252	100.00

No shareholder has special voting rights.

Information on the shares of the Company held by the members of the Board and the top executives as of 30 June 2022:

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	0.0518
Mindaugas Ambrasas	CFO	6,881	0.0030

* *Kęstutis Juščius, CEO, is the ultimate owner of Baltic Champs Group UAB, controlling 55.15% of the Company's shares.*

Information on own shares

The Company has not acquired any of its own shares.

Share transfer restrictions

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

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

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

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

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

Agreements between the shareholders

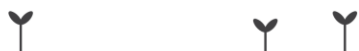
As at the date of 30 June 2022 the Company is not aware/was not advised of any agreements between the shareholders.

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

3.3. The Board and its Committees

The Articles provide that at least 1/3 of the Board members must be independent. In 2019, the AGM approved independency criteria for members of the Company's collegiate bodies, which by and large comply with the independency criteria established by the Law on Companies of Republic of Lithuania, namely, that to be independent, a member must not be related with the Company, its controlling shareholder and/or Company's management bodies¹.

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



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All current Board members are not related to the Company and/or its controlling shareholder according to the self-evaluation of the Board conducted in May 2022.

Information about the **Board members** of the Company as of 30 June 2022:

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

* Board member Murray Steele has been nominated by the European Bank of Reconstruction and Development (EBRD), which holds 8.62% of the Company's shares, and he receives top up remuneration from the EBRD for conduct of board member functions; however, (i) EBRD is not a controlling shareholder; and (ii) he advised the Board that he acts independently on his own discretion as an independent board member; therefore, he is deemed to be an independent board member.

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

Members of the Board

Andrej Cyba

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

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

Miscellaneous: Chief Business Development Officer of UAB "INVL Asset Management" (legal form: Private limited company, code 126263073, registered address Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chairman of the Board of UAB FMJ "INVL Finasta" (legal form: Private limited company, code 304049332, registered address Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chairman of Supervisory Board of IPAS "INVL Asset Management" (legal form: Private limited company, code 40003605043, registered address Smilšu 7-1, Riga, Latvia) (2016 – present); Chairman of the Supervisory Board of AS "INVL ATKLĀTAIS PENSĪJU FONDS" (legal form: Public limited company, code 40003377918, registered address Smilšu 7-1, Riga, Latvia) (2016 - present); Board Member of AB "Vilkyškių pieninė" (legal form: Public limited company, code 277160980, registered address Prano Lukošaičio str. 14, Vilkyškiai, Pagėgiai district municipality, Lithuania) (2008 - present); CEO of UAB "Piola" (legal form: Private limited company, code 120974916, registered address Mindaugo str. 16-52, Vilnius, Lithuania) (2009 – present); CEO of UAB "PEF GP1" (legal form: Private limited company, code 302582709, registered address Maironio str. 11, Vilnius, Lithuania) (2012 – present); CEO of UAB "PEF GP2" (legal form: Private limited company, code 302582716, registered address Maironio str. 11, Vilnius, Lithuania) (2012 – present); Chairman of the Board of Uždaroji akcinė bendrovė "VOKĖ-III" (legal form: Private limited company, code 120959622, registered address Piliakalnio str. 70, Nemenčinė, Lithuania), Board Member of SIA "Baltic Dairy Board" (legal form: Private limited company, code 43603036823, registered address Stacijas 1, Bauska, Latvia) (2021 – present).

Tomas Krakauskas

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

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

Miscellaneous: Chief investment Officer of UAB "ME investicija" (legal form: Private limited company, code 302489393, registered address Račių str. 1, Vilnius, Lithuania) (2016 – present).

Dalius Misiūnas (chairman of the Board)

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

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

Miscellaneous: President at ISM University of Management and Economics (legal form: Private limited company, code 111963319, registered address Aušros Vartų str. 7A, Vilnius, Lithuania) (2019 – present), Member of Supervisory Board of „Swedbank“, AB (legal form: Public limited company, code 112029651, registered address Konstitucijos ave. 20A, Vilnius, Lithuania) (2021 – present), Member of the Board of Gren Holding Company B.V. (limited company, code 254900FAARDNS7515B84, registered address at Lage Mosten 55, 4822 NK Breda, The Netherlands) (2022 – present).

Murray Steele



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

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

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

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

Michaela Tod

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

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

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

In the first half of 2021, 6 ordinary meetings of the Board were held. Meetings were convened according to the preliminary approved schedule of the Board meetings. All 5 members of the Board were attendant at all Board meetings.

Members of Audit Committee

Members of Audit Committee of the Company as of 30 June 2022:

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

In the first half of 2022, 2 meetings of the Audit Committee were held. All 3 members of audit committee were attendant at all meetings.

Management

Kęstutis Juščius, CEO

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

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

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

Mindaugas Ambrasas, CFO

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

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

3.4. Management bodies remuneration and benefits

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

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

- EUR 1,900 (before taxes) for the members of the Board and EUR 2,500 (before taxes) for the chairman of the Board monthly remuneration, which is paid regardless of the number of Board meetings held during the year;
- For Board members living abroad – compensation for travel and accommodation costs for/during attendance of the Board meeting – not exceeding EUR 500 + VAT (Lithuanian tariff) in respect to one Board meeting in which they participated; if the Board member participates in a meeting via communication/IT measures (not physically traveling to Lithuania), travel costs compensation shall not be paid for such participation.

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

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

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

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

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

Remuneration paid to members of the Board and CEO of the Company as of 30 June 2022, EUR	Salaries	Bonuses	Total
Average for 1 member of the management bodies	19,251	-	19,251
Total amount for all members of the Board and CEO (6 persons 1/1/2022– 30/6/2022)	115,504	-	115,504

3.5. Personnel

On 30 June 2022, the Group had 1,279 employees (31 December 2021: 1,233 employees).

3.6. Employee share option plan

The establishment of the AUGA group, AB Employee Option Plan was approved by shareholders at the annual general shareholders' meeting which took place on 30 April 2019. The Employee Option Plan is designed to provide long-term benefits for employees, increase their performance and increase their motivation to remain in the entity's employment.

Under the plan, participants are granted options to receive Company's shares which only vest if service conditions are met. The service condition for the Option receiver is to complete a 3-year term of service to the Group. After the condition is met, an employee is eligible to exercise this option. There are no other vesting or performance conditions for the receiver. If the receiver does not fulfil the service condition, the option does not come into force according to the Company decision and they are not eligible to exercise the option, unless otherwise determined by the decision of the board (regarding the employees subordinated to the board) or the decision of the chief executive of the Company (regarding the employees subordinated to the management).

The option loses force if any restructuring, bankruptcy, liquidation or similar proceedings of the Company are commenced, and such proceedings continue and / or end with liquidation of the Company. Moreover, it also loses force if both parties (the Company and the receiver) agree to terminate the option agreement and if the receiver has caused damage to the Company through their actions or omissions.

These share-based payments for employees are equity-settled only. When exercisable, each option is convertible into one ordinary fully-fledged share. The shares will be issued from the Reserve to provide shares for employees (formed and approved by the shareholders) at the nominal value of 0.29 and will increase the Company's share capital.

Options are granted under the plan for no consideration. There are no social security contributions or income tax which would be payable by the Company at the time of the exercise (or any other time during the vesting period) and accrued within the Company's liabilities. Employees who exercise the option and receive the shares of the company will need to pay income tax on their own at the time of such exercise.

Additional information about share option plan:

	2022	2021	2020	2019
Number of participating employees	238	235	221	205*
Number of allocated shares	1,651,185	2,381,701	2,226,830	2,558,860*

* From the 205 option agreements concluded in 2019, 167 contracts were realized (implemented) and employees were granted 2,297,850 shares, while 261,010 shares were returned to the Company's reserve for granting of shares.

3.7. Information on transactions with related parties

No material transactions with related parties occurred in first half the year 2022.

3.8. Information on compliance with the Code of Corporate Governance

In six months 2022, there were no essential changes related to the Company report for year 2021 concerning the compliance with the Governance Code for the companies listed on the regulated market.



III. FINANCIAL STATEMENTS

Consolidated balance sheet

ASSETS	Notes	30 June 2022 unaudited	31 December 2021 audited
Non-current assets			
Property, plant and equipment	4	98,222	99,883
Right-of-use assets	4	36,400	39,374
Intangible assets		3,511	3,485
Long term receivables at amortized cost	7	449	449
Investments accounted for using equity method		57	57
Deferred tax asset		2,089	2,089
Biological assets	5	9,991	9,993
Total non-current assets		150,719	155,330
Current assets			
Biological assets	5	44,379	19,398
Inventory	6	12,480	24,096
Trade receivables advance payments and other receivables	7	14,941	10,894
Cash and cash equivalents		4,455	2,446
		76,255	56,834
Assets held for sale		315	315
Total current assets		76,570	57,149
TOTAL ASSETS		227,289	212,479
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	2	66,617	65,951
Share premium	2	6,707	6,707
Revaluation reserve	2	10,250	10,250
Legal reserve	2	2,041	2,041
Reserve for share-based payments to employees	2	2,829	3,002
Retained earnings		(5,879)	(9,329)
Equity attributable to equity holders of the parent		82,565	78,622
Non-controlling interest		359	358
Total equity		82,924	78,980
Non-current liabilities			
Borrowings	8	55,254	46,115
Lease liabilities	9	38,346	37,641
Deferred grant income		2,866	3,105
Deferred tax liability		1,553	1,553
Total non-current liabilities		98,019	88,414
Current liabilities			
Current portion of non-current borrowings	8	4,333	5,767
Current portion of non-current lease liabilities	9	4,053	7,878
Current borrowings	8	4,067	5,583
Trade payables		24,482	19,482
Other payables and current liabilities		9,411	6,375
Total current liabilities		46,346	45,085
Total liabilities		144,365	133,499
TOTAL EQUITY AND LIABILITIES		227,289	212,479

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

	Notes	6-month period ending 30 June	
		2022 unaudited	2021 unaudited
Revenues	10	33,995	33,128
Cost of sales	10	(27,754)	(27,329)
Gain (loss) on initial recognition of a biological asset at fair value and from a change in fair value of a biological asset	5, 10	6,193	2,697
GROSS PROFIT		12,434	8,496
Operating expenses	11	(5,778)	(5,146)
Other income	12	332	248
Other gains/(losses)	13	81	22
OPERATING PROFIT		7,069	3,620
Finance costs	14	(3,418)	(2,873)
PROFIT (LOSS) BEFORE INCOME TAX		3,651	747
Income tax expense		-	-
NET PROFIT / (LOSS) FOR THE PERIOD		3,651	747
ATTRIBUTABLE TO:			
Shareholders of the Company		3,650	759
Non-controlling interest		1	(12)
STATEMENT OF OTHER COMPREHENSIVE INCOME			
NET PROFIT/ (LOSS) FOR THE PERIOD		3,651	747
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		3,651	747
ATTRIBUTABLE TO:			
Equity holders of the Company		3,650	759
Non-controlling interest		1	(12)

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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 2020 (audited)	65,951	6,707	9,213	2,509	1,834	6,237	92,450	366	92,816
Comprehensive income									
Net profit (loss) for the period	-	-	-	-	-	(15,427)	(15,427)	(8)	(15,435)
Other comprehensive income									
Revaluation of land, net of tax	-	-	1,038	-	-	-	1,038	-	1,038
Total comprehensive income	-	-	1,038	-	-	(15,427)	(14,389)	(8)	(14,397)
Share-based payments	-	-	-	-	-	562	562	-	562
Transfer to legal reserve	-	-	-	-	207	(207)	-	-	-
Transfer to reserve to provide shares for employees	-	-	-	493	-	(493)	-	-	-
Balance as of 31 December 2021 (audited)	65,951	6,707	10,251	3,002	2,041	(9,328)	78,623	358	78,980
Comprehensive income									
Net profit (loss) for the period	-	-	-	-	-	3,650	3,650	1	3,651
Other comprehensive income									
Revaluation of land (net of tax)	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	3,650	3,650	1	3,651
Share-based payments	-	-	-	-	-	292	292	-	292
Transfer to legal reserve	-	-	-	-	-	-	-	-	-
Transfer to reserve to provide shares for employees	666	-	-	(173)	-	(493)	-	-	-
Balance as of 30 June 2022 (unaudited)	66,617	6,707	10,251	2,829	2,041	(5,879)	82,565	359	82,923



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Consolidated statement of cash flows

	Notes	6-month period ending 30 June	
		2022 unaudited	2021 unaudited
Cash flows from /(to) operating activities			
Net profit (loss) before income tax and non-controlling interest			
		3 651	747
Adjustments for non-cash expenses (income) items and other adjustments			
Depreciation expenses (PP&E)	4	3,890	3,793
Depreciation expenses (ROU* assets)	4	2,975	3,043
Amortization expenses		5	7
Share-based payments to employees expenses	11	292	281
(Gain) loss on sales of non-current assets	13	(81)	(22)
Write-offs of inventory and biological assets		1,251	849
Interest and fines income	12	(154)	-
Finance cost	14	2,135	1,640
Finance costs related to ROU assets	14	1,283	1,057
Loss (gain) on changes in fair value of biological assets	10	(6,193)	(2,697)
Grants related to assets, recognized as income		(199)	(258)
Changes in working capital			
(Increase) decrease in biological assets		(18,790)	(18,470)
(Increase) decrease in trade receivables and prepayments		(4,047)	(5,812)
(Increase) decrease in inventory		10,365	12,341
(Decrease) increase in trade and other payables		6,153	8,420
		2,536	4,881
Interest paid, netto		(1,369)	(1,048)
Net cash flows from /(to) operating activities		1,167	3,833
Cash flows from /(to) investing activities			
Purchase of property, plant and equipment		(2,155)	(3,190)
Purchase of non-current intangible assets		(31)	(2)
Proceeds from sale of PP&E		120	94
Grants related to assets, received from NPA		-	224
Other loans repaid		-	-
Other loans granted		-	36
Net cash flows from/(to) investing activities		(2,066)	(2,838)
Cash flows from /(to) financing activities			
Bonds		6,000	-
Repayment of bank borrowings		(3,150)	(7,383)
Proceeds from borrowings		3,160	11,282
Repayment of other borrowings		-	-
Lease payments		(3,102)	(4,138)
Net cash flows from/(to) financing activities		2,908	(239)
Net (decrease) / increase in cash and cash equivalents		2,009	795
Cash and cash equivalents at the beginning of the period		2,446	2,541
Cash and cash equivalents at the end of the period		4,455	3,336

* ROU assets – Right-of-use assets

IV. EXPLANATORY NOTES

1. Basis of the preparation

The accompanying interim financial information for the 6-month period ending 30 June 2022, has been prepared in accordance with IAS 34, 'Interim financial reporting'. This financial information should be read in conjunction with the annual financial statements for the year ending 31 December 2021 which have been prepared in accordance with IFRS as adopted by the EU.

The presentation currency is euro (EUR). The financial statements are presented in thousands of euro, unless indicated otherwise. Financial statements for the 6-month period ending 30 June 2022 are not audited. Financial statements for the year ending 31 December 2021 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 2021.

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 2021 was 6%. The incremental borrowing remained unchanged in 2022.

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 after evaluating the current situation.
- 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.

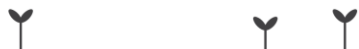
Revaluation of biological assets (livestock)

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.



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

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 30 June 2022 was EUR 66,617 thousand (31 December 2021: EUR 65,951 thousand). The share capital is divided into 229,714,102 ordinary shares (31 December 2021: 227,416,252 ordinary shares). Each issued share has a EUR 0.29 nominal value and fully paid. Each share had usual material and intangible rights as per Law on Companies of the Republic of Lithuania and the Company's statutes. Share premium at the end of 30 June 2022 amounted to EUR 6,707 thousand (31 December 2021: EUR 6,707 thousand).

Reserves of the Company

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfer of at least 5% of net profit, calculated in accordance with Lithuanian regulatory legislation on accounting, is compulsory until the reserve including share premium reaches 10% of the share capital. The legal reserve can be used to cover the accumulated losses. The legal reserve of the Company equalled to EUR 2,041 thousand as of 30 June 2022 (31 December 2021: EUR 2,041 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 2021. Revaluation reserve as of 30 June 2022 amounted to EUR 10,250 thousand (31 December 2021: EUR 10,250 thousand).

In 2018 the Company formed a reserve to grant shares for employees. Transfers to this reserve is performed annually when the board approves issue of additional shares options. Reserve to grant shares for employees as of 30 June 2022 amounted to EUR 2,829 thousand (31 December 2021: EUR 3,002 thousand).

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

Reserve to grant shares for employees	Number of shares, units	Value, EUR thousand
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
Shares allocated to employees based on option agreements	6,259,716	1,816
Unallocated shares	3,494,158	1,013
Total reserve as of 30 June 2022	9,753,874	2,829

3. The structure of the Group

As of 30 June 2022, the Group consisted of the Company and 126 subsidiaries (31 December 2021: 127). Detailed list of all subsidiaries in 2022 and 2021 is provided below.



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No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/22	31/12/21
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%
36.	Cooperative entity Agrobokštai	*3	302485217	Vilniaus mun., Vilnius, Konstitucijos av. 21C	**A	97,94%	97,94%
37.	Cooperative entity Dotnuvėlės valdos	*3	302618614	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	99,22%	99,22%
38.	Cooperative entity Nevėžio lankos	*3	302618596	Kėdainių region, Mantviliškio v., Liepos 6-osios st. 60	**A	96,51%	96,51%
39.	Cooperative entity Radviliškio kraštas	*3	302618742	Radviliškio region, Skėmių v., Kėdainių st. 13	**A	98,67%	98,67%

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40.	Cooperative entity Šventosios pievos	*3	302618201	Raseinių region, Kalnujų 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, Kalnujų mstl. Žieveliškės st. 1	**A	99,35%	99,35%
46.	Cooperative entity Agromilk	*3	302332698	Raseinių region, Kalnujų 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, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
52.	Vaitiekūnai reclamation infrastructure users association	*2	303170306	Šiaulių region, Žadžiūnų v., Gudelių st. 30-2	**A	48,67%	48,67%
53.	Association Grūdumos melioracija	*2	302567116	Šakių region, Gotybiškių 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, Žadžiūnų v., Gudelių st. 30-2	**A	100,00%	100,00%
68.	Agricultural entity Grūdumos ekologinis ūkis	*1	303324804	Šakių region, Gotybiškių 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%
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%

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						30/06/22	31/12/21
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, Radviliškio region, Skėmių v., Alyvų st. 1-3	**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, Radviliškio region, Skėmių v., Alyvų st. 1-3	**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, StraBe des 17 Juni 10b 10623 Berlin, Germany	**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%
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%

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No.	Name of subsidiary	Legal form	Legal entity code	Registered office	Profile	Group ownership interest, %	
						30/06/22	31/12/21
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, Žievelišės 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	Žibalų 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	



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4. Property, plant and equipment

GROUP						Total
	Land	Buildings	Constructions and machinery	Vehicles, equipment and other property, plant and equipment	Construction in progress	
Carrying amount						
As of 31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
- additions	11,539	493	4,397	1,116	2,863	20,408
- disposals and write-offs	(2)	(155)	(123)	(34)	-	(314)
- revaluation	1,221	-	-	-	-	1 221
- depreciation (including ROU assets)	(6,351)	(2,535)	(4,470)	(938)	-	(14,295)
- reclassifications	-	-	(314)	1,651	(1,653)	(315)
As of 31 December 2021	68,686	39,251	22,978	4,140	4,201	139,257
- additions	378	465	738	132	598	2,311
- disposals and write-offs	-	-	(84)	3	-	(81)
- revaluation	-	-	-	-	-	-
- depreciation (including ROU assets)	(2,909)	(1,298)	(2,166)	(492)	-	(6,865)
- reclassifications	-	721	-	-	(721)	-
As of 30 June 2022	66,156	39,139	21,466	3,783	4,078	134,622
Acquisition cost or revaluated amount as of						
31 December 2020	73,493	57,529	45,813	6,177	2,991	186,004
31 December 2021	86,251	57,867	49,772	8,910	4,201	207,001
30 June 2022	86,629	59,053	50,426	9,045	4,078	209,231
Accumulated depreciation and impairment losses as of						
31 December 2020	(11,214)	(16,081)	(22,324)	(3,832)	-	(53,452)
31 December 2021	(17,565)	(18,616)	(26,794)	(4,770)	-	(67,745)
30 June 2022	(20,474)	(19,914)	(28,960)	(5,262)	-	(74,610)
Carrying amount as of						
31 December 2020	62,279	41,448	23,489	2,345	2,991	132,552
31 December 2021	68,686	39,251	22,978	4,140	4,201	139,257
30 June 2022	66,156	39,139	21,466	3,783	4,078	134,622

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

	Land	
	30 June 2022	31 December 2021
Right of use assets		
Acquisition cost	56,377	46,020
Additions	-	10,357
Less: accumulated depreciation	(20,474)	(17,565)
Carrying amount	35,904	38,812
	Buildings	
	30 June 2022	31 December 2021
Right of use assets		
Acquisition cost	965	1,008
Additions	-	-
Disposals and write-offs	-	(44)
Less: accumulated depreciation	(469)	(403)
Carrying amount	496	562

5. Biological assets

The movement of Group's biological assets consisted of the following:



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	Non – current assets		Current assets		Total
	Dairy cows	Other livestock	Mushroom seedbed	Crops	
Balance as of 31 December 2020	6,310	3,389	2,149	14,903	26,751
Direct purchases	-	205	-	-	205
Accumulated expenses	-	3,756	27,833	36,180	67,769
Transfer between groups	3,613	(3,613)	-	-	-
Direct sales	(609)	(290)	-	-	(899)
Harvest	-	-	(27,692)	(30,820)	(58,512)
Revaluation	(2,167)	(239)	-	(3,155)	(5,561)
Write-offs	(257)	(107)	-	-	(364)
Balance as of 31 December 2021	6,890	3,103	2,290	17,108	29,391
Direct purchases	-	-	-	-	-
Accumulated expenses	-	2,505	14,602	56,928	74,035
Transfer between groups	2,133	(2,133)	-	-	-
Direct sales	(909)	(502)	-	-	(1,411)
Harvest	-	-	(14,602)	(39,232)	(53,834)
Revaluation	(806)	(112)	-	7,285	6,367
Write-offs	(148)	(30)	-	-	(178)
Balance as of 30 June 2022	7,160	2,831	2,290	42,089	54,370

6. Inventory

As of June 30 the Group's inventories consisted of the following:

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
Finished goods (agricultural produce)	6,832	18,828
Raw materials	7,184	6,804
Total	14,016	25,632
Less: Revaluation to net realizable value of agricultural produce	(1,536)	(1,536)
Carrying amount	12,480	24,096

7. Receivables and advance payments

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

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
Trade receivables	4,592	4,656
VAT receivable	83	641
Receivables from National Paying Agency	6,111	1,455
Accounts receivable from private individuals	50	83
Other receivables	3,715	3,582
Prepayments and deferred expenses	3,627	3,714
Less: loss allowance	(3,237)	(3,237)
Total trade accounts receivable, net	14,941	10,894
Non-current receivables, gross	450	450
Less: loss allowance	(1)	(1)
Total	15,440	11,343

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



8. Financial liabilities

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

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	6,940	7,590
FMCG companies	940	1,007
Agricultural entities	23,316	21,189
Parent company	2,877	2,728
<i>Other borrowings</i>		
Investment fund for purchased land	253	253
Bonds	25,261	19,114
Total	59,587	51,882
Less: amounts, payable within one year (according to agreements)	(4,333)	(5,767)
Total long-term borrowings	55,254	46,115

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

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
<i>Financial liabilities to banks and bondholders</i>		
Within second year	10,356	9,853
Within third and fourth year	38,573	35,939
After fifth year and later	6,326	323
Total	55,254	46,115

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

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
<i>Borrowings from banks</i>		
Mushroom growing companies	2,400	2,400
Grain selling entity	1,667	3,183
Total short-term borrowings	4,067	5,583

Short-term loans from banks as of 30 June 2022 include EUR 4,067 thousand credit-line facilities (2021: EUR 5,583 thousand).

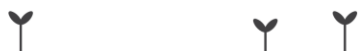
9. Leases

The Group's leases consisted of the following:

	<u>As of 30 June 2022</u>	<u>As of 31 December 2021</u>
<i>Lease liabilities</i>		
Lease liabilities related to right-of-use assets*	36,552	39,114
Lease liabilities related to other assets**	5,847	6,406
Total	42,400	45,519
Less: amounts payable within one year		
Lease liabilities related to right-of-use assets*	2,637	5,198
Lease liabilities related to other assets**	1,417	2,680
Total	4,053	7,878
Total long-term leases	38,346	37,641

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

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



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10. Results of business segments

CROP GROWING SEGMENT

a) Harvest of agricultural produce	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Total cultivated land, ha	38,525	39,139
Wheat	11,693	10,440
Legumes	6,785	8,056
Other cash crops	11,657	12,397
Forage Crops	7,647	6,773
Fallow	743	1,473
Average harvest yield, t/ha	-	-
Wheat	-	-
Legumes	-	-
Other cash crops	-	-
Forage Crops	-	-
Total fair value of harvest, EUR'000	39,232	35,253
Wheat	15,590	9,636
Legumes	4,992	6,263
Other cash crops	14,983	15,255
Forage Crops	3,666	4,098
Total production cost of harvest, EUR'000	29,826	28,726
Wheat	9,603	7,748
Legumes	3,193	5,117
Other cash crops	13,364	11,763
Forage Crops	3,666	4,098
Total gain (loss) on revaluation of biological assets at fair value, EUR'000*	9,406	6,527
<i>Gain (loss) on revaluation of biological assets at fair value recognized in previous periods, EUR'000*</i>	<i>2,334</i>	<i>2,018</i>
Gain (loss) on revaluation of biological assets recognized in reporting period, EUR'000*	7,499	4,509

*Estimated gain (loss) on recognition of cash crops at fair value as of 30 June 2022. For more information, please see management report's section 2.2.

b) Sales of agricultural produce	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Total revenue of sold agricultural produce, EUR'000	8 849	9,480
Total cost of sold agricultural produce*, EUR'000	8 081	10,663
Total inventory write-offs, EUR'000	757	431
Result of internal transactions, EUR'000	(707)	-
Result of sales of agricultural produce, EUR'000	(696)	(1,614)

* 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	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Direct subsidies, EUR'000	2,495	2,544
Organic farming subsidies, EUR'000	2,202	2,073
Total subsidies, EUR'000	4,697	4,617
Gross profit of crop growing segment, EUR'000 (a+b+c)	11,500	7,513
<i>Depreciation included in the harvest of agricultural produce, EUR'000</i>	<i>1,981</i>	<i>1,777</i>



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DAIRY SEGMENT	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Total quantity sold, tonnes	13,924	13,538
Non-organic milk, tonnes	607	225
Organic milk, tonnes	12,671	12,857
Dairy commodities, tonnes	235	335
Cattle, tonnes	411	391
Total revenues of dairy segment, EUR'000	8,141	6,732
Non-organic milk, EUR'000	293	77
Organic milk, EUR'000	6,308	5,209
Dairy commodities, EUR'000	812	1,004
Cattle, EUR'000	729	442
Total cost of dairy segment, EUR'000	7,185	6,694
Milk, EUR'000	5,664	5,319
Dairy commodities, EUR'000	791	933
Cattle, EUR'000	729	442
Revaluation of biological assets, EUR'000	(1,092)	(1,812)
Total subsidies, EUR'000	1,428	1,507
Gross profit of dairy segment, EUR'000	1,293	(267)
<i>Depreciation included in cost of dairy segment sales, EUR'000</i>	<i>320</i>	<i>313</i>
MUSHROOM SEGMENT	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Total quantity sold, tonnes	6,109	6,335
Non-organic mushrooms, tonnes	5,608	5,934
Organic mushrooms, tonnes	501	401
Total revenues from mushroom sales, EUR'000	14,011	14,072
Non-organic mushrooms, EUR'000	12,409	12,663
Organic mushrooms, EUR'000	1,601	1,408
Total cost of mushrooms sold, EUR'000	14,348	13,586
Non-organic mushrooms, EUR'000	13,174	12,659
Organic mushrooms, EUR'000	1,174	927
Total revenues from sales of mushroom seedbed, EUR'000	255	254
Total cost from sales of mushroom seedbed, EUR'000	255	150
Gross profit of mushroom growing segment, EUR'000	(333)	589
<i>Depreciation included in cost of mushroom sales, EUR'000</i>	<i>802</i>	<i>830</i>
FAST-MOVING CONSUMER GOODS	<i>6-month period ending 30 June 2022</i>	<i>6-month period ending 30 June 2021</i>
Total revenue from fast-moving consumer goods sales, EUR'000	2,718	2,591
Total cost of fast-moving consumer goods, EUR'000	2,531	1,929
Gross profit of fast-moving consumer goods segment, EUR'000	187	661
<i>Depreciation included in cost of sales of fast-moving consumer goods, EUR'000</i>	<i>177</i>	<i>178</i>



11. Operating expenses

Operating expenses breakdown by type of expenses was the following:

	6-month period ending 30 June	
	2022	2021
Payroll and social security expenses	2,577	2,397
Share based payments amortization	292	281
Depreciation PP&E, ROU assets and amortization of IA	462	437
Consultations and business plan preparations	131	88
Insurance and tax expense	400	234
Selling expenses	550	480
Fuel costs	160	127
Real estate registration and notaries	59	59
Rent and utilities	176	178
Transport costs	135	145
Office administration	282	246
Other expenses	554	474
Total	5,778	5,146

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

12. Other income

Other income breakdown by type was the following:

	6-month period ending 30 June	
	2022	2021
Interest and fines income	154	176
Insurance benefits	34	91
Other income (expenses)	145	(19)
Total	332	248

13. Other gains/(losses)

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

	6-month period ending 30 June	
	2022	2021
Gain (loss) on sale of investment property	-	-
Gain (loss) from sale of property, plant and equipment	81	22
Gain (loss) from sale of subsidiaries	-	-
Total	81	22

14. Financial expenses

Financial expenses breakdown by type was the following:

	6-month period ending 30 June	
	2022	2021
Bank interest expenses	866	718
Bond interest expenses	829	768
Leasing and other financial expenses	1,283	1,057
Lease and other finance costs (excluding lease related to acquisition of ROU assets)	349	254
Currency exchange differences	10	51
Fair value change of derivatives	1	-
Other financial expenses	81	25
Total	3,418	2,873

15. Subsequent events January – August 2022

The Company informs of all material events over the CNS (Company News System) of NASDAQ Vilnius.

Announcement date	Announcement header
2022.08.25	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 6 months of 2022
2022.06.22	Notification on the total number of voting rights granted by shares of AUGA group, AB and capital
2022.06.22	New wording of AUGA group, AB Articles of Association and the increase of the authorized share capital registered
2022.06.03	AUGA group, AB presentation of financial results for the 3 months of 2022
2022.06.01	Report on interim financial information of AUGA group, AB for the three-month period ended 31 March 2022
2022.05.30	AUGA Group, AB exercises the first stock options for employees
2022.05.30	AUGA Group, AB notifications on transactions of persons holding management positions
2022.05.27	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 3 months of 2022
2022.05.26	AUGA group, AB readies to produce first batch of biomethane and electric tractors
2022.04.29	Decisions of the Ordinary General Meeting of Shareholders of AUGA group, AB which Took Place on 29th April 2022
2022.04.21	Update: Notice on the update of questions of the agenda of the ordinary general meeting of shareholders of AUGA group, AB on 29 April 2022 by drafts of decisions and related information
2022.04.21	AUGA group, AB Notification of transactions by persons discharging managerial responsibilities
2022.04.21	AUGA group, AB progresses with its employee motivation scheme through share options
2022.04.19	AUGA group, AB Published Green Bond Report
2022.04.19	AUGA group, AB published Consolidated Annual Report
2022.04.19	Notice on the update of questions of the agenda of the ordinary general meeting of shareholders of AUGA group, AB on 29 April 2022 by drafts of decisions and related information:
2022.04.07	Notice on Convocation of the ordinary General Meeting of Shareholders of AUGA group, AB on 29 April 2022
2022.04.06	Warsaw Stock Exchange excluded from exchange trading on the GPW Main List of the shares of the AUGA group, AB
2022.03.18	AUGA group, AB and its subsidiaries signed financing agreements with KŪB Business Aid Fund and UAB Medicinos bankas
2022.03.14	Polish Financial Supervision Authority undertook a decision on granting consent to delist the shares of AUGA group, AB, which will result in the delisting of shares from trading on the Warsaw Stock Exchange
2022.03.02	AUGA group, AB presentation of financial results for the 12 months of 2021
2022.03.01	AUGA group, AB interim information for 12-month period ending 31 December 2021
2022.02.25	AUGA group, AB will organise an Investor Conference Webinar to introduce unaudited financial results for the 12 months of 2021

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**V. CONFIRMATION OF RESPONSIBLE PERSONS**

In accordance with the Law on Securities of the Republic of Lithuania and the Rules on the Information Disclosure approved by the Board of the Bank of Lithuania, we hereby confirm that, to the best of our knowledge, the consolidated interim financial statements of AUGA group, AB for the six-month period ended 30 June 2022, 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

