

Origin Enterprises plc
INTERIM RESULTS STATEMENT

Highly challenging operating conditions reduce demand for agronomy services and crop inputs

5 March 2020

Origin Enterprises plc ('Origin' or 'the Group'), the international Agri-Services group, providing specialist agronomy advice, crop inputs and digital agricultural solutions to farmers, growers and amenity professionals, today announces its interim results for the half year ended 31 January 2020.

Highlights

- Group revenue decreased by 13.8% to €604.9 million
- Operating loss of €2.8 million in the first half of the year
- Decrease in underlying operating profit of €11.4 million, principally reflecting a 25.6% reduction in business volumes in Ireland and the UK, due to lower autumn and winter crop plantings
- Continental Europe and Latin America divisions performing in line with expectations
- Strong working capital performance in Continental Europe offset by higher working capital in Ireland and the UK as a result of lower sales
- Adoption and integration of the Agrii brand across our Continental European agronomy businesses
- Over 1.2 million hectares on-boarded on Contour digital platform
- Increase in net debt to €264.2 million
- Interim dividend of 3.15 cent per share

Results Summary

	31 Jan 2020 €'000	31 Jan 2019 €'000	Change €'000	Constant Currency €'000
Group revenue	604,908	701,551	(96,643)	(106,534)
Operating (loss)/profit ¹	(2,789)	9,071	(11,860)	(11,299)
Associates and joint venture ²	1,137	1,809	(672)	(689)
Total Group operating (loss)/profit¹	(1,652)	10,880	(12,532)	(11,988)
Finance cost, net	(5,532)	(5,881)	(349)	(100)
(Loss)/profit before tax¹	(7,184)	4,999	(12,183)	(11,888)
Adjusted diluted (loss)/earnings per share (cent)³	(4.53)	3.61	(8.14)	(7.75)
Group net debt ⁴	264,241	238,818	(25,423)	
Interim dividend per ordinary share (cent)	3.15	3.15	-	

¹ Before amortisation of non-ERP intangible assets and exceptional items

² Profit after interest and tax

³ Before amortisation of non-ERP intangible assets, net of related deferred tax (2020: €3.9 million, 2019: €3.4 million) and exceptional items, net of tax (2020: gain of €0.3 million, 2019: charge of €0.7 million)

⁴ Before impact of IFRS 16 Lease transition

Origin Enterprises plc

Commenting on the results, Origin Chief Executive Officer, Tom O'Mahony said:

"It has been a challenging first six months for the Group. Operating conditions faced by farmers and growers, principally in the UK, due to intense and prolonged rainfall has led to a 40% year-on-year reduction in the level of autumn and winter crop plantings. This significantly exceeds the 25% reduction estimated at the time of our Q1 Trading Update in November 2019 and has resulted in lower than expected underlying profitability and cash generation in our largest division, Ireland and the UK.

Continental Europe and Latin America recorded good performances in the first half of the year, delivering an underlying increase in operating profits. Especially pleasing was the reduction in working capital delivered by our teams in Continental Europe.

As set out in our Trading Update on 26 February 2020, the adverse weather conditions experienced in Ireland and the UK, together with the challenges associated with an anticipated large increase in spring cropping means that it is likely that Group operating profit and adjusted diluted earnings per share for the full year will now be significantly lower than expected at the time of our Q1 Trading Update. Against these particularly challenging conditions, we will focus on optimising operational performance while pausing M&A activity.

Consistent with prior years, we will provide a comprehensive update on full year guidance at the time of the Q3 Trading Update on 17 June 2020. Notwithstanding the weather challenges currently being experienced in Ireland and the UK, we remain confident in the delivery of our 2023 growth ambition as set out at our 2019 Capital Markets Day."

ENDS

Conference Call

Origin will host a live conference call and webcast, for analysts and institutional investors today, 5 March 2020, at 08:00 (Irish/UK time). Dial-in details are set out below for the conference call and the webcast can be accessed on the Group website: www.originenterprises.com. Participants are requested to dial in 5 to 10 minutes prior to the scheduled start time.

Participant access numbers:

Ireland:	Tel: +353 (0)1 431 9615
UK/International:	Tel: +44 (0)844 571 8892

Confirmation Code:	9758682
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Replay

A replay of this call will be available for seven days.

Replay Access Code:	9758682
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Replay Access Numbers:	
Dublin:	Tel: +353 (0)1 553 8777
UK/International:	Tel: +44 (0)844 571 8951

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About Origin Enterprises plc

Origin Enterprises plc is a focused Agri-Services group providing specialist on-farm agronomy services, digital agricultural services and the supply of crop technologies and inputs. The Group has leading market positions in Ireland, the United Kingdom, Belgium, Brazil, Poland, Romania and Ukraine. Origin is listed on the Euronext Growth (Dublin) and AIM markets of the Irish and London Stock Exchanges.

Euronext Growth (Dublin) ticker symbol:	OIZ
AIM ticker symbol:	OGN
Website:	www.originenterprises.com

INTERIM RESULTS STATEMENT

Financial Review – Summary

	6 months ended 31 Jan 2020 €'000	6 months ended 31 Jan 2019 €'000
Group revenue	<u>604,908</u>	<u>701,551</u>
Operating (loss)/profit ¹	(2,789)	9,071
Associates and joint venture, net ²	1,137	1,809
Group operating (loss)/profit¹	<u>(1,652)</u>	<u>10,880</u>
Finance cost, net	<u>(5,532)</u>	<u>(5,881)</u>
Pre-tax (loss)/profit	<u>(7,184)</u>	<u>4,999</u>
Income tax credit/(charge)	1,499	(393)
Adjusted net (loss)/profit	<u>(5,685)</u>	<u>4,606</u>
Adjusted diluted (loss)/earnings per share (cent)³	<u>(4.53)</u>	<u>3.61</u>
Adjusted net profit reconciliation		
Reported net (loss)/profit	(9,365)	441
Amortisation of non-ERP intangible assets	4,797	4,265
Tax on amortisation of non-ERP related intangible assets	(857)	(833)
Exceptional items, net of tax	<u>(260)</u>	<u>733</u>
Adjusted net (loss)/profit	<u>(5,685)</u>	<u>4,606</u>
Adjusted diluted (loss)/earnings per share (cent)³	<u>(4.53)</u>	<u>3.61</u>

Origin delivered an adjusted diluted loss per share³ for the period of 4.53 cent compared to an adjusted diluted earnings per share of 3.61 cent in the corresponding period last year. On a like-for-like basis (excluding the impact of currency movements and acquisitions) the underlying decrease was 8.02 cent.

Group revenue

Group revenue was €604.9 million compared to €701.6 million in the corresponding period last year, a reduction of 13.8%. On an underlying basis at constant currency, revenues decreased by €108.1 million (15.4%), reflecting reduced agronomy service revenue and crop input volumes.

The underlying reduction in agronomy services and crop input volumes, excluding crop marketing, was 19.1% in the period compared to the corresponding period last year.

Operating (loss)/profit¹

Operating loss¹ from the Agri-Services business was €2.8 million compared to a profit of €9.1 million in the corresponding period last year. On an underlying basis at constant currency, the decrease year-on-year was €11.4 million.

Associates and joint venture²

Origin's share of the profit after interest and taxation from associates and joint venture amounted to €1.1 million, a €0.7 million decrease on the prior year.

Net debt and financing costs

Average net debt amounted to €279.3 million compared to €277.1 million in the prior year. Net debt⁵ at 31 January 2020 was €264.2 million compared with €238.8 million at 31 January 2019, and is 3.24 times EBITDA⁴ for the twelve months to 31 January 2020. The average and period end net debt increase is principally attributable to Ireland and the UK, reflecting a reduction in sales in H1 on foot of weather impacted demand and a reduction in operating profit. Net finance costs amounted to €5.5 million compared to €5.9 million in the corresponding period last year. Excluding the impact of IFRS 16, there was a reduction in net finance costs of €1.2m reflecting lower local debt levels in our Continental European businesses and lower interest rates, year-on-year, in Brazil and Ukraine.

At period end our key banking covenants are as follows:

	Banking Covenant	H1 2020 Times	H1 2019 Times	FY 19 Times
Net debt to EBITDA	Maximum 3.5	3.24	2.57	0.87
EBITDA to net interest	Minimum 3.0	7.57	9.25	8.06

Working capital

Following the seasonal investment in working capital in the period, the net cash outflow from operating activities was €141.2 million (*H1 2019: €134.1 million*) and there was an increase of €138.4 million in working capital (*H1 2019: €137.5 million*). The year-on-year net working capital outflow reflects higher working capital investments in Ireland and the UK against the prior year, as a result of the reduction in, and timing of sales, which were largely offset by working capital reductions in Continental Europe.

Dividend

An interim dividend of 3.15 cent per share will be paid on 14 April 2020 to shareholders on the register on 27 March 2020.

¹ Operating (loss)/profit and Group operating (loss)/profit are stated before amortisation of non-ERP intangible assets and exceptional items

² Profit after interest and tax

³ Before amortisation of non-ERP intangible assets, net of related deferred tax (2020: €3.9 million, 2019: €3.4 million) and exceptional items, net of tax (2020: gain of €0.3 million, 2019: charge of €0.7 million)

⁴ Net debt/EBITDA ratio as per the requirements of the Group's syndicated bank loan agreement

⁵ Before impact of IFRS 16 Lease transition

Review of Operations

Group Overview

	H1 2020 €'m	H1 2019 €'m	Change on prior period		Constant Currency ⁵ €'m
			Change €'m	Underlying ⁴ €'m	
Revenue	604.9	701.6	(96.7)	(108.1)	(106.5)
Operating (loss) / profit ¹	(2.8)	9.1	(11.9)	(11.4)	(11.3)
Associates and joint venture ²	1.1	1.8	(0.7)	(0.9)	(0.7)
Adjusted diluted EPS (cent) ³	(4.53)	3.61	(8.14)	(8.02)	(7.75)

¹ Before amortisation of non-ERP intangible assets and exceptional items
² Profit after interest and tax
³ Before amortisation of non-ERP intangible assets, net of related deferred tax (2020: €3.9 million, 2019: €3.4 million) and exceptional items, net of tax (2020: gain of €0.3 million, 2019: charge of €0.7 million)
⁴ Excluding currency movements and the impact of acquisitions
⁵ Excluding currency movements

Origin's financial performance in the period was impacted by extremely challenging operating conditions for farmers and growers in Ireland and the UK. This resulted in a reduction in Group revenue, operating profit and adjusted fully diluted earnings per share of €96.7 million, €11.9 million and 8.14 cent, respectively. Prolonged unseasonal weather conditions have resulted in a significantly lower planted area for autumn and winter crops relative to a normal year, impacting demand for agronomy services and crop inputs in the period.

Ireland and the United Kingdom

	H1 2020 €'m	H1 2019 €'m	Change on prior period		Constant Currency ⁴ €'m
			Change €'m	Underlying ³ €'m	
Revenue	337.4	433.9	(96.5)	(103.8)	(102.7)
Operating (loss)/profit ¹	(9.1)	2.8	(11.9)	(11.7)	(11.7)
Associates and joint venture ²	0.9	1.8	(0.9)	(0.9)	(0.9)

¹ Before amortisation of non-ERP intangible assets and exceptional items
² Profit after interest and tax
³ Excluding currency movements and the impact of acquisitions
⁴ Excluding currency movements

Ireland and the United Kingdom recorded lower revenues and profits in the seasonally quiet first half.

The decline in revenues and margins in the period largely reflected prolonged unseasonal weather conditions, resulting in a lower planted area for autumn and winter crops, relative to a normal year

impacting agronomy service, seed, fertiliser and crop protection volumes. On an underlying basis, at constant currency, there was an €11.7 million reduction in operating profit. The reduction in underlying business volumes was 25.6% in the period.

Integrated On-Farm Agronomy Services

Integrated Agronomy and On-Farm Services recorded lower revenues and operating profits in the period, reflecting the impact of highly challenging operating conditions in-field as a result of intense and prolonged rainfall throughout the period. Following a poor start to the autumn and winter crop planting season in the first quarter, minimal progress was achieved in the second quarter. Farmers and growers were unable to complete their planned sowings as large areas of cropping land remained waterlogged, thereby precluding any meaningful field work. This has resulted in the lowest level of autumn/winter oil seed and cereal plantings in 30 years. Due to the sustained nature of the adverse weather conditions, it is likely that a proportion of hectares will not transfer to spring cropping and remain unplanted in 2020.

Total autumn and winter plantings for the principal crops are estimated to be 40.4%, or 1.1 million hectares, behind last year at 1.7 million hectares. The area of winter wheat is estimated to be down 43.0% to 1.0 million hectares (1.8 million hectares in FY2019). Relative to winter crop production systems, spring crops are lower yielding and typically attract a reduced investment spend. Based upon current estimates, approximately 55% of the 1.1 million autumn and winter cropping shortfall will transfer to spring planting with the balance remaining as fallow hectares. Total autumn, winter and spring plantings for the 2020 growing season are forecasted to be 10.7% behind last year, at 4.0 million hectares.

Digital Agricultural Services

The Group's Digital offering has continued to deliver increased functionality to farmers and growers throughout autumn and early winter. This has seen our active hectares under the platform grow to 1.2 million hectares, including significant growth in our Continental European operations.

In a challenging season in many of our geographies, the ability to use data to make decisions on cropping, to measure establishment and to produce more comprehensive advice, input prescriptions and climate sensitive practices to sustainably exploit the available crop potential is ever more critical. Farmers and growers use our digital solutions to manage cropping and varieties, identify and take decisions to manage pest and disease risks, use high resolution satellite imagery to isolate issues within the crop and rapidly create nutrition plans to maximise return on investment.

New image-based functionality deployed during the period is enabling highly efficient planning at a sub-field level to allow farmers restore soil health and nutrients over time while more precisely and effectively applying inputs to drive crop performance. We continue to see farmers adopting digital solutions as an integral part of our overall offering to manage their crop production systems in a sustainable and responsible manner.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs had a challenging start to the financial year, recording lower volumes and margins for fertiliser and animal feed ingredients, set against a strong comparative period last year.

Fertiliser

Sales demand in the period was below expectation reflecting the extreme difficulties encountered by farmers and growers due to impact of extended rainfall and an uncertain pricing environment for fertiliser raw materials. This has resulted in farmers adopting a cautious approach to procurement ahead of the main application period in the second half of the financial year. Although activity levels on-farm were more favourable in January 2020, the reduced cropping profile in the UK is likely to result in full year demand behind that achieved in the prior year.

The Group's speciality and bespoke nutrition ranges continue to gain momentum.

Amenity

Amenity delivered an improved performance on the prior period, with volume development in the case of the professional sports turf channel returning to normal levels following a challenging FY19.

Feed Ingredients

Feed Ingredients achieved a satisfactory performance in the period, recording, as expected, lower volumes against a strong comparative period last year. Prior year volume development benefitted from higher demand due to the impact of fodder shortages in the earlier part of FY19.

The Group's animal feed manufacturing associate, John Thompson & Sons Limited, in which the Group has a 50% shareholding, delivered a satisfactory performance in the period.

Continental Europe¹

			Change on prior period		
	H1 2020	H1 2019	Change	Underlying ³	Constant
	€'m	€'m	€'m	€'m	Currency ⁴
					€'m
Revenue	142.1	147.9	(5.8)	(9.5)	(9.5)
Operating profit ²	0.7	0.6	0.1	0.2	0.2

¹ Excluding crop marketing. While crop marketing has a significant impact on revenue, its impact on operating profit is insignificant. An analysis of revenue and profit attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance

² Before amortisation of non-ERP intangible assets and exceptional items

³ Excluding currency movements and the impact of acquisitions

⁴ Excluding currency movements

Continental Europe recorded a €0.2 million increase in underlying operating profit at constant currency in the seasonally less significant first half. Underlying business volumes reduced by 3.4% compared with the corresponding period last year, with a good start to the year in Poland and Ukraine set against a slower start in Romania. The overall winter and spring cropping area across our CE markets is expected to be largely in line with last year.

Performance in the first half was supported by the benefit of improved working capital efficiency and pleasing sales momentum in the case of the Group's value added seed and nutrition portfolios.

In common with Origin's direct farm customer facing business operations in the UK and Poland, our Romanian and Ukrainian businesses adopted the Group's single brand identity, Agrii, in the period. The common identity supports the group-wide framework for technically led and integrated agronomy services.

Belgium

Belgium delivered a satisfactory performance in the period, on lower underlying business volumes. Early season demand has been impacted by wet conditions and an uncertain pricing environment for fertiliser raw materials is resulting in farmers maintaining a cautious approach to procurement until closer to the main application period in the second half of the financial year.

Poland

Poland achieved higher revenues and profits in the seasonally quiet first half. Performance was supported by a combination of favourable business mix and the benefit of improved in-field conditions for growers compared to the challenges experienced in FY19.

Autumn and winter plantings are estimated to be in line with last year at 4.7 million hectares with an increase in winter cereals offsetting a 1.5% reduction in the oil seed rape area. The total cropping area for the 2020 growing season is expected to be marginally ahead of the prior year at 8.2 million hectares. To date winter crops are well established supported by favourable growing conditions in the period.

Romania

Romania has delivered a satisfactory performance against lower underlying business volumes in the first half of the year. This reflected a delayed start to plantings in the first quarter due to unseasonably dry conditions throughout the main crop growing regions.

The second quarter experienced a significant catch up in cropping activity with the total sown area for autumn and winter plantings now forecast to be 5.3% ahead of last year at 3.0 million hectares. This increase will result in a reduction in the estimated spring cropping area, with the combined area for winter and spring cropping estimated to be in line with the prior year at 8.3 million hectares.

Ukraine

Ukraine recorded an improved result in the period in highly competitive trading conditions. Performance benefitted from a combination of favourable business mix and enhanced commercial effectiveness. Overall crop establishment in the period is satisfactory, however the continuation of current dry conditions may impact full year demand.

Total autumn and winter plantings are anticipated to be marginally behind last year at 8.2 million hectares with combined autumn and spring plantings currently forecast to be in line with last year at 22.5 million hectares.

Latin America

			Change on prior period		
	H1 2020 €'m	H1 2019 €'m	Change €'m	Underlying ³ €'m	Constant Currency ⁴ €'m
Revenue	21.9	21.3	0.6	0.7	1.1
Operating profit ¹	5.7	5.5	0.2	0.4	0.4
Associate ²	0.2	-	0.2	-	0.2

¹ Before amortisation of non-ERP intangible assets and exceptional items

² Profit after interest and tax

³ Excluding currency movements and the impact of acquisitions

⁴ Excluding currency movements

Latin America, which includes the Group's Brazilian speciality inputs business, Fortgreen, achieved higher underlying operating profits in the seasonally significant first half. Underlying business volumes grew by 2.9% compared with the corresponding period last year. Volume development was influenced by the impact of sustained dry conditions which led to a delayed planting season for Brazil's principal crop, soya. This drove lower overall market demand in the period which is expected to continue in the second half of the year.

The total cropping area in Brazil dedicated to soya in the current year is estimated to be 36.6 million hectares, an increase of 2.0% on last year. The cropping area dedicated to Brazil's secondary crop, maize is also expected to increase in the current year by 2.3% to 13.2 million hectares.

Outlook

The impact on Ireland and the UK performance of the prolonged, adverse conditions experienced to-date together with the challenges associated with an anticipated large increase in spring cropping, means that we expect Group operating profit and adjusted diluted earnings per share for the full year will be significantly lower than expected at the time of our Q1 Trading Update, as set out in our market release on 26 February 2020.

Consistent with prior years, we will provide a comprehensive update on full year guidance in our Q3 Trading Update on 17 June 2020.

ENDS

Origin Enterprises plc

Condensed Interim Consolidated Income Statement for the six months ended 31 January 2020

		Six months ended January 2020 Pre-exceptional €'000	Six months ended January 2020 Exceptional €'000	Six months ended January 2020 Total €'000	Six months ended January 2019 Total €'000	Year ended July 2019 Total €'000 Note 5
	Notes					
Revenue	3	604,908	-	604,908	701,551	1,798,197
Cost of sales		(527,580)	-	(527,580)	(612,346)	(1,527,363)
Gross profit		77,328	-	77,328	89,205	270,834
Operating costs		(84,914)	260	(84,654)	(85,132)	(203,914)
Share of profit of associates and joint venture		1,137	-	1,137	1,809	6,294
Operating (loss)/profit	3	(6,449)	260	(6,189)	5,882	73,214
Finance income		622	-	622	416	1,519
Finance expense		(6,154)	-	(6,154)	(6,297)	(13,327)
(Loss)/profit before income tax		(11,981)	260	(11,721)	1	61,406
Income tax credit/(expense)		2,356	-	2,356	440	(8,686)
(Loss)/profit attributable to equity shareholders		(9,625)	260	(9,365)	441	52,720
				Six months ended January 2020	Six months ended January 2019	Year ended July 2019
Basic (loss)/earnings per share	4			(7.46c)	0.35c	41.98c
Diluted (loss)/earnings per share	4			(7.46c)	0.35c	41.60c

Origin Enterprises plc

Condensed Interim Consolidated Statement of Comprehensive Income for the six months ended 31 January 2020

	Six months ended January 2020 €'000	Six months ended January 2019 €'000	Year ended July 2019 €'000
(Loss)/profit for the period	(9,365)	441	52,720
Other comprehensive income/(expense)			
Items that are not reclassified subsequently to the Group income statement:			
<i>Group/Associate defined benefit pension obligations</i>			
- remeasurements of Group's defined benefit pension schemes	(703)	(4,753)	(3,599)
- deferred tax effect of remeasurements	120	800	450
- share of remeasurements on associate's defined benefit pension schemes	-	-	(1,668)
- share of deferred tax effect of remeasurements - associates	-	-	284
Items that may be reclassified subsequently to the Group income statement:			
<i>Group foreign exchange translation details</i>			
- exchange difference on translation of foreign operations	6,653	2,784	(3,507)
<i>Group/Associate cash flow hedges</i>			
- effective portion of changes in fair value of cash flow hedges	(977)	(80)	100
- fair value of cash flow hedges transferred to operating costs	87	(2,708)	(2,783)
- deferred tax effect of cash flow hedges	164	462	369
- share of associates and joint venture cash flow hedges	(3,663)	(902)	727
- deferred tax effect of share of associates and joint venture cash flow hedges	458	113	(91)
Other comprehensive income/(expense) for the period, net of tax	2,139	(4,284)	(9,718)
Total comprehensive (expense)/income for the period attributable to equity shareholders	(7,226)	(3,843)	43,002

Origin Enterprises plc

Condensed Interim Consolidated Statement of Financial Position as at 31 January 2020

	Notes	January 2020 €'000	January 2019 €'000	July 2019 €'000
ASSETS				
Non-current assets				
Property, plant and equipment	6	114,230	124,717	108,411
Right of use asset	12	43,313	-	-
Investment properties		4,221	11,825	4,221
Goodwill and intangible assets	7	273,057	285,310	271,085
Investments in associates and joint venture	8	41,194	42,867	47,140
Other financial assets		620	562	607
Derivative financial instruments		-	608	-
Deferred tax assets		3,907	5,085	3,620
		<hr/>	<hr/>	<hr/>
Total non-current assets		480,542	470,974	435,084
		<hr/>	<hr/>	<hr/>
Current assets				
Properties held for sale		24,135	-	24,135
Inventory		270,927	243,488	202,806
Trade and other receivables		306,446	301,315	529,328
Derivative financial instruments		677	1,051	2,345
Cash and cash equivalents		63,146	84,892	111,830
		<hr/>	<hr/>	<hr/>
Total current assets		665,331	630,746	870,444
		<hr/>	<hr/>	<hr/>
TOTAL ASSETS		1,145,873	1,101,720	1,305,528
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Origin Enterprises plc

Condensed Interim Consolidated Statement of Financial Position *(continued)* as at 31 January 2020

	Notes	January 2020 €'000	January 2019 €'000	July 2019 €'000
EQUITY				
Called up share capital presented as equity	11	1,264	1,264	1,264
Share premium		160,498	160,422	160,498
Retained earnings and other reserves		153,034	142,363	184,077
TOTAL EQUITY		314,796	304,049	345,839
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings		299,868	281,981	163,236
Lease liability	12	31,584	-	-
Deferred tax liabilities		22,199	29,829	23,143
Put option liability		27,800	27,097	29,607
Provision for liabilities	9	1,906	3,999	4,166
Post employment benefit obligations		1,369	3,694	1,476
Derivative financial instruments		751	197	912
Total non-current liabilities		385,477	346,797	222,540
Current liabilities				
Interest-bearing borrowings		27,519	41,729	24,190
Lease liability	12	11,882	-	-
Put option liability		-	5,771	-
Trade and other payables		388,146	383,663	686,175
Corporation tax payable		6,540	4,200	11,845
Provision for liabilities	9	10,598	13,642	14,452
Derivative financial instruments		915	1,869	487
Total current liabilities		445,600	450,874	737,149
TOTAL LIABILITIES		831,077	797,671	959,689
TOTAL EQUITY AND LIABILITIES		1,145,873	1,101,720	1,305,528

Origin Enterprises plc

Condensed Interim Consolidated Statement of Changes in Equity for the six months ended 31 January 2020

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share- based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2019	1,264	160,498	(8)	134	1,832	12,843	1,537	(196,884)	(42,826)	407,449	345,839
Loss for the period	-	-	-	-	-	-	-	-	-	(9,365)	(9,365)
Other comprehensive expense for the period	-	-	-	-	(3,931)	-	-	-	6,653	(583)	2,139
Share-based payment charge	-	-	-	-	-	-	90	-	-	-	90
Change in fair value of put option	-	-	-	-	-	-	-	-	-	(1,081)	(1,081)
Dividend paid to shareholders (Note 13)	-	-	-	-	-	-	-	-	-	(22,826)	(22,826)
At 31 January 2020	1,264	160,498	(8)	134	(2,099)	12,843	1,627	(196,884)	(36,173)	373,594	314,796

Origin Enterprises plc

Condensed Interim Consolidated Statement of Changes in Equity

for the six months ended 31 January 2019

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
At 1 August 2018	1,264	160,422	(8)	134	3,510	12,843	538	(196,884)	(39,319)	387,747	330,247
Loss for the period	-	-	-	-	-	-	-	-	-	441	441
Other comprehensive expense for the period	-	-	-	-	(3,115)	-	-	-	2,784	(3,953)	(4,284)
Share-based payment charge	-	-	-	-	-	-	90	-	-	-	90
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(22,445)	(22,445)
At 31 January 2019	1,264	160,422	(8)	134	395	12,843	628	(196,884)	(36,535)	361,790	304,049

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Condensed Interim Consolidated Statement of Cash Flows for the six months ended 31 January 2020

	Six months ended January 2020 €'000	Six months ended January 2019 €'000	Year ended July 2019 €'000
Cash flows from operating activities			
(Loss)/profit before tax	(11,721)	1	61,406
Exceptional items	(260)	733	6,997
Finance income	(622)	(416)	(1,519)
Finance expense	6,154	6,297	13,327
Profit on disposal of property, plant and equipment	(248)	(156)	(292)
Share of profit of associates and joint venture	(1,137)	(1,809)	(6,717)
Depreciation of property, plant and equipment	8,843	3,845	8,300
Amortisation of intangible assets	6,036	5,476	11,059
Employee share-based payment charge	90	90	999
Pension contributions in excess of service costs	(642)	(462)	(741)
Payment of exceptional pension related/ rationalisation costs	(449)	(829)	(1,342)
Payment of exceptional acquisition costs	(1,057)	(358)	(1,775)
	<hr/>	<hr/>	<hr/>
Operating cash flow before changes in working capital	4,987	12,412	89,702
Increase in inventory	(57,251)	(40,746)	(2,408)
Decrease in trade and other receivables	239,349	176,595	(50,450)
Decrease in trade and other payables	(320,499)	(273,359)	40,118
	<hr/>	<hr/>	<hr/>
Cash (absorbed)/generated from operating activities	(133,414)	(125,098)	76,962
Interest paid	(3,639)	(4,564)	(11,349)
Income tax paid	(4,128)	(4,449)	(12,572)
	<hr/>	<hr/>	<hr/>
Cash (outflow)/inflow from operating activities	(141,181)	(134,111)	53,041
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Condensed Interim Consolidated Statement of Cash Flows *(continued)* for the six months ended 31 January 2020

	Six months ended January 2020 €'000	Six months ended January 2019 €'000	Year ended July 2019 €'000
Cash flows from investing activities			
Proceeds from sale of investment property	-	-	750
Proceeds from sale of property, plant and equipment	542	440	1,005
Purchase of property, plant and equipment	(7,041)	(7,223)	(12,049)
Additions to intangible assets	(1,792)	(1,717)	(4,346)
Arising on acquisitions	-	(33,239)	(36,554)
Payment of contingent acquisition consideration	(2,341)	(1,091)	(1,705)
Payment of put option liability	-	-	(3,594)
Restricted cash	-	500	500
Loan repayment/(advance) with associate	42	(98)	(4,671)
Dividends received from associates	5,682	6,909	7,037
	<hr/>	<hr/>	<hr/>
Cash outflow from investing activities	(4,908)	(35,519)	(53,627)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities			
Drawdown of bank loans	199,821	180,557	228,996
Repayment of bank loans	(59,603)	(45,000)	(238,491)
Lease liability payments	(5,397)	-	-
Shares issued	-	-	76
Payment of dividends to equity shareholders (Note 13)	(22,826)	(22,445)	(26,371)
	<hr/>	<hr/>	<hr/>
Cash inflow/(outflow) from financing activities	111,995	113,112	(35,790)
	<hr/>	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(34,094)	(56,518)	(36,376)
Translation adjustment	1,979	1,233	(2,298)
Cash and cash equivalents at start of period	87,885	126,559	126,559
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of period (Note 10)	55,770	71,274	87,885
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Condensed Interim Consolidated Financial Statements for the six months ended 31 January 2020

1 Basis of preparation

The Group condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), as endorsed by the EU. The condensed interim consolidated financial statements have been prepared as information for the shareholders and do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements in respect of the year ended 31 July 2019, which have been prepared in accordance with IFRSs. The financial statements for the year ended 31 July 2019 are available on the company's website www.originenterprises.com. Those financial statements contained an unqualified audit report.

The Group condensed interim consolidated financial statements for the six months ended 31 January 2020 and the comparative figures for the six months ended 31 January 2019 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 July 2019 represent an abbreviated version of the Group's full accounts for that year.

The Group condensed interim consolidated financial statements are presented in euro and rounded to the nearest thousand, which is the functional currency of the parent.

A comprehensive review of the Group's performance for the six months ended 31 January 2020 is included in the financial highlights section included on pages 5 to 11. The group's business is seasonal and is heavily weighted towards the second half of the financial year.

2 Accounting policies

The Group interim financial statements have been prepared on the basis of the accounting policies as set out on pages 126 to 136 of the Group's Annual Report for the year ended 31 July 2019, with the exception of the new accounting standards outlined below.

The following new accounting standards have been adopted by the Group in the current financial period:

IFRS 16 Leases

The Group adopted IFRS 16 Leases from its mandatory adoption date of 1 August 2019.

IFRS 16 Leases replaces the existing guidance in IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and to recognise depreciation of lease assets separately from interest on lease liabilities in the income statement. The transition to IFRS 16 impacts the measurement of many components in the Group's consolidated financial statements including operating profit, finance costs, earnings per share, net debt and return on capital employed.

The Group adopted IFRS 16 on the transition date of 1 August 2019 using the modified retrospective approach. The comparative information for prior periods has not been re-stated and is presented as previously reported under IAS 17 and related interpretations.

At transition date, the lease liability was initially measured as the present value of the outstanding lease commitments that are payable for the lease term, discounted using the Group's incremental borrowing rate. In calculating the lease liability, the Group has applied judgement in determining the lease term for those leases with termination or extension options and an appropriate discount rate, which is based on the borrowing rate. These judgements significantly impact on the right-of-use asset and the lease liability to be recognised.

A corresponding right-of-use leased asset was recognised on the Group's Balance Sheet which was adjusted for any prepayments, accruals and onerous lease provisions with no adjustment to opening retained earnings. The right-of-use asset is depreciated on a straight line basis over the lower of the lease term and the useful life of the asset. Right-of-use assets are subject to impairment testing.

The Group previously recognised operating lease rentals in operating expenses in the Income Statement. Under IFRS 16, a right-of-use leased asset is capitalised and depreciated over the term of the lease as an operating expense with an associated finance cost applied annually to the lease creditor. During the six months to 31 January 2020, the Group recognised €4,753,000 of depreciation costs and €859,000 of interest costs from these leases. Had IFRS 16 not been introduced, there would be an additional operating lease cost of €5,397,000 associated with these leases in accordance with IAS 17, instead of the additional depreciation and finance costs.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements

for the six months ended 31 January 2020

2 Accounting policies (continued)

The overall impact on the Income Statement of adopting IFRS 16 will be neutral over the life of a lease but will result in a higher charge in the earlier years following implementation and a lower charge in the later years. It will not change overall cash flows or the economic effect of the leases. There is no effect on the Group's existing banking covenants as a result of the implementation of IFRS 16.

The Group has elected to use the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- accounting for short-term leases (leases less than 12 month) or low value asset leases (where the relevant criteria are met) by recognising the lease payments as an operating expense on a straight-line basis over the term of the lease;
- apply a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- used hindsight in determining the lease term if the contract contained options to extend or terminate the lease.

Contracts that qualified as leases as defined by IFRS 16 related primarily to property, motor vehicles and office equipment. On transition to IFRS 16, the principal impacts were the recognition of right-of-use assets of €39.7 million and lease liabilities of €39.7 million. Further information is included in Note 12.

There are a number of new standards which are also effective from 1 August 2019. These are not currently relevant for the Group or expected to have a material impact on the Group consolidated financial statements.

The Group has not applied early adoption of any standards for which the effective date is not yet required.

3 Segment information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segments and to assess their performance. Three operating segments have been identified: (1) Ireland and the United Kingdom, (2) Continental Europe and (3) Latin America.

Ireland and the United Kingdom

This segment includes the Group's wholly owned Irish and UK based Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations and Digital Agricultural Services business. In addition, this segment includes the Group's Associate and joint venture undertakings.

Continental Europe

This segment includes the Group's Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations in Belgium, Poland, Romania and Ukraine.

Latin America

This segment includes the Group's 65 per cent controlling interest in the Brazilian based speciality nutrition and crop inputs business, Fortgreen Commercial Agricola Ltda.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Executive Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments.

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Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

3 Segment information (continued)

(i) Segment revenue and result

	Ireland and UK		Continental Europe		Latin America		Total Group	
	Six months ended Jan 2020 €'000	Six months ended Jan 2019 €'000	Six months ended Jan 2020 €'000	Six months ended Jan 2019 €'000	Six months ended Jan 2020 €'000	Six months ended Jan 2019 €'000	Six months ended Jan 2020 €'000	Six months ended Jan 2019 €'000
Total revenue	489,359	644,207	245,659	246,318	31,816	21,312	766,834	911,837
Less revenue from associates and joint venture	(151,963)	(210,286)	-	-	(9,963)	-	(161,926)	(210,286)
Revenue	337,396	433,921	245,659	246,318	21,853	21,312	604,908	701,551
Segment result	(9,079)	2,827	633	793	5,657	5,451	(2,789)	9,071
Profit from associates and joint venture	893	1,809	-	-	244	-	1,137	1,809
Amortisation of non-ERP intangible assets	(2,490)	(2,119)	(1,072)	(915)	(1,235)	(1,231)	(4,797)	(4,265)
Operating (loss)/profit before exceptional items	(10,676)	2,517	(439)	(122)	4,666	4,220	(6,449)	6,615
Exceptional items	(178)	(437)	-	(253)	438	(43)	260	(733)
Operating (loss)/profit	(10,854)	2,080	(439)	(375)	5,104	4,177	(6,189)	5,882
Segment earnings before financing and tax							(6,189)	5,882
Finance income							622	416
Finance expense							(6,154)	(6,297)
Reported (loss)/profit before tax							(11,721)	1
Income tax credit							2,356	440
Reported (loss)/profit after tax							(9,365)	441

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

3 Segment information (continued)

(ii) Segment assets	Ireland & UK		Continental Europe		Latin America		Total Group	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	Jan 2020	Jan 2019	Jan 2020	Jan 2019	Jan 2020	Jan 2019	Jan 2020	Jan 2019
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Assets excluding investment in associates and joint venture	594,305	555,627	335,047	322,915	106,977	88,113	1,036,329	966,655
Investment in associates and joint venture (including other financial assets)	40,530	43,429	-	-	1,284	-	41,814	43,429
Segment assets	634,835	599,056	335,047	322,915	108,261	88,113	1,078,143	1,010,084

Reconciliation to total assets as reported in Condensed Interim Consolidated Statement of Financial Position

Cash and cash equivalents							63,146	84,892
Derivative financial instruments							677	1,659
Deferred tax assets							3,907	5,085
Total assets as reported in Condensed Interim Consolidated Statement of Financial Position							1,145,873	1,101,720

(iii) Segment liabilities

(iii) Segment liabilities	Ireland & UK		Continental Europe		Latin America		Total Group	
	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended
	Jan 2020	Jan 2019	Jan 2020	Jan 2019	Jan 2020	Jan 2019	Jan 2020	Jan 2019
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segment liabilities	211,310	264,728	169,307	126,360	49,202	46,778	429,819	437,866

Reconciliation of total liabilities as reported in Condensed Interim Consolidated Statement of Financial Position

Interest-bearing loans and liabilities							370,853	323,710
Derivative financial instruments							1,666	2,066
Current and deferred tax liabilities							28,739	34,029
Total liabilities as reported in Condensed Interim Consolidated Statement of Financial Position							831,077	797,671

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

4 (Loss)/earnings per share

Basic (loss)/earnings per share

	Six months ended January 2020 €'000	Six months ended January 2019 €'000
(Loss)/profit for the financial period attributable to equity shareholders	<u>(9,365)</u>	<u>441</u>
	'000	'000
Weighted average number of ordinary shares for the period	<u>125,596</u>	<u>125,582</u>
	Cent	Cent
Basic (loss)/earnings per share	<u>(7.46)</u>	<u>0.35</u>

Diluted (loss)/earnings per share

	Six months ended January 2020 €'000	Six months ended January 2019 €'000
(Loss)/profit for the financial period attributable to equity shareholders	<u>(9,365)</u>	<u>441</u>
	'000	'000
Weighted average number of ordinary shares used in basic calculation	<u>125,596</u>	<u>125,582</u>
Potential impact of shares with dilutive effect (1)	323	1,108
Potential impact of SAYE scheme with dilutive effect (1)	677	726
Weighted average number of ordinary shares (diluted) for the period	<u>126,596</u>	<u>127,416</u>
	Cent	Cent
Diluted (loss)/earnings per share	<u>(7.46)</u>	<u>0.35</u>

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

4 (Loss)/earnings per share (continued)

Adjusted basic (loss)/earnings per share	Six months ended January 2020 €'000	Six months ended January 2019 €'000
(Loss)/profit for the financial period attributable to equity shareholders	(9,365)	441
Amortisation of non-ERP related intangible assets	4,797	4,265
Tax on amortisation of non-ERP related intangible assets	(857)	(833)
Exceptional items, net of tax	(260)	733
Adjusted basic (loss)/earnings	(5,685)	4,606
	Cent	Cent
Adjusted basic (loss)/earnings per share	(4.53)	3.67
Total adjusted basic (loss)/earnings - as above	(5,685)	4,606
	Cent	Cent
Total adjusted diluted (loss)/earnings per share (1)	(4.53)	3.61

The calculation of basic adjusted earnings per share is based on the weighted average number of shares in issue during the period of **125,595,854** (31 January 2019: 125,581,696). The weighted average number of shares used in the calculation of adjusted diluted earnings/(loss) per share is **126,596,854** (31 January 2019: 127,416,250).

(1) The impact from potential shares are anti-dilutive for the earnings per share.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

5 Condensed Interim Consolidated Income Statements for the six months ended 31 January 2019 and year ended 31 July 2019

An analysis of the Condensed Interim Consolidated Income Statement (including exceptional items) for the six months ended 31 January 2019 and year ended 31 July 2019 is set out below.

Six months ended 31 January 2019

	Six months ended Jan 2019 Pre-Exceptional €'000	Six months ended Jan 2019 Exceptional €'000	Six months ended Jan 2019 Total €'000
Revenue	701,551	-	701,551
Cost of sales	(612,346)	-	(612,346)
Gross profit	89,205	-	89,205
Operating costs	(84,399)	(733)	(85,132)
Share of profit of associates and joint venture	1,809	-	1,809
Operating profit	6,615	(733)	5,882
Finance income	416	-	416
Finance expense	(6,297)	-	(6,297)
Profit/(loss) before income tax	734	(733)	1
Income tax credit	440	-	440
Profit/(loss) attributable to equity shareholders	1,174	(733)	441

Year ended 31 July 2019

	Year ended July 2019 Pre-Exceptional €'000	Year ended July 2019 Exceptional €'000	Year ended July 2019 Total €'000
Revenue	1,798,197	-	1,798,197
Cost of sales	(1,527,363)	-	(1,527,363)
Gross profit	270,834	-	270,834
Operating costs	(197,340)	(6,574)	(203,914)
Share of profit of associates and joint venture	6,717	(423)	6,294
Operating profit	80,211	(6,997)	73,214
Finance income	1,519	-	1,519
Finance expense	(13,327)	-	(13,327)
Profit before income tax	68,403	(6,997)	61,406
Income tax expense	(8,730)	44	(8,686)
Profit for the year	59,673	(6,953)	52,720

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

6 Property, plant and equipment

	January 2020 €'000	July 2019 €'000
Net book value		
At beginning of period	108,411	117,929
Arising on acquisitions	-	4,471
Additions	7,089	11,938
Reclassification of assets held under finance leases (Note 12)	(1,230)	-
Disposals	(290)	(712)
Transfers to properties held for sale	-	(11,215)
Write down of property, plant and equipment	-	(4,100)
Depreciation charge	(4,090)	(8,300)
Translation adjustments	4,340	(1,600)
	<hr/>	<hr/>
At end of period	114,230	108,411
	<hr/> <hr/>	<hr/> <hr/>

7 Goodwill and intangible assets

	January 2020 €'000	July 2019 €'000
Net book value		
At beginning of period	271,085	216,334
Arising on acquisitions	-	73,283
Additions	1,792	4,346
Impairment of goodwill and intangibles relating to Ukraine investment	-	(9,429)
Amortisation of non-ERP intangible assets	(4,797)	(8,769)
ERP intangible amortisation	(1,239)	(2,290)
Translation adjustments	6,216	(2,390)
	<hr/>	<hr/>
At end of period	273,057	271,085
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Included in the total goodwill and intangible assets above is goodwill of €180,556,000 (July 2019: €176,292,000). There have been no indicators of impairment in the first half of the year therefore a full assessment of the carrying value of goodwill and intangibles will be carried out in the second half of the year.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

8 Investments in associates and joint venture

	January 2020 €'000	July 2019 €'000
At beginning of period	47,140	48,171
Share of profits after tax, before exceptional items	1,137	6,717
Share of exceptional items, net of tax	-	(423)
Dividends received	(5,682)	(7,037)
Acquisition of equity investment	-	1,117
Share of other comprehensive expense	(3,205)	(748)
Translation adjustments	1,804	(657)
	<hr/>	<hr/>
At end of period	41,194	47,140
	<hr/>	<hr/>

9 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the Interim condensed financial statements.

	January 2020 €'000	July 2019 €'000
At beginning of period	18,618	13,512
Arising on acquisition	-	8,508
Provided in period	44	1,120
Paid in period	(4,004)	(3,271)
Released in period	(1,107)	(263)
Released as exceptional gain in period	(966)	(1,111)
Translation adjustments	(81)	123
	<hr/>	<hr/>
At end of period	12,504	18,618
	<hr/>	<hr/>

Provisions primarily relate to contingent acquisition consideration arising on a number of acquisitions completed during the prior years.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

10 Analysis of net debt

	31 July 2019 €'000	IFRS 16 transition €'000	Cashflow €'000	Non-cash movements €'000	Translation adjustment €'000	31 January 2020 €'000
Cash	111,830	-	(50,479)	-	1,795	63,146
Overdraft	(23,945)	-	16,385	-	184	(7,376)
Cash and cash equivalents	87,885	-	(34,094)	-	1,979	55,770
IAS 17 finance lease liability	(910)	910	-	-	-	-
Loans	(162,571)	-	(140,218)	(318)	(16,904)	(320,011)
Net debt before IFRS 16 lease transition	(75,596)	910	(174,312)	(318)	(14,925)	(264,241)
Lease creditors arising on adoption of IFRS 16	-	(40,577)	5,397	(5,193)	(3,093)	(43,466)
Net debt after IFRS 16 lease transition	(75,596)	(39,667)	(168,915)	(5,511)	(18,018)	(307,707)

The loans included above are unsecured and the facility extends to May 2022.

11 Share capital

	January 2020 €'000	July 2019 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	<u>2,500</u>	<u>2,500</u>
Allotted, called up and fully paid		
126,396,184 ordinary shares of €0.01 each (i)	<u>1,264</u>	<u>1,264</u>

- (i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

12 Transition to IFRS 16 'Leases'

The Group adopted IFRS 16 Leases with effect from 1 August 2019. At the date of transition, the Group calculated the lease commitments outstanding at that date and applied appropriate discount rates to calculate the present value of the lease commitment. The Group recognised €43.3m of right-of-use leased assets and €43.5m of lease liabilities at 31 January 2020.

The table below reconciles the Group's operating lease obligations at 31 July 2019 to the lease obligations recognised on initial application of IFRS 16 at 1 August 2019.

	€'000
Operating lease commitment at 31 July 2019	42,275
Extension options reasonably certain to be exercised	5,299
Commitments relating to low value and short-term leases	(942)
Effect of discounting	(6,965)
Finance lease liabilities recognised at 31 July 2019	910
	<hr/>
Lease liabilities at 1 August 2019	40,577

The movement in the Group's right-of-use leased assets during the period is as follows:

	€'000
Arising on adoption of IFRS 16 at 1 August 2019	39,667
Reclassification of assets held under IAS 17 finance leases on adoption of IFRS 16	1,230
Additions in period	4,349
Termination of leases	(15)
Leased assets purchased and transferred to property, plant and equipment	(211)
Depreciation charge	(4,753)
Foreign exchange movement	3,046
	<hr/>
Carrying value at 31 January 2020	43,313

As per FY2019 Group Annual Report, the initial guidance indicated that the opening right-of-use asset would be within the range of €39.0 million to €43.0 million at transition.

The carrying amount of lease liabilities are as follows:

	€'000
Arising on adoption of IFRS 16 at 1 August 2019	39,667
Reclassification of IAS 17 finance leases on adoption of IFRS 16	910
New leases arising in the period	4,349
Termination of leases	(15)
Lease payments	(5,397)
Discount unwinding	859
Foreign exchange movement	3,093
	<hr/>
Lease liabilities at 31 January 2020	43,466

Origin Enterprises plc

Notes to the Condensed Interim Consolidated Financial Statements *(continued)* for the six months ended 31 January 2020

13 Dividends

On 13 December 2019 a final dividend of 18.17 cent per ordinary share was paid in respect of the year ended 31 July 2019 which when combined with the interim dividend of 3.15 cent per ordinary share brings the total dividend for the year ended 31 July 2019 to 21.32 cent per ordinary share.

An interim dividend of 3.15 cent (2019: 3.15 cent) per ordinary share will be paid on 14 April 2020 to shareholders on the register on 27 March 2020. These condensed interim consolidated financial statements do not reflect this dividend payable.

14 Taxation

The taxation credit for the interim period is an estimate based on the expected full year effective tax rate on full year profits.

15 Contingent liabilities

The Group is not aware of any major changes with regard to contingent liabilities in comparison with the situation as of 31 July 2019.

16 Financial commitments

The Group has a financial commitment of €6.4 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a four year period.

17 Related party transactions

Related party transactions occurring in the period were similar in nature to those described in the 2019 Annual Report.

18 Release of half yearly condensed interim consolidated financial statements

The Group condensed interim consolidated financial information was approved for release by the Board on 4 March 2020.

19 Distribution of Interim Report

This interim report is available on the Group's website (www.originenterprises.com). A printed copy is available to the public at the Company's registered office.