



FINANCIAL RESULTS FOR THE 9 MONTHS PERIOD ENDED SEPTEMBER 30, 2018



PRESENTING



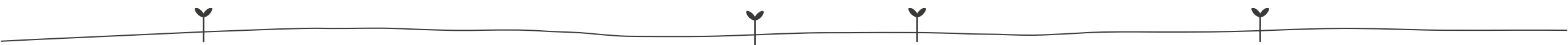
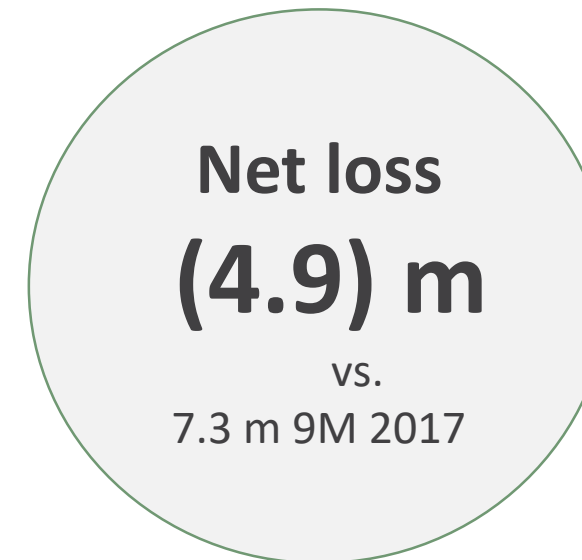
Linas Bulzgys
Board Member, CEO



Martynas Repečka
CFO



FINANCIAL HIGHLIGHTS 9M 2018



An aerial photograph of a vast, lush green crop field, likely wheat or barley, stretching towards a dense line of trees in the distance. The foreground shows the individual stalks of the crop in detail, while the background features a thick forest under a clear sky. The text "CROP GROWING SEGMENT" is overlaid in the center of the image.

CROP GROWING SEGMENT

CHALLENGING 2017/2018 SEASON

- Extreme climatic conditions in large areas of Europe, including Lithuania: heavy rains in autumn 2017 followed by drought in summer 2018
- Due to acquisitions cash crop area increased by 50% to 27 thous. ha in the season 2017/2018, vs. 18 thous. ha in 2016/2017
- Rainy 2017 resulted in significantly larger areas seeded with summer crops: 80% in 2018 vs. 56% in 2017
- Due to specifics of organic farming crop rotation and historically high profitability, about 49% (10.7 thous. Ha) of total summer crops area was seeded with the legumes such as peas and beans
- Drought in summer 2018 had a negative impact on most crop yields
- However legumes were effected particularly negatively by drought which led to significant negative effect on the bottom line of AUGA group
- As generally organic crops are significantly more expensive and have higher margin, variations in yields (both positive or negative) creates significantly higher variation on segment's gross profit comparing to conventional farming business



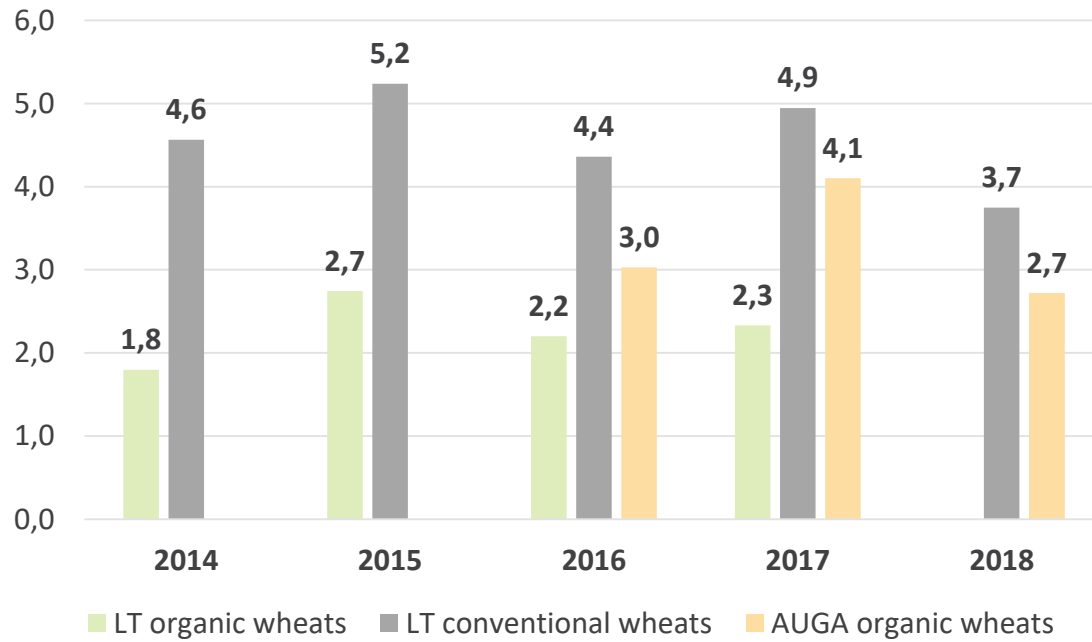
2018 HARVEST (COLLECTED BY 9M FINANCIAL RESULTS)



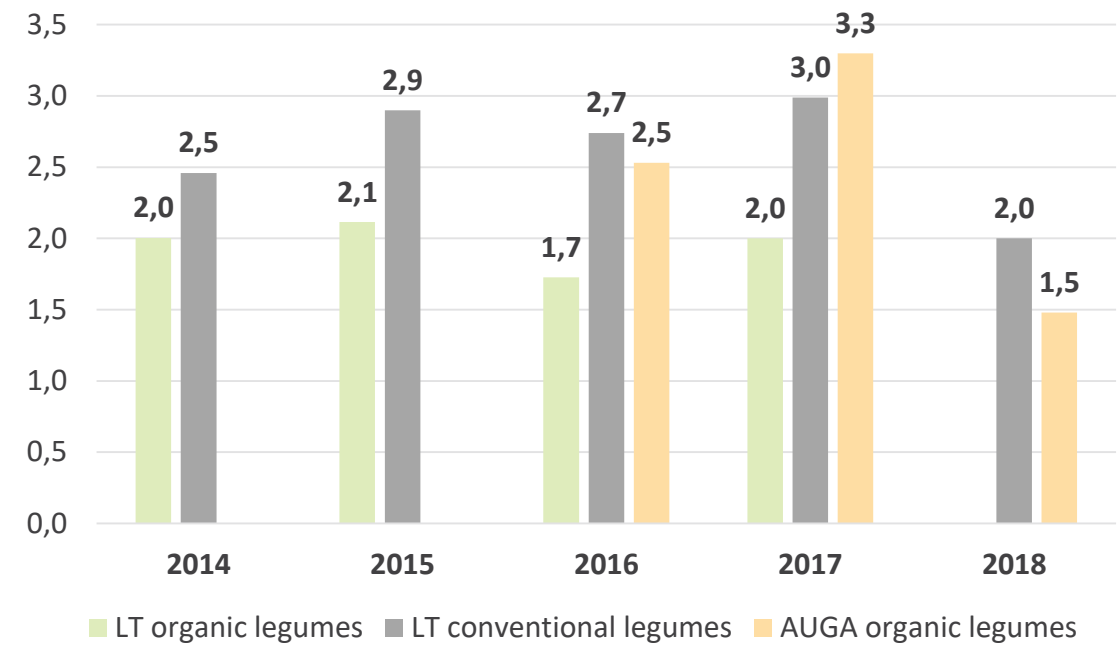
	9M 2017	9M 2018	Var	%
Total cultivated land, ha	33099	38474	5375	16%
<i>Wheat</i>	6548	8854	2306	35%
<i>Legumes</i>	4117	10684	6567	160%
<i>Other cash crops</i>	7859	7527	-332	-4%
<i>Forage crops</i>	8493	9986	1493	18%
<i>Fallow</i>	6081	977	-5104	-84%
Average harvest yield, t/ha				
<i>Wheat</i>	4,10	2,72	-1,38	-34%
<i>Legumes</i>	3,30	1,48	-1,82	-55%
<i>Other cash crops</i>	6,77	5,19	-1,58	-23%
Total fair value of harvest, EUR'000	23234	19099	-4135	-18%
Total production cost of harvest, EUR'000	16398	22894	6496	40%
Gain (loss) on revaluation of agricultural produce at point of harvest, EUR'000	6836	-3795	-10631	-156%



DROUGHT IMPACT ON MAIN CROP YIELDS



Wheat yield, t/ha

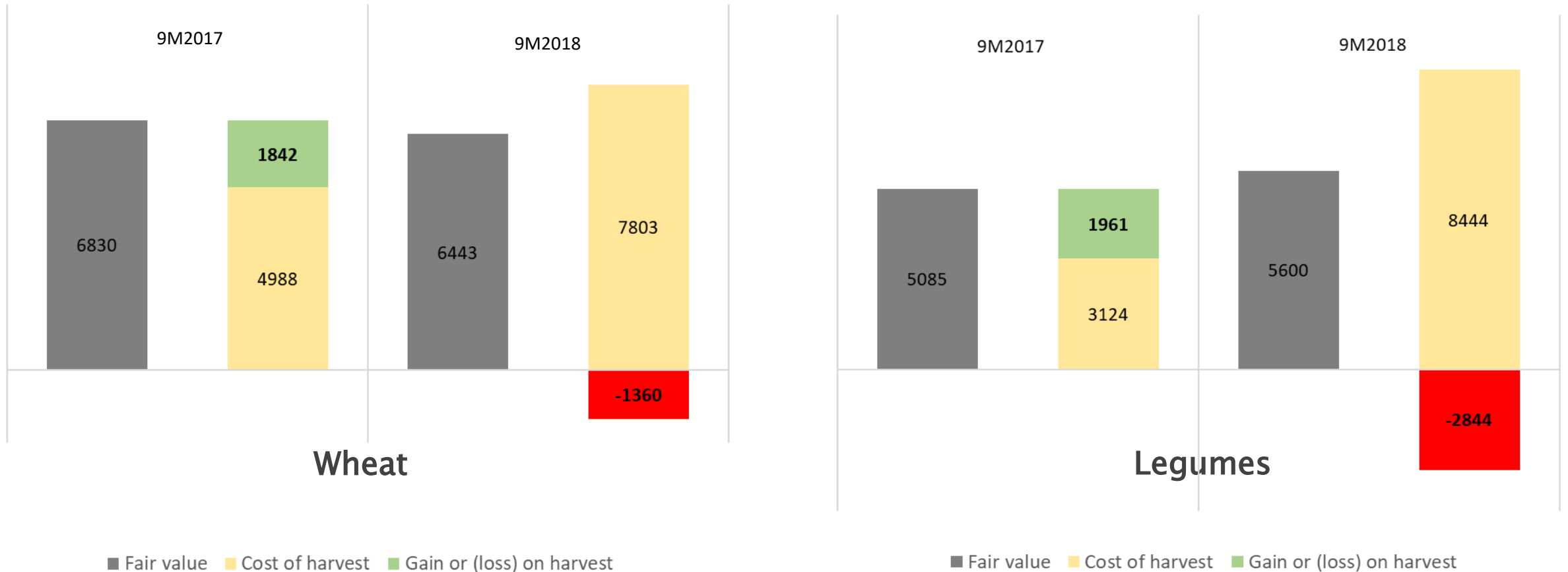


Legumes yield, t/ha

NOTE: The data of LT organic farmers in 2018 has not yet been published, the data of conventional farms in the LT are preliminary.
SOURCE: Lithuanian Statistics Department, data of the survey of the activities of Lithuanian agricultural producers included in the Farm Accountancy Data Network (FADN), the Group's data.



MAIN CROP IMPACT ON SEGMENT RESULTS



4,2 m EUR loss incurred from wheat and legumes only (3,8 m EUR loss in total segment)

COSTS AND FAIR VALUE OF MAIN CROPS

Cost per 1 ha cultivated land, EUR	2017/2018*	2017/2018**	2016/2017	Comparison 2017/2018** with 2016/2017, %
Wheat	881	811	762	6%
Legumes	790	671	759	-12%

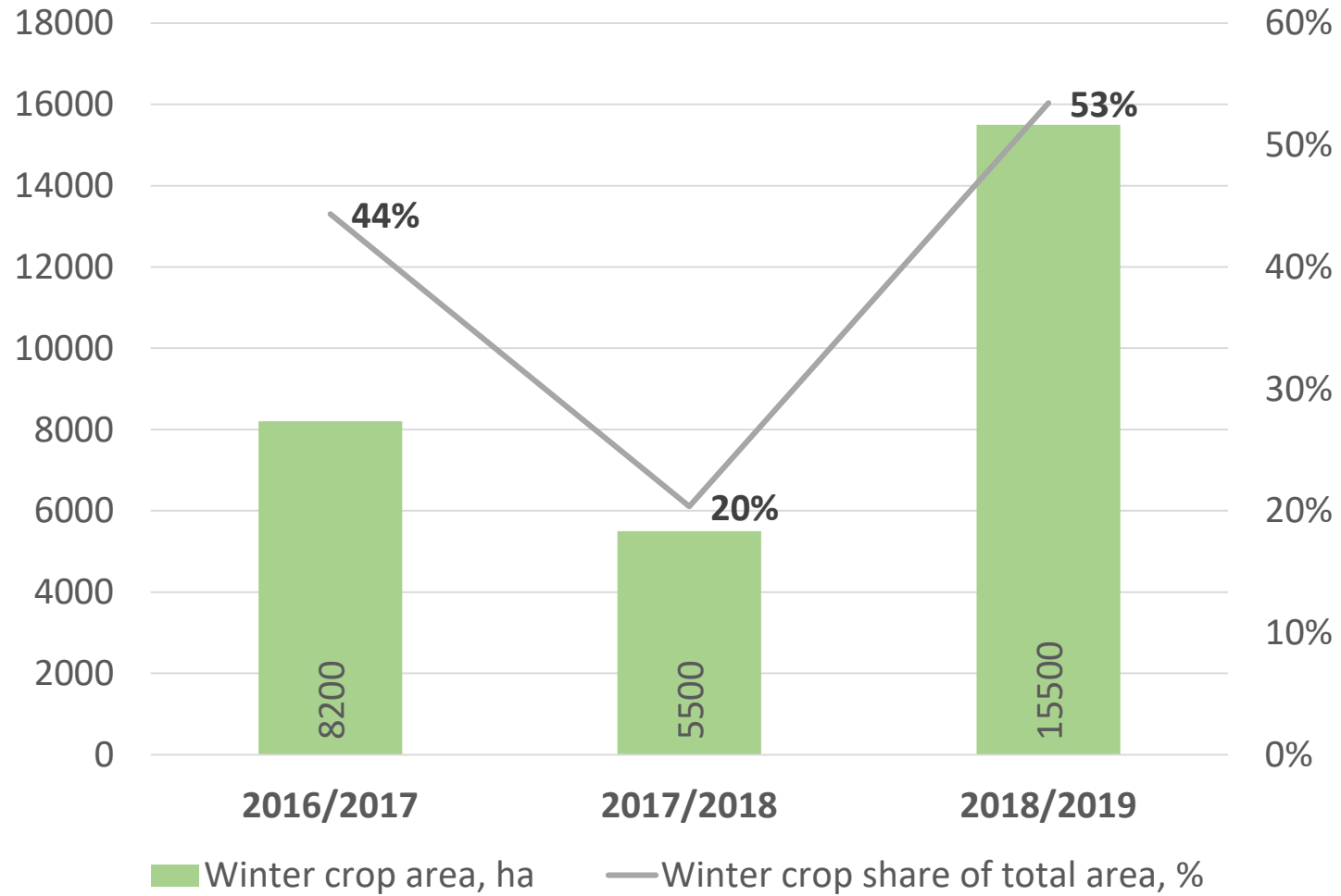
Price of 1 ton of crop, eliminating sales costs, EUR	2017/2018	2016/2017	Comparison 2017/2018 with 2016/2017, %
Wheat	268	254	5%
Legumes	354	374	-5%

* Costs per 1 ha of cultivated land including one-off costs related to the proper preparation of abandoned land taken over in the season of 2016/2017 (in total EUR 0.62 million in wheat and EUR 1.27 million in legumes);

** Costs per 1 ha of cultivated land, eliminating one-off costs related to the proper preparation of abandoned land taken over in the season of 2016/2017 (in total EUR 0.62 million in wheat and EUR 1.27 million in legumes).



GOOD POTENCIAL FOR 2018/2019 SEASON



MUSHROOM GROWING SEGMENT

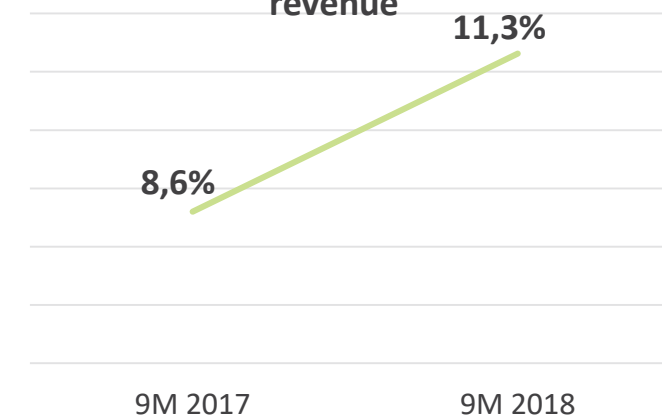


IMPROVED PRICING, INCREASE IN ORGANIC SHARE

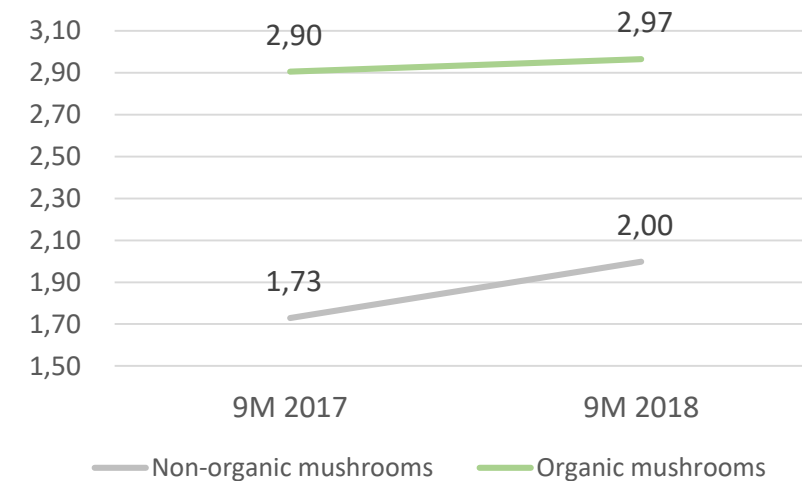


	9M 2017	9M 2018	Variance, %
Total volume sold, tons	8863	8329	-6%
Total revenues from sales, EUR'000	15875	17276	9%
Total cost of mushrooms sold, EUR'000	15802	15623	-1%
Revenues from sales of mushroom seedbed, EUR'000	2271	1757	-23%
Cost of sales of mushroom seedbed, EUR'000	1693	1591	-6%
Gross profit of mushroom growing segment, EUR'000	651	1821	180%

Share of organic mushrooms in revenue



Mushrooms average selling price, EUR/kg



DAIRY SEGMENT

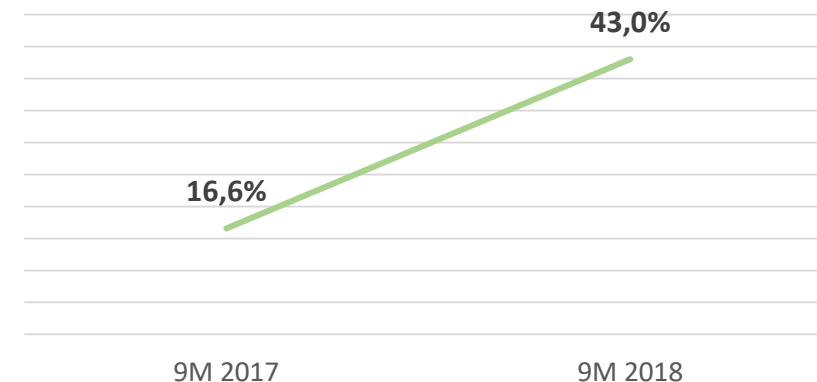


SLOWER ORGANIC MILK SALES PENETRATION

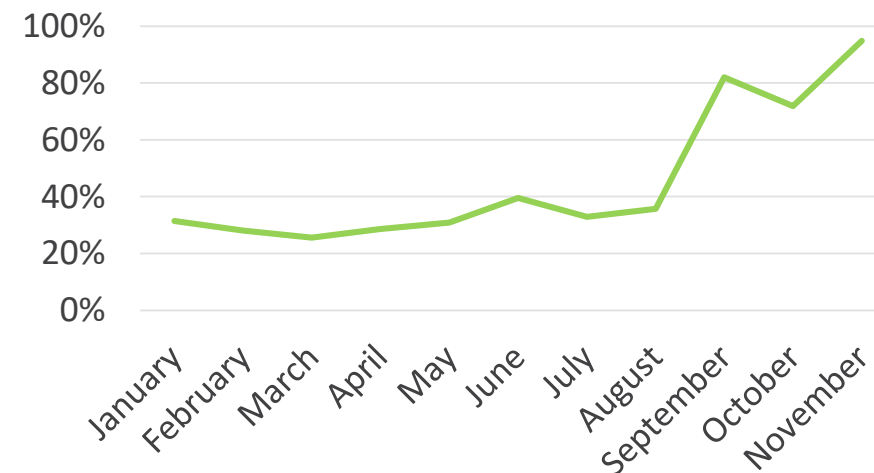


	9M 2017	9M 2018	Variance, %
Total volume of dairy segment, tons	18022	17537	-3%
Total revenues of dairy segment, EUR'000	6631	6530	-2%
Total cost of dairy segment, EUR'000	6030	7329	22%
Revaluation of biological assets, EUR'000	-444	-1539	247%
Total subsidies, EUR'000	405	400	-1%
Gross profit of dairy segment, EUR'000	562	-1938	-445%

Share of milk sold at organic prices in revenue



Share of milk, sold at organic prices, in 2018

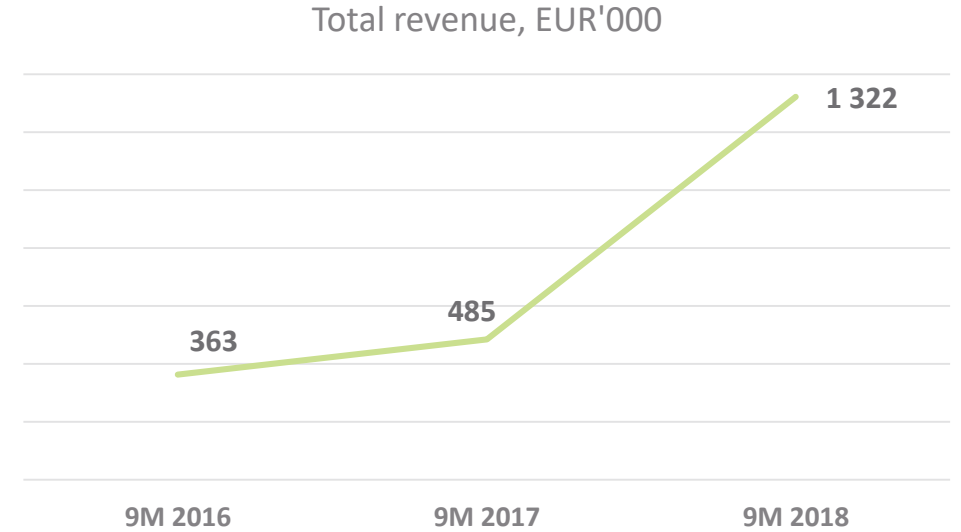


END-CONSUMER PACKAGED GOODS



END-CONSUMER SEGMENT WAS GROWING

End-consumer packaged goods	9M 2016	9M 2017	9M 2018	Variance,%
Total revenue, EUR'000	363	485	1322	264%
Total cost of sales, EUR'000	348	430	1259	262%
Gross profit EUR'000	15	55	64	319%

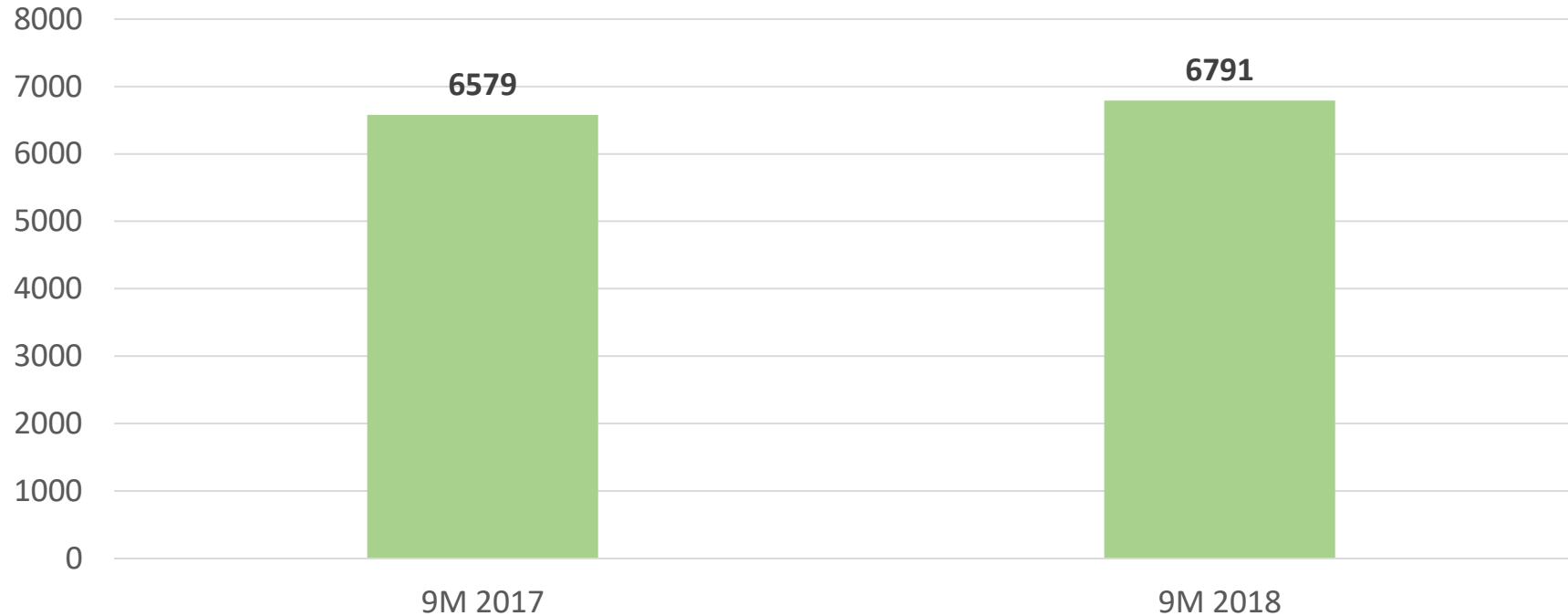


OPEX



OPEX REMAINS STABLE (WITHOUT ONE-OFF EFFECTS)

EUR'000



One-off eliminations:

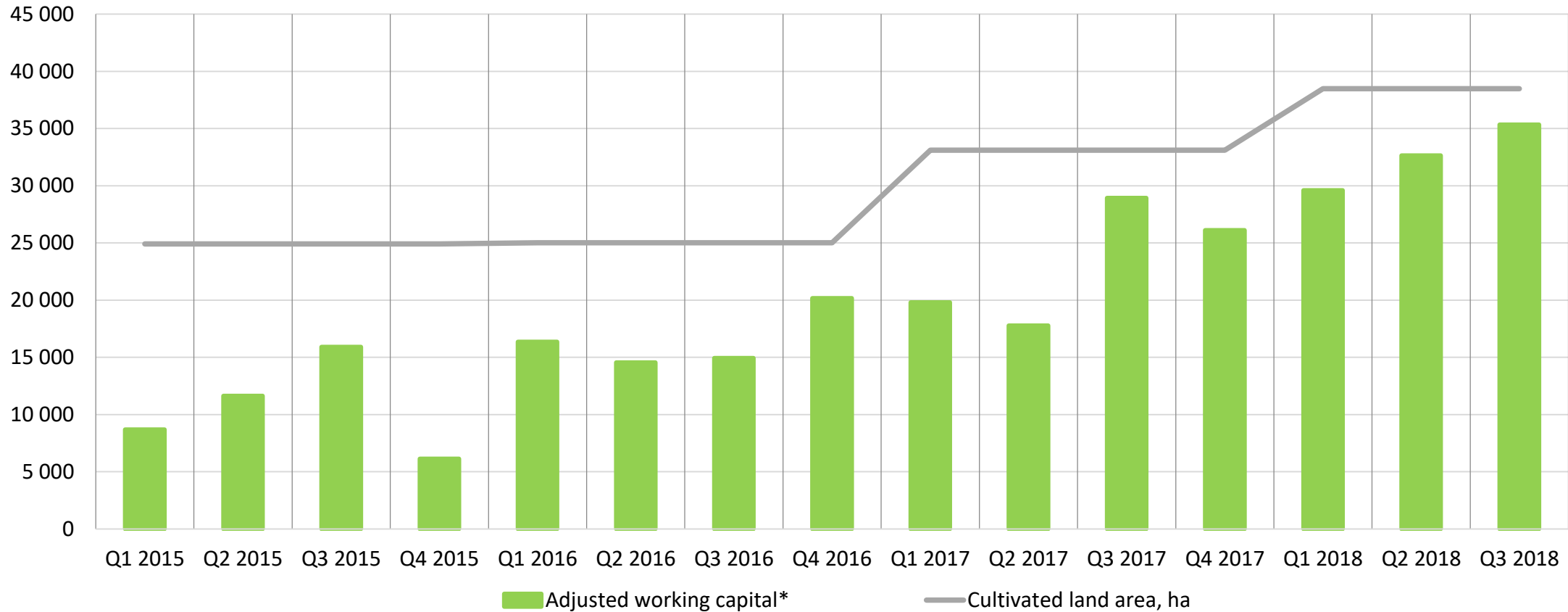
- 2018
- a) related to termination of Arginta Engineering UAB purchase agreement (EUR 715 thousand);
 - b) reversal of impairment of Karakash agro OOO and Karakash OOO property, plant and equipment (EUR (1,828) thousand);
- 2017
- a) impairment of assets (EUR 318 thousand).

WORKING CAPITAL CHANGES



DYNAMICS OF WORKING CAPITAL

EUR'000



*Adjusted working capital = Current biological assets + Trade receivables, advance payments and other receivables + Inventory - Trade payables - Other payables and current liabilities.
 The adjusted working capital formula eliminates cash and financing elements allowing the reader to see how well the short-term assets and liabilities directly related to operations of the Group are being utilized.



MOVEMENT OF BIOLOGICAL ASSETS

EUR'000

	Non – current assets		Current assets		Total
	Dairy cows	Other livestock	Mushroom seedbed	Crops	
Balance as at 31 December 2016	3,920	2,918	1,017	4,226	12,081
Direct purchases	-	19	-	-	19
Biological assets acquired with subsidiaries	-	-	-	915	915
Biological assets reclassified to assets held for sale	-	-	-	(512)	(512)
Accumulated expenses	-	2,887	24,646	26,802	54,335
Transfer from groups	2,246	(2,246)	-	-	-
Direct sales	(387)	(235)	-	-	(622)
Harvest	-	-	(24,498)	(27,555)	(52,053)
Revaluation	(1,095)	184	-	5,070	4,159
Write-offs	(105)	(77)	-	-	(182)
Balance as at 31 December 2017	4,579	3,450	1,165	8,946	18,140
Direct purchases	-	20	-	-	20
Accumulated expenses	-	2,859	18,470	32,067	53,396
Transfer between groups	2,046	(2,046)	-	-	-
Direct sales	(260)	(167)	-	-	(427)
Harvest	-	-	(17,380)	(24,148)	(41,528)
Revaluation	(1,267)	(272)	-	(3,795)	(5,334)
Write-offs	(159)	(65)	-	-	(224)
Balance as at 30 September 2018	4,939	3,779	2,255	13,070	24,043



INVENTORY MOVEMENT



EUR'000	Wheat	Legumes	Mushrooms	Milk	End-consumer packaged goods	Other	Forage	Raw materials	Total
Balance as at 31 December 2016	3,304	2,856	11	-	193	1,751	3,512	3,530	15,157
Purchases	-	-	-	-	152	2,881	982	13,860	17,875
Sales	(5,809)	(2,993)	(24,068)	(7,491)	(430)	(2,638)	-	(1,651)	(45,080)
Production	6,205	4,947	24,201	8,084	130	7,759	5,361	-	56,687
Consumed in preparation of biological assets (livestock)	(222)	(413)	-	(477)	-	(2,491)	(4,782)	-	(8,385)
Consumed in preparation of biological assets (crops and mycelium seedbeds)	-	-	-	-	-	-	-	(10,389)	(10,389)
Inventory write-offs	-	-	-	(116)	-	(202)	-	-	(318)
Balance as at 31 December 2017	3,478	4,397	144	-	45	7,060	5,073	5,350	25,547
Purchases	382	-	-	-	538	50	449	15,350	16,769
Sales	(5,052)	(3,684)	(17,214)	(6,590)	(944)	(5,600)	(68)	(922)	(40,074)
Production	6,458	5,847	17,297	7,045	471	5,570	6,768	-	49,456
Consumed in preparation of biological assets (livestock)	(301)	(261)	-	(367)	-	(739)	(8,805)	-	(10,473)
Consumed in preparation of biological assets (crops and mycelium seedbed)	-	-	-	-	-	-	-	(12,733)	(12,733)
Inventory write-offs	-	(149)	-	(88)	-	(330)	-	(180)	(747)
Balance as at 30 September 2018	4,965	6,150	227	-	110	6,011	3,417	6,865	27,745



AUGA STRATEGY

- ✦ Focus only on organic and sustainable food production
- ✦ Achieve efficiency by utilizing scale of operations, synergies among different agricultural sectors and applying latest technology to improve all production processes.
- ✦ Grow share of value-added end-consumer products using proprietary and contracted manufacturing, with full process control from field to shelf

**AFFORDABLE ORGANIC FOOD
PRODUCED IN THE MOST SUSTAINABLE WAY**



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ga

Thank you!

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