



**FINANCIAL RESULTS  
FOR THE 12 MONTHS PERIOD  
ENDED 31 DECEMBER 2018**

# PRESENTING

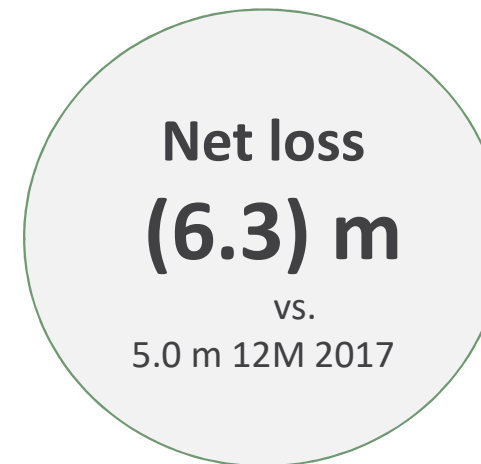


**Linas Bulzgys**  
*Board Member, CEO*



**Martynas Repečka**  
*CFO*

# FINANCIAL HIGHLIGHTS FOR 2018





An aerial photograph of a vast, lush green crop field, likely corn, stretching towards a dense line of trees in the distance. The sky is clear and blue. The text "CROP GROWING SEGMENT" is overlaid in white, bold, sans-serif font in the center of the image.

# CROP GROWING SEGMENT

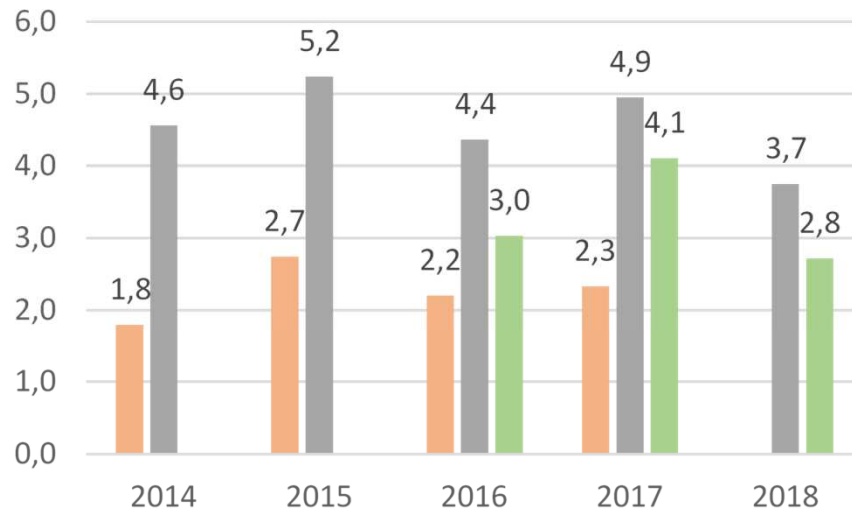


# CHALLENGING 2017/2018 SEASON

- 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
- Changes in yields of other cash crops in the season of 2017/2018 compared to the season of 2016/2017 were mixed. For instance, the yields of sugar beets, soya, corn were higher, while rapeseed, oats, rye and other were lower.

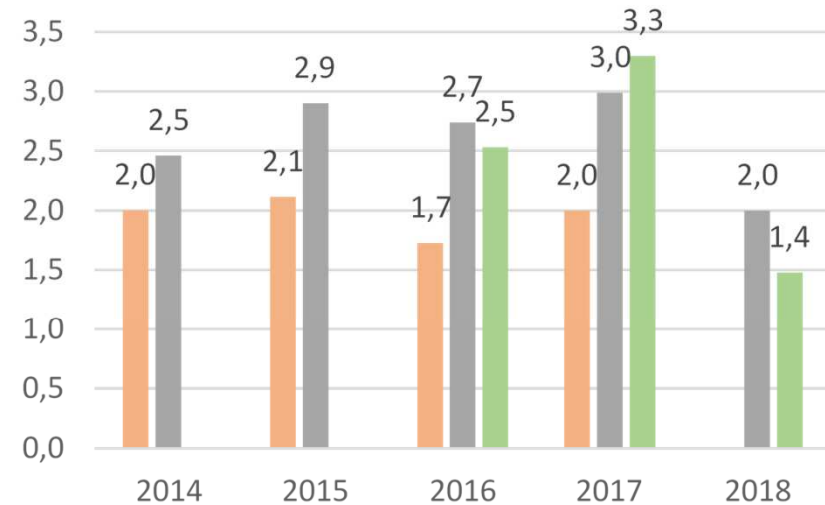


# DROUGHT IMPACT ON MAIN CASH CROP YIELDS



■ LT organic wheats     ■ LT conventional wheats  
■ AUGA organic wheats

**Wheat yield, t/ha**



■ LT organic legumes     ■ LT conventional legumes  
■ AUGA organic legumes

**Legumes yield, t/ha**

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

*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.*



# FAIR VALUE OF CASH CROPS

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



# COSTS AND REVALUATION RESULTS

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

<b>Gain (loss) on revaluation of agricultural produce at point of harvest, EUR/ha</b>	<b>2017/2018*</b>	<b>2016/2017</b>	<b>Comparison 2017/2018* with 2016/2017, EUR/ha</b>
<b>Wheat</b>	-78	281	-359
<b>Legumes</b>	-150	476	-626
<b>Other cash crops</b>	243	156	87

\* 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, EUR 1.27 million in legumes and EUR 0.9 million in other cash crops).





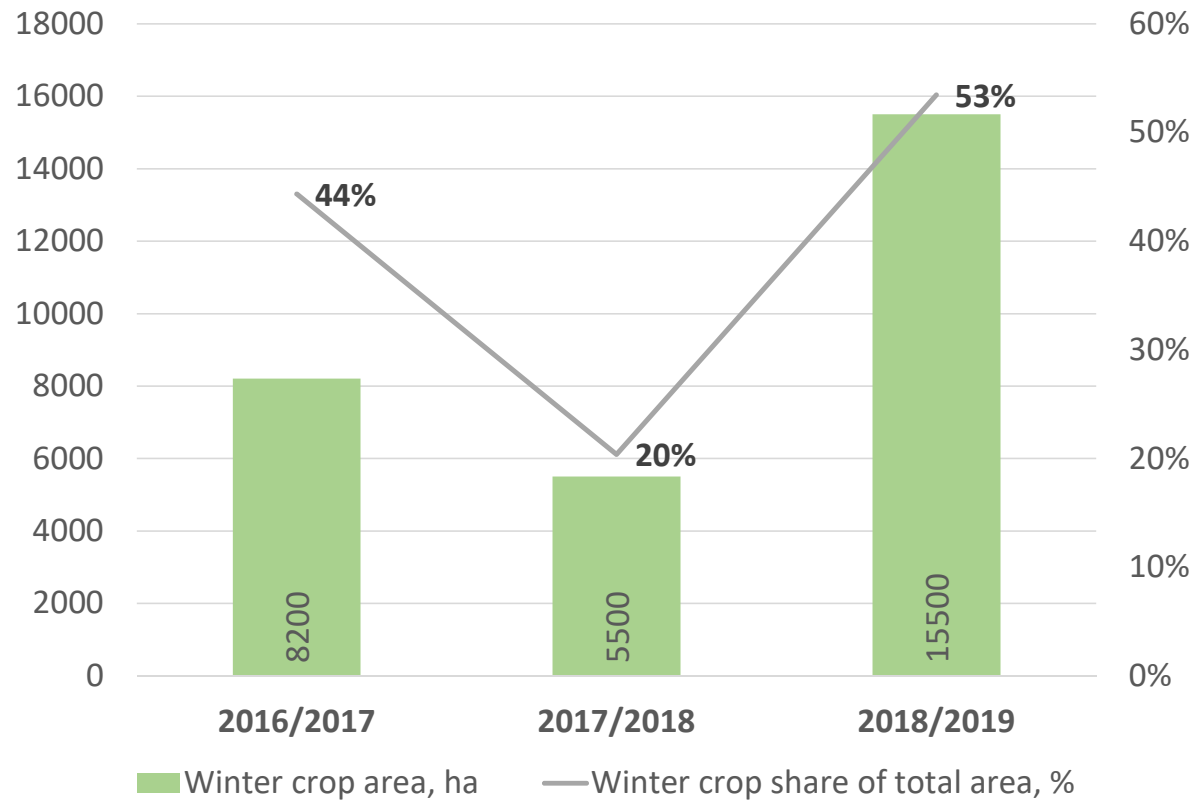
# COSTS OF FORAGE CROPS

	2017/2018	2016/2017	Comparison 2017/2018 with 2016/2017, %
<b>Cost per 1 ha cultivated land, EUR</b>	621*	577	8%
<b>Average yield, tonne/ha</b>	4.9	6.1	-20%

\* 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 0.20 million in forage crops).



# GOOD POTENCIAL FOR 2018/2019 SEASON



# MUSHROOM GROWING SEGMENT

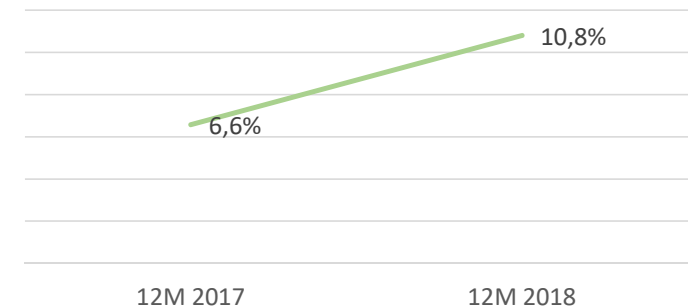


# IMPROVED PRICING, INCREASE IN ORGANIC SHARE

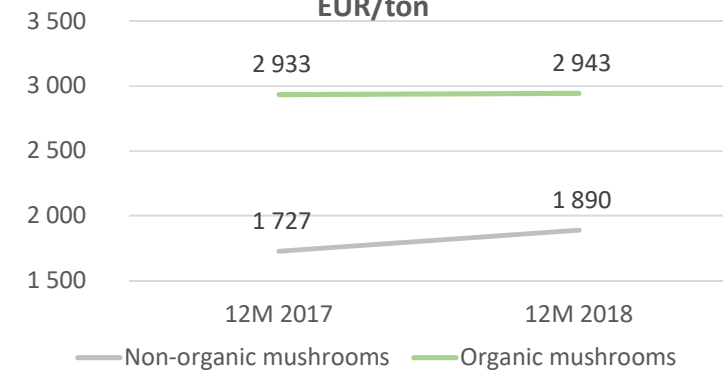


	2017	2018	Var. %
<b>Total volume of mushrooms sold, tons</b>	<b>12,018</b>	<b>12,147</b>	<b>1%</b>
<b>Total revenues from mushroom sales, EUR'000</b>	<b>21,543</b>	<b>23,875</b>	<b>11%</b>
<b>Total cost of mushrooms sold, EUR'000</b>	<b>20,756</b>	<b>22,331</b>	<b>8%</b>
Revenues from sales of mushroom seedbed, EUR'000	2,893	2,581	-11%
Cost of sales of mushroom seedbed, EUR'000	2,748	2,400	-13%
<b>Gross profit of mushroom growing segment, EUR'000</b>	<b>928</b>	<b>1,725</b>	<b>85%</b>

Share of organic mushrooms in revenue



Mushrooms average selling price, EUR/ton





# DAIRY SEGMENT





# DEVELOPING ORGANIC MILK SALES



	2017	2018	Var. %
Total volume of dairy segment, tons	23,875	23,397	-2%
<b>Total revenues of dairy segment, EUR'000</b>	<b>9,010</b>	<b>8,954</b>	<b>-1%</b>
<b>Total cost of dairy segment, EUR'000</b>	<b>8,411</b>	<b>10,261</b>	<b>22%</b>
Revaluation of biological assets, EUR'000	-910	-1,814	99%
Total subsidies, EUR'000	810	698	-14%
<b>Gross profit of dairy segment, EUR'000</b>	<b>587</b>	<b>-2,423</b>	<b>-512%</b>

Share of milk sold at organic prices in revenue



# END-CONSUMER PACKAGED GOODS



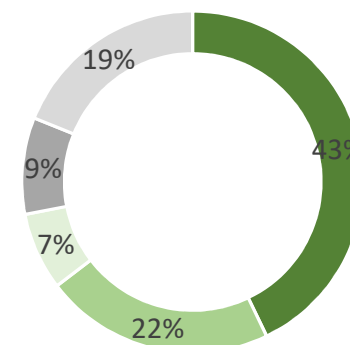
# END-CONSUMER SEGMENT WAS GROWING



	2016	2017	2018	Var. % 18 vs. 17
<b>Total revenue, EUR'000</b>	<b>908</b>	<b>1,047</b>	<b>1,864</b>	<b>78%</b>
<b>Total cost of sales, EUR'000</b>	<b>865</b>	<b>997</b>	<b>1,793</b>	<b>80%</b>
<b>Gross profit, EUR'000</b>	<b>43</b>	<b>50</b>	<b>70</b>	<b>41%</b>



Revenue structure 12M 2018, %



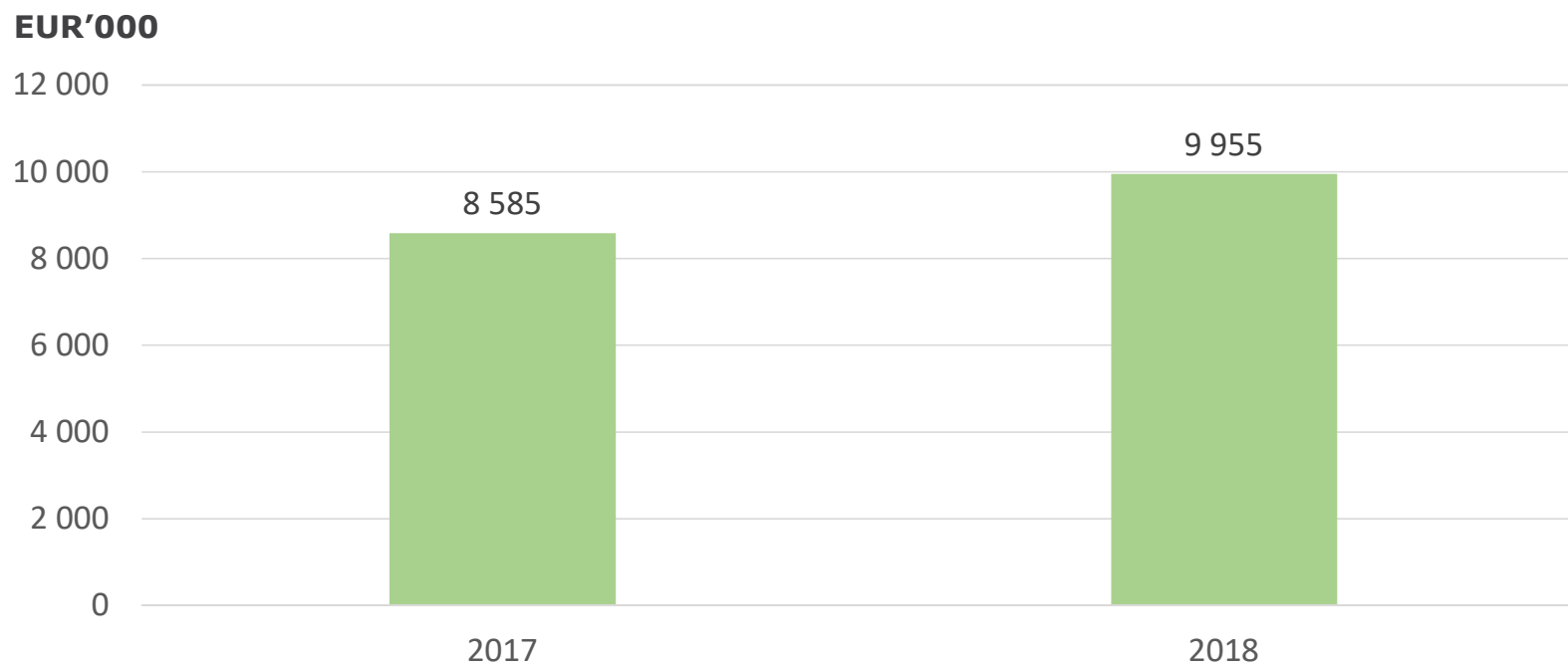
- Preserved mushrooms, vegetables and soups
- Packaged vegetables
- Bottled milk and milk-shakes
- Eggs and packed poultry products
- Other end-consumer packaged products



# OPERATING EXPENSES



# OPEX (WITHOUT ONE-OFF EFFECTS)



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);





# CAPITAL EXPENDITURES



# CAPEX DURING 2018 AND PLANS FOR 2019

EUR 11 million invested during 2018: EUR 8.0 million to constructions and machinery, EUR 1.4 million to agriculture land, other purposes EUR 1.6 million.

EUR 2 million limit on CAPEX for the year 2019 is set by the main creditors (banks).

Key CAPEX projects for 1HY of 2019:

- **EUR 0.9 million** for Organic combined feedstock plant development project in subsidiary AUGA Grūduva, UAB Šakiai region. Construction started beginning of 2019, completion planned June 2019. Projected annual output: up to 50.000 tones of combined feed. Projected annual output fully covers AUGA group internal needs and allows to start external export sales to EU and US markets.
- **EUR 0.2 million** for animal welfare improvement in 3 major dairy farms of AUGA group. Special matraces for dairy cows will be installed.
- **EUR 0.6 million** for additional machinery and equipment for crop growing segment (particularly for sugar beet cultivation and handling of organic fertilizers).
- **EUR 0.2 million** related to biogas conversion and purification further development.
- **EUR 0.1 million** for other minor CAPEX.

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ga

Thank you!

Find out more at [www.auga.lt](http://www.auga.lt)

