



PRESENTATION OF FINANCIAL RESULTS OF 3 MONTHS OF 2020

AUGA group, AB

PRESENTED BY



Kęstutis Juščius
CEO
Majority shareholder



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NEW STRATEGY

New vision and mission of the company



Vision – a synonym for sustainable food and lifestyle

Mission – deliver organic food with no cost to nature

In 2015, the strategic decision to switch to organic farming and produce organic products was made.

In 2020, the company is taking a new step and developing a new standard for sustainable organic food in the food value chain, focused on the environmental and long-term sustainability for the AUGA community.

CONSUMERS

a more sustainable way to eat



FARMERS

a more sustainable way to work



PRIVATE AND INSTITUTIONAL LENDERS

a more sustainable way to invest



SHAREHOLDERS

a more sustainable way to receive financial returns



AUGA Strategy 2025, published in April 2020 (document and presentation at <http://auga.lt/en/for-auga-investors/>) corresponds to the proposed sustainable food production practices established by the Farm to Fork Strategy that was announced in May 2020 (read more at https://ec.europa.eu/food/farm2fork_en).

RELEVANT INFORMATION

At the market level, agricultural production companies stand out as some of the least affected at this point of the crisis.

All companies of AUGA group are operating at the required capacity, corresponding to the current season.

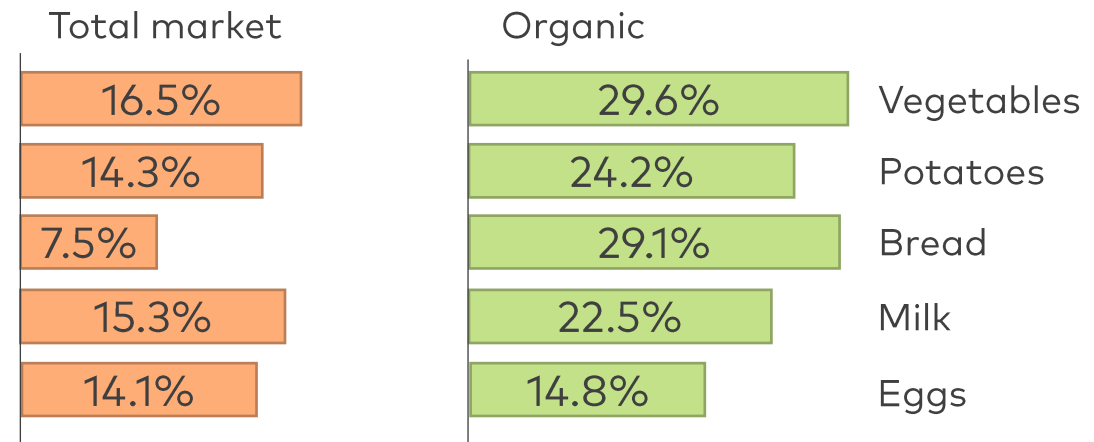
The demand for long shelf-life packaged products (milk, soups, etc.) has increased.

While sales to wholesalers working with HoReCa have been negatively affected, this has been offset by an increase in retail sales.

COVID - 19 impact

- According to market research in 2020 in Germany¹ and France², consumption of organic products grew faster than conventional consumption in many categories
- There are two main reasons that has a positive effect on organic products market:
 - 1) increased concerns about health and nutrition
 - 2) The possibility to choose more organic ingredients when making food at home
- Similar trends can be observed in other countries³

Growth of German retail market compared in March 2020 vs. March 2019



RESULTS

2020 Q1 results



- AUGA group's revenue, profit and EBITDA increased

The group improved results in all business segments.

	2020 Q1	2019 Q1	Variance	FY2019
Revenue, EUR million	17.04	14.89	+14%	71.13
Gross profit, EUR million	3.74	2.95	+27%	9.85
Net profit, EUR million	0.18	0.17	+6%	(3.22)
EBITDA (including IFRS16 effect), EUR million	4.95	4.58	+8%	17.12





Results by segment

Crop growing

CROP GROWING

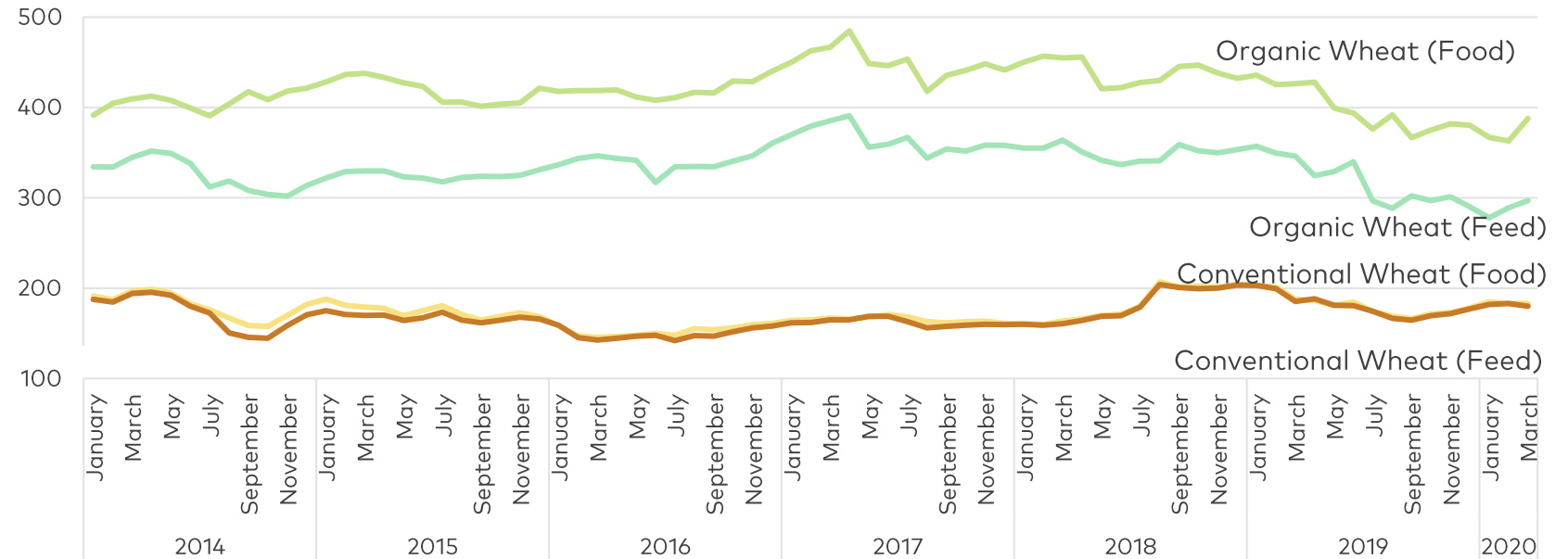
Price dynamics

- Organic grain prices are not linked to conventional grain prices and demand

Germany, the largest EU market, is a benchmark for major organic product prices.

In 2020 Q1, AUGA average wheat sales price was 8% lower vs. the same period last year. This was caused by a decline in market prices.

Organic vs Conventional wheat price in Germany, EUR/t



CROP GROWING

In 2020 the area of cultivated land increased by around 1 thous. ha.

Positively affected by weather conditions the total fair value gain on crops from sowing till 31 March 2020 was EUR 1.38 million higher than at the same period in 2019.

Revenue increase 18% mainly impacted by the sales of rapeseed (EUR 0.71 million), which was not present in 2019 Q1.

Group has reclassified the subsidies related to grasslands and pastures from agricultural to dairy segment to have a better representation of the segments' results.

The group maintains its forecasts for this year's harvest and has a positive outlook on the harvest potential.

2020 Q1 results



- Improved revenue and gross profit

	2020 Q1	2019 Q1	Variance	FY2019
Total cultivated land, ha	39,772	38,564	+3%	38,564
Total fair value of harvest, EUR million	18.76	20.04	-6%	38.26
Total production cost, EUR million	16.03	18.70	-14%	34.43
Gain (loss) on revaluation of biological assets (crops) recognized in reporting period, EUR million	1.27	1.34	-5%	5.28
Total fair value gain (loss) on revaluation of biological assets, EUR million	2.72	1.34	+103%	5.28
Sales revenue, EUR million	6.07	5.13	+18%	29.49
Cost of sales, EUR million	6.02	5.13	+17%	30.45
Inventory write-offs, EUR million	0.24	0.25	-2%	1.54
Result of sales of agricultural produce, EUR million	(0.19)	(0.25)	+23%	(2.50)
Subsidies, EUR million	1.89	1.76	+8%	6.46
Gross profit, EUR million	2.98	2.85	+4%	9.24



Results by segment

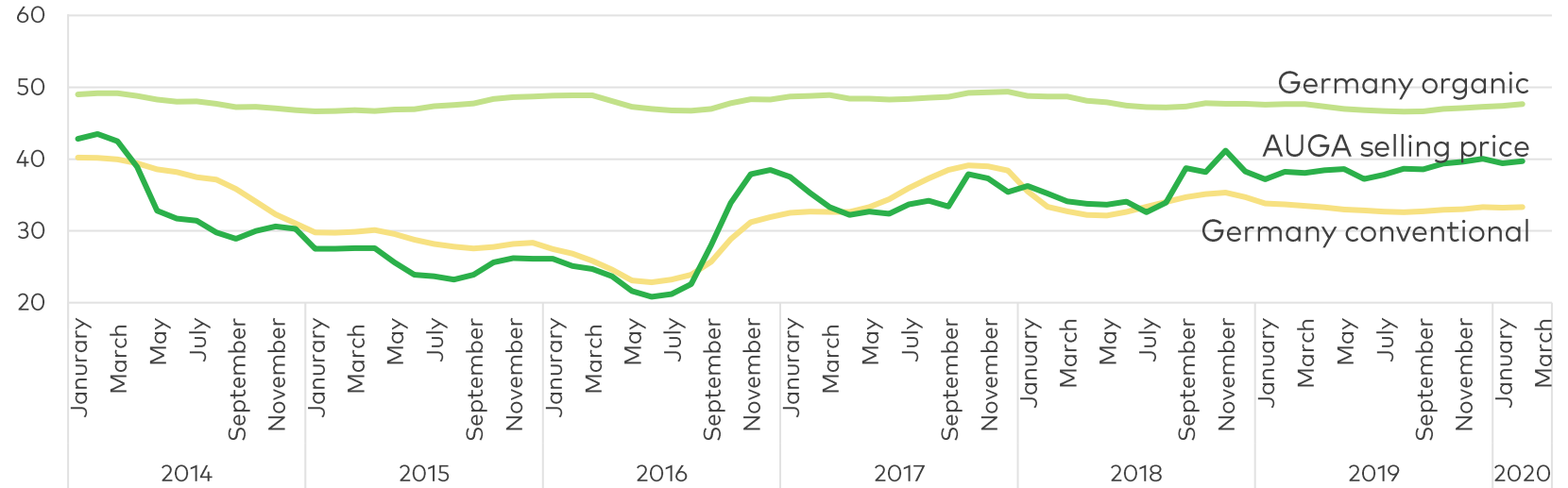
Dairy

While conventional milk price decreased, organic milk price remained stable.

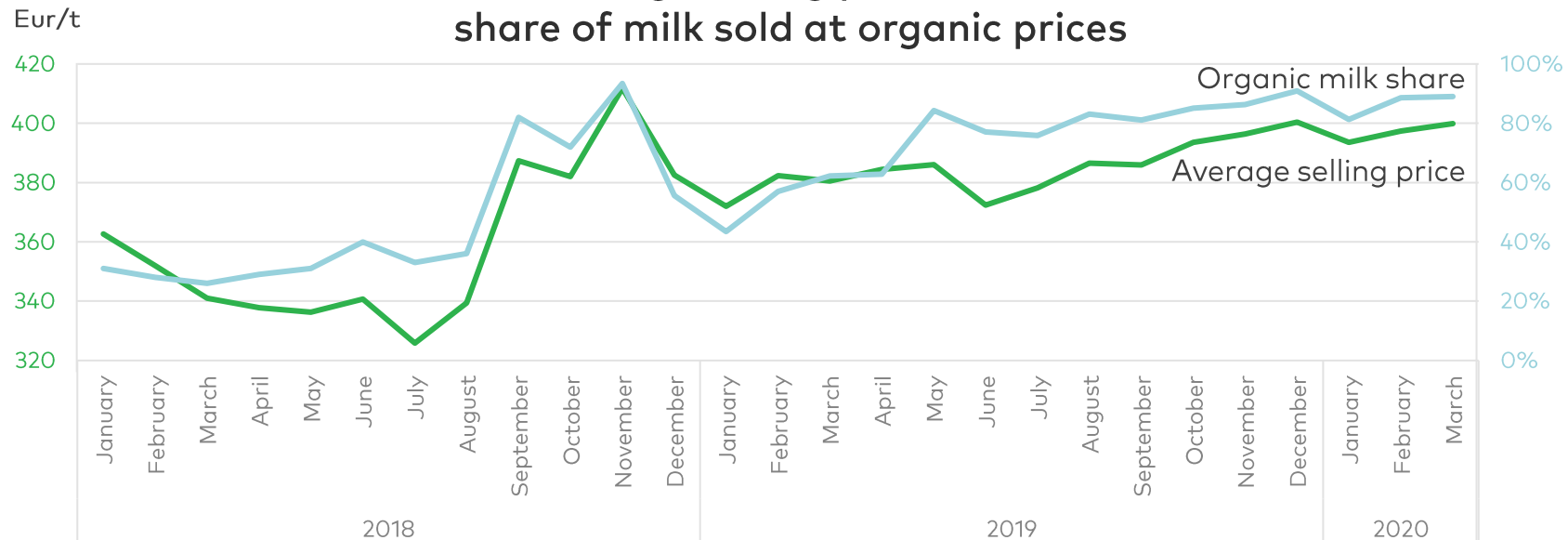
The share of AUGA milk sold at the prices of organic milk consistently increased and in April already reached 100%.

In April 2020, the group receive China organic certificate for commodity and packaged milk products was received.

Organic vs Conventional raw milk price, EUR/100 kg



AUGA average selling price of milk and share of milk sold at organic prices



- The segment became profitable

In 2020 Q1, the share of milk sold at organic prices reached 86% (in 2019 Q1, it was 54%).

Yield of milk increased by 5%.

Results were also positively impacted by the reduced costs and reclassified subsidies.

The company expects to maintain the high share of milk sold at organic prices, further improve yield and efficiency of dairy operations.

	2020 Q1	2019 Q1	Variance	FY2019
Total quantity of products sold, t	6,730	6,413	+5%	25,224
Milk, t	6,549	6,219	+5%	24,492
Cattle, t	181	194	-7%	732
Revenue, EUR million	2.78	2.62	+6%	10.14
Milk, EUR million	2.60	2.41	+8%	9.42
Cattle, EUR million	0.18	0.21	-14%	0.72
Cost of sales, EUR million	2.49	2,64	-6%	10.64
Milk, EUR million	2.31	2.44	-5%	9.93
Cattle, EUR million	0.18	0.21	-14%	0.72
Revaluation of biological assets, EUR million	(0.70)	(0.76)	-8%	2.20
Subsidies, EUR million	0.50	0.56	-11%	0.77
Gross profit, EUR million	0.08	(0.23)	+401%	(1.93)



A large-scale mushroom cultivation facility, likely a tunnel or greenhouse, filled with rows of mushroom beds. The beds are densely packed with mushrooms, and the facility has a long, narrow structure with a high ceiling and visible support beams. The lighting is somewhat dim, creating a focused atmosphere on the growing mushrooms.

Results by segment

Mushroom growing

MUSHROOM GROWING

Higher harvest compared to last year.

Due to the increased mushroom harvest, the cost of cultivated mushrooms relatively decreased for the same production volumes.

Cost of production decreased more (6%) than the average selling price of mushrooms (2%).

Compost sales were negatively impacted by COVID-19 virus – customers in Russia temporarily stopped the operations.

The company does not foresee any material changes in the results of the segment in the near future.

2020 Q1 results



- Sales volume, revenue and gross profit increased

	2020 Q1	2019 Q1	Variance	FY2019
Sold mushrooms, t	3,288	2,877	+14%	12,256
Average price (Eur/t)	2,043	2,075	-2%	2,147
Total revenue, mln. Eur	7.28	6.64	+10%	28.71
Mushroom sales revenue, EUR million	6.72	5.97	+13%	26.32
Compost sales revenue, EUR million	0.56	0.67	-15%	2.39
Bendrosios sqnaudos, EUR million	6.66	6.35	+5%	26.22
Cost of mushrooms sold, EUR million	6.17	5.72	+8%	2.49
Cost of compost sold, EUR million	0.49	0.63	-22%	23.73
Gros profit, EUR million	0.62	0.29	+117%	2.49



Results by segment

End-Consumer Products (FMCG)

2020 Q1 results

- Sales revenue significantly increased

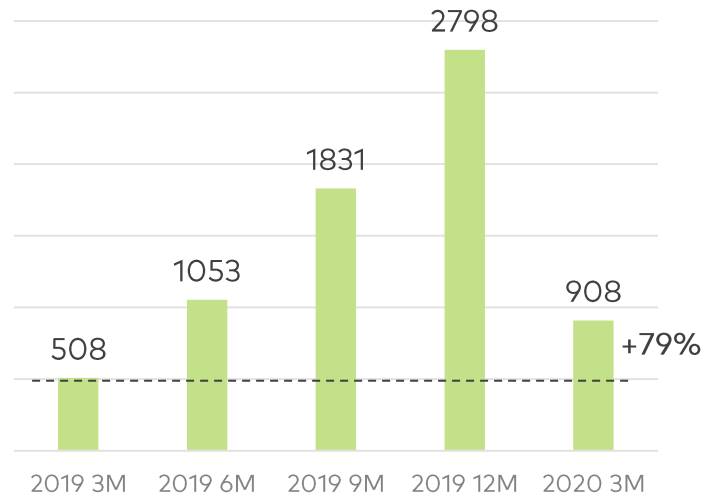
Sales grew in all markets, with the largest impact coming from increased sales in the U.S.

The main product group remains unchanged – preserved mushrooms, vegetables and soups.

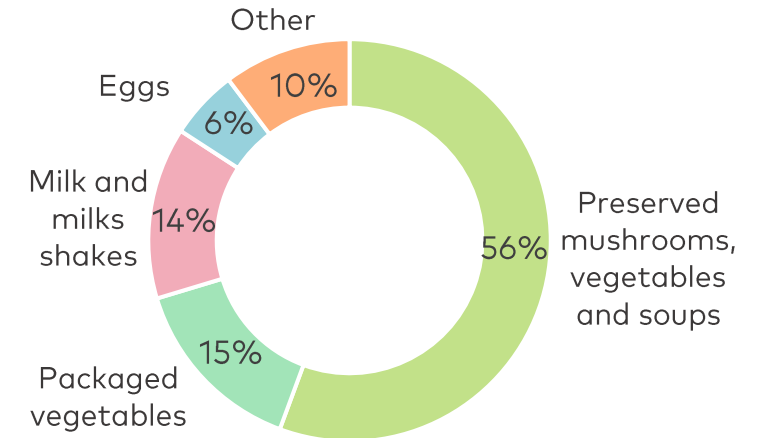
The company expects that the segment will continue to be the fastest growing.

	2020 Q1	2019 Q1	Variance	FY2019
Revenue, EUR million	0.91	0.51	+79%	2.79
Cost of goods sold, EUR million	0.85	0.47	+82%	2.75
Gross profit, EUR million	0.06	0.04	+36%	0.05

Revenue dynamics, thous. EUR



Revenue structure



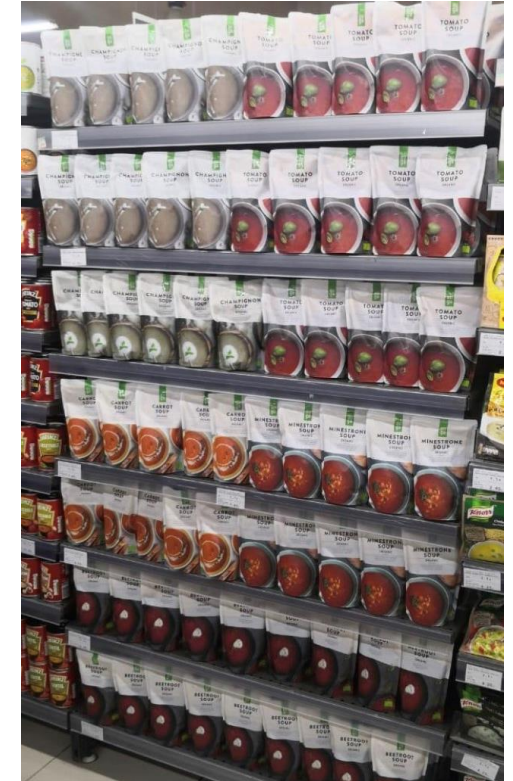
Wholefoods Market, JAV (Kalifornija)

Waitrose, JAE (Dubajus)

AUGA products appeared on the shelves of Wholefoods market USA, the largest specialized retailer of natural and organic products.

Successfully continued export to UAE. AUGA soups had high demand during Ramadan laikotarpiu.

At the end of May 2020, the companies controlled by AUGA group acquired 100% control of KB "Grybai LT", the producer of AUGA preserved products.



Financial results



FINANCIAL RESULTS

Financial indicators



2019 results were negatively affected by the unusual weather conditions (the company estimates that 2019 EBITDA was lower by EUR 7.1 million). Current weather conditions enables us to expect the average yields of a standard year.

The detailed newest and historical financial data in MS Excel format is available here <http://auga.it/en/for-auga-investors/>

	31 Mar 2020	31 Dec 2019	Variance
Equity, EUR million	90.31	90.07	-
Total assets, EUR million	209.08	206.72	+1%
Equity Ratio, %	43%	44%	-2%
Net debt, EUR million (after IFRS16)	95.66	93.99	+2%
Net debt (before IFRS16) – adjusted working capital*, EUR million	14.78	18,93	-22%

	2020 Q1	2019 Q1	Variance
EBITDA, EUR million (after IFRS16)	4.95	4.58	+8%

*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 the short-term assets and liabilities directly related to operations of the Group are being utilized.

Company shares

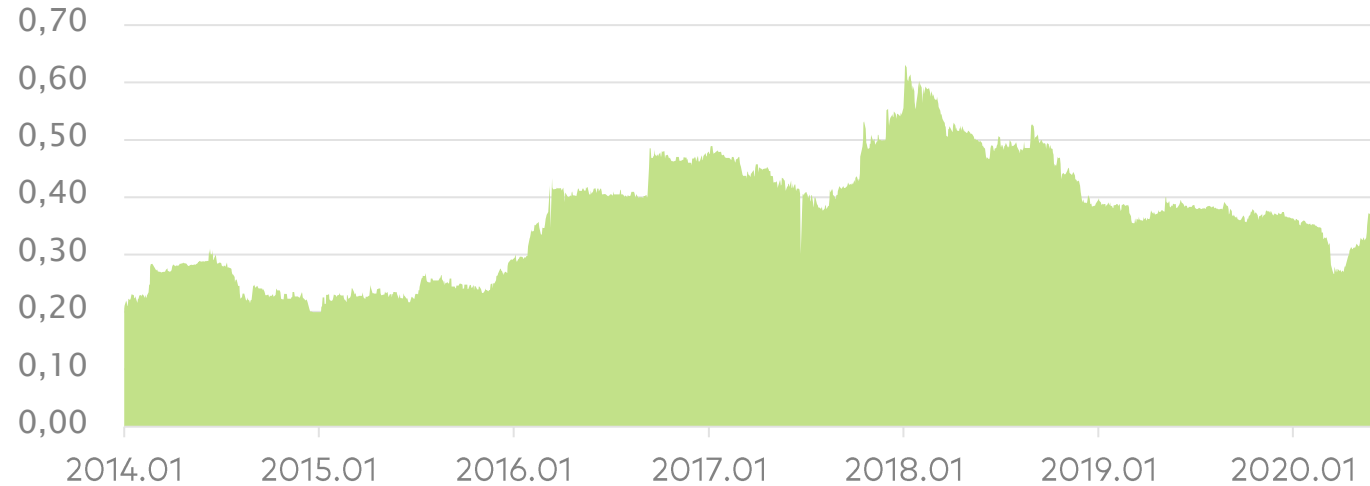


COMPANY SHARES



Price and turnover on Nasdaq Vilnius

AUGA group, AB share price, EUR



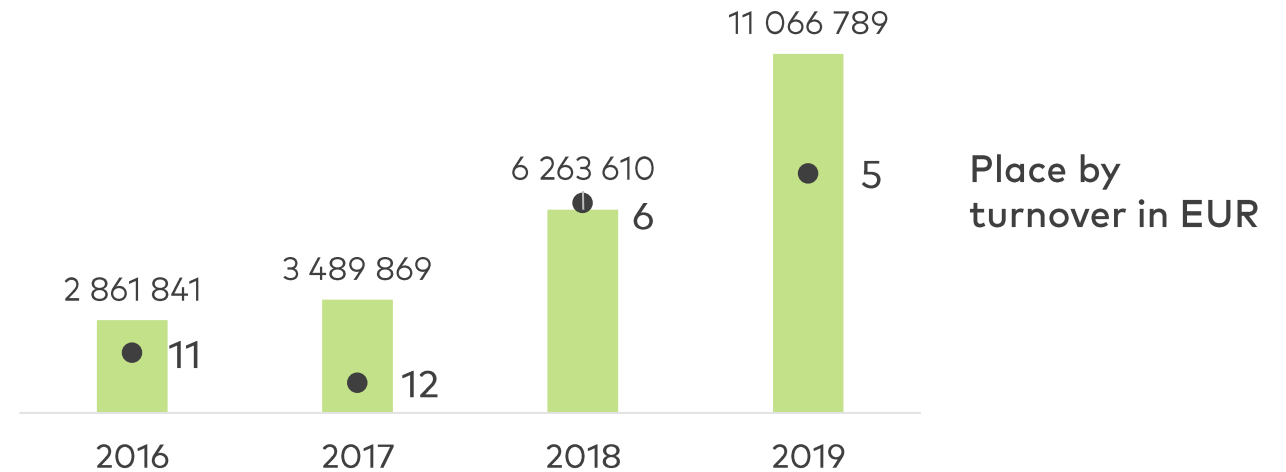
The turnover of AUGA group, AB shares has grown every year.

In 2019, the company's shares were in fifth place according to the trading turnover on the Baltic Main List * of the Nasdaq Vilnius stock exchange.

The company's large number of shareholders and number of freely traded shares ensures liquidity.

During the four months of 2020 the number of shareholders increased by 15.6% and reached 1 541**

AUGA group, AB share turnover, number of shares



* In 2016 and 2017 the company's shares were listed on Baltic Secondary List. Since 2018, the shares are listed on Baltic Main List.

** Number of shareholders and foreign intermediaries on whose behalf the shares managed by their clients are accounted for in 2020. April 23 20

COMPANY SHARES



Investment opportunities

- Nasdaq Vilnius, Baltic Main List: [AUG1L](#)
- Nasdaq Vilnius, green bonds: [AUGB060024A](#)
- Information for investors, data in MS Excel format: <http://auga.lt/en/for-auga-investors/>
- Analyst reports: <http://auga.lt/en/for-auga-investors/analyst-coverage/>
- News for investors subscription: <http://cutt.ly/auga>
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