

An aerial photograph showing a diagonal boundary between a dark, tilled field on the left and a vibrant green field on the right. A line of trees runs along this boundary, casting long shadows across the fields. The overall scene is brightly lit, suggesting a sunny day.

au  
ga

AUGA group, AB  
November, 2019

Europe's largest organic food  
producer from field to shelf

# EXECUTIVE SUMMARY

## Overview

- The largest vertically-integrated organic agriculture company in Europe.
- EUR 55 m revenue, 38 thousand ha of land.
- All processes controlled from seed to final product, developing and applying sustainable technologies in farming and food production.
- Listed on Nasdaq Vilnius and Warsaw Stock exchange (ticker: AUG1L).



## Key strengths

- Large scale organic supply from one source with full traceability.
- Wide range of organic commodities and end-consumer products.
- Management of the whole value chain.
- Certified: EU Organic, USDA, BRC, Kosher, Global GAP.



## Strategy

- Focus on only organic and sustainable food production.
- Achieving efficiency by utilising scale of operations, synergies among different agricultural sectors and applying the latest scientific knowledge to improve all production processes.
- Growing share of high value-added end-consumer products using proprietary and contracted manufacturing, with full process control from field to shelf.



# COMPANY HIGHLIGHTS



AUGA group, AB, headquartered in Vilnius, Lithuania, unites 136 companies which undertake agricultural, food production and processing, supply chain and administrative activities in the following segments:

- ✔ Crop growing
- ✔ Dairy farming
- ✔ Mushroom growing
- ✔ End-consumer products



# TRANSFORMATION MILESTONES



<p><b>Merger of Agrowill Group and Baltic Champs</b></p>	<p><b>Start of organic farming</b></p>	<p><b>2nd transition year New company name AUGA group</b></p>	<p><b>Fully certified organic farming</b></p> <p>Acquisition of KTG Agrar</p>	<p><b>Successful SPO on NASDAQ</b></p> <p>Acquisition of Raseiniu Agra</p>	<p><b>New management model</b></p>
<p>New era begins for the company, new main shareholder</p>	<p>Launch of organic mushrooms</p>	<p>Launch of organic packaged vegetables</p>	<p>Launch of organic soups, milk and grain products</p>	<p>Sales growth of branded end-consumer products</p>	<p>Expansion of product range and export markets</p>



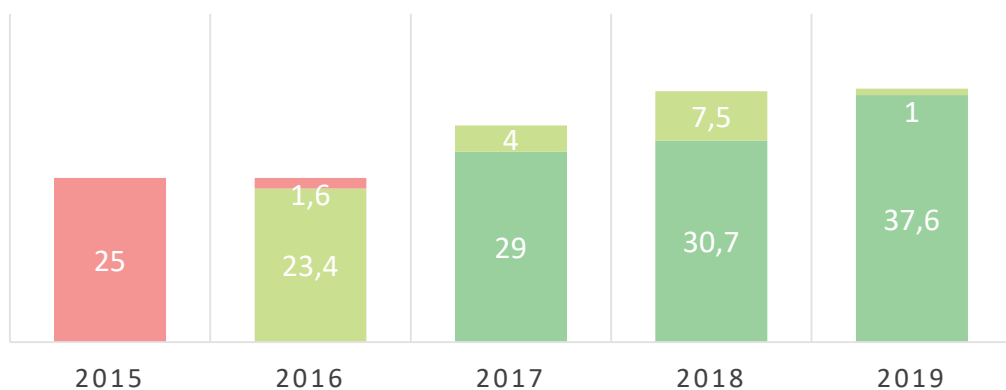
# OPERATIONAL ASSETS

AUGA group gains efficiency of returns through leasing of land rather than low returns as an owner, operating in the most fertile areas of Lithuania.

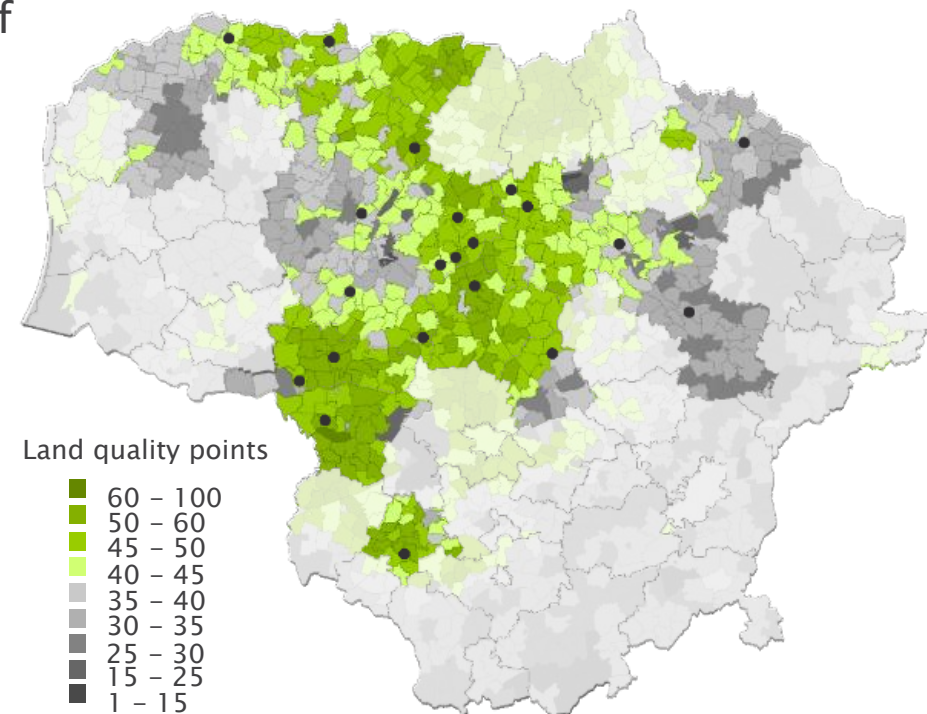
- Currently, 9.1% of land is owned, the rest is managed on the basis of long-term lease agreements.

## Managed land, thousand ha

Organic Transitional Conventional

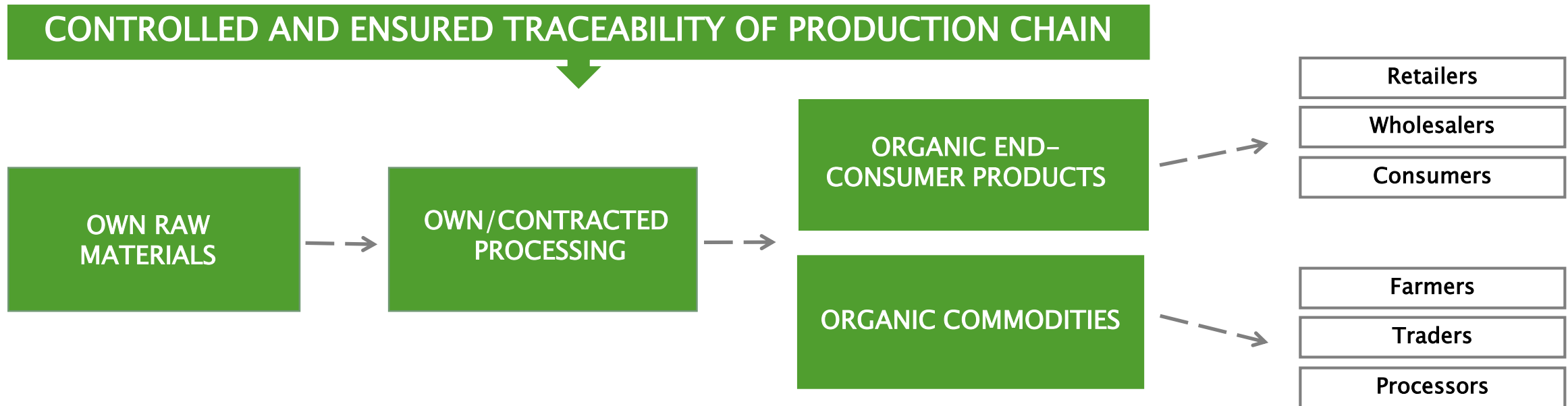


Location of main AUGA farms and land quality in Lithuania

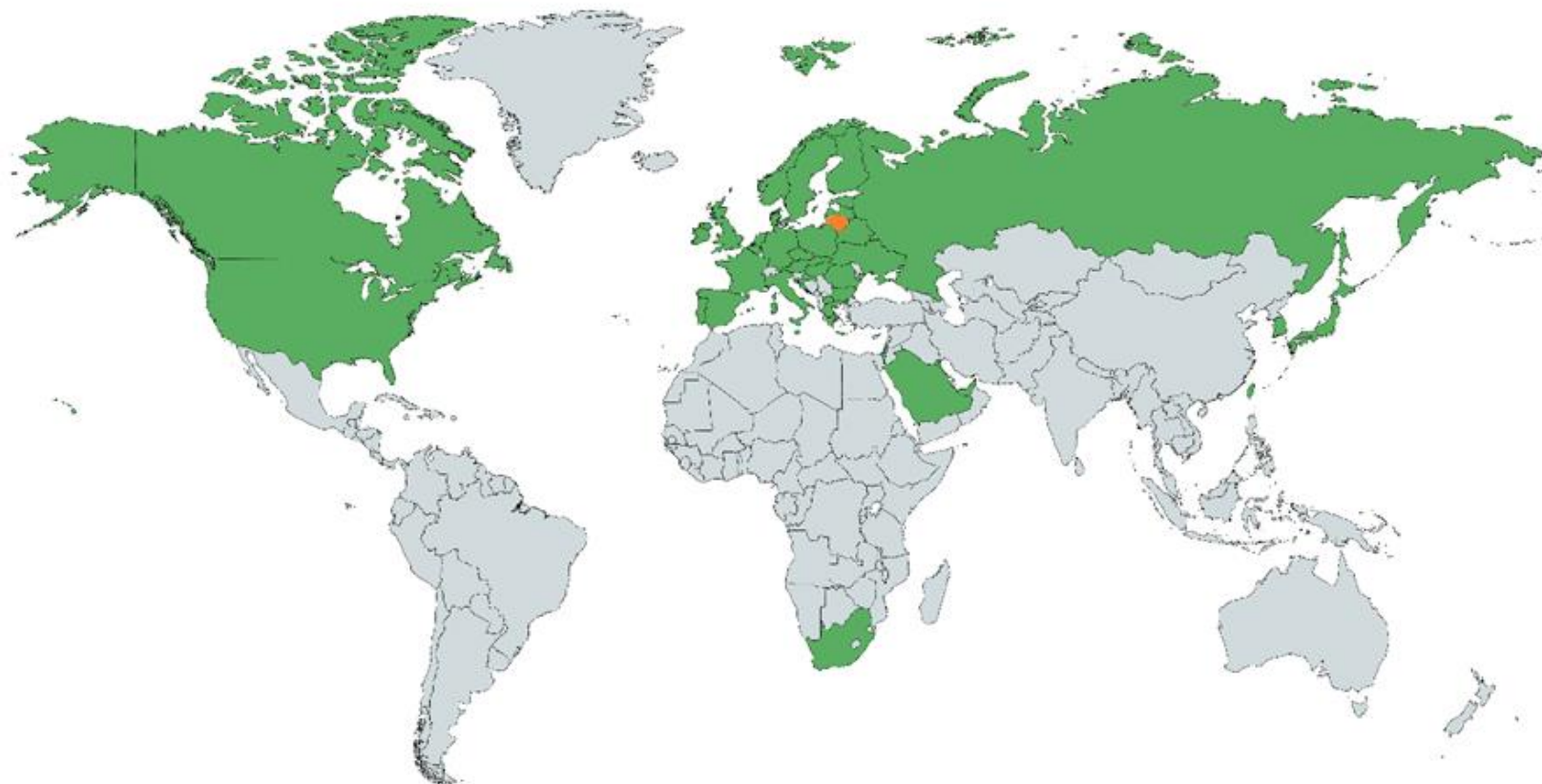


# SHORT SUPPLY CHAIN

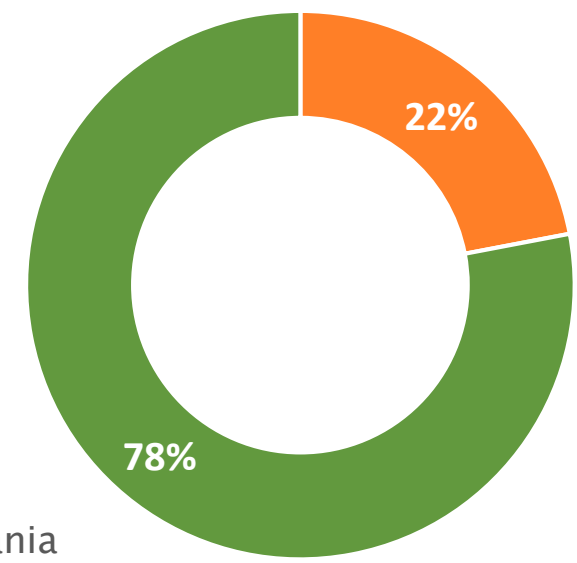
The Group's ability to accumulate large volumes of organic commodities allows to employ in-house and contract manufacturing model for various products to ensure traceability and to control the whole value chain from field to shelf.



# AUGA GROUP'S EXPORT MARKETS



2018 sales geography



- Lithuania
- Export (incl. traders)

Contracts with major retail chains:

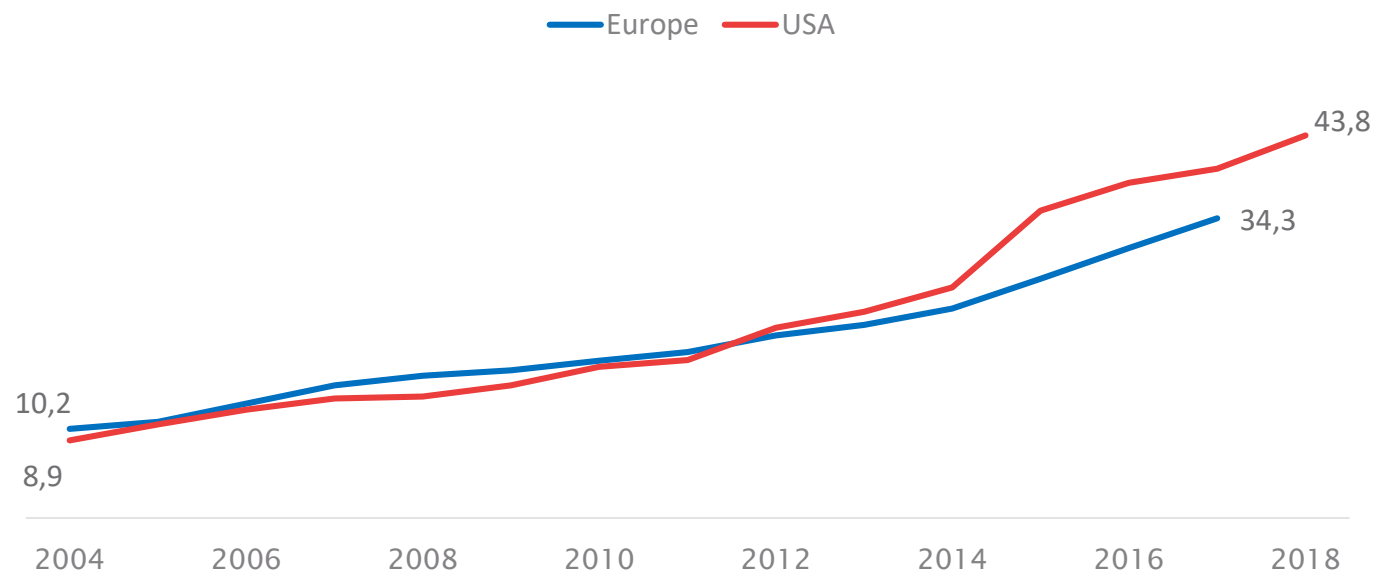


# ORGANIC WORLD

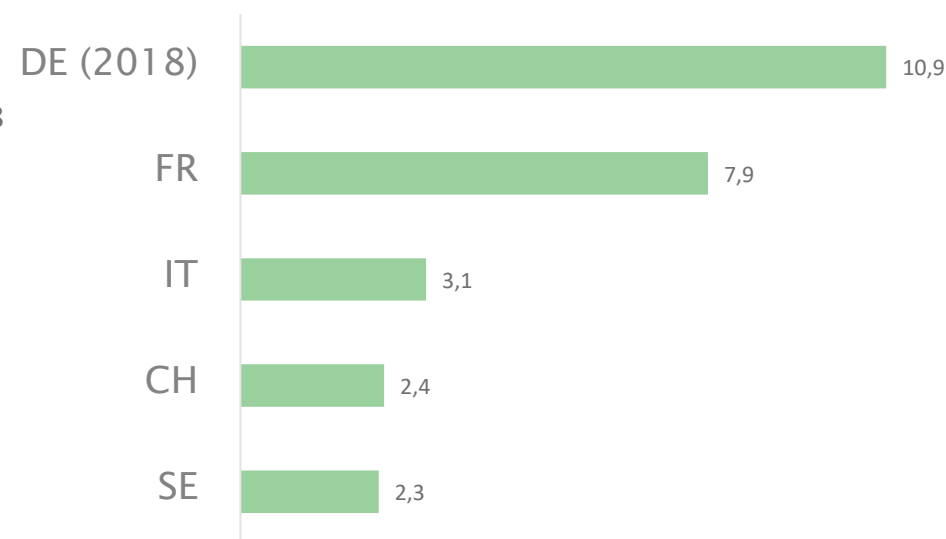
In 10 years consumers have more than tripled their consumption of organic products and demand continues to grow.

- ✔ CAGR of organic food market in the EU was 9.8% from 2004 to 2017, in USA 11.2% from 2004 to 2018.
- ✔ In 2017, global organic sales reached EUR 92 bn (EUR 34.3 bn in Europe, EUR 40.0 bn in USA).
- ✔ Most European markets continued double-digit growth in 2017: France (18.0%), Denmark (15.0%), Spain (16.4%), Austria (11.7%).

### Organic food products retail sales, EUR bn



### By country in 2017, EUR bn



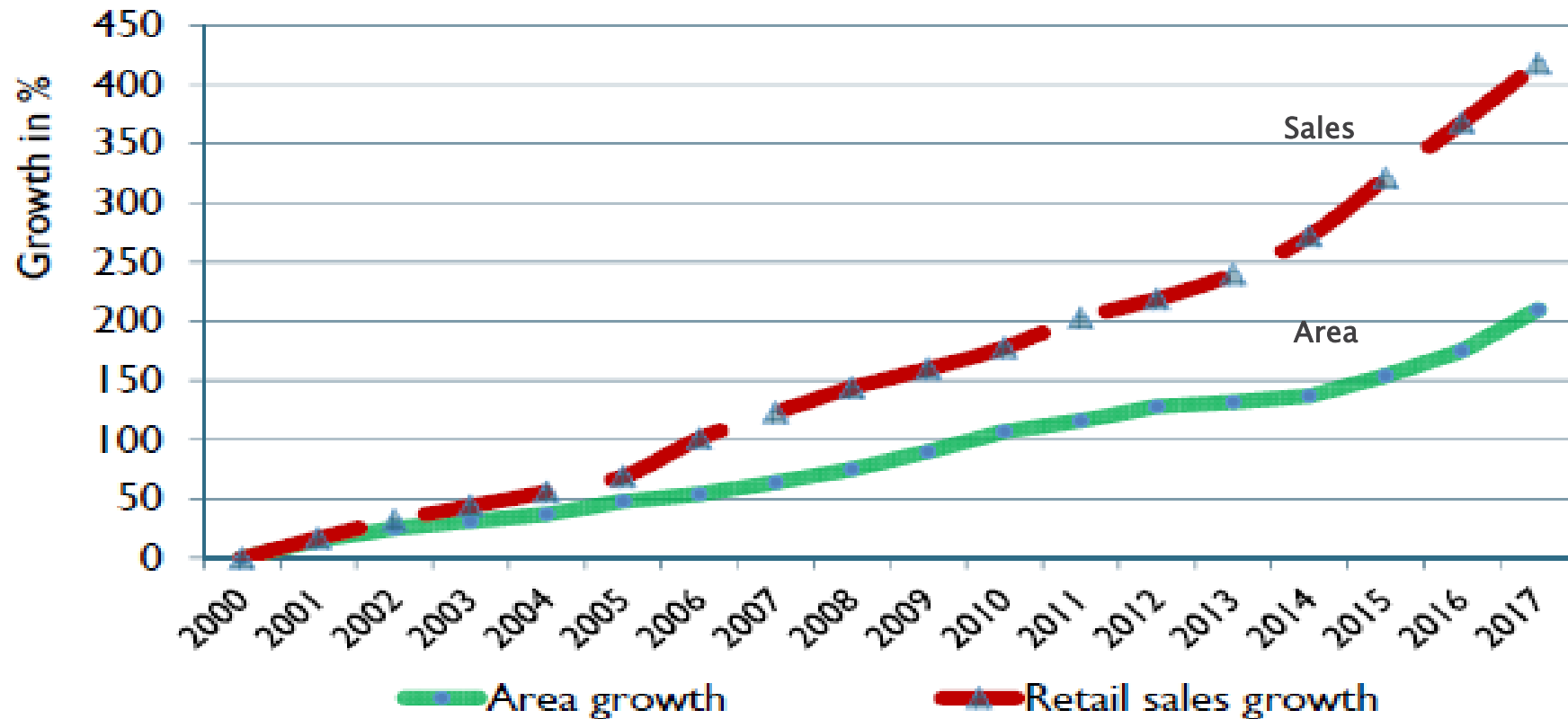


# ORGANIC RETAIL SALES VS. FARMLAND IN EUROPE

Retail sales of organic products grow faster than their supply capacity (farmland).

- ✔ In 2017, European organic farmland area increased by 7.6%, while sales grew by 10.5%.

Organic certified land area and retail sales in Europe



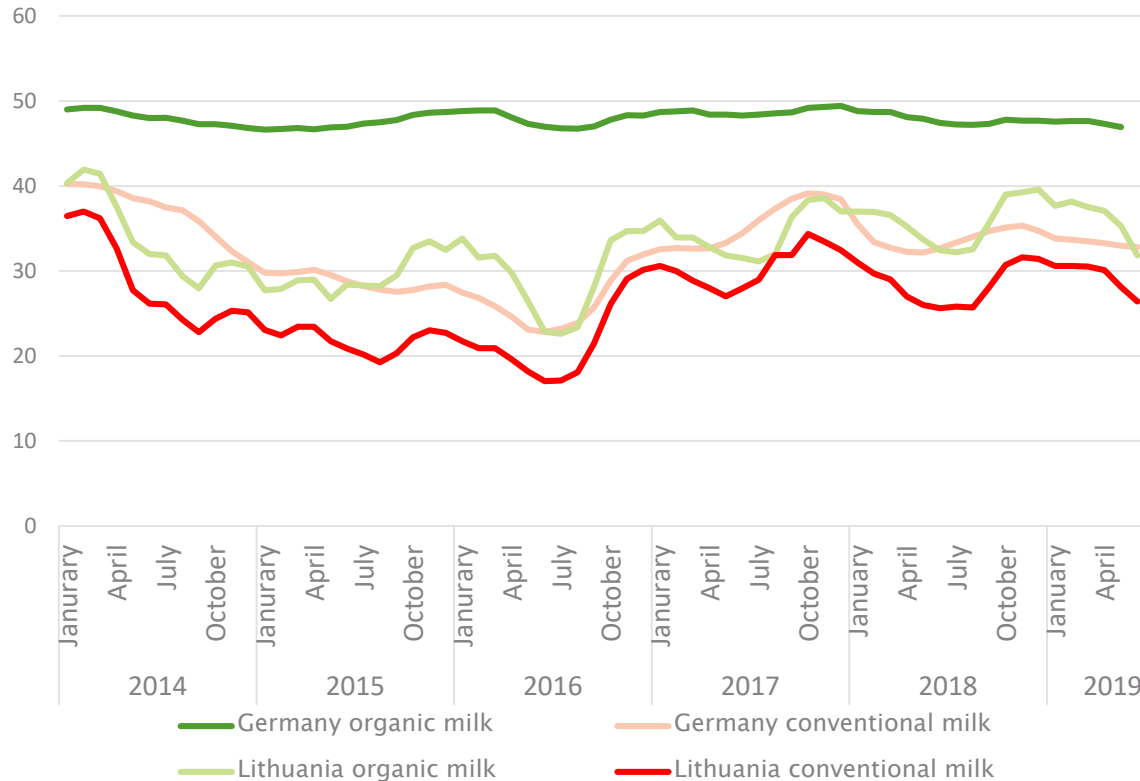
# ORGANIC VS. CONVENTIONAL PRICES



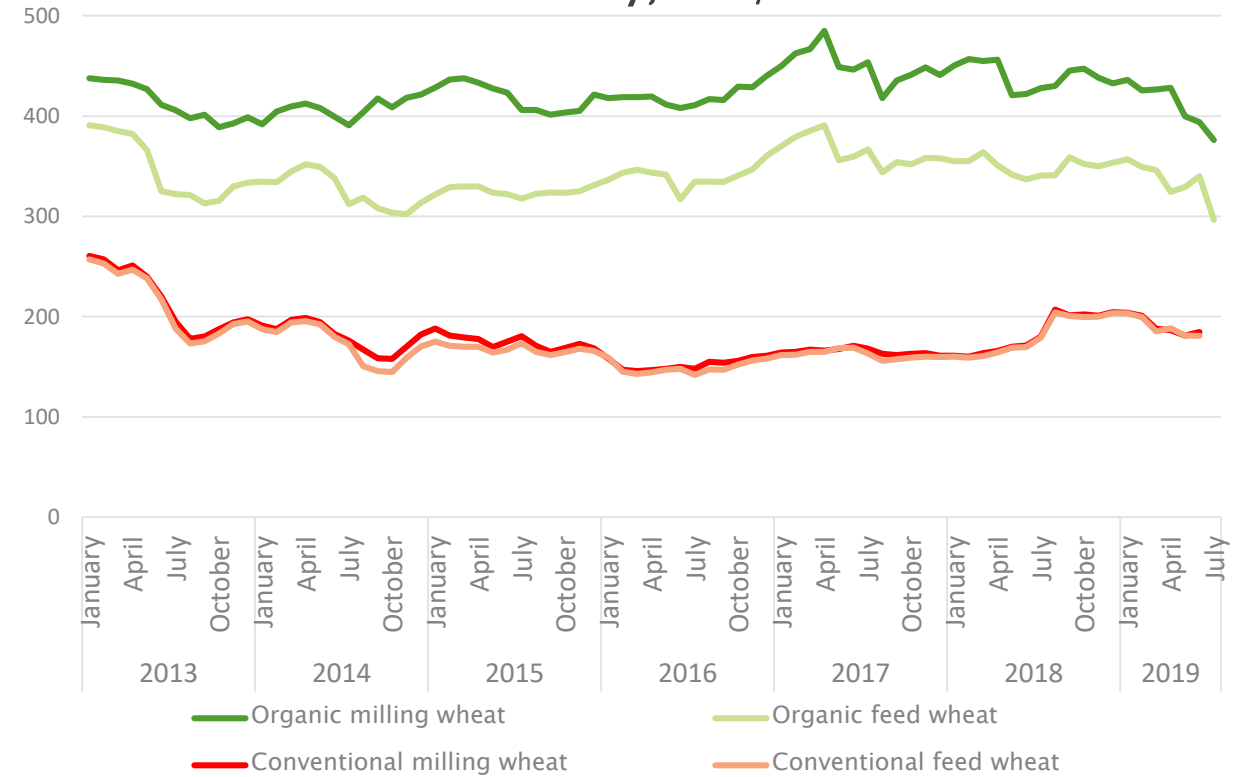
Prices of organic products are twice as high and less volatile compared to conventional.

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

## Organic vs Conventional raw milk price in Lithuania and Germany, EUR/100 kg



## Organic vs Conventional wheat price in Germany, EUR/t



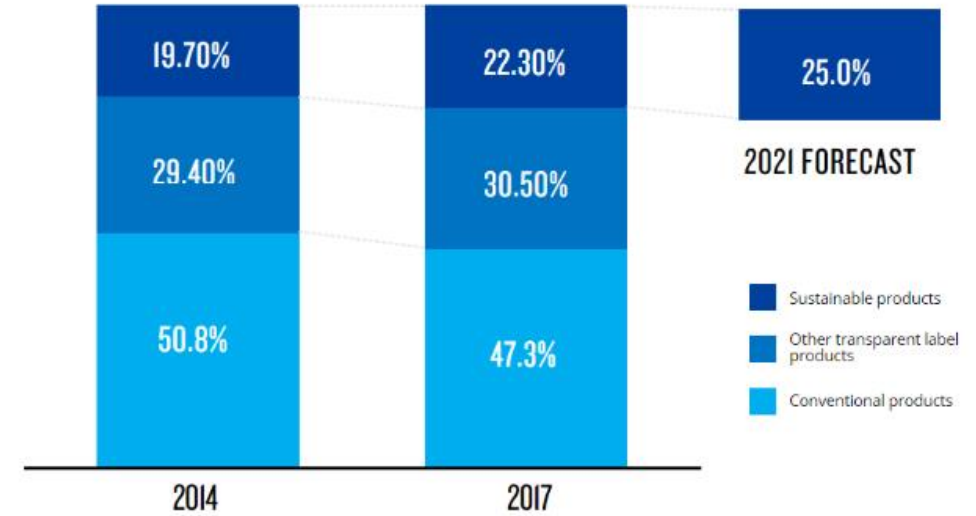
# SUSTAINABILITY TREND: MORE THAN ORGANIC

## Sustainable products\* sales in the U.S.

\$ in billions



## Sustainable products share of sales



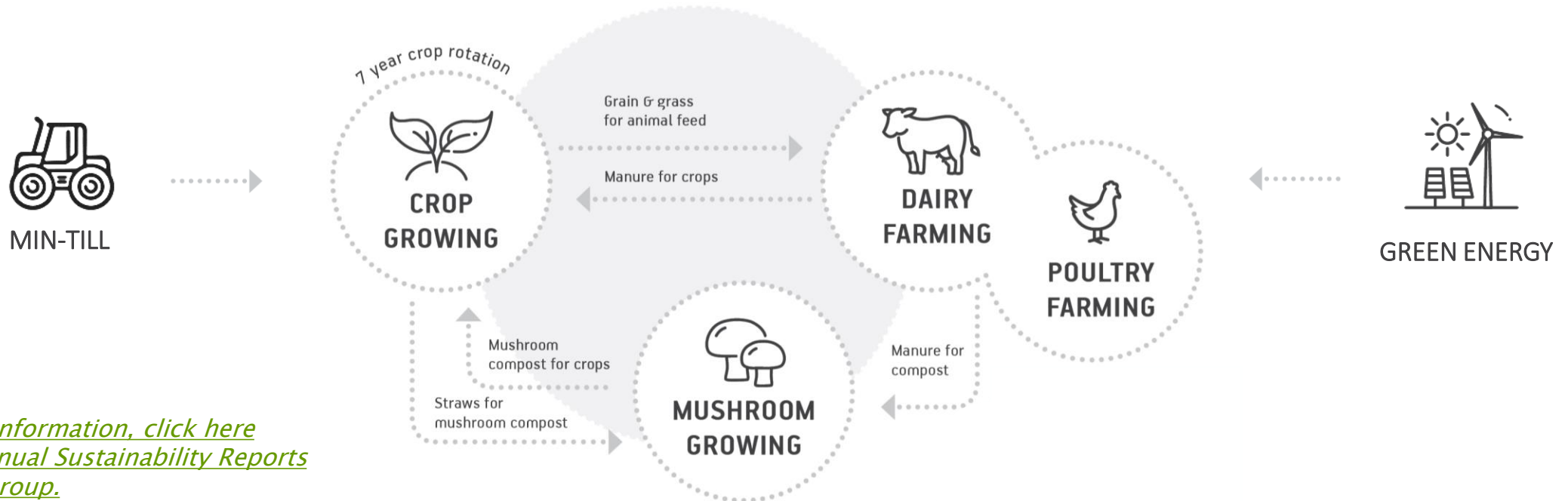
\*Sustainable products include free from, clean, simple, sustainable and organic labels



# FOCUS ON SUSTAINABILITY

AUGA group is committed to the development of sustainable agriculture and does more than required by EU organic regulations. The following practices are employed:

- ✔ **Min-till technology** applied on 85% of cultivated agricultural land preserves soil from erosion, saves biodiversity and reduces fuel consumption, resulting in lower GHG emissions.
- ✔ **Closed-loop organic farming model** developed by the group aims to achieve synergies among different branches of agriculture and the re-use of organic waste. Farming activities, such as crop growing, dairy farming and mushroom growing supplement each other.
- ✔ **Certified green energy** is used in all of production and administrative facilities, in part produced by the group's companies themselves from renewable energy sources.



[For more information, click here to view annual Sustainability Reports of AUGA group.](#)



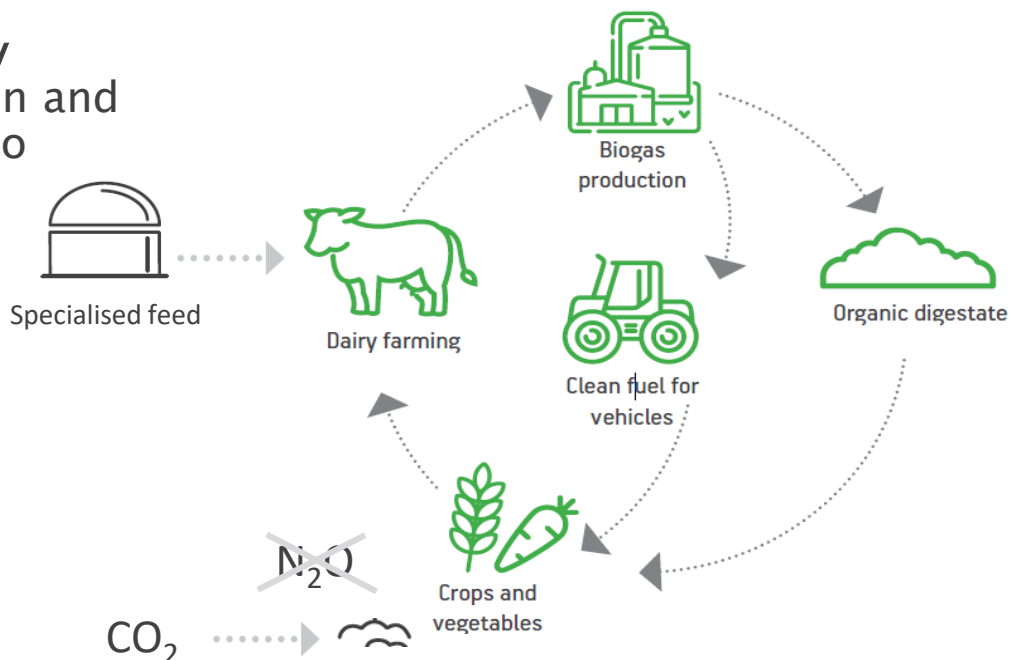
# SUSTAINABILITY AGENDA FOR THE FUTURE

The biggest global challenge of our time is climate change:

- ✔ 23% global human activity caused GHG emissions is attributed to agriculture<sup>1</sup>.
- ✔ 91% of AUGA group's GHG emissions arise from the three areas of agricultural activities: fossil fuels on farms, cultivated soil and cattle enteric fermentation<sup>2</sup>.

AUGA group's long-term objective is to fundamentally reduce its climate impact by implementing the following projects in the future:

- ✔ **Specialised feed technology** to ensure forage preparation and feed composition in order to substantially reduce CH<sub>4</sub> emissions from bovine enteric fermentation.



- ✔ **Biogas application technologies** to substitute fossil fuel in agricultural machinery, having developed a biogas-powered tractor, and in the future to extract biogas from cow manure, utilizing the process by-product organic digestate as efficient low N<sub>2</sub>O emissions fertiliser.

- ✔ **Crop rotation improvement** to achieve the increased proportion of crops with carbon sequestration and nitrogen accumulation properties, thus, absorbing CO<sub>2</sub> from the atmosphere and reducing N<sub>2</sub>O emissions.

(1) The Intergovernmental Panel on Climate Change by United Nations report 2019 [https://www.ipcc.ch/site/assets/uploads/2019/08/Edited-SPM\\_Approved\\_Microsite\\_FINAL.pdf](https://www.ipcc.ch/site/assets/uploads/2019/08/Edited-SPM_Approved_Microsite_FINAL.pdf)

(2) Company information from the Sustainability Report 2018 <http://auga.lt/en/for-auga-investors/sustainability-report/#tabs>

# MANAGEMENT MODEL

- ✔ In line with good corporate governance practices and in order to create the most transparent and effective governance system, the company has abandoned the Supervisory Board by choosing the independent Board model (June, 2019).
- ✔ This is the first case in Lithuania when members of the Board of a non-governmental company are not affiliated with the controlling shareholder.
- ✔ The unique governance model implemented by AUGA group lays foundation for the highest standards of transparency and accountability to shareholders and investors.



# MANAGEMENT BOARD



## Dalius Misiūnas

Independent member and Chairman of the Board  
President at the ISM University of Management and Economics



## Murray Steele

Independent member  
Board member of James Walker Group, Chairman of Octopus Apollo VCT, Chairman of Surface Generation.  
Programme Director for NED Training Programmes for the Financial Times, the European Bank of Reconstruction and Development and the British Private Equity and Venture Capital Association



## Tomas Kučinskas

Independent member  
Director of UAB „Provestum“, Board member of UAB „Biseris“, Chairman of UAB „Parket Trade“,  
Supervisory board member of Lords LB special Fund V



## Tomas Krakauskas

Member  
Chief investment Officer of UAB „ME investicija“, Chairman, working as independent board member, of State-owned company „Lithuanian Airports“, Chairman of UAB „Viena sąskaita“



## Andrej Cyba

Independent member  
Various managing positions in UAB “INVL Asset Management“, UAB FMĮ “INVL Finasta“, Chairman of the Management Board of UAB “Mundus“, Board Member of AB “Vilkyškių pieninė“, CEO at UAB “Piola“



# EXECUTIVES



Kęstutis Juščius

CEO

UBO of the main shareholder



Martynas Repečka

CFO

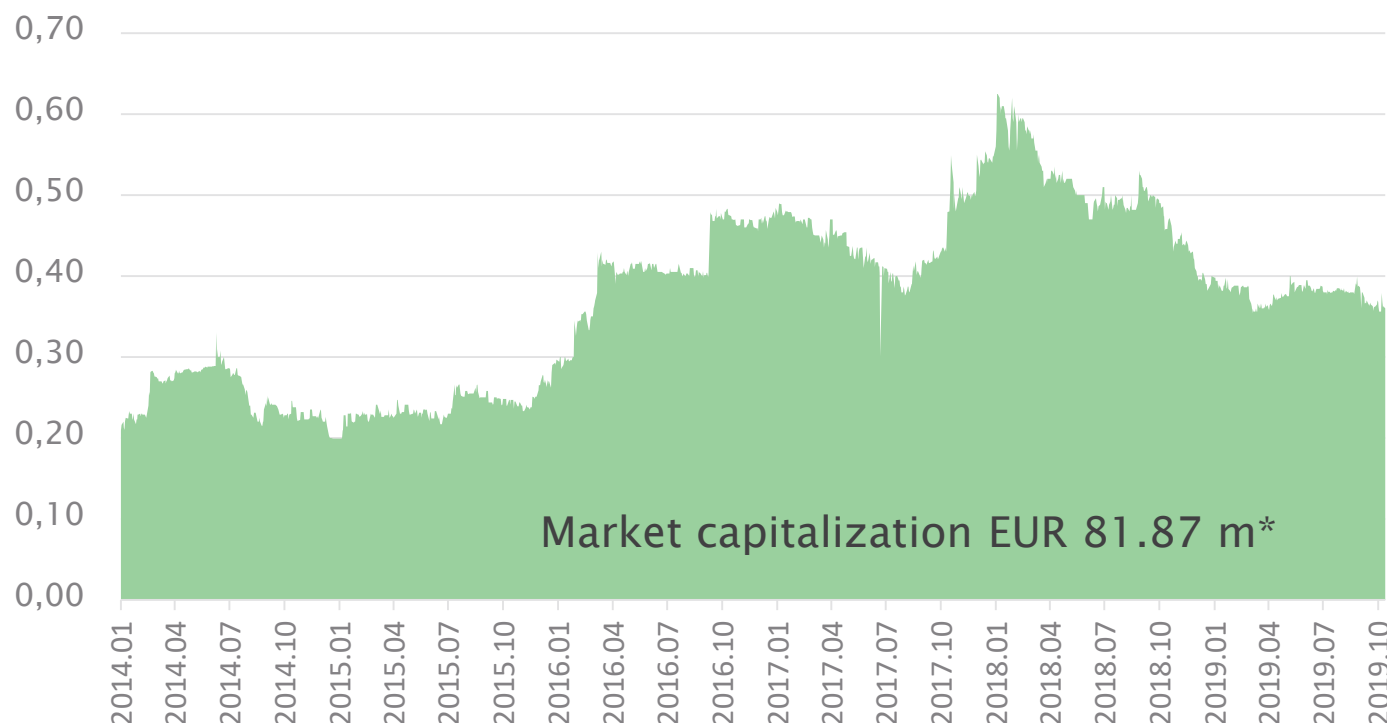




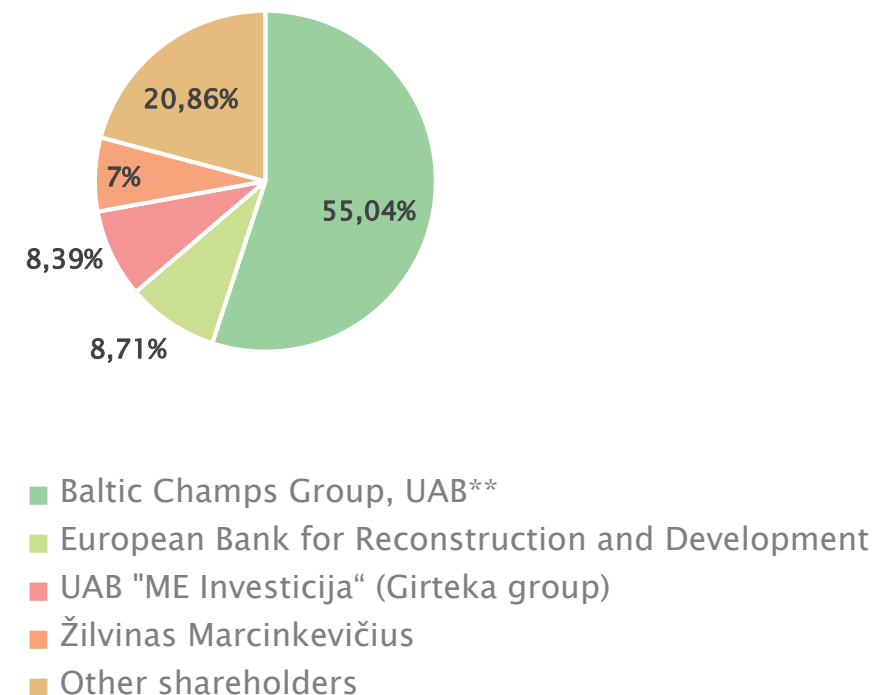
# SHARES AND SHAREHOLDERS

On April 2, 2008, company's shares (ISIN code LT0000127466) were included in the list of Vilnius Stock Exchange (VSE) (ticker code - AUG1L). From August 27, 2018 shares of AUGA group were upgraded to the Nasdaq Baltic Main List. The authorized capital consists of 227.4m registered ordinary shares.

### Share price, EUR



### Main shareholders as of June 30, 2019



\*October 14, 2019

\*\*Kęstutis Juščius is UBO of the main shareholder Baltic Champs Group, UAB

# FINANCIAL HIGHLIGHTS



EUR m	2016	2017	2018	2018 H1	2019 H1
Revenue	39.6	48.8	54.7	25.0	28.8
Gross profit	10.8	14.9	3.7	4.3	6.3
EBITDA* (before IFRS16)	11.2	14.2	3.5	4.1	6.3
EBITDA** (after IFRS16)	-	-	-	-	9.3
Net profit (before IFRS16)	2.1	5.0	(5.9)	0.5	0.7
Net profit (after IFRS16)	2.1	5.0	(5.9)	0.5	0.3
Net debt (before IFRS16)	30.3	43.0	53.6	60.0	56.1
Net debt (after IFRS16)	30.3	43.0	53.6	60.0	88.6
Net financial debt (before IFRS16) – adjusted working capital***	10.7	16.9	15.9	27.1	14.1

- During the first two quarters of 2019 the company improved sales in the crop growing segment, increased the volume of milk sold at organic prices and significantly expanded the export geography of end-consumer packaged products.
- Improving results in all operating segments of the company allow to expect successful second half of 2019.

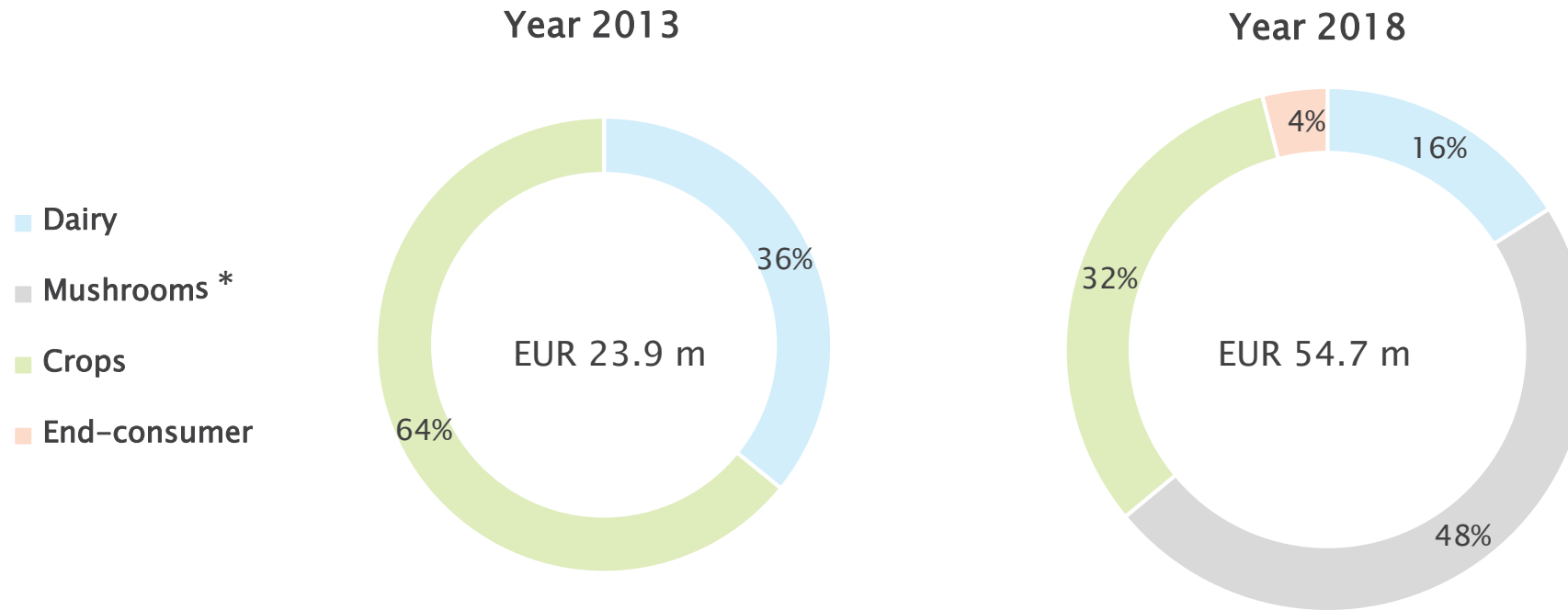
\*EBITDA (before IFRS16) – net cash flow from operating activities before changes in working capital and net interest paid, as it is disclosed in cash flow statement prepared according to IFRS, including gain (loss) on fair value changes of biological assets. IFRS16 adoption effect is eliminated. IFRS16 adopted from 1 January 2019.

\*\*EBITDA (after IFRS16) – net cash flow from operating activities before changes in working capital and net interest paid, as it is disclosed in cash flow statement prepared according to IFRS, including gain (loss) on fair value changes of biological assets. IFRS16 adoption effect is included. IFRS16 adopted from 1 January 2019.

\*\*\*Adjusted working capital\*\*\* – Current biological assets + Trade receivables, advance payments and other receivables + Inventory – Trade payables – Other payables and current liabilities.

# REVENUE TRANSFORMATION

Main revenue stream is currently generated by three segments: mushrooms, crop growing and dairy. The new (since 2016) end-user product segment is strategically important and the fastest growing.



\* Mushroom growing segment is reported separately due to its size and importance. Although majority of mushrooms are sold as end-consumer packaged goods it is not included in the End-Consumer segment financial reports.



# CROP GROWING SEGMENT

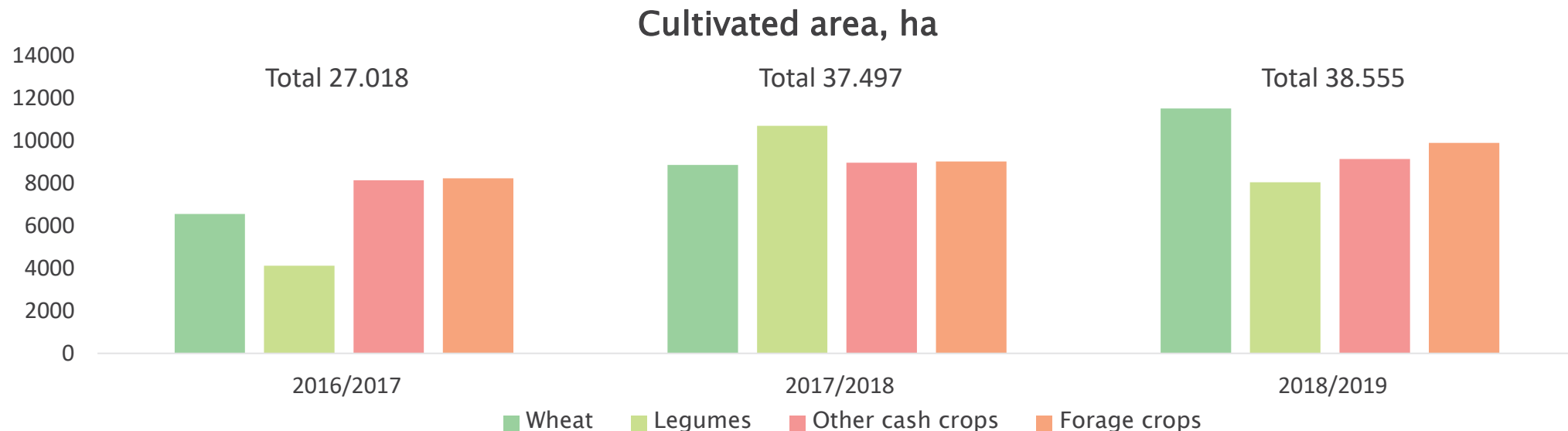


# CROP GROWING SEGMENT OVERVIEW

Increased areas of winter wheat allow to achieve better yields under normal weather conditions.

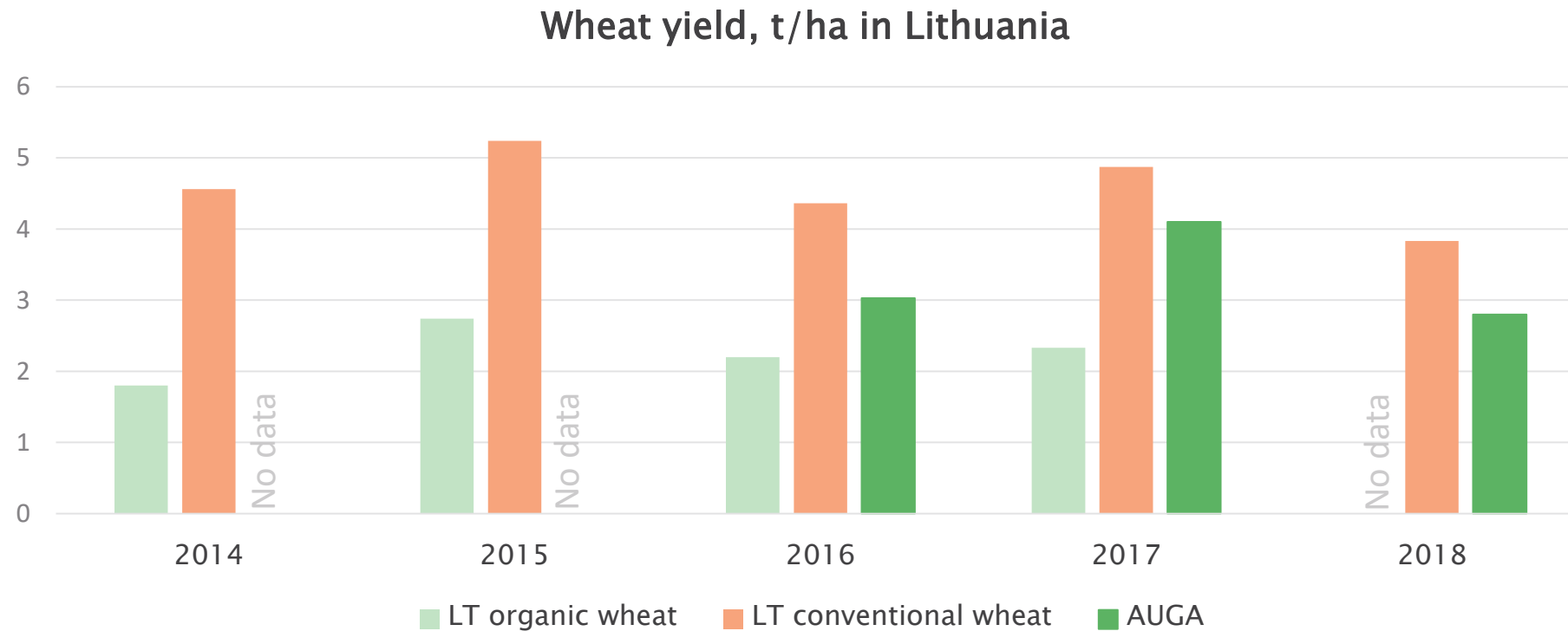
- ✔ Cash crops include organic wheat, legumes, rapeseed, sugar beets, oat, barley.
- ✔ Forage crops consist of perennial grasses and corn, both used for feed.
- ✔ Winter and summer wheat, legumes, rapeseeds and sugar beets are generating the main revenue in the segment.

	2016	2017	2018	2018 H1	2019 H1
Total revenue of sold crops, EUR m	6.8	14.2	17.5	7.6	8.8
Gross profit (loss) of crop growing segment, EUR m	8.3	13.4	4.3	4.4	6.3



# PROVEN ACHIEVEMENT: ABOVE AVERAGE YIELDS

Due to the availability of organic compliant fertilisers within the group (manure and compost from integrated dairy farming and mushroom growing sectors) and the application of innovative land cultivation technologies, AUGA group achieves superior crop yields.



# MUSHROOM GROWING SEGMENT



# MUSHROOM GROWING SEGMENT OVERVIEW



Stable production volume, improving profitability due to increased average sales prices.

- ✔ Mushroom growing segment covers the cultivation and sales of fresh mushrooms, grown in controlled environment (indoors).
- ✔ Baltic Champs, part of AUGA group, is the largest producer of mushrooms in the Baltic region.
- ✔ Serving fresh market is a priority for the group due to higher prices and the purpose of keeping strong relations with the clients.

	2017	2018	2018 H1	2019 H1
Total mushrooms sold, thousand tonnes	12.0	12.1	6.0	6.0
Non-organic	11.4	11.3	5.6	5.6
Organic	0.7	0.9	0.4	0.4
Total revenues from mushroom sales, EUR m	21.5	23.9	11.1	12.6
Non-organic	19.6	21.3	9.8	11.3
Organic	1.9	2.6	1.3	1.4
Total revenues from sales of mushroom seedbed, EUR m	2.9	2.6	1.3	1.2
Gross profit (loss) of mushroom growing segment, EUR m	0.9	1.7	1.1	1.0





# DAIRY SEGMENT

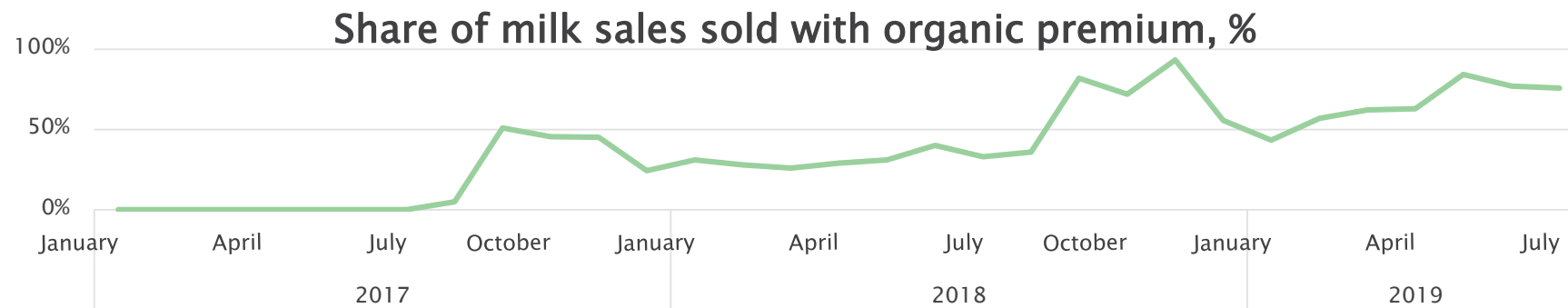


# DAIRY SEGMENT OVERVIEW

Organic milk sales shows further growth.

- ✔ Dairy segment includes organic milk production and cattle raising.
- ✔ Dairy segment is vital for the group's activity as it consumes forage crops grown due to crop rotation and organic farming requirements while by-products of dairy segment, such as manure, are used as fertilizers.
- ✔ It gives the opportunity to offer wider range of organic products, milk being among the top organic food items.

	2017	2018	2018 H1	2019 H1
<b>Total milk sold</b>	<b>23.9</b>	<b>23.4</b>	<b>12.1</b>	<b>13.1</b>
Non-organic milk, thousand tonnes	19.8	12.2	8.1	4.6
Organic milk, thousand tonnes	3.2	10.4	3.6	8.1
Cattle, tons	0.8	0.8	0.5	0.4
<b>Total revenues of dairy segment, EUR m</b>	<b>9.0</b>	<b>9.0</b>	<b>4.5</b>	<b>5.2</b>
Non-organic milk	6.9	3.9	2.6	1.5
Organic milk	1.3	4.2	1.5	3.3
Cattle	0.8	0.8	0.5	0.4
<b>Total gross profit (loss) of dairy segment, EUR m</b>	<b>0.5</b>	<b>(2.4)</b>	<b>(1.2)</b>	<b>(1.1)</b>



# PACKAGED END-CONSUMER GOODS



# RANGE OF PACKAGED PRODUCTS BY AUGA



FRESH VEGETABLES



PRESERVED VEGETABLES AND MUSHROOMS



READY-TO-EAT SOUPS



EGGS



GRAIN PRODUCTS



FRESH MUSHROOMS



DAIRY PRODUCTS



RAPESEED OIL



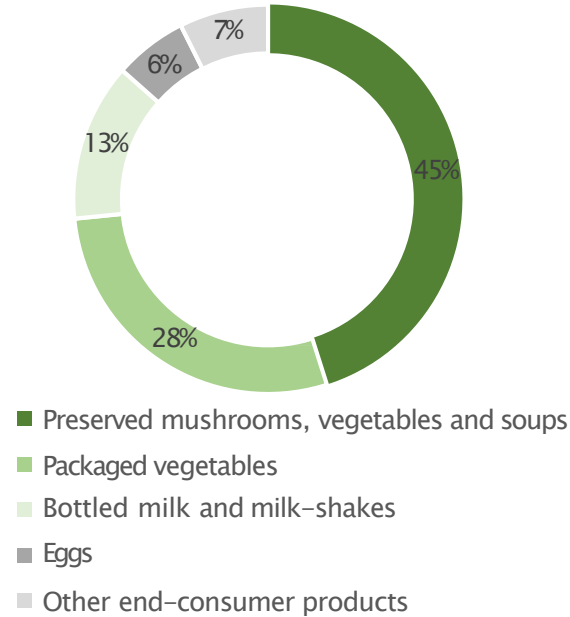
# END-CONSUMER SEGMENT OVERVIEW

End-consumer segment is of strategic importance to the Group due to diversification of current business lines as well as higher value added.

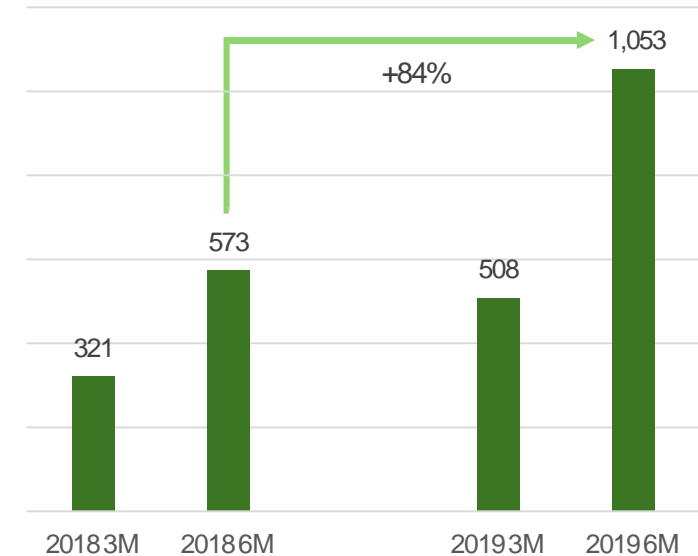
	2017	2018	2018 H1	2019 H1
Total revenue from end-consumer products, thousand EUR	1 050	1 864	573	1 053
Gross profit of end-consumer segment, thousand EUR	53	71	(9)	45

- ✔ This segment covers ready-to-eat soups, preserved mushrooms, packaged vegetables, bottled milk and milk-shakes and other products.
- ✔ The United Arab Emirates became one of the most successful new export markets in the first half of this year.
- ✔ Further export development focus remain on the USA and Asian markets.

Revenues structure 2019 6M, %



Revenue changes, y-o-y



# FINANCIAL DATA SHEETS



# INCOME STATEMENT



EUR'000	2016	2017	2018	2018 H1	2019 H1
		<i>Audited</i>		<i>Unaudited</i>	
<b>Revenues</b>	<b>39,630</b>	<b>48,784</b>	<b>54,749</b>	<b>25,009</b>	<b>28,841</b>
Cost of sales	(27,985)	(38,012)	(45,824)	(19,775)	(24,316)
Gain (loss) on changes in fair value of biological assets	(868)	4,159	(5,262)	(944)	1,802
<b>Gross profit</b>	<b>10,777</b>	<b>14,931</b>	<b>3,663</b>	<b>4,290</b>	<b>6,327</b>
Operating expenses	(7,014)	(8,585)	(10,354)	(3,211)	(4,413)
Other income	127	351	2,753	372	386
<b>Operating profit</b>	<b>3,890</b>	<b>6,697</b>	<b>(3,938)</b>	<b>1,451</b>	<b>2,300</b>
<b>EBITDA* (unaudited)</b>	<b>11,213</b>	<b>14,193</b>	<b>3,546</b>	<b>4,097</b>	<b>6,283</b>
<b>EBITDA** (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,334</b>
Finance cost	(2,098)	(1,904)	(2,295)	(966)	(1,959)
Other cost	0	0	(229)	0	0
<b>Profit (loss) before income tax</b>	<b>1,792</b>	<b>4,793</b>	<b>(6,462)</b>	<b>485</b>	<b>341</b>
Income tax expense	353	222	482	-	-
<b>Net profit (loss) for the period</b>	<b>2,145</b>	<b>5,051</b>	<b>(5,980)</b>	<b>485</b>	<b>341</b>

\*EBITDA (before IFRS16) – net cash flow from operating activities before changes in working capital and net interest paid, as it is disclosed in cash flow statement prepared according to IFRS, including gain (loss) on fair value changes of biological assets. IFRS16 adoption effect is eliminated. IFRS16 adopted from 1 January 2019.

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# BALANCE SHEET



EUR'000	2016	2017	2 018	2018 H1	2019 H1
	<i>Audited</i>			<i>Unaudited</i>	
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	76,262	85,253	92,891	92,354	125,627
Biological assets	6,858	8,029	9,128	8,520	8,788
Other non-current assets	3,573	5,867	9,919	10,282	8,485
<b>Total non-current assets</b>	<b>86,693</b>	<b>99,131</b>	<b>111,938</b>	<b>111,156</b>	<b>142,900</b>
<b>Current assets</b>					
Biological assets	5,223	10,111	32,155	24,414	32,551
Inventory	15,157	25,547	28,708	17,618	15,633
Trade receivables, advance payments & other receivables	13,367	10,765	14,573	15,922	17,651
Cash and cash equivalents	1,65	620	2,281	872	870
Assets held for sale	-	2,374	-	-	-
<b>Total current assets</b>	<b>35,397</b>	<b>49,417</b>	<b>77,717</b>	<b>58,826</b>	<b>66,705</b>
<b>Total assets</b>	<b>122,090</b>	<b>148,548</b>	<b>189,655</b>	<b>169,982</b>	<b>209,605</b>
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Share capital and premium	62,241	55,089	72,658	55,089	72,658
Reserves	4,541	6,303	9,761	8,495	9,761
Retained earnings (accumulated deficit)	5,163	17,241	8,936	15,842	9,369
<b>Equity attributable to equity holders of the Company</b>	<b>71,945</b>	<b>78,633</b>	<b>91,355</b>	<b>79,261</b>	<b>91,788</b>
Non-controlling interest	293	382	359	296	331
<b>Shareholders equity, total</b>	<b>72,238</b>	<b>79,015</b>	<b>91,714</b>	<b>79,557</b>	<b>92,119</b>
<b>Non-current liabilities</b>					
Non-current financial debt	20,365	22,522	21,718	29,970	52,395
Grants	3,286	3,657	3,433	3,566	3,240
Deferred tax liability	433	656	883	656	882
<b>Total non-current liabilities</b>	<b>24,084</b>	<b>26,835</b>	<b>26,034</b>	<b>34,192</b>	<b>56,517</b>
<b>Current liabilities</b>					
Current financial debt	11,625	21,069	34,144	30,957	37,170
Trade payables	8,796	14,467	14,681	20,686	16,385
Other payables and current liabilities	5,347	5,855	5,316	4,590	7,414
Liabilities directly associated with assets classified as held for sale	-	1,307	-	-	-
<b>Total current liabilities</b>	<b>25,768</b>	<b>42,698</b>	<b>54,141</b>	<b>56,233</b>	<b>60,969</b>
<b>Total liabilities</b>	<b>49,852</b>	<b>69,533</b>	<b>80,175</b>	<b>90,425</b>	<b>117,486</b>
<b>Total equity and liabilities</b>	<b>122,090</b>	<b>148,548</b>	<b>171,889</b>	<b>169,982</b>	<b>209,605</b>

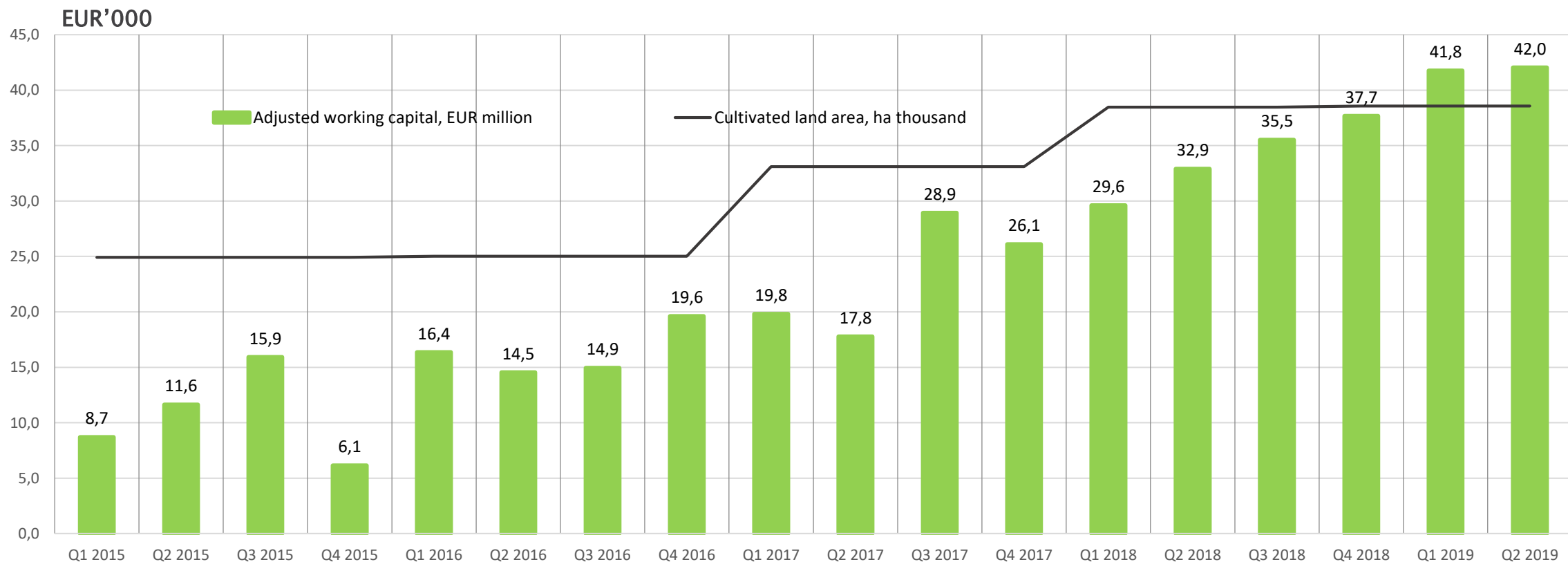


# CASHFLOW STATEMENT

EUR'000	2016	2017	2018	2018 H1	2019 H1
		<i>Audited</i>		<i>Unaudited</i>	
<b>Cash flows from / (to) operating activities</b>					
Net profit (loss) before income tax	1,792	4,793	(6,462)	485	341
<b>Adjustments for non-cash expense (income) items and other adjustments</b>					
Depreciation expense	6,058	6,800	7,504	3,788	6,600
Amortisation expense	50	178	565	88	68
Other adjustments	4,181	(1,737)	6,486	(36)	523
<b>Changes in working capital</b>					
(Increase) decrease in biological assets	(2,245)	(6,568)	(10,640)	(15,915)	(19,466)
(Increase) decrease in trade receivables and prepayments	(1,289)	3,468	(2,535)	(4,321)	(3,528)
(Increase) decrease in inventory	(7,567)	(6,675)	(3,918)	8,485	12,294
(Decrease) increase in trade and other payables	1,723	5,908	(739)	3,838	3,803
	<b>2,703</b>	<b>6,167</b>	<b>(9,739)</b>	<b>(3,588)</b>	<b>635</b>
Income tax paid	-	-	-	-	-
Interest paid, netto	(1,897)	(1,802)	(1,747)	(946)	(1,068)
<b>Net cash flows from / (to) operating activities</b>	<b>806</b>	<b>4,365</b>	<b>(11,486)</b>	<b>(4,534)</b>	<b>(433)</b>
<b>Cash flows from / (to) investing activities</b>					
Purchase of property, plant and equipment	(4,329)	(4,950)	(4,025)	(2,322)	(1,404)
Purchase of non-current intangible assets	(14)	(17)	(12)	-	-
Other investing activities	5,773	(1,584)	(1,999)	(1,197)	(206)
<b>Net cash flows from / (to) investing activities</b>	<b>1,430</b>	<b>(6,552)</b>	<b>(6,036)</b>	<b>(3,519)</b>	<b>(1,610)</b>
<b>Cash flows from / (to) financing activities</b>					
Loans repaid to banks	(19,101)	(5,921)	(18,450)	(13,451)	(1,604)
Borrowings received	17,352	12,130	21,199	18,820	3,730
Other borrowings obtained (paid)	(851)	(1,547)	4,000	3,587	500
Finance lease repayments	(2,054)	(3,504)	(5,135)	(651)	(1,993)
Other	-	-	17,569	-	-
<b>Net cash flows from / (to) financing activities</b>	<b>(4,654)</b>	<b>1,158</b>	<b>19,183</b>	<b>8,305</b>	<b>633</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(2,418)</b>	<b>(1,030)</b>	<b>1,661</b>	<b>252</b>	<b>(1,410)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,068</b>	<b>1,650</b>	<b>620</b>	<b>620</b>	<b>2,281</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,650</b>	<b>620</b>	<b>2,281</b>	<b>872</b>	<b>871</b>

# DYNAMICS OF WORKING CAPITAL

The Group's transfer to organic agriculture which is generally more capital intensive together with cultivated land area expansion resulted in significantly increased working capital in the past several years. Growing working capital requirement was the main driver to financial liabilities portfolio development since part of working capital is financed by credit-line facilities.



	Q4 2015	Q4 2016	Q4 2017	Q4 2018	Q2 2019
Adjusted working capital*, EUR'000	6.1	19.6	26.1	37.7	42.0
Net financial debt (before IFRS16), EUR'000	42.6	30.3	43.0	53.6	56.1
Net financial debt (before IFRS16)- adjusted WC, EUR'000	36.5	10.7	16.9	15.9	14.1

\*Adjusted working capital = Current biological assets + Trade receivables, advance payments and other receivables + Inventory - Trade payables - Other payables and current liabilities.

# SUMMARY OF AUGA COMPETITIVE POSITION

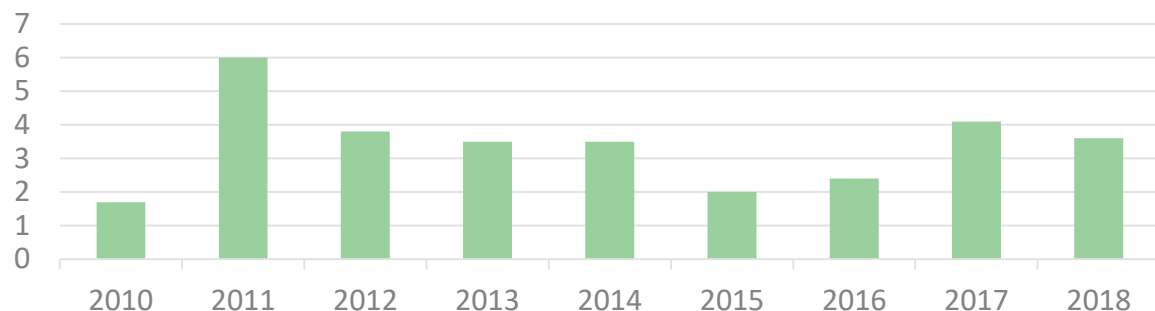


- ✔ AUGA group, AB, based in Lithuania, is one of the largest organic food companies in Europe. The company employs modern and efficient agricultural technologies, achieves economies of scale and has efficient logistics and storage solutions in place.
- ✔ Vertically integrated business model allows to achieve superior crop yields and, in combination with still lower labor costs and the economies of scale, enables to gain a significant cost advantage within the EU and global organic markets.
- ✔ The size of the company and the ambitious vision of its shareholders allow to hire and retain experienced and skilled management and talent locally and internationally.
- ✔ Full traceability from seed to package, controlled by the company, ensures high quality of products and helps to gain trust from private label producers, retailers, as well as final consumers of branded AUGA products.
- ✔ Wide range of products grown and produced allows the company to offer variety of final consumer products.



# LITHUANIAN MACROECONOMIC ENVIRONMENT

Real GDP, % y-o-y



- ✓ 14th place in “Ease of doing business“ ranking.
- ✓ 21th in Worldwide Index of Economic Freedom by Heritage Foundation.
- ✓ Member of OECD, EU, Eurozone and NATO.
- ✓ As with its Baltic neighbors, wages are rising as well as employment levels, supporting private consumption and forming the basis of the sustained improvement in GDP.
- ✓ Agriculture remains a key segment contributing consistently to over 3.0% of gross GDP (2018 EU28 average = 1.6%).

(Current prices)	2015	2016	2017	2018
<b>Lithuania</b>				
– Total gross value added, EURm	33,604	35,000	37,975	40,678
– Agriculture, forestry and fishing gross value added, EURm	1,276	1,208	1,483	1,316
– % gross value added	3.8	3.5	3.9	3.2
<b>EU28</b>				
– Total gross value added, EURm	13,252,481	13,355,695	13,724,074	14,150,664
– Agriculture, forestry and fishing gross value added, EURm	211,084	209,778	230,280	230,367
– % gross value added	1.6	1.6	1.7	1.6

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