



**FINANCIAL RESULTS
FOR THE 3 MONTHS PERIOD
ENDED 31 MARCH 2019**

PRESENTING



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FINANCIAL HIGHLIGHTS FOR 2019 Q1



An aerial photograph of a vast, lush green agricultural field, likely a crop growing segment. The field is densely packed with young plants, showing a vibrant green color. In the background, a dense line of trees, including tall pines and deciduous trees, stretches across the horizon. 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

PROGRESS IN THE SEASON OF 2018/2019

- Seeding of all the crops for the season 2018/2019 is completed.
- Total cultivated land area 38,6 thousand ha in the season of 2018/2019 – about the same as in the season of 2017/2018.
- 28.7 thousand ha seeded with cash crops in 2018/2019 season vs 28.5 thousand in the season of 2017/2018.
- Cash crop split: 11.4 thousand ha wheat (11.0 thousand winter wheat), 8.1 thousand ha legumes and 9.3 thousand ha other cash crops.
- Forage crops comprise 8.9 thousand ha in the season of 2018/2019 vs to 9.0 thousand ha in 2017/2018 season.
- The condition of crops is good.
 - Due to favorable weather conditions all the crops were seeded at optimal time, in line with crop rotation plan.
 - 85% of land is cultivated using min-till technology when only the surface of land is minimally disturbed.
 - Using min-till technology water retention in the soil is better thus crops have better resistance to rain shortages.
 - After rain in previous weeks there is no shortage of rain any more.
 - Germination and density of crops is good, weed control is done effectively.



FAIR VALUE ESTIMATION OF CROPS

- The Group estimated the **fair value of winter crops** (winter wheat, rapeseed and rye; total area of 14.7 thousand ha) as at 31 March 2019 using following formula:

$$\text{Costs inquired} + (\text{Cultivated area in ha} * \text{forecasted average yield as tons per ha} * \text{forecasted grain price per ton} - \text{cultivated area in ha} * \text{forecasted total cost per ha}) * T * (1 - x)$$

- The estimated fair value of the winter crops as at 31 March 2019 is higher than the costs inquired by EUR 1.34 million and this difference was accounted as gain on changes in fair value of biological assets in financial statements.
- Summer cash crops** (total area of 14.0 thousand hectares) **fair value** = production costs as at 31 March 2019.
- The formula will be used to estimate fair value of cash crops (winter and summer crops) until the actual harvest.
- Forage crop fair value** = production cost and revaluation net result always 0.
- Gross profit of crop growing segment 2019 Q1 EUR 3.21 million vs 2018 Q1 EUR 1.80 million.



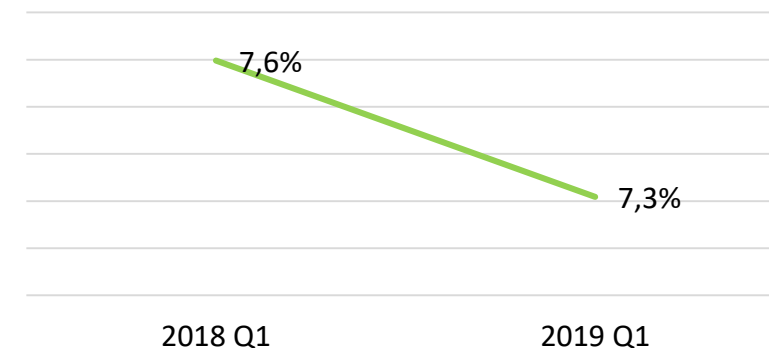
MUSHROOM GROWING SEGMENT



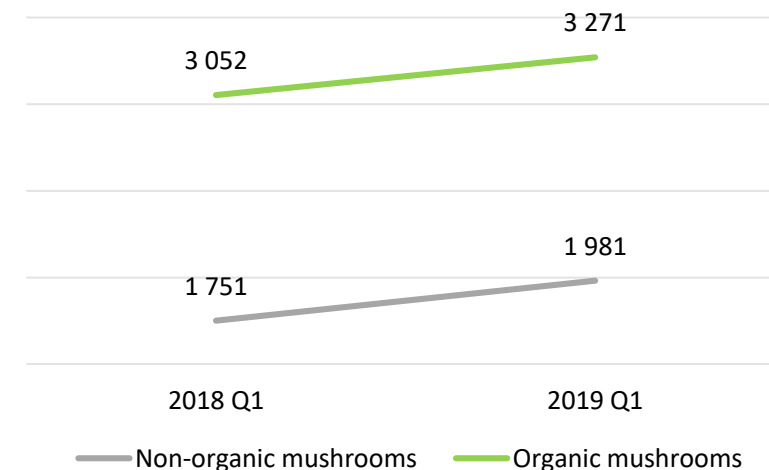
SHORTAGE OF FRESH MUSHROOMS IN THE MARKET

	2018 Q1	2019 Q1	Var. %
Total volume of mushrooms sold, tons	2,763	2,877	4%
Total revenues from mushroom sales, EUR'000	5,112	5,969	17%
Total cost of mushrooms sold, EUR'000	4,908	5,718	17%
Revenues from sales of mushroom seedbed, EUR'000	826	667	-19%
Cost of sales of mushroom seedbed, EUR'000	764	633	-17%
Gross profit of mushroom growing segment, EUR'000	266	285	7%

Share of organic mushrooms by volume*



Mushrooms average sales price, EUR/ton**



*The share of organic mushrooms sold slightly declined (total volume remaining the same) as there is a shortage of fresh mushrooms in the market and part of organic mushrooms which was previously sold to processors during the first quarter of 2019 were sold as fresh non-organic mushrooms. Serving fresh market is priority for the Group due to better prices and purpose of keeping strong relations with the clients.

**Prices of fresh mushrooms are higher than those sold to processors, increased share of fresh mushrooms also had impact on average prices – organic and non-organic average prices increased. List prices were also successfully increased to major clients to reflect production cost increases.

DAIRY SEGMENT



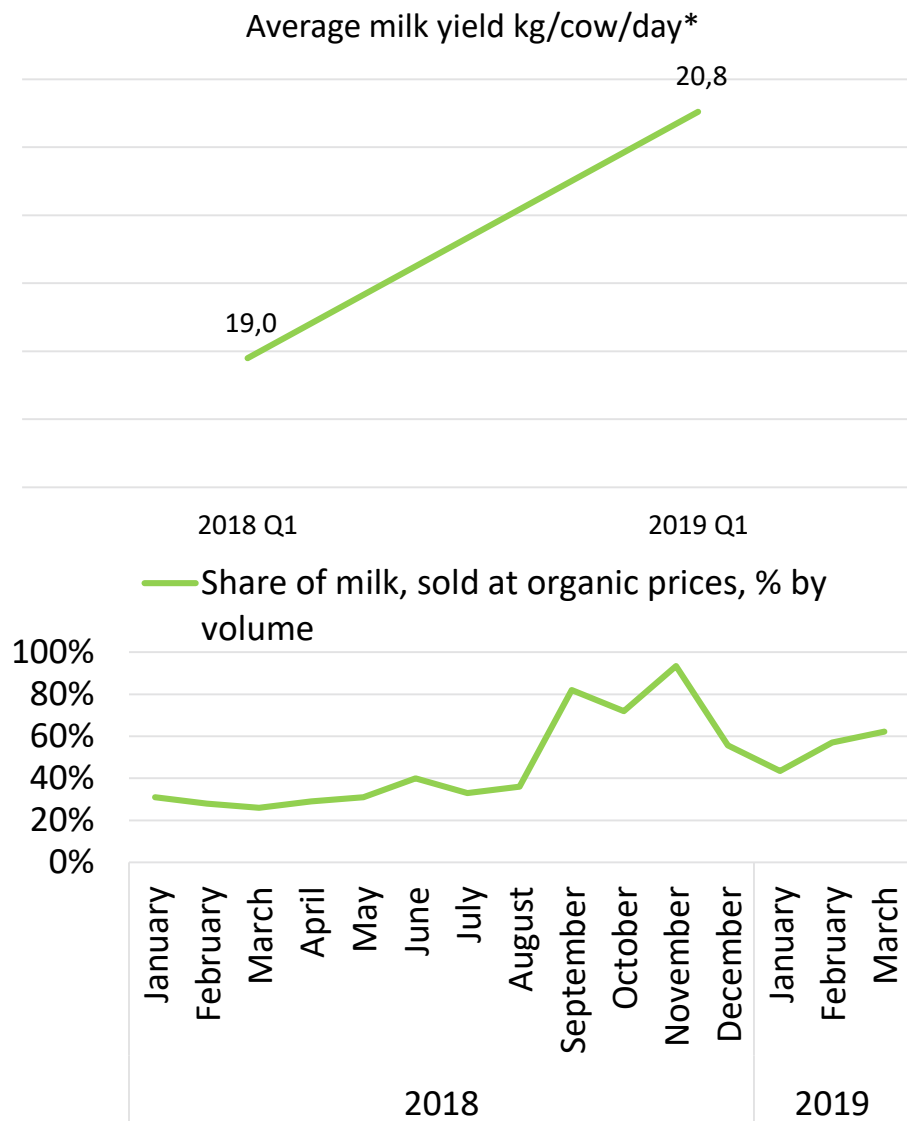
INCREASED YIELDS AND ORGANIC MILK SALES



	2018 Q1	2019 Q1	Var. %
Total volume of dairy segment, tons	6,040	6,413	6%
Total revenues of dairy segment, EUR'000	2,292	2,615	14%
Total cost of dairy segment, EUR'000	2,490	2,640	6%
Revaluation of biological assets, EUR'000	-423	-763	80%
Total subsidies, EUR'000	200	201	0%
Gross profit of dairy segment, EUR'000	-421	-587	39%

*Sales volume increased due to better milk yields per cow. Increase in milk yields per cow relates to changes in cow feedstock mix. The change was done only at the end of 2018 so yields should be better in coming quarters as well compared to previous year.

**Share of milk sold at organic production prices by volume was around 54% in first quarter of 2019 significantly higher compared to 20% during same period in 2018. Fluctuations in the share of milk sold at organic prices remain significant since the sales are still dependent on several important clients and their business needs in particular month. The Group is aiming to have more diversified client portfolio to have more stable organic milk sales on monthly basis.



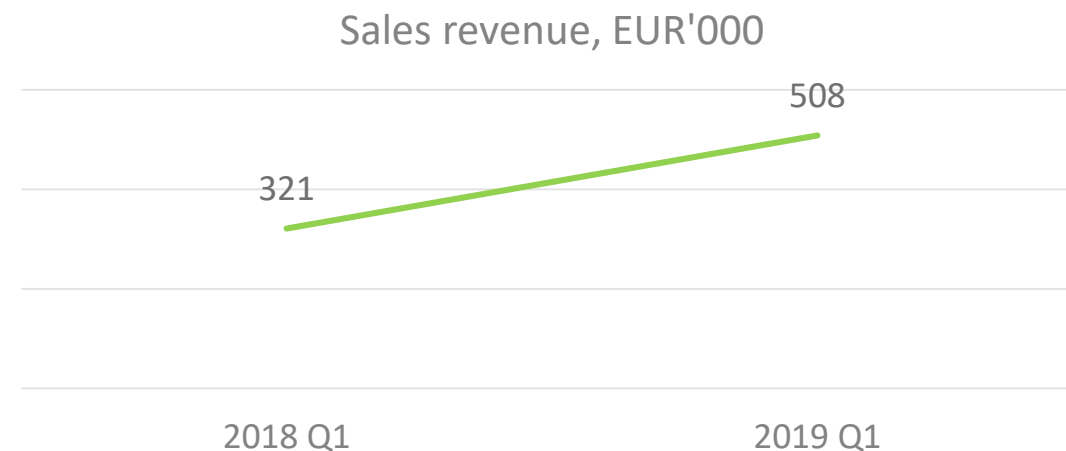
END-CONSUMER PACKAGED GOODS



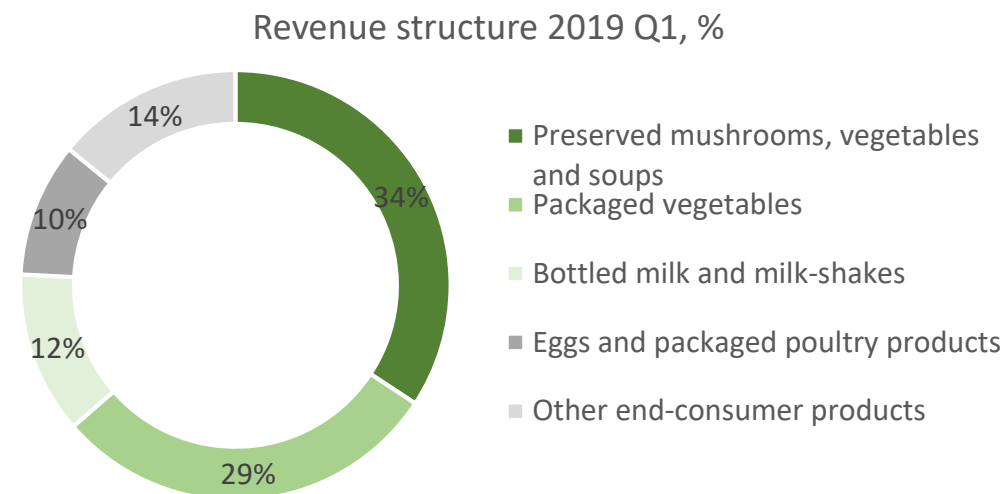
SALES EXPANDING, WIDER CERTIFICATION



	2018 Q1	2019 Q1	Var. %
Total revenue, EUR'000	321	508	58%
Total cost of sales, EUR'000	286	465	63%
Gross profit, EUR'000	35	43	23%



Certification updates:
 USA FDA registration of retail end-user products – finished. Deliveries planned from 2019 Q3.
 China Organic Certificate for dairy and preserved products – in progress. Planned completion date until 2019 Q3.



WIDER GLOBAL RECOGNITION OF AUGA'S SUSTAINABLE BUSINESS MODEL



AUGA STRATEGY IS IN LINE WITH GLOBAL TRENDS



- Consumers are becoming more demanding, it is important not only that food is organic, but minimizing environmental impact in production process as well. Research also shows that consumers when choosing products are increasingly focusing on corporate social policy and good governance practices. All this makes up the concept of sustainable business.
- Sustainability from the beginning is an integral part of AUGA group's vision and business model. After successful implementation of secondary public offering and attracting investment to sustainable business development, the company has further focused on the fundamental changes in the development of the chosen business model.
- In environmental protection area, the company has started to implement many of its goals: to develop a closed-loop organic agriculture model, to expand the application of min-till technologies, to use renewable energy sources and to develop the use of biogas to reduce its CO2 footprint.
- We are confident that today we are on the right track and in the development of a sustainable food supply chain, we are responding to global market trends dictated by new consumer needs.



SUSTAINABILITY AWARDS

AUGA group became a winner of this year's European Bank for Reconstruction and Development (EBRD) Sustainable Energy Gold Award. The award was presented in EBRD's Annual Meeting and Business Forum in Sarajevo on May 9th.



A prize in the first awards in environmental sustainability given at the Stockholm School of Economics in Riga in partnership with the Latvian Fund for Nature. AUGA was awarded for its sustainable business model, including closed-loop organic farming, min-till approach, and strategic focus on biogas application.



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Thank you!

Find out more at www.auga.lt

