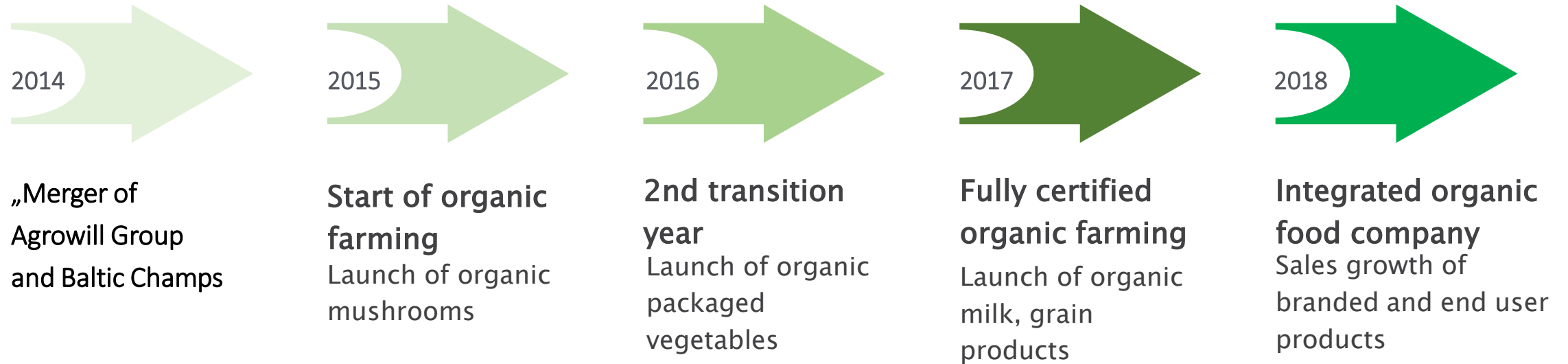




Kęstutis Juščius, Chairman of the Board  
of AUGA group



# 2016 company transformation plan



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## Strategy

- Transition from conventional to organic farming
- Not only commodities but end-user products + expansion to export markets
- More than organic farming: sustainability, renewable energy, strong brand









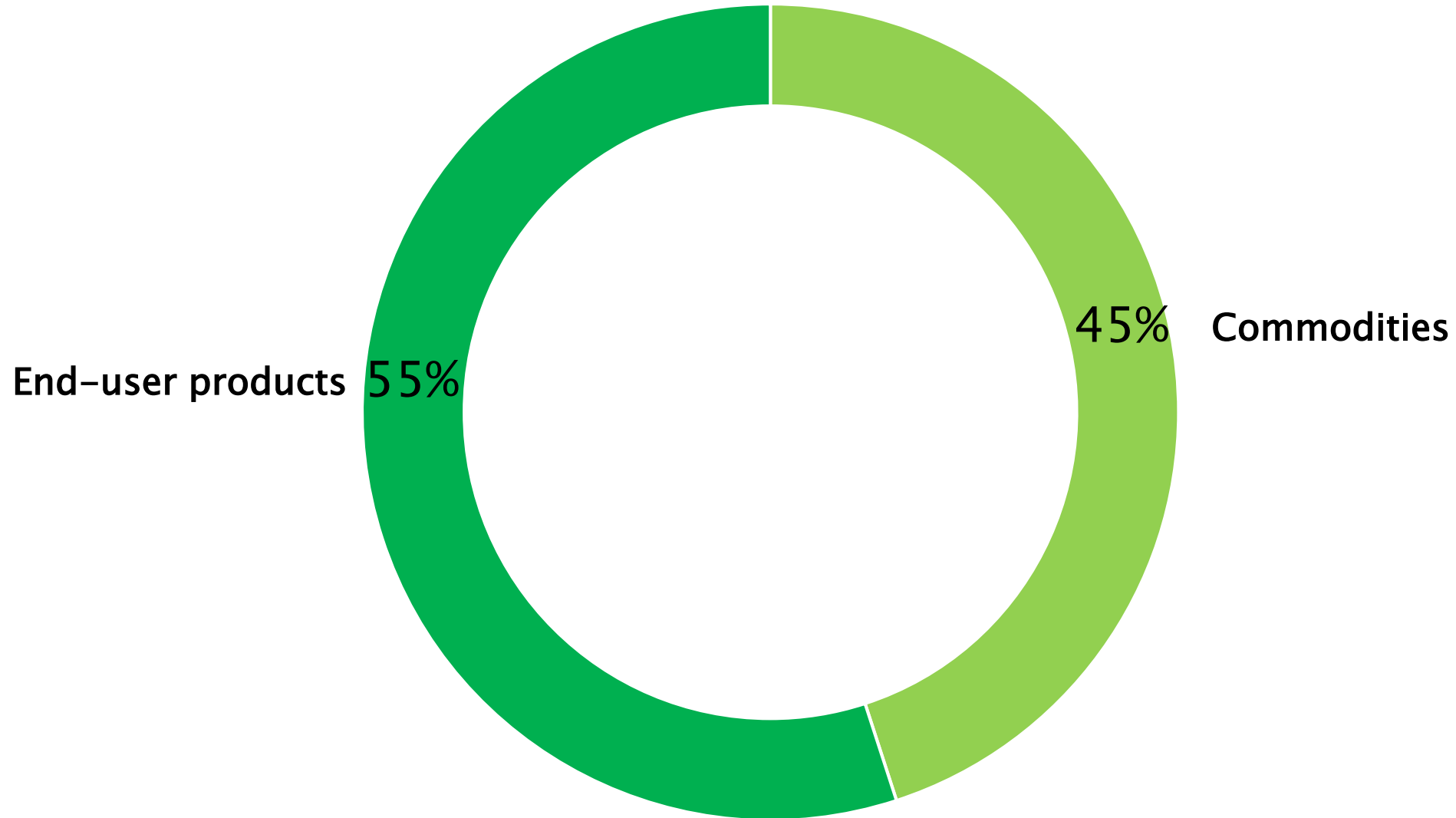
# Already EUR 15m invested



- New technology for organic fertilization
- New technology for cultivation and weed control
- Loose cattle grazing
- New equipment for vegetable growing and processing
- Prototyping poultry farms



# Objective: end-user products



# AUGA product portfolio 2017



## BEETROOTS & MUSHROOMS

## READY TO EAT SOUPS

## RAPESEED OIL

## FRESH VEGETABLES



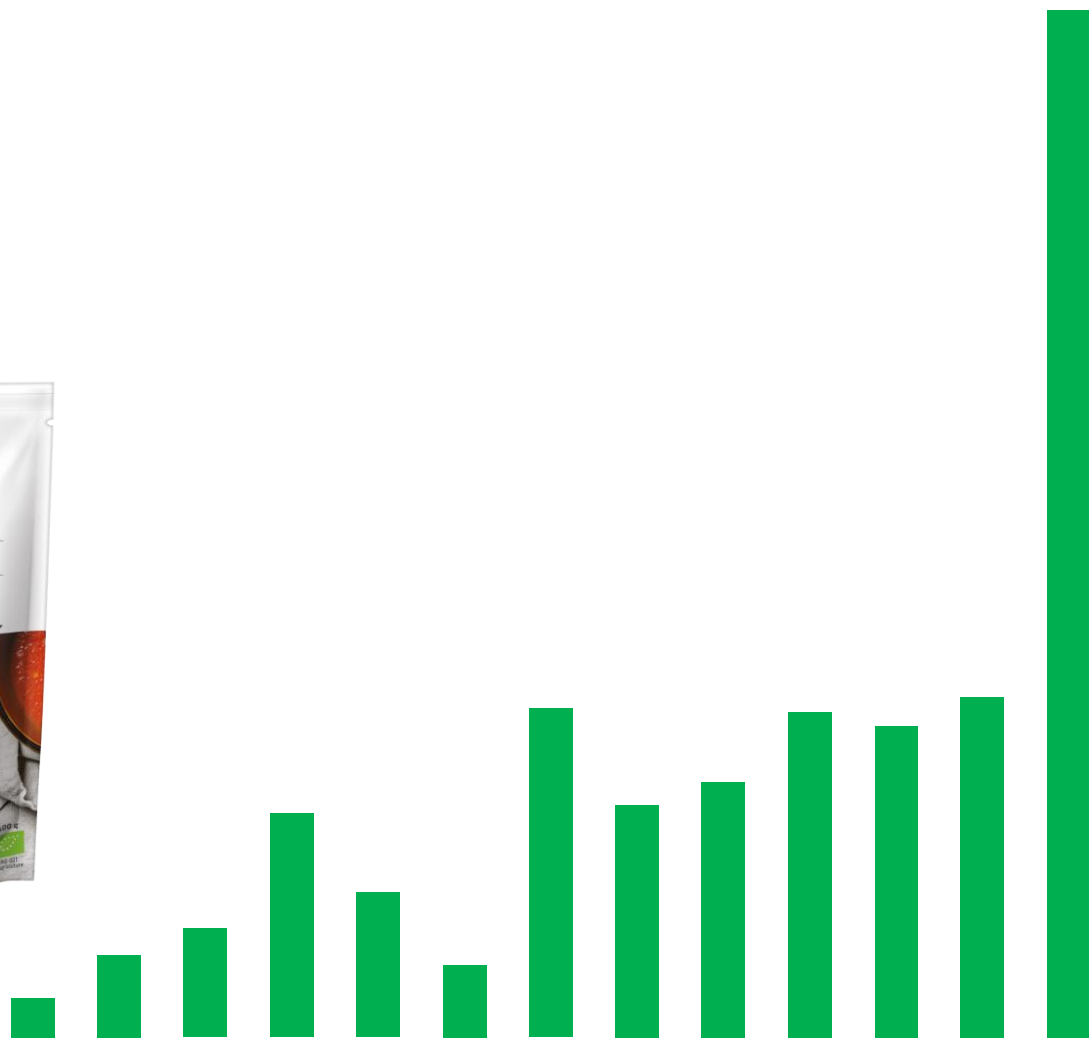
## PULSES

## FLOUR

## FRESH MUSHROOMS



# Ready-to-eat soups: success story





# New products in 2018



Eggs

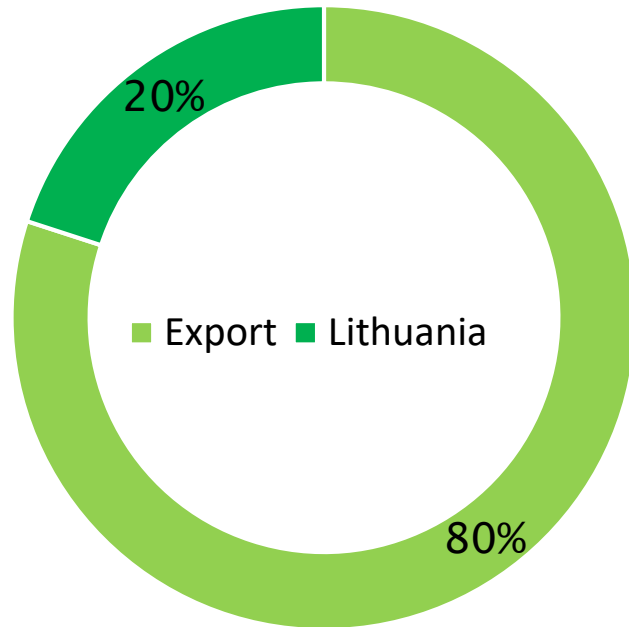


Bottled milk





# AUGA export markets



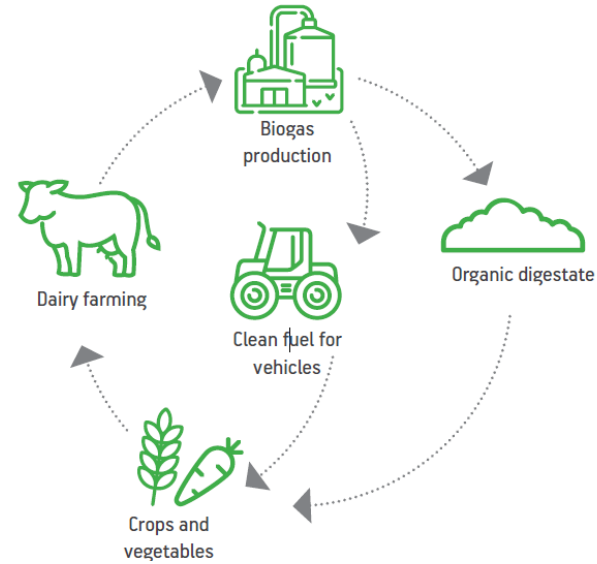






# Principles of sustainability

- Application of min-till farming method which does not deplete the land, preserves biodiversity, decreases CO2 emissions.
- Investment into biogas production plants with a goal to replace fossil fuel with own biogas.
- Use of certified green energy and application of sun and wind power.







# Brand achievements in 1 year and a half

- Finalist in the “Brand of the year” competition organized by business daily “Verslo žinios” and market reserach company „Nielsen“. Awarded for „Consistent brand development“
- Among the top 4 brands with highest consumer loyalty in Lithuania. Net Promoter Score 37%
- AUGA brand awareness 24%\*

\* UAB RAIT representative Internet survey of 500 people, 20–60 years of age, TOP5 cities. Survey period: 2017 10 23 – 2017 11 01.



# AUGA group's financial results



- Financial results in 2017 increased mainly due to significantly higher crop yields, as well as higher trade prices for organic produce.

EURm	2015	2016	2017
Revenue	47,4	39,6	48,8
Revenue growth, % y-o-y	13.1	(16.4)	23.1
Gross profit	10,4	10,8	14,9
EBITDA*	12,7	11,2	14,2
EBITDA**	10,7	9,6	13,2
Net profit	5,6	2,1	5,0

\* The management of the Group made a decision to change the formula for EBITDA calculation for the future periods in order to align it with the method used by the Group's largest creditors (banks) to calculate covenants. EBITDA for the year 2017 recalculated using the new formula would amount to EUR 14.19 million. For comparison, EBITDA for the year 2016 calculated using the new formula would be EUR 11.21 million, while EUR 9.62 million was reported using the previous formula.



# Financial results for the first quarter of 2018



- EBITDA increased in mushroom growing and crop growing segments.
- Revenues were lower due to longer organic grain delivery terms to clients than it was in previous year. For this reason larger part of deliveries will be done in upcoming quarters of 2018.

EURm	2017 IQ	2018 IQ
Revenue	12,11	11,49
Gross profit	2,17	1,68
EBITDA	1,29	1,56
Net profit	0,02	0,65



# Process of raising additional capital in 2018

- Further development of recently acquired agricultural companies
- Combined feedstock production plant
- Expanding poultry farms
- Biogas conversion and purification, introduction of biomethane as a second-generation biofuel
- Building new generation dairy farms
- Other R&D activities





au  
ga

Thank You!

