

## ANNEX – ISSUE SPECIFIC SUMMARY

<b>Introduction and warnings</b>	
<p>This Summary (the “<b>Summary</b>”) is not the prospectus for the public Offering of the Bonds and the Admission thereof to trading on Nasdaq Vilnius AB (“<b>Nasdaq Vilnius</b>”) and should be read merely as an introduction to the same. Any decision to invest in the Bonds by the Investors should be based on consideration of the Prospectus as a whole by the Investor. The information in the Summary is presented as of the date of announcement hereof, unless indicated otherwise. Civil liability in relation to this Summary attaches only to those persons who have tabled the Summary, including any translation hereof, but where the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds. Investment into Bonds involves risks and the Investor may lose all or part of the investment. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff Investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>The abbreviations, used in this Summary shall have the same meanings, as in the Prospectus, unless in this Summary they are described otherwise.</p>	
Name and international securities identification number (ISIN) of the Tranche 1 Bonds	<b>Auga group, AB bonds, ISIN LT0000404238</b>
The identity and contact details of the Issuer, including its legal entity identifier (LEI)	Business and legal name of the issuer is Auga group, AB (the “ <b>Company</b> ” or the “ <b>Issuer</b> ”). The Company is registered with the Register of Legal Entities of the Republic of Lithuania under code 126264360. The contact details of the Company are the following: address Konstitucijos pr. 21C, Quadrum North, LT-08130 Vilnius, Lithuania, phone +370 5 233 5340, fax +370 5 233 5345, e-mail <a href="mailto:info@auga.lt">info@auga.lt</a> . The Company's LEI is 48510000P2S3LHJXP414.
The identity and contact details of the Global Lead Manager, Bookrunner and Arranger of the Programme, including its legal entity identifier (LEI)	The business name of the Global Lead Manager, Bookrunner and Arranger of the Programme is LHV Pank AS. LHV Pank AS is a bank registered with the Estonian Commercial Register under registry code 10539549. The contact details of the Global Lead Manager are the following: address Tartu mnt 2, 10145 Tallinn, Estonia, phone +372 680 0420, e-mail <a href="mailto:maaklerid@lhv.ee">maaklerid@lhv.ee</a> . The Global Lead Manager's LEI is 529900GJOSVHI055QR67.
The identity and contact details of the competent authority, which has approved the Base Prospectus, the date of approval of the Base Prospectus	The Bank of Lithuania in its capacity as the competent authority in Lithuania under the Prospectus Regulation has approved the Base Prospectus and has notified the approval of the Prospectus to the Estonian Financial Supervision Authority (in Estonian: <i>Finantsinspeksiioon</i> ; the “ <b>EFSA</b> ”) on 25 November 2019. The contact details of the Bank of Lithuania are the following: address Gedimino pr. 6, LT-01103 Vilnius, Lithuania (for correspondence Totorių g. 4, LT-01121 Vilnius, Lithuania), phone +370 800 50 500, e-mail <a href="mailto:pt@lb.lt">pt@lb.lt</a> .
<b>Key information on the Issuer</b>	
<b>Who is the Issuer of the securities?</b>	
<p>Business and legal name of the Issuer is AUGA group, AB. The Company has been established and is currently operating under the laws of the Republic of Lithuania in the form of a public limited liability company (in Lithuanian: <i>akcinė bendrovė</i> or <i>AB</i>) and is established for an indefinite term. The Company's LEI is 48510000P2S3LHJXP414. The Company is the holding company of the Group. The Group includes the Company and the Subsidiaries of the Company, indicated in the Consolidated Interim Information, incorporated by reference to the Prospectus.</p>	
<b>Principal activities of the Issuer:</b>	
<p>While the majority of revenue of the Company originates from mushrooms, crops and milk sales, the Group divides its operations into the following segments:</p>	
<p>(i) <b>Dairy.</b> This activity together with mushroom growing is the most stable among all segments. Dairy segment is one of the two main activities of the Group. It includes organic milk production and cattle raising. Dairy segment activities are vital for the Group activity, as it consumes forage crops produced by crop growing segment due to crop rotation and organic farming requirements and by-products of dairy segment, such as manure, are used as fertilizers, etc.</p>	
<p>(ii) <b>Crop-growing.</b> Crop growing includes growing of cash crops such as wheat, legumes, rapeseed, sugar beets, oat, barley as well as forage crops, including grasses and corn for feed. Winter and summer wheat, legumes,</p>	

rapeseeds and sugar beets are main revenue generators in this segment. Grain for cattle feed is grown from barley and triticale, while green feed is grown from corns and a variety of perennial grasses.

- (iii) **Mushroom growing.** In addition to the sale of mushrooms, the mushroom activities also include compost production. The compost is sold to other champignon cultivation companies in Lithuania, Poland and Russia.
- (iv) **End-consumer packaged goods.** This segment covers ready-to-eat soups, preserved mushrooms, packaged vegetables, bottled milk and milk-shakes and other products. Segment is of strategic importance for the Group due to diversification of current business lines as well as higher value added to existing products.

**Major shareholders:**

As at the date of the Prospectus and this Summary, the shareholders holding over 5% of all Shares in the Company are the following:

<i>Name, surname / name of the company</i>	<i>Shares held by shareholder, units</i>	<i>Shares held by shareholder, %</i>
Baltic Champs Group UAB	125,167,939	55.04
European Bank for Reconstruction and Development	19,810,636	8.71
ME Investicija UAB	19,082,801	8.39
Žilvinas Marcinkevičius	15,919,138	7.00
Free float	47,435,738	20.86
Total	227,416,252	100

The control of the Issuer is exercised by the Issuer's shareholders. The Issuer is not aware of any direct or indirect control links, except that Baltic Champs Group UAB is fully owned by the General Manager Kęstutis Juščius. The Company is not aware of any common control agreements between its shareholders.

**The identity of key managing directors of the Issuer:**

There is currently only one board at the Company – Management Board, the Company no longer has Supervisory Council. The Management Board is vested with the functions and powers of strategic management decisions (as per Parts from 1 to 10, 12 and 13 of Article 34 of the Law on Companies) and supervisory functions (as per Part 11 of Article 34 of the Law on Companies).

**Members of the Management Board and Key Executives**

<i>Name, surname</i>	<i>Position within the Issuer</i>	<i>Beginning of current term</i>	<i>End of term</i>
<b>Management Board</b>			
Dalius Misiūnas	Chairman of the Management Board (independent member)	30.04.2019 (as the Chairman as from 18.06.2019)	Until 30.04.2021, in any case not later than until the ordinary General Meeting in 2021
William Murray Black Steele	Member of the Management Board (independent member)	30.04.2019	Until 30.04.2021, in any case not later than until the ordinary General Meeting in 2021
Tomas Kučinskis	Member of the Management Board (independent member)	30.04.2019	Until 30.04.2021, in any case not later than until the ordinary General Meeting in 2021
Tomas Krakauskas	Member of the Management Board	30.04.2019	Until 30.04.2021, in any case not later than until the ordinary General Meeting in 2021
Andrej Cyba	Member of the Management Board (independent member)	17.06.2019	Until 30.04.2021, in any case not later than until the ordinary General Meeting in 2021
<b>Key Executives</b>			
Kęstutis Juščius	General Manager (CEO)	30 April 2019	Indefinite
Martynas Repečka	Finance Director, Chief Financial Officer (CFO)	15 May 2017	Indefinite
Tadas Baliutavičius	Agriculture Production	11 December 2018	Indefinite

	Manager		
Laurynas Miškinis	Development and Sales of Organic Products Manager	22 February 2016	Indefinite
Gediminas Judzentas	Marketing Manager	20 January 2016	Indefinite

**The identity of statutory auditors of the Issuer:**

PricewaterhouseCoopers UAB. PricewaterhouseCoopers UAB headquarters are registered at J. Jasinskio str. 16B, LT-03163 Vilnius, Lithuania, tel. +370 5 239 2300, fax +370 5 239 2301, audit licence number is 000173. The audit for the years 2018, 2017 and 2016 was executed by auditor Mr. Rimvydas Jogėla, auditor's licence No. 000457.

**What is the key financial information regarding the Issuer?**

In the tables below the key financial information as at the end of each of the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 and the six months ended 30 June 2019 and 30 June 2018 which have been extracted or derived from the Consolidated Annual Financial Statements (audited) and Consolidated Interim Financial Statements (unaudited) incorporated by reference to the Prospectus respectively is indicated. The information has been presented in accordance with Annex II of European Commission Delegated Regulation 2019/979/EU as deemed most appropriate in relation to the offer Bonds by the Company.

**Consolidated Income Statement**

(EUR'000)	Year ended 31 December 2016	Year ended 31 December 2017	Year ended 31 December 2018	6-months period ended 30 June 2018	6-months period ended 30 June 2019
	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Revenues	39,630	48,784	54,749	25,009	28,841
Gross profit (loss)	10,777	14,931	3,663	4,290	6,327
Operating profit (loss)	3,890	6,697	(3,938)	1,451	2,300

**Consolidated Balance sheet**

(EUR'000)	As at 31 December 2016	As at 31 December 2017	As at 31 December 2018	As at 30 June 2019
	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>
Total assets*	122,090	148,548	171,890	209,605
Adjusted working capital**	19,604	26,101	37,674	42,036
Net financial debt (long term debt plus short term debt minus cash)*	30,341	42,970	53,581	88,695
Net financial debt (long term debt plus short term debt minus cash) (excl. IFRS16 effect)*	30,341	42,970	53,581	56,125

\* Net financial debt (long term debt plus short term debt minus cash) measure indicates total financial indebtedness of the Group, net of cash hold. This measure allows the reader to have better understanding of total financial indebtedness dynamics of the Group during comparative periods. The Group has adopted IFRS 16 from 1 January 2019 and has not restated comparatives for the reporting period ended as at 31 December 2018, as permitted under the specific transitional provisions in the reporting standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized starting from 1 January 2019. On adoption of IFRS 16, the Group recognized right to use an asset and lease liability in relation to leases which had previously been classified as "operating leases" under the principles determined previously by IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. For comparison purposes, net financial debt measure with IFRS 16 effect and eliminating IFRS 16 effect is provided as at 30 June 2019. Net financial debt (long term debt plus short term debt minus cash) (excl. IFRS16 effect) measure as at 30 June 2019 was calculated eliminating EUR 32,570 thousand amount of lease liabilities which previously would have been classified as "operating leases" under the principles determined previously by IAS 17 (88,695-32,570=56,125).

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

**Consolidated Cashflow statement**

(EUR'000)	Year ended 31 December 2016	Year ended 31 December 2017	Year ended 31 December 2018	6-months period ended 30 June 2018	6-months period ended 30 June 2019
	<i>audited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>unaudited</i>
Net Cash flows from operating activities	806	4,365	(11,486)	(4,534)	(434)
Net Cash flows from investing activities	1,430	(6,552)	(6,036)	(3,519)	(1,610)

Net Cash flow from financing activities	(4,654)	1,158	19,183	8,305	633
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**Audit qualifications:**

There was no qualification or emphasis of the matter in the auditor's report on the Group's and the Company's consolidated and separate financial statements for the year ended 31 December 2018.

PricewaterhouseCoopers UAB included the following emphasis of matter paragraph in its auditor's report on the Group's and the Company's consolidated and separate financial statements for the year ended 31 December 2017:

We draw attention to Note 30 to these separate and consolidated financial statements, and the key audit matter "Regulatory oversight actions over the Company" below, which describe the uncertainty related to the outcome of the legal dispute between the Company and the Bank of Lithuania. Our opinion is not qualified in respect of this matter.

PricewaterhouseCoopers UAB included the following emphasis of matter paragraph in its auditor's report on the Group's and the Company's consolidated and separate financial statements for the year ended 31 December 2016:

We draw attention to Note 30 to these separate and consolidated financial statements, and the key audit matter "Regulatory oversight actions over the Company" below, which describe the uncertainty related to the outcome of the legal dispute between the Company and the Bank of Lithuania. Our opinion is not qualified in respect of this matter.

*What are the key risks that are specific to the Issuer?*

Group specific risk factors:

- *The level of the Group's borrowed capital may lead to restricted financing opportunities of the Group and cause difficulties in settlement with creditors.*
- *The Group uses short-term credit line facilities renewed on annual basis in total amount of EUR 25,000 thousand to finance working capital.*
- *Credit risk of one Group Company may disperse to other Group Company(-ies) due to cross-default and/or cross-security among the companies.*
- *A considerable number of the Group Companies (as enterprises and/or their securities), as well as assets of the Group Companies are pledged/mortgaged.*

Industry specific and legal and taxation risk factors:

- *Climatic conditions.* Climatic conditions are one of the most significant risk factors of agricultural activities. Poor or adverse meteorological conditions have a dominant influence on productivity and may significantly adversely affect the yield of agricultural products, cause harm to preparation of foodstuffs, destroy crops and cause other damage.
- *Prices of agricultural products.* The Group's income and business results are subject to many factors, including the prices of agricultural products, which are beyond the Group's control. Various unpredictable factors (climatic conditions, national agricultural policy, changes in worldwide demand determined by changes in the world population, changes of living conditions and volumes of competing products in other countries) also have a significant influence on the prices of agricultural products.
- *Changes in EU subsidies.* The Issuer receives significant income from EU subsidies and this is important for the continued viability of the business.
- *Loss of recognitions and certifications.* The Issuer is currently recognised as an organic producer and holds various certifications. This can be considered an important part of the Issuer's brand and market positioning, thus loss of these certifications may result in a decline in demand or the Issuer's brand value. Loss of certification as an organic producer would also reduce the potential income from EU subsidies relating to organic farming.
- *Risk of diseases.* The Group's business is *inter alia* related to assets of plant or animal origin. Epidemic cattle diseases (e.g., bovine spongiform encephalopathy or 'mad cow disease'), any diseases, bacteria, etc. may decrease demand of such products due to fear of consequences arising from these issues.
- *Judgments of non-Lithuanian courts against the Company may be more difficult to enforce than if the Company and its management were located in other respective countries.*

**Key information on the securities**

***What are the main features of the securities?***

***Their type, class and ISIN:***

Bonds under the Programme – up to an aggregate principal amount of EUR 60,000,000. Bonds of the Company – debt bonds with a fixed-term, non-equity (debt) securities under which the Company shall become the debtor of the Bondholders and shall assume obligations for the benefit of the Bondholders.

All the Bonds of the Company (when issued) will be in non-material registered form registered within the Nasdaq CSD. Prior to Offering of the Bonds in each of the respective Tranche, the Issuer shall apply to Nasdaq CSD for assignment of ISIN to Bonds, which shall be indicated in the Final Terms.

Issue specific summary (Tranche 1): Tranche number: 1, ISIN Code: LT0000404238.

The Company has applied to CICERO Shades of Green for a second opinion to establish whether the Bonds are in line with the stated definition of green bonds within the International Capital Market Association Green Bond Principles. The Company received the second opinion before the Offering of the Tranche 1 Bonds, which is announced together with this Summary (please see Annex to the Final Terms of the Tranche 1 Bonds).

***Their currency, denomination, par value, the number of securities issued and the term of the securities:***

Currency of the issue under the Programme – EUR.

Issue specific summary (Tranche 1): Maturity Date: 17 December 2024. Nominal value and issue price of the Bond: EUR 1,000. Issue price of EUR 1,000 is applicable for the category of Investors, which will subscribe the Bonds for an aggregate amount of less than EUR 3,000,000. For the category of Investors, which will subscribe the Bonds for an aggregate amount of at least EUR 3,000,000, the Issue Price may be established by the Issuer, in consultation with the Global Lead Manager, lower than EUR 1,000, depending on provided Subscriptions by such Investors. The exact Issue Price to this category of Investors will be decided by the Board of the Company and announced together with announcement on final allocation of Bonds. Aggregate principal amount: up to EUR 20,000,000. The Issuer may decrease the aggregate principal amount of the Tranche 1 during the Subscription Period of the Tranche 1. The final aggregate principal amount of the Tranche 1 will be specified in the notification regarding allotment of Bonds to the Investors, which will be published on the websites of the Company and Global Lead Manager after allotment thereof to the Investors.

Issue specific summary (Tranche 1): Annual Interest Rate of the Bonds: 6%. Interest Payment Dates: 17 December 2020, 17 December 2021, 17 December 2022, 17 December 2023, 17 December 2024.

***The rights attached to the securities:***

Bondholders shall have the rights provided in Law on Protection of Interests of Bondholders, the Civil Code, the Law on Companies and other laws regulating the rights of bondholders, as well as the rights specified in the respective decision to issue Bonds. The Bondholders shall have the following main rights:

- (a) to receive the cumulative interest accrued annually;
- (b) to receive the nominal value of Bonds and the cumulative interest accrued and not yet paid on the maturity date of the Bonds;
- (c) to sell or transfer otherwise all or part of the Bonds;
- (d) to bequeath all or part of owned Bonds to the ownership of other persons (applicable only towards natural persons);
- (e) to participate in the Bondholders' Meetings;
- (f) to vote in the Bondholders' Meetings;
- (g) to initiate the convocation of the Bondholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (h) to adopt a decision to convene the Bondholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Bondholders;
- (i) to obtain the information about the Issuer, the respective issue of Bonds or other information related to the protection of his/her/its interests;
- (j) to receive from the Agent a copy of the contract concluded between the Issuer and the Agent;
- (k) other rights, established in the applicable laws.

The rights of Bondholders shall be executed during the term of validity of the respective Bonds according to the order, indicated in the Base Prospectus, Final Terms and the applicable Lithuanian laws.

***The relative seniority of the securities in the Issuer's capital structure in the event of insolvency:***

Issue specific summary (Tranche 1): Taking into consideration that the collateral shall be established with respect to the Tranche 1 Bonds, such Bonds and coupons relating to them shall constitute senior secured obligations of the Issuer and shall rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under such Bonds and coupons relating to them, in as much as such payment obligations have not been settled in due time and from the value of the established collateral, shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer.

***Any restrictions on the free transferability of the securities:***

There are no restrictions on transfer of Bonds as they are described in the applicable Lithuanian laws. However, the Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Lithuanian laws, including, without limitation, in the United States of America, Australia, Canada, Hong Kong and Japan.

***Where will the securities be traded?***

The Bonds shall be applied for introduction to trading on a Baltic Bond List of Nasdaq Vilnius once the Bonds shall be subscribed and fully paid by the Investors and registered with Nasdaq CSD. In case not all the Bonds of the Tranche 1 are subscribed and/or fully paid by the Investors, the Management Board may decide to issue and introduce to trading on Nasdaq Vilnius any lesser number of Bonds, offered during the Tranche 1 Offering.

The Issuer expects that the Bonds shall be admitted to trading on Nasdaq Vilnius within 6 (six) months as from placement of the Bonds of the Tranche 1 the latest. Disregarding this, the Issuer will put its best endeavours so that this term would be as short as practicable possible.

The Issuer shall also put its best efforts to ensure that the Bonds remain listed on the Nasdaq Vilnius. The Issuer shall, following a listing or Admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Bonds.

***What are the key risks that are specific to the securities?***

- *The Bonds may be not as suitable investment for all investors.* Each potential Investor in the Bonds must determine the suitability of that investment in light of its own circumstances. Retail Investors should consult with their investment adviser or broker with respect to this issue.
- *Taxation of Bonds.* Potential purchasers/subscribers and sellers of the Bonds have to be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions.
- *The Bonds of Tranche 1 contain covenants governing the Issuer's operations, however, they not necessary limit the Company's ability to effect all the possible significant transactions that may have a material adverse effect on the Bonds and the Bondholders.*
- *No limitation on issuing additional debt.* The Issuer is not prohibited from issuing further debt as long as the Interest Coverage Ratio (ICR) and/or Consolidated Equity to Assets ratio and/or Collateral Coverage Ratio (CCR), indicated in the Prospectus and Final Terms of the Tranche 1 Bonds are fulfilled.
- *Risks relating to collateral.* Disregarding the fact that Tranche 1 Bonds are secured by providing in favour of Bondholders of the Tranche 1, certain assets of the Issuer and/or other Group Companies, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts owed to the Bondholders of the Tranche 1.

**Key information on the offer of securities to the public and the admission to trading on a regulated market**

***Under which conditions and timetable can I invest in this security?***

The Programme, under which Tranche 1 Bonds are being issued and offered consists of: (i) public offering(s) to Retail Investors and Institutional Investors in the Republic of Lithuania and in the Republic of Estonia, and (ii) private placement(s) (offering(s)) to Institutional Investors and Retail Investors in certain Member States of the EEA in each case pursuant to an exemption under Article 1 of the Prospectus Regulation.

Only such prospective Investors will be eligible to participate in the Offering who at or by the time of placing their orders (before the end of the Subscription Period) have opened securities accounts with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania or of the Republic of Estonia.

By submitting a Subscription Order, each Investor shall authorise and instruct the institution operating the Investor's cash account connected to investor's securities account (which may or may not also be the financial institution through which the Subscription Order is being submitted) to immediately block the whole transaction amount on the Investor's cash account until the payment for the allotted Bonds is completed or until funds are released in accordance with the Prospectus. The transaction amount to be blocked will be equal to the Offer Price multiplied by the amount of the Bonds, the respective Investor wishes to subscribe for. An Investor may submit a Subscription Order only when there are sufficient funds on the cash account. If blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.

At the time of placing the Subscription Orders, Investors shall be required to make an irrevocable instruction for depositing the Bonds in a securities account maintained in their name and opened with entities of their choice which are licensed to provide such services within the territory of the Republic of Lithuania and/ or in the Republic of Estonia.

By placing a Subscription Order, each Investor will be deemed to have read the Base Prospectus, the Company's Articles of Association and the contract between the Company and the Agent and accepted their content, as well as have read the Final Terms of Tranche 1 Bonds, consented to being allotted a lower number of Bonds than the number

specified in such Investor's Subscription Order, or to not being allotted any Bonds at all, pursuant to the terms and conditions of the Offering.

#### *Subscription Procedure; invalidity of the Subscription Orders*

The subscription period for each respective Tranche (the "Subscription Period") will be specified in the Final Terms. The Investors wishing to subscribe/purchase the Bonds shall submit their orders to acquire the Bonds (the "Subscription Orders" or "Subscriptions") at any time during the Subscription Period.

The Subscription Orders may be submitted through any financial institutions (each a "Participating Institution") that are members of Nasdaq Vilnius. A complete and up to date list of these financial institutions can be found at the following address: <https://www.nasdaqbaltic.com/statistics/en/members>.

The treatment of Subscription Orders in the allocation is not determined on the basis of which institution they are made through.

Total amount of the Bonds to be acquired and indicated in each Subscription Order shall be for at least Minimum Investment Amount.

All Subscription Orders shall be binding and irrevocable commitment to acquire the allotted Bonds, with the exceptions stated below.

The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. Neither the Issuer, nor the Global Lead Manager has any obligation to inform the Investors about the fact that their Subscription Orders are invalid.

#### *Place of Subscription*

Issue specific summary (Tranche 1): The Subscriptions will be placed by the Investors through the technical means of Nasdaq Vilnius and on the forms stipulated by Nasdaq Vilnius.

Subscriptions will be accepted if Investors have a brokerage account agreement with the Global Lead Manager or other entities of their choice, which are licensed to provide such services within the territory of the Republic of Lithuania and/or in the Republic of Estonia.

Firms managing securities portfolios on a discretionary basis will have to place subscription orders for the Bonds by submitting the Subscription Order form along with a list of Investors on whose behalf the Subscription Order is placed. The list must include details required to be included in the Subscription Order form with respect to each Investor listed, and must be signed by persons authorised to represent the firm.

Issue specific summary (Tranche 1): Minimal Investment Amount: EUR 1,000. Subscription Period – 2 December 2019 – 12 December 2019 (until 15:30 Vilnius time). Expected Issue Date of Tranche 1 Bonds – on or about 17 December 2019.

#### *Allotment*

Issue specific summary (Tranche 1): On the next Business Day following the end of the Subscription Period or about that date the Issuer together with the Global Lead Manager will decide whether to proceed with the Offering of the Tranche 1 Bonds or cancel the Offering of this Tranche.

In case the Offering of the Tranche 1 Bonds is cancelled, the Issuer will publish an announcement on its website as well as submit this information to the Bank of Lithuania.

In case the Issuer decides to proceed with the Offering of the Tranche 1 Bonds, the following actions shall be taken on the next Business Day following the Subscription Period or about that date:

#### 1. Allotment of the Bonds to the Investors

The Issuer together with the Global Lead Manager will establish the exact amount of the Bonds to be allotted with respect to each Subscription Order.

As a general principle, if the total number of the Bonds subscribed for in is equal to or less than the number of the Bonds and the Issuer decides to proceed with the Offering of the Tranche 1 Bonds, the Bonds will be allotted based on Subscription Orders placed.

In case the total number of the Bonds subscribed for in is higher than the number of the Bonds and the Issuer decides to proceed with the Offering and it is decided to reduce the Subscriptions placed, in case of Retail Investors, the proportionate reduction principle would be applicable and the Issuer will not give preferential treatment or discriminate against and between Retail Investors. As far as the allotment to the Institutional Investors is concerned, the Bonds may be allocated to them at an entirely discretionary manner of the Issuer.

The Issuer and the Global Lead Manager will not be obliged to allocate any Bonds to any Investors participating in the Offering. Furthermore, there will be no target minimum individual allotment to the Investors.

## 2. Confirmations

After completion of the allotment the Global Lead Manager shall submit a trade confirmation (the "Confirmation") to each Investor. The Confirmation will evidence the extent of satisfaction or rejection of the Subscription Order submitted by the Investor, the number of Bonds allotted to the Investor.

## 3. Information about the Results of the Offering

Information about the results of the Offering of each Tranche (amount of the Bonds issued and aggregate principal amount of the respective Tranche) shall be published on the Issuer's website [www.auga.lt](http://www.auga.lt) as well as at [www.crib.lt](http://www.crib.lt), [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com), [www.gpwinfostrefa.pl](http://www.gpwinfostrefa.pl) and at [www.gpw.pl](http://www.gpw.pl).

### **Estimate of the total expenses of the issue and offer:**

Following the preliminary calculations, the Issuer's expenses, related to this Offering and Admission, shall comprise of up to 2.3 percent from the gross proceeds from the placement of the Bonds (including the fees for the Global Lead Manager, the legal counsel, fees to the Bank of Lithuania for approval of the Prospectus, fees to Nasdaq CSD and Nasdaq Vilnius and fees for the preparation of the Prospectus).

The Issuer agreed to pay all commissions and expenses in connection with the Offering and Admission. However, Investors will bear their own costs connected with the evaluation and participation in the Offering, e.g. standard brokerage fees charged by broker. Investors may incur currency exchange costs, which will depend on applicable transaction fee and applied exchange rate by their bank or brokerage company.

### **Who is the Global Lead Manager, Bookrunner and Arranger of the Programme?**

The Global Lead Manager, Bookrunner and Arranger of the Programme is LHV Pank AS. LHV Pank AS, a bank registered at the Estonian Commercial Register as a public limited liability company, under registry code 10539549, it has been established and is currently operating under the laws of the Republic of Estonia. The contact details of the Company are the following: address Tartu mnt 2, 10145 Tallinn, Estonia, phone +372 680 0420, e-mail [maaklerid@lhv.ee](mailto:maaklerid@lhv.ee). LHV Pank AS LEI is 529900GJOSVHI055QR67.

### **Why is the Base Prospectus being produced?**

The Base Prospectus is designated to (i) Bonds issue Programme for the Offering of Bonds of the Company in the amount of up to EUR 60,000,000 and (ii) Admission thereof to trading on the Baltic Bond List of Nasdaq Vilnius.

The Offering of Tranche 1 Bonds includes a part of the above amount of up to EUR 20,000,000.

The purpose of the Offering is to raise capital for the below indicated reasons.

In connection with the Offering of the Tranche 1 Bonds, the Issuer will receive net proceeds of up to EUR 20,000,000, assuming that all the Bonds are subscribed for and fully paid-up. The Issuer intends to use the proceeds from the Offering (net of legal, Global Lead Manager, Agent fees, and any other agreed costs and expenses relating to the Offering and/or the Admission) for the following purposes:

- (i) up to EUR 1.23 million and accrued interest up to the date of payment thereof for repayment of the outstanding part of the acquisition price of the land plots, to be provided as collateral;
- (ii) up to total aggregate of EUR 4.5 million – partial repayment of credits to the current financing banks of the Company's group in exchange for release of part of collateral;
- (iii) up to EUR 1.03 million and accrued interest up to the date of payment thereof for redemption of bonds of nominal value EUR 1,000,000, issued by one of the Group Companies AWG Investment 1, UAB, with the early redemption fee being 3% from nominal value from ORION Private Debt Fund I and
- (iv) working capital and other general corporate purposes, including for ensuring continuity of the organic farming projects that the Company develops to make its operations, processes and products more sustainable.



On 25 November 2019 the Issuer has entered, into a placement agreement in respect of the Programme with the Global Lead Manager, in which the Global Lead Manager committed to undertake certain actions in connection with organization of the Offering and Admission.

The Issuer and the Global Lead Manager do not expect to enter into an underwriting agreement.