



Presentation on the financial results for the 9 months of 2023

Presented by



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Chair of the Board of AUGA group, AB

Content

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Results for the 9 months of 2023

EUR million	2023 9M	2022 9M	Variance	2021 9M
Revenue	59.93	57.71	+4%	54.90
Gross profit	(1.87)	13.14	-114%	1.70
Net profit	(12.15)	(0.62)	+1,860%	(10.43)
EBITDA	(1.22)	16.78	-107%	5.45

The revenue of the 9 months of 2023 has practically stayed on the same level with 2022.

The drop in organic food consumption had driven down the prices of organic commodities and had major impact on our financial results.

Group has already taken strategic decisions to address the situation and to diversify part of its business - a third of the land will be cultivated using regenerative conventional farming.



Results by segment: crop growing

Crop growing

Overview of main crops

Wheat and legumes account for 2/3 of land dedicated to cash crops.

Significant decrease of legumes' yield was caused by drought in spring of 2023.

Summer crops (legumes) have always been more susceptible to unfavorable weather conditions. As a result of AUGA's decision to diversify into regenerative conventional agriculture, the area of winter crops has been increased from 14 to 19 thous. ha (36%).

Cost has increased due to higher fertilizers, seeds prices and average salary. In 2024, total costs are expected to reduce.

Wheat	2022/2023	2021/2022	Variance
Area, ha	11,345	11,693	-3%
Yield, t/ha	3.58	3.41	+5%
Price, Eur/t	260	403	-35%
Cost, Eur/ha	1,142	1,033	+11%
Profit, Eur/ha	(213)	341	n/a

Legumes	2022/2023	2021/2022	Variance
Area, ha	8,077	6,785	+19%
Yield, t/ha	1.42	2.32	-39%
Price, Eur/t	467	576	-19%
Cost, Eur/ha	940	926	+2%
Profit, Eur/ha	(278)	458	n/a

Crop growing

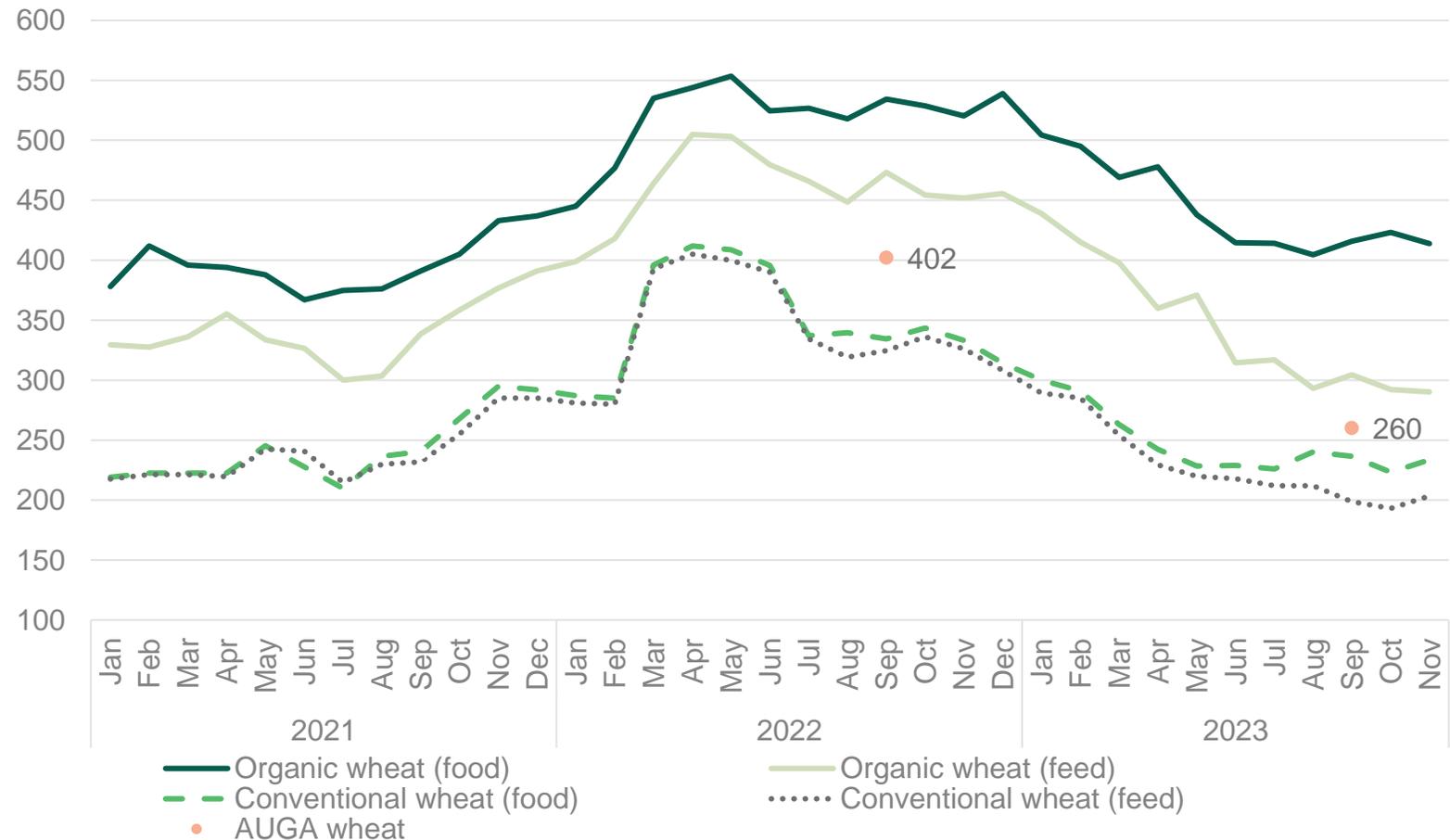
Commodity price trends

Organic commodity market is slow in 2023 and spot selling prices are significantly lower than statistical average.

AUGA's accounted POH price is now fixed at EUR 260 close to conventional.

At the end of November, 70% of AUGA's 2023 harvest for sale was contracted.

Organic vs. Conventional wheat price in Germany*, EUR/t



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

Crop growing

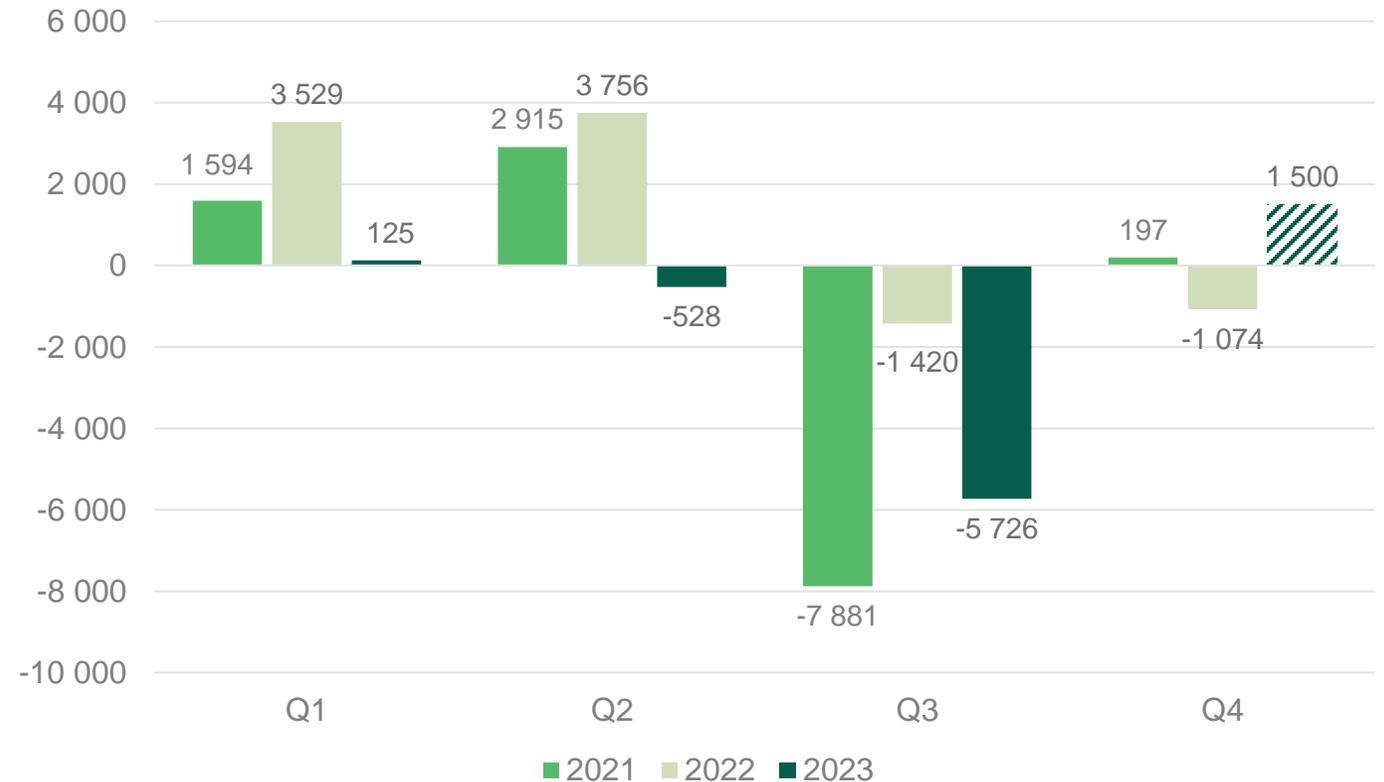
Revaluation of biological assets

In Q3 the decrease in value was mainly due to lower yield of legumes (EUR -3.95 million) and higher than planned cost of production.

Preliminary Q4 revaluation is based on the 2023 Q4 harvest results, the value of 2024 harvest, and the current market prices which will be adjusted at the end of the year.

The estimated Q4 revaluation is EUR 1.5 million.

Gain (loss) on initial recognition of biological asset at fair value per quarter, EUR '000



Crop growing

Financial results

Decreased commodity prices had major negative impact.

At Q3 2022 prices total gain on revaluation of Q3 2023 would have been EUR 9.1 million.

Sales results dropped by EUR 2.0 million due to crops sold at lower than previously accounted prices.

The Group received EUR 2.6 million less subsidies after conversion of its 1/3 organic land to conventional as one-off sanction for 2023. It has been offset by the higher subsidies per ha in the new agricultural program.

	2023 9M	2022 9M	Variance	2021 9M
Total cultivated land, ha	38,190	38,525	-1%	39,139
EUR million	2023 9M	2022 9M	Variance	2021 9M
Total gain (loss) on revaluation of biological assets (crops)	(4.16)	8.20	n/a	(1.35)
Gain (loss) on revaluation of biological assets (crops) recognized in previous period	1.97	2.33	-15%	2.02
Gain (loss) on revaluation of biological assets (crops) recognized in current period	(6.13)	5.86	n/a	(3.37)
Sales revenue	20.53	18.71	+10%	18.41
Cost of sales	(22.49)	(17.73)	+27%	(20.13)
Inventory write-offs	(0.13)	(0.95)	-86%	(2.38)
Result of internal transactions	(2.10)	(1.00)	+110%	-
Result of sales of agricultural produce	(4.20)	(0.96)	+338%	(4.10)
Subsidies	6.76	7.06	-4%	6.98
Gross profit	(3.57)	11.96	n/a	(0.50)



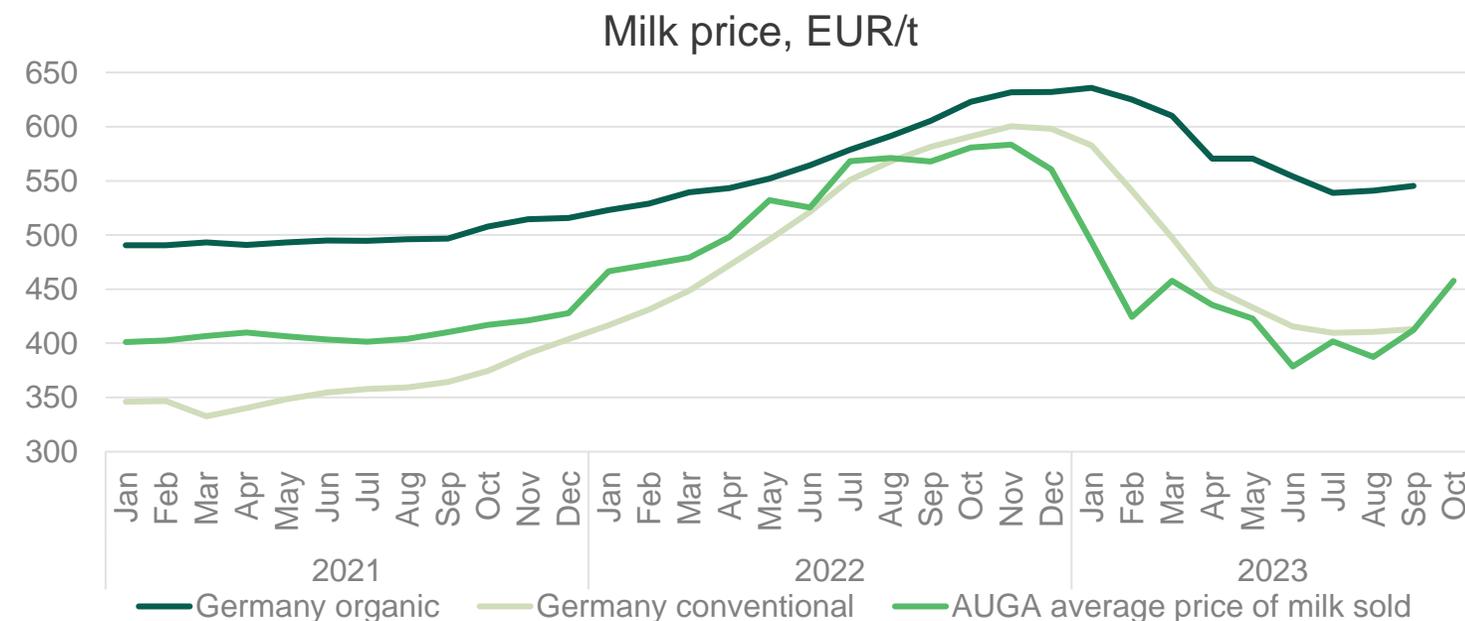
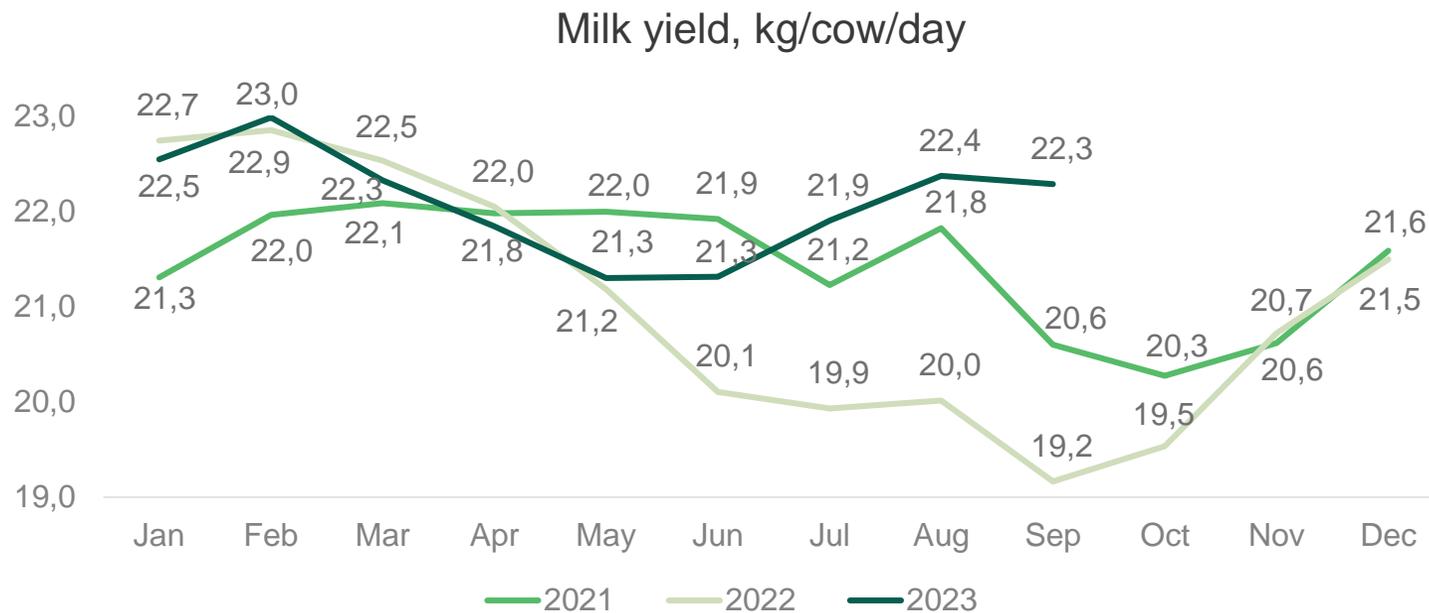
Results by segment: dairy

Dairy

Yield and price dynamics

Milk yield per cow was 4% higher in the 9 months of 2023 vs. the same period last year.

We observe a positive development in commodity milk price since the lowest point in summer 2023.



Dairy

Financial results

Total produced milk volume increased by 2% YoY. The registered sales volume here was 1% lower as part of the milk was used for the production of AUGA's dairy products, reflected in the FMCG results.

Decreased prices of raw milk resulted in a gross loss. At 2022 prices the result of the 9 months of 2023 would have been EUR 1.7 million higher.

	2023 9M	2022 9M	Variance	2021 9M
Sales volume*, t	20,077	20,249	-1%	20,168
Milk	18,528	19,305	-4%	19,112
Milk commodities	885	332	+167%	502
Cattle	664	612	+8%	554
EUR million	2023 9M	2022 9M	Variance	2021 9M
Sales revenue	11.26	12.32	-9%	10.16
Milk	7.86	10.01	-21%	7.89
Milk commodities	2.45	1.26	+94%	1.62
Cattle	0.95	1.04	-9%	0.65
Cost of sales	(11.71)	(11.02)	+6%	(9.87)
Milk	(8.37)	(8.76)	-4%	(7.72)
Milk commodities	(2.39)	(1.22)	+96%	(1.50)
Cattle	(0.95)	(1.04)	-9%	(0.65)
Revaluation of biological assets	(2.24)	(1.77)	+27%	(2.48)
Subsidies	2.10	2.14	-2%	2.36
Gross profit	(0.60)	1.67	n/a	(0.17)

* Excluding the milk used for the production of AUGA's FMCG products



Results by segment: mushroom growing

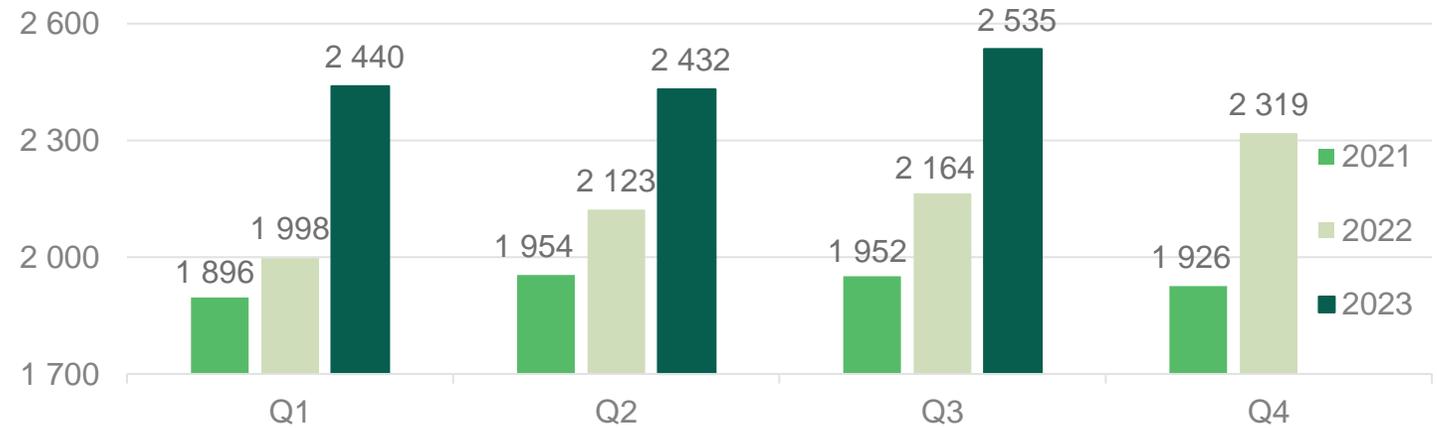
Mushroom growing

Price and production volume dynamics

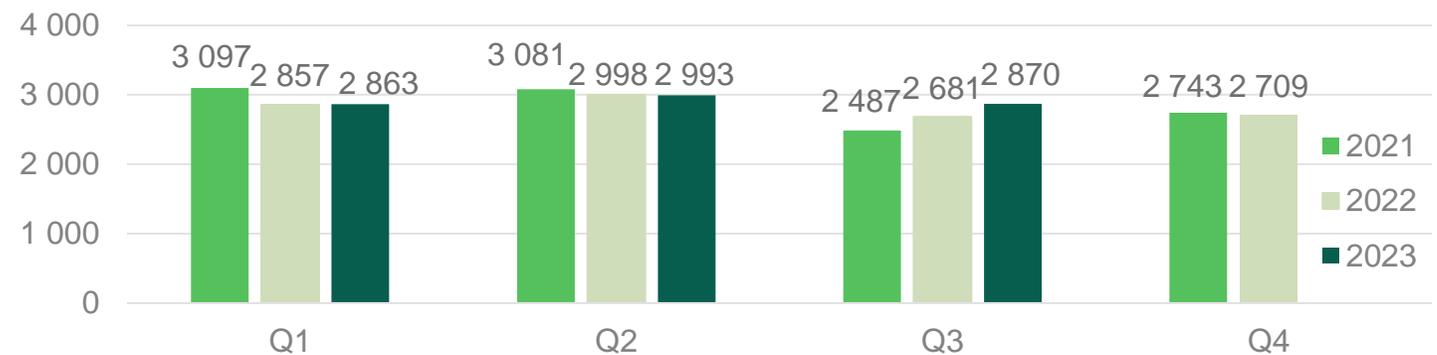
Price of mushrooms excluding transport and packaging was 17% higher YoY and currently has stabilised.

Production volume is stable and was less affected by seasonal decline in Q3 compared with Q3 of previous years.

Price of mushrooms (excl. transport and packaging), EUR/t



Mushrooms produced, t



Mushroom growing

Financial results

Higher sales prices, contained production costs and lower energy prices have led to the improvement of financial results.

	2023 9M	2022 9M	Variance	2021 9M
Mushrooms sales volume, t	8,640	8,834	-2%	9,072
Average price (EUR/t)	2,605	2,359	+10%	2,326
EUR million	2023 9M	2022 9M	Variance	2021 9M
Total sales revenue	22.86	21.17	+8%	21.46
Mushrooms sales revenue	22.51	20.84	+8%	21.10
Compost sales revenue	0.35	0.33	+6%	0.36
Cost of sales	(21.74)	(22.68)	-4%	(20.90)
Cost of mushrooms sold	(21.39)	(22.35)	-4%	(20.71)
Cost of compost sold	(0.35)	(0.33)	+6%	(0.20)
Gross profit	1.12	(1.51)	n/a	0.56



Results by segment: FMCG

FMCG

Change in revenue structure

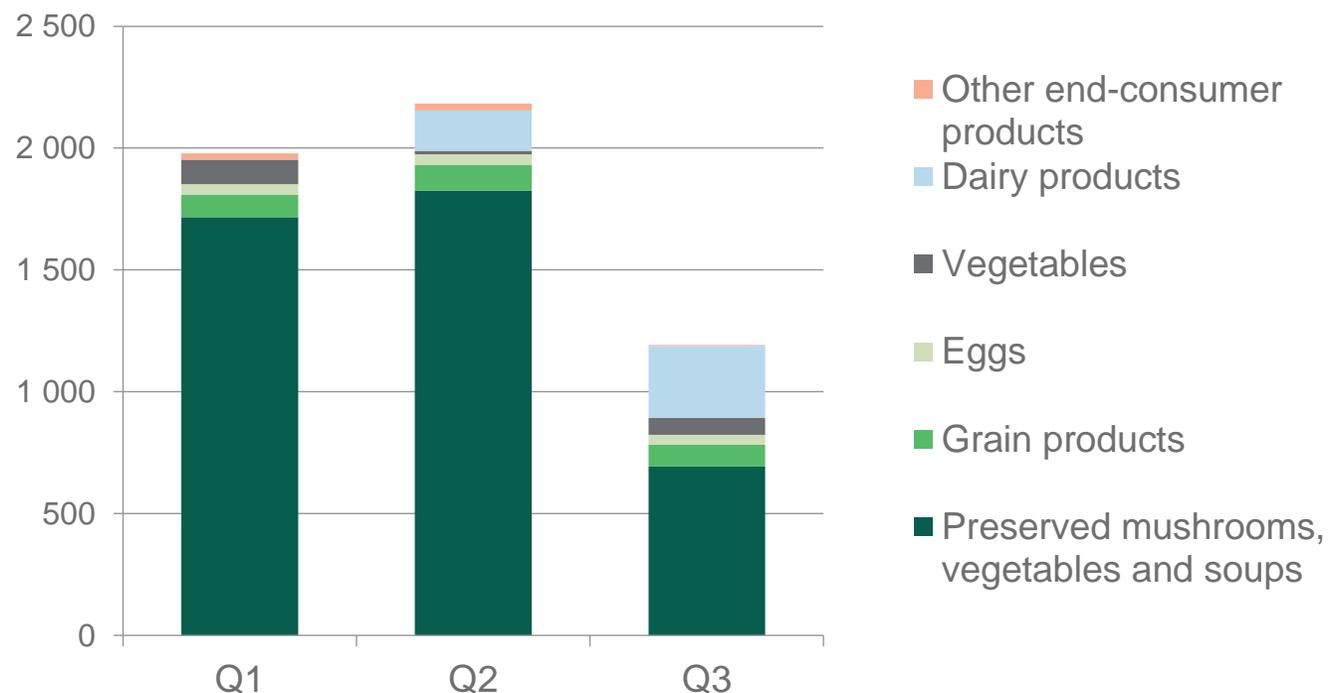
In July 2023, AUGA group sold its subsidiary Grybai LT, producer of ready-to-eat soups and preserved products, and discontinued its operations in respective FMCG sub-category

The new FMCG product line was introduced in April and in Q3 already accounted for 41% of the segment's revenue.

Bringing the new category to the market has been a priority originating from AUGA 2025 Strategy.

EUR million	2023 9M	2022 9M	Variance	2021 9M
Sales revenue	5.28	5.50	-4%	4.88
Cost of goods sold	(4.11)	(4.49)	-8%	(3.41)
Gross profit	1.17	1.01	+16%	1.47

FMCG revenue structure, EUR thousands



FMCG

New product line for consumers

In spring 2023, AUGA has launched a new product line with 'mission no cost to nature': milk, kefir, curd, sour cream, oat flakes, and eggs.

In Q3 the product line has been extended to include vegetables, butter, and UHT milk as well as a lactose-free option.

The main sales channels remain retail chains, expanding into Horeca.



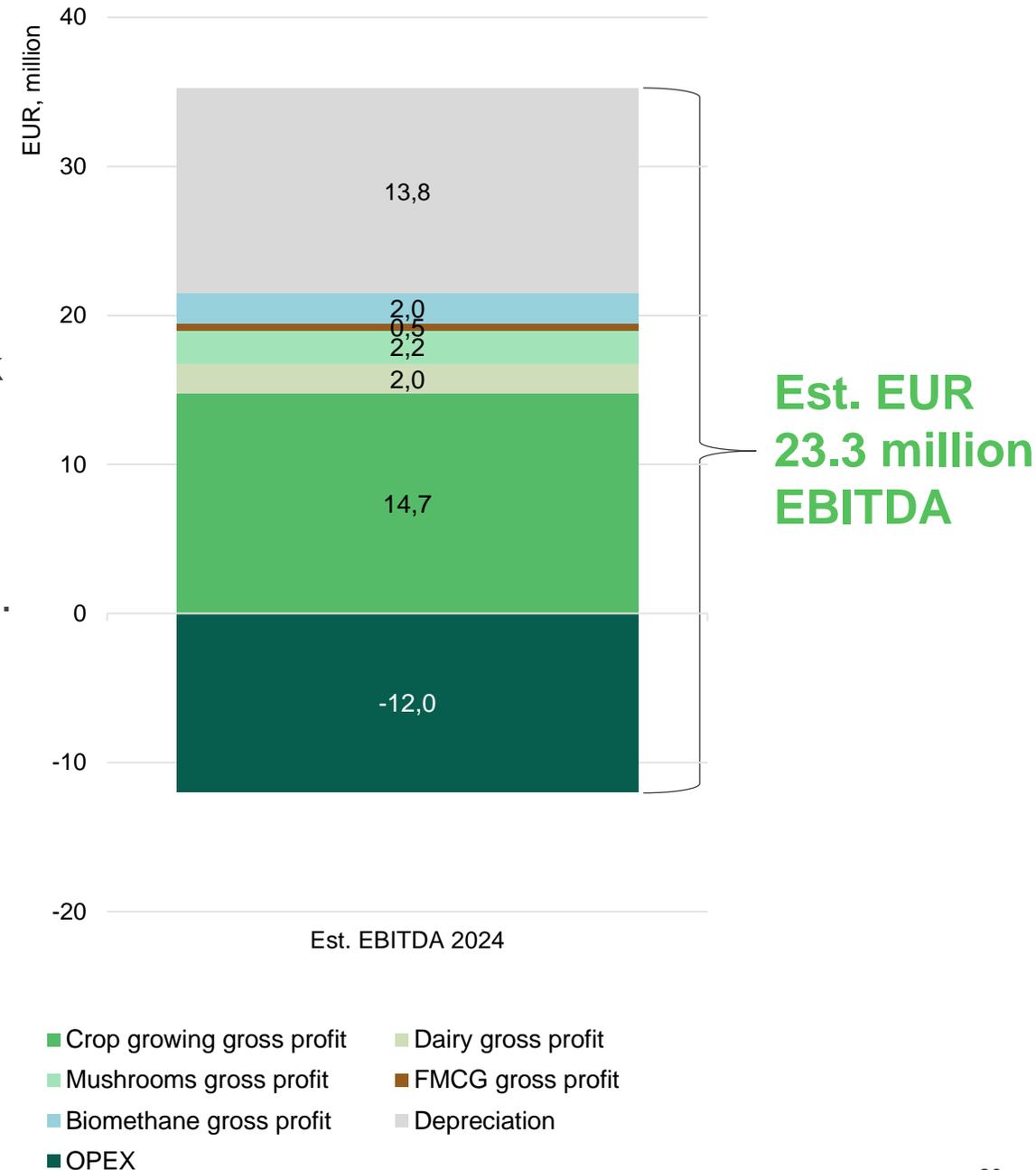


Outlook for 2024

Outlook for 2024

The main assumptions for the 2024 EBITDA projections are the following:

- The prices for organic commodities are based on the lower 2023 POH-price level, while price for organic milk is based on the 0.48 EUR/l level.
- The prices for conventional commodities are based on the MATIF 2024, for wheat 236.25 EUR/t (2024 September) and rapeseed 442.75 EUR/t (2024 August).
- Conventional farming operations are planned to cover 15,500 ha, while organic farming operations – 22,700 ha.
- Estimated yields for the main cash crops: conventional winter wheat – 6.7 t/ha, conventional rapeseed – 3.5 t/ha, organic winter wheat – 4.2 t/ha, organic pulses - 2 t/ha.
- Estimated agricultural subsidies amount to 13.4 M EUR.





Strategy implementation and Tech projects

Green infrastructure

Biomethane

3 biomethane infrastructure objects have become operational.

Biomethane connectivity to the grid are being resolved.



Tech development

Sustainably powered machinery

The AUGA M1 tractors from the first production batch have undergone 2023 seasonal field-test. The generated valuable findings will allow AUGA Tech to improve the technology and ensure its' reliability on a scale.

Half-size of M1 electric multi-functional prototype tractor, able to cover the remainder of the farming needs, will be presented in Q1, 2024.

Both tractors are complementary technologies that will cover the full-scope of tractor's demand for farming operations, while addressing 100 per cent of fossil-fuel emissions.

The combination of both tractors paves the way to the commercialization of the emission reduction technologies.



Tech development

Specialized feed technology

AUGA Tech has been testing the technology for the last 2 years.

Recently, the following results have been validated and approved by scientists of Veterinary Academy of the Lithuanian University of Health Sciences (LSMU):

1. **13%** increase in the milk yield with no impact on the milk's quality.
2. **32%** reduced methane emissions from cows' digestive processes per litre of raw milk.



Tech development

The roadmap for AUGA Technology portfolio

A set of AUGA technologies has been delivered to a degree that show their functional viability, and, above all, ability to address the pollution problems.

These are ready to be scaled, but not at the expense of AUGA group operational and capital expenditures.

These technologies will be further streamlined by blended financial instruments, that may include attracting additional equity, securing sustainability grants, and applying for the EU Green Deal Industrialisation Plan schemes in Q1-Q2 of 2024.

We know how to feed the world in a carbon-neutral way

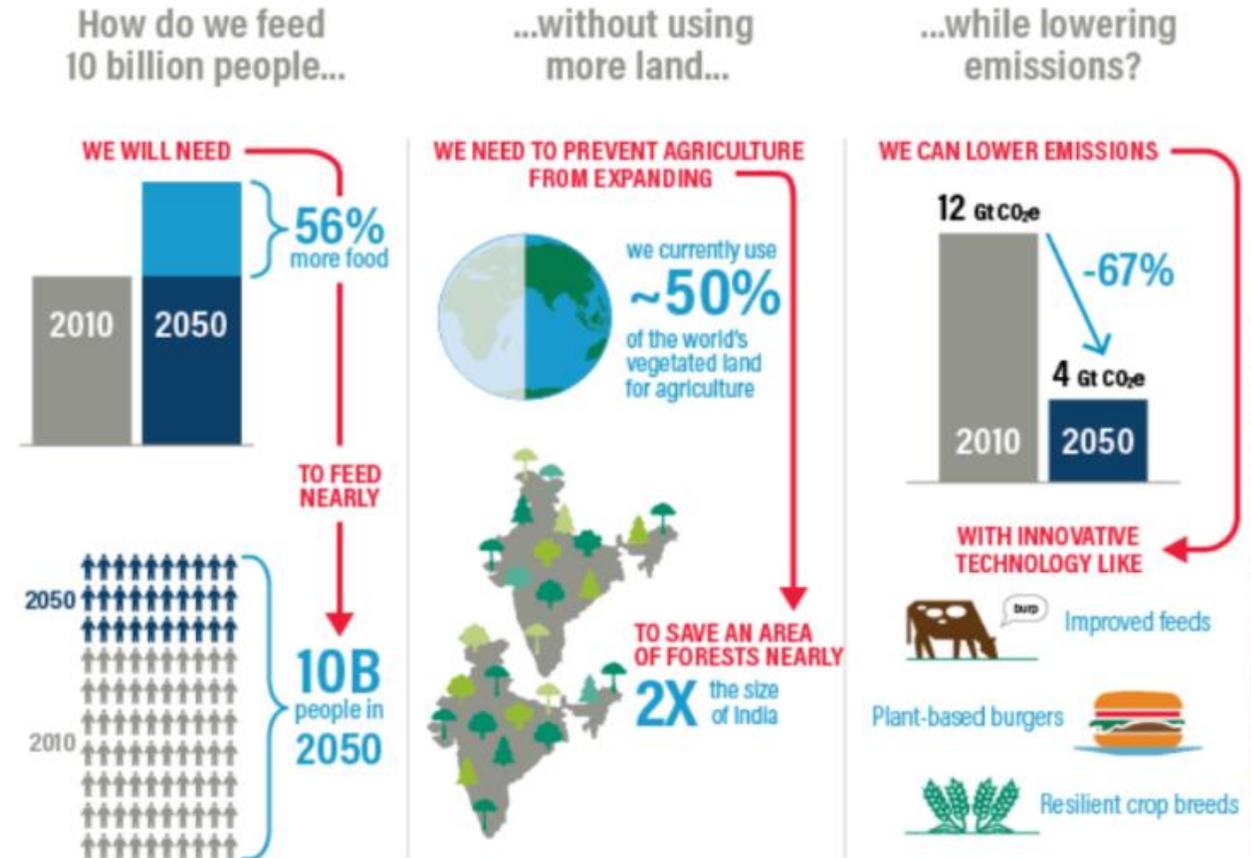
Actions needed by 2050:

- Boost food supply by 60%*.
- Reduce agricultural emissions by 67%**.
- Preserve yields from negative climate impact.

AUGA's technologies are aimed to solving these global issues.

*(2010 baseline of 24% global emissions) to meet 2°C goals

** (2005/2007 baseline) by 2050.



Source: wri.org/sustfoodfuture

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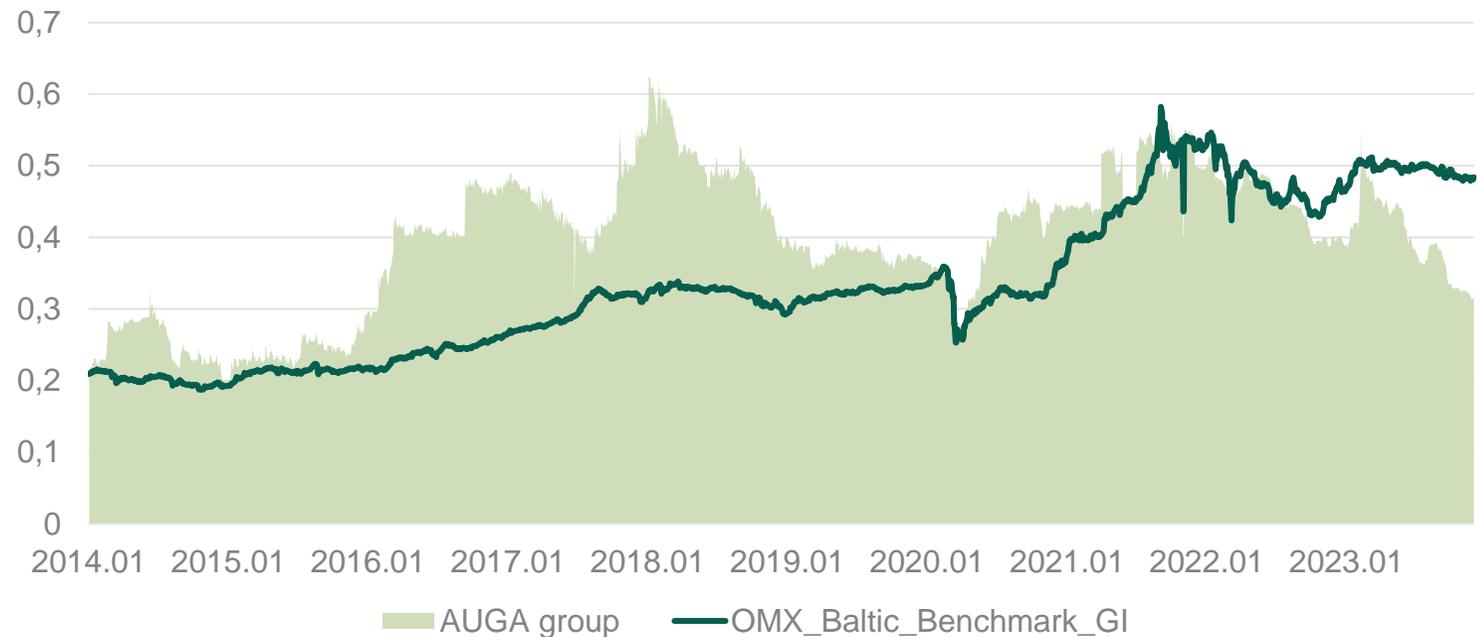
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Share price information

The share price decreased by 18% (from EUR 0.390 to EUR 0.319 per share) from the beginning of 2023 to 30th of November 2023.

The average monthly turnover was EUR 0.20 million.

AUGA group, AB share price on Nasdaq Vilnius, EUR



Valuation target price, EUR



0.48*



0.49

More information

- Nasdaq Vilnius, Baltic Main List, AUGA group, AB shares: [AUG1L](#)
- Nasdaq Vilnius, Baltic Bond List, AUGA group, AB green bonds: [AUGB060024A](#)
- Information for investors: <http://auga.lt/en/for-auga-investors>
- Analyst reports, data in MS Excel format: <https://auga.lt/en/investors/reports-and-presentations>
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