



PRESENTATION ON THE FINANCIAL RESULTS FOR 9 MONTHS OF 2021

AUGA group, AB



PRESENTED BY



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RESULTS

2nd worst harvest in AUGA group's history.

COVID-19, problems in production did not allow to reduce the losses from other segments.

2021 9M

Poor financial results mainly driven by challenges in the crop growing segment.

EUR million	2021 9M	2020 9M	Variance	2019 9M
Revenue	54.90	62.38	-12%	47.05
Gross profit	1.70	11.88	-86%	8.00
Net profit	(10.43)	0.44	n/a	(1.28)
EBITDA	5.45	15.94	-66%	12.43



Results by segment
Crop growing

Yields were affected by the record heat in June and July.

All main cultures have lower yield compared to previous season. Legumes and other summer cultures were especially affected.

Organic farms are more sensitive to extreme summer weather conditions due to crop structure.

In order to mitigate the risk, the Group aims to substitute up to 50% of current cash crops used for feed with leguminous grasses that are less sensitive to hot weather.



Yield	2017 9M	2018 9M	2019 9M	2020 9M	2021 9M
Wheat, t/ha	4.10	2.72	4.20	4.13	3.29
Legumes, t/ha	3.30	1.48	1.69	2.73	1.10

+3% YoY for already fully harvested crop. We expect slightly better result for all harvest.

Increase in diesel prices, labor and land rent costs were mitigated by:

- Increased efficiency;
- Decreased demand for fertilizers due to better crop rotation.

Costs	2019 9M	2020 9M	2021 9M
Wheat, EUR/ha	925	824	762
Legumes, EUR/ha	830	839	829



Growing prices had limited effect on AUGA group results

Positive trends:

- Conventional wheat price was higher by 30%, organic - by 8% in Q32021 vs Q32020. Average sales price of AUGA group's wheat increased by 16%.
- Conventional milling wheat price reached 311.5 EUR/t in November.

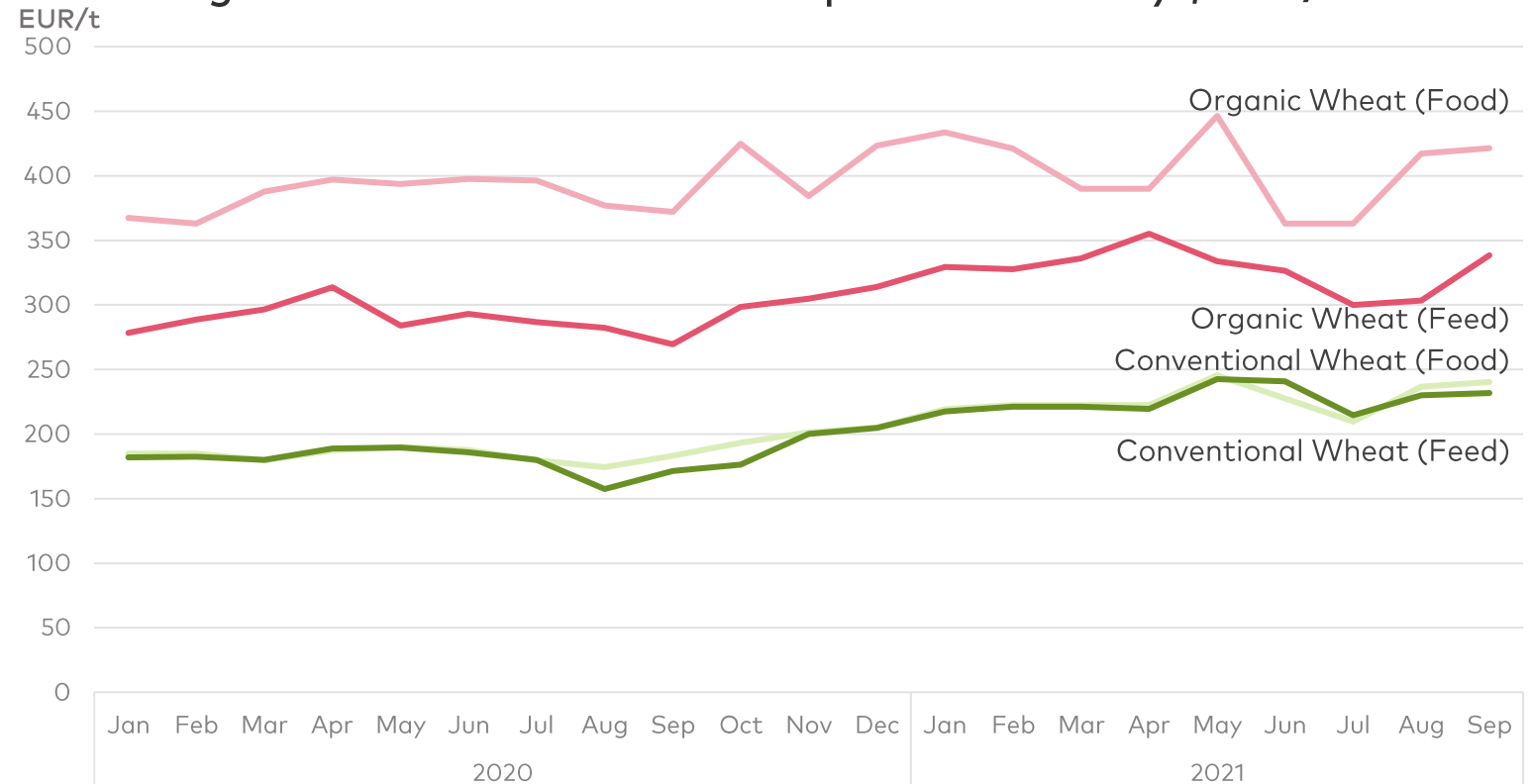
Limited effect of increased prices: AUGA group is contracting 30-40% of forecasted harvest before Q3 to mitigate the risks.

As for 30.11.2021 contracts are signed for 83% of 2021 harvest.

Positive impact from raising prices when remaining uncontracted harvest will be sold.

The trend provides optimism for next year's harvest: we already have preliminary offers to contract next year's harvest with 2%-65% higher prices.

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



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



CROP GROWING 2021 9M results



Change in gain (loss) on revaluation of biological assets corresponds to change of gross profit.

Sales revenue decreased as:

- smaller share of previous season's harvest was sold in 2021 compared to 2020;
- lower harvest of 2021.

	2021 9M	2020 9M	Variance	2019 9M
Total cultivated land, ha	39,139	39,637	-1%	38,564
EUR million	2021 9M	2020 9M	Variance	2019 9M
Total gain (loss) on revaluation of biological assets (crops)	(1.35)	7.94	n/a	3.88
Gain (loss) on revaluation of biological assets (crops) recognized in previous period	2.02	1.45	+39%	-
Gain (loss) on revaluation of biological assets (crops) recognized in current period	(3.37)	6.49	n/a	3.88
Sales revenue	18.41	26.21	-30%	15.33
Cost of sales	20.13	27.16	-26%	16.58
Inventory write-offs	2.38	0.98	+144%	0.73
Result of sales of agricultural produce	(4.10)	(1.93)	-113%	(1.99)
Subsidies	6.98	5.57	+25%	5.27
Gross profit	(0.50)	10.13	n/a	7.16



An aerial photograph of a large herd of dairy cows grazing in a lush green pasture. The cows are scattered across the field, with some standing and others lying down. The herd includes various breeds, such as black and white Holsteins, brown cows, and some with white patches. The grass is vibrant green, and the overall scene is peaceful and pastoral.

Results by segment

Dairy

Milk yield and price dynamics

The Group faced issues in the production in HY2021. However, results in Q3 improved.

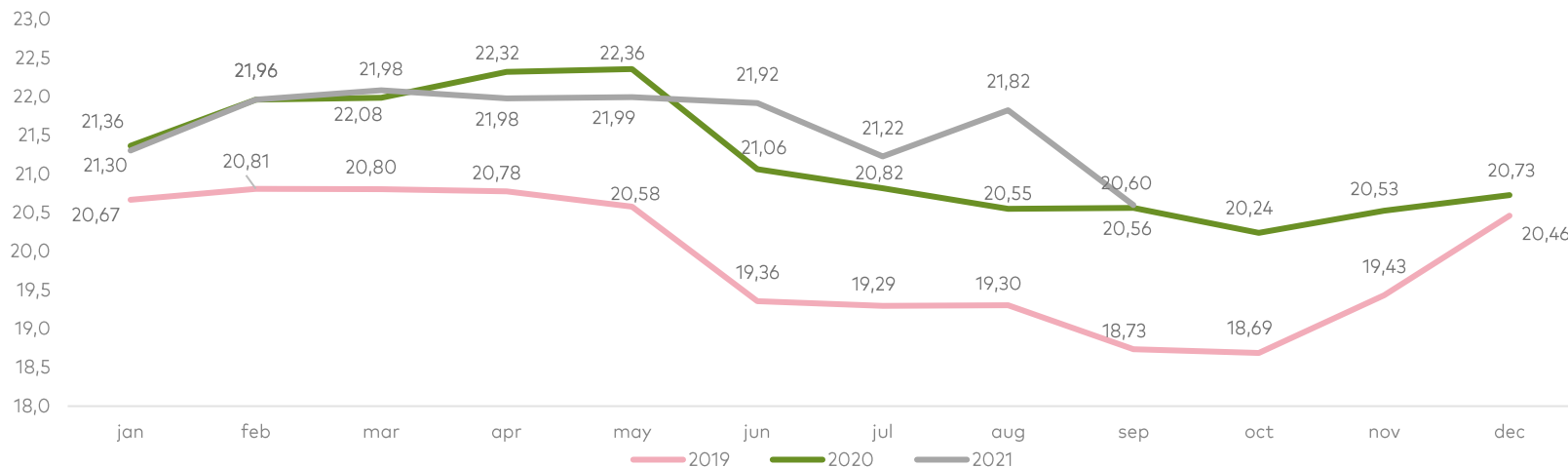
Milk yield in the Q32021 grew by 3% compared to Q32020.

The Group produced 20,691 tonnes of milk in 2021 vs. 20,433 tonnes in 2020.

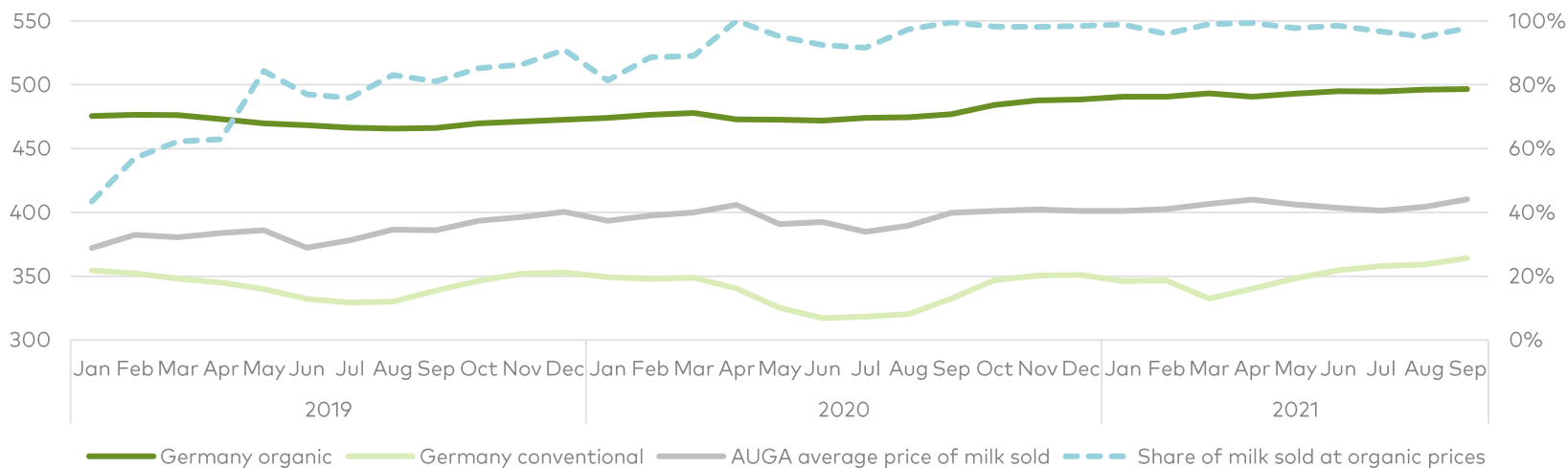
Herd renewal and the use of new technologies are expected to further improve milk yields.

Sales of milk remains stable - share of organic milk sold reached 98% in 9M of 2021. Average milk price is increasing.

Milk yields, kg/cow/day



Milk price, EUR/t



2021 9M results

Increasing efficiency remains the primary focus.

Amount of milk sold decreased slightly due to fluctuation in sales as the Group approaches new markets and increased amount of milk used for newly born heifers.

Average milk price in 2021 9M was 4% higher than in 2020 9M resulting in 3% higher sales revenue.

The substitution and improvement of herd continued, though target number of cows was not reached do shortage of heifers in the market.

As for 30.09.2021 Group's herd consists of 3,494 cows and 3,040 heifers and bulls, compared to 3,444 cows and 2,916 heifers and bulls in 2020.

	2021 9M	2020 9M	Variance	2019 9M
Total quantity of products sold, t	20,168	20,387	-1%	19,576
Milk	19,112	19,307	-1%	18,598
Milk commodities	502	559	-10%	432
Cattle	554	521	+6%	546

EUR million	2021 9M	2020 9M	Variance	2019 9M
Revenue	10.16	9.87	+3%	8.75
Milk	7.89	7.63	+3%	7.07
Milk commodities	1.62	1.69	-4%	1.12
Cattle	0.65	0.55	+17%	0.57
Cost of sales	9.87	9.45	+4%	8.78
Milk	7.72	7.25	+7%	7.07
Milk commodities	1.50	1.65	-9%	1.14
Cattle	0.65	0.55	+17%	0.57
Revaluation of biological assets	(2.48)	(2.31)	+8%	(2.31)
Subsidies	2.36	1.97	+20%	1.67
Gross profit	0.17	0.08	+116%	(0.67)



Results by segment

Mushroom growing

MUSHROOM GROWING

2021 9M results

Challenges in production.



Production output in Q3 decreased by 18% (vs Q2 2021) due to several reasons:

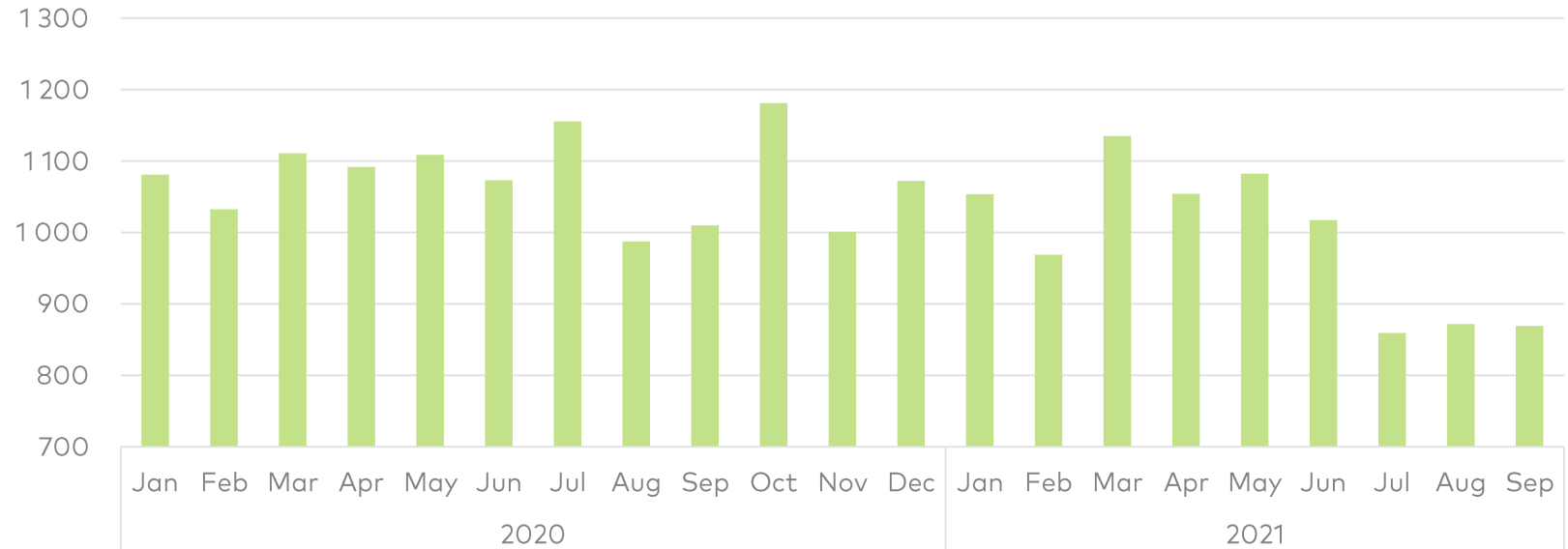
- High weather temperature had negative impact on the compost production processes;
- Increase in the number of workers suffering from COVID-19.

Majority of cost are fixed, therefore decrease in production output has adverse effect on profitability.

Due to long production cycle (6-7 weeks), recovery takes time.

The Group expects to restore its production capacities in Q4.

Sales of produced mushrooms, tonnes



MUSHROOM GROWING

Decrease in production output is the main reason for lower results.

Sales of compost remain lower than in previous years. Sales are not likely to increase in the coming periods due to COVID-19 influence on export market.

Restoration of production capacities, new export markets could have positive impact on future results of the segment.

2021 9M results

Results affected by COVID-19.



	2021 9M	2020 9M	Variance	2019 9M
Sold mushrooms, t	9,072	9,652	-6%	9,013
Average price (Eur/t)	2,326	2,231	+4%	2,138

EUR million	2021 9M	2020 9M	Variance	2019 9M
Total revenue	21.46	22.94	-6%	21.13
Mushroom sales revenue	21.10	21.54	-2%	19.27
Compost sales revenue	0.36	1.40	-74%	1.86
Cost of sale	20.90	21.55	-3%	19.63
Cost of mushrooms sold	20.71	20.30	+2%	17.86
Cost of compost sold	0.20	1.25	-84%	1.76
Gross profit	0.56	1.38	-59%	1.50





Results by segment

Fast-moving consumer goods (FMCG)

2021 9M results

The segment continues to grow in 2021.

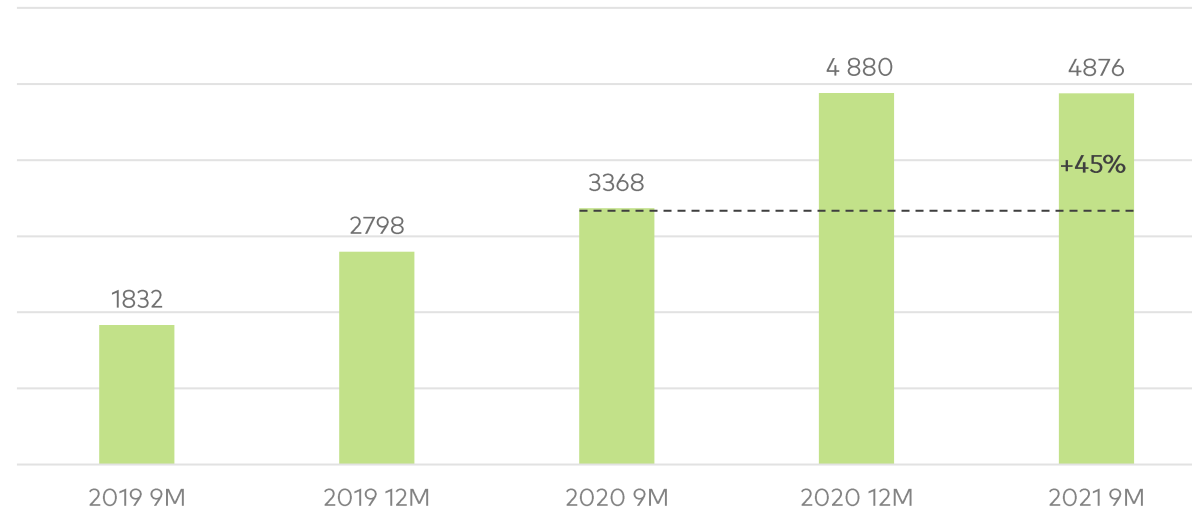
The third quarter showed the strongest results in 2021.

Sales in Q32021 were 66% higher compared to Q32020.

Despite cost pressure, the segment's profitability margin is growing and reached 30% in 2021 9M.

EUR million	2021 9M	2020 9M	Variance	2019 9M
Revenue	4.88	3.37	+45%	1.83
Cost of goods sold	3.41	3.08	+11%	1.82
Gross profit	1.47	0.29	+407%	0.01

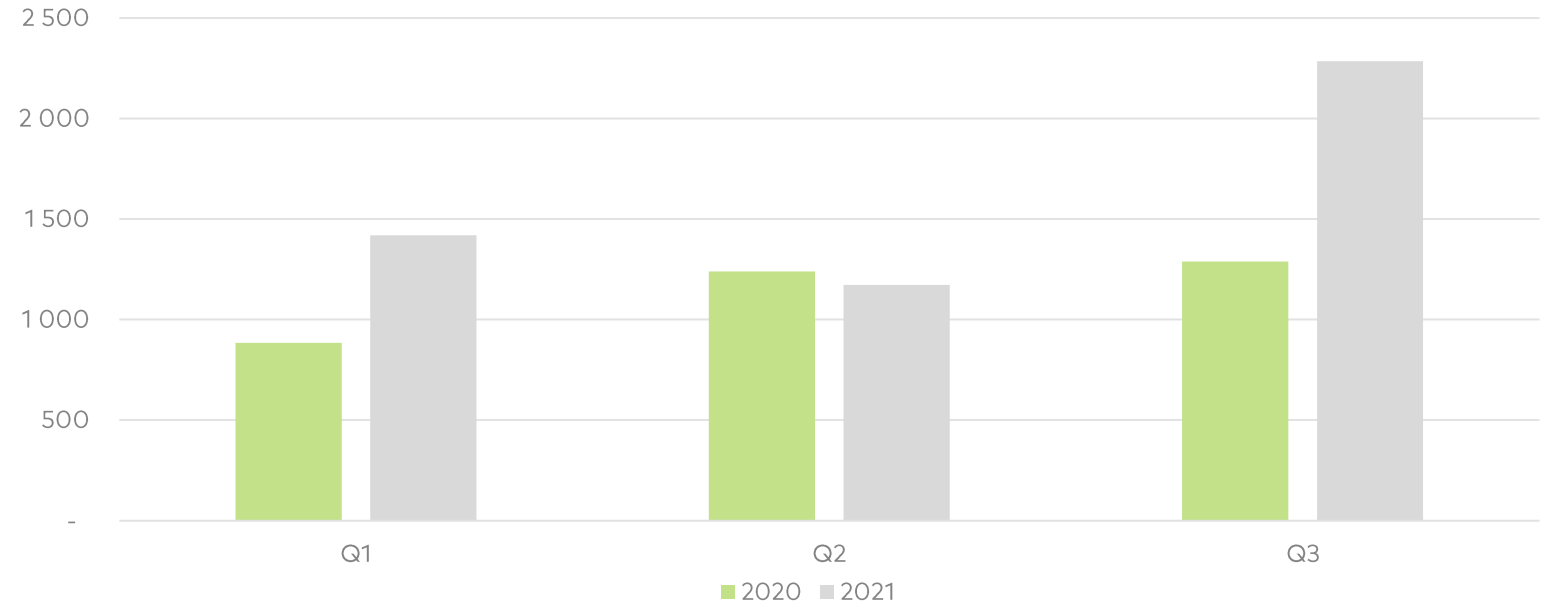
Revenue dynamics, th. EUR



Record quarter sales are partly affected by logistical challenges:

- Customers reduce quantity of orders but increase their value;
- Some orders being moved from Q2 to Q3.

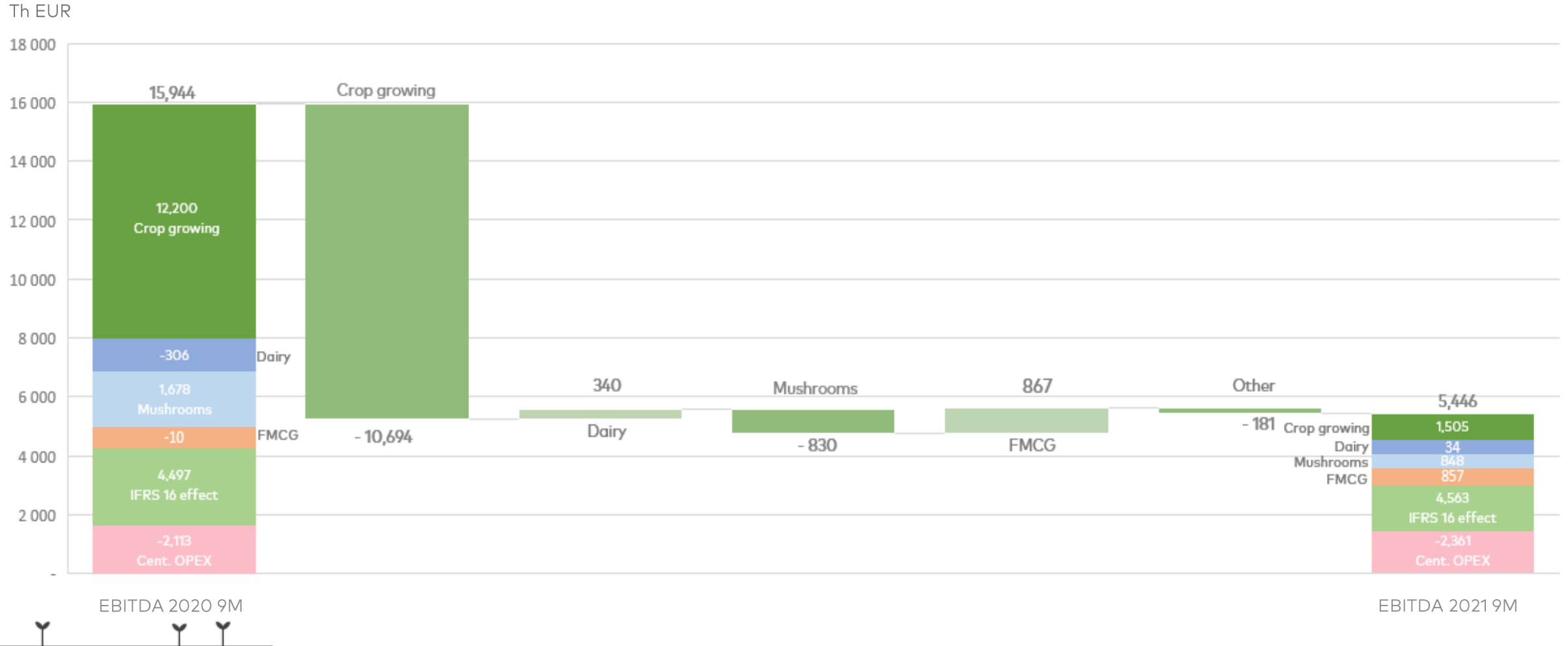
Sales fluctuation in 2021 vs. 2020, th. Eur



Financial information

Main factors for EBITDA change

Crop growing results have the largest impact to the EBITDA decrease.

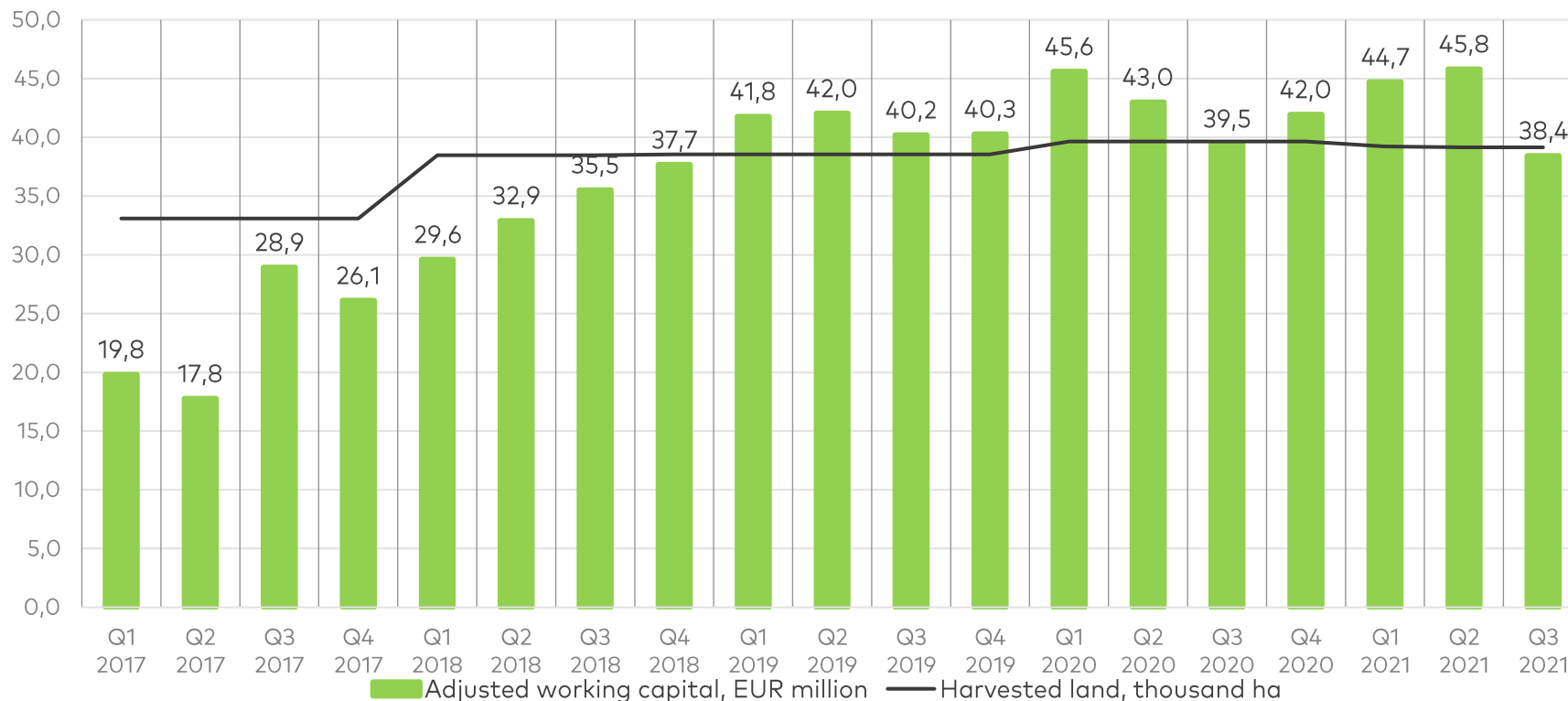


FINANCIAL INFORMATION

Net debt increased and reached EUR 65.91 million in 2021 9M.

Contrarily to previous years, maximum leverage was reached in Q3.

Working capital dynamics and financing



	2017	2018	2019	2020	2021 9M
Net debt, EUR million*	42.9	53.6	55.3	57.4	65.9
Net debt - adjusted working capital**, EUR million	16.9	15.9	15.1	15.4	27.5

*Excluding IFRS 16 lease liabilities

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

FINANCIAL INFORMATION

The Group started feeling the effects of climate change, so accelerating innovation agenda becomes even more important.

Key focus is to find resources and continue R&D projects and their commercialization.

Key priority going further

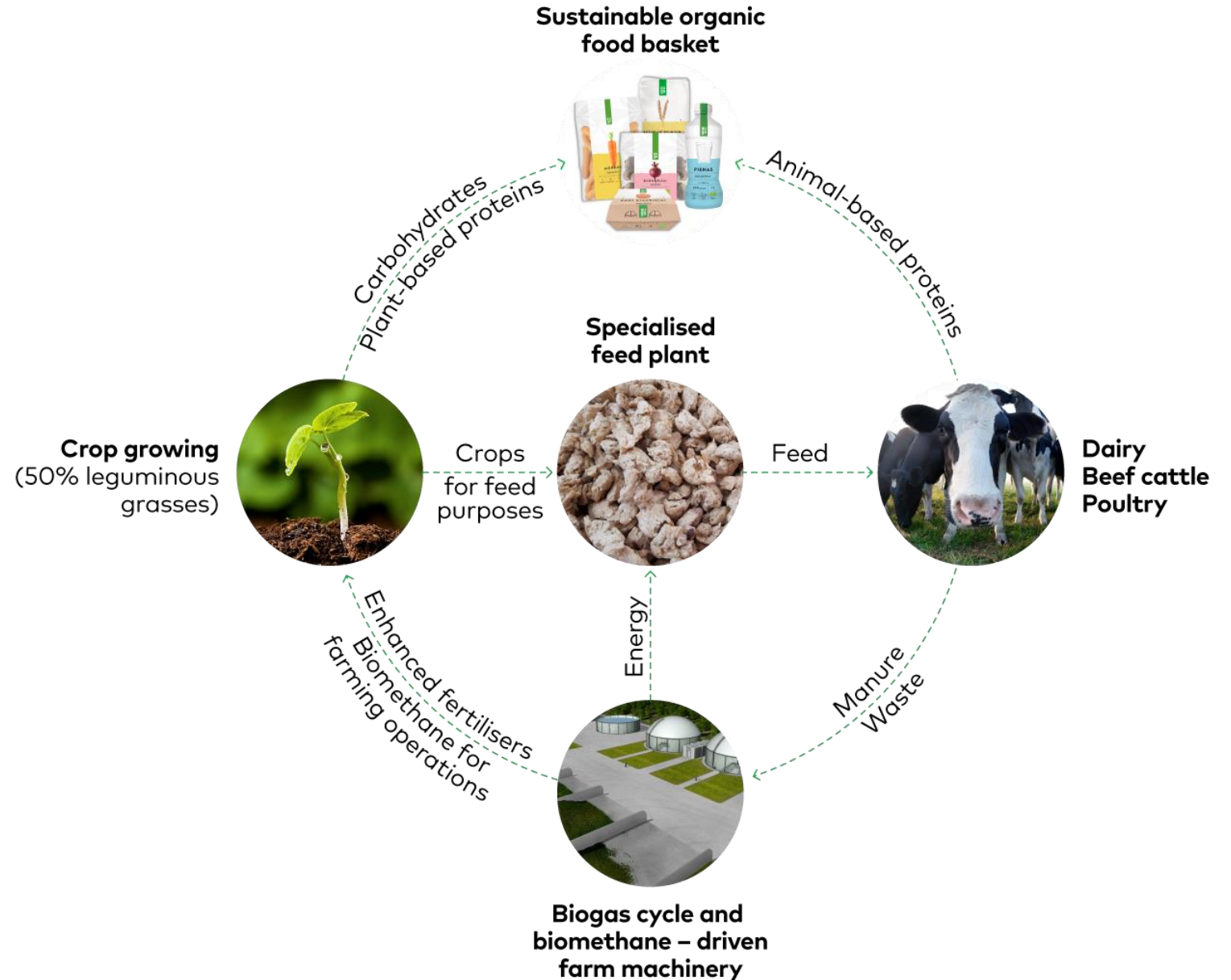
- The Group is considering additional funding options to speed up commercialization of already tested technologies and development/testing of new ones.
- Coherent cooperation with financing partners.

R&D AND INVESTMENTS

The Group continues to allocate its resources to achieve goals determined in the strategy – to deliver organic food with no cost to nature by implementing these projects:

1. Biogas cycle infrastructure and vehicles;
2. Specialized feed technology;
3. Regenerative crop-rotation.

Investment in 2021 9M reached EUR 8.97 million (EUR 4.45 million in 2020 9M).



R&D AND INVESTMENTS

Introduced in September 2021.

There were 140 publications in global media in 25 countries (from USA to India).

AUGA group is aiming to start using tractors in its activity from Q3 2022.

Contract manufacturing agreement was signed with Rokiškio mašinų gamykla, AB in November 2021.

AUGA M1 - first hybrid biomethane-electric tractor for professional use



FINANCIAL INFORMATION

The share price increased by 22.17% (from EUR 0.442 to EUR 0.540 per share) from the beginning of 2021 to 30 November 2021.

The average monthly turnover was EUR 0.87 million.

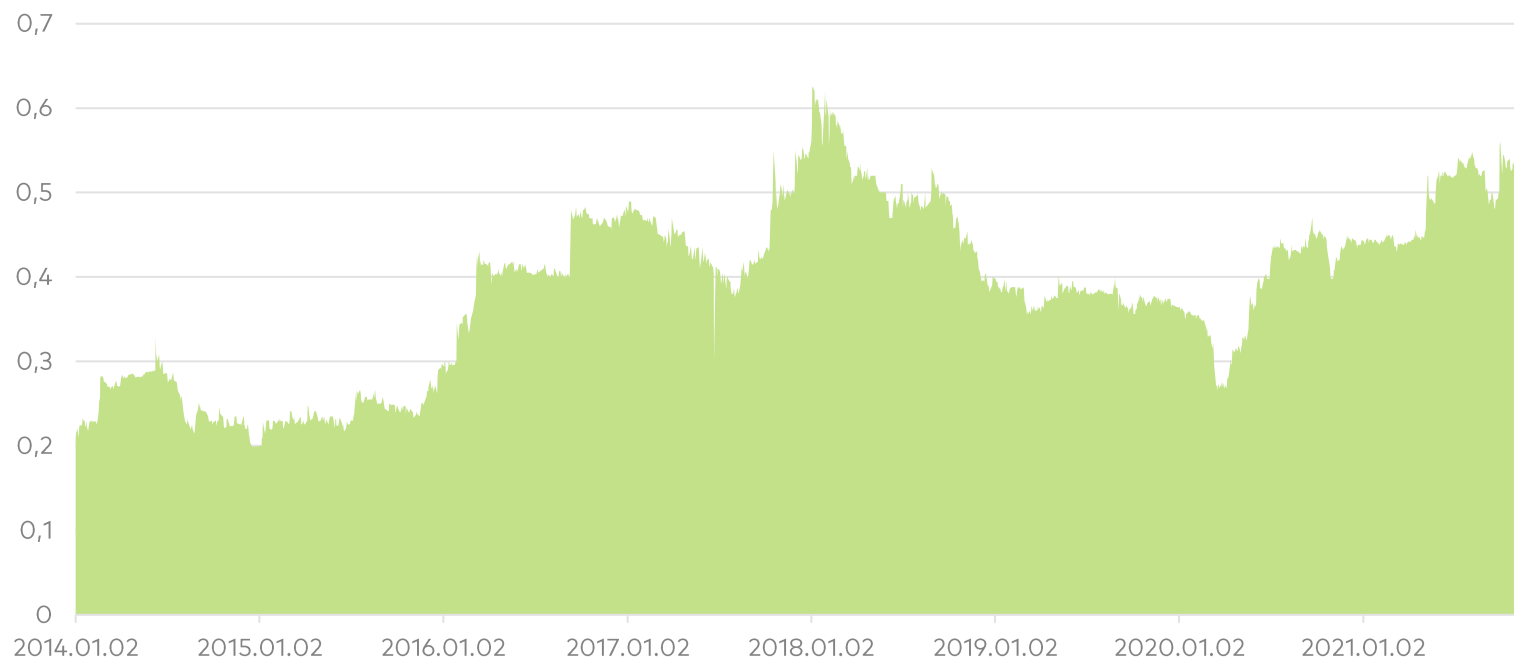
Top 3 corporate bond turnover in Baltics (turnover during 2021 - EUR 3.60 million).

Other significant events:

- Increased ownership share of the largest shareholder (55.68% vs. 55.04%);
- Delisting from Warsaw stock exchange.

Share price information

AUGA group, AB share price on Nasdaq Vilnius, EUR



Valuation target price, EUR



0.63*



0.45-0.55



0.74

* - Base case scenario



More information:

- Nasdaq Vilnius, Baltic Main List: [AUG1L](#)
- Nasdaq Vilnius, 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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