



Presentation on the financial results for 6 months of 2023

Presented by



Kęstutis Juščius
CEO of AUGA group, AB

AUGA group at a glance*

Developer of agricultural technologies and **producer** of more sustainable organic food

Founded in
2014

Listed on
**Nasdaq
Vilnius**

80.1 million
EUR
revenue

1,226
employees

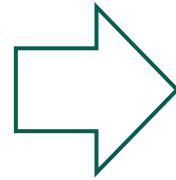
38.5 th.
ha
of arable land

86 th.
tonnes
of crop production sold

25 th.
tonnes
of dairy production sold

11.5 th.
tonnes
of mushrooms sold

AUGA group – developer of AG TECH and producer of more sustainable food



AUGA Community

AUGA Tech



Technologies to address emissions in agriculture.

AUGA SOFA



Sustainable farming standards and operations.

AUGA Trade



More sustainable end-consumer products from AUGA-grown raw materials.

Results for 6 months of 2023

EUR million	2023 6M	2022 6M	Variance	2021 6M
Revenue	40.93	33.99	+20%	33.13
Gross profit	3.07	12.43	-75%	8.50
Net profit	(8.76)	3.65	n/a	0.75
EBITDA	3.57	15.05	-76%	11.14

Revenue grew by 20% as a result of:

- higher 2022 harvest, part of which was sold during the first half of 2023;
- increased sales of mushrooms and end-consumer products.

Profitability decreased due to:

- significant drop in market prices of major organic commodities (wheat, milk);
- unfavourable cost of sales, partially coming from 2022.



Results by segment: crop growing

Crop growing

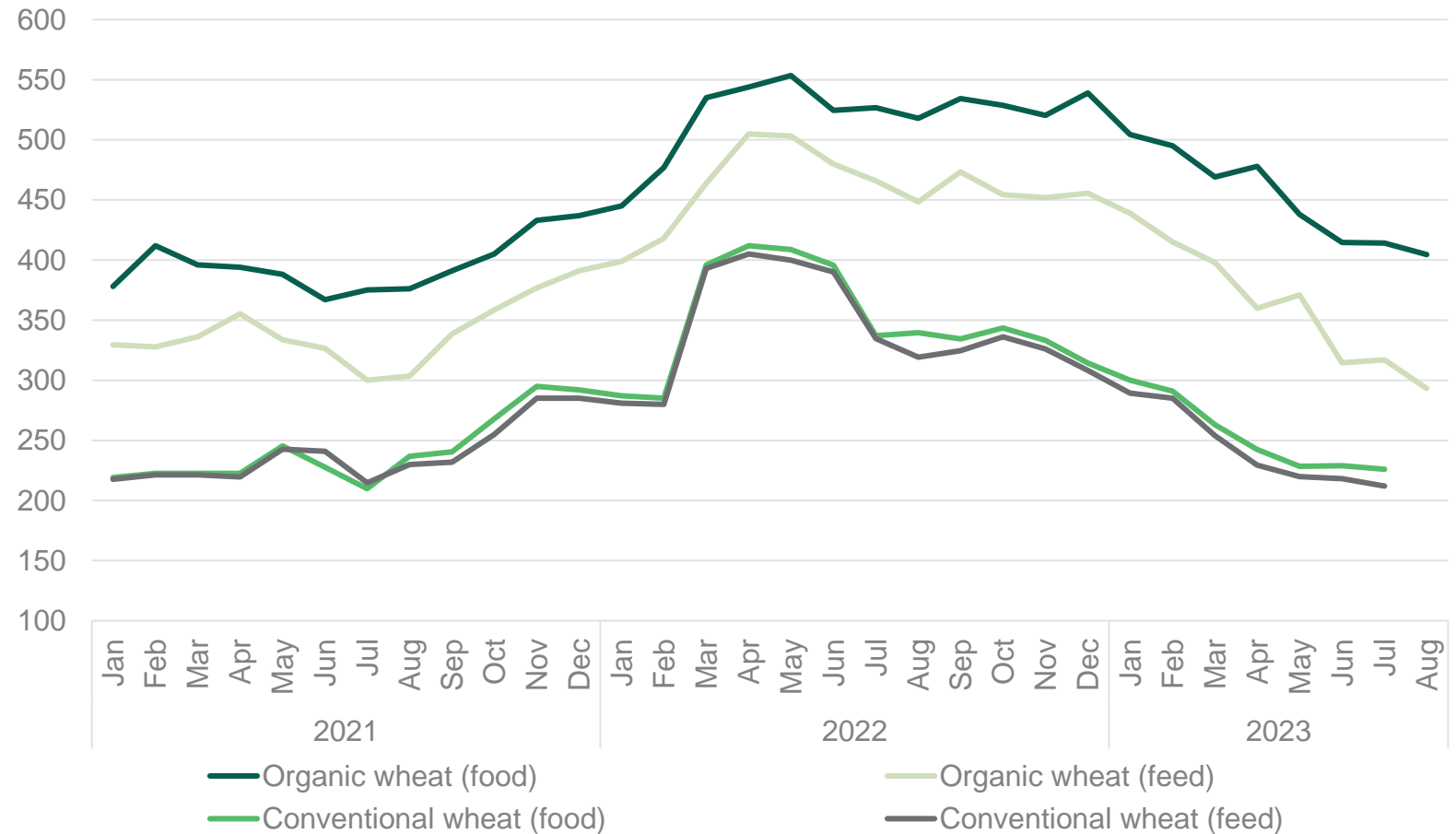
Commodity price trends.

The prices for wheat (and other crops) hit the bottom and stabilized.

The gap between organic and conventional prices has decreased significantly.

Lower level of market activity in 2023. At the end of August EUR 6.5 million was contracted vs. EUR 15.6 million in 2022 (excl. long term agreements).

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



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

Crop growing

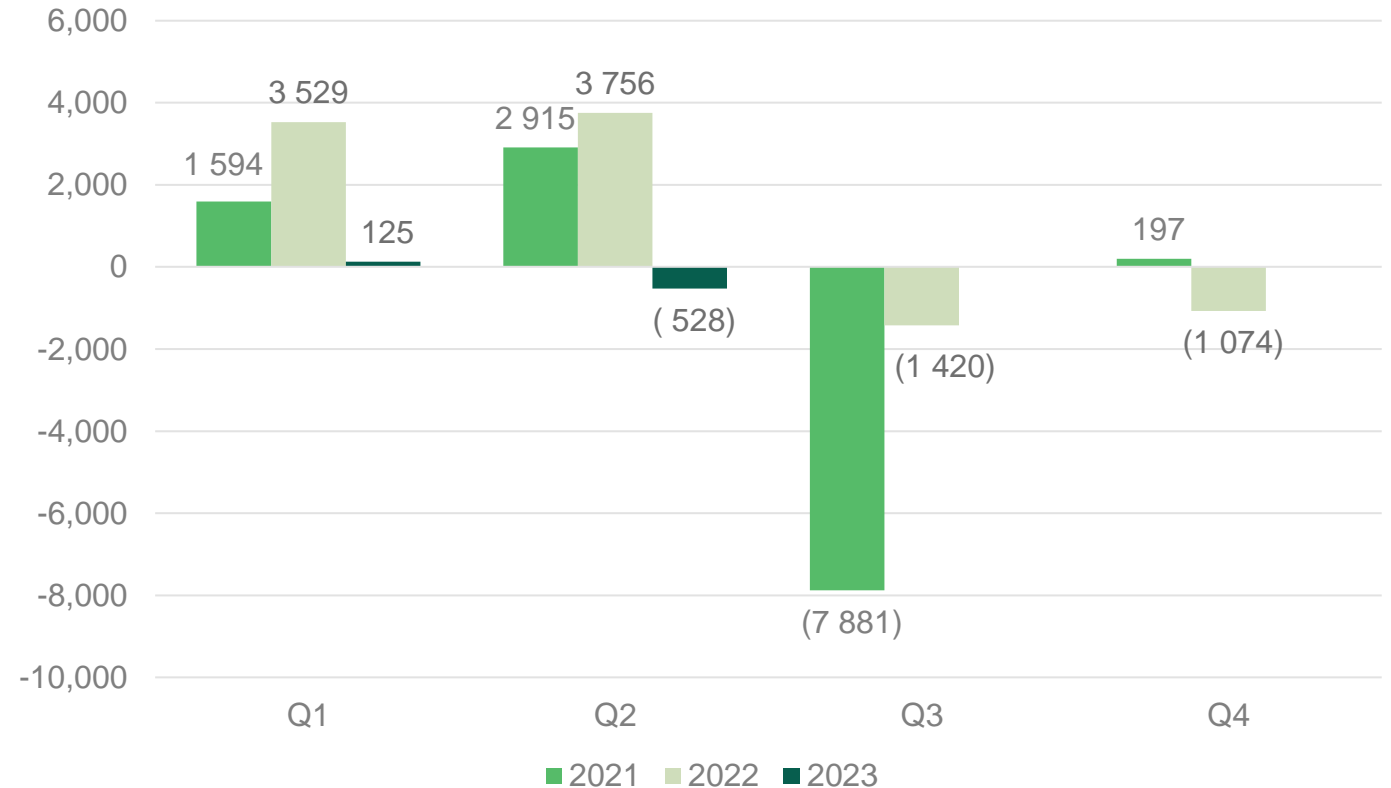
Revaluation of biological assets.

In Q2 the decrease was due to lower estimated prices.

In Q3 no significant price or yield adjustments are expected.

In Q4 increase in value is planned due to higher share of winter crops in rotation (40% larger area of winter crops is sown in 2023 vs. 2022).

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



Crop growing

Financial results.

Decreased prices had major negative impact on revaluation of biological assets and on sales revenue.

With H1 2022 prices total gain on revaluation of H1 2023 would be EUR 8.5 million.

Subsidies per ha are higher this year.

The group will get new subsidies for greening initiatives, but less for organic farming area. Final subsidies will be calculated only in Q4.

	2023 6M	2022 6M	Variance	2021 6M
Total cultivated land, ha	38,190	38,525	-1%	39,139
EUR million	2023 6M	2022 6M	Variance	2021 6M
Total gain (loss) on revaluation of biological assets (crops)	1.56	9.62	-84%	6.53
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	(0.40)	7.29	n/a	4.51
Sales revenue	13.74	8.85	+55%	9.48
Cost of sales	(15.61)	(8.08)	+93%	(10.66)
One-time income (inventory write-offs)	(0.05)	(0.76)	-93%	(0.43)
Result of internal transactions	(1.46)	(0.71)	+106%	-
Result of sales of agricultural produce	(3.38)	(0.70)	+383%	(1.61)
Subsidies	5.03	4.70	+7%	4.62
Gross profit	1.25	11.29	-89%	7.51



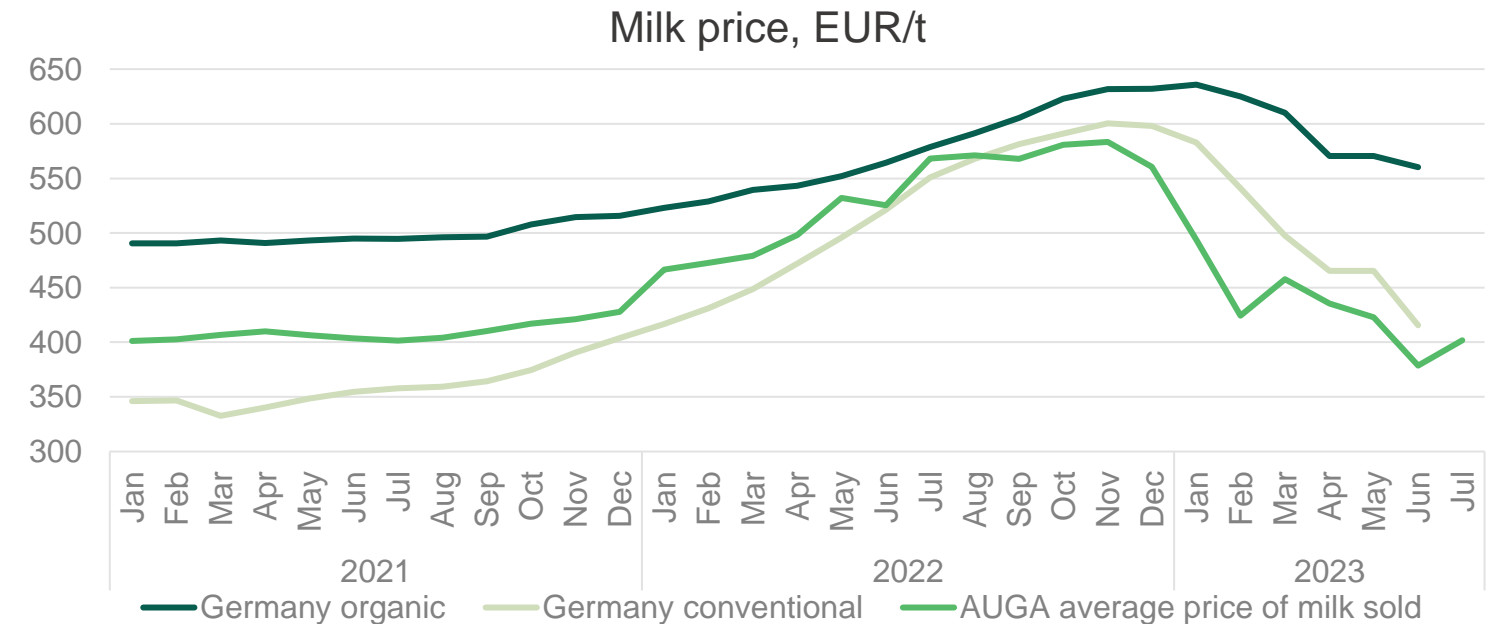
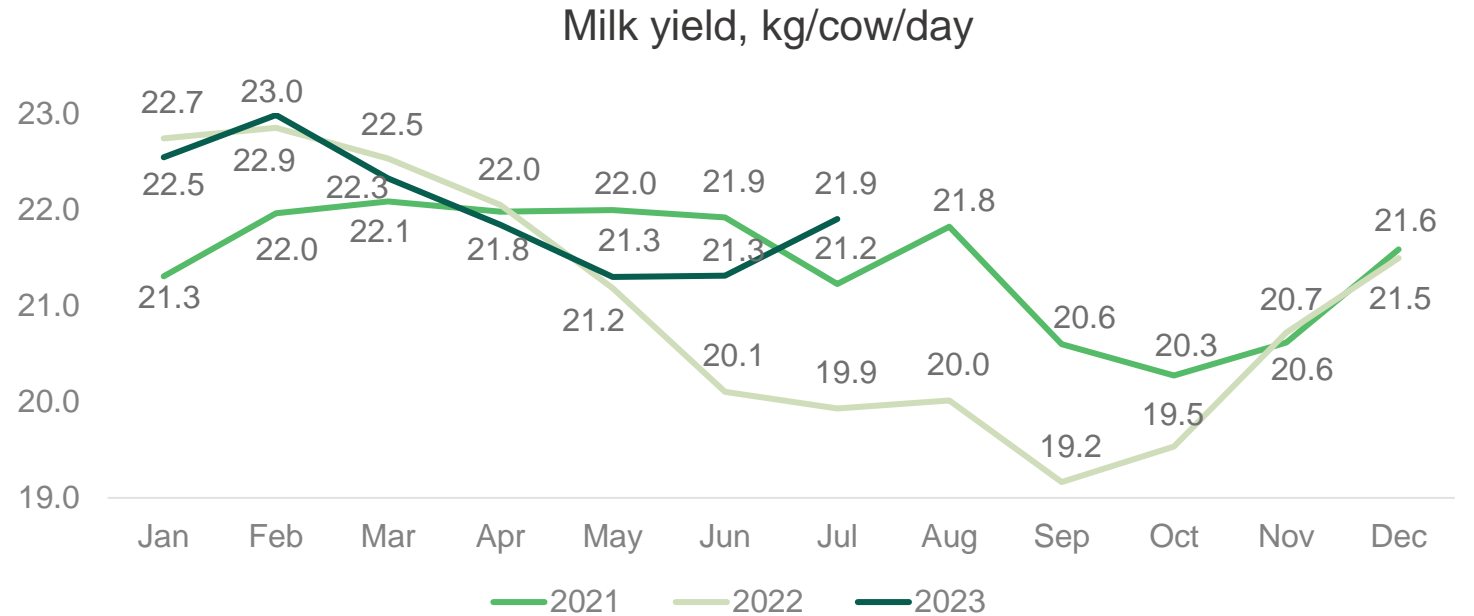
Results by segment: dairy

Dairy

Yield and price dynamics.

Production yield is showing a positive trend.

We see market indications that prices have stabilized.



Dairy

Financial results.

Decreased prices of raw milk resulted in a gross loss.

With stable milk yield the slight decline in volume was due to 3% lower average number of cows in H1 2023 vs. 2022.

	2023 6M	2022 6M	Variance	2021 6M
Sales volume, t	13,459	13,924	-3%	13,538
Milk	12,421	13,278	-6%	12,812
Milk commodities	632	235	+169%	335
Cattle	406	411	-1%	391
EUR million	2023 6M	2022 6M	Variance	2021 6M
Sales revenue	7.77	8.14	-5%	6.73
Milk	5.42	6.60	-18%	5.29
Milk commodities	1.76	0.81	+117%	1.00
Cattle	0.59	0.73	-19%	0.44
Cost of sales	(8.02)	(7.18)	+12%	(6.69)
Milk	(5.71)	(5.66)	+1%	(5.31)
Milk commodities	(1.72)	(0.79)	+118%	(0.93)
Cattle	(0.59)	(0.73)	-19%	(0.44)
Revaluation of biological assets	(1.45)	(1.09)	+33%	(1.81)
Subsidies	1.56	1.43	+9%	1.51
Gross profit	(0.14)	1.29	n/a	(0.27)



Results by segment: mushroom growing

Mushroom growing

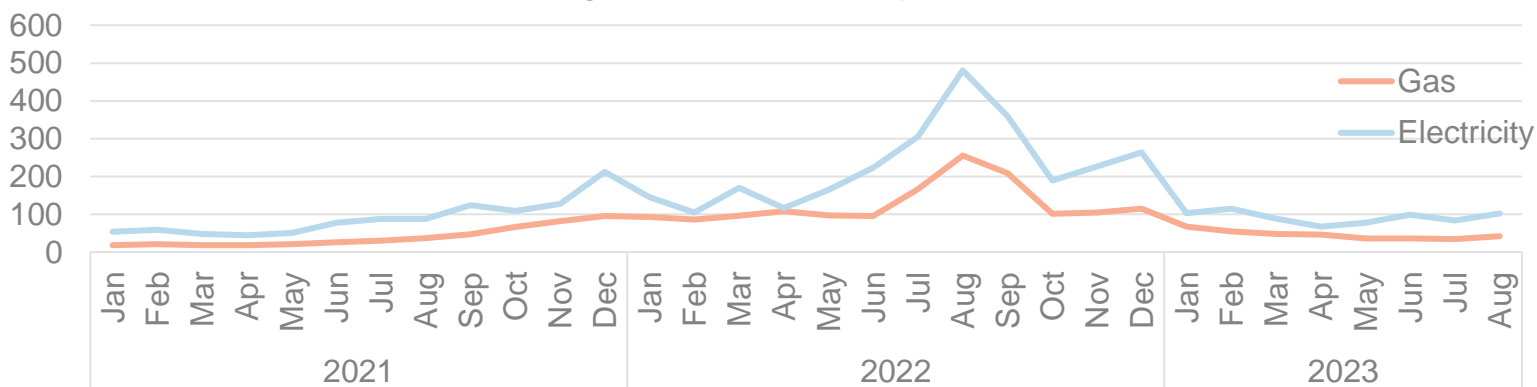
Price and production volume dynamics.

Costs were contained at only 2% increase per tonne, while Lithuania's average half-year inflation was 13.5%.

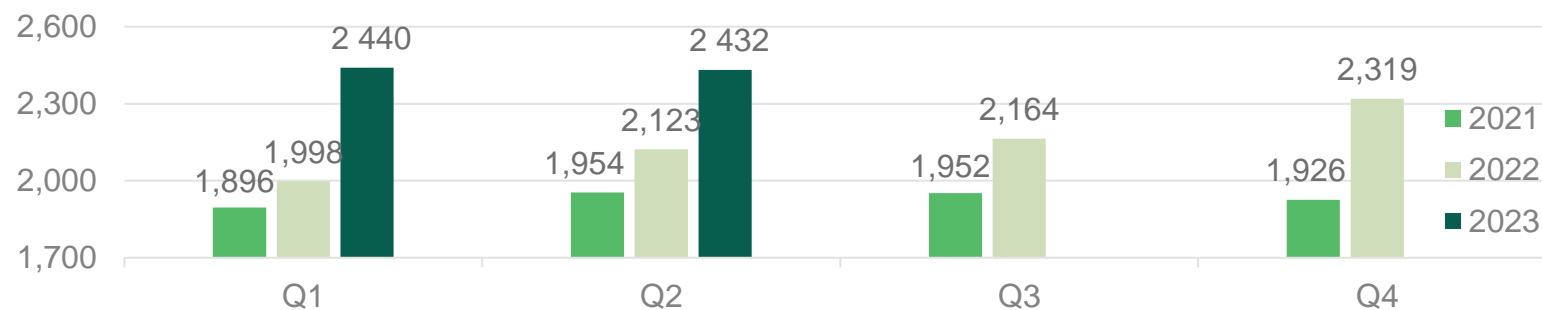
Price of mushrooms, excluding transport and packaging, was 18% higher YoY.

Production is stable, with room for improvement.

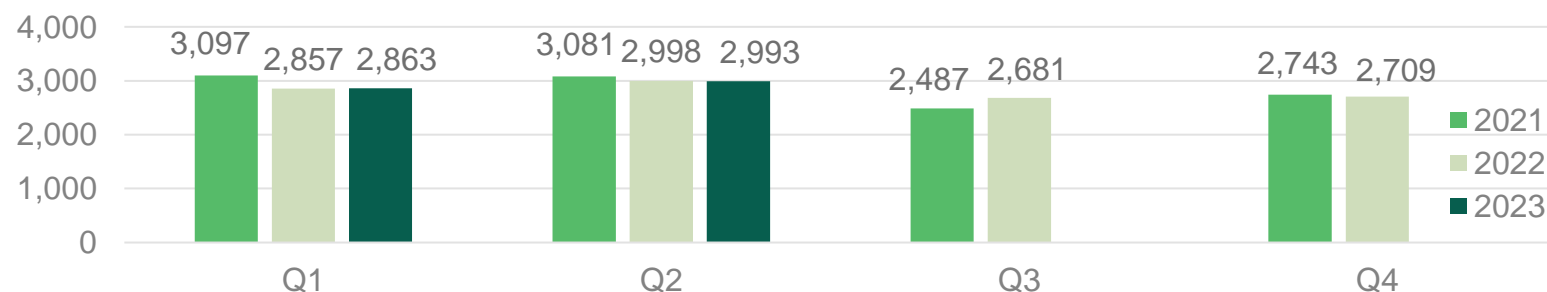
Price of gas and electricity, EUR/MWh



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



Mushrooms produced, t



Mushroom growing

Financial results.

H1 was showing continuous positive development.

In H2 similar financial result is expected as in H1.

	2023 6M	2022 6M	Variance	2021 6M
Mushrooms sales volume, t	5,830	6,109	-5%	6,335
Average price (EUR/t)	2,569	2,297	+12%	2,221
EUR million	2023 6M	2022 6M	Variance	2021 6M
Total sales revenue	15.28	14.28	+7%	14.33
Mushrooms sales revenue	14.98	14.03	+7%	14.07
Compost sales revenue	0.30	0.25	+20%	0.25
Cost of sales	(14.28)	(14.62)	-2%	(13.74)
Cost of mushrooms sold	(13.98)	(14.36)	-3%	(13.59)
Cost of compost sold	(0.30)	(0.25)	+20%	(0.15)
Gross profit	1.00	(0.33)	n/a	0.59



Results by segment: FMCG

FMCG

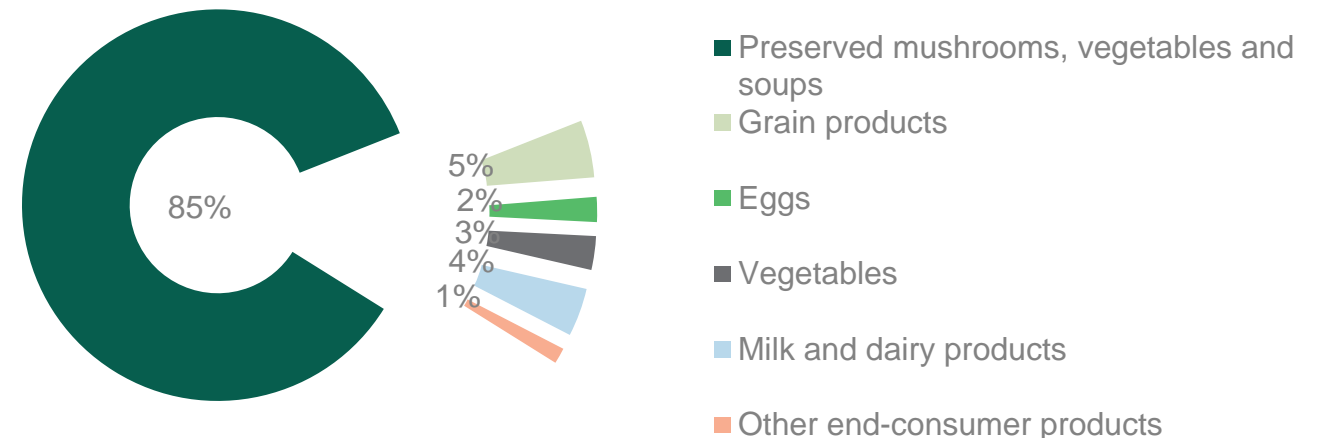
Sales revenue continued to grow.

From Q2, the segment consisted of:

- regular organic products: soups, preserved vegetables, curries, etc.
- a new line of more sustainable organic products: dairy, oat flakes, eggs.

EUR million	2023 6M	2022 6M	Variance	2021 6M
Sales revenue	4.14	2.72	+52%	2.59
Cost of goods sold	(3.16)	(2.53)	+25%	(1.93)
Gross profit	0.98	0.19	+416%	0.66

Revenue structure of the fast moving consumer goods sales, %



AUGA group sold Grybai LT factory



- Grybai LT was producing ready-to-eat soups and preserved products.
- In 6 years, it was developed from zero. Products were exported to 30 countries.
- The company was sold when it no longer aligned with the group's strategy. Only 18% of the raw materials came from AUGA farms (2022 data).

EUR 16.3 million received from the transaction. It will increase the consolidated profit by approx. EUR 7-8 million in Q3.

FMCG

AUGA's new product line for consumers.

Launched in May 2023.

Everyday consumer food basics: dairy products, oat flakes, eggs.

Produced exclusively from organic raw materials of AUGA farms, which are committed to sustainable farming practices.

Available in the biggest retail chains in Lithuania.

A much larger food category than the group has operated in so far (soups and preserved products).

A new category in food.





Strategy implementation

New business model

AUGA Community

AUGA Tech



- Identifying emissions problems in farming.
- Creating solutions.
- Developing and scaling technology.

AUGA SOFA



- Sustainable farming standard and certification.
- Organisational structure for technology sharing.
- Know-how and digital farm management tools for farmers.

AUGA Trade



- Brand marketing.
- AUGA-led contract manufacturing.
- Co-branding and AUGA sustainability labels.

Technological projects

Sustainably powered machinery.

First batch of AUGA M1 tractor is in field testing.

Other projects under development.

Biomethane infrastructure.

3 biomethane infrastructure objects have already been built.

Connection of biomethane to the natural gas network – in progress.

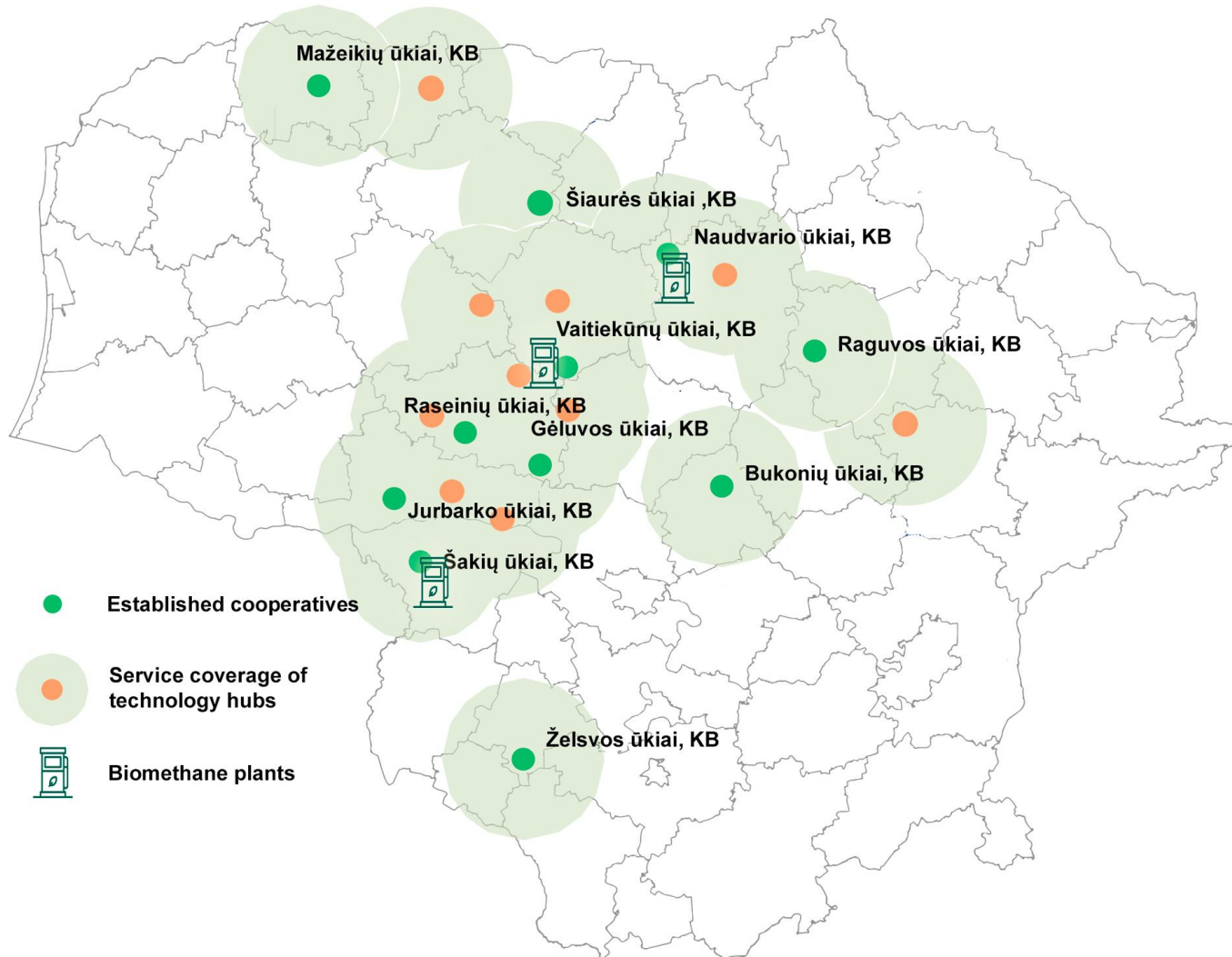
Specialized feed technology.

Testing phase, further development of technology.



The group is preparing to apply for “Lietuvos nacionalinė plėtros įstaiga“ program of EUR 1 bn (part of EU RRF) dedicated to green technology manufacturing, expected in Q4 2023 - Q1 2024.

Current operational set-up



- 11 regional cooperatives are already operational.
- ~ 400 employees working in cooperatives.
- 3 biomethane plants operational.
- 21 technology hubs, which can service farmers in 25% of the territory of Lithuania.

Shrinking organic farming in Lithuania

In 2023, the area of organic farms in Lithuania decreased by **18%**.

The number of industrial organic farms (>200 ha) has decreased by **30%**.

Reasons:

- Decreasing prices of organic products. The price difference of organic production compared to conventional is too low.
- Agricultural policy is increasingly focused on greening conventional farms rather than developing organic ones.

AUGA's new business model is based on the application of technology and sustainable farming standard through a franchise principle within farming community. In the shrinking organic farming market, expansion opportunities are decreasing.

Partial diversification into regenerative conventional agriculture

1/3 of arable land will be converted, affecting only crop growing activities.

Opportunities:

- scaling AUGA's technologies and sustainable farming standard in conventional farms too;
- supplying more sustainable raw materials to food producers in larger markets than before;
- reducing emissions significantly across the entire agriculture sector.



Conventional agricultural innovations available in the market will be applied in conjunction with AUGA technological solutions.

Diversification impact on future financial results

Benefit to financial flows:

- diversifying sales channels and markets;
- revenue from conventional production enters the cash flow more rapidly;
- adjusted working capital which is approx. EUR 40 million could be reduced substantially by the end of 2024.

Additional EUR 5 million EBITDA (evaluating based on today's market conditions).

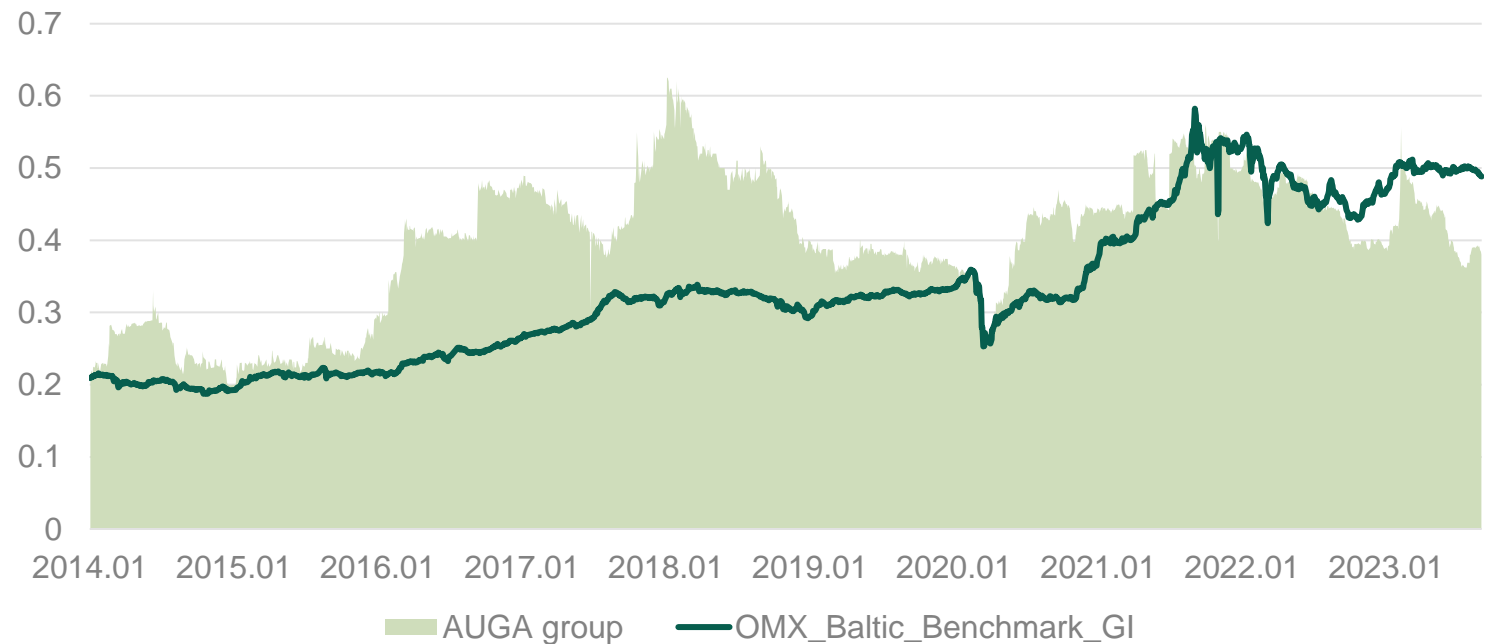
The group has the necessary agricultural equipment for conventional farming. No major investments are needed.

Share price information

The share price decreased by 3% (from EUR 0.390 to EUR 0.380 per share) from the beginning of 2023 to 31st of August 2023.

The average monthly turnover was EUR 0.16 million.

AUGA group, AB share price on Nasdaq Vilnius, EUR



Valuation target price, EUR



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>
- Subscription to investor newsletter: <http://cutt.ly/auga>
- Investor relations contact:

Arminas Kančiauskas, Head of Finance Unit of AUGA group, AB

+370 620 873 24

a.kanciauskas@auga.lt

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