



PRESENTATION ON THE FINANCIAL RESULTS FOR 12 MONTHS OF 2021

AUGA group, AB

PRESENTED BY



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RESULTS



Poor harvest due to extreme heat in summer, COVID-19, problems in production resulted in difficult year and led to poor financial results in 2021

Additional provisions in Q4:

- Receivables from Symbol LLC – 1.2 MEUR
- Cash crops – 0.3 MEUR

2021 12M

Poor financial results mainly driven by crop growing segment.

EUR million	2021 12M	2020 12M	Variance	2019 12M
Revenue	71.78	83.07	-14%	71.13
Gross profit	3.92	15.77	-75%	9.85
Net profit	(14.03)	1.79	n/a	(3.22)
EBITDA	9.06	20.83	-56%	17.12

Additional losses in Q4 were impacted by additional provisions:

EUR million	2021 12M	2021 9M	Variance
Revenue	71.78	54.90	+16.88
Gross profit	3.92	1.70	+2.22
Net profit	(14.03)	(10.43)	-3.60
EBITDA	9.06	5.45	+3.61





Results by segment
Crop growing

CROP GROWING 2021 12M results



Effected by significantly lower yields (for summer crops and legumes mainly) and limited upside from growing prices of commodities.

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

Positive result (0.13 MEUR) from sales activities in Q4

Inventory write-offs (1.67 MEUR in Q4) are mainly related to forage crops:

- changes in internal pricing in order to make segment profitability more transparent;
- part of costs was attributed. To be accounted separately from 2022;
- higher losses in 2021 due to transformation and increased costs per ton.

	2021 12M	2020 12M	Variance	2019 12M
Total cultivated land, ha	39,139	39,637	-1%	38,564
EUR million	2021 12M	2020 12M	Variance	2019 12M
Total gain (loss) on revaluation of biological assets (crops)	(5.51)	5.67	n/a	3.83
Gain (loss) on revaluation of biological assets (crops) recognized for following period	2.33	2.02	15%	1.45
Gain (loss) on revaluation of biological assets (crops) recognized in current period	(3.18)	7.69	n/a	5.28
Sales revenue	23.61	37.38	-37%	29.49
Cost of sales	25.20	38.19	-34%	30.45
Inventory write-offs	4.05	1.39	+191%	1.54
Result of sales of agricultural produce	(5.63)	(2.20)	-155%	(2.49)
Subsidies	9.69	7.45	+30%	5.19
Gross profit	0.89	12.94	-93%	7.98



CROP GROWING

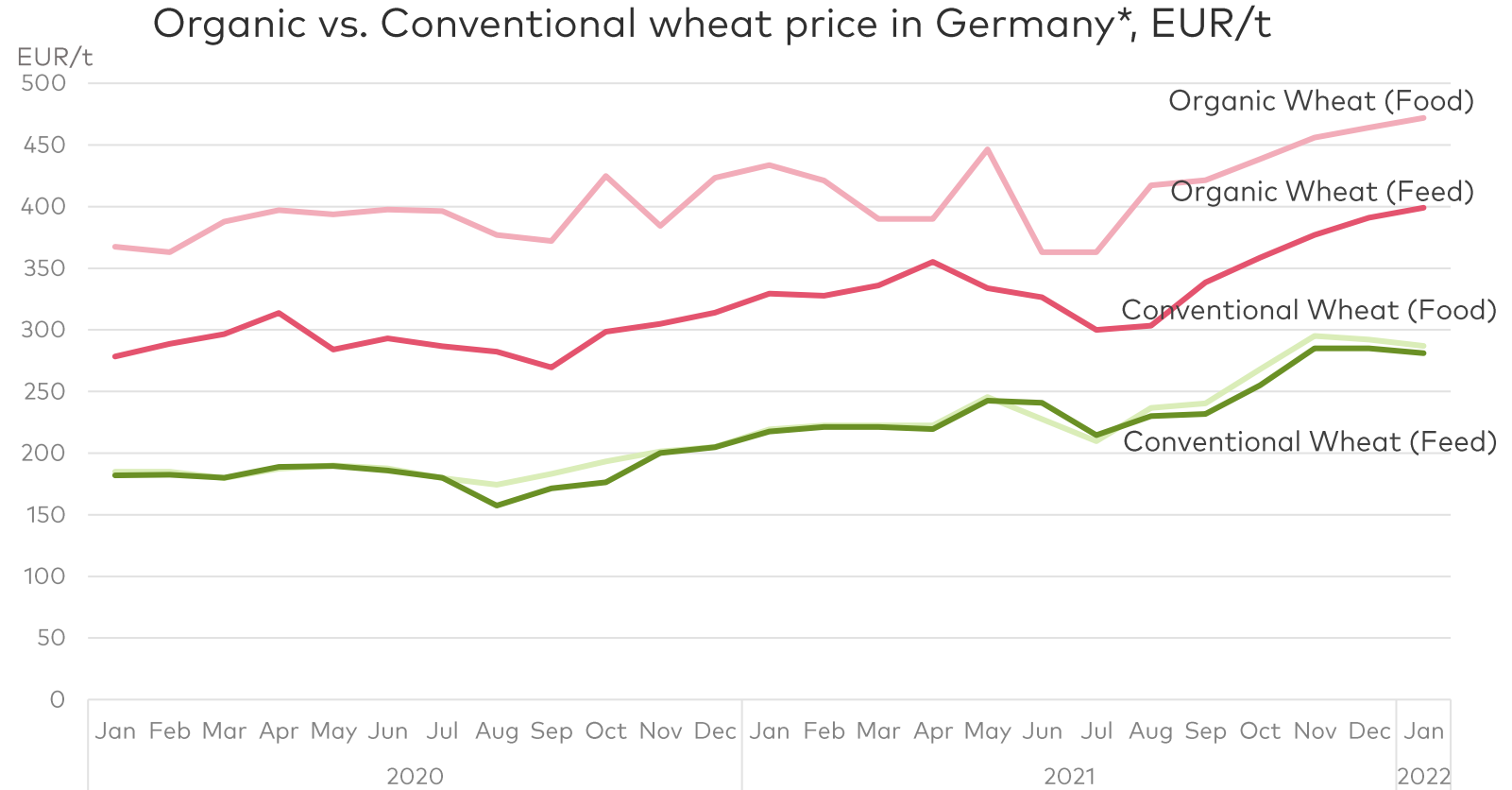
Prices for conventional and organic grains are at record highs and demand is outpacing supply.

Since the beginning of 2022, 100% organic feeding for livestock has been introduced, which boosts demand further.

Rising logistics prices have made countries such as China, Russia and Ukraine uncompetitive, increasing demand for EU products.

Switch in strategies of companies: they aim to use raw materials of the EU origin only in a long-term.

Market trends: during 2021 prices of wheat had on average increased by 30%



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



All crop prices are in historical heights and this season's contracts could begin with 20-30% higher pricing level.

The biggest price growth is in feed grains, especially legumes.

As for 28.02.2022, AUGA group contracted 28% of forecasted 2022 harvest.

If to exclude long term agreements - 2.4% of forecasted 2022 harvest is contracted

First contracts were done with 25-33% higher prices than in 2021



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 Friesians, and some spotted breeds. The text "Results by segment Dairy" is overlaid in the center of the image in a white, sans-serif font.

Results by segment
Dairy

Increasing efficiency remains the primary focus.

As for 31.12.2021 Group's herd consists of 3,577 cows and 3,134 heifers and bulls, compared to 3,471 cows and 2,990 heifers and bulls in 2020.

After production problems in H1, second half had positive trends in yields and selling prices

The group is currently testing new grass feed.

	2021 12M	2020 12M	Variance	2019 12M
Total quantity of products sold, t	27,053	26,799	+1%	25,891
Milk	25,685	25,384	+1%	24,492
Milk commodities	624	714	-13%	667
Cattle	743	700	+6%	732

EUR million	2021 12M	2020 12M	Variance	2019 12M
Revenue	13.61	12.95	+5%	12.05
Milk	10.69	10.07	+6%	9.42
Milk commodities	2.02	2.13	-5%	1.91
Cattle	0.90	0.75	+20%	0.72
Cost of sales	13.15	12.56	+5%	12.62
Milk	10.36	9.75	+6%	9.93
Milk commodities	1.89	2.07	-9%	1.97
Cattle	0.90	0.75	+20%	0.72
Revaluation of biological assets	(2.77)	(2.52)	-10%	(2.19)
Subsidies	3.17	2.53	+25%	2.04
Gross profit	0.85	0.40	+113%	(0.72)

Milk yield and price dynamics

The Group faced issues in the production in H1 2021. However, results in the second half had improved.

Milk yield in the Q42021 grew by 2% YoY.

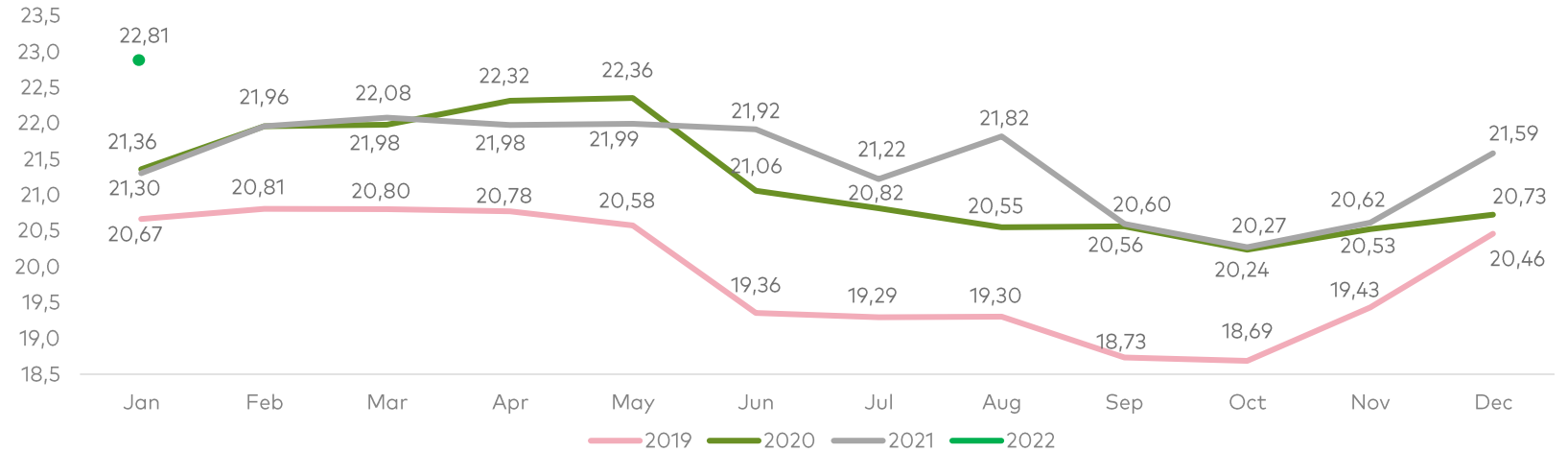
Share of organic milk sold remains stable – 98% for 2021.

Average milk price had increased by 5% in 2021.

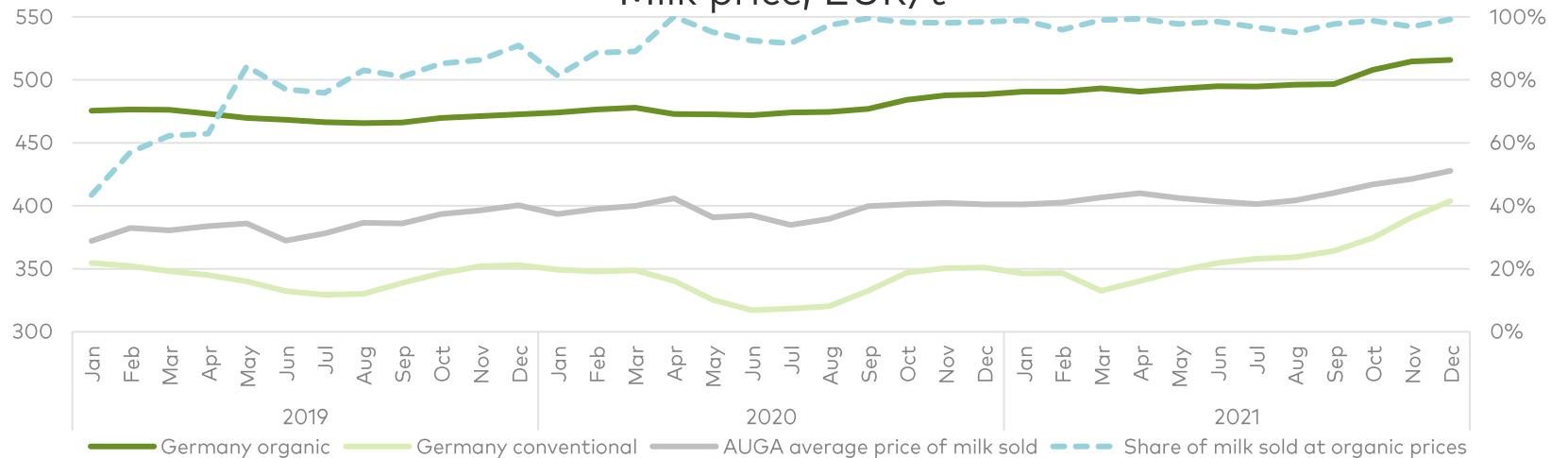
The trend continues in January 2022 (YoY changes):

- Yields had increased by 7%;
- Average price had increased by 14%.

Milk yields, kg/cow/day



Milk price, EUR/t



Source: www.ami-informiert.de, <https://www.bmel-statistik.de/>, <https://ec.europa.eu/agriculture/market-observatory/milk>

A wide-angle photograph of a large indoor mushroom cultivation facility. The room is filled with long, parallel rows of mushroom beds. Each bed is densely packed with small, white, button-shaped mushrooms growing from a dark substrate. The facility has a high ceiling with exposed pipes and ductwork, and the walls are made of corrugated metal. The lighting is bright and even, highlighting the texture of the mushrooms and the organized layout of the growing area.

Results by segment
Mushroom growing

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 effect on export market.

2021 12M results

Results affected by COVID-19 and issues in production.



	2021 12M	2020 12M	Variance	2019 12M
Sold mushrooms, t	12,002	12,906	-7%	12,256
Average price (Eur/t)	2,323	2,199	+6%	2,147

EUR million	2021 12M	2020 12M	Variance	2019 12M
Total revenue	28.36	30.00	-5%	28.71
Mushroom sales revenue	27.89	28.38	-2%	26.32
Compost sales revenue	0.47	1.62	-71%	2.39
Cost of sale	27.77	28.25	-2%	26.22
Cost of mushrooms sold	27.53	26.89	+2%	23.73
Cost of compost sold	0.24	1.36	-82%	2.49
Gross profit	0.59	1.75	-66%	2.49

MUSHROOM GROWING

2021 12M results

Challenges in production.



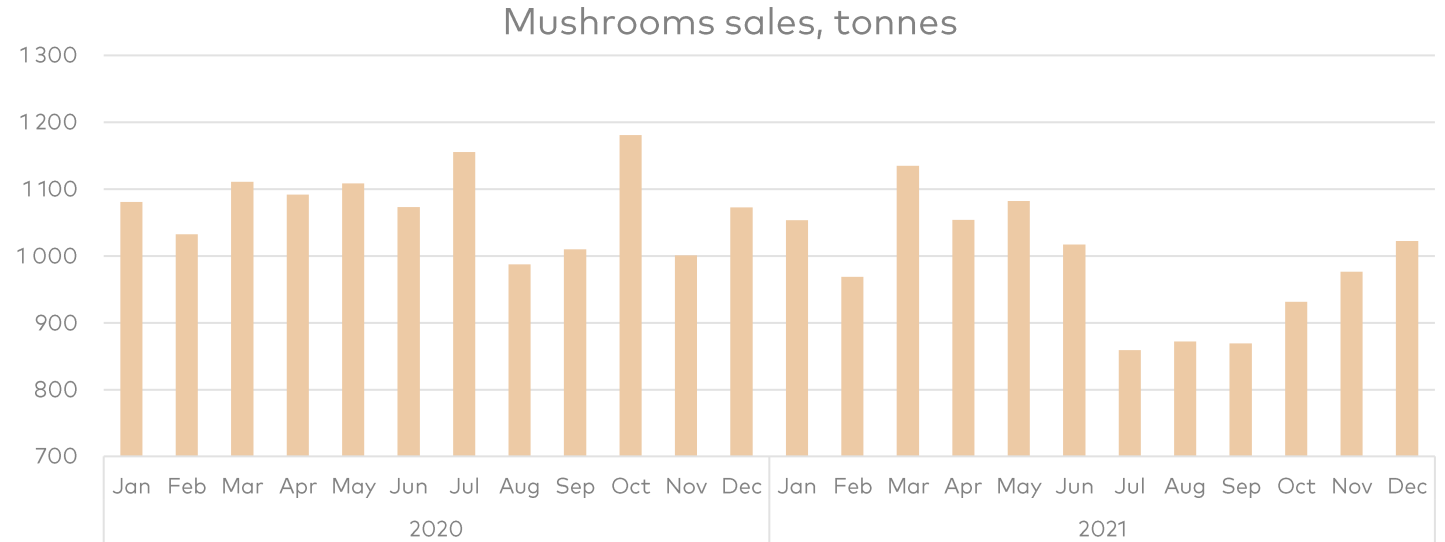
Production output in H2 was 12% smaller than H1 due to several reasons:

- High weather temperature had negative impact on the compost production processes;
- COVID-19.

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

Production output in Q4 increased by 18% (vs Q3 2021)

Sales in January 2022 reached 1074 tonnes of mushrooms.





Results by segment

Fast-moving consumer goods (FMCG)

2021 12M results

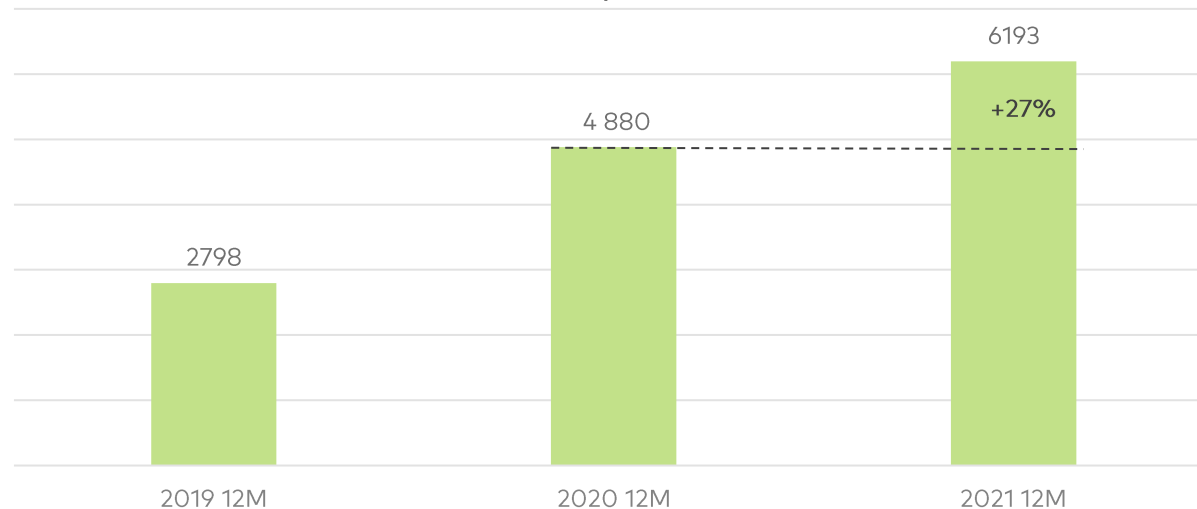
The segment continues to grow in 2021.

Total sales have increased by 27% in 2021.

Logistics create some challenges, but based on current pipeline and reopened business fairs the Group foresees not lower growth in 2022 as well.

EUR million	2021 12M	2020 12M	Variance	2019 12M
Revenue	6.19	4.88	+27%	2.80
Cost of goods sold	4.60	4.13	+11%	2.75
Gross profit	1.59	0.75	+112%	0.05

Revenue dynamics, th. EUR



The Group had very limited sales to Russia, Belorussia (<0.5% of total sales in 2021).

Historically, sales of mushroom compost to Russia accounted for 1-2 MEUR per year, but the business was stopped in Q42020.

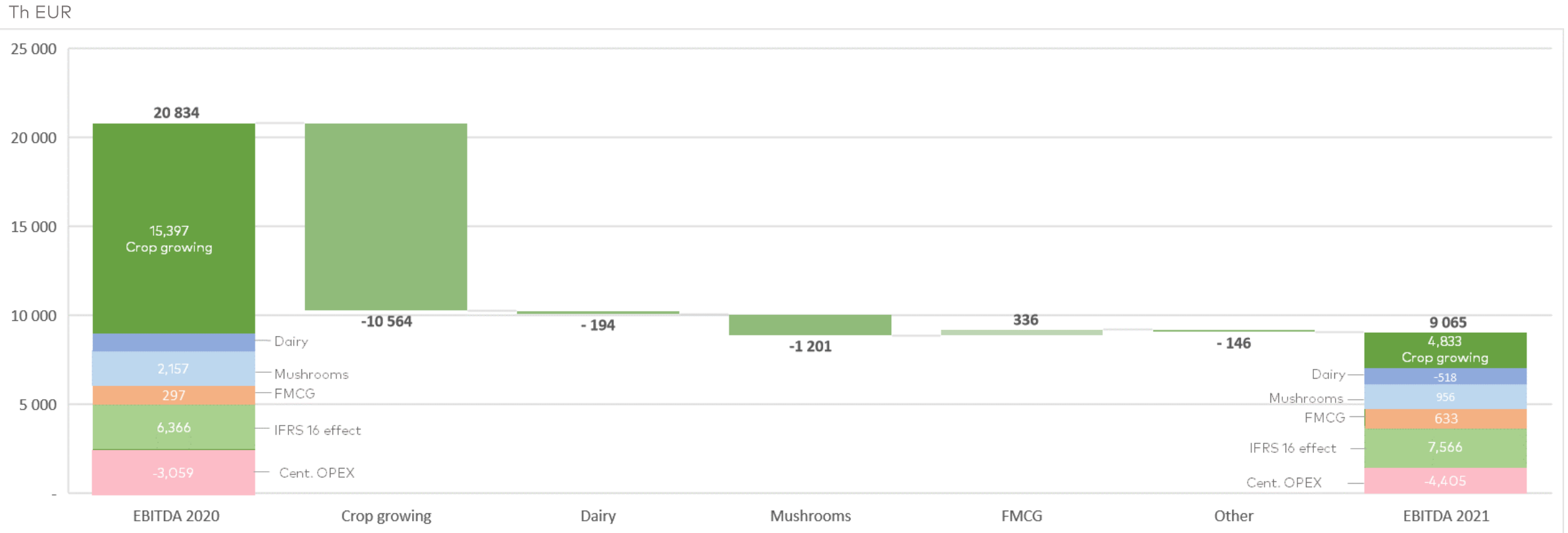


Financial information



Main factors for EBITDA change

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



FINANCIAL INFORMATION

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

Key priorities for 2022

The Group had received waivers from current financing partners for breach of financial covenants for 2021.12.31

The Group had reached agreements and is working on documentation to finalize financing for:

- daily activities
- Investment projects

FINANCIAL INFORMATION

3 projects to be implemented / further developed in 2022



Biomethane infrastructure

The group is planning to operate 3 facilities by Q42022.

Specialized feed technology

First prototype is already built and is in testing currently. Two main targets: a) improved yields, b) reduction of CO2 emissions

The Group is planning to start scaling of technology in it's farms if tests will be successful.

AUGA tractor

The Group is aiming to have up to 10 tractors working in Groups' fields by Q42022. Agreement for assembling is already signed.

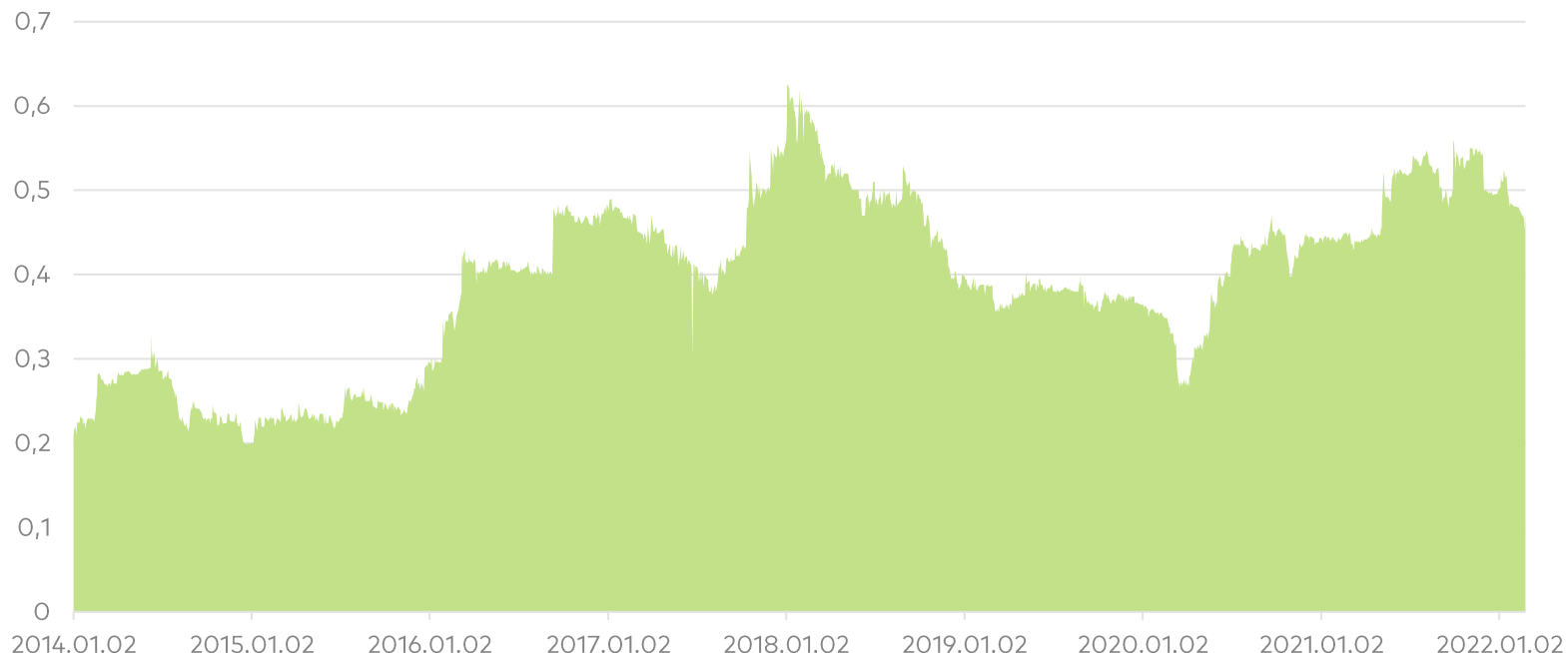


- To have operational proof on concept by the end of 2022
- To change legal structure of the Group in order to separate technological developments from standard operations of the Group. Till the end of 2022
- New equity funding for scaling of new technologies.
Note: no official decisions are made yet.

FINANCIAL INFORMATION

Share price information

AUGA group, AB share price on Nasdaq Vilnius, EUR



The share price increased by 6.88% (from EUR 0.442 to EUR 0.472 per share) from the beginning of 2021 to 25 February 2022.

The average monthly turnover was EUR 0.82 million.

Top 3 corporate bond turnover in Baltics (turnover during 2021 - EUR 3.80 million).

Other significant events:

- Increased ownership share of the largest shareholder (55.71% vs. 55.04%);
- Delisting from Warsaw stock exchange.

Valuation target price, EUR



0.61*



0.61-0.71



0.61

* - 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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COST TO NATURE