



PRESENTATION ON THE FINANCIAL RESULTS FOR 9 MONTHS OF 2020

AUGA group, AB

PRESENTED BY



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RESULTS

The results of the Group have improved despite the difficult situation in the world caused by the COVID-19 pandemic and economic instability.

Y2020 9-months results



AUGA group's revenue, profit and EBITDA have increased.

	9M2020	9M2019	Variance	FY2019
Revenue, EUR million	62.38	47.05	+33%	71.13
Gross profit, EUR million	11.88	8.00	+48%	9.85
EBT, EUR million	0.44	(1.28)	n/a	(3.22)
EBITDA, EUR million	15.94	12.43	+28%	17.12

EUR 1.45 million of fair value gain for this season's crops was recognized in 2019.





Results by segment
Crop growing

Improved yields (+14% YoY in average)

Though slightly below our expectations (by 4% for wheat, 10% for legumes).

8 from 10 main crops have increased yields.

Cost level per ha is stable (+3% in average).

Overall positive results were negatively affected by several factors:

- lower quality of wheat (75% feed wheat in 2020, 35% in 2019) resulting in lower average selling prices (208 EUR/t in 2020, 262 EUR/t in 2019). Negative effect of EUR 2.6 million,
- earlier harvest of sugar beets negatively effected their yields. Negative effect of EUR 1.6 million.

Yield	2018	2019	2020
Wheat, t/ha	2.83	4.21	4.13
Legumes, t/ha	1.41	1.67	2.73

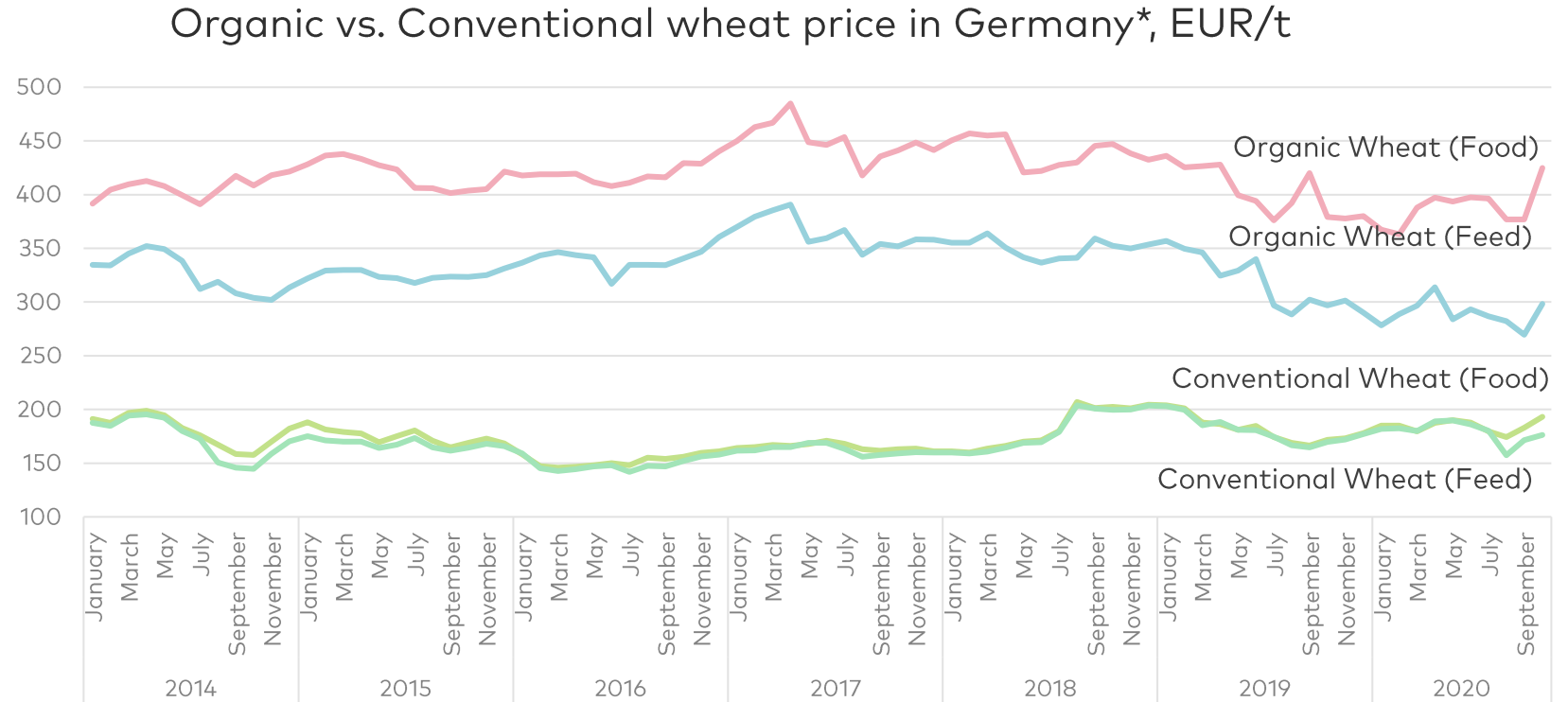
Costs	2018/09	2019/09	2020/09
Wheat, EUR/ha	881	925	824
Legumes, EUR/ha	790	830	839

CROP GROWING

Both organic and conventional wheat market prices had decreased by around 5% in Q3 2020.

It had recovered by up to 10% in Q4 (as for end of October 2020).

Wheat price dynamics



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



Total fair value gain for 9M2020 was EUR 6.48 million. Additionally, EUR 1.45 million of fair value gain of this season's crops was recognized in 2019.

133 thous. tons of crops were sold in 2020 compared to 38.82 thous. tons sold in 2019. Excluding earlier sales of sugar beets, sales grew by 30%.

93% of 2020 harvest is already contracted or sold.

Full amount of subsidies / no sanctions for agricultural activities are expected in 2020 since the requirements for which the Group was penalized in 2019 does not apply for 2020.

Improved revenue and gross profit.

	9M2020	9M2019	Variance	FY2019
Total cultivated land, ha	39,673	38,564	+3%	38,564
Total fair value of harvest, EUR million	41.87	36.06	+16%	38.26
Total production cost, EUR million	33.94	32.19	+5%	34.43
Gain (loss) on revaluation of biological assets (crops) recognized in reporting period, EUR million	6.48	3.87	+67%	5.28
Total fair value gain (loss) on revaluation of biological assets, EUR million	7.93	3.87	+105%	5.28
Sales revenue, EUR million	27.89	16.44	+70%	29.49
Cost of sales, EUR million	28.81	17.72	+63%	30.45
Inventory write-offs, EUR million	0.97	0.73	+33%	1.54
Result of sales of agricultural produce, EUR million	(1.89)	(2.01)	+6%	(2.50)
Subsidies, EUR million	5.57	5.27	+6%	4.96
Gross profit, EUR million	10.16	7.13	+42%	7.74



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 Friesians, brown cows, and spotted cows. The text "Results by segment" is overlaid in white, sans-serif font in the center of the image.

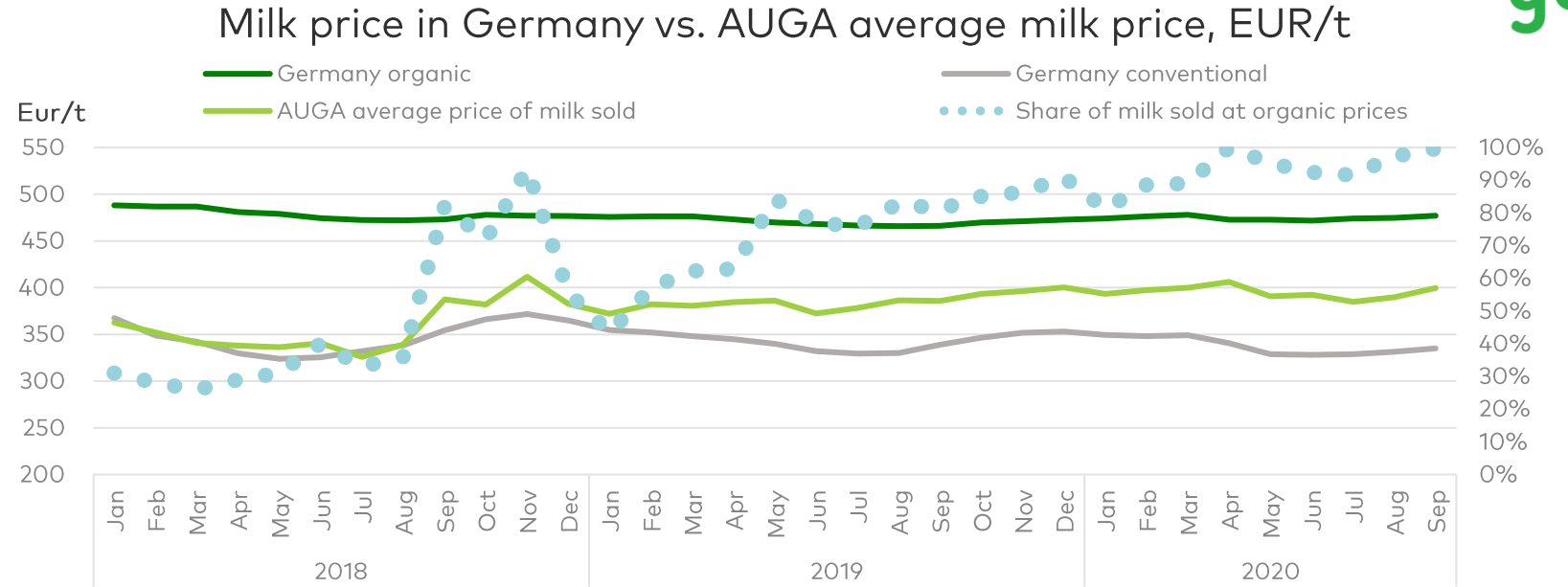
Results by segment

Dairy

Milk price and yield dynamics

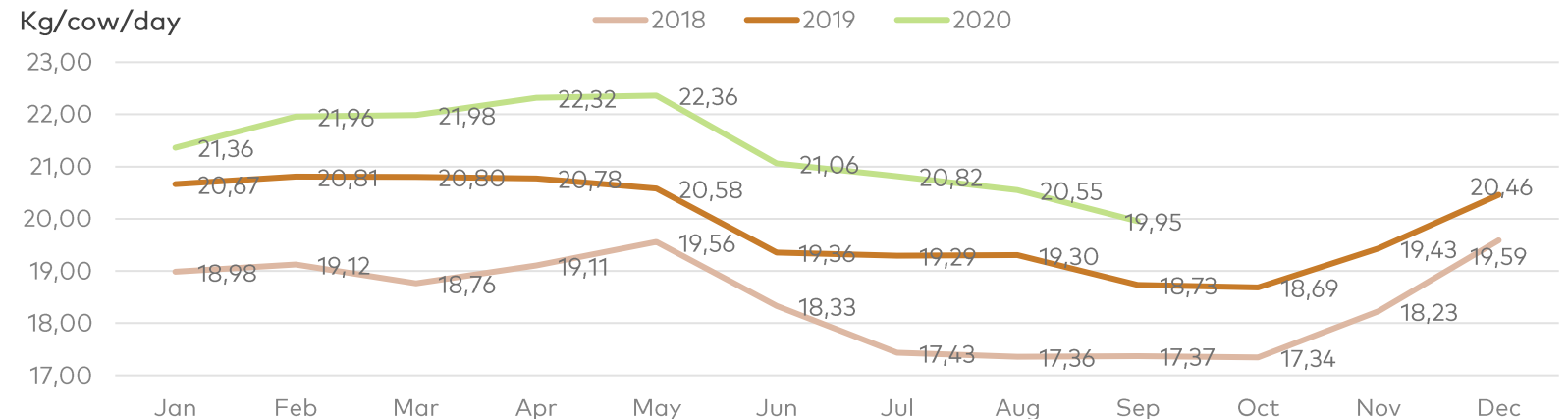
The share of AUGA milk sold at prices of organic milk ranges between 90-100% and allows to maintain stable prices.

Milk yields are improving year-over-year.



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

AUGA Milk yields, kg/cow/day



Number of cows had decreased by 3% and was 3,449 by the end of Q3.

Milk yield per cow increased by 6%.

Aged and ineffective herd is being replaced in order to increase productivity.

The Group is increasing the herd (up to 3.6 thousand cows) in order to reach maximum capacity and efficiency.

The segment has become profitable and has a potential to improve its current results.

	9M2020	9M2019	Variance	FY2019
Total quantity of products sold, t	19,828	19,144	+4%	25,224
Milk, t	19,307	18,598	+4%	24,492
Cattle, t	521	546	-5%	732
Revenue, EUR million	8.17	7.63	+7%	10.14
Milk, EUR million	7.62	4.81	+8%	9.42
Cattle, EUR million	0.55	0.56	-3%	0.72
Cost of sales, EUR million	7.79	7.64	+2%	10.64
Milk, EUR million	7.24	7.07	+2%	9.93
Cattle, EUR million	0.55	0.56	-3%	0.72
Revaluation of biological assets, EUR million	(2.30)	(2.31)	+0%	(2.20)
Subsidies, EUR million	1.96	1.66	+18%	2.22
Gross profit, EUR million	0.04	(0.65)	n/a	(0.47)





Results by segment

Mushroom growing

MUSHROOM GROWING

Growing demand for packaged mushrooms increased average price and cost.

Negative effects:

- due to COVID-19, sales of the mushrooms for catering have decreased as well as the sales of compost to export markets. Product mix is less favourable.
- exceptionally good season of forest mushrooms had decreased demand for grown mushrooms.

2020 9-months results

The segment demonstrates continuous growth.



	9M2020	9M2019	Variance	FY2019
Sold mushrooms, t	9,652	9,013	+7%	12,256
Average price (Eur/t)	2,231	2,107	+6%	2,147
Total revenue, EUR million	22.93	21.14	+8%	28.71
Mushroom sales revenue, EUR million	21.53	19.27	+12%	26.32
Compost sales revenue, EUR million	1.39	1.86	-25%	2.39
Cost of sale, EUR million	21.55	12.75	+10%	26.22
Cost of mushrooms sold, EUR million	20.30	11.68	+14%	2.49
Cost of compost sold, EUR million	1.25	1.07	-29%	23.73
Gross profit, EUR million	1.37	1.50	-9%	2.49





Results by segment

End-consumer products (FMCG)

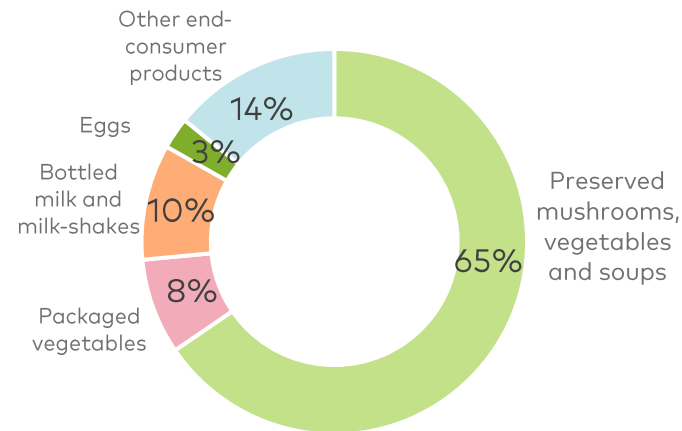
Growth in all segments and regions

FMCG products are distributed to 28 countries (21 in 2019).

The main group of product remains unchanged: preserved mushrooms, vegetables and soups.

Sales increased in all markets, with the largest impact coming from the U.S., Sweden and the Baltics.

Revenue structure



Country	Share of total sales % 9M2020	Increase in sales % 9M2020
Lithuania	32%	+12%
USA	27%	+320%
Sweden	9%	+361%
Japan	5%	New market
Latvia	5%	+89%
UAE	4%	+13%
Denmark	2%	New market
Australia	2%	New market
Estonia	2%	+80%
Ukraine	1%	New market
Poland	1%	New market
Other	10%	112%

2020 9-months results

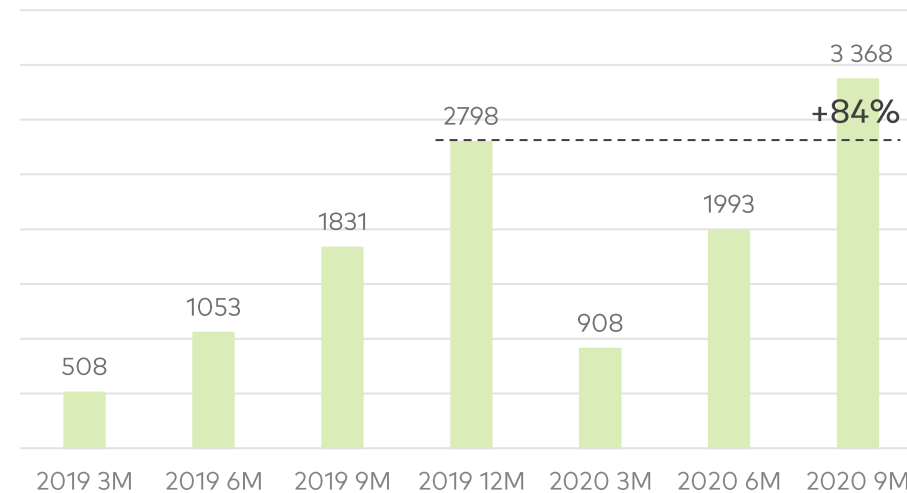
Sales revenue almost doubled in the nine months of 2020.

Growth of sales and larger utilization of production capacities have positive impact on profitability of the segment.

The Group has capacity to increase production by more than twice without significant investments.

	9M2020	9M2019	Variance	FY2019
Revenue, EUR million	3.36	1.83	+84%	2.79
Cost of goods sold, EUR million	3.07	1.82	+60%	2.75
Gross profit, EUR million	0.29	0.01	+2,900%	0.05

Revenue dynamics, thous. EUR



Financial information

FINANCIAL INFORMATION



Main factors for EBITDA increase
EBITDA increased by EUR 3.47 million.

Crop-growing segment had the biggest impact on the results.



FINANCIAL INFORMATION

Positive developments allow to expect trend of growth to continue in Q4 2020.

Overview of the results



Crop growing: 96% of Y2020 harvest is already in storage. 93% of the harvest is already contracted or sold. We expect positive results from sales of remaining uncontracted crops due to increasing prices of organic crops in recent months.

Dairy – Improving results will be further positively effected by improving quality of the herd and decreasing feed costs (average price of grass for feed will be lower due to better grass yields in 2020)

Mushrooms – Increasing production in difficult environment. Historically, Q4 is the highest season of the year

FMCG - Sales in October alone amounted to EUR 1.05 million.



FINANCIAL INFORMATION

Refinancing of credits to banks

Strategic goal – to increase part of long-term liabilities.

Agreements with Lithuanian branch of AS "Citadele banka", the branch of Luminor Bank AS and Swedbank, AB were signed.

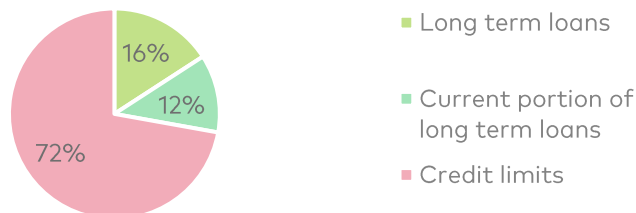
The banks will finance main operating companies of the Group.

Favorable conditions:

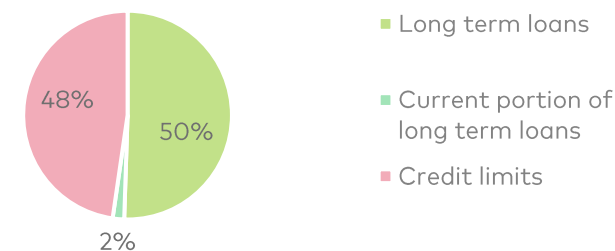
- Lower costs – average margin of banks' loans had decreased by 0.8%,
- More flexibility and opportunities for investments and expansion.

	Before	After
Refinanced/new credits, EUR million	26.6	38.1
LT loans maturity	1-2 years	5 years
ST loans maturity	2020.12	1-3 years

Refinanced loans



New loans



FINANCIAL INFORMATION

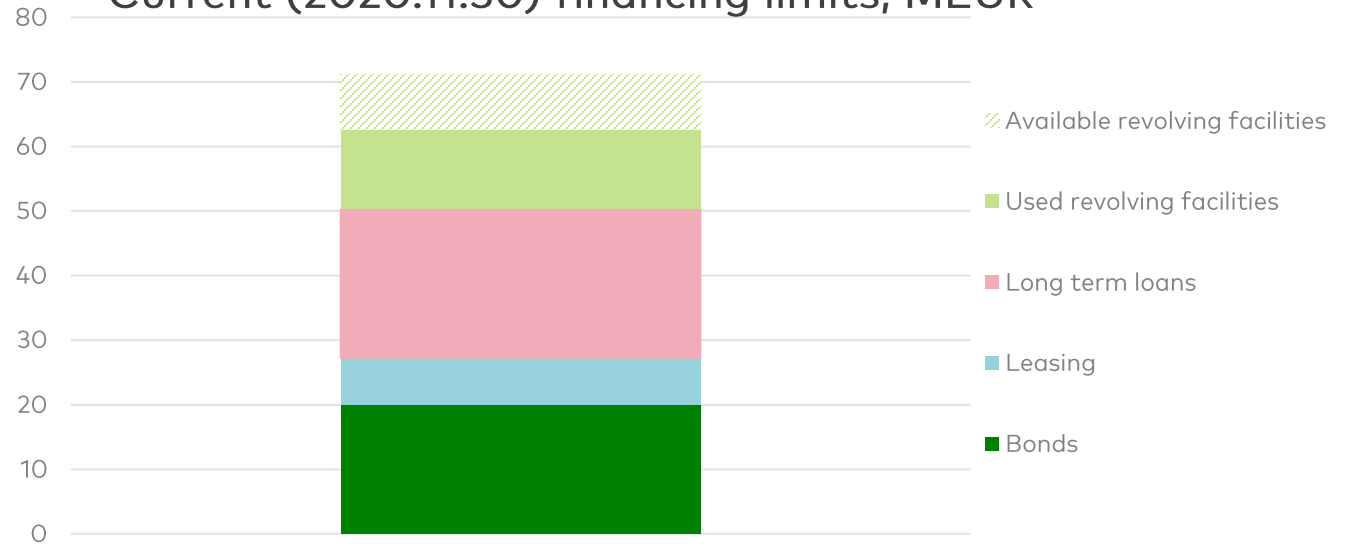
Annual repayments in 2021:

- all long-term loans – EUR 3.7 million,
- leasing – EUR 3 million.

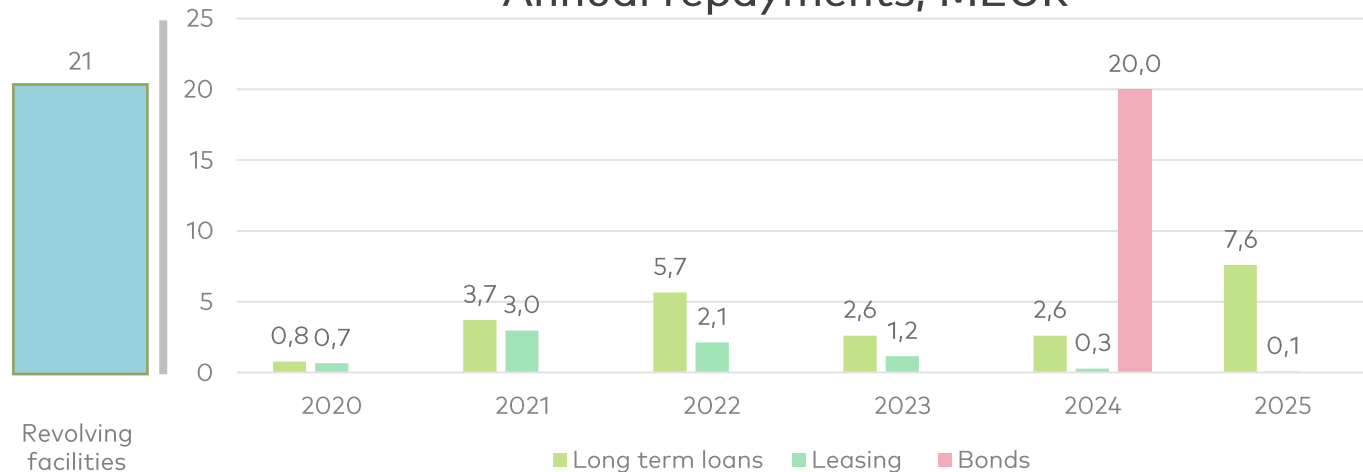
Effect on long term debt servicing

Strategic target – DSCR > 1,5 should be achieved.

Current (2020.11.30) financing limits, MEUR



Annual repayments, MEUR



FINANCIAL INFORMATION

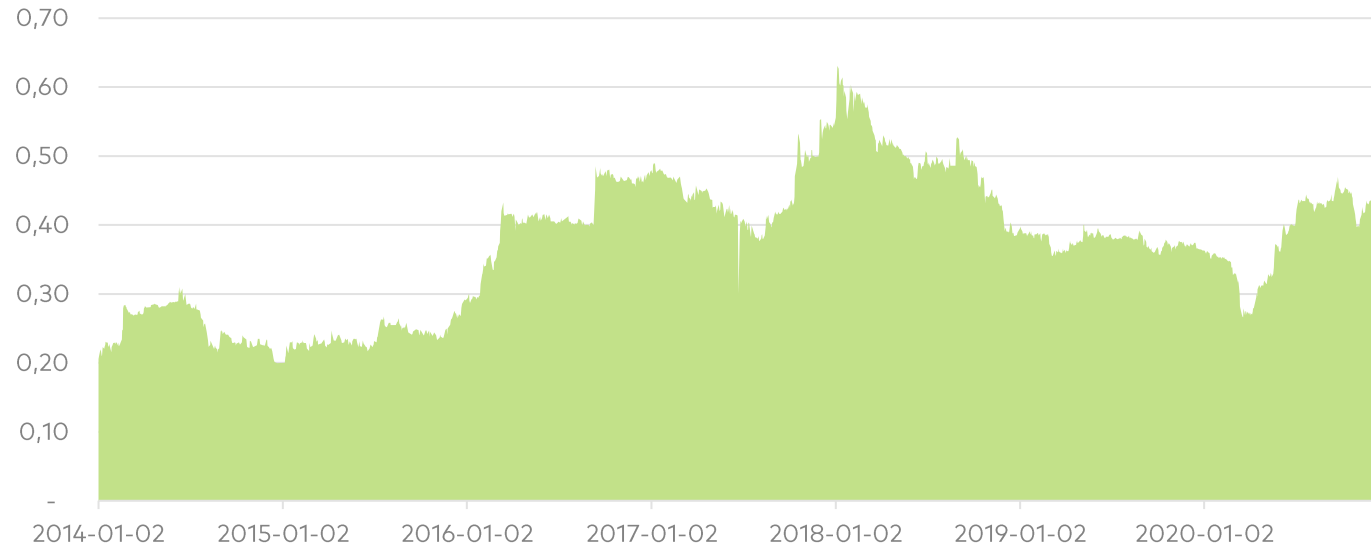
Share price information

The share price increased by 22.80% (from EUR 0.363 to EUR 0.446 per share) from the beginning of 2020 to 30 November 2020.

The average monthly turnover was EUR 0.35 million.

No 3 corporate bond turnover in Baltics. (annual turnover 1.8 MEUR up to 2020.11.30)

AUGA group, AB share price on Nasdaq Vilnius, EUR



Valuation target price, EUR



0.69*



0.45-0.55



0.64

* - Base case scenario



More information:

- Nasdaq Vilnius, Baltic Main List: [AUG1L](#)
- Nasdaq Vilnius, green bonds: [AUGB060024A](#)
- Information for investors, data in MS Excel format: <http://auga.lt/en/for-auga-investors/>
- Analyst reports: <http://auga.lt/en/for-auga-investors/analyst-coverage/>
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- Investor relations:

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