AUGA group, RAB
Consolidated Management Report, Consolidated and Separate Financial Statements and Independent Auditor‘s Report for the Year Ended 31 December 2024

Contents

1. Overview

1.1 Founder's Foreword

Dear members of the AUGA community,

For several years, our agricultural sector has faced numerous challenges, which we have tackled by leveraging all of our experience and the most resilient minds within the AUGA team. However, this was not enough, and in 2024 we had to make the decision to embark on the path of restructuring. Like other participants in the sector, we had been witnessing rising production costs for a prolonged period. With the onset of geopolitical instability in neighbouring regions and a surge in inflation, the demand for organic products drastically dropped, leading to a fall in the prices of organic raw materials.

To address these challenges—even before the official initiation of restructuring—we decided to partially transition to conventional farming in both crop and livestock production. Although this move allowed us to diversify our income sources and become more resilient to changing market and climate conditions, we paid the price of change: in 2024, we achieved less-than-optimal intermediate results in both organic and conventional yields. Nevertheless, time will show that these decisions will prove their economic benefit after the transition period and will be reflected in future years of operation.

Unfavourable business conditions were not the only factor influencing the operations of AUGA group companies. The year 2024 also marked the maturity of long-term financial obligations that we were unable to meet. When you fail an exam, you either give up or critically reassess your capabilities from the ground up. Choosing the latter, and despite knowing we'd face sharp criticism, we opted to initiate restructuring in 2024. Our goal was to restore the financial health of the group companies and fulfil commitments to both small and large creditors. We made this decision with a clear intent to preserve the business we've developed over many years—one that creates 1,030 jobs across various regions of Lithuania and directly impacts a long list of suppliers and customers. As before, we continue our operations in crop growing, animal husbandry, mushroom growing, biomethane production, and the delivery of finished products to consumers, with a strong focus on efficiency and cost-reduction initiatives. These efforts include a determined cost-cutting program and ongoing scrutiny of all current activities, including their scope and methods.

Within this context, we also decided to freeze the development and commercialization plans of our sustainable technology initiatives. Unfortunately, due to shifting market demands and political trends, sustainability has lost its place among top priorities. The technological solutions, patents, and intellectual property created by the dedicated engineering minds of Lithuania remain, but Sustainable agricultural technologies were ahead of their time. For now, they will function within AUGA farms only as a few isolated prototypes, marking the end of this particular stage in our technological development. Nevertheless, as long-time participants in agriculture, aware of our environmental impact and guided by our core values, we will continue integrating sustainable and efficiency-enhancing practices into our production activities—without investing additional equity capital.

Last year, our team also focused on implementing efficiency measures in our traditional business areas. In 2024, we expanded conventional crop areas and, based on an evaluation of farm performance indicators, ceased operations on unproductive and unprofitable land plots. That same year, to improve the animal husbandry segment's performance, we transitioned 27% of our herd to conventional production. This decision had an immediate positive impact on the segment and holds further potential to improve livestock operations.

During the reporting period, we also unlocked new opportunities for business growth by launching the biomethane production. We now selling biomethane, which is produced in Lithuania, to the European market. The green gas is generated from secondary raw materials sourced from our own farms, thereby fully closing the loop in our circular business model. In the coming years, we plan to operate our biomethane plants at full capacity, which is expected to generate significant economic value for the entire group.

At this stage of restructuring, our main objectives are to ensure the long-term solvency of the group and to meet the needs of all our stakeholders. We are therefore conducting a thorough efficiency review of both production and administrative activities, primarily aiming to reduce costs and maximize profitability in production operations. We are prepared to implement the necessary organizational and structural changes and, if needed, to sell or restructure our assets in a way that yields the highest possible economic return for the group.

Overcoming challenges takes time, but our team works diligently every day to ensure that the business we have built over many years continues to create value for the community, Lithuania, and its economy. Thank you to everyone who supports us during this challenging period.

Kęstutis Juščius

AUGA group, RAB Chair of the Board

1.2 AUGA group at a Glance and the Most Important Events of 2024

AUGA group, RAB (hereinafter - the Company) and its subsidiaries (hereinafter - the Group, AUGA group) operate in Lithuania (with headquarter in Konstitucijos str. 21C, Vilnius). The list of companies comprising the Group is presented in the Consolidated Financial Statements, in the first note. The Company and the entities forming the Group have not established and do not have any branches or representative offices in the Republic of Lithuania and/or in foreign countries. AUGA group develops organic and regenerative conventional agriculture, applying a sustainable farming model, offers more sustainable organic products to consumers and raw materials to processors, and creates emission-reducing agricultural technologies.

37.7*
th. hectares of arable land

85,4
EUR million revenue

141
th. tonnes of crop production production sold

1030
employees

41%
of sales is export

11
th. tonnes of mushrooms sold

27
th. tonnes of dairy production sold

* As of 30 September 2024, the Group had reduced its cultivated area from 37.7 thousand hectares to 34 thousand hectares. This was achieved by ceasing operations in fields previously cultivated by the cooperative company 'Mažeikių ūkiai' (3.3 thousand hectares), as well as in less fertile areas (432 hectares).

1.3 Vision, Mission, Values

Vision – a synonym for sustainable food and lifestyle.
Mission – food with no cost to nature.

AUGA group's activities are guided by the following core values: sustainability, innovation, and positive impact.

Sustainability

We care not only about reducing our footprint on the environment and our corporate social responsibility, we are also developing new ambitious standards for sustainability. We aim to achieve business results while being a model for sustainability everywhere and at all times.

Innovation

Environmental protection, operational efficiency and new standards are challenges that can only be tackled with technology and innovation. In our team, we encourage resourcefulness, creativity, out-of-the-box thinking, continuous learning and new solution finding.

Positive impact

We aim to achieve the best understanding of the present and future needs of our consumers and other stakeholders. As leaders in our field, we initiate change, create value, and positively impact the entire community.

1.4 Strategy

ESRS 2 SBM-1 Strategy, business model and value chain

Agriculture is responsible for over 20% of global greenhouse gas emissions[1]. With many years of experience and a deep understanding of the agricultural sector's negative environmental impact, particularly in terms of emissions, AUGA group is taking action to address this issue. Already in 2018, the Group measured its operational emissions for the first time, and along with the new business strategy announced in 2020, AUGA group set targets for their reduction (more details in the section Greenhouse Gases).

The 2020-2025 strategy outlines the following objectives: improving efficiency across all business segments by leveraging new technological solutions, establishing a sustainable farming standard, and producing food with the lowest possible environmental footprint. The five-year business strategy is publicly available on the AUGA group website.

AUGA group sustainability strategy is an integral part of the Group's business strategy. It covers three key areas of sustainability: environment, social responsibility, and sustainable governance. Sustainability directly influences the Company's business model and value chain elements, including monitoring and reducing the sector's impact, identifying risks, and implementing new opportunities.

The following technologies and processes play a key role in implementing the business strategy:

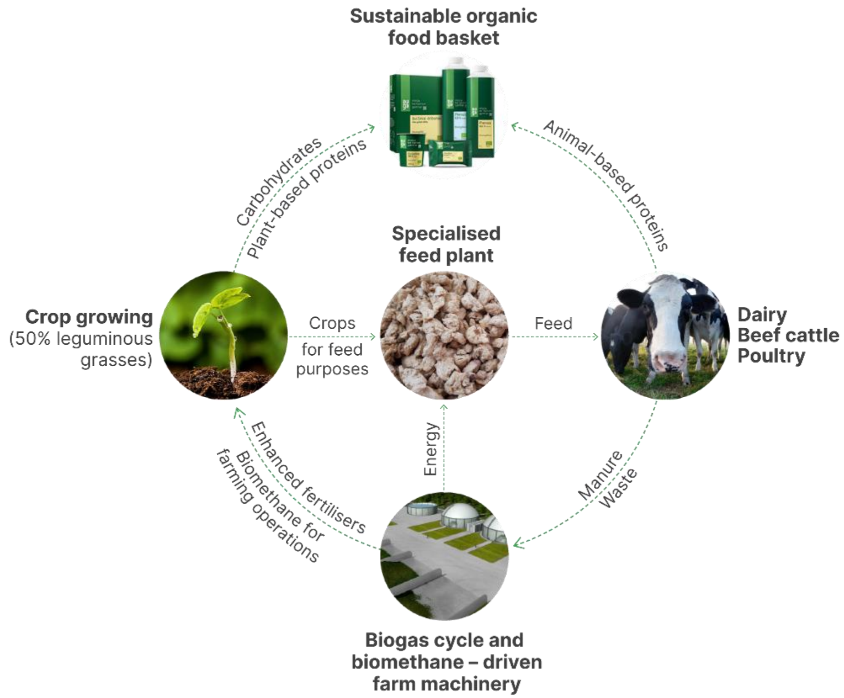
1 Creation of biomethane cycle infrastructure and biomethane powered vehicles, which will enable to run farm operations without fossil fuels, using manure not only as a fertiliser, but also as a source of biofuel production. The emissions from fossil fuel use on farms will be reduced by 50%.

2 Specialised feed technology, which will provide an opportunity to reduce methane emissions from ruminants by 50% (calculated per one tonne of cow's milk), as well as improve milk yield.

3 Regenerative crop-rotation, which will replace cereal crops with perennial leguminous grasses capable of sequestering carbon and fixing nitrogen in the soil. Emissions will be reduced by 30%, calculated per tonne of dry matter of crop production.

The strategy aims to implement a sustainable organic food production model, which is consistently integrated into the Group's long-standing circular economy model. This model addresses the most pressing technological challenges in the food industry while maintaining the pace of scale, quality, and yield growth.

Although the strategy remains relevant, the initiation of restructuring processes in the fourth quarter of 2024 for some of the Group's companies has slowed down part of the technological development, which may affect the achievement of the strategy's long-term objectives. Further information can be found in section "1.4.1 Strategy Implementation".



[1] Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Synthesis Report 2023

1.4.1 Strategy Implementation

The Company's strategy is publicly available on the AUGA group's website and is consistently being implemented. Every year, the Company publishes a Strategy Implementation Report, approved by the Board members, along with its Annual Report on the Nasdaq website.

During the reporting period, the Group continued its efficiency agenda in the crop growing segment, initiated in previous years. Since mid-2023, part of the arable land has been cultivated using regenerative conventional farming. By 2024, the areas of organic and regenerative conventional farming were evenly distributed. In 2024, AUGA group took another significant step by transitioning 27% of its livestock segment into conventional. These measures will help diversify risks associated with the volatility of the organic market, reduce operational costs in the long term, and improve financial performance. It is important to note that in 2024, the Group began to conduct an efficiency review of the economic units of the agricultural operations. After assessing the long-term performance of farms and the efficiency of the land under cultivation, the Group decided to discontinue operations on 3,300 hectares of land in the Mažeikiai region and additionally gave up 432 ha of individual less fertile arable land areas located throughout Lithuania. Exiting loss-generating land operations will improve the Group's overall financial results and allow resources to be redirected toward investments in increasing the efficiency of remaining farms.

The Group's company, AUGA Tech, also achieved important Innovation goals during the reporting period. AUGA M1 biomethane and electric-powered tractors, were tested in real farm conditions for the second season. In 2024, this technology was patented in key markets such as the United States, China, Australia, and the Eurasian Patent Convention countries. In 2024, the innovation-driven company also introduced AUGA E1, a multimodal electric-powered tractor, to the market. Significant progress was made in 2024 in developing and commercialization of sustainable technologies - in spring, the Group began producing biomethane from secondary raw materials (manure) of livestock farming activities. This not only became a new source of revenue but also fulfilled the Group's goal of implementing a circular production model, which can be explored here. It is also important to note that the prototype of feed production and feeding technology developed by the Group, which was evaluated and approved by scientists at the LSMU VA, allows for an increase in milk yield without affecting milk quality and a 32 percent reduction in methane emissions generated by the cows' digestive processes. In early 2025, this technology received a National Patent.

In 2024, the Group allocated EUR 1,011 million for technological projects, representing a 70% decrease compared to EUR 3.387 million in the previous year.

The Group's subsidiary, AUGA trade, continued supplying more sustainable organic products to the market during the reporting period. The product portfolio is described in section 1.5.6 End-products for Consumers. In 2024, the Company introduced new products—yoghurts in three different flavors. Expanding its product portfolio, the Company also actively increased its sales channels, with a strong focus on B2B clients, while growing its base of consumers choosing sustainable products.

More details on how the Group implements sustainability principles in its operations are disclosed in the Sustainability Report section.

It is important to note that the Group initiated restructuring processes for some of its group companies in the fourth quarter of 2024 in order to maintain business viability, restore long-term solvency and settle accounts with creditors. When it comes to strategy execution, the Group will continue to strive to maintain its commitments by implementing the strategy guidelines and introducing efficiency practices in the main business segments: crop growing, dairy, mushroom growing, as well as in the activities of fast-moving consumer goods (FMCG) and biomethane production. It is noteworthy that biomethane production, which originated from the cradle of AUGA group's R&D department, became an income-generating activity in 2024 – fully closing the loop of operational circularity. Accordingly, the Group will continue to apply sustainable practices in agriculture and learnings gained from technology innovation projects that can generate additional efficiency gains, however, indirectly, AUGA Tech, managed by AUGA group, is putting the development and commercialization efforts of emission-reducing technologies on a freeze, in order to replace the equipment and implements necessary for the Group's production volumes with more sustainable technological alternatives developed by the Company. Detailed circumstances determining the implementation of the strategy, changes in its scope and objectives in the context of restructuring are presented in the additional document "Strategy Implementation Report", which is published annually on the Nasdaq portal together with the Annual Report.

1.5 Business Model

ESRS 2 SBM-1 Strategy, business model and value chain

AUGA group develops organic ad regenerative conventional agriculture applying a sustainable farming model, offers more sustainable organic products to consumers and raw materials to processors, and creates emission-reducing agricultural technologies.

1.5.1 Business Segments

AUGA group operates in five business segments, which include agriculture and food production industries, as well as activities focused on the development and application of sustainable agricultural technologies:

- Crop growing – the Group grows wheat, leguminous crops, rapeseed, sugar beet, oats and other crops. Additionally, vegetables are grown and organic animal feed is prepared. In 2024, AUGA group's organic farming areas covered 19,780 hectares, while regenerative conventional farming areas reached 17,980 hectares.
- Dairy – this segment of the Group includes organic milk production and cattle breeding. The Group develops this activity in 10 dairy farms. In 2024, 27% of the cows were transitioned to conventional dairy farming.
- Mushroom growing **–** The Company's subsidiary Baltic Champs is one of the largest and most modern mushroom growers in the Baltic region. The company supplies consumers with white and brown champignons, oyster, portobello, eryngii, shiitake mushrooms, and also produces compost which is used for mushroom growing.
- Fast-moving consumer goods (FMCG) – the Group offers a wide range of organic products for the final consumer, which include: dairy and oat products, eggs, vegetables. The products sold by AUGA group are marked with the AUGA brand.
- Technologies for sustainable agriculture (AgTech) – The company AUGA Tech, UAB, an indirect subsidiary of the company, has been developing emission-reducing agricultural technologies until 2024. In the fourth quarter, it has been developing emission-reducing agricultural technologies - a biomethane and electric hybrid tractor "AUGA M1", an electric multifunctional platform-tractor "AUGA E1". The company AUGA Tech, UAB has also been developing specialized feed technology that reduces methane emissions from livestock farming. Although in the context of restructuring, the Group has decided to freeze technology development plans, except for the biomethane production branch, which has already been commercialized and generates economic benefits. Three companies of the Group produce biomethane from raw materials (manure) generated in livestock farming, and the by-product obtained in this activity - digestate - is fully used in organic crop production as fertilizer.

The financial indicators of business segments are presented in section 2.2. Business Segments. It is important to note that the Group does not operate and generate revenue in the fossil fuel (coal, oil and gas), chemical production, controversial weapons and tobacco growing and manufacturing sectors.

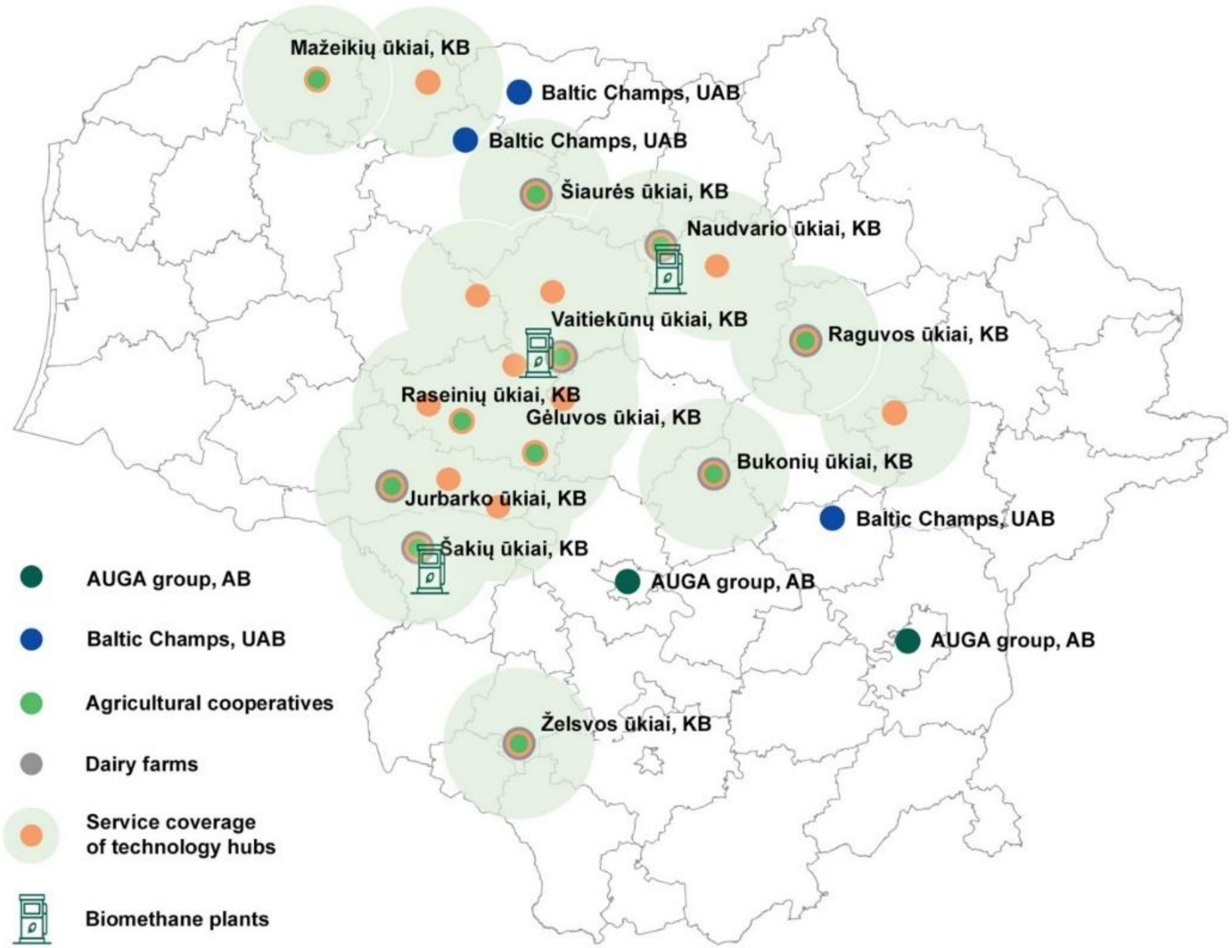
1.5.2 Competitive Advantages of the Group

- Economies of scale – the Group operates over large areas of land (37.7 th. hectares)*. Lower labour costs and economies of scale provide a significant cost advantage.
- Operational diversification – AUGA group is engaged in organic and conventional agriculture in both of its main business segments – crop production and livestock production. This creates the opportunity to ensure more stable financial flows and better manage risks associated with constantly changing market conditions.
- Vertical integration – Group farms grow a wide range of raw materials, organise their processing and preparation for consumption by itself or together with outsourced production partners. This allows us to offer consumers various end-use products, such as: milk or oat products, vegetables, mushrooms, eggs.
- Full traceability – the Group ensures high product quality and full traceability – from seeds to packaging.
- Synergy between different branches of agriculture – The Group operates on a closed-loop agricultural model, which allows supplying different business segments with the necessary agricultural products. For example, the organic dairy farming segment operates in synergy with organic crop growing. Crops used for animal feed in livestock are grown for crop rotation. Biomethane is produced from secondary raw materials (manure) of livestock farming activities, while the byproduct of this process–digestate–is used to fertilize crop fields.
- Technology development and application in practice – emission-reducing agricultural technologies are the guarantor of the future progress of the sector, which will allow curbing the issues of climate change. Although the Group has shifted less focus to the development of these technologies since the end of 2024, it has not abandoned these activities and will continue to develop them when economic conditions become more favourable and demand from society, the market, and institutions increases.

*As of September 30, 2024, the Group reduced its cultivated area from 37.7 thousand ha to 34 thousand ha, having abandoned operations in the fields previously cultivated by the cooperative company "Mažeikių ūkiai" (3.3 thousand ha) and in individual less fertile areas (432 ha).

1.5.3 Map of Activities

All the above-mentioned activities of the Group are carried out in Lithuania. The Group operates on 37.7 thousand ha, with the aim of achieving 19,780 ha of organic agricultural activity in 2024, and 17,980 ha of regenerative conventional agriculture. According to 2024 data, the Group employed 1,030 employees. It is important to note that as of September 30, 2024, AUGA group, having assessed the long-term results of farms and the efficiency indicators of cultivated land plots, ceased to continue part of its agricultural activities in the Mažeikiai region (3,300 thousand ha of activities were discontinued, which were previously worked by the cooperative company Mažeikių ūkiai) and in individual less fertile areas (432 ha). The locations of the Group's central office and activities are presented on the map below:

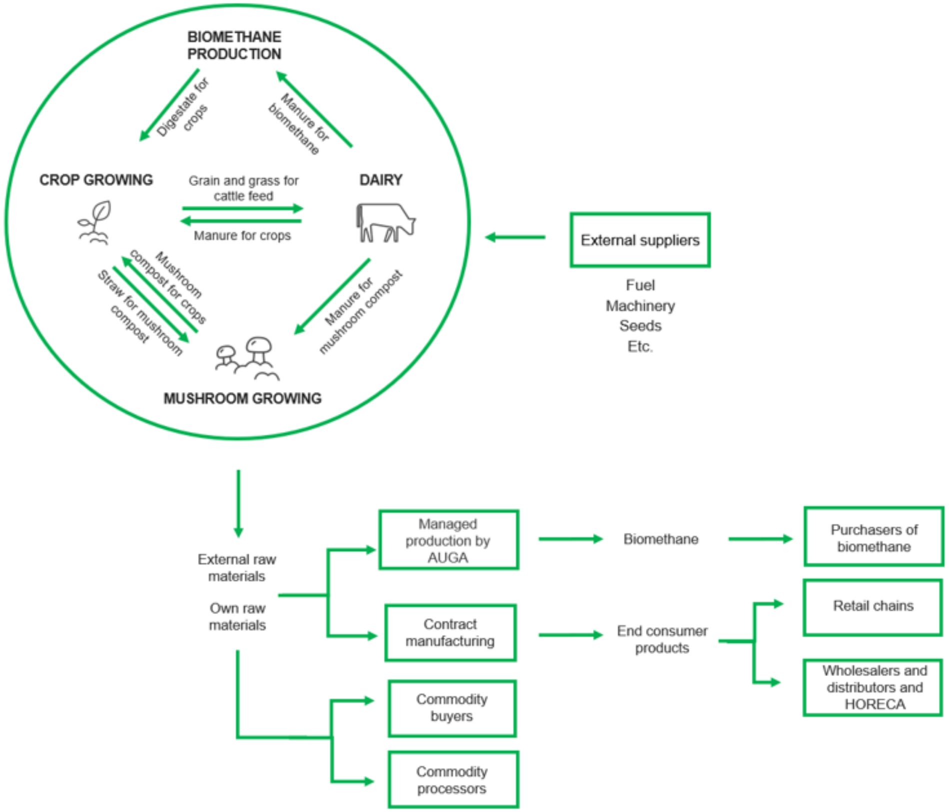


1.5.4. Export Markets

The Group's export markets in 2024 included countries all over the world. The list of countries to which raw materials and mushroom were exported in 2024 includes Germany, Poland, the Netherlands, the United Kingdom, Italy, Austria, Estonia, Latvia, the Czech Republic, Finland, Norway, Sweden and other countries. The line of more sustainable organic products for end use has been introduced for the domestic market - Lithuania, with some of this production being exported to the following countries: Latvia, Estonia, Poland, Slovakia, Romania, Cyprus, Japan, the United Arab Emirates, Malta and other countries.

1.5.5 Group‘s Supply Chain

The main activities of AUGA group are disclosed in section 1.5 Business Model. AUGA group's supply chain is extensive and complex. Implementing the principle of a circular economy, the Group can supply itself with some of the resources and raw materials it needs. For example, organic waste from livestock (manure) and mushroom compost serves as crop fertilisers, and cultivated crops are used as ingredients for cattle feed. Also, crop products (straw) are used together with livestock manure in mushroom growing activity.



The Group purchases fuel, seeds, fertilisers, certain raw materials, and other products, rents or buys machinery from external suppliers (i.e. the beginning of the value chain/inputs). AUGA group communicates directly with its suppliers and manages the procurement of necessary resources, raw materials, and services a) centrally through the Procurement Department; b) smaller-scale purchases are organised independently by Company employees.

The end of the value chain/outputs are divided into three parts: a) raw materials produced by the Group are sold to buyers or processors in Lithuania and abroad; b) the Group manufactures end-products for consumers from its own and external raw materials, labelled under the AUGA brand. These products are sold in retail chains (B2C), distributed through wholesale buyers, distributors, HORECA channels (B2B), and others. The majority of end-products are sold in Lithuania; c) the Group produces biomethane from secondary raw materials (manure) of livestock farming activities. This biomethane is sold to European commercial clients via a remote intake point into the natural gas system.

More detailed information about the Group's value chain is also provided in the Sustainability section of this report, taking into account its links to key sustainability topics, environmental impact, and risks, as well as detailing the Group's companies throughout the value chain.

The Annual Report presents general information on the revenues and expenses of all business segments within the Group. This is disclosed in section 2. Results.

1.5.6 End-products for Consumers

Organic milk products	Organic oatmeal products	Organic vegetables and etc.
Milk 2.5% fat.	Oatmeal porridge with apples and cinnamon	Potatoes
Milk 2.5% fat.	Oatmeal porridge with apricots and banana	Beetroot
Milk 3.5% fat. UHT	Oatmeal porridge with banana and strawberries	Carrots
Milk 2.5% fat. UHT, lactose-free	Oatmeal porridge with apples and raspberries	Eggs
Kefir 2.5% fat.	Oatmeal porridge with wild berries	
Sour cream 30% fat.	Oatmeal porridge with raisin and kiwi	
Curd 9% fat.	Oatmeal porridge with pear and cherry	
Butter 82% fat.	Oatmeal	
Yoghurt natural 4,3% fat. (125 g and 350 g)	Instant oatmeal	
Yoghurt with apricot and strawberry 3,5% fat. (125 g and 350 g)		
Yoghurt with blueberry and raspberry 3,5% fat. (125 g and 350 g)		

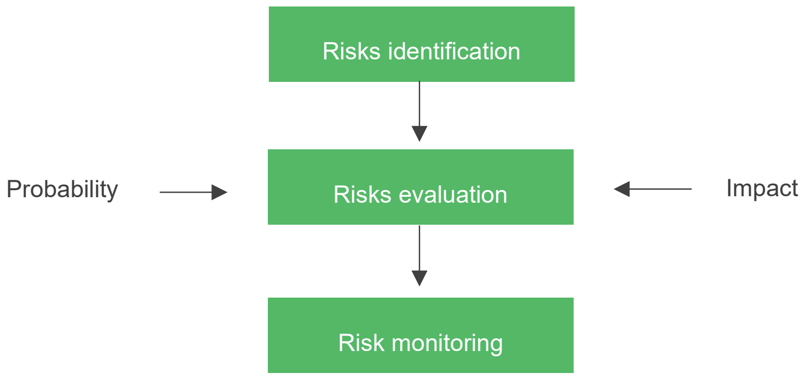
In 2024, the Group continued supplying the market with more sustainable organic products under the AUGA brand. These products are made from organic raw materials grown on AUGA group farms in Lithuania, where more sustainable farming methods are applied. The Group also supplies organic instant oatmeal porridges to the market, with oats from AUGA group farms as the main ingredient, making up an average of 74% of the final product. AUGA vegetables and eggs are also supplied to consumers from the Group's organic farms.

Throughout 2024, the Group continued to focus on expanding its base of consumers choosing sustainable products, growing its distribution network and sales channels. During the reporting period, AUGA group also introduced new products to the market – three flavours of yoghurt (natural, apricot and strawberry, blueberry and raspberry). More information about these products can be found on the website.

1.6 Risk Management

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Risk Management Guidelines were approved by the Company's Audit Committee and independent Board in 2021. Each year, the Group's senior management conducts a comprehensive risk assessment, mapping risks based on their impact and probability. These risks are then closely monitored throughout the year by both Senior Management and the Board.



In 2024, a comprehensive list of 30 risks related to significant sustainability themes was also prepared and integrated into the Group's overall annual quantitative risk assessment. Since sustainable business guidelines and objectives are embedded in the AUGA group business strategy, each risk, including sustainability risks, was assessed based on weighted factors of probability and financial impact to determine priority risks. The key risks identified for the Group in 2024 are listed below, including three sustainability-related risks marked with significant sustainability theme codes.

It is also important to note that most of the listed risks acquire additional aspects and their spectrum increases in the context of restructuring. The Company cannot directly manage the risks associated with restructuring, as they fall within the competence of creditors and the court. The Group monitors and manages the remaining priority risks by applying various internal control mechanisms.

Liquidity risk. The Group's business model requires significant working capital, particularly due to the long production cycle in the crop segment. Seasonal fluctuations in sales volumes, combined with limited hedging options due to market uncertainty, increase liquidity risk. The ongoing restructuring process further increases this risk, as financial institutions and suppliers may impose stricter credit conditions, reduce the availability of financing or refuse to provide financing due to legal status, which may limit cash flows and disrupt operations.

Partial completion of restructuring across Group entities. The implementation of restructuring may not be successful in all Group companies and may lead to operational and management inconsistencies, financial difficulties, forced asset sales and bankruptcy of individual operating companies. The restructuring process includes important stages covering the entire process. Risks arise if restructuring is not fully implemented at the level of the companies being restructured, as partial or unsuccessful implementation/non-approval of the restructuring plan may cause prolonged financial difficulties and operational inefficiency. Challenges such as legal disputes, regulatory restrictions or resistance to change may slow down the restructuring process, preventing the Group from ensuring the desired financial stability and strategic goals.

Credit/ financing risk. Given the capital-intensive nature of organic and regenerative conventional agriculture, access to financing remains a key concern. The Group's high level of borrowed capital imposes material restrictions, such as:

- Limited access to additional funding for working capital, investments, acquisitions, and debt servicing.
- Reduced flexibility to adapt to changing market conditions, impacting growth and strategic decision-making.
- Constraints arising from existing credit agreements, including limitations on borrowing, asset pledging, and mergers, which could hinder expansion efforts.
- Potential restrictions on extending the maturities of existing financial liabilities, increasing repayment pressure and financial distress.

The restructuring process may lead to stricter financing terms, such as higher interest rates, shorter loan tenures, or additional collateral requirements. These changes could limit the Group's ability to secure the necessary funds, and in some cases, there may be no possibility at all of securing additional credit, compelling management to explore alternative financing options.

Capital risks due to poor results. The financial performance of the Group has a direct impact on its capital reserves. Poor results, driven by market volatility, restructuring costs, or operational inefficiencies, could lead to reduced investor confidence, lower equity valuations, and potential breaches of financial covenants. This risk underscores the importance of strategic cost management and revenue diversification. Moreover, negative financial performance could impact relationships with key stakeholders, including investors, lenders, and suppliers, potentially leading to more restrictive terms, reduced market confidence, and difficulties in obtaining necessary resources for future growth.

Loss of Suppliers or Partners (G1). Some suppliers or business partners may have concerns about continuing their relationship with a company undergoing restructuring, particularly regarding the recovery of outstanding debts. As a result, payment terms may shift, with some partners requiring advance payments rather than credit arrangements. These changes could impact supply chains, increase procurement costs, and limit the Group's access to essential inputs for production. In more challenging scenarios, the reduction or loss of key suppliers might cause operational delays, potential shortages of raw materials, and difficulties in meeting customer demand, which could affect the Group's market position and financial health.

Loss of 'reliable vendor/ partner' status (G1). Being under restructuring may impact the Group's reputation in the market. Customers and financial institutions may perceive the Company as a high-risk entity, potentially leading to reduced business opportunities and stricter contractual obligations. If the Group fails to reassure its partners of its long-term viability, it may face a decline in customer loyalty, difficulty securing new contracts, and increased costs associated with rebuilding lost business relationships.

Changing prices of organic and raw conventional products (E1). The premium pricing of raw organic products, together with subsidies, has historically compensated the higher production costs. However, if the price gap between organic and conventional products diminishes, the Group may face reduced profit margins. Nevertheless, it is important to note that currently market trends in the commodity market are turning more positive, which may reduce cost pressures and support long-term business performance.

Production costs growing more than forecast. Production costs exceeding forecasts pose a significant risk, particularly in the context of farming operations. Key cost drivers include increases in labour wages, prices for seeds, fertilisers, fuel, and equipment maintenance. Compliance with tightening organic or sustainability standards further adds to cost pressures. External factors such as volatile weather conditions, shifting demand for specific crops or livestock, regulatory changes, and global commodity price fluctuations can exacerbate unpredictability.

Decrease in leased rights for land due to restructuring. During the restructuring process, the Group may be forced to abandon part of its leased land in order to meet financial obligations or optimize operations. The reduction in agricultural land may directly affect production capacity, revenue streams and long-term sustainability of the business. In addition, the weakening of confidence of landowners leasing their cultivated areas to the Group may lead to a reluctance to extend lease agreements in the future.

Loss of market position. Operational disruptions caused by restructuring processes and the implementation of cost optimization programs may lead to a temporary decrease in service quality, customer dissatisfaction and loss of market share. Competitors may take advantage of this situation, making it challenging for the Group to regain its position during restructuring. Additionally, key clients who ensure the presence of AUGA products in essential markets may choose not to purchase from the Company, further impacting its market positioning as a long-standing player in both the organic and conventional food value chain.

2. Results

2.1. Overall Performance

Main performance indicators of the Group*	2024	2023	2022	Variance 2024/23	Variance 2023/22
Revenues	85,369	81,483	80,088	+5%	+2%
Direct subsidies	11,001	11,846	12,711	-7%	-7%
Gross profit (loss)	(3,357)	(957)	15,270	-251%	n/a
Operating profit (loss)	(20,058)	(7,977)	3,099	-151%	n/a
Finance costs	(12,328)	(10,262)	(7,537)	-20%	-36%
Net profit (loss)	(32,441)	(18,447)	(5,351)	-76%	-245%
EBITDA	75	1,182	19,580	-94%	-94%
Net cash flow from operating activities	5,593	(7,425)	691	n/a	n/a
Net cash flow from operating activities before changes in working capital	2,949	(75)	9,346	n/a	n/a
Total non-current assets	153,108	159,728	162,584	-4%	-2%
Total current assets	49,967	68,699	68,834	-27%	0%
Total equity	30,252	62,627	77,533	-52%	-19%
Total non-current liabilities	45,986	60,578	83,236	-24%	-27%
Total current liabilities	126,837	105,222	70,649	+21%	+49%
Non-current and current financial liabilities	131,816	127,034	117,027	+4%	+9%
Adjusted working capital	11,181	28,494	32 424	-61%	-12%
EBITDA margin, %	0,09	1.45	24.45	-94%	-94%
Operating margin, %	(23.50)	(9.79)	3.87	-140%	n/a
Net margin, %	(38.00)	(22.64)	(6.68)	-68%	-239%
ROE, %	(69.86)	(26.32)	(6.84)	-165%	-285%
ROA, %	(15.04)	(8.02)	(2.41)	-87%	-233%
ROCE, %	(17.17)	(6.33)	2.29	-171%	n/a
P/E ratio	(0.44)	(3.89)	(16.41)	+89%	+76%
Debt/EBITDA	-	107.49	5.98	n/a	+1 698%
Equity ratio	0.15	0.27	0.34	-45%	-18%
Current ratio	0.39	0.65	0.97	-39%	-33%

* Main performance indicators comprise results from both continuing and discontinued operations (incl. Grybai LT), while in consolidated financial statements, results from discontinued operations are disclosed separately.

In 2024, the Group's sales revenue amounted to EUR 85.37 million. This is 5% more than in the same period last year, when sales revenue was EUR 81.48 million. Sales revenue grew in the crop, dairy and end-use products segments, while sales decreased in the mushroom growing segment.

The Group's gross loss in 2024 amounted to EUR 3.36 million, compared to a gross loss of EUR 0.96 million in 2023. In 2024, the Group incurred a net loss of EUR 32.44 million, compared to a loss of EUR 18.45 million in the previous year.

Despite the challenges associated with the restructuring processes, the Group continues to carry out daily operations in all its business segments.

Ratio calculation explanation:

EBITDA - net cash flow from operating activities before changes in working capital and net interest paid, as it is disclosed in cash flow statement, including gain (loss) on changes in fair value of biological assets.

EBITDA margin = EBITDA / Revenues.

Operating profit margin = Operating profit (loss) / Revenues.

Net profit margin = Net profit (loss) / Revenues.

ROE = Net profit (loss) / ((Total equity at the end of reporting period + total equity at the beginning of the reporting period)/2).

ROA = Net profit (loss) / ((Total assets at the end of reporting period + total assets at the beginning of the reporting period)/2).

ROCE = Operating profit (loss) / (Total equity + Non-current and current portion of non-current borrowings and lease liabilities (excluding lease related with IFRS 16)).

P/E = Last share price at the end of reporting period / earnings per share.

Debt/EBITDA = (Non-current borrowings + non-current obligations under lease + current portion of non-current borrowings + current portion of non-current obligations under lease + current borrowings) / EBITDA.

Equity ratio = Total equity / Total assets.

Current ratio = Total current assets / Total current 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 well the short-term assets and liabilities directly related to operations of the Group are being utilized. Total current assets and total current liabilities are used to describe current ratio which is also included as a key ratio of the Group.

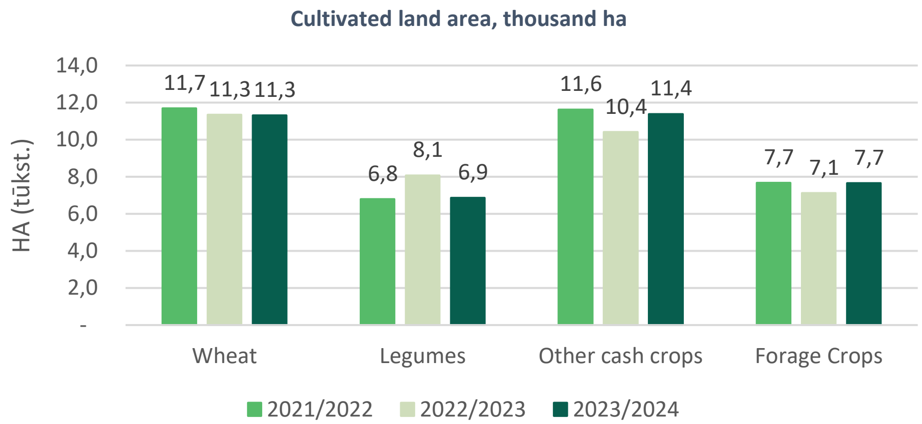
2.2. Business Segments

2.2.1. Crop Growing Segment Overview

Results of crop growing segment consist of crop harvest fair value, sales of the previous and current year harvest and agricultural subsidies.

Harvest in the season of 2023/2024

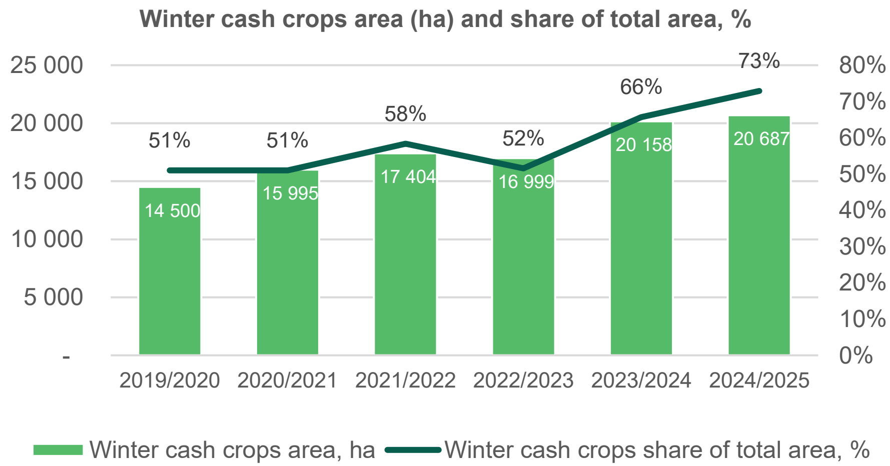
In the 2023/2024 season, the total area of the Group's cultivated land amounted to 37.8 thousand ha and was smaller than in the 2022/2023 season. In the 2023/2024 season, 29.6 thousand ha were sown (29.8 thousand ha were sown in the 2022/2023 season), of which 11.3 thousand ha were wheat, 6.9 thousand ha were legumes and 11.4 thousand ha were other crops. The majority – 10.8 thousand ha out of 11.3 thousand ha – of wheat was winter wheat, as winter crops have a higher yield potential compared to summer alternatives. Forage crops amounted to 7.7 thousand ha in the 2023/2024 season, compared to 7.1 thousand ha in the 2022/2023 season.



At the end of the reporting period, i.e. 2024. December 31, the entire harvest of the 2023/2024 season was harvested. For wheat, legumes and other crops, the harvest of which was harvested before the end of the reporting period, a gain (loss) from the change in the fair value of agricultural products on initial recognition was recorded. The harvest of fodder crops was valued at cost.

Harvest in the season of 2024/2025

At the end of each quarter the Group evaluates the fair value of crops which have not yet been harvested. The weather conditions during 2024 autumn were favourable for the preparatory work needed for 2024/2025 season. The sowing of winter crops and land tillage work were completed according to schedule. In 2024 there were 21 thous. ha dedicated to winter crops – wheat, triticale, rapeseed, clover, barley and vicia – which will be harvested in 2025. This adds up to 73% of land that was sown with wheat, legumes and other cash crops for the 2024/2025 season. For comparison, in 2023/2024 season there was 20 thous. ha of winter crops sown. Winter crops are in good condition at the time reporting of financial statements. Based on the Group's judgement, the mild winter should not have an adverse effect on the upcoming harvest. Favorable conditions in autumn enabled the Group to complete all the necessary land tillage work and prepare the land for the 2024 spring sowing. The Group is well prepared for the 2024/2025 season and is optimistic with regards to the potential of the next year's harvest.



As of 31 December 2024 the group has evaluated the gain (loss) on revaluation of agricultural produce for crops that will be harvested in 2025. The calculation was based on the formula given below:

Fair value of a crop = Costs incurred + (Cultivated area in ha * historical average yield as tonnes per ha * forecasted price per tonne – cultivated area in ha * forecasted total cost per ha) * T, where:

- Cost incurred is cost actually incurred for a particular crop as of 31 December 2024.
- Cultivated area in ha is the area of a particular crop seeded and expected to be harvested.
- Historical average yield tonnes per ha.
- Forecasted price per tonne. Contracted average sales prices are used for fair value estimation adjusted according to the development in the market.
- Forecasted total costs per ha. Average historical cost levels after evaluating the current situation.
- T is the portion of time that has already passed from sowing date until the forecasted harvest date expressed as a percentage. As of 31 December 2024, the average completion percentage estimated for next year‘s harvest crops was around 36%.

The above formula used to calculate the fair value of crops will also be used in the coming quarters to calculate the fair value of winter and summer crops up to the date of harvest. The assumptions used to calculate the fair value of crops will be reviewed each quarter and adjusted based on the latest available data.

While valuing forage crop yields, it is important to note that the fair value of forage crops at harvest is determined based on the total cost of harvesting the forage crops. In other words, the total cost of harvesting the forage crops is used as a measure for calculating the fair value of the forage crops, since there is no active trading market for these crops and there is no possibility to reliably determine the fair market price of the forage crops. Due to this valuation method, the result of the change in the fair value of the forage crops is equal to zero.
The table below shows the cultivated land area by crop group in the 2023/2024, 2022/2023 and 2021/2022 seasons. The area of wheat and leguminous crops decreased in the 2023/2024 season and accounted for 61% of the total area of crops intended for sale, compared to 65% in the previous season.

Harvested land plot by culture group, ha	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Eco wheat	4,101	11,345	11,693	-64%	-3%
Conv. wheat	7,204	-	-	-	-
Eco legumes	3,497	8,077	6,785	-57%	+19%
Conv. legumes	3,373	-	-	-	-
Other cash crops	11,384	10,411	11,628	+9%	-10%

Comparison of wheat, legumes and other cultures average cost per hectare of land is provided in the table below.

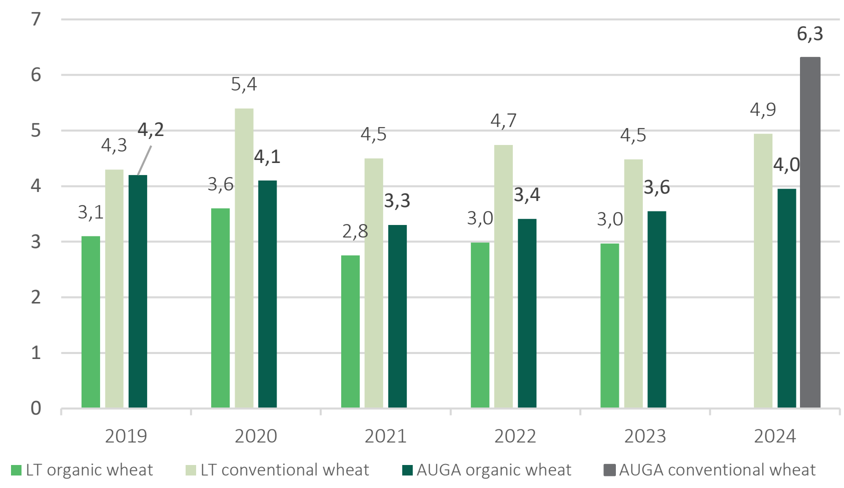
Cost per 1 ha cultivated land, EUR/ha	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Eco wheat	1,243	1,103	1,033	+13%	+7%
Conv. wheat	1,534	-	-	-	-
Eko legumes	1,096	935	926	+17%	+1%
Conv. legumes	1,227	-	-	-	-
Other cash crops	1,485	1,266	1,237	+17%	+2%

As can be seen from the data provided, the cost of organic wheat per 1 hectare in the 2023/2024 season increased by 13%, while the cost of organic legumes increased by 17% compared to the previous year. The increase in cost was due to the prices of fertilizers and seeds, which reached their peak in the current season. The increase in costs was also contributed by the increase in average wages and the costs of the transition season. In the 2023/2024 season, part of the organic production fields were converted to conventional, therefore, both organic and chemical fertilizers were used in them, which led to higher fertilization costs. More investments were also made in weed control, using more expensive control measures, which increased the costs of materials and labor on conventional farms.

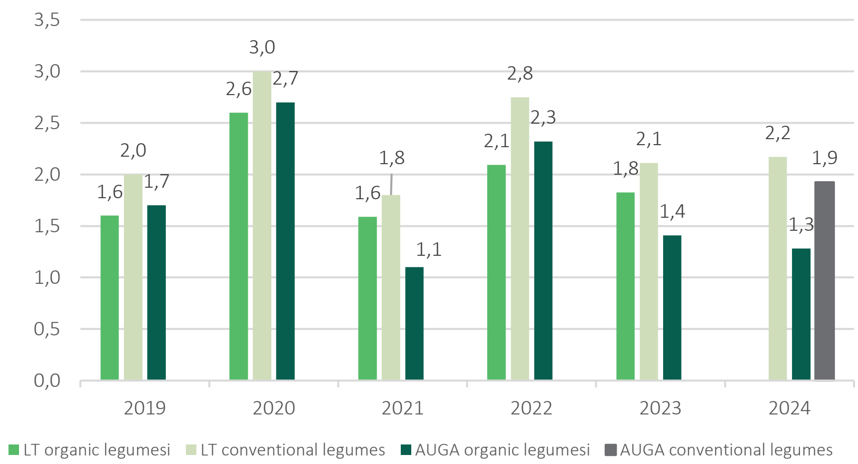
The table below provides a comparison of yields of wheat, legumes and other crops in 2023/2024 and the previous two seasons. The actual yield of organic wheat in the 2023/2024 season reached 3.98 t/ha and was 12% higher than last year. In the reporting season, the yield of organic legumes decreased by 9% compared to the previous season - from 1.41 t/ha to 1.28 t/ha. Legume crops were mainly affected by adverse meteorological conditions during flowering.

Average yield, t/ha	12-month of 2024	12-month of 2023	12- month of 2022	Variance 2024/23	Variance 2023/22
Eco wheat	3.98	3.55	3.41	+12%	+4%
Conv. wheat	6.31	-	-	-	-
Eco legumes	1.28	1.41	2.32	-9%	-39%
Conv. legumes	1.93	-	-	-	-
Other cash crops	6.01	5.93	4.47	+1%	+33%

Yield of wheat in Lithuania, t/ha



Yield of leguminous crops in Lithuania, t/ha



NOTE: The data of LT organic farms for 2024 has not yet been published, the data of conventional farms in the LT is preliminary. Reference: LCSS Institute of Economics and Rural Development, Forecasts of crop area, yield and harvest of agricultural crops in 2024, the Group's data.

The table below presents a comparison of the prices of wheat, legumes and other crops, at which the harvested crop (real crop value) was estimated, for the 2023/2024, 2022/2023 and 2021/2022 seasons. It is important to note that at the time of publication of the financial statements for the four quarters of 2024, a significant part of the 2023/2024 season crop has already been sold or contracts have been concluded at fixed prices for the sale of the crop, therefore the crop value at the end of the reporting period is largely determined based on the prices of actually held contracts.

Average price of 1 tonne of crop eliminating sales costs, EUR/t	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Eco wheat	236	260	403	-9%	-35%
Conv. wheat	217	-	-	-	-
Eco legumes	442	467	576	-5%	-19%
Conv. legumes	239	-	-	-	-
Other cash crops	202	204	246	-1%	-17%

As can be seen from the data above, the price of 1 ton of organic wheat in the 2023/2024 season decreased by 9%, while that of organic legumes fell by 5% compared to the previous season. Due to the lack of working capital, the Group sold a large part of its organic production immediately after the harvest, when prices were lowest and the market was still under pressure from previous periods of low prices. Meanwhile, towards the end of the year, prices for all major crops increased significantly - after several years of stagnation and reduced supply, as consumption in Europe recovers, the price curve is trending upwards. The table below provides a comparison of the profit (loss) per 1 ha of cultivated land for wheat, legumes and other crops.

Gain (loss) on revaluation of agricultural produce at point of harvest, EUT/ha	12-month of 2024	12-month of 2023	12-Month of 2022	Variance 2024/23	Variance 2023/22
Eco wheat	(304)	(178)	341	-71%	n/a
Conv. wheat	(168)	-	-	-	-
Eco legumes	(530)	(273)	458	-94%	n/a
Conv. legumes	(767)	-	-	-	-
Other cash crops	(271)	(55)	(137)	-392%	+60%

In the 2023/2024 season, the loss per hectare for organic wheat amounted to EUR 304, and for organic legumes - EUR 530. These losses were mainly due to increased production costs, lower prices than in previous periods and unfavorable weather conditions for the cultivation of legumes this season. When evaluating the final result and the aforementioned losses, it is important to mention that payments, which in organic farming additionally amount to about EUR 250/ha, compared to conventional farming, were not assessed.

Forage crops results	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Cost per 1 ha cultivated land, EUR/ha	956	955	767	0%	+25%
Average yield, t/ha	6,90	7.69	6.83	-10%	+13%

In total, as of 31 December 2024, the Group recorded a loss of EUR 9.98 million on the fair value recognition of biological assets. It is important to note that as of 31 December 2023, the Group had already recognized a gain of EUR 1.29 million on the fair value recognition of biological assets. At the end of the reporting period, the Group also calculated a gain of EUR 0.37 million on the fair value change of the 2024/2025 season crops upon initial recognition. Thus, the Group included a loss of EUR 10.90 million on the fair value recognition of biological assets in the 2024 result.

Crops value, EUR million	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2023/22	Variance 2023/22
Gains (loss) from the recognition of biological assets at fair value are recognized in the reporting period	(11.27)	(7.24)	2.83	-56%	n/a
Gain (loss) on recognition of biological assets at fair value (next year's harvest)	0.37	1.29	1.97	-72%	-35%
Total gain (loss) on revaluation of biological assets at fair value	**(10.90)**	**(5.95)**	**4.80**	**-83%**	**n/a**

Crop growing segment sales results

Total sales revenue generated from the crop segment in 2024 amounted to EUR 35.68 million. This is EUR 5.60 million more compared to 2023. In 2024, revenues from the sales of biomethane gas, amounting to EUR 1.11 million, was included in crop growing sales. These revenues were recognized for the first time in 2024. Additionally, sales increased by EUR 4.49 million due to the higher harvest volume this year. Conventional crops grown for the first time were sold in 2024, while sales of organic grains are being postponed to the next year due to the specifics of buyers.

Crop growing segment results, EUR million	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2023/22	Variance 2023/22
Sales revenue	35.68	30.08	27.58	+19%	+9%
Cost of sales	(41.06)	(33.60)	(27.71)	-22%	-21%
One-time income (inventory write-offs)	(2.28)	(0.41)	(1.26)	-457%	+67%
Result of internal transactions	(0.63)	(2.70)	(0.68)	+77%	-297%
Result of sales of agricultural produce	**(8.30)**	**(6.63)**	**(2.07)**	**-25%**	**-220%**

Total cost of agricultural products sold in 2024 was 41.06 million euros, 22% higher than in the same period last year. Revenue from sales is lower than costs due to the harvest sold at prices lower than the post-harvest prices. Internal transactions between segments are carried out at fixed prices, and their impact in 2024 amounted to 0.63 million euros. loss.

Agricultural subsidies and gross profit in the crop segment

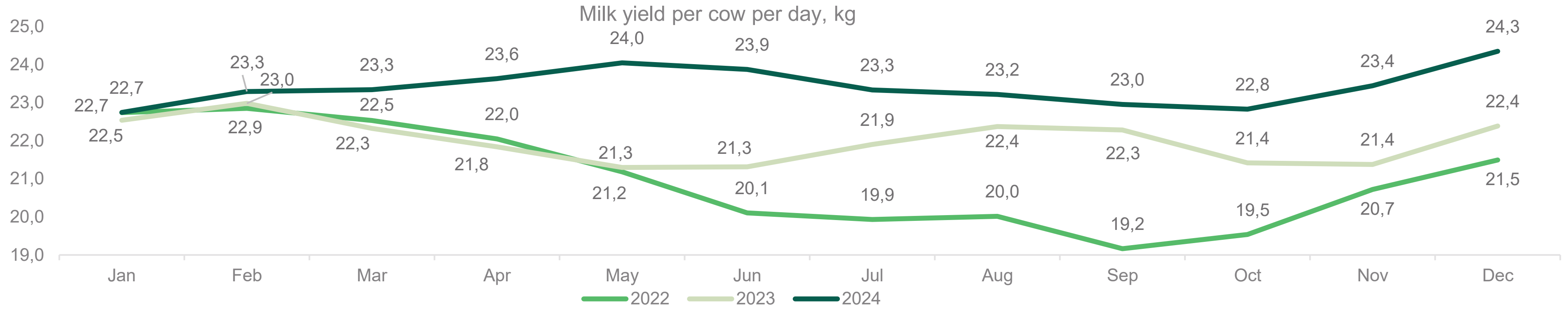
The total amount of agricultural subsidies for the crop segment, accumulated over the twelve months of 2024, is 8.71 million euros and is slightly lower compared to the corresponding period in 2023, mainly due to the decrease in the area of agricultural land cultivated in organic methods.

The gross profit of the crop segment, which includes the result of the sale of agricultural products, changes in the fair value of biological assets and agricultural subsidies, decreased in 2024 compared to the gross profit in the previous year. The gross loss of the segment at the end of 2024 amounted to 10.48 million euros. In the same period in 2023, the gross loss was 3.54 million euros.

Gross profit of crop growing segment, EUR million	12- month of 2024	12- month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Gain (loss) on revaluation of biological assets at fair value recognised in reporting period	(10.90)	(5.95)	4.80	-83%	n/a
Result of sales of agricultural produce	(8.30)	(6.63)	(2.07)	-25%	-220%
Subsidies	8.71	9.04	9.70	-4%	-7%
Gross profit	**(10.48)**	**(3.54)**	**12.43**	**-196%**	**n/a**

2.2.2. Dairy Segment Overview

The total amount of milk produced in 2024 increased by 5 percent compared to the previous year, although the size of the dairy herd remained similar - 3,384 (Q1-Q4 2024), while in Q1-Q4 2023 - 3,456. The average milk yield in the twelve months of 2024 increased by 6 percent compared to the same period last year.



In 2024, milk purchase prices increased by 6 percent compared to 2023. Dairy sales revenue increased and amounted to 16.06 million euros in the reporting period, compared to 14.74 million euros in the previous year.

The segment's expenses in 2024 amounted to 13.37 million euros, i.e. 1.6 million euros less than in the previous year. The expenses decreased due to the transition of some dairy farms from organic to conventional agriculture, where feed and labor costs are lower. Also, due to increasing milk yields per cow, the cost price of one ton of milk is decreasing.

The gain from the change in the fair value of biological assets (cattle herd) in 2024 amounted to 0.14 million euros. For comparison, the loss incurred in the corresponding period in 2023 amounted to 3 million euros.

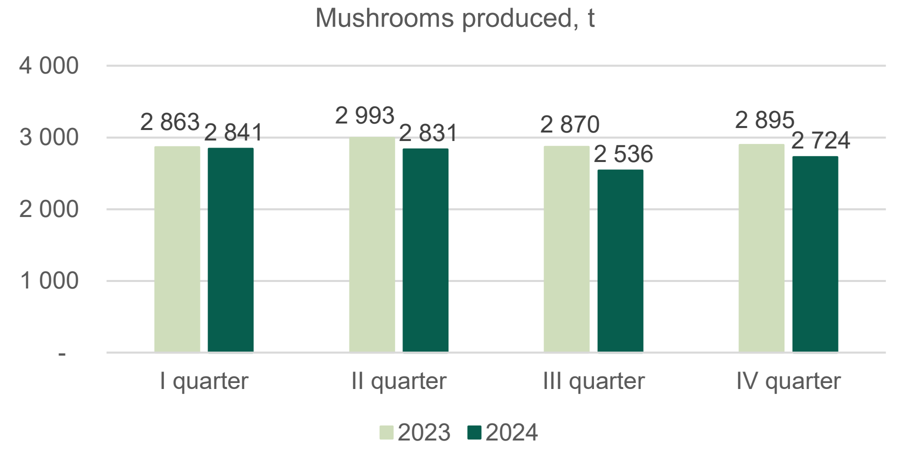
In 2024, The group's gross profit amounted to EUR 5.12 million, while in 2023 there was a loss of EUR 0.43 million.

	12- month of 2024	12- month of 2023	12- month of 2022	Variance 2024/23	Variance 2023/22
Total quantity of products sold, t	**28,961**	**25,720**	**26,594**	**+13%**	**-3%**
Milk, t	27,507	23,766	25,334	+16%	-6%
Dairy commodities, t	497	1,077	457	-54%	+136%
Cattle, t	957	877	803	+9%	+9%
Revenue, EUR million	**16.06**	**14.74**	**16.50**	**+9%**	**-11%**
Milk, EUR million	12.79	10.38	13.48	+23%	-23%
Dairy commodities, EUR million	1.63	3.09	1.71	-47%	+81%
Cattle, EUR million	1.64	1.27	1.31	+29%	-3%
Cost of sales, EUR million	**(13.37)**	**(14.97)**	**(14.91)**	**+11%**	**0%**
Milk, EUR million	(10.22)	(10.66)	(11.94)	+4%	+11%
Dairy commodities, EUR million	(1.52)	(3.04)	(1.66)	+50%	-83%
Cattle, EUR million	(1.64)	(1.27)	(1.31)	-29%	+3%
Revaluation of biological assets, EUR million	**0.14**	**(3.00)**	**(2.09)**	**n/a**	**-44%**
Subsidies, EUR million	**2.29**	**2.80**	**3.07**	**-18%**	**-9%**
Gross profit, EUR million	**5.12**	**(0.43)**	**2.57**	**n/a**	**n/a**

2.2.3. Mushroom Segment Overview

In 2024, 10,716 thousand tons of mushroom production were grown and sold - 7 percent less than in 2023. In the third quarter of 2024, when demand is lowest, production capacity was slightly reduced in order to balance production with the needs of the fresh mushroom market. As a result, a smaller part of production was directed to processing, which allowed maintaining a higher selling price in the summer-autumn period. The total annual selling price increased by 6%.

In the fourth quarter, due to seasonally changing raw materials, standard production results could not be achieved.



	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Sold mushrooms, t	**10,716**	**11,510**	**11,552**	**-7%**	**0%**
Average price (EUR/t)	2,781	2,633	2,384	+6%	+10%
Total revenue, EUR million	**30.08**	**30.73**	27.90	**-2%**	**+10%**
Mushroom sales revenue, EUR million	29.80	30.31	27.54	-2%	+10%
Compost sales revenue, EUR million	0.28	0.42	0.36	-33%	+17%
Cost of sales, EUR million	**(28.49)**	**(29.00)**	**(29.30)**	**+2%**	**+1%**
Gross profit, EUR million	**1.59**	**1.72**	**(1.40)**	**-8%**	**n/a**

The segment's total sales costs in 2024 amounted to 28.49 million EUR - 2% less than in 2023. The average total costs of mushroom sales per tonne sold increased from 2,483 EUR/tonne (2023) to 2,633 EUR/tonne (2024), i.e. 6%. The decrease in total costs was due to lower production volumes, while the unit cost increased due to increased labor costs and other production costs affected by inflation.

In 2024, the mushroom growing segment generated 1.59 million EUR in gross profit, compared to 1.72 million EUR in 2023.

2.2.4. Fast-moving Consumer Goods (FMCG) Segment

In 2024, the sales revenue of the end-use products segment was 3.56 million euros, while in the same period in 2023, after eliminating the performance indicators of KB Grybai LT, sold in mid-2023, it was 1.89 million euros.

In 2024, the gross profit of the segment amounted to 0.42 million euros, compared to a loss of 0.17 million euros in 2023.

The segment's results are improving every quarter. The growing operating result was achieved due to the introduction of a new dairy product line to the market in the second quarter of 2023.

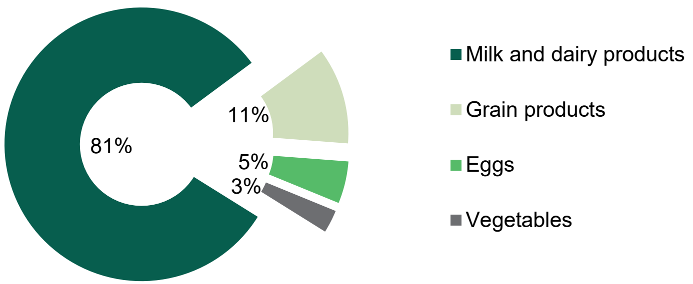
FMCG segment results, EUR million	12-month of 2024	12-month of 2023	12-month of 2022	Variance 2024/23	Variance 2023/22
Sales revenue	3.56	1.89	8.12	+88%	-77%
Cost of goods sold	(3.13)	(2.06)	(6.38)	-52%	+68%
Gross profit	**0.42**	**(0.17)**	**1.74**	**n/a**	**n/a**

*Segment results comprise continuing operations (excl. Grybai LT)

During the 12 months of 2024, the Group exported end-user products to 11 countries, but the main market for the products remains Lithuania.

The structure of revenue from sales of end-user products by product type in 2024 is presented in the graph below.

Revenue structure of the fast moving consumer goods sales, %



2.3. Selling and Administrative Expenses

The Group's selling and administrative expenses during the 12-month period of 2024 amounted to EUR 12.01 million compared to EUR 13.98 million in the same period last year. In 2024, both the Company and the Group significantly reduced sales and operating expenses. However, the slower-than-expected decrease in costs was influenced by increased consultancy expenses related to bond issuance preparations, as well as legal expenses associated with restructuring processes.

2.4. Capital Expenditures and R&D

Total investments (additions) into property, plant and equipment amounted to EUR 3.55 million in 2024 (2023 - EUR 6.36 million). The split of investments (additions) into property, plant and equipment is provided in the table below.

Investments (additions) into property, plant and equipment, EUR'000

	2024	2023
Land*	105	23
Buildings*	142	626
Constructions and machinery*	589	2,646
Vehicles, equipment and other	1,216	768
Construction in progress	1,499	2,298
Total:	**3,551**	**6,361**

*Excluding additions related with the right-of-use assets.

Although the Group's total investment volume decreased in 2024 compared to 2023, investments in vehicles used in primary production increased.

2.5. Finance Costs and Financial Liabilities

The Group's interest-bearing debt increased and reached EUR 86.58 million as of 31 December 2024. Finance costs (excl. IFRS 16 effect) have shifted from EUR 7.14 million in 2023 to EUR 7.36 million in 2024:

	2024	2023	2022	Variance 2024/23	Variance 2023/22
Current and non-current financial liabilities, EUR thousand	131,816	127,034	117,027	+4%	+9%
Current and non-current financial liabilities (excl. IFRS 16 effect), EUR thousand	86,578	80,955	74,188	+7%	+9%
Cash and cash equivalents, EUR thousand	1,718	3,455	3,337	-50%	+4%

Organic agriculture is a working capital-intensive business, due to this reason the Group's debt level has historically always been fairly high.
Management of the Group believes that another important factor evaluating financial liabilities level of the Group is net debt adjusted by working capital level. Deducting cash and cash equivalents and adjusted working capital from the level of financial liabilities more clearly indicates the financial liabilities that are not covered by working capital and cash operated by the Group.

In 2024, the Group's adjusted working capital was EUR 11.18 million compared to EUR 28.49 million in 2023. Financial liabilities (excl. IFRS 16 effect) of the Group minus cash and cash equivalents minus adjusted working capital as of 31 December 2024 were EUR 73.68 million or EUR 24.67 million higher than at the end of 2023.

	2024	2023	2022	Variance 2024/23	Variance 2023/22
Adjusted working capital, EUR thousand	11,181	28,494	32,424	-61%	-12%
Net debt – adjusted working capital*, EUR thousand	73,679	49,006	38,427	+50%	+28%

**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.*

This year the difference between net debt and adjusted working capital grew due to the Group's poor financial results in 2024.

2.6. Cash Flow

	2024	2023	2022	Variance 2024/23	Variance 2023/22
Net cash flows from /(to) operating activities, EUR million	5.59	(7.43)	0.69	n/a	n/a
Net cash flows from /(to) investing activities EUR million	(3.73)	4.42	(5.40)	n/a	n/a
Net cash flows from /(to) financing activities, EUR million	(3.60)	3.13	5.60	n/a	-44%

2.7. Information on Shares and Bonds

2.7.1. Shares

The securities of the Company are included in Main List of NASDAQ Vilnius stock exchange (symbol: AUG1L).

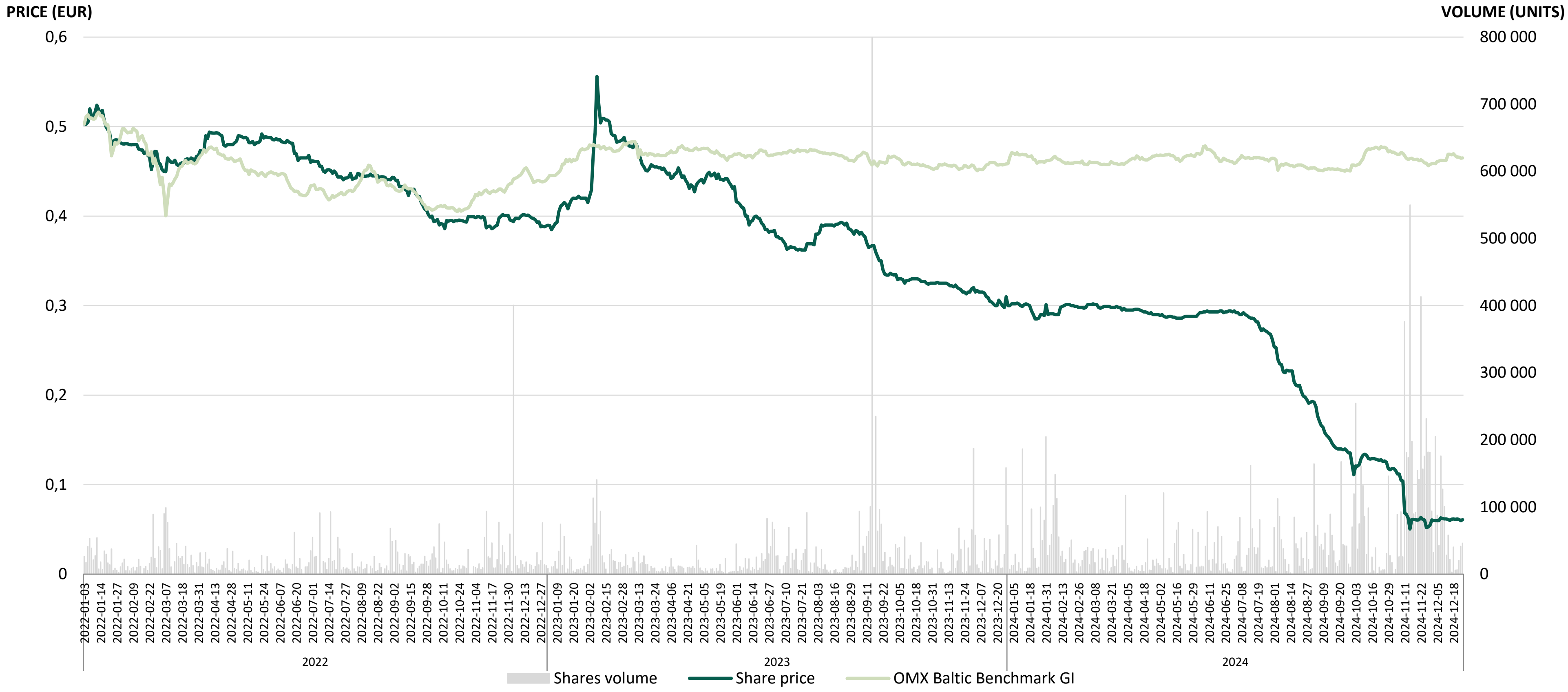
Types of shares	Number of shares	Share nominal value (Eur)	Total share capital (Eur)	Issue Code ISIN
Ordinary registered shares	233,803,368	0.29	67,802,976.72	LT0000127466

Information about the Company's shares trading on the NASDAQ Vilnius.

Reporting period	Price, EUR					Total turnover	
	Average	Open	Max	Min	Last	Units	EUR
2024 I-IV quarters	0.171	0.305	0.305	0.046	0.061	12,480,761	2,121,804

From 1 January 2024 to 31 December 2024 the share price has decreased by 79.73%. The OMX Baltic Benchmark index increased by 1.38% during the respective period.

AUGA group, RAB share price, turnover and changes of OMX Baltic Benchmark index from 1 January 2022 to 31 December 2024:



Source: NASDAQ Vilnius stock exchange

2.7.2. Bonds

At the end of 2019, the Company issued green bonds for EUR 20 million nominal value. It was the first fully privately-owned listed entity in the Baltic states to issue green bonds and one of the largest bond issues on the Nasdaq Baltic in terms of value and number of investors.

Bonds of the Company are included in Baltic Bond List of NASDAQ Vilnius stock exchange (ticker: **AUGB060024A**).

Green bond details	
Issuer	AUGA group, AB
ISIN code	LT0000404238
Listing	Nasdaq Vilnius
Denomination	1 000 Eur
Issue size	20 000 000 Eur
Term	2019-2024
Maturity date	2024-12-17
Fixed coupon rate	6% (By decision of the Company, the coupon rate is calculated by applying the act/360 convention)

The bonds were not redeemed on time. The Company is currently in the process of restructuring, during which new bond redemption dates will be approved.

2.8. Summary of 2024 Results and Outlook into 2025

In 2024, the Group's performance was determined by significant challenges in crop production, where a gross loss of EUR 10.48 million was recorded, mainly due to increased production costs, lower purchase prices and adverse weather conditions. At the same time, the dairy segment showed a significant recovery - with increased milk yield, prices and reduced costs, a gross profit of EUR 5.12 million was generated. The mushroom growing segment, despite lower production, maintained a stable gross profitability position - a profit of EUR 1.59 million, supported by increased prices. Overall, although the crop production segment faced unfavorable trends, the results of other business lines improved and partially offset the losses.

Looking ahead to 2025, the Group's management believes that, once the restructuring plans are approved, the Group will be able to focus on operational efficiency and the actions envisaged in the restructuring plans, which will allow restoring the Group's long-term solvency and ensure the Group's successful operations in the coming periods.

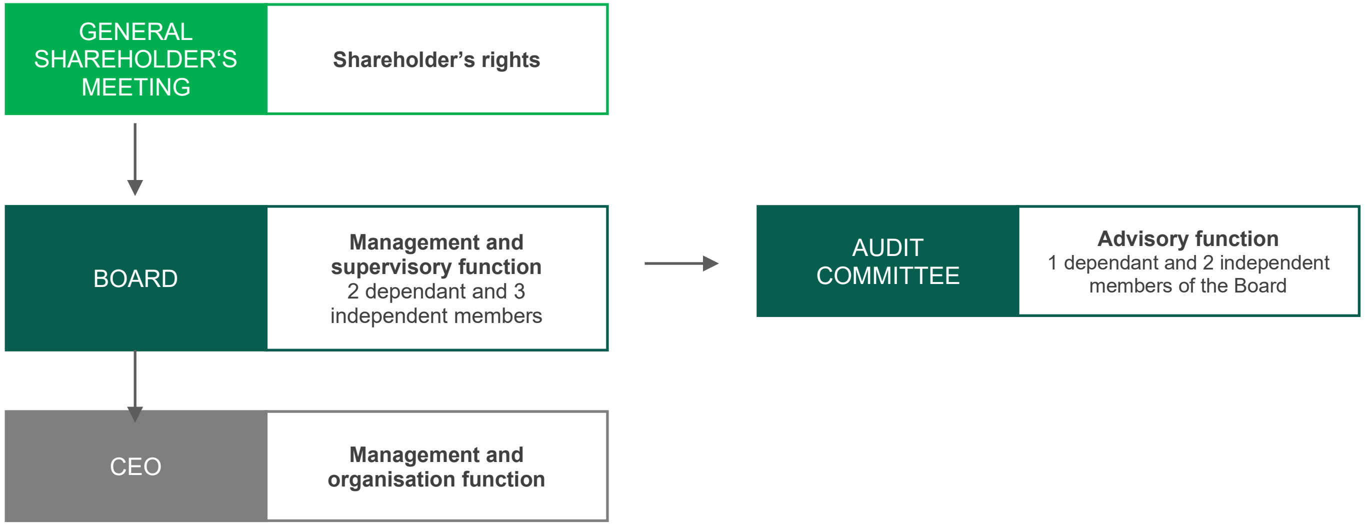
3. Governance report

3.1 Governance Model

ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The current corporate governance structure was introduced in 2019, when the Company changed to a one tier board structure instead of a two-tier structure, with the management board taking over the functions of previous supervisory council.

There are three corporate bodies in the Company: the general shareholders' meeting, the board (hereinafter – the Board), the Chief Executive Officer (CEO), and an advisory body – the audit committee.



The general meeting of shareholders is the supreme body of the Company. The members of the Board are elected by the general meeting in accordance with the procedure established by the Law on Companies of the Republic of Lithuania. The chair of the Board is elected by the Board from its members for two years.

The Company does not have an approved diversity policy for the election of the Company's CEO or members of the Board, but the Company has a Human Rights, Non-Discrimination, Child and Forced Labour Policy, which applies to the election of the Company's CEO or members of the Board. The Company's Board is elected taking into account their competences, which would be applicable in the implementation of strategic projects of the entire\ Group and would cover important areas, such as, for example, the implementation of sustainability, relations with investors, product development and so on. Also, one independent member of the Board is delegated by the second largest shareholder - the European Bank for Reconstruction and Development. This practice will continue to be followed in the future while electing a new composition of the Board.

In compliance with the best corporate governance practices the Articles of the Company determine the following functions and responsibilities of the Board:

- consideration and approval of the Group's strategy
- consideration and approval of the Group's annual budget and business plan;
- consideration and approval of the risk level acceptable in the Group's activity and the risk management policy;
- consideration and approval of the annual financial and non-financial targets for the Company's CEO;
- responsibility of overseeing and leading the Group's compliance with the best corporate governance practices.

The Board also appoints, removes, and supervises the activities of the Company's CEO, who is in charge of Group's management and organisation of activities. The Board approves the Sustainability Report of AUGA group, provides comments and insights during the process of its preparation.

The members of the audit committee are elected by the Board of the Company from among its members, by a simple majority vote for a two-year term, which coincides with the term of office of the committee members as members of the Board. The Board, considering the complexity of the Company's activities and the level of risk, may decide to increase the number of committee members and/or change its composition. The members of the committee must be of impeccable reputation, appropriate qualifications and experience, collegiately possessing knowledge in the field of finance, accounting, or auditing of financial statements and in the sector, in which the Company operates.

The audit committee operates in line with the principles, outlined in the Regulations of audit committee of Company. The audit committee is an advisory body of the Board. The main functions of the audit committee include:

- monitoring the process of the preparation of the financial statements of the Company.
- monitoring the audit process of the Company.
- analysing the effectiveness of internal audit and risk management systems.
- approving the requirements for external auditors and evaluating both the qualification and the experience of external auditors.

The CEO oversees the daily management of the Company and has the authority to represent the Company in relations with third parties. According to the Articles of the Company, the CEO is entitled to take decisions on transactions, which value do not exceed 1/20 of the authorised capital of the Company. For transactions exceeding the latter threshold, the Board's approval is required.

The Articles of Association of the Company shall constitute a document governing the conduct of business of the Company. The original copy of the Articles of Association of the Company shall be kept in the custody of the Company. The Articles of Association of the Company shall be amended following the procedure provided by the laws of the Republic of Lithuania and Articles of Association. A resolution to amend the Articles of Association of the Company shall be adopted by the general meeting of shareholders with the qualified majority of at least 2/3 of votes conferred by the shares of all shareholders present at the meeting, except in cases specified in the Law of the Republic of Lithuania on Companies.

Information on the Company's compliance with the Code of Corporate Governance is provided in the Annex.

3.2 Share Capital Structure and Shareholders

The share capital of AUGA group, RAB as of 31 December 2024 was EUR 67.80 million (EUR 67.20 million on 31 December 2023). The Company's authorized capital consists of 233,803,368 ordinary registered shares (231,735,132 ordinary registered shares on 31 December 2023). Each issued share has a EUR 0.29 nominal value and is fully paid. The increase in the number of shares and authorised capital was a result of implementation (realisation) of the share option contracts in June 2023, which were signed in 2020 under the employee share option programme.

Total number of shareholders on 31 December 2024 increased by 3,49% and was 3 562, while on 31 December 2023 this figure was 3,442.

Shareholders, who held more than 5% of all shares of the Company:

Shareholder‘s name	31 December 2024		31 December 2023	
	Number of shares	% owned	Number of shares	% owned
UAB Baltic Champs Group (identification code: 145798333; address: Poviliškiai v., Šiauliai region mun., Lithuania)	113 759 497	48,66	126 686 760	54,67
European Bank for Reconstruction and Development (identification code: EBRDGB2LXXXX; address: 207-211 Old Street, London, EC1V 9NR, United Kingdom)	19 810 636	8,47	19 810 636	8,55
Žilvinas Marcinkevičius	15 919 138	6,81	15 919 138	6,87
Minority shareholders Proksima zeta, UAB (identification code: 306076659, address: Vilnius, Ozo st. 12A-1)	12 927 263	5,53	0	0
Minority shareholders	71 386 834	30,53	69 318 598	29,91
Total:	**233 803 368**	**100,00**	**231 735 132**	**100,00**

Shareholders distribution by country and by type is as follows:

Country	Type	Owned shares, units	Owned shares, %
Lithuania	Legal entities	166 884 081	71,38%
	Natural persons	16 806 154	7,19%
Other countries	Legal entities	30 787 766	13,17%
	Natural persons	19 325 367	8,27%
Total:	**Legal entities**	**197 671 847**	**84,55%**
	Natural persons	**36 131 521**	**15,45%**

On 31 December 2024, the following part of the shares was managed by the Company's management and the members of the Board:

Name, Surname	Position	Owned shares in the Company, units	Owned shares in the Company, %
Elina Chodzkaitė-Barauskienė	CEO	41 000	0,018
Kristina Daudoravičienė	Member of the Board	50 676	0,022
Kęstutis Juščius	Chair of the Board	1 392	0,0006

3.2.1 Information on Own Shares

The Company has not acquired any of its own shares.

3.2.2 Transfer Restrictions

Laws and the Articles of Association do not provide restrictions on the transfer of shares. Separate share transfer restrictions are possible but can only be imposed by the shareholders and only in agreed-upon cases.

3.2.3 Information on Significant Agreements, Which Could be Affected by the Change in Shareholders Structure

Bank loans and financial lease agreements of Group companies, including the Company, have a change of control clause at the Group level which is standard practice for such agreements. The Company or the Group has not entered into any other significant agreements whose validity, amendment and termination could be affected by a change in shareholder structure.

3.2.4 Agreements Between the Shareholders

According to 31 December 2024 data it is not known, or the Company has not been informed about any agreements between shareholders.

The company, its main shareholder Baltic Champs Group, UAB, Kęstutis Juščius and the European Bank for Reconstruction and Development (EBRD) on 19 July 2018 entered into an agreement on the basis of which Baltic Champs Group, UAB undertook to vote for the candidate nominated by the EBRD as a member of the Board, as long as the EBRD controls at least 3% of the Company's shares. The Company also undertook to comply with certain environmental protection, social compliance, corporate governance recommendations and requirements. Considering this, this agreement by its nature cannot be considered as a shareholder’s agreement.

3.2.5 Investor Relations

Stakeholder engagement is one of AUGA group's top priorities in implementing sustainable management practices. The Group aims to ensure that investors are regularly informed about the Group's activities and results, thereby creating an open and reliable relationship with one of the most important groups of stakeholders of AUGA group. The Group publishes all relevant information: analyst assessments, videos of remote conferences, presentations and performance results in Excel format on its website, in the investor newsletter, on the Nasdaq Baltic website. In 2024, the Group's activities were assessed by international analyst company Enlight Research. In 2024, AUGA group organised 3 events for local and international investors. The Group actively communicated its activities by also using mass media.

3.3 The Board and its Committees

ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The Articles provide that at least 1/3 of the Board members must be independent. In 2019, the general shareholders' meeting approved independency criteria for members of the Company's collegiate bodies, which comply with the independency criteria established by the Law on Companies of Republic of Lithuania, ensuring, that to be independent, a member must not be related with the Company and/or its controlling shareholder[2].[3] Separation of powers is clearly defined in the management model of AUGA group, therefore the CEO of the Company, according to the current procedure of the Company, cannot be a member of the independent Board and is directly subordinate to this management body.

Based on legal acts and the self-assessment:

- members of the Board (60%) Peter Bryde, Andrej Cyba and Justina Klyvienė are considered as independent members of the Board.
- 2 Board members (40%) are considered as dependent members of the Board: (i) Kristina Daudoravičienė is considered to be a dependent member of the Board as she is a director and a member of the Board of Baltic Champs Group, UAB, the controlling shareholder of the Company, as well as the CFO of Baltic Champs, UAB, a company directly controlled by the Company; (ii) Kęstutis Juščius is deemed to be a dependent member of the Management Board as he is the sole owner and Chair of the Management Board of the Company's controlling shareholder, Baltic Champs Group, UAB, as well as a director of the Company's directly controlled company AUGA Community, UAB and the Company's indirectly controlled company AUGA Tech, UAB.

60% of the current term Board members are men and 40% are women. Data on the Company's Board members.

Name, Surname	Position	Status	Appointment day
Peter Bryde	Member	Independent	07.11.2023
Andrej Cyba	Member	Independent	07.11.2023
Kristina Daudoravičienė	Member	Dependent	07.11.2023
Kęstutis Juščius	Chair	Dependent	07.11.2023
Justina Klyvienė	Member	Independent	07.11.2023

In 2024, 12 regular Board meetings were held. During this period, all 5 Board members participated in all Board meetings (all Board meetings had a quorum in accordance with legal requirements and the Company's articles of association). The current Board's term will last until the next Annual General Meeting of shareholders, which will take place in 2025.

Each year, the Group's Board conducts a self-assessment of its activities. This evaluation includes an assessment of the Board's structure, the organization of its work and its ability to function as a group, as well as an assessment of each Board member's competence and work efficiency, and whether the Board achieved the established operational objectives.

[2] The independence criteria for Board members are set out in Article 33(7) of the Law on Joint Stock Companies of the Republic of Lithuania; the independence criteria for the Board members of the Company, approved by the 2019 General Meeting of Shareholders, are available here.

3.3.1 Board Members

Andrej Cyba

Education, qualification: Vilnius University, Management and Business Administration, Bachelor degree.

Activity: Member of the Board of AUGA group, RAB (legal form: Public Limited Company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2019 – present).

Miscellaneous: Board member of AB „Vilkyškių pieninė“ (legal form: Public limited company, code 277160980, registered address: Prano Lukošaičio g. 14, Vilkyškiai, Pagėgiai district municipality, Lithuania) (2008 – present); CEO of UAB Piola (legal form: private limited liability company, code 120974916, registered office address: Mindaugo g. 16-52, Vilnius, Lithuania) (2009-present); CEO of UAB “PEF GP1” (legal form: private limited liability company, code 302582709, registered office address: Maironio g. 11, Vilnius, Lithuania) CEO of UAB “PEF GP2” (legal form: private limited liability company, code 302582716, registered office address: Maironio g. 11, Vilnius, Lithuania) (2012 – present), Chairman of the Board of "INVL Finasta", UAB FMĮ (legal form: Private limited company, code: 304049332, registered address: Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chief Business Development Officer of “INVL Asset Management“, UAB (legal form: Private limited company, code 126263073, registered address: Gynėjų str. 14, Vilnius, Lithuania) (2016 – present); Chairman of Supervisory Board of IPAS "INVL Asset Management“ (legal form: Private limited company, code: 40003605043, registered address: Smilšu 7-1, Riga, Latvia) (2016 – present); Chairman of the Supervisory Board of “INVL ATKLĀTAIS PENSIJU FONDS“, AS (legal form: Public limited company, code: 40003377918, registered address: Smilšu 7-1, Riga, Latvia) (2016 - present); Chairman of the Board of "VOKĖ-III", UAB (legal form: Limited liability company, code: 120959622, registered address: Piliakalnio str. 70, Nemenčinė, Lithuania) (2020 – present), CEO (2023 – present); Board Member of SIA “Baltic Dairy Board” (legal form: Private limited company, code: 43603036823, registered address: Stacijas 1, Bauska, Latvia) (2021 – present); CEO of “LAMA Capital”, UAB (legal form: Limited liability company, code: 306178639, registered address: Šaltinių str. 24-10, Vilnius, Lithuania) (2022 – present); CEO of UAB "V3 Installation Solutions" (legal form: Private limited company, code 124100519, registered address: Pašilaičių g. 14-74, Vilnius, Lietuva) (2023 – present).

Peter Bryde

Education, qualification: Copenhagen Business School, Business Administration bachelor’s degree, Finance and Accounting master’s degree; attended the Agricultural Business Seminar at Harvard University (2011).

Activity: Member of the Board of AUGA group, RAB (legal form: Public limited company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2023 – present).

Miscellaneous: Director Private Equity at FMO, the Dutch Entrepreneurial Development based in the Hague, the Netherlands (December 2024 – present); and Member of the Board of Tietgen Pension Aps, Denmark (February 2025 – present).

Kristina Daudoravičienė

Education, qualification: Vilnius University, Master of Economics degree.

Activity: Member of the Board of AUGA group, RAB (legal form: Public limited company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2023 – present).

Miscellaneous: CEO, member of the board of Baltic Champs Group, UAB (legal form: Private limited company, code: 145798333, registered address: Poviliškių k. Šiauliai district municipality, Lithuania) (2013 – present); CFO of Baltic Champs, UAB (legal form: Private limited company, code: 302942064, registered address: Poviliškių k.15, Šiauliai district municipality, Lithuania) (2013 – present); CEO of TECHNOLOGY INVEST, UAB (legal form: Private limited company, code: 304539998, registered address Kalvarijų g. 143-304, Vilnius, Lithuania) (2017 – present).

Kęstutis Juščius (Chair)

Education, qualification: Vilnius University, Business Administration, Bachelor’s degree.

Activity: Chair of the Board of AUGA group, RAB (legal form: Public limited company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2023 – present).

Miscellaneous: Chair of the Board of Baltic Champs Group, UAB (legal form: Private limited company, code: 145798333, registered address: Poviliškių v. Šiauliai district municipality, Lithuania) (2014 - present); President of Lithuanian Mushrooms Growers and Processors Association (legal form: Association, code: 124135819, registered address: Zibalų str. 37, Širvintos, Lithuania) (2013 – present); CEO of AUGA Community, UAB (legal form: Private limited company, code: 302820797, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2022 – present); CEO of AUGA Tech, UAB (legal form: Private limited company, code: 302820808, registered address: Taikos ave.131b Kaunas, Lithuania) (2023 – present).

Justina Klyvienė

Education, qualification: Vilnius University Institute of International Relations and Political Science, Master of European Public Administration bachelor’s and master’s degrees; BI Norwegian Business School, Master of Management for Executives degree.

Activity: Member of the Board of AUGA group, RAB (legal form: Public limited company, code: 126264360, registered address Konstitucijos ave. 21C, Vilnius, Lithuania) (2023 – present).

Miscellaneous: CEO of UAB "ORP" (legal form: Private limited company, code: 122087425, registered address: Padvarės g. 69, Vilnius, Lithuania) (2017 – present); Head of development of VšĮ Alter State (legal form: public institution, code 305619931, registered office address: Laisvės pr. 71-14, Vilnius, Lithuania) (2019 – present);); CEO of “Future Leadership SL” (legal form: Private limited company, code: B55482087, registered address: Calle Moratin BL. 11 46002 – Valencia, Spain); CEO of “Corecel Bio SL” (legal form: Private limited company, code:B21723622 Cl. Quevedo, 1603700 Dénia (Alicante), Spain.

3.3.2 Board Committees

The Company has one committee – audit committee. The audit committee is an advisory body of the Board in the areas of accounting, auditing, risk management, internal control and auditing, supervision, budgeting, and legality of operations. Its functions are described in the section 3.1. Governance model. 67% of the audit committee consists of men.

Information about members of the audit committee:

Name, Surname	Position	Status
Peter Bryde	Member	Independent
Andrej Cyba	Chair	Independent
Kristina Daudoravičienė	Member	Dependent

During 2024, 5 audit committee meetings were held. At all meetings there was a quorum in accordance with legislation and the regulations of the Company's audit committee. All members participated in all audit committee meetings.

3.4 Management

Elina Chodzkaitė-Barauskienė *CEO* (2023 – present)

Education, qualification: Diplomatic Academy of Vienna, Master of Advanced International Studies, University College London (UCL), Bachelor of Arts (BA) in Politics and Eastern European Studies.

Activity: CEO of AUGA group, RAB (legal form: Public Limited Company, code: 126264360, registered address: Konstitucijos ave. 21C, Vilnius, Lithuania) (2023 – present).

Miscellaneous: Director of MB Digital Alchemy (legal form: Small partnership, code: 305532412, registered address: S. Stanevičiaus g. 42A, Vilnius, Lithuania) (2022 - present).

Kristupas Baranauskas, CFO (2024 – present)

Education, qualification: Vilnius University, Master of Accounting and Auditing.

Activity: Chief Financial Officer of AUGA group, RAB (legal form: Public Limited Company, code: 126264360, registered address: Konstitucijos ave. 21C, Vilnius, Lithuania) (February 2024 – present).

3.5 Information on Transactions with Related Parties

Information on transactions with related parties is disclosed in the explanatory notes (note 30) of the consolidated and separate financial statements for the year ended 31 December 2024.

3.6 Taxes and Regulatory Compliance

As stated in the AUGA group Code of Business Ethics, the Group complies with all applicable tax laws and seeks to ensure that its obligations to the state are fulfilled transparently, responsibly and on time.

During the reporting period, the Group did not have any significant violations of legal acts or sanctions imposed that would have a material impact on the Group, its activities or the interests of stakeholders.

Given that some of the Group's companies are currently undergoing restructuring, in individual cases the Group's companies may experience difficulties in meeting their tax obligations on time, however, the Group makes every effort to ensure that tax obligations are fulfilled properly and on time.

4. Remuneration Report

4.1 Remuneration Report

The Remuneration Report of the Company has been prepared for the financial reporting year 2023, which coincides with the calendar year. The Report is a part of the Consolidated Annual Report of the Company prepared in accordance with the Law on Financial Statements of Entities of the Republic of Lithuania, the Remuneration Policy of the Company, and other legal acts.

On May 30, 2024, at the Company's general meeting of shareholders, the vast majority of shareholders (97.34% of shareholders attending the meeting) approved (voted in favor of) the Company's remuneration report, which, as part of the Company's consolidated annual report, is publicly published on the Company's website.

4.1.1 Management Bodies Remuneration

The Company's management bodies include the members of the Board and the Chief Executive Officer (6 persons).

The members of the Board receive the following remuneration for the performance of Board member functions:

- EUR 2,280 (before taxes) for the members of the Board, and EUR 3 000 (before taxes) for the Chair of the Board, irrespective of the annual number of the Board meetings;
- For the Board members living abroad – compensation of travel and accommodation costs for/during attendance of the board meeting – not exceeding EUR 500 + VAT (Lithuanian tariff) in respect to one Board meeting in which he/she participated; if the Board member participates in a meeting via communication/IT measures (not physically traveling to Lithuania), travel costs compensation shall not be paid for such participation.

The remuneration of the CEO of the Company includes an official monthly wage and additional benefits granted irrespective of performance results and paid to all employees meeting the established criteria in accordance with the Group's procedures in force. In addition to the official monthly wage or remuneration received in a different form, the CEO can be included in the employee share option programme.

The remuneration paid to the Board and the CEO is in accordance with the Company's Remuneration Policy for the Executive Management, which was approved by the general meeting of shareholders and is publicly available on the AUGA group's website. The Company and its collegial bodies‘ members have not concluded any agreements regarding compensation in the event of resignation, unjustifiable redundancy, or change in ownership structure.

The amount of accrued fixed remuneration for the Board members is provided in the table below:

Remuneration of the individual members of the Board, EUR	2024	2023	2022	2021	2010
Kęstutis Juščius, Chair of the Board (2023 11 07 – now)	36 000	6 000	-	-	-
Andrej Cyba (2019 – now)	27 360	27 073	24 700	19 000	22 800
Peter Bryde (2023 11 07 – now)	27 360	4 560	-	-	-
Justina Klyvienė (2023 11 07 – now)	27 360	4 560	-	-	-
Kristina Daudoravičienė (2023 11 07 – now)	27 360	5 539	-	-	-
Total:	**145 440**	**26 451**	**-**	**-**	**-**

The amount of accrued fixed remuneration for the Audit Committee members:

Renumeration of the individual members of the Audit Committee, EUR	2024
Peter Bryde (2023 11 07 – now)	4 500
Andrej Cyba (2023 11 07 – now)	11 745
Kristina Daudoravičienė (2023 11 07 – now)	5 872
Total:	**22 118**

It is important to note that in 2019, significant changes were implemented in the Company's governance structure and the Board was formed. Until April 30, 2019, the Board members were employees of the Group who did not receive any additional remuneration for performing the functions of a Board member. The Board members, who were also employees of the Company, received remuneration only for the performance of their direct work functions as wages or remuneration for legal services (the positions of Board members were occupied by the Group's in-house lawyers, the General Director). Thus, the historical remuneration figures for the Board members are not comparable with the remuneration of the current Board members and do not allow assessing the dynamics of the remuneration of management members over the long term.

The table below presents the accrued salaries and remuneration for the Board members:

Remuneration of the Company's Board members, EUR	2024	2023	2022	2021	2020
Total remuneration	145 440	117 011	131 300	107 300	118 172
Number of Board members	5	10	5	5	5
Average annual remuneration per member	29 088	11 701	26 260	21 460	23 634

2 Members of the Board of the Company received payments from the Company's subsidiaries during 2024. Board member Kristina Daudoravičienė received EUR 44,350.84 in remuneration (before taxes) from the company Baltic Champs, UAB for her position as the CFO during the reporting period. Chairman of the Board Kęstutis Juščius received EUR 44,724 in remuneration (before taxes) from the company AUGA Community, UAB for her position as the Director during the reporting period and EUR 44,658.59 in remuneration (before taxes) from the company AUGA Tech, UAB for her position as the Director during the reporting period.

In 2024, Board member Kristina Daudoravičienė was granted a share option – 12,600 units of shares as the CFO of UAB „Baltic Champs". No other members of the Board were granted share options. The Company did not pay variable remuneration to the members of the Board during 2024.

4.1.2 Employee remuneration

The average monthly remuneration of the Group's employees before taxes for the reporting period is presented below:

Average salary of Group employees before taxes, EUR	2024	2023	2022	2021	2020
CEO	7 477	7 728	7 498	7 584	7 222
Management staff	4 022	3 787	3 710	3 414	3 431
Specialists	2 347	2 196	2 036	1 893	1 793
Employees	1 588	1 425	1 243	1 209	1 168
Other indicators	**2024**	**2023**	**2022**	**2021**	**2020**
Average salary of Group employees (excluding CEO) before taxes, EUR	1 886	1 707	1 509	1 469	1 405
Net profit (loss), thousand EUR	(26 865)	(18 447)	(5 351)	(15 435)	1 792

Elina Chodzkaitė-Barauskienė, who became the General Director of the Company on 7 November 2023, did not receive variable remuneration, and during 2024 she was granted a share option of the Company – 40,000 shares. More information about the Group's employees is provided in the AUGA group Sustainable Business Report section Information about the Group's employees.

4.1.3 Stock option program

The Group implements a stock option program for the Group's specialists and management personnel as an additional motivational measure. On 30 April 2019, the general meeting of shareholders approved the granting of stock options to employees. In 2024, options were exercised under the 2021 contracts. Number of contracts – 193, number of shares – 2,068,236.

The employee stock option program provides long-term benefits to employees and increases their motivation. Under the plan, participants are granted options to acquire the Company's shares free of charge, which are granted only if the employee fulfils the condition of 3 years of employment with the Group. Having fulfilled this condition, the employee may exercise the option.

The option ceases to be valid if the Company's restructuring, bankruptcy, liquidation or similar procedures are initiated, which continue and/or end with the liquidation of the Company. Also, if both parties (the Company and the recipient) agree to terminate the option transaction and if the recipient has caused damage to the Company by his/her action or inaction. Due to the restructuring process of AUGA group, AB, which entered into force in 2025, the share option agreements that were concluded in 2024 and must be realized during the restructuring will be reviewed.

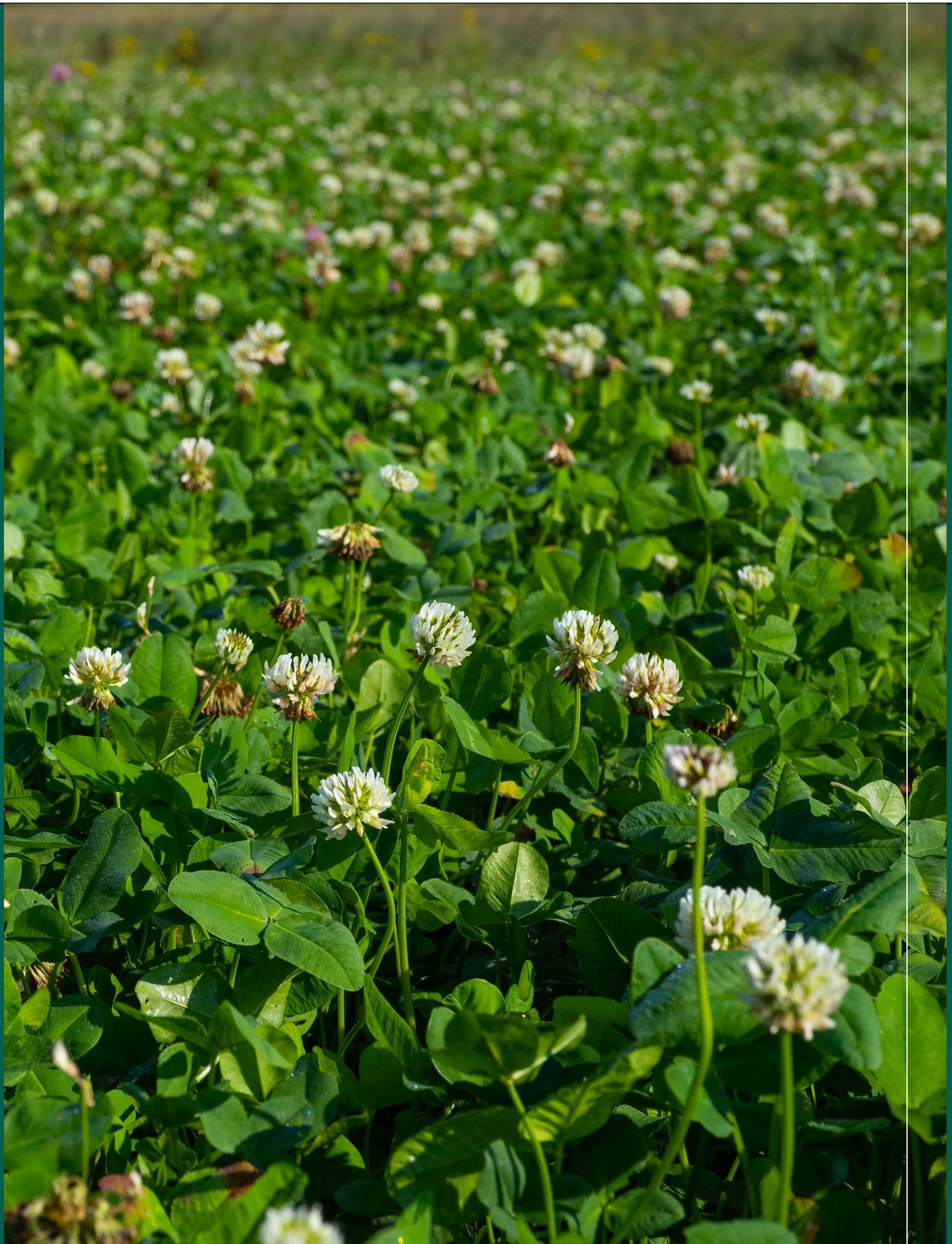
These share payments to employees are made only in equity securities (shares). Upon the exercise of each option transaction, it may be converted into one ordinary share. The shares will be issued from the reserve formed for granting shares to employees (formed and approved by the current shareholders), with a nominal value of EUR 0.29, thereby increasing the Company's authorized capital.

The options are granted free of charge under the program. Employees who exercise the options and receive shares of the Company will have to pay income tax at the time of exercise of the option, in accordance with applicable laws.

Information about the option program:

	2024	2023	2022	2021
Number of employees participating	228	255	238	235
Number of shares allocated	2 148 480	2 199 523	1 651 185	2 381 701

5. Sustainability Report



5.1. General Disclosure Information

ESRS 2 BP-1 General basis for preparation of sustainability statements
ESRS 2 IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The Sustainability Report is a review of AUGA group activities, publishing annually since 2017. The latest AUGA group Sustainability Report for 2023 was released in April 2024. Unless specified otherwise, the Sustainability Report for 2024 covers the activities of all the Group's companies in the period from 1 January until 31 December 2024. In order to objectively assess the dynamics of activity changes, AUGA group also includes data from previous years. The Sustainability Report for 2024 is a part of the Consolidated Annual Report, which is published on the Nasdaq Baltic website and the AUGA group website. Unless otherwise stated, the information contained in this report covers all the Group's companies. Separate sustainability reports are not prepared for the Group's subsidiaries.

The 2024 Sustainability Report outlines the key activities and achievements of the Group in the areas of environmental, social, and governance (ESG) during the reporting year. The report discloses how the Group's operations impact the environment, communities, consumers, and employees. Additionally, it highlights how the Group addresses various climate change-related risks and describes the measures implemented to ensure sustainability. The information required for the preparation of the Sustainability Report is collected with the involvement of the Group employees whose direct functions result in realisation of sustainability topics in Group's activities. To ensure comprehensive data collection across all Group activities, managers and specialists from different levels, including production and administrative departments, are engaged in the process. The gathered information is analysed and consolidated with the support of the Group's financial analysts, HR, sustainability, legal, and other specialists. The complete Sustainability Report is approved by the Group's management and Board members. The 2024 Sustainability Report was audited by "Grant Thornton Baltic".

The Sustainability Report provides information about the Company's value chain. The Company's impact on the environment and society is assessed across the Group's entire business chain, risks are assessed and policies and procedures, specific actions (e.g. circular economy principles and technological innovations) are indicated accordingly, helping the Group to achieve efficiency indicators while also responding to priority sustainability topics. Since 2017, stakeholders with touchpoints at different stages of the Group's business chain have also been surveyed, in order to create an assessment of the Company's materiality and identify priority sustainability topics. Based on the latest assessment of the materiality of stakeholders (including consumers, customers, suppliers, etc.) and the Group's management, the most relevant impact topics have been compiled.

AUGA group publishes its activity reports in accordance with the regulations applicable to companies whose shares are traded on a regulated market. The Group's Consolidated Annual Report, which integrates the Sustainability Report, complies with the requirements set forth in the legal acts of the Republic of Lithuania for such reports, as well as with the European Parliament and Council Directive (EU) 2022/2464 on corporate sustainability reporting (the Corporate Sustainability Reporting Directive, hereinafter – CSRD).
The report also discloses information in accordance with the European Parliament and Council Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment (hereinafter – the Taxonomy Regulation), which defines a classification system for sustainable economic activities and investments, for the portion of the Group's activities to which the regulation applies. In preparing the 2024 Sustainability Report, AUGA group follows the disclosure requirements of the European Parliament and Council Directive (EU) 2022/2464 on corporate sustainability reporting (hereinafter – ESRS).

To enhance efficiency and improve reader convenience, the Group has decided to report 2024 data in accordance with ESRS disclosure standards and to discontinue the use of previously applied GRI and Nasdaq indicators, as they significantly overlap with ESRS requirements. This high level of alignment between ESRS and GRI indicators was confirmed in a joint statement by EFRAG and GRI announcement.[4]

To disclose information about its impact on the environment, people, and society, AUGA group also provides its sustainability data to international initiatives that monitor and oversee sustainable activities and is a member of various organisations related to these areas. Committed to transparency with all stakeholders, AUGA group has been publishing an annual summary of emissions generated in its operations since 2019. From 2019 to 2023 (inclusive), the Group voluntarily conducted an external audit of emissions each year, engaging the independent auditing company Carbon Footprint to refine its emissions calculation methodology, which was finalised and approved in 2023. As the Group does not foresee any methodological changes in its emissions disclosure for 2024, it was decided to adhere to the methodological principles approved in 2023, and therefore no additional audit was conducted for 2024.

AUGA group always strives for consistency and tries to present the publicly released datasets in an informative, convenient, and standard format. Although the disclosure indicators for 2024 have changed, the Group aimed to align previous disclosure practices with the new ESRS disclosure and labelling structure to ensure reader convenience. Information about all ETAS disclosure requirements that were followed in preparing the Sustainability Report, and their compliance with other regulations, is provided in the Annexes.

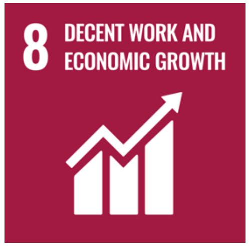
[4] EFRAG-GRI joint statement of interoperability

5.1.1 UN Sustainable Development Goals

Based on the nature of Group's activities, the Group aims to contribute to the seven UN Sustainable Development Goals. Since 2019, Group has integrated these UN Sustainable Development Goals:

Healthy and affordable food
Food labelling, safety, and prices
Sustainable sourcing
Genetic diversity of farmed and domesticated animals
Labour practices in the supply chain

Occupational health and safety
Access to medicine
Access to quality essential health care services
Air quality
Water quality



Employment
Non-discrimination
Capacity building
Availability of a skilled workforce
Elimination of forced or compulsory labour

Infrastructure investments
Access to financial services
Environmental investments
Research and development

Sustainable sourcing
Resources efficiency of products and services
Material recycling
Procurement practices
Product and services information and labelling

Energy efficiency
Environmental investments
GHG emissions
Risks and reduction opportunities due to climate change

Deforestation and forest degradation
Genetic diversity of farms and domesticated animals
Land remediation
Landscapes forest management and fibre sourcing
Natural ecosystems
Water ecosystems

5.1.2 Sustainability Commitments and Data Disclosure on International Platforms

In 2021, upon becoming an official member of the United Nations (UN) Global Compact, AUGA group committed to adhering to ten fundamental principles covering human rights, labour standards, environmental protection, and anti-corruption. It also pledged to complete detailed annual questionnaires reflecting the implementation of these principles and the progress achieved. This publicly available questionnaire, published on the UN website and accessible to all stakeholders, was also prepared by the Group in 2024 for the reporting year 2023.

As a publicly listed company on the Nasdaq Baltic exchange, the Company has been annually submitting a sustainability questionnaire on the Nasdaq ESG platform since 2020. Alongside its set objectives, it highlights environmental, social, and governance (ESG) indicators, data, and deviations compared to previous years.

5.1.3 Memberships and Partnerships

Active involvement in associations, the exchange of best practices, and addressing emerging sustainability challenges remain pivotal for AUGA group. The Group has maintained its membership in key organizations, including the Lithuanian Association of Agricultural Companies (LŽŪBA), the Lithuanian Organic Farmers Association (LEŪA). Baltic Champs, a subsidiary of the Group, aligns itself with the Lithuanian Association of Mushroom Growers and Processors (LGAPA), while AUGA Luganta is affiliated with the Lithuanian Vegetable Growers Association.

In its dedication to fostering the education of young professionals on various sustainability issues and enhancing its image as an attractive employer, the Group has consistently partnered with various educational institutions. AUGA group collaborates with esteemed Lithuanian universities: VDU Academy of Agriculture, Kaunas University of Technology (KTU), LSMU Faculty of Veterinary Medicine, Vilnius Business College, and ISM University of Management and Economics.

5.1.4. Disclosures in relation to specific circumstances

ESRS 2 BP-2 Disclosures in relation to specific circumstances

In accordance with ETAS guidelines, the Group discloses circumstances that had a significant impact on the results of the reporting period or the fulfilment of obligations and their reflection in the report. A general circumstance that may become significant and lead to changes in business strategy is the restructuring process initiated by AUGA group, RAB and some of its controlled companies in November and December 2024.

About the restructuring processes

At the end of 2024, the Group announced that it was experiencing financial difficulties, prompting restructuring processes for some of the companies controlled by AUGA group. The aim of the restructuring is to protect the interests of employees, creditors, shareholders, and other stakeholders, ensure business continuity, and restore long-term solvency.

In the context of restructuring, AUGA group and its controlled companies are focusing on activities generating positive financial flows - crop production, animal husbandry, biomethane production, mushroom cultivation and supply of products to end consumers. Optimization of traditional agricultural activities, efficiency-improving solutions are aimed at restoring the Group's long-term solvency and repaying its obligations to creditors. It is important to note that although the strategy of AUGA group, its guidelines and value foundation remain relevant, due to the current economic situation of the Group and the lack of demand for sustainable technologies in the sector, the Group is indefinitely postponing the development plans for emission-reducing technologies. If market demand changes or other circumstances arise that could create economic value for the Group, AUGA group could continue the sustainable technology commercialization projects implemented so far. Innovative technologies developed by AUGA Tech - 3 hybrid AUGA M1 and 1 electric AUGA E1 tractors - will be used in the Group's activities. This will ensure the gradual generation of economic returns by using already developed technologies in production processes.

In summary, despite the challenges related to restructuring processes and operational restrictions arising from the change in the legal status of the companies, the Group continues to carry out daily operations in all its business segments and to organize production operations throughout the food chain.

The sustainability practices applied in the Group's production activities so far will continue to be consistently implemented in the Group's companies and in daily farm activities. To ensure the activities of different segments, as before, a circular economy model will be continued that creates positive economic value (e.g. biomethane production from livestock waste, or the employment of digestate in crop production). The Group's achievements in the field of sustainable livestock farming, i.e. the elements of feed technology created, will be implemented in animal husbandry and will allow reducing the cost of production.

Reasons for uncertainty in estimates and results

The Group defines qualitative, quantitative circumstances and other assumptions that have influenced the planned sustainable performance results, set objectives or led to specific changes in specific ESG information topics that respond to that topic. List of circumstances disclosed in the report are the following:

- Application of the Taxonomy – section 6.1 Taxonomy Review.
- Emissions and recalculation of the Group's emission targets – section 6.2 Climate Change.

Disclosures stemming from other legislation or other sustainability reporting standards

In preparing the 2024 Sustainability Report, AUGA group adheres to the ESRS (European Sustainability Reporting Standards) disclosure requirements. During the report preparation process, the Company made a strategic decision to streamline its reporting by focusing on the ESRS standards and discontinuing the previously used GRI and Nasdaq indicators, due to their significant overlap with the ESRS requirements. This high level of alignment between ESRS and GRI announcement was confirmed in a joint statement released by EFRAG and GRI in 2023.[5]

The Company also considers it important to comply with the United Nations Sustainable Development Goals (UN Global Compact) and therefore aligns its operations with these principles. Each year, it reports to the organization on its progress in meeting these goals, which is also reflected in its annual Sustainability Report. More information about the Group's participation in international initiatives and organizations is provided in the section Sustainability Commitments and Data Disclosure on International Platforms.

Incorporation by reference

Considering that the Group prepares a consolidated management report and certain sustainability-related information is disclosed not only in the sustainability section of this report, additional cross-references have been included between the different sections of this report.

[5] EFRAG-GRI joint statement of interoperability

5.2 Sustainability Management

Composition and diversity of administrative, management, and supervisory bodies

ESRS 2 GOV-1 The role of administrative, management, and supervisory bodies

AUGA group aims to manage sustainability within the Group by applying fundamental global sustainability practices and following recommendations outlined in international sustainability standards. The Group has established sustainability goals and a sustainability strategy, which applies across all AUGA group companies and operations. To ensure the implementation of sustainability practices, AUGA group management team is engaged with each member responsible for their respective areas. Naturally, the greatest focus is placed on production activities, as their emissions constitute a significant share of the Group's overall emissions. All information about the Group's governance in 2024, including the composition of administrative, management, and supervisory bodies, as well as their roles, is disclosed in:

- Composition, diversity, role, and experience of the Board – section 3.3. Board and Committees;
- Board committee responsible for overseeing impacts, risks, and opportunities – section 3.1 Governance Model;
- Composition and diversity of administrative, management, and supervisory bodies – section about Employees and Diversity.

The role and responsibility of administrative, management, and supervisory bodies in relation to sustainability matters.

ESRS 2 GOV-1 The role of administrative, management, and supervisory bodies

The sustainability goals and progress of AUGA group are regularly discussed within the management team, with the involvement of the Board based on the strategic importance of the topic. The Group has a dedicated sustainability coordinator responsible for developing sustainability initiatives and reporting directly to the CEO. Additionally, the Chair of the Board, Kęstutis Juščius, oversees sustainability matters. The designated sustainability representative provides the Board with a comprehensive annual sustainability review, which not only presents the Sustainability Report for the previous year, but also covers global sustainability trends, EU and local regulatory developments, consumer research, and best practices from other companies. At least twice a year, joint meetings are held between the Group's sustainability coordinator, the Board member responsible for sustainability, and relevant functional managers to discuss the implementation of the Group's sustainability strategy. The Group reports annually by publishing the Sustainability Report alongside its financial statements, which is approved by the Board.

The members of the Group's highest governing body (the Board) and the management team have not received specific training in sustainable development.

Management processes for monitoring impacts, risks, and opportunities

ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The information in the Sustainability Report is structured according to environmental, social and governance (ESG) topics, in accordance with the European Sustainability Reporting Standards (ESRS). Only those topics are disclosed that, according to the dual materiality assessment carried out by the AUGA group companies, were recognized as material – i.e. having a material impact on the Company or a significant impact of the Company on the environment and society. Each material topic is disclosed in detail in the context of the relevant ESG area. In 2021, the Group conducted an assessment of the materiality of the sustainability criteria with stakeholders and with the AUGA group management team and Board members, and in 2023, a new assessment was carried out involving the AUGA group management team and Board members. The management team and Board members assessed the sustainability criteria according to the materiality aspects of the impact of the Group's activities on the environment and stakeholders and the financial impact on the Group, and then a joint review of the resulting matrix was performed. In 2024, the Group, in accordance with the European Sustainability Reporting Standards (ESRS), conducted an assessment of material topics based on an Impact, Risk and Opportunity (IRO) analysis, involving top-level management in the process.

Integration of sustainability-related performance in incentive schemes

ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes

The Group does not foresee financial incentives to employees or members of the management and supervisory bodies for the formulation, development, and implementation of the long-term sustainability strategy. Additionally, their performance is not evaluated based on greenhouse gas (GHG) emission reduction targets. Employees responsible for this area are financially incentivized under the general remuneration framework, similar to other Group employees.

All information about employee incentives and the remuneration of administrative, management, and supervisory bodies is disclosed in:

- Employee incentive systems – section 4. Remuneration Report;
- Composition of administrative, management, and supervisory bodies, employee remuneration report - section 4. Remuneration Report.

Due diligence process

ESRS 2 GOV-4 Statement on due diligence

The purpose of due diligence process is to ensure that the Group does not cause or contribute to negative impacts on people, the environment and society, and to take action to avoid or mitigate negative impacts that may arise from the Group's activities, products, services or business relationships. The results of this process depend on the Group's assessment of significant impacts, risks and opportunities (IRO) and are closely linked to the policies and governance principles applied in the Group. This assessment and the links with the objectives specified in the policies and commitments to mitigate negative impacts are described in more detail in other sections and in individual topics of the ESG. The table below shows how the Group applies the main elements of due diligence and in which parts of the sustainability report they are disclosed.

Elements of the due diligence process	This question is resolved according to
Embedding due diligence in governance, strategy and business model	2 ETAS: GOV-2; SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	2 ETAS: GOV-2; SBM-2; IRO-1; ETAS MDR-P
Identifying and assessing adverse impacts	2 ETAS: IRO-1; SBM-3
Taking actions to address those adverse impacts	Thematic ETAS: These reveal various actions that address the impact issue
Tracking the effectiveness of these efforts and communicating	Thematic ETAS: on the assessment of indicators and results and comparison with previous years

Sustainability reporting risk management and internal control

ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting

The annual financial and non-financial reporting cycles are aligned with national and international legal acts. The Group's consolidated financial statements, as well as the Sustainability Report, are audited, thus ensuring internal and external control processes related to financial and sustainability disclosure requirements.

Since 2021, the Company's Audit Committee and the Board have approved the Risk Management Guidelines, and each year the Group assesses key risks and creates a risk assessment map, taking into account both the probability of risks and the magnitude of their impact. Since the Group's Sustainability Strategy is integrated into the Group's strategy, the resilience of the business model and strategy to some risks related to sustainability issues is monitored and assessed in this way. The Company's Articles of Association provide the Board with essential functions and responsibilities, one of which is to consider and approve the level of acceptable risk in the Group's activities and the risk management policy. Also, one of the functions of the Audit Committee, which is one of the committees of the Board, is to analyze the effectiveness of the internal audit and risk management systems, which ensures the analysis and management of risk management and internal control.

In addition, the Group's impact on sustainability was assessed according to the materiality assessment carried out in 2021 and 2023. In 2024, the management examined the material topics in more detail in order to meet the requirements of Impacts, Risks, Opportunities (hereinafter - IRO). 30 risks related to sustainability topics were integrated into the list of 82 total assessed risks and are assessed together with all risks. In this way, Sustainability risks are integrated into the assessment, monitoring and management of all risks.

5.3 Sustainability Strategy

ESRS 2 SBM-1 Strategy, business model and value chain

Agriculture is responsible for over 20% of global greenhouse gas emissions.[6] AUGA group, being a long-standing participant in this sector and having started tracking its operational emissions in 2018, fully understands the significant impact of its activities on the environment. Therefore, in 2020, the Group announced its five-year business strategy, where sustainability became a core element, fully integrated into the business model, as recommended by international sustainability and climate change institutions. For more details on the business strategy, see section 1.4 Strategy or visit the AUGA group website here.

The Group has set ambitious emission reduction targets (more details in section Greenhouse gases) and has developed new technological solutions to achieve them, such as biomethane- and/or electric-powered tractors, emission-reducing feed technology, and biomethane production. The Group's ultimate goal is to create a food production system that ensures food is produced with no cost to nature.

The Sustainable Technology Development Strategy was consistently implemented until Q4 of 2024. By starting biomethane production, the Group took an important step in implementing the circular economy strategy – this activity became its practical application in daily operations, ensuring the circularity of the AUGA group's business cycle. AUGA Tech also introduced an electric-powered multifunctional platform/tractor for agriculture. For more information on the 2024 progress in technology, see section 1.4.2. Strategy Implementation and Greenhouse gases.

In addition to technological projects, the Group applies existing market practices to reduce its environmental impact. For example, it uses min-till farming technology and a regenerative crop rotation method, which help preserve soil and its biodiversity. The Group also ensures more sustainable livestock farming by using perennial leguminous grasses in animal feed, which generate lower emissions. Furthermore, the Group has been using green electricity in its operations for several years.

More detailed information about the Group's strategy, business model, and value chain is disclosed in other sections of the management report:

- Sustainability reporting objectives and key elements of the Company's strategy – in section 1.4.1 Strategy Implementation
- Business model and value chain, product groups, and markets – in section 1.5 Business Model.

In addition to the technological projects and other sustainable solutions developed by the Group to reduce environmental impact and contribute to the implementation of environmental initiatives and goals, AUGA group also focuses on social responsibility and good governance practices. Significant social issues to which the Group allocates human resources include ensuring employee safety and health, working conditions and remuneration, additional employee incentives (through the share option programme), diversity, and equal opportunities. It is important to note that, at present, the Group does not set specific targets in the social area.

The Group also applies good governance practices through the Board model, adheres to approved policies within the Group (business ethics, animal welfare, supplier code of ethics, bribery and corruption prevention), and is committed to ensuring that its operations are conducted internationally in accordance with the highest standards of transparency and anti-corruption. This includes a strict prohibition of any bribery of foreign officials, with the aim of ensuring transparency towards investors and other stakeholders. Policies are reviewed as needed and updated. More information about the policies in place within the Group can be found in section 5.7 Policies

Through its sustainable strategy, AUGA group pursues the following results for these main target groups:

CONSUMERS	FARMERS	PRIVATE AND INSTITUTIONAL INVESTORS	SHAREHOLDERS
a more sustainable way to eat	a more sustainable way to work	a more sustainable way to invest	a more sustainable way to receive financial returns
			

[6] International Panel on Climate Change, Climate Change 2023, report

5.4 Stakeholders

ESRS 2 SBM-2 Interests and views of stakeholders

Stakeholder engagement

The Group's sustainable operating practices are inseparable from stakeholders and their involvement and joint dialogue on relevant topics. Close and high-quality relations with stakeholders are an important task for AUGA group. The management team has identified relevant stakeholder groups, taking into account the nature, scale and general needs of AUGA group's activities. AUGA group's stakeholders: employees, consumers, investors, non-governmental and governmental organizations, suppliers, customers, regional communities, media. AUGA group cooperates with these groups in various forms, which are listed in the table below. It is also important to mention that the Groups involve stakeholders in the materiality assessment and have been doing so since 2017. The last time such an assessment was carried out with stakeholders was in 2021, and in 2023 a double materiality assessment was carried out, which took into account the opinions expressed by anonymous stakeholders in a survey in 2021.

Results of cooperation

A close cooperation with stakeholders ensures the continuity of the Group's activities, enhances its reputation, supports the achievement of business objectives, and aligns with stakeholders' interests. The materiality assessment and identification of key impact topics directly influence the Group's decisions and correlate with AUGA group's strategic direction. For example, topics important to stakeholders include emission reduction, responsible use of natural resources, food safety, employee health and safety, corruption and bribery prevention in business, and others. These topics are also essential to the Group's daily operations, with some becoming central to its business strategy—particularly those related to climate change.

In this particular impact area, the Group has achieved the most significant results, including the development of emission-reducing agricultural technologies, the implementation of sustainable farming practices, and the introduction of more sustainable organic products to the market. The Group makes considerable efforts and takes into the account stakeholder needs to ensure the responsible use of natural resources. As a result, AUGA group has been developing a circular economy model for several years. This effort has culminated in the successful establishment of biomethane infrastructure and the launch of economic activity in this sector. Biomethane production is fundamentally important to the Group's circular cycle, as it enables the reuse of secondary raw materials from one of the Group's segments—livestock—by converting manure into green gas. Additionally, the by-product of this process, digestate, will be used from 2025 onwards in the Group's organic farms as a natural fertiliser for crops.

In summary, it is important to note that as one of the largest players in its sector in the country, AUGA group understands the impact of its activities on the environment, communities, and future generations. That is why the Group measures its activities and decisions through the denominator of sustainable operations, aiming to leave as little negative impact on the environment as possible.

The Group's identified stakeholders, key topics, and forms of dialogue with them are presented in the table below.

Stakeholders	Topics	Forms of dialogue	Expected results
Employees	▪ Performance results, technology development progress, sustainability, and business strategy ▪ Employee welfare, compensation, and options ▪ Market news, general education in the field in which the Group operates	▪ Intranet and notice boards ▪ Electronic means ▪ Internal events ▪ Specialised newsletters ▪ Surveys	▪ Employee engagement in the Group's daily operations (important due to the diversity of business segments); ▪ Sharing perspectives and opinions relevant to shaping the list of material topics and assessing impact both within and beyond the Group.
Consumers	▪ Products, their composition, production processes ▪ Group's activities, technological progress, sustainability strategy ▪ Education on sustainability topics	▪ Places of sale ▪ Social networks ▪ Events and exhibitions ▪ Advertisement and media publications.	▪ Meeting the needs of consumers choosing sustainable products and fostering the growth of their community; ▪ A category of more sustainably produced organic products shaping new market trends; ▪ Enhancing the Group's reputation through the perspective of a responsible and sustainability-driven organization.
Investors	▪ Performance results, technology development progress, sustainability, and business strategy ▪ Market trends and news	▪ Live meetings ▪ Specialised newsletters ▪ Remote conferences ▪ Events ▪ Annual and quarterly reports ▪ Nasdaq platform	▪ Providing comprehensive, transparent, and investor-oriented information; ▪ Building trust in the data presented by the organization.
Non-governmental and governmental organizations	▪ Market trends and new ▪ Regulatory issues ▪ Sharing of experience	▪ Meetings ▪ Events	▪ Sharing relevant updates and pursuing a common goal in sustainability topics through cooperation with other organizations.
Suppliers	▪ Product and service supply questions ▪ Group's results, operational and technological progress, sustainability, and business strategy	▪ Meetings ▪ Electronic means	▪ Transparent and sustainable relationships ensuring smooth supply and settlement; ▪ Informing about compliance with the sustainability principles important to the Group.
Clients	▪ Products, their composition, production processes ▪ Group's activities, technological progress, sustainability strategy	▪ Meetings ▪ Electronic means ▪ Visits to the Group ▪ Events and exhibitions	▪ Ensuring customer needs for high-quality, environmentally friendly, and more sustainably grown or produced food.
Regional communities	▪ Local needs of communities, needed support ▪ Education about the Group's activities and applied technologies	▪ Meetings ▪ Electronic means ▪ Visits to the Group or community events	▪ Maintaining and creating jobs to reduce unemployment; ▪ Growth of the regional economy to support the prosperity of remote areas.
Media	▪ Group's results, operational and technological progress, sustainability, and business strategy ▪ Products, their composition, production processes ▪ Market news, general education in the field in which the Group operates	▪ Interviews ▪ Meetings, according to the need ▪ Electronic means ▪ Visits to the Group ▪ Press releases	▪ Relationships based on mutual cooperation with a group that shapes public opinion; ▪ Reputation as an expert and reliable spokesperson for media outlets.

5.5 Double Materiality Assessment of Sustainability Criteria

ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Evaluation of Material topics and integration into strategy

Since 2017, the Group has been conducting a biennial sustainability assessment with stakeholders and the AUGA group management team and Board members through an anonymous survey. This long-term process allows the Group to take into account the interests of stakeholders and the impact of the Group’s activities on sustainability issues. Involving the management team and the Board in the materiality assessment helps to identify and prioritize the most important sustainability aspects, which encourages the Group to update and adapt policies and operating procedures, taking into account the changing economic environment. These practices also allow for decisions that contribute to the establishment and implementation of long-term sustainability goals through the Group’s business model and strategy. A significant result of this is the integration of sustainability goals into the Company’s strategy. In 2020, AUGA group announced a five-year strategy, the goals of which include the Efficiency and Innovation agendas, which lay the foundations for more sustainable production practices.

Double Materiality Assessment

The last materiality assessment of sustainability criteria, guided by the GRI materiality assessment process and involving all stakeholders, the AUGA group management team and the Board members, was carried out in 2021. It included an assessment of the organization's economic, environmental and social actual and potential impacts and allowed identifying which topics are material. The 2021 assessment and refined performance criteria became the basis for the Dual Materiality Assessment carried out in 2023. Taking into account the new requirements of the ETAS standard, the Group carried out an assessment of the materiality and financial materiality of the dual impact of sustainability in 2023. During the 2023 materiality assessment, environmental, social and governance criteria were combined into 20 ETAS relevant topics (as specified in ETAS Part 1, AR16)[7]. The new assessment was carried out involving the AUGA group management team and the Board members, collecting the opinions of the participants through a survey. The materiality assessment scores, methodology and criteria were determined in accordance with ETAS 1 requirements, applying the principle of double assessment, where the management team and Board members assessed each sustainability criterion according to two materiality aspects:

- impact significance: what impact the Group's activities have on the environment and stakeholders, taking into account its relative strength (evaluating scale, scope, remediability) and likelihood;
- financial significance: what impact do sustainability issues have on the Group's performance, results and financial position, assessing strength (estimating the scale) and probability.

The priority areas identified after the assessment overlapped and complemented the most important topics for 2021. Below is a matrix that reveals the materiality of the topics according to the number and value of all assessed points. In accordance with ETAS requirements, the table identifies and highlights all the most significant topics that are 1) “material in terms of impact”, 2) “material from a financial perspective” or 3) both.

Result of the dual materiality assessment

The dual materiality assessment shows that climate change and emissions are a key criterion that the Group can directly influence in carrying out its activities, and this criterion also has a significant financial impact on the entire organization. Therefore, reducing emissions and applying innovative technologies has been one of the Group's top priorities for several years. Also, for the AUGA group management team and Board members, renewable energy (in terms of impact and financial aspects), biodiversity and ecosystems (in terms of impact), circular economy (in terms of impact and financial aspects) remain important priorities in the environmental field.

According to the assessment carried out in 2023, it can be seen that the most important social criteria in terms of impact on the environment and stakeholders are consumer safety and health, consumer education in the field of sustainability. Food safety has always been and remains a daily priority in both own and contract production, which is illustrated by the Group's organizational structure and the specialists responsible for this area. Also, in the opinion of the managers and members of the Board of AUGA group, employee safety and health, as well as working conditions and remuneration are important criteria in the impact area. In response to this priority, the Group organizes Employee Safety and Health training. In the area of financial impact, the assessment participants identified the following criteria: working conditions and remuneration, consumer and employee safety and health.

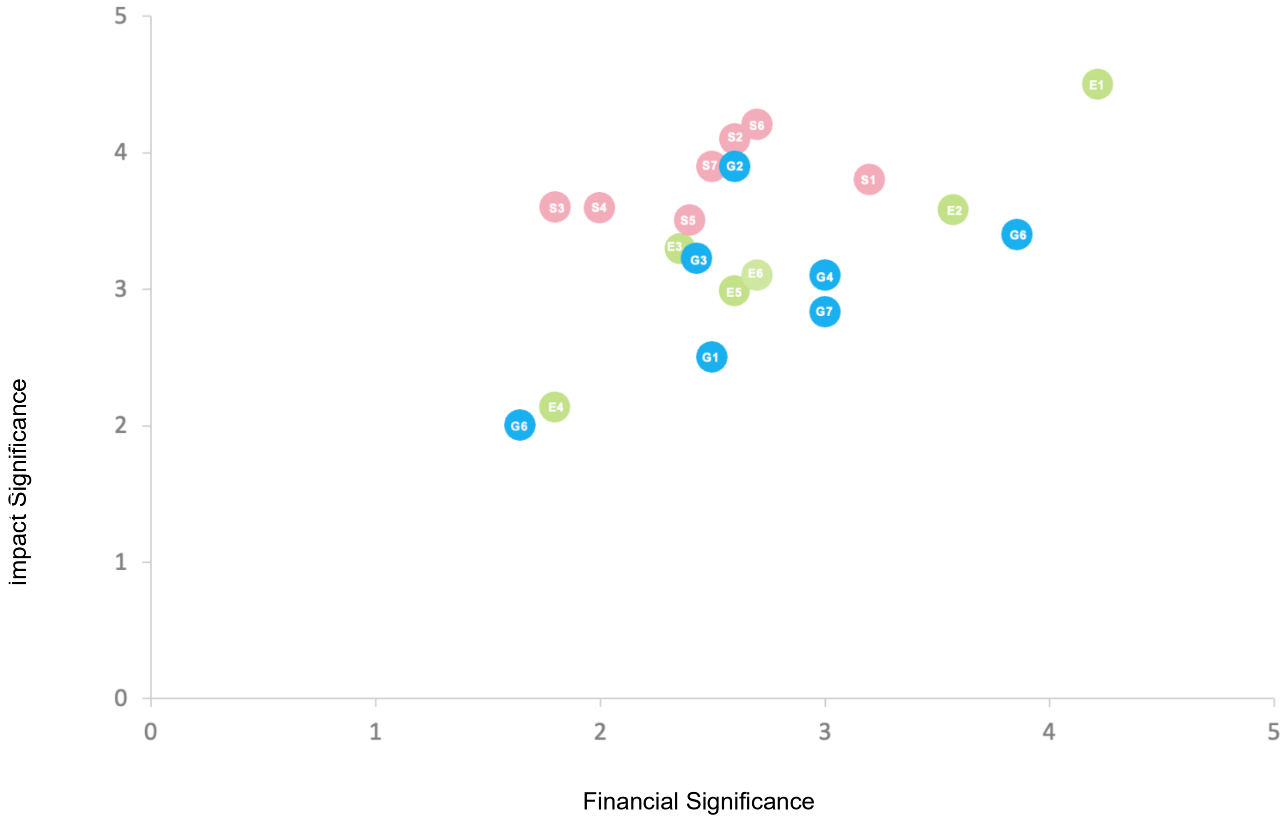
[7] ESRS 1, AR16

Among the management criteria, in the opinion of the assessment participants, the most important for environmental and stakeholder impact are business ethics, innovation and technology leadership, animal welfare and relations with suppliers. In the area of financial impact, the following management criteria are identified: innovation and technology leadership, relations with suppliers and compliance and transparency.

All material topics are also disclosed in more detail in the next section and in individual ESG topics, assessing how they relate to impacts, risks and opportunities, their expected time horizon, place in the value chain and the link to the business model.

The Group aims to disclose the dual materiality and IRO related to sustainability annually but may use assessments from previous periods if they are still relevant and there have been no significant changes in the organizational and operational structure or external factors that would change or create new aspects of the IRO or material topics.

Double Materiality Matrix of Sustainability Criteria



	Double materiality	
Environmental criteria	Impact materiality	Financial materiality
E1. Climate change and emissions	**High**	**High**
E2. Renewable energy	**High**	**High**
E3. Earth, air and water pollution	Medium	Low
E4. Water resources	Medium	Low
E5. Biological diversity and ecosystems	**High**	Medium
E6. Circular economy (reduce, reuse, recycle)	**High**	Medium
Social criteria		
S1. Work conditions and renumeration	**High**	**High**
S2. Employees health and safety	**High**	Medium
S3. Employees diversity and equal rights	**High**	Low
S4. Ensuring employees human rights	**High**	Medium
S5. Relations with communities	**High**	Medium
S6. Consumer health and safety	**High**	Medium
S7. Consumer education in the field of sustainability	**High**	Medium
Governance criteria		
G1. Company's values and culture	Medium	Medium
G2. Business ethics	Medium	Medium
G3. Animal welfare	**High**	Medium
G4. Relations with suppliers	Medium	**High**
G5. Corruption and bribery prevention	Low	Low
G6. Innovation and technology leadership	**High**	**High**
G1. Company's values and culture	Medium	**High**

5.6. Significant Impacts, Risks and Opportunities (IRO)

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Significant impacts, risks and opportunities evaluation process

Based on all identified material sustainability topics, the Group conducted an Impacts, Risks, Opportunities (IRO) assessment during the reporting period, identifying them for each material topic. Since the Sustainable Business Report prepared by the Group is part of the Consolidated Annual Report, the IRO assessment was conducted covering all Group companies for the assessment year 2024 (the reporting period). This ensures that all affiliated companies are included, allowing for an unbiased identification of material impacts, risks and opportunities.

During the internal qualitative assessment, an additional list of 30 significant risks was prepared (i.e. the historical list of the Group's risks was expanded) and a newly compiled list of 23 significant impacts (positive and negative) and opportunities was considered in more detail - its progress is presented below.

Impact and opportunity assessment

During the assessment, opportunities were integrated into the assessment along with impacts. The list of impacts and opportunities was further analysed by the management team in a separate session using a qualitative assessment method. Each impact or opportunity was assessed according to the following criteria: whether the impact is actual (already occurring) or potential; whether the financial significance of the opportunity is current (affecting financial results and cash flows in 2024) or expected in the future; the expected time frame of each IRO aspect is assessed (short-term – occurring only in 2024, medium – up to 5 years, long-term – longer than 5 years); it is determined at which point in the value chain (initial, Group operations, final) the impact is made or the opportunity is created. Also, each aspect of the IRO was assessed according to how it relates to the Group's strategy and business model, determining whether it arises from the business model (directly related to the Company's operations and its business model), impacts the business model (affects the Company's business model, including its operation and results), or is integrated into the strategy and business model (included in the Company's strategy and business model, ensuring that it is managed and monitored as an integral part of the business).

The table below provides a list of all material sustainability topics, their relevance to ETAS topics, indicating the impacts and opportunities identified in them. The detailed result of the IRO assessment of each material topic and its management is disclosed in each material sustainability topic. Also, all identified positive or negative impacts are presented in the IRO Value Chain table. The consolidation of the IRO Value Chain allows you to more conveniently assess where in the value chain the most environmental and human impact areas are concentrated due to the Group's activities.

Risk assessment

The prepared list of 30 risks covered all significant sustainability topics, and also identified physical and transformation risks related to biodiversity conservation and climate change mitigation and adaptation. Each identified risk is described in more detail under the significant sustainability topics. The overall list of sustainability risks was integrated into the overall annual quantitative risk assessment of the Group, as the guidelines and objectives of sustainable activities are integrated into the business strategy of AUGA group. In this way, each risk, including sustainability risk, was assessed according to the levers of its probability and financial impact, determining the Group's priority risks. These risks are described in section 1.6 Risk management.

IRO assessment results

The IRO assessment allowed for a more detailed disclosure of each significant topic, an understanding of the impacts and opportunities inherent in them, and the identification and assessment of potential risks for the Group. This process also helped to better identify in which part of the value chain - upstream, downstream or within the activities themselves - significant impacts, risks and opportunities are concentrated. In addition, it was found that due to the Group's existing business model, most aspects of IRO are concentrated in the Group's activities, and the implemented processes, such as the circular economy and environmental management processes, create a positive impact. When assessing existing and expected impacts, the results show that almost all existing impacts directly affect the environment or people. This justifies the significance of the Group's policies designed to monitor and manage various areas (all policies are presented in section 5.7 Policies).

When assessing the expected period, it was noted that the majority of impacts are of a long-term or medium-term type. This indicates that more time is needed to implement changes, integrate new processes or mitigate and eliminate them, taking into account the specificity and cyclicality of agricultural activities. It is important to note that most of the assessed impacts, opportunities and risks have already been integrated into the Group's business model and strategy. They have become an integral part of the activities through the set objectives, applied measures, policies and risk management. Such integration strengthens the implementation of sustainability objectives and increases the value they create for the business.

Identification of significant risks and their relationship to the business model

During the risk assessment, among the identified priority risks, risks related to significant sustainability topics were also identified: loss of suppliers or partners (G1), loss of reliable supplier/partner status (G1) and changes in the prices of organic and conventional products (E1). These risks are described in more detail in section 1.6 Risk management. All risks, including those related to sustainability, after identification as priority are constantly monitored and managed in accordance with approved internal regulations.

IRO focus on business model and value chain

The Group, understanding the environmental impact of the agricultural sector and its products, especially since it grows some crops with a higher environmental impact (e.g. in crop production - corn, potatoes, rapeseed, soybeans, cereals), and also engages in livestock farming, lists all potential and actual environmental impacts created by the

Group in the value chain table below, which were identified during the IRO assessment. More detailed possible solutions or actions for each impact are described in each material topic. In addition, all priority risks, including risks related to material sustainability topics, are assigned to the value chain stage, thus indicating the links between risks, impacts and dependencies on environmental factors and are reflected in the 5.6. Significant Impacts, Risks and Opportunities (IRO).

After conducting an additional assessment to determine where significant impacts, risks and opportunities are concentrated in the Group's activities or in the upstream and downstream links of the value chain, AUGA group has determined that the main impacts, risks and opportunities are currently concentrated in the Group's activities. In order to prioritize those areas where it has the greatest opportunity to operate and where the impact on nature is greatest (i.e. in its activities, especially in the primary production and processing of key raw materials), the Group has integrated sustainability priorities into its strategy since 2020 and is striving for positive change in its activities, manufactured products and technology development.

Material ESRS topics		Material topic for the Group	Positive impact	Negative impact	Opportunity
E1	Climate change	Climate change and emissions reduction	•	•	
		Renewable energy	•		
		Innovation and technology leadership			•
E4	Biodiversity and ecosystems	Biodiversity and ecosystems	•	•	
E5	Resource Use and Circular Economy	Circular economy (reduce, reuse, recycle)	•	•	
S1	Own Workforce	Working conditions and remuneration	•		
		Worker safety and health		•	
		Ensuring workers' human rights	•		
S3	Affected communities	Community relations	•	•	
S4	Consumers and End Users	Consumer safety and health	•		
		Consumer education in the field of sustainability	•		
G1	Business ethics	Animal welfare	•		
		Supplier relations	•		
		Compliance and transparency	•		

Policies related to significant sustainability issues

ESRS 2 MDR-P Policies adopted to manage material sustainability matters

The Group applies policies to different areas and topics in order to prevent, mitigate and correct actual and potential negative impacts, manage risks and seize opportunities. Due to the interdependence of impacts on people and the environment, risks and opportunities, one policy may apply to several material sustainability issues, including issues that are addressed in more than one material topic. A more detailed overview of all existing policies, including their overall objectives and which material sustainability topics of the Group they relate to, is provided in section 5.7 Policies. Each topic provides information on how aspects related to impacts, risks or opportunities are monitored and managed through specific policies.

Tasks, actions and resources related to significant sustainability issues

ESRS 2 MDR-A Actions and resources related to significant sustainability issues
ESRS 2 MDR-T Monitoring the effectiveness of policies and actions against objectives

When disclosing targets related to the prevention or mitigation of environmental impacts, the Group gives priority to targets related to absolute impact reduction, i.e. through GHG emissions, which are described in section 1.4 Strategy. Although the Group has not set specific targets for all material topics, the main goals and objectives arise from and are linked to the objectives set by the policies. The actions taken to prevent, mitigate and correct actual and potential impacts, manage risks and seize opportunities are specified in each thematic standard, also indicating all currently recorded indicators.

IRO Value Chain

	Value chain	Input sourcing	Primary production	Processing	Manufacturing	Management, operations and R&D	Distribution and consumption
Impacts, dependencies, risks	**Risks**	Loss of suppliers or partners, Loss of "Trusted, Supplier/Partner" status.	Partial implementation of restructuring in Group companies, Changes in prices of organic and conventional products, Higher growth in production costs than forecast, Decrease in leased land areas due to restructuring.	Partial implementation of restructuring in Group companies, Changes in prices of organic and conventional products, Higher growth in production costs than forecast.	Loss of suppliers or partners, Loss of "reliable supplier/partner" status, Higher than forecasted growth in production costs.	Liquidity risk, Partial implementation of restructuring in Group companies, Credit/financing risk, Capital risk arising from poor performance, Loss of "reliable supplier/partner" status.	Loss of suppliers or partners Loss of "Trusted Supplier/Partner" status, Changes in organic and conventional product prices, Loss of market position.
	Dependencies on the environment and ecosystems[8]	Raw environmental materials Biomass provisioning ecosystem services Global climate regulation.	Ground water and quality Food crop dependency on pollinators Nursery habitats Biomass provisioning ecosystem services Quality, fertility and characteristics of soils Sustaining populations of species Global climate regulation.	Water supply and purification services Solid waste remediation Green energy resources Biomass ecosystem services.	Water supply and purification services Green energy resources Biomass provisioning services.	Education, scientific and research services Solid waste remediation services Green energy resources.	Global climate regulation Education, scientific and research services.
	Potential and actual Impacts on environment and society[9]	**Positive:** Using biomethane to mitigate climate change Circular economy and resource conservation Ensuring human rights Data protection Greener and healthier products for consumers Education about sustainability and environmental friendliness Sustainable farming and animal welfare Sustainable partnerships with suppliers Prevention of corruption and bribery Transparency **Negative:** GHG emissions from direct and indirect activities	**Positive:** Biomethane use for climate change mitigation Biomethane integration into the circular economy Development and application of sustainable agricultural technologies and practices Use of renewable energy Protection of biodiversity and ecosystems Circular economy and resource conservation Creating job opportunities in regions and for unskilled labor The option program encourages employee motivation to become shareholders of the Company Ensuring human rights Data protection Positive impact of organic farms on community health and the environment Organic livestock farming and animal welfare Prevention of corruption and bribery Transparency **Negative:** Greenhouse gas emissions from direct and indirect activities Impact on ecosystem and biodiversity loss due to conventional farming Waste generation in operations Work with chemicals and machinery Negative impact of intensive agriculture on the environment	**Positive:** Ecological and healthier products for consumers Prevention of corruption and bribery Transparency Use of renewable energy Circular economy and resource conservation Creating job opportunities in regions and for unskilled labor Option program encourages employee motivation to become shareholders of the Company Ensuring human rights Data protection Ecological livestock farming and animal welfare **Negative:** GHG emissions from direct and indirect activities Generation of waste in operations Work with chemicals and equipment	**Positive:** Greener and healthier products for consumers Sustainable partnerships with suppliers Anti-corruption and bribery Transparency Ensuring human rights Data protection **Negative:** GHG emissions from direct and indirect activities	**Positive:** Education on sustainability and environmental friendliness Prevention of corruption and bribery Transparency Use of renewable energy Circular economy and resource conservation Creating job opportunities in regions and for unskilled labor Option program encourages employee motivation to become shareholders of the Company Ensuring human rights Data protection **Negative:** GHG emissions from direct and indirect activities Generation of waste in business operations	**Positive:** Organic and healthier products for consumers Education about sustainability and environmental friendliness Prevention of corruption and bribery Transparency Ensuring human rights Data protection Organic livestock farming and animal welfare Sustainable partnership with suppliers. **Negative:** GHG emissions from direct and indirect activities.
	Material ESRS topic	E1, E5, S1, S4, G1	E1, E4, E5, S1, S3, S4, G1	E1, E4, E5, S1, S3, S4, G1	E1, E5, S1, S4, G1	E1, S1, G1	E1, S1, S4, G1
Business operations and business model	**Value chain**	**Input sourcing**	**Primary production**	**Processing**	**Manufacturing**	**Management, operations and R&D**	**Distribution and consumption**
	Description of activity in the value chain	This stage involves procuring essential materials needed for production, such as seeds, fertilizers, and other inputs. The focus is on ensuring these materials meet organic and sustainability standards, supporting the overall quality and environmental goals of Group.	This is the stage where raw materials are produced. It includes activities like growing crops, raising livestock, and producing mushrooms and other vegetables. The emphasis is on sustainable and organic farming practices to ensure high-quality, environmentally friendly products.	In this stage, raw materials undergo initial processing to prepare them for further manufacturing. This can include cleaning, sorting, and basic preparation of crops, vegetables and livestock products. The goal is to maintain the integrity and quality of the raw materials and adhere to ecological standards.	Here, the processed raw materials are transformed into finished products. This stage includes more advanced processing, packaging, and preparation of products for market. The focus is on maintaining high standards of quality and sustainability throughout the manufacturing process.	This stage involves the internal administration and operations of Group, including management, research, and development. R&D focuses on innovating and improving sustainable practices, developing new products and technology, and enhancing production efficiency. It also includes managing subsidiaries, own facilities, and ensuring operational control.	This stage covers logistics to get finished products to market, including transportation, warehousing, and supply chain management. It ensures efficient and sustainable delivery to consumers, gathers feedback for improvement, and promotes sustainable and organic food consumption within the community.
	Form of the subsidiaries of the Group	H Trade and logistics.	C Farming operations D Mushroom growing and trade A Agricultural activities	I Food production	Manufacturing of Group's products (external resources)	B Group's cash pool E Land management F Lease of machinery G Management of subsidiaries J Technology development (tractors + biomethane power plants)	H Trade and logistics

[8] ENCORE, 2024
[9] Based on internal IRO evalutions, 2024

5.7 Policies

ESRS 2 MDR-P Policies adopted to manage material sustainability matters

To ensure that AUGA group's operations meet transparency and integrity criteria, the Group adheres to 7 core policies on good governance, social issues, and environmental protection. These Group policies are based on best corporate practices and are aligned with the Universal Declaration of Human Rights, the European Convention on Human Rights and Fundamental Freedoms, the International Covenant on Civil and Political Rights, the UN Guiding Principles on Business and Human Rights, core ILO conventions, and other international and national legal acts of the Republic of Lithuania, and are all publicly available on the AUGA group website.

Policies are reviewed regularly based on the Group's needs or operational changes that should be included in the policy guidelines. Managers responsible for the implementation of policies are appointed to ensure that employees and responsible persons subordinate to them are familiarized with them. Changes to policies are approved by the Board. The Group has an approved process according to which an annual report on the implementation of policies and recorded complaints for the past year is submitted to the Board no later than the Company's Annual General Meeting of shareholders.

In 2024, all new employees (344 or 100%) were introduced to the policies. All policies apply to AUGA group employees and other members of management bodies, such as members of the Board and Audit Committee. Employees are informed that if they notice situations in which the Group's policy guidelines, commitments to reduce impact or actions that do not comply with the provisions are violated, they can report this anonymously by e-mail: etika@auga.lt. In 2024, no complaints were received or violations were recorded regarding any policies approved by the Group. Upon receipt of a complaint, the manager in charge of that area is immediately informed about the situation, depending on the nature of the complaint, who must create a plan to resolve the situation and implement it. The Group does not have uniform procedures for all complaints. Situations are resolved in accordance with common internal procedures and in compliance with the requirements of the law of the Republic of Lithuania. No other complaint management processes are provided for. Stakeholders are not included in the complaint creation mechanism or its improvement. How each policy relates to the Group's material sustainability topics, and how it contributes to addressing or mitigating actual or potential impacts, as well as how the policy's objectives relate to the actions being implemented, is described separately for each material topic. Some policies cover multiple material topics.

Title	Description	Disclosed in sustainability topics
Code of business ethics (effective from 2019)	The code defines the principles of fair treatment of employees and compliance with international human rights standards as well as the importance of ensuring equality, health and safety. It specifies the rules that govern the protection of private persons data, confidential information, business and financial documents, proper care for work tools, the relationship with customers and competitors, and the general communication by the AUGA group.	S1, S3, S4
Environmental protection policy (effective from 2019)	The document specifies the guidelines and principles for ensuring the management of AUGA group's impact on the environment in its daily activities. The environmental protection policy envisages compliance with the requirements of environmental protection legislation and other obligations assumed by the Group, in order to reduce the probability of incidents and their impact on the environment, to ensure biodiversity, and to reduce greenhouse gas emissions generated during operations.	E1, E4, E5
Policy on human rights, non-discrimination, child and forced labour (effective from 2019)	This policy is aims to ensure the fundamental principles of human rights in accordance with the valid legal acts of the Republic of Lithuania and international standards, in order for employees to feel safe in the working environment and to prevent and avoid any instance of discrimination or of forced or child labour.	S1
Animal welfare policy (effective from 2019)	This policy provides guidelines and principles for ensuring animal welfare in the Group, setting out the basic principles to be followed in accordance with the animal freedom guidelines recognised by the World Organisation for Animal Health. The policy defines the responsibilities of animal handlers for the continuous improvement of farm animal welfare.	G1
Policy on the prevention of corruption and conflict of interest (effective from 2019)	This policy states that the Group does not tolerate corruption in any of its forms, and in case of specific manifestations of corruption in the organisation, it immediately takes action to prevent such situations. It is the duty and responsibility of employees to act impartially, to not provide impermissible benefits to other business entities, and not to get involved in situations that cause or could potentially cause a conflict of interest with the interests of the Group and/or have a negative impact on the freedom of their own actions or decisions related to work functions.	G1
Employee safety and health policy (effective from 2018)	This document identifies dangers and risks that may occur in the Group's activities. The policy also includes measures minimising the number of accidents.	S1
Supplier's code of ethics (effective from 2019)	This document, which defines relations with suppliers and their principles of activity, stipulates that it is important for the Group that its business partners conduct their activities in accordance with the fundamental Environmental, Social and Governance (ESG) principles and the United Nations Sustainable Development Goals. The Group expects its suppliers to comply with environmental regulations and animal welfare standards, as well as to care for human rights, employee health and the prevention of any discrimination or child or forced labour.	G1

6. Environment

Our Activities and Achievements in 2024[10]

183,758 t CO_2e 128%
emissions from operations

1.011 M 70%
EUR invested in R&D

0.78 t CO_2e 21%
emission intensity per t of ECM milk

497 t 41%
waste generated

Introduced emission-reducing
technology portfolio

1.16 t CO_2e 175%
emission intensity per t of crop production

22.5 % 16,9%
share of crops are leguminous*

*Includes areas of wheat, legumes and other non-forage crops.

biomethane
start of sale

335,087 m3 7%
water used

302,617 GJ 6%
energy consumed

[10]Comparisons are to 2023. Indicators were recalculated retrospectively.

6.1 Taxonomy Review

The Taxonomy Regulation (EU) 2020/852 and its implementing legal acts establish a classification system for sustainable economic activities and investments. It defines activities that are considered to significantly contribute to achieving environmental objectives, thereby supporting the implementation of the European Green Deal. Companies are required to disclose what proportion of their activities, measured by turnover, capital expenditures (CAPEX), and operational expenditures (OPEX), are sustainable.

According to Article 8 of the Taxonomy Regulation, companies established in the European Union with more than 500 employees are required to disclose specific information on how and to what extent their activities align with taxonomy criteria. AUGA group falls within the scope of such companies. In accordance with the Taxonomy Regulation, the Group has been including this required disclosure in its annual sustainability reports since 2022. The Taxonomy Regulation (EU) 2020/852 defines criteria for determining whether an economic activity is considered environmentally sustainable to assess the degree of environmental sustainability of investments.

In the current version of the Taxonomy Regulation and its implementing legal acts, agriculture and food production activities are not yet included or classified. Therefore, the compliance of the Group's main segments (crop production, animal husbandry, mushroom growing, and FMCG) can only be fully disclosed in the future once the European Commission establishes the relevant technical analysis criteria. Until then, compliance will be disclosed for the Group's non-core activities only, which currently are covered by the Taxonomy classification and whose alignment with sustainable economic activity criteria can be assessed.

For the disclosure of taxonomy-related activities in 2024, an assessment is made to determine which of the Group's economic activities are subject to the Taxonomy (i.e., eligible) and which of these activities meet (are aligned with) the six environmental objectives, including:

- Climate change mitigation;
- Climate change adaptation;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control;
- Protection and restoration of biodiversity and ecosystems.

Eligibility

When preparing its Taxonomy review, AUGA group annually evaluates its economic activities, considering updates to the Taxonomy Regulation to ensure that as much of its activities as possible are classified as taxonomy-aligned economic activities in the future. In 2024, with the expansion of the Group's economic activities to include the supply and sale of biomethane, the list of relevant activities currently covered by the

Taxonomy classification and subject to sustainability criteria assessment are the following:

Activities under Taxonomy	Business activities	Nace code
Electricity generation using solar photovoltaic technology	Power plants installed on some of the Company's farms	D35.11, F42.22
Transport by motorbikes, passenger cars and light commercial vehicles	Purchase and investment in vehicles	H49.32, H49.39, N77.11
Close to market research, development and innovation	Sustainable agricultural technologies developed by AUGA Tech	M71.1.2, M72.1
Recovery of bio-waste by anaerobic digestion or composting	Digestate production	E38.21, F42.9
Manufacture of biogas and biofuels for use in transport and bioliquids	Biomethane production	D35.21
Conservation, including restoration of habitats, ecosystems and species	Implementation of environmental practices in agricultural activities	R91.04
Manufacture of renewable energy technologies	Sustainable agricultural technologies developed by AUGA Tech	C25, C27, C28

Alignment

All listed activities were assessed for compliance with the sustainability criteria of the Taxonomy Regulation in accordance with the following rules set out in the Taxonomy Regulation:

- whether the activity meets minimum standards of social responsibility;
- whether the activity significantly contributes to one of the six environmental objectives (significant contribution criteria);
- whether it does not cause significant harm to the remaining environmental objectives.

The Group's activities comply with social responsibility standards - the Group adheres to seven policies that ensure transparent relationships with all stakeholders. These policies include the Business Ethics Code, Environmental Protection Policy, Human Rights, Non-Discrimination, Child and Forced Labor Policy, Animal Welfare Policy, Anti-Corruption and Conflict of Interest Prevention Policy, Employee Safety and Health Policy, and Supplier Code of Ethics. These policies are based on best corporate practices and principles to guarantee social protections for all parties involved.

The Group's policies are developed in accordance with best corporate practices and principles aligned with the Universal Declaration of Human Rights, the European Convention on Human Rights and Fundamental Freedoms, the International Covenant on Civil and Political Rights, the United Nations Universal Declaration of Human Rights, the UN Resolution on Business and Human Rights, core conventions of the International Labour Organization (ILO), and other international and Lithuanian legal acts. More information on this can be found in section 5.7 Policies.

Significant Contribution Criteria

The criteria for significant contribution to one of the Taxonomy objectives, as set out in the Taxonomy Regulation, are met by four activities:

1. Electricity production using solar energy contributes to the climate change mitigation objective, as activity generates electricity using PV technology.
2. Production of renewable energy technologies contributes to climate change mitigation, because it meets the criterion "economic activity produces renewable energy technologies".
3. Close to market research, development and innovation activity contribute to climate change mitigation as its meet the following criteria: "The activities involve research, development, or provision of innovations for technologies, products, or other solutions intended for one or more economic activities for which the technical screening criteria are set in the annex of the regulation. The results of scientific research, applied activities, and innovation enable one or more of these economic activities to meet the relevant substantial contribution criteria for climate change mitigation while also complying with the relevant 'do no significant harm' criteria for other environmental objectives. The economic activity aims to bring a solution to the market that does not yet exist and whose greenhouse gas (GHG) emissions indicators, considering the entire life cycle, are expected to be better than the best commercially available technologies based on public or market information. The implementation of technologies, products, or other researched solutions results in a reduction of the overall net GHG emissions over their life cycle. When scientific research is targeted at one or more economic activities considered favorable under Article 10(1)(i) of Regulation (EU) 2020/852, the research results lead to innovative technologies, processes, or products that facilitate the execution of activities that ultimately achieve a substantial reduction in GHG emissions and economic capacity.
If the scientific research is focused on one or more economic activities classified as transitional under Article 10(2) of Regulation (EU) 2020/852, the researched technologies, products, or other solutions enable the target activity to operate with significantly lower projected emissions compared to the technical screening criteria set in the annex, thereby contributing significantly to climate change mitigation.
When scientific research is aimed at one or more of the economic activities listed in sections 3.7, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, and 3.16 of the annex, the technologies, products, or other solutions enable the execution of the target activity with significantly lower GHG emissions and are intended for widely recognized low-carbon technologies or processes in these sectors, particularly electrification, heating and cooling, hydrogen as a fuel or feedstock, CCS, CCU, and biomass as a fuel or feedstock, provided that the biomass meets the relevant requirements set out in sections 4.8 and 4.20 of the annex. If the researched, developed, or innovative technology, product, or solution has a Technology Readiness Level (TRL) of 6/7, the research-performing entity conducts a simplified assessment of GHG emissions over the life cycle. The entity must demonstrate at least one of the following: a patent related to the technology, product, or solution that is no older than 10 years, containing information on its potential for GHG emissions reduction. An operating permit from the relevant authority obtained during the project implementation period, providing information on its GHG emissions reduction potential. When the researched, developed, or innovative technology, product, or solution has a TRL of 8 or higher, the GHG emissions over the entire life cycle are calculated according to Recommendation 2013/179/EU or alternatively using ISO 14067:2018 or ISO 14064-1:2018, with third-party verification."

Close to market research, development and innovation activity also contribute to climate change adaptation as they involve research, implementation of innovations, or the development of solutions, technologies, products, processes, or business models for one or more types of activities that meet the substantial contribution criteria for climate change adaptation, enhancing their resilience to climate change while complying with the relevant criteria ensuring no significant harm to other environmental objectives. The economic activity eliminates informational, financial, technological, and capacity barriers that hinder adaptation to new or improved solutions, technologies, products, processes, or business models, including nature-based solutions. The economic activity may reduce significant climate risk impacts, as identified through climate risk assessment in another economic activity, by developing, researching, or implementing solutions, technologies, products, processes, or business models whose risk reduction potential has been demonstrated in an operational environment before commercialization and is further supported by at least one of the following elements: the first-time use of a patent related to the solution, technology, product, process, or business model, no older than 10 years; other forms of intellectual property rights associated with the solution, technology, product, process, or business model, such as trade secrets, trademarks, or copyrights; an operating permit from the relevant authority for using the technology throughout the project period. The economic activity uses the latest climate projections and impact assessments, the best available vulnerability and risk analysis science, and related methodologies based on the latest reports from the Intergovernmental Panel on Climate Change (IPCC).
4. Recovery of bio-waste by anaerobic digestion or composting activity contributes to the circular economy criteria as the biological waste used for composting is separately collected and not mixed with other waste types. The biological waste is not collected in separate bags, making the biodegradability requirement of EN 13432:2000 certification

irrelevant. In anaerobic digestion facilities, biological waste constitutes at least 70% of the feedstock. Co-digestion may include up to 30% of advanced bioenergy feedstock listed in Annex IX of Directive (EU) 2018/2001, which must not include contaminated feedstock derived from mixed municipal and industrial waste biomass fractions. The input materials exclude raw materials not listed in Part II of Annex II of Regulation (EU) 2019/1009, specifically ingredient category (CMC) 3 (Compost) under point (c) and ingredient category (CMC) 5 under point (c). The activity results in one of the following: compost or digestate meeting the requirements of Regulation (EU) 2019/1009, particularly Annex II for ingredient categories (CMC), specifically CMC 3 (Compost) and CMC 5 (Digestate, except fresh crop digestate), or national rules on fertilizers or soil improvers with equivalent or stricter requirements than Regulation (EU) 2019/1009; chemical substances derived from organic waste converted into carboxylates, carboxylic acids, or polymers through fermentation using mixed cultures. Quality assurance of the production process is carried out using the D1 module specified in Regulation (EU) 2019/1009. Compost and digestate that meet Regulation (EU) 2019/1009 or equivalent national standards are not disposed of in landfills. Preferably, digestate is composted after anaerobic digestion to maximize its benefits to soil and mitigate potential agri-environmental issues such as ammonia and nitrate emissions. Where anaerobic digestion is used, the produced biogas is directly utilized for electricity or heat generation, upgraded to biomethane for fuel use, injected directly into the gas grid, and further used for energy purposes as a substitute for natural gas, or used as an industrial feedstock for producing other chemicals.

Do No Significant Harm (DNSH)

Upon assessing potential climate risks and environmental impacts of activities, the Group's scientific research and experimental development activities comply with the 'do no significant harm' criteria for climate change mitigation and adaptation objectives. This is also ensured as activities do not involve the extraction, transportation, or use of fossil fuels, and the projected GHG emissions over the full life cycle of researched technologies, products, and other solutions do not violate the GHG reduction targets set in the Paris Agreement nor hinder the implementation of climate change mitigation solutions. Other activities partially meet the established criteria.

Accounting Policies

The revenue, OPEX (operational expenditures), and CAPEX (capital expenditures) indicators correspond directly with the figures presented in the Group's integrated annual report and financial statements. The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Further details on data calculations can be found in the consolidated and separate financial statements under the Summary of Key Accounting Principles section.

All disclosed key performance indicators (hereinafter referred to as KPIs) related to activities falling under the Taxonomy are calculated in a way that avoids double counting. This is ensured by distributing the KPI numerator to separate, independent activities, except for Close to market research, development and innovation and Manufacture of renewable energy technologies activities, both of which correspond to the activities of and investments in technologies developed by AUGA Tech. The indicators of these separated activities are combined, without separately distinguishing their values. As the Company's activity Conservation, including restoration of habitats, ecosystems and species does not generate turnover, OPEX or CAPEX, there is no data to disclose about it. Compared to the previous reporting period, the calculation methodology remained unchanged.

Key Performance Indicators: Revenue, OPEX, and CAPEX

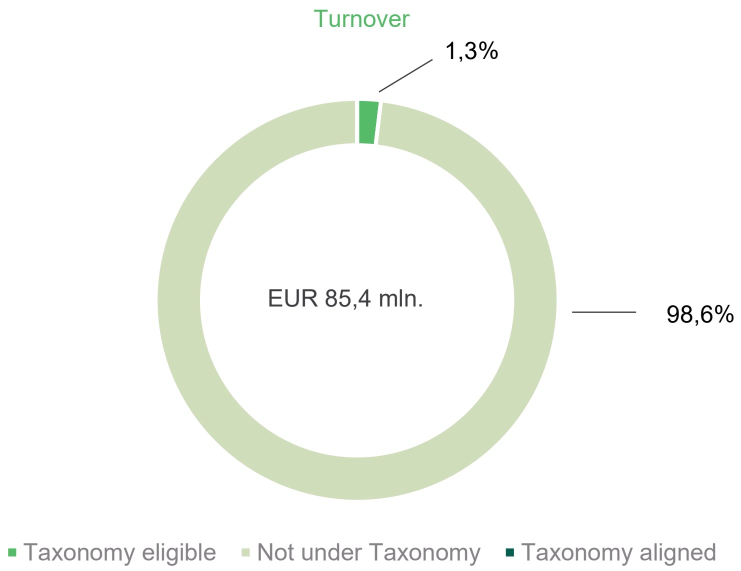
Until the reporting year 2024, none of the taxonomic activities generated turnover, so revenue and OPEX were equated to 0%. This year, after AUGA group started biomethane activities, the revenue-generating activity becomes the production of biogas and biofuels for use in transport, and liquid bioproducts, the turnover of which amounted to 1.107 million. EUR. The activity Electricity production using solar energy also contributes to the revenue amount, which generated 20.8 thousand. EUR during the reporting period.

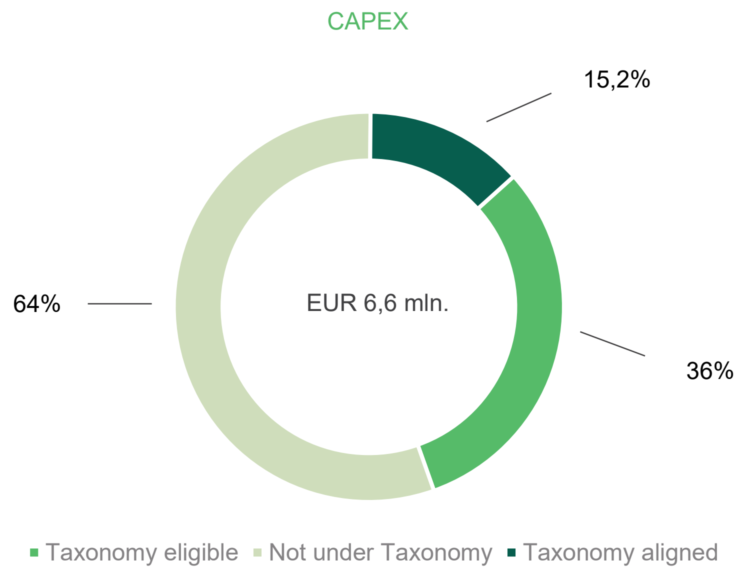
The CAPEX of the activities subject to the Taxonomy in 2024 amounted to 2.38 million EUR. Of the total CAPEX, 6.6 million EUR this amount accounts for 36% (last year it was 7.24 million EUR). The amount includes the Group's Close to market research, development and innovation (1.011 million EUR); Transport by motorbikes, passenger cars and light commercial vehicles (539 thousand EUR); and Manufacture of biogas and biofuels for use in transport and bioliquids (827 thousand EUR) activities. The Group's Close to market research, development and innovation activity, CAPEX of which in 2024 was 1.011 million EUR), meets all the criteria of the Taxonomy and are therefore held as Taxonomy-aligned. Compared to the previous reporting period when it generated CAPEX of 3.185 million EUR, the amount decreased by 68% and amounted to 15.27% of the total CAPEX (calculating investments in fixed assets without employee wages). It is important to note that the CAPEX of the activity Recovery of bio-waste by anaerobic digestion or composting falls under the CAPEX of another Taxonomic activity - Manufacture of biogas and biofuels for use in transport and bioliquids - with digestate being a biomethane by-product. The data for this activity is not separately separated to avoid double counting. The compliance of the Group's revenue, OPEX and CAPEX with the Taxonomy criteria is presented in the graphs below.

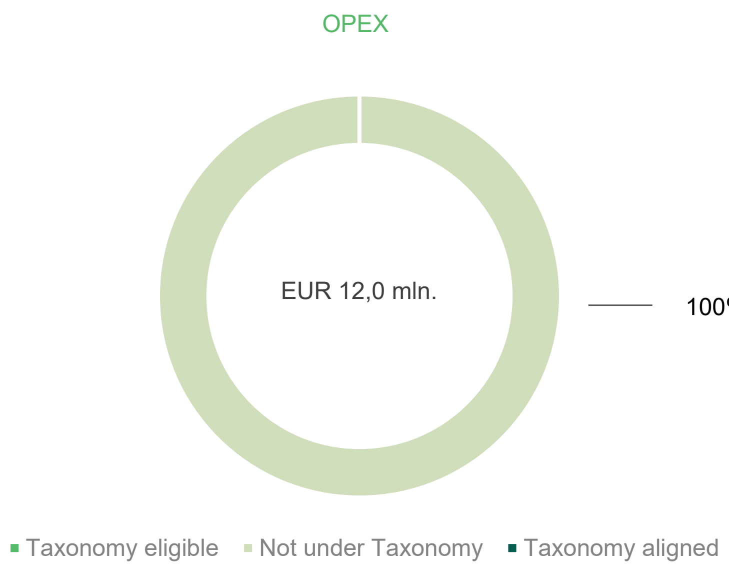
Disclosure of information related to special circumstances

ESRS 2 BP-2 Disclosure of information related to special circumstances

Last year, when reporting in accordance with the Taxonomy Regulation, the Company presented financial data in text and graphical form, but not in the table format specified in the Regulation. Since the structure of the Taxonomy report provided did not comply with the requirements of the Regulation, this year the turnover, OPEX and CAPEX amounts for 2024 are presented in the three tables below.


Turnover
1,3%
EUR 85,4 mln.
98,6%
Taxonomy eligible
Not under Taxonomy
Taxonomy aligned


CAPEX
15,2%
64%
EUR 6,6 mln.
36%
Taxonomy eligible
Not under Taxonomy
Taxonomy aligned


OPEX
EUR 12,0 mln.
100%
Taxonomy eligible
Not under Taxonomy
Taxonomy aligned

Disclosure of turnover share

				Substantial contribution criteria						DNHS criteria									
Economic activities	Code(s)	Absolute turnover, mln. EUR	Proportion of turnover	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy aligned proportion of turnover, 2024	Taxonomy aligned proportion of turnover, 2023	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1. Close to market research, development and innovation	M71.1.2, M72.1	0	%	T	T						T	T	T	T	T	0%	0%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	0	0%	N	N													-	-
2. Electricity generation using solar photovoltaic technology	D35.11, F42.22	0,02	0,02%	T	N						T	N/A	N	N/A	N			-	-
3. Recovery of bio-waste by anaerobic digestion or composting	E38.21, F42.9	0	0%				T			N	N	N		N	N			-	-
4. Manufacture of biogas and biofuels for use in transport and bioliquids	D35.21	1,11	1,3%	N	N													-	-
5. Conservation, including restoration of habitats, ecosystems and species	R91.04	0	0%						N									-	-
6. Manufacture of renewable energy technologies	C25, C26, C28	0	0%	T	N						N	T	N	N	N			-	-
Total (A.1 + A.2)		1,13	1,3%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		84,24	98,6%																
Total (A + B)		85,37	100%																

				Substantial contribution criteria						DNHS criteria									
Economic activities	Code(s)	Absolute CAPEX, mln. EUR	Proportion of CAPEX	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy aligned proportion of CAPEX, 2024	Taxonomy aligned proportion of CAPEX, 2023	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1. Close to market research, development and innovation	M71.1.2, M72.1	1,011	15,2%	T	T						T	T	T	T	T	100%	100%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	0,54	8,2%	N	N													-	-
2. Electricity generation using solar photovoltaic technology	D35.11, F42.22	0	0%	T	N						T	N/A	N	N/A	N			-	-
3. Recovery of bio-waste by anaerobic digestion or composting	E38.21, F42.9	0	0%				T			N	N	N		N	N			-	-
4. Manufacture of biogas and biofuels for use in transport and bioliquids	D35.21	0,83	12,5%	N	N													-	-
5. Conservation, including restoration of habitats, ecosystems and species	R91.04	0	0%						N									-	-
6. Manufacture of renewable energy technologies	C25, C26, C28	0	0%	T	N						N	T	N	N	N			-	-
Total (A.1 + A.2)		2,38	36%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy non-eligible activities (B)		4,24	64%																
Total (A + B)		6,62	100%																

				Substantial contribution criteria						DNHS criteria									
Economic activities	Code(s)	Absolute OPEX	Proportion of OPEX	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Taxonomy aligned proportion of OPEX, 2024	Taxonomy aligned proportion of OPEX, 2023	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
1. Close to market research, development and innovation	M71.1.2, M72.1	0	0%	T	T						T	T	T	T	T	0%	0%	-	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
1. Transport by motorbikes, passenger cars and light commercial vehicles	H49.32, H49.39, N77.11	0	0%	N	N													-	-
2. Electricity generation using solar photovoltaic technology	D35.11, F42.22	0	0%	T	N						T	N/A	N	N/A	N			-	-
3. Recovery of bio-waste by anaerobic digestion or composting	E38.21, F42.9	0	0%				T			N	N	N		N	N			-	-
4. Manufacture of biogas and biofuels for use in transport and bioliquids	D35.21	0	0%	N	N													-	-
5. Conservation, including restoration of habitats, ecosystems and species	R91.04	0	0%						N									-	-
6. Manufacture of renewable energy technologies	C25, C26, C28	0	0%	T	N						N	T	N	N	N			-	-
Total (A.1 + A.2)		0	0%																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy non-eligible activities (B)		12,0	100%																
Total (A + B)		12,0	100%																

Environmental protection is an integral part of the Group's sustainable activities. Starting this year, AUGA group, in accordance with ETAS requirements, discloses material topics in the report based on the dual materiality and IRO assessment and reviews the causes, goals, objectives and actions determining the impacts or opportunities for 2024. The Group's material topics in the environmental topic are: climate change and emission reduction, renewable energy, innovation and technology leadership, biodiversity and ecosystems, circular economy and resource use, waste. These topics will be reviewed in more detail in the Environmental section.

6.2 Climate change

E1 Climate change

The climate change section aims to disclose the Group's efforts in mitigating climate change through its strategy, business model, and daily operations, thereby contributing to the growth of a sustainable economy and the limitation of global warming to 1.5 °C.

Transition plan and targets for climate change mitigation

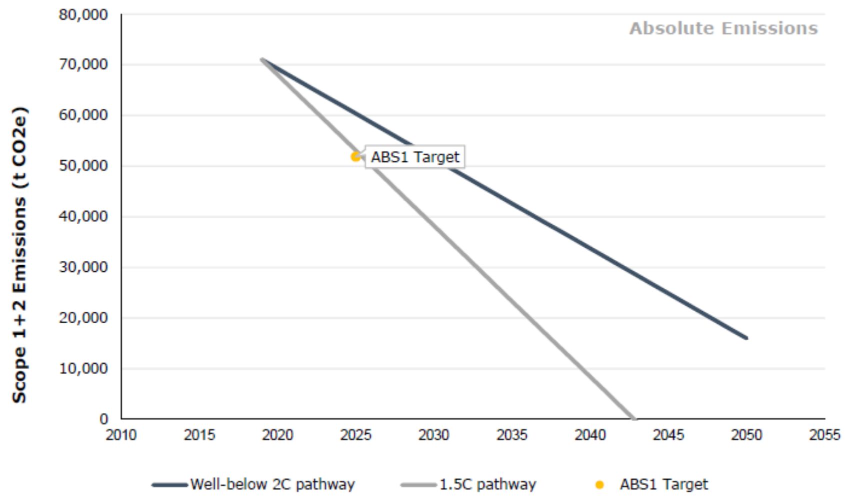
E1-1 Transition plan for climate change mitigation
E1-4 Targets related to climate change mitigation and adaptation

According to the Intergovernmental Panel on Climate Change (IPCC), agriculture accounts for about 22% of all global greenhouse gas emissions. [11] Back in 2020, AUGA group announced its business strategy, the focus of which was to increase efficiency in all business segments and reduce emissions from operations through a new, more sustainable farming standard based on innovative emission-reducing technologies. By aiming to have a positive impact on the Group's operations and the sector in terms of emissions, this strategy also responds to key international and national climate goals. It is consistent with the Paris Agreement, under which the United Nations countries committed in 2015 to limit global warming to 1.5 °C and to achieve climate neutrality.[12] It is also in line with the European Green Deal, formulated in 2020, one of the long-term goals of which is to ensure climate neutrality by 2050.[13] It is also important to note that Lithuania also has emission reduction targets, which are defined in the "National Climate Change Action Plan". The target for the agricultural sector is 11 percent less emissions by 2030 (compared to 2005).[14]

The GHG emission reduction targets set out in the AUGA group strategy were set based on the results of the Group's calculations of emissions generated in its operations. The first emission calculations were carried out back in 2018. Having identified that the main sources of pollution in the AUGA group's operations are: emissions from soil, cattle digestion processes and manure management, and the use of fossil fuels in production, specific innovative technologies or methods were envisaged to help reduce this pollution.

As the Group operates on the principle of a circular economy, the strategy envisages integrating emission-reducing alternatives into the applied closed-loop model with the aim that by 2025 these solutions will help reduce the GHG emissions of the AUGA group's activities by 27% (based on the 2019 base). The strategy envisages that the Group will strive to become a climate-neutral sector participant by 2030, having proven the effectiveness of the technologies and sustainable working methods developed and integrated into the business model. After some of the group's companies initiated restructuring processes, the strategy remains relevant, but its technological development part has been paused and this may affect the achievement of the long-term goals of the strategy.

In 2021, AUGA group became one of the first companies in the Baltic States to join the international initiative "Business Ambition for 1.5°C". [15] The group's emission reduction targets have been assessed by international experts, who have acknowledged that AUGA group's plan to reduce Scope 1 and Scope 2 emissions by 27% by 2025 is in line with Science Based Targets (SBT)[16] – as illustrated in the graph below.



These initial data validated by the SBT show that the Group's chosen direction and objectives meet the global need to prevent the progress of climate change. However,

[11] Sixth Assessment Report of the Intergovernmental Panel on Climate Change, Synthesis Report 2023
[12] Paryžiaus susitarimas dėl klimato kaitos, 2015
[13] Europos žaliasis kursas, 2019
[14] Naciolnalinė klimato kaitos valdymo darbotvarkė, 2021
[15] Business Ambition for 1.5°C: Our Only Future
[16] Science based targets

in order for these goals to be officially approved according to the SBT methodology, it is necessary to include a full accounting of Scope 3 – indirect emissions. The Group is not yet calculating Scope 3 emissions in full due to a lack of data. Nevertheless, the Group understands the importance of this step and seeks to ensure the collection of all necessary data. Although the Group's emission reduction targets contribute to climate change mitigation, only after a full accounting of all three emission volumes and receiving a re-assessment by the SBT will AUGA group be able to become a full member of this initiative. More details about the goals set in the strategy are disclosed in section 1.4 Strategy.

Objectives and progress

To assess progress on climate change, the Group monitors GHG emissions and changes annually. This monitoring allows for self-assessment of progress and risk factors, and for decisions to be made that allow for positive change. The table below reflects the progress of the Group in implementing its objectives over a 3-year period and their results calculated in terms of the equivalent of emissions generated in tonnes. The table shows data for 3 years, excluding the base year (2019), from which emission reduction targets are calculated. The reason for this is that the emission calculation methodology was updated in 2023, according to which the 2022 indicators were retrospectively recalculated, and the 2024 calculation was also performed. However, recalculation of previous data, as well as base years, in accordance with the new methodology is not possible, as this requires data that was not previously collected in the Group companies or the relevant business activities were not carried out. The Group had set a goal to recalculate emission reduction targets and objectives during the reporting period and to establish a base year from which progress is tracked, but this was not implemented due to restructuring processes initiated at the Group level, which are described in more detail in sub-topic "Disclosure of information related to special circumstances".

Scope 1 emissions sources, t CO_2e	2024	2023*	2022*
Fossil fuel consumption	18 308	19 272	20 074
Emissions per ton of produced cow's milk – t CO_2e / t ECM milk	0,78	0,99	0,98
Emissions per ton of produced crop output (dry matter) – t CO_2e / t crop production	1,16	0,42	0,50
Scope 1, 2, and 3 GHG emissions, t CO_2e	**2024**	**2023 m.***	**2022 m. ***
Total:	183 758	80 731	86 206

**GHG emission intensity indicators are calculated by dividing the annual GHG emissions from the specified economic activity units*
*** In order to align the GHG calculation methodology with the latest recommendations applicable to companies in the agricultural sector, new GHG emission sources from the land use, land use change and forestry sectors have been included in the Group's accounting from 2023. The 2022 indicators were also retrospectively recalculated according to the updated methodology. However, recalculating indicators older than three years (<2022) in accordance with the new methodology would be inaccurate, as this requires data that was not previously collected in the Group's companies or the relevant business activities were not carried out. The base year (2019) set out in the Group's strategy cannot be retrospectively recalculated and used to compare annual emissions.*
**** ECM (energy corrected milk) is a relative unit of measurement for milk. Raw milk production is converted into 4% fat and 3.3% protein adjusted milk.*

Technology development

AUGA Tech, a company indirectly owned by AUGA group, is responsible for the development of sustainable technologies within the Group. A newly built team of engineers, combined with existing agricultural expertise and a sandbox environment for testing technologies in real farming conditions, enabled the creation of a technology portfolio. This portfolio includes: the AUGA M1 hybrid tractor powered by biomethane and electricity (technology readiness level (TRL) 8 – pilot batch production), the multifunctional electric agricultural tractor/platform AUGA E1 (TRL 6 – prototype development), and a sustainable feed production and feeding technology (TRL 6 – prototype development). The technologies were developed at different times, which is reflected in their varying levels of technological readiness (more information about each technology is provided below). In 2024, the joint technology portfolio was introduced to the public under the name Mission no cost to nature. More about technologies:

Biomethane production

This is an integral part of the circular economy business model developed by AUGA group, which allows the production of sustainable energy that addresses one of the largest sources of GHG in agriculture (methane emitted by livestock waste). By effectively utilizing secondary raw materials generated in agriculture (livestock and poultry manure), the Group not only reduces its emissions - it is a new economic activity that generates additional income. In less than five years, the Group has developed this sustainable, circular cycle-completing activity into a commercial one and in 2024 began the production and sale of biomethane gas through the natural gas system using a remote injection point.

In 2024, the Group collected a total of about 51 thousand tons of cow manure and chicken manure from its livestock farms for biomethane production (an additional part of the raw materials was purchased from external suppliers), which allowed saving approximately 2 thousand t of CO_2e emissions. This emission reduction shows how much CO_2 and other greenhouse gases, such as methane or nitrogen, would have been released into the environment if the slurry had been managed normally. Also, during the reporting period, the Group sold a total of about 13 thousand MWh of biomethane to the market and, based on ISCC (International Sustainability and Carbon Certification) certificates and the GHG savings indicated in them when producing renewable fuels, saved about **6 thousand tons of CO2 emissions** for the buyers of these gases, thus contributing to the development of green energy. This amount of emissions is not deducted from the Group's total emissions in order to avoid double counting of emissions.

Sustainable fuel-powered agricultural machinery

In 2021, the Group introduced the prototype of the biomethane and electric hybrid tractor “AUGA M1”, and in 2023 – its factory batch, which consisted of 3 tractors. “AUGA M1” is unique in the market due to the frame structure created by Lithuanian engineers, which is patented in Lithuania, the Eurasian Patent Convention countries, the USA, Australia and China. Due to this structure, “AUGA M1” can operate continuously for up to 12 hours. Another important advantage created by engineers is the replaceable gas cartridge, which allows for more convenient use of agricultural machinery without being tied to the infrastructure of biomethane filling stations. It is important to note that “AUGA M1” tractors are a significant part of the biomethane production cycle and are direct users of biomethane. Compared to fossil fuel-powered tractors, “AUGA M1” can save up to 114 t CO_2e per year. In 2024 tractors have been tested in real farm conditions for the second season – in about two months, two tractors performed agricultural work on 242 ha of the Group’s fields, **consuming about 5 t of biomethane gas.**

In 2024, the “Mission without a price for nature” portfolio of technologies was supplemented by another technology – the multifunctional electric agricultural tractor/platform “AUGA E1”. Together with various standard and Group-adapted implements, this platform, working together with “AUGA M1”, can perform all basic agricultural work. One “AUGA E1” can save up to 56 t of CO_2e per year. The first tests of this technology began in 2024. Both of these technologies (“AUGA M1”, “AUGA E1”) can significantly contribute to the transformation of the agricultural sector. Using these agricultural machines created in Lithuania, it is possible to 100 percent abandon fossil fuels and replace them with renewable energy sources produced in Lithuania: biomethane and green electricity.

Feed production and feeding technology prototype

This prototype includes centralized production of sustainable feed, its supply, automated feeding and full science-based monitoring and reduction of methane and other greenhouse gases (GHG) emitted during milk production using artificial intelligence. One part of this technology – specialized feeds – has been under development since 2021. AUGA Tech conducted laboratory and feeding studies of feeds. The results of the technology tests were evaluated by comparing a group of cows receiving a new feed with a group fed standard feeds. After 2 years of testing, it was found that the specialized feed technology allows for an increase in milk yield without affecting milk quality and a 32% reduction in methane emissions generated by the digestive processes of cows per liter of raw milk. The test results were evaluated by scientists from the Veterinary Academy (VA) of LSMU, who confirmed the validity of the results. In 2025, the feed production technology received a National Patent.

Regenerative crop rotation

The AUGA group crop farms apply a regenerative crop rotation method – this means that grain crops (wheat, barley, oats, rye) are replaced by perennial grasses (such as alfalfa or clover) or leguminous grain crops (such as peas, beans, soybeans), which can accumulate carbon and fix nitrogen in the soil. The annually increased areas of perennial grasses and legumes reduce dependence on organic fertilizers and contribute to reducing emissions in the crop sector. In 2024, **leguminous crop areas accounted for 22.5 percent of the total crop rotation.** All technological solutions are being developed in Lithuania. Agricultural machinery powered by sustainable fuels and specialized feed technology are currently not yet integrated into the Group's activities, therefore they do not yet have a direct impact. Meanwhile, regenerative crop rotation and from 2024 biomethane production is already being implemented in practice and has a tangible impact on both the environment and stakeholders. For more detailed information on the impact of these solutions, see the sections Technology development and Significant impacts, risks and opportunities evaluation process.

Operational and capital costs for implementing actions

The amount invested (OPEX) in 2024 for the development and expansion of the “Mission without a Price for Nature” farming technology projects developed by “AUGA Tech” amounted to 1.011 million euros. Also, this activity and investments in it, according to the Taxonomy Regulation, are classified as sustainable investments, meeting the criteria for climate change mitigation and adaptation set out in the Regulation (more information can be found in section 6.1. Taxonomy Review). In order to ensure the development of technologies, in April 2024, the Company submitted an application for the “Milijardas verslui” incentive financial instrument of the national development bank ILTE for the necessary financing. However, due to the economic situation of the agricultural machinery industry, the Company’s application was not approved due to the failure to attract external capital, as provided for in the financing conditions. In addition, due to the restructuring procedures initiated by some of the Group's companies during the reporting period, a decision was made to halt technology development, therefore the amount of future investments is not provided.

Disclosures in relation to specific circumstances

ESRS 2 BP-2 Disclosures in relation to specific circumstances

During the strategy implementation period (since 2020), the Group managed to achieve a breakthrough in the field of technology development, including the reporting period, when the Group's portfolio of emission-reducing technologies was introduced, significant patents were obtained, tests were carried out in real-world conditions, and biomethane production and commercialization began. Although these technologies have a high potential to reduce emissions, based on scientific calculations, not only in the activities of AUGA group, but also in the entire agricultural sector, after assessing the Group's financial situation in the context of restructuring and the changing market demand for non-polluting agricultural technologies, AUGA group decided to pause technology commercialization plans. The level of technological readiness achieved so far allows some of the innovative solutions to be used in production activities, therefore the Group will seek to employ them to the extent that is possible today. It is important to note that the Group will continue to implement the sustainable production practices applied so far in order to reduce its environmental impact. However, taking into account the current economic situation of the Group and the need to focus on stabilizing operations, ensuring efficiency and solvency, AUGA group will not seek to fully implement the existing emission reduction targets. At present, the Group also does not plan to recalculate or reset emission reduction targets or fully assess Scope 3 emissions. The Group will continue to assess the progress of its goals and objectives, as defined in the strategy, but at the same time it assesses that the suspended technology development projects and their practical application in production may only have a minimal impact on the achievement of the long-term goals of the Strategy.

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

2 ETAS IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

To assess how the Group's material sustainability topics are related to the Climate change topic, during the IRO assessment, impacts and/or opportunities were evaluated based on whether they are actual or potential, positive or negative, and a broader description of each IRO aspect is provided. During the assessment, IRO aspects were also highlighted based on their position in the value chain, and their link to the business model was evaluated, with a more detailed representation available in section 5.6 Significant Impacts, Risks and Opportunities (IRO). A more detailed overview of these results is presented below:

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business
Climate change and emission reduction	**Positive actual impact:** Application of more sustainable agricultural technologies and practices	By applying more sustainable technologies and practices, such as regenerative crop rotation and min-till farming technology, the Group contributes to climate change mitigation.			•		•		•	•	•
	Negative actual impact: GHG emissions from direct and indirect activities	Operating in crop growing, livestock, and mushroom growing farming segments, the Group contributes to negative environmental impact due to GHG emissions resulting from both direct and indirect activities.			•	•	•	•	•	•	•
Renewable energy	**Positive actual impact:** Use of renewable energy	The Group uses renewable energy on its farms and contributes to climate change mitigation.			•		•			•	•
Innovation and technology leadership	**Potential opportunity:** Technology leadership	A portfolio of emission-reducing technologies (agricultural machinery and feed systems) has been developed and patented.			•		•		•		•
	Actual opportunity: Biomethane production from secondary raw materials of livestock farming activities	Biomethane is a sustainable alternative to fossil fuels. By producing it, AUGA group efficiently addresses the issue of utilizing secondary raw materials from farms and contributes to climate change mitigation.			•	•	•	•	•	•	•

Estimated period. Following the assessment, all IRO aspects were classified as long-term (more than 5 years). Since AUGA group operates in the agricultural sector, its activities inevitably generate greenhouse gas emissions, resulting in an actual long-term negative impact on the environment. However, the Group has set a strategic goal to significantly reduce emissions in agriculture by developing and implementing its own innovative technologies, applying more sustainable practices (e.g., the use of green energy, regenerative crop rotation, etc.), and actively using renewable energy sources. Sustainability is one of AUGA group's core strategic directions. Therefore, sustainable solutions will continue to be implemented across the Group, taking into account operational cycles, market opportunities, and measurable economic impact — thus creating a long-term positive actual impact. To not only reduce emissions from its own activities but also encourage other agricultural players to follow this example, AUGA group has developed a portfolio of emission-reducing technologies. The development, testing, and market introduction of these technologies is a long-term process that requires time, investment, and a shift in market demand. As such, the full potential of these technologies is expected to unfold over a longer period. Another economic activity implemented by the Group is the production of biomethane from secondary raw materials of livestock farming activities (such as cattle manure). Biomethane has become a key part of the Group's circular model, allowing for the efficient use of the energy stored in secondary raw materials and helping reduce emissions from livestock operations. From both an environmental and economic perspective, biomethane production is considered a valuable long-term opportunity.

Position in the value chain. The assessment showed that the application of more sustainable agricultural technologies and practices, as well as the use of renewable energy, has an impact within AUGA group's operations, while technology leadership has been identified as a potential opportunity in the same part of the value chain. This conclusion is based on the fact that the largest share of emissions originates directly from AUGA group's production activities – such as soil emissions, ruminant digestion, fossil fuel usage, manure management, and others (for more on emissions distribution, see section Greenhouse gases). In response, the Group applies both existing emission-reducing solutions and develops its own innovative, environmentally friendly technologies that aim to reduce emissions where they are generated most – in the Group's production activities. The IRO aspect related to GHG emissions from direct and indirect activities has an actual negative impact across all parts of the value chain: upstream, operational, and downstream. Suppliers of raw materials (which the Group cannot produce itself), processors that convert Group-grown raw materials into final products, and packaging manufacturers all contribute to the creation of emissions. Therefore, GHG emissions span the entire value chain and create an actual negative impact. It is important to note that the production of biomethane from secondary raw materials of livestock farming activities has been identified as an actual opportunity encompassing the full value chain. The Group produces biomethane not only from manure generated on its own farms but also by purchasing poultry manure from suppliers. Additionally, the Group leverages partners' biogas production technologies and uses its own purification equipment to upgrade biogas into biomethane.

Link to the strategy and business model. During the assessment of the IRO aspects, it was determined that the application of more sustainable agricultural technologies and practices, GHG emissions from direct and indirect activities and biomethane production from secondary raw materials generated in agriculture arise directly from the business model, affect its results and are integrated into the Group's long-term strategy and operating principles. Due to the lack of technologies and solutions in the crop, livestock and mushroom sectors that would allow for emission reduction, a negative impact becomes inevitable in the Group's activities. The strategic decision to produce biomethane allows for the efficient use of secondary raw materials generated in agriculture, converting them into sustainable energy. This activity not only solves the issues of raw material utilization, but also generates additional income, directly influencing the business model and cash flows. The Group has also strategically integrated the use of renewable energy into its business model. This helps to reduce emissions, optimizes energy costs and contributes to the sustainability of the Group's activities. The aspect of technology leadership stems from the Group's business model and is integrated into the strategy as an expected opportunity. One of the strategic directions of AUGA group is focused on reducing emissions by developing innovative and sustainable agricultural technologies. This activity will provide a competitive advantage in the long term and will allow for more effective solutions to environmental challenges. However, as long as the technologies are not yet commercialized on the market, this aspect has no direct impact on the business model.

IRO aspects - Risks

The following related physical risks were identified with "Climate Change" and the Group's identified significant sustainability topics: environmental physical risks related to climate change (temperature and precipitation variability, cyclones, storms, droughts, changing wind directions, soil degradation and erosion, etc.). The following seven transformation risks were also identified: financial impact due to increased compliance requirements for manufactured products, financial impact due to increased sustainability and emissions reporting requirements, financial impact due to increased sustainability/environmental reporting and regulatory requirements for products (grains, vegetables, dairy products), failure to generate revenue from a sustainable product basket (changing customer behaviour; uncertainty of market signals; changes in consumer preferences, etc.), financial impact on research and development (unsuccessful investments in new technologies; costs of transition to lower-emission technologies; costs of regulatory compliance; uncertainty of market demand; potential reputational risks, etc.), new business activities related to biomethane operations, changing prices of organic and conventional products.

The assessment determined that in 2024 the following risk: changing prices of organic and conventional products is classified as a priority, therefore it is monitored and managed in accordance with approved internal rules. These significant risks are also presented in the IRO the value chain table to illustrate their link to the business model and the overall concentration of risks across the value chain. This also allows for the focus on the links between risks, impacts and environmental dependencies. Other non-priority physical or transformation risks were not further assessed in terms of how resilient the Group's strategy and business model are to climate change in the resilience analysis, and the Group did not use climate-related scenario analysis.

Climate change mitigation policies, actions and resources

E1-2 Policies related to climate change mitigation and adaptation
E1-3 Actions and resources in relation to climate change policies

The Group has an Environmental Protection Policy, which defines and manages the topic of Climate Change. The Policy is valid for the Group and applies to all employees. The table below presents the Environmental Protection Policy, its purpose and the main actions taken during the reporting period. It is important to note that all newly hired employees (344) were introduced to the Environmental Protection Policy, and no violations related to this policy were recorded.

Material topic	Actual or potential impact and opportunities	Policy applied by the Group	Policy target	Key actions in 2024 and monitoring results
Climate change and emission reduction	**Positive actual impact:** Application of more sustainable agricultural technologies and practices **Negative actual impact:** GHG emissions from direct and indirect activities	Environmental policy	To monitor the environmental impact of the Group's activities by calculating the carbon footprint. Strive to ensure that environmental protection matters are addressed in accordance with the highest international standards by applying modern tools and implementing efficient processes that reduce environmental impact.	In 2024, the area of leguminous crops capable of storing carbon and fixing nitrogen in the soil accounted for 22.5 percent of the total crop area. The Group, by applying long-term, regenerative crop rotation and optimizing fertilizer use, monitors the annual amount of nitrogen (N) used for fertilization and GHG emissions caused by nitrogen fertilization. Greenhouse gas emissions in the Group's activities increased by 128% compared to 2023. About 43 thousand tons of the Group's slurry were used for biomethane production - this allowed saving about 2 thousand t of CO_2e emissions. The produced biomethane gas allowed its users to save about 6 thousand tons of CO_2 emissions by choosing a renewable fuel. The group company Grain LT has received the ISCC EU international sustainability and carbon dioxide certificate, which meets the requirements for sustainability and greenhouse gas emission reduction criteria.
Renewable energy	**Positive actual impact:** Use of renewable energy	Environmental policy	To use renewable energy sources.	Two AUGA M1 tractors consumed about 5 tons of biomethane gas. The group used only green energy on its farms, thus saving 3,442 tons of CO_2e emissions. Part of this energy – 104 thousand kWh – was generated by Group's on four of its farms using solar panels.
Innovation and technology leadership	**Potential opportunity:** Technology leadership **Actual opportunity:** Biomethane production from secondary raw materials of livestock farming activities	Environmental policy	Develop and implement technologies aimed at reducing the Group's GHG emissions in the following three key areas: the use of fossil fuels, soil cultivation, and cattle digestion processes.	The patent for the "AUGA M1" frame structure was obtained in the USA, Australia, and China. The second season of "AUGA M1" testing under real farm conditions was held. A technology portfolio was presented, consisting of "AUGA M1", "AUGA E1" and sustainable feed production and feeding technology. A new economic activity was launched – biomethane production and sale of this gas to the European market. A total of 13 thousand MWh of biomethane were sold to the market.

Energy consumption

E1-5 Energy consumption and mix

Group's companies use only certified green electricity. The Group produces part of its energy internally, using renewable sources - in four of the Group's companies, solar power plants are employed, green energy is generated, which is used for the Group's needs, and part is sold to the electricity supplier. The amount of electricity produced and sold to the market during the reporting period corresponds to the energy consumed in the AUGA group offices during the same period. The Group monitors energy costs related to its activities and direct and indirect energy consumption.

It is important to note that from 2024. after starting to develop biomethane production, the Group also began to monitor direct renewable energy consumption related to this activity. More detailed information and energy comparisons between years are provided in the table.

Direct and indirect energy consumption*

	Energy, GJ		Energy distribution, %	
Energy type	2024	2023	2024	2023
Natural gas	11 787	12 390	3,9%	3,8%
Liquefied natural gas (LNG)	8 596	13 982	2,8%	4,3%
Gasoline	2 026	2 295	0,7%	0,7%
Diesel	228 710	236 465	75,6%	73,4%
Diesel for drying products	4 961	4 744	1,6%	1,5%
Biomethane	1 712	-	0,6%	-
Total direct energy:	**257 683**	**269 877**		
Electricity	44 710	52 041	14,8%	16,2%
Heating	140	144	0,0%	0,0%
Cooling	84	48	0,0%	0,0%
Total indirect energy:	**44 934**	**52 233**		
Total:	**302 617**	**322 110**	**100%**	**100%**

*The energy consumption data in the table is provided using an internal accounting system.

In 2024, AUGA group consumed X gigajoules (GJ) or X% less direct energy than in previous years. The main reason for the change in direct energy is the lower energy demand in crop production. Since in the reporting period the Group grew a larger part of its crops conventionally (compared to 2023), and they are threshed drier (compared to ecology), the Group therefore consumed less energy for their drying. In addition, In

In 2024, Group consumed 19 thousand gigajoules (GJ) or **6% less energy than in previous years**. The main reason for the change in direct energy is the lower energy demand in the crop sector, which has the highest energy consumption. Since in the reporting period, the Group grew a larger part of its crops conventionally (compared to 2023), and they are threshed drier (compared to ecology), the Group therefore consumed less energy for their drying. In addition, part of the conventional grains was sold directly from the field (not cleaned and dried) - this is another reason why lower energy consumption was recorded in the Group during the reporting period. The need for liquefied petroleum gas decreased to 8,596 GJ during the reporting period from 13,982 GJ (in 2023). The lower need for this energy was recorded in the Group's company Baltic Champs, whose production energy needs are determined by the air temperature, which was more favorable. Since 2024, after the launch of a new activity – biomethane production, the Group has started to calculate the energy consumption for its production, as well as other fuels – for example, diesel, which is used to transport raw materials and produced gas between units and to the natural gas injection point.

Group unites many companies engaged in various activities. Due to the different nature of their activities, the Group has not provided centralized rules on energy consumption and reduction. Each company independently implements energy saving initiatives according to the nature of its activities. Energy consumed outside the Group's activities and in the supply chain (upstream, downstream) is not calculated due to lack of data.

Energy consumption by sector

	Energy, GJ			
Sector	2024	2023	2022	Variance 2024/23
Crop growing	167 756	178 551	180 208	-6%
Mushroom growing	63 418	65 552	68 432	-3%
Animal husbandry	32 800	27 099	23 154	+21%
Biomethane production	1 510	-	-	-

Energy consumption intensity

Indicator	2024	2023	2022[1]
GJ / 1 mln. EUR income	3 546,1	3 956,6	4 142,4
GJ / 1 employee	293,9	270,5	270,6
GJ / 1 cattle	4,6	3,8	3,4
GJ / t ECM of milk[2]	1,0	0,9	0,8
GJ / ha	4,4	4,6	4,7
GJ / t crop production	1,2	1,8	1,9
GJ / t mushroom production	5,9	5,7	5,9
GJ / t cow manure	0,03	-	-

[1] In 2022, energy consumption and intensity indicators were retrospectively recalculated according to the latest energy density coefficients. For more information, see the “Group’s Greenhouse Gas Emissions Accounting” section of the “Sustainability in the Group” section.
[2] ECM (energy corrected milk) is a relative unit of measurement for milk. Raw milk production is converted into milk adjusted for 4% fat and 3.3% protein.

Energy intensity indicators are calculated by dividing the Group’s annual energy consumption by units of economic activity. They show how much energy is consumed to implement a specific activity. AUGA group calculates energy intensity in financial, production, arable land and other units. The types of energy included in the energy intensity calculation indicators include direct and indirect types of energy. When calculating per cattle, ton of milk, per hectare or ton of mushroom production, energy costs assigned to the relevant segment of activity are taken into account – animal husbandry, crop farming, mushroom cultivation, biomethane production.

In the crop sector, energy intensity was lower (5% less per hectare and 28% less per unit of crop production). The decrease was due to both a 31% higher yield and a -6% lower total energy consumption, especially liquefied natural gas consumption (5,374 GJ, or 39% less).

A slight increase in energy consumption per unit of mushroom production is observed (4% more per unit of production), mainly due to higher natural gas use (1,630 GJ, or 16% more natural gas than in 2023).

During the reporting period, an increase in relative indicators in the livestock sector is visible: per unit of milk and cattle production. This change was due to an increase in fuel and electricity attributed to livestock activities, as well as an increase in the number of heifers and bulls. Although they do not produce milk, they contribute to energy consumption.

Greenhouse gases

E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

Group's greenhouse gas emissions accounting

AUGA group has been calculating greenhouse gas (GHG) emissions from its operations since 2018. From 2019 to 2023, the GHG accounting was verified annually by independent auditors Carbon Footprint in accordance with the ISO14064-3 standard. In 2020, the Group set goals to reduce GHG emissions generated in its operations and planned measures to achieve this, and also constantly strives to improve and expand GHG accounting.

The Group accounts for these direct and indirect GHG emissions. Direct emissions (Scope 1) include all sources controlled by the Group in developing its activities. Indirect emissions (Scope 2) are generated from energy that the Group purchases from other suppliers. Other indirect emissions (Scope 3) include emissions that are not included in the calculations of the first two categories but are directly related to the Group's activities and the initial and final value chain. Based on actual consumption, the following indirect emission sources are calculated: Extraction and supply of drinking water, wastewater; Electricity and heat transfer losses; Management of waste generated in production; Post-consumer management of packaging released on the market; Paper for office purposes; Business travel; Biomethane transportation leakage.

Due to the structural and functional changes that occurred in 2023, the Group substantially revised the methodology for calculating Scope 1 emissions in 2023. AUGA group included new sources of GHG emissions resulting from the conversion of part of its cultivated land to conventional agriculture. Also, in order to calculate GHG emissions as accurately as possible, a transition was made to more detailed accounting in the livestock sector, taking into account the manure management system on each farm. In order to align the GHG calculation methodology with the latest recommendations applicable to companies in the agricultural sector[17], new sources of GHG emissions from the land use, land use change and forestry sector (LULUCF, hereinafter referred to as the LULUCF sector) were included in the Group's accounting. The LULUCF sector focuses on the carbon cycle – the movement of carbon between the atmosphere and the terrestrial biosphere. The LULUCF sector includes both carbon dioxide release and carbon absorption in biomass and soil. Carbon absorption occurs in living biomass, dead wood, forest floor, soil and various wood products. AUGA group does not carry out forestry activities and does not contribute to land use change (e.g. from wetland drainage), therefore the Group's LULUCF emissions include (1) GHGs released from soil into the atmosphere and (2) GHGs absorbed in soil. When modelling the balance of organic carbon accumulated/lost in soil, the tillage practices applied in each field and their intensity were taken into account. The Group's accounting also includes cultivated, historically drained organic soils, which in Lithuania account for about 1.1% of all cultivated land and 6.2% of the area of perennial grasslands converted into arable land.[18] The LULUCF sector emissions calculated in scope 1 also include biogenic emissions resulting from decomposing biomass (manure and plant residues in fields) and direct and indirect CO2 and N2O emissions from soil. Biogenic emissions from biofuel combustion for heating (e.g. firewood) are not typical and are not included. Indirect scope 3 biogenic emissions are not included in the emissions accounting due to the lack of data outside the organization's activities and in the supply chain.

Due to the update of the GHG calculation methodology, the 2022 indicators were retrospectively recalculated. However, recalculating indicators older than two years (<2022) in accordance with the new methodology would be inaccurate, as this requires data that was not previously collected in the Group's companies or the relevant business activities were not carried out. The base year (2019) set in the Group's strategy cannot be retrospectively recalculated and used for comparing annual emissions. All calculation updates made in 2023 and the approved audited methodology are applied when calculating GHG emissions for 2024, therefore the Group did not organize an additional GHG accounting audit for 2024.

Annual GHG emissions

In 2024, the Group initiated significant changes that affected the calculation of GHG emissions: (1) additional agricultural areas, approximately 2 thousand hectares in 2024, were converted from organic to conventional lands, and the changes in GHG emissions from the conversion of all fields (approximately 17 thousand ha) are reflected in the emissions accounting of the LULUCF sector; (2) the biomethane production cycle was integrated into the GHG emissions accounting, (3) the Group ceased part of its agricultural activities in the Mažeikiai region (3,300 thousand ha of activities were discontinued). These and other changes, which are explained in more detail in other topics, led to significant changes in emissions in Volumes 1 and 3. The total and annual emissions for each volume are presented below.

GHG emissions, t CO_2e	2024	2024 (without LULUCF)	2023	2023 (without LULUCF)	2022[1]	2022[1] (without LULUCF)
Scope 1	182 233	83 409	76 192	72 069	81 181	72 065
Scope 2[2]	4	4	4	4	5	5
Scope 3[3]	1 521	1 521	4 535	4 535	5 020	5 020
Total:	**183 758**	**84 933**	**80 731**	**76 608**	**86 206**	**77 090**

[1]The 2022 figures were retrospectively recalculated.
[2] Calculated using the "market based method", based on actual electricity purchases. When calculated using the "location based method", i.e. based on the country-specific nature of energy production, the Group's total GHG emissions in 2024 would be 186,410 t CO2e, in 2023 84,424 t CO2e, in 2022 89,734 t CO2e.

[17] SBTi Forest, Land and Agriculture (FLAG) Guidance (2023 m.)
[18] Lithuania National Inventory Document for 1990-2022) (2024).

In 2024, the Group's **total footprint increased by 103,027 t CO2e or 128% more** compared to 2023, with the majority of these emissions occurring in Scope 1. It is important to emphasise that the significant change in Scope 1 emissions is a one-time occurrence resulting from the LULUCF methodological accounting, considering the annual changes in certain agricultural land management practices and the transition to partial conventional crop production. **Scope 3 emissions are lower, with a total of 3,014 t CO2e or 66% less compared to 2023**. This scope includes the 9 emission categories recorded by the Group listed above. The most significant reduction in emissions is observed in the following categories: (1) post-consumer management of packaging placed on the market decreased by 68%. This decrease is due to the lower use of paper, single-use plastic and reusable wood packaging. This was due to the transition to the use of deposit-free plastic boxes, reduced use of pallets; (2) lower waste, which resulted in 63% fewer emissions than last year; (3) reduced number of business trips during the reporting period, which resulted in 88% fewer emissions compared to the previous year.

As the Group's activities and value chain mainly include production processes in crop production, livestock production, mushroom production and, from 2024, biomethane production, the largest amount of the Group's GHG emissions is concentrated in Scope 1 - direct emissions, which include all sources controlled by the Group in carrying out its activities. Below is a detailed list of Scope 1 emission sources, as well as their percentages for each year, and the amount excluding the LULUCF sector.

Scope 1 emission sources	2024	2024 (without LULUCF)	2023	2023 (without LULUCF)	2022*	2022* (without LULUCF)
LULUCF sector	54,2%	-	5,4%	-	11,2%	-
Emissions from soil	22,2%	48,6%	32,6%	34,5%	31,1%	35,0%
Cattle digestion processes	10,1%	22,0%	26,0%	27,5%	24,1%	27,1%
Fossil fuel consumption	10,0%	21,9%	25,3%	26,7%	24,7%	27,9%
Manure management	2,7%	5,9%	9,0%	9,5%	8,5%	9,5%
Refrigeration gases	0,7%	1,4%	1,7%	1,8%	0,4%	0,5%
Biomethane production	0,1%	0,2%	-	-	-	-
Total:	100%	100%	100%	100%	100%	100%

*2022 the indicators were retrospectively recalculated in 2023.

In the 1st scope, the GHG distribution in 2024 shows a significant change in the category of emissions from the LULUCF sector, which accounts for 54.2% of total emissions (98,824 t CO2e). This significant increase was due to the fact that in the autumn of 2023 and in 2024 a part of agricultural areas (about 17 thousand ha) were converted from organic lands to conventional lands and this change was accounted for according to the methodology, guided by the 2024 Lithuanian National GHG Inventory Report.[19] According to the methodology, appropriate coefficients are used in the accounting to calculate changes in carbon stocks and mineral nitrogen in the soil, which occur due to changes in land use and applied land management practices that promote the oxidation of these organic matter and the release of GHGs from the soil into the atmosphere. It is important to note that the increase in the LULUCF sector in 2024 is a methodological accounting, with the largest change occurring in an area of about 16 thousand ha, which was used for no-till farming in both 2023 and 2024. This means that the land use designation of this area did not change, only the management practices in those fields. Thus, the official change in land management practices from organic to conventional in this area led to an increase of about 84 thousand t CO2e, which accounts for the majority of all LULUCF sector and total emissions in 2024. However, it is important to note the Group also contributes to increasing soil organic carbon in conventional agricultural areas by applying sustainable practices, enriching the soil with organic fertilizers and organic matter (approximately 28 thousand tons in 2024) and therefore continuously contributing to the increase of soil organic carbon and mineral nitrogen, which is an important aspect of agricultural activities, improving soil fertility, structure, moisture retention, and microbial activity. For example, some cereal crops are grown together with cover crops (forage grasses), in order to enrich the soil with biological nitrogen and organic matter, which, when slowly decomposed, provide food for soil biodiversity and increase the amount of sequestered (retained in the soil) carbon.

In addition to the significant increase in emissions in the LULUCF sector, other significant emission sources mentioned in the Group and the European Commission publication[20] are methane (CH4) generated by cattle digestion processes and the use of fertilizers, which are among the most important sources of greenhouse gases in the agricultural sector.

Emissions from soil account for 22.2% of the Group's total emissions, or 48.6% when considering emissions excluding the LULUCF sector. The Group is applying more sustainable tillage methods (e.g. no-till technologies, extensive field grazing, long-term and regenerative crop rotations) across all of its agricultural areas, and has also abandoned more acidic land areas, which has allowed for a reduction in the use of lime, resulting in a 69% reduction in CO2e compared to 2023. However, the transition to conventional tillage of part of the agricultural areas and the use of synthetic

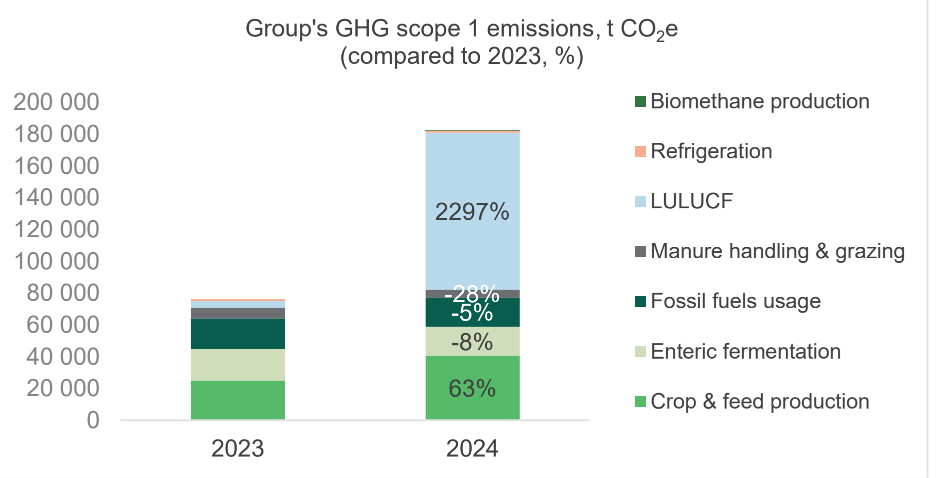
[19] Lithuania National Inventory Document for 1990-2021).
[20] Breakthrough Agenda Report – Agriculture, European Commission, 2024.

fertilizers have increased emissions from 1.8 thousand t CO2e in 2023 to 23.3 thousand t CO2e in 2024.

Cattle digestion processes and manure management account for 10.1% of all Scope 1 GHG emissions, or 22% when assessing the amount of emissions excluding the LULUCF sector. The largest contributor to the amount of GHG generated in these categories is methane (CH4), released during cattle digestion (18,331 t CO2e, or 79% of all emissions in these categories). Also, methane released in barns, manure and slurry management systems (3,039 t CO2e, or 13%). In 2024, the amounts of GHG generated by these activities were lower compared to the previous year (3,421 t CO2e less). About 2 thousand t CO2e lower emissions were due to the integration of biomethane production into the Group's circular economy. A significant change in this category should also occur with the implementation of the developed specialized feed production technology. In 2023 Scientists from the Veterinary Academy of the Lithuanian University of Health Sciences validated the test results of AUGA Tech, UAB technology and confirmed that the company's feed reduces methane emissions generated by cows' digestive processes per liter of raw milk by 32%. As mentioned in section 1.4.2 Implementation of the Strategy, this technology has been granted a patent

Another emissions category – fossil fuel use – accounts for 10% of all Scope 1 emissions in 2024. The Group aims to continuously reduce the use of fossil fuels, therefore closely related technological solutions, especially the use of electric and biomethane-powered tractors in the fields, are of paramount importance. Although the development of these technologies is paused from the 4th quarter of 2024, the Group's tractors worked in the fields in 2024 and consumed about 5 t of biomethane – a renewable fuel. The total amount of fossil fuel GHG emissions in 2024 amounted to about 18 thousand t CO2e and is slightly lower (about 1 thousand t CO2e) compared to the previous year.

Also in 2024, the biomethane production process was included in the emissions accounting, which reflects the distribution of emissions from the new segment. Although it accounts for only 0.1% (134 t CO2e) of all Scope 1 GHG emissions, **the biomethane production activity saved about 2 thousand t CO2e in manure and slurry management systems**, as about 43 thousand t of the Group's slurry was used in biomethane production. Also, 13 thousand MWh of biomethane gas was produced and sold to the market, **saving about 6 thousand t CO2e of emissions** for their buyers choosing a renewable fuel. This amount is not deducted from the Group's total GHG emissions to avoid double counting of emissions.
One of the smallest Scope 1 emission categories is gas used in refrigeration equipment, accounting for 0.7% of all Scope 1 emissions. During the reporting period, a similar number of leaks and system additions were recorded in the mushroom production sector and other Group farms (totaling 1.2 t CO2e).
The Group's companies purchase and use only green electricity in their operations. This decision allowed the Group-wide savings of 2,378 t CO2e in 2024, which would be attributed to indirect Scope 2 emissions



Emission intensity indicators

GHG emission intensity indicators are calculated by dividing the annual emissions from various economic activity units. They show how much CO2e emissions are emitted in the Group's activities, calculated per financial, production, cultivated land and other activity units. When calculating emissions per 1 million EUR of revenue and per 1 employee, all Group emissions in Scopes 1, 2 and 3 are included. When calculating emissions per cattle and per ton of milk, per hectare and per ton of crop production or per ton of mushroom production, only emissions in Scopes 1 and 2 assigned to the relevant activity segment - livestock farming, crop production or mushroom cultivation are included.

Emissions, t CO_2e	2024	2023	2022*	Variance 2024/23
t CO_2e / 1 mln. EUR revenue	2 152,5	991,7	1 076,4	+117%
t CO_2e / 1 employee	178,4	67,7	70,3	+163%
t CO_2e / 1 cattle	3,5	4,0	4,0	-12%
t CO_2e / t ECM milk**	0,8	1,0	1,0	-21%
t CO_2e / ha	4,0	1,1	1,2	+266%
t CO_2e / t crop production	1,2	0,4	0,5	+175%
t CO_2e / t mushroom production	0,3	0,3	0,2	+6%
t CO_2e / MJ biomethane produced	0,01	-	-	-

* The 2022 indicators were retrospectively recalculated
** ECM (energy corrected milk) is a relative unit of milk measurement. Raw milk production is converted to the amount of milk corrected to 4% fat and 3.3% protein

Emissions intensity per earned income increased by 117% compared to 2023. Both a 127% higher total emissions and a 4.9% higher income contributed to the change.

The emissions intensity indicator per employee increased by 163% compared to 2023. This was due to a lower number of employees (13.5%) and a higher total emissions.

The emissions intensity indicator per hectare of the Group and per ton of production increased in particular (266%), which was mainly due to emissions from the LULUCF sector, which increased by as much as 2297% compared to 2023. The emissions intensity indicator also increased due to a larger seasonal harvest (28%), for which a larger amount of synthetic fertilizers was used compared to previous years.

Emissions intensity in the livestock sector decreased by 21%, if calculated per ton of milk produced. When calculated per head of livestock, livestock emissions decreased by 12%. These figures reflect overall lower emissions in the livestock sector, as well as higher cattle and milk production.

Calculation methodology

Emission calculations and their results in this report are based on the latest GHG Protocol and Intergovernmental Panel on Climate Change[21] (IPCC) methodologies, including all GHGs generated in the activities: nitrogen dioxide (N2O), methane (CH4), carbon dioxide (CO2) and gases used in refrigeration equipment.

Total emissions are calculated using the global warming potential (GWP) of a greenhouse gas, which indicates the warming potential of one kilogram of the gas compared to one kilogram of CO2 over a period of one hundred years. The following global warming potentials were used: [22]

- CO_2 – 1
- CH_4 (non-fossil) – 27
- N_2O – 273
- HFC-32 – 771
- HFC-125 – 3740
- HFC-134a – 1526
- HFC-143a – 5810
- PFCs, SF6, NF3 gases are not permitted in activities of the Group.

Emissions were calculated using internal accounting data and emission factors from the following sources: 2024 Lithuanian National GHG Inventory Report[23], 2023 UK Department for Environment, Food and Rural Affairs Report.[24]

[21] Intergovernmental Panel on Climate Change (IPCC), 2019 Guidelines for National Greenhouse Gas Inventories.
[22] IPCC Sixth Assessment Report, Working Group I (2021), chapter 7.
[23] Lithuania National Inventory Report for 1990-2021 (2024)).
[24] Department for Environment, Food and Rural Affairs; DEFRA (2024). Government Conversion Factors for greenhouse gas (GHG) reporting.

6.3 Biodiversity and ecosystems

E4 Biodiversity and ecosystems

Operating in the agricultural sector, the Group has a direct impact on the environment, living organisms, and ecosystems, while also playing an important role in their preservation. The Group's activities are most closely associated with the key drivers of biodiversity and ecosystem change, such as climate change, pollution, and the use of land and freshwater resources.

The Group also identifies crop growing and livestock segments as agricultural activities that may have a significant negative impact on vulnerable biodiversity areas. Given the close interconnection of this topic with other environmental issues, the Group's efforts to preserve biodiversity and ecosystems are described in more detail not only in this section but also throughout other Environment sections.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

To assess how the Group's material Sustainability topics are related to the topic of Biodiversity and Ecosystem, during the IRO assessment, impacts and/or opportunities were evaluated based on whether the impact or opportunity is actual or potential, positive or negative, along with a broader description of each IRO aspect. During the assessment, the IRO aspects were also mapped according to their position within the value chain, and links to the business model were evaluated. A more detailed representation of the business model can be found in section 5.6, value chain table. A detailed overview of these results is provided below:

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Biodiversity and ecosystem	**Actual positive impact:** Positive impact of organic farming on biodiversity and ecosystems	Compliance with NATURA[25], GAEC[26], and organic farming standards contributes to the preservation of biodiversity and ecosystems.		•			•		•	•	•
	Actual negative impact: Negative impact of conventional farming on biodiversity and ecosystems	As some farms have transitioned to conventional farming, the use of plant protection products and more intensive use of land resources may have a negative impact on ecosystems and biodiversity.		•			•		•	•	

Estimated impact period. Following the assessment, it was determined that the positive actual impact of organic farms on biodiversity and ecosystems, as well as the negative actual impact of conventional farms on biodiversity and ecosystems, were classified as having an impact over the medium term (up to 5 years). Although AUGA group has been developing organic farming since 2017 and has created a significant positive impact over the years, part of the Group's crop growing and livestock activities are carried out using conventional

[25] Natura 2000 – a network of protected areas of European importance, established to preserve, maintain, and, when necessary, restore natural habitat types and species of animals and plants within the territory of the European Union. National Service for Protected Areas, 2020

[26] GAEC – Good Agricultural and Environmental Conditions requirements

methods. To diversify risks and ensure stable income, the Group continuously monitors market conditions and retains the option to adjust the proportion of farming methods if the market indicates opportunities for change.

Position in the value chain. Following the assessment, both IRO aspects of this material topic were attributed to the Group's operational stage in the value chain. Both IRO aspects are directly related to the production processes carried out by AUGA group and result in both positive and negative actual impacts.

Link with the business strategy and business model. The IRO assessment determined that the positive actual impact of organic farming on biodiversity and ecosystems, as well as the negative actual impact of conventional farming, originates from the business model. Since one of the core activities of AUGA group is crop growing, the applied agricultural methods naturally affect biodiversity and ecosystems as a direct consequence of business operations. The positive actual impact of organic farms on biodiversity and ecosystems is also integrated into the Group's strategy and operational principles, as organic farming represents a strategic direction of AUGA group. This approach aims not only to ensure more environmentally friendly production but also to contribute to the preservation of biodiversity and ecosystems by implementing goals related to these topics in its policies.

IRO aspects - risks

In connection with the topic of Biodiversity and ecosystems and the identified material sustainability matters of the Group, the following physical risk was identified: physical environmental risks related to conventional agricultural activities, which may negatively impact biodiversity and ecosystems (e.g. decreased availability and quality of natural feed sources; ecosystem degradation leading to increased dependence on artificial inputs and higher operational costs, elevated expenses for pest and disease control due to increased exposure to biological threats, etc.). Additionally, the following transition risk was identified: expanding compliance requirements related to biodiversity and ecosystems (e.g. increased risk of sanctions and legal proceedings, changes in biodiversity protection policies and compliance frameworks, etc.). All these risks were assessed based on their likelihood and potential financial impact on the Group's profit. During the assessment, it was determined that these risks are not among the Group's priority risks. Therefore, they were not further evaluated using the LEAP[27] methodology stages and were not actively monitored or managed in 2024

In connection with the topic of Biodiversity and ecosystems and the identified material sustainability matters of the Group, the following physical risk was identified: physical environmental risks related to conventional agricultural activities, which may negatively impact biodiversity and ecosystems (e.g. decreased availability and quality of natural feed sources; ecosystem degradation leading to increased dependence on artificial inputs and higher operational costs, elevated expenses for pest and disease control due to increased exposure to biological threats, etc.). Additionally, the following transition risk was identified: expanding compliance requirements related to biodiversity and ecosystems (e.g. increased risk of sanctions and legal proceedings, changes in biodiversity protection policies and compliance frameworks, etc.). All these risks were assessed based on their likelihood and potential financial impact on the Group's profit. During the assessment, it was determined that these risks are not among the Group's priority risks. Therefore, they were not further evaluated using the LEAP[28] methodology stages and were not actively monitored or managed in 2024.

[27] LEAP - locate, evaluate, assess, prepare, ESRS, 2024
[28] LEAP - locate, evaluate, assess, prepare, ESRS, 2024

Compliance with Good Agricultural and Environmental Conditions (GAEC)

The Group actively contributes to the EU Green Deal, which is a core component of the EU Common Agricultural Policy and is also integrated into Lithuania's Strategic Plan for Agriculture and Rural Development for 2023–2027. Therefore, in conducting its agricultural activities, the Group adheres to four key Good Agricultural and Environmental Conditions (GAEC) requirements[29]. These include actions aimed at mitigating and adapting to climate change (GAEC 2), protecting water resources (GAEC 4), improving and preserving soil condition (GAEC 5), and safeguarding biodiversity (GAEC 9). Below is information on the importance of each GAEC requirement and the total agricultural land area managed by the Group that contributes to achieving these objectives.

GAEC	Goal	Importance	Group's area (ha)
GAEC2	Wetland and peatland protection	Wetlands and peatlands are important because they store organic carbon, form microclimates, purify air and water, and are a refuge for specific, often rare plants and animals	690
GAEC4	Water body and coastal protection	Helps reduce water pollution, benefits biodiversity by providing habitats for flora and fauna	54
GAEC5	Soil improvement and erosion reduction	Helps protect slopes from erosion caused by agricultural activities, prevents further loss of soil potential	189
GAEC9	Protection of sensitive perennial grasslands	Ensures the maintenance of habitats valuable for biodiversity, contributes to the protection of bird nesting and breeding sites, and improves water and soil quality	39
		Total:	**972**

[29] GAAB requirements, Ministry of Agriculture, 2022

Biodiversity protection

To ensure the protection of biodiversity on the Group's cultivated land, in 2024 an Inventory was conducted to identify areas of high natural value used for farming and the species found within them. AUGA group carries out agricultural activities on 187 hectares of fields located within the European ecological network Natura 2000 – territories designated for the protection of habitats or bird species. This area accounts for less than 1% of all land cultivated by the Group.

Natura 2000 is a network of protected areas of European importance, established to conserve, maintain, and, where necessary, restore natural habitat types and species of fauna and flora within the European Community territory. In Lithuania, these territories cover approximately 13% of the country's land area[30]. AUGA group does not operate in areas where agricultural activities are strictly prohibited due to protection requirements. The Group's farmland within Natura 2000 mostly falls within areas subject to extensive farming requirements – including limits on the number of grazing animals, maintenance of the existing hydrological regime, mowing only during permitted times of the year, and preservation of permanent grasslands and pastures.

To adapt farming practices in a way that avoids endangering habitat or species distribution and to better preserve ecosystem diversity, the Group annually reviews national data on protected territories.

Cultivated land falling within "Natura 2000" territory (ha)			
Region	Areas important for habitat protection in 2024	Areas important for bird protection in 2024	Total across both areas in 2024
Anykščiai district municipality		4	4
Jurbarkas district municipality	41	43	84
Kaišiadorys district municipality		7	7
Kalvarija municipality	6	46	52
Marijampolė district municipality		3	3
Mažeikiai district municipality	1	<1	1
Panevėžys district municipality		1	1
Radviliškis district municipality		1	1
Šakiai district municipality		<1	<1
Šiauliai district municipality		1	1
Ukmergė district municipality		10	10
Utena district municipality		23	23
Total:	**48**	**139**	**187**

[30] Ministry of Environment of the Republic of Lithuania, 2025 m.

Policies, objectives and actions related to biodiversity and ecosystems

E4-2 Policies related to biodiversity and ecosystems
E4-4 Targets related to biodiversity and ecosystems
E4-3 Actions and resources related to biodiversity and ecosystems

Biodiversity conservation is one of the environmental objectives of AUGA group, as set out in the Group's Environmental Policy. This policy outlines the key practices applied in production that help protect and enhance ecosystems – for example, regenerative crop rotation, the use of renewable resources, and compliance with GAEC and organic farming requirements.

In 2024, the Group assessed how the actions and objectives set out in its Environmental Policy contribute to global and regional biodiversity goals – including the Kunming-Montreal Global Biodiversity Framework[31] and the EU Biodiversity Strategy for 2030 Nature Restoration Plan[32]. The Group aims to ensure that its business model and activities align with these international commitments and contribute to their implementation through practical agricultural solutions.

Targets of the Kunming-Montreal Global Biodiversity Framework	The Group's objectives and actions under the Environmental Policy	Group's compliance with the EU Nature Recovery Plan
TARGET 7 Reduce pollution risks and the negative impact of pollution from all sources (a) by reducing excess nutrients lost to the environment by at least half, including through more efficient nutrient cycling and use; (b) by reducing the overall risk from pesticides and highly hazardous chemicals by at least half, including through integrated pest management, based on science, taking into account food security and livelihoods.	▪ No chemical pesticides or other chemical plant protection products are used in the Group's organic farms, and fields are fertilized only with natural fertilizers. In conventional fields, natural plant protection methods are prioritized, such as the selection of resistant species, crop rotation, and mechanical weed control. ▪ Where fertilizers are used, the Group seeks to minimize it's runoff into water bodies by fertilizing only during designated periods, maintaining buffer zones near water sources, and immediately incorporating organic fertilizers into the soil. ▪ Based on soil tests conducted on part of the land, the use of mineral fertilizers is being optimized. The need for fertilisers is gradually being reduced through crop rotation and an increase in the area of leguminous herbaceous crops, which are able to fix nitrogen in the soil and carbon in the soil through their residues.	Reduce the risk and use of chemical pesticides by 50% → more than half (52%) of the Group's cultivated land is managed according to the principles of organic farming and is free of chemical pesticides Use at least 20% less fertiliser → The Group used 96% organic and ecological fertilisers by combining mineral and organic fertiliser
TARGET 10 Ensure sustainable management of agriculture, by increasing biodiversity-friendly practices. This includes sustainable intensification, agroecological, and innovative approaches to enhance resilience, efficiency, productivity, food security, and biodiversity conservation.	▪ A long-term crop rotation plan is applied, involving at least four different crops over a seven-year period. This improves soil quality and reduces the need for fertilizers. ▪ Precision fertilization is used to decrease the amount of nitrogen and other minerals entering the soil annually. Manure is tested to determine accurate fertilization norms for crops. ▪ Protective buffer zones are maintained and managed extensively along drainage ditches and water bodies. ▪ In fields with wetlands or peatlands, only min-till practices and/or extensive agricultural methods are applied. ▪ The goal is to allocate at least 30–50% of the rotation area to flowering crops that support pollinators, and to cooperate with beekeepers by establishing mobile apiaries near blooming fields. ▪ During the winter season, at least 50% of land is kept covered with agricultural crops, cover crops, or crop residues. This practice reduces soil erosion, enriches the soil with nutrients, increases microbial activity, and boosts earthworm biomass.	Reversing the downward trend in pollinator populations → Groups devote 30-50% of their rotation to flowering plants and work with beekeepers Adopt agroecological practices and manage more than 25% of agricultural land according to organic farming principles → more than half of the Group's farmland (52%) is managed according to organic farming principles.

[31] The Kunming-Montreal Global Biodiversity Framework has 23 action-oriented global targets for urgent action over the decade to 2030
[32] EU Biodiversity Strategy for 2030 Nature Restoration Plan

	▪ To prevent eutrophication* and the degradation of natural aquatic ecosystems, the choice of cover crops is based on the specific crop rotation plan and soil conditions. Cover crop mixtures consist of at least three different plant species capable of absorbing excess nitrogen. ▪ Some grains are grown together with undersown forage grasses, enriching the soil with biological nitrogen and organic matter that decomposes slowly, providing nourishment for soil biodiversity and increasing carbon sequestration. ▪ The roots of solitary trees growing in fields are protected within the perimeter of their canopies**, as such trees serve as ecological stepping stones between larger suitable habitats. Insects or fungal spores residing in these areas may later spread to other regions.		
TARGET 16 Encourage sustainable consumption through supportive policies to halve food waste, reduce overconsumption, and minimize waste generation.	▪ The Company aims to manage as much of its generated waste as possible following the principles of reduce, reuse, and recycle. ▪ Employee competence and a responsible approach to environmental protection are continuously fostered. ▪ A closed-loop farming model is applied to create synergies between different agricultural segments and enable the reuse of organic waste. Forage crops grown in the crop production segment are used as feed for livestock, while straw is used for mushroom compost production. Organic waste generated in the dairy segment (manure) is used as fertilizer in crop growing and for compost in mushroom growing. Since 2024, manure has also been used for biomethane production, while the by-product of this process - digestate - is utilized for field fertilization.		
TARGET 20 Strengthen capacity-building and development, access to and transfer of technology, and promote development of and access to innovation and technical and scientific cooperation.	▪ Efforts are made to apply min-till technology as widely as possible, where only the topsoil layer is cultivated. This helps protect the soil from erosion, conserves the fertile soil layer and its microorganisms, and reduces fossil fuel consumption. ▪ Actions are taken to combat climate change, which is devastating to biodiversity, by developing and implementing technologies that reduce GHG emissions. More details are available in the section Technology development.		
TARGET 21 Ensure accessible data and knowledge for effective biodiversity governance, management, communication, education, and research.	▪ Activities are carried out in compliance with all mandatory environmental protection legislation. ▪ Cooperation is maintained on environmental protection issues with business partners, national institutions, and agencies. ▪ The Company is committed to participating in research, conservation, and educational activities. Collaboration is established with the VDU Agricultural Academy and the LSMU Veterinary Academy, providing opportunities for students and researchers to intern at the Company's farms and deepen their practical and theoretical knowledge.	Effective management of all protected areas → The Group aims to ensure the conservation and status of habitats and species in accordance with NATURA and GAEC requirements.	

* Eutrophication is an increase in the biological productivity of a body of water due to an increase in nutrients (nitrogen and phosphorus).
** Tree protection zone - an area covering the projection of the crown onto the ground, where the roots and crown of a tree are protected.

6.4 Circular economy (reduce, reuse, recycle)

E5 Resource use and circular economy

The circular economy is a model aimed at preserving the value of materials and resources for as long as possible, reducing waste and environmental impact throughout the production and consumption cycle. AUGA group applies these principles to reduce material and energy consumption, air and water pollution, and the impact on biodiversity. The Group also strives to ensure that resource use is as environmentally beneficial as possible - resource extraction, processing, and waste management are based on sustainability principles. Circular economy principles are integrated into the Group's strategy (more on this in section 1.4 Strategy) and have a direct impact on the business model.

Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

To assess how the Group's material Sustainability topics are related to the topic of Resource Use and Circular Economy, during the IRO assessment, the impacts and/or opportunities were evaluated based on whether the impact or opportunity is actual or potential, positive or negative, along with a more detailed description of each IRO aspect. During the assessment, the IRO aspects were also highlighted according to their position in the value chain, and the links to the business model were assessed — a more detailed depiction of which can be found in section 5.6, in the value chain table. A more detailed overview of these results is provided below:

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Resource use and circular economy	**Actual positive impact:** Circular economy and resource efficiency	Resources are reused within the circular cycle, thereby conserving them and contributing to a more sustainable environment.			•	•	•	•	•	•	•
	Actual opportunity: Integration of biomethane production into the circular economy	The integration of biomethane into the circular economy provides an opportunity to efficiently utilize secondary raw materials from livestock farming activities.			•	•	•	•	•	•	•
	Actual negative impact: Waste generation within the Group's operations	Waste generated during operations, if not properly managed or recycled, can have a negative impact on the environment and health.			•		•		•	•	

Estimated impact/opportunity period. During the IRO assessment, it was determined that circular economy and resource efficiency, biomethane production integration into the circular economy, and waste generation in operations are classified as having a long-term impact (more than 5 years). Operating in the agricultural sector, the Group inevitably generates waste, which can create a long-term negative impact on the environment, such as manure from livestock farming activities. To reduce this impact, AUGA group has been developing and continuously improving its circular economy model for several years. This model ensures the efficient reuse of waste, or in other words, secondary raw materials, and their reintegration into the production cycle. Since 2024, the Group has integrated biomethane production into this model, which not only complemented it seamlessly but also became a long-term actual opportunity due to its environmental and economic value to the Group. Therefore, both the circular economy and resource efficiency, as well as the integration of biomethane production into the circular economy, reflect the Group's long-term commitment to sustainable operations.

Place in the value chain. The assessment showed that the aspects of circular economy and resource efficiency, as well as biomethane production and its integration into the circular economy, span all parts of the value chain – upstream, the Group's operations, and downstream. The principles of circular economy are applied across AUGA group's crop growing, livestock, and mushroom growing segments, which are directly linked to production processes. The Group produces biomethane not only from manure generated in its own farms but also purchases it from external suppliers. The Group produces biogas using its partners' biogas infrastructure and then purifies the biogas produced to biomethane using its own infrastructure. The resulting green gas is sold on the market. In this way, circular economy processes and biomethane production closely connect all parts of the value chain by ensuring efficient resource use, reducing environmental pollution, and generating financial value. Meanwhile, waste generation in operations is assigned only to the middle part of the value chain, as this waste is produced directly within AUGA group's own production activities and does not extend to the upstream or downstream parts of the chain.

Link to the business strategy and business model. The assessment found that the circular economy and resource conservation and the integration of biomethane production into the circular economy arise directly from the AUGA group business model, as the Group, operating in the agricultural sector, seeks to effectively manage the inevitably generated by-products and waste. The impact and implementation of these aspects affect the business model, as the application of the principles of the circular economy and the production of biomethane from secondary raw materials allows for the optimization of resource use and generates additional income. Both of these aspects are integrated into the Group's long-term strategy and operating principles, as sustainability and reducing environmental impact are strategic objectives of the Group's activities. Waste generation in the activities also arises directly from the Group's business model, as waste generation is an inevitable process due to the specifics of agriculture. This aspect of IRO directly affects the business model, as the Group incurs financial costs for proper waste management and utilization.

IRO aspects - Risks

The following two related risks were identified for the topic "Resource use and circular economy" and the Group's identified significant sustainability topics: financial impact related to resource inputs and outputs (variability of resource availability; increased raw material prices; higher waste management and infrastructure costs, etc.), financial impact of the transition to a circular economy (higher operating costs due to significant investments in new technologies and infrastructure; costs due to supply chain disruptions related to changes in the availability of key natural resources; risks related to environmental factors affecting the availability of resources, etc.). These risks were assessed according to the criteria of probability and impact size related to the Group's profit. During the assessment, it was determined that in 2024 these risks are not classified as priority, therefore their additional monitoring or management in 2024 is not expected.

Policies and actions related to resource use and circular economy

E5-1 Policies related to resource use and circular economy
E5-2 Actions and resources related to resource use and circular economy

The Group has an Environmental policy, which defines and serves as the basis for managing the topic of Resource use and circular economy. The policy applies across the entire Group and is applicable to all employees. The accompanying table presents the Environmental policy, its target, and the main actions taken during the reporting period. It is important to note that all newly hired employees (344) were introduced to the Environmental policy, and no violations related to this policy were recorded.

Material topic	Actual or potential impact and opportunities	Policy applied by the Group	Policy target	Key actions in 2024 and monitoring results
Resource use and circular economy	**Actual positive impact:** Circular economy and resource efficiency **Actual opportunity:** Integration of biomethane production into the circular economy	Environmental policy	To develop a closed-loop organic farming model.	2024 through the implementation of the Circular Cycle model: Around 7,000 tonnes of mushroom compost, 18,000 tonnes of digestate and 182,000 tonnes of organic fertiliser were used for crop fertilisation; around 52,000 tonnes of poultry and cow manure were used for biomethane production; 62,000 tonnes feed for livestock production (silage, haylage, hay, cereal feed) was produced; Approximately 4,500 tonnes of straw and 8,000 t of slurry from crop and livestock farms were used to produce compost.
Waste	**Actual negative impact:** Waste generation within the Group's operations	Environmental policy	Reduce the amount of waste generated in operations, and, where waste reduction is not possible, reuse the product as much as possible before it becomes waste.	Less waste was accounted for (347.8 tonnes or 41% less).

Resource use and circular economy

E5-4 Resource inflows
E5-5 Resource outflows

The Group's operations are broad and complex – they encompass five different segments, with part of the farming activities carried out under both organic and conventional principles. The Group's business model and the related inputs and outputs of the value chain are described 1.5.5 Group's Supply Chain. At present, the Group has not yet developed an expanded list of inflows and outflows or a methodology for their accounting at the Group level that would meet ESRS disclosure requirements.

Nevertheless, in the 2024 Sustainable Business Report, as in previous years, the Group presents GHG emission calculations and other relevant information related to key inflows and outflows. Water consumption and its comparison with previous periods are detailed in the section Water below. Direct and indirect energy use (including natural gas, liquefied gas, petrol, diesel and diesel for drying purposes) is covered in the section Direct and indirect energy consumption. The 2024 report also provides data on outflows generated during operations – including hazardous waste (such as tires, asbestos, oil, and batteries) and other waste types (such as plastic, municipal waste, metal, glass, paper, wood, electronics, and organic waste). These are presented in the section Waste. Meanwhile, outflows related to the circular economy include the reuse of secondary raw materials within the circular cycle. Livestock manure and mushroom compost are used as crop fertilisers, and harvested crops are used as feed ingredients. Straw from crop production, combined with manure, is used in mushroom farming. Additionally, poultry and cattle manure are processed into biomethane. The by-product of this process - digestate - is returned to the fields as organic fertiliser. In this way, the Group's business segments are interconnected within a closed circular economy cycle, where resources are used as efficiently as possible. Information on the quantities of secondary raw materials used in the Group's circular cycle can be found in the section 6.4 Circular economy.

Water

Consumed amount, m³	2024	2023	2022	2021
Water	355,087	331,839	300,782	368,867

AUGA group, operating in the agricultural sector, consumes a significant amount of water each year, which is required for crop and mushroom production, as well as for watering livestock. Water used for production processes is sourced either from wells located on the farms or centralised municipality water supplies, and consumption is measured using water meters. It is also important to note that the Group monitors the environmental impact of water consumption through associated CO_2e emissions. However, water consumption outside the Group's operational boundaries and within the supply chain is not currently tracked due to a lack of available data. As previously mentioned, due to specific circumstances related to the restructuring procedures of some Group companies, AUGA group is not conducting Scope 3 emissions accounting, which would otherwise allow modeling of water consumption beyond the Group's direct operations (i.e., in the supply chain).

In 2024, AUGA group consumed 355,087 m³ of water, which is 7% more than in 2023. The main reason for this increase was the higher water demand for the maintenance of conventional crops. Unlike organic fields, where water spraying practices are not applied, conventional crop cultivation requires water use several times per season. In 2023, water consumption was lower because the transition to conventional crop farming occurred in the second half of the year.

In the mushroom growing segment, water reuse practices are applied. During mushroom cultivation, the water used for compost production is reused several times. The excess unabsorbed water is collected and reused until nearly all the water is utilized in the mushroom compost process.

AUGA group does not have an approved water reduction or reclaiming policy across the companies of the Group. Each company in the AUGA group independently implements water saving and reuse initiatives based on the nature of its activities. Water is not used from areas that face water shortages.

Waste

Waste, t	2024	2023	2022	2021
Plastic	294.4	366.9	399.1	472.0
Municipality waste	26.0	89.8	325.9	349.0
Metal	89.0	137.8	121.6	280.4
Glass	0.0	1.5	0.0	0.0
Paper	41.0	57.6	78.6	74.8
Tires*	2.8	42.8	27.2	78.5
Asbestos*	0.0	2.8	23.4	42.7
Wood	0.0	32.6	10.3	39.2
Oil*	7.3	11.9	9	15.2
Batteries*	1.9	3.2	2.9	1.2
Electronics	0.06	0.6	1.2	0.9
Organic waste	0.0	0.0	0.0	0.3
Other waste**	34.9	97.7	66.3	25.4
Total:	**497.4**	**845.2**	**1,065.5**	**1,379.6**

* Household hazardous waste, according to the Waste Management Law of the Republic of Lithuania, which accounts for 2.4% of all waste.
** Other waste transferred to waste management companies but not falling into the categories listed above.

Waste generated in the Group's operations is managed according to the principles of reduce, reuse, and recycle. To ensure proper waste management control, the Group applies a waste generation, storage, and disposal procedure implemented across all of its operational companies. Waste is sorted at the company level, tracked using the GPAIS system, and handed over only to licensed waste management service providers. To implement circular economy principles within its operations, the Group's companies compost generated organic waste and reuse it. As a result, for the third consecutive year, 100% of organic waste from the Group's activities has been reused.

In 2024, the Group recorded 362.4 tonnes (or 41%) less waste compared to the previous year. The largest decrease (100%) was observed in asbestos, glass, and wood waste categories, as the Group carried out less construction or renovation works during the reporting period.

7. Employees and Social Responsibility

Accidents:

7

Per working hours:

0.00037%

Employees taking part in share option programme:

228

New participants:

35

AUGA group's

malting barley cultivation

first time certified by a standard according to regenerative agriculture requirements

Global GAP and GRASP

Certification renewed for Baltic Champs and AUGA Luganta

Extended

organic production

certificates of AUGA group companies

Extended

GMP+

Certificates of Grain LT and AUGA Trade

Grain LT certified by

ISCC EU

standard

7.1 Own Workforce

S1- Own workforce

Social responsibility is an integral part of the Group's sustainable operations. Starting this year, AUGA group, in accordance with ESRS requirements, discloses in its report the material topics identified through the IRO assessment and reviews the underlying causes, objectives, targets, and actions related to their impact for the year 2024. Within the scope of social responsibility, the material topics for the Group include working conditions and remuneration, occupational health and safety, human rights of employees, community relations, and consumers and end products. These topics will be discussed in more detail in the Social Responsibility section.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

To assess how the Group's material sustainability topics relate to the Own Workforce topic, during the IRO assessment, impacts and/or opportunities were evaluated based on whether they are actual or potential, positive or negative. A broader description of each IRO aspect was also provided. As part of the assessment, IRO aspects were mapped to their position in the value chain, and their connection to the business model was evaluated. A more detailed representation of this can be found in the section 5.6 Significant Impacts, Risks and Opportunities. A detailed overview of these results is presented below:

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Working conditions and remuneration	**Positive actual impact:** Creation of skilled and unskilled job opportunities in the regions	Seasonal and farm work opportunities in the regions provide additional income, economic stability and strengthen local communities.			•		•		•		
	Positive actual impact: Share option programme providing the opportunity to become shareholders of the Company	The Employee Share Option Programme provides an opportunity to acquire shares in the Company free of charge for those employees who have been with the Group for at least 3 years. This promotes employee motivation and strengthens their loyalty to the Company.		•			•		•	•	•
Occupational health and safety	**Negative actual impact:** Working with chemicals and machinery	The Group's operations are subject to certain hazardous working conditions related to chemicals and other hazardous substances, the use of which is increasing in conventional crop production.		•			•		•		
Ensuring employees' human rights	**Positive actual impact:** Assurance of human rights	Ensuring respect for human rights increases employee confidence, motivation and loyalty, which improves the Company's reputation and reduces legal risks.			•	•	•	•	•	•	•
	Positive actual impact: Data protection	The Group implements a Privacy Policy that ensures the protection and processing of personal data and the free flow of personal data in accordance with the requirements of the law.			•	•	•	•	•	•	•

Estimated period. The creation of skilled and unskilled job opportunities in regions, the assurance of human rights, and data protection have, after the assessment, been classified as having a positive long-term impact (more than 5 years). This evaluation is based on the fact that the Group will continue to operate across a broad geographic area (in various regions of Lithuania), and its operations will require a wide range of professionals and workers (including permanent employees under employment contracts and seasonal workers engaged through the receipt-based system). For this reason, the Group will continue its commitment to ensuring the protection of employees' human rights and data, in accordance with legal requirements and internal policies. The IRO aspect – the share option programme, a motivational system that allows employees to become shareholders – is attributed to a medium-term positive impact, as employees become shareholders within three years after signing the option agreement. The IRO aspect – working with chemicals and machinery – and its resulting negative impact are considered relevant in the medium term (up to 5 years). Although the Group currently partially operates under conventional farming methods in both crop growing and livestock segments and this is an ongoing year-round process, to diversify risks and stabilize income sources, the Group retains the possibility of adjusting the proportions of its farming methods or fully returning to organic farming if market signals show favorable conditions for business growth.

Position in the value chain. The assessment showed that the assurance of human rights and data protection has an impact across all stages of the value chain: upstream, the Group's operations, and downstream. The importance of these aspects begins with relationships with external raw material suppliers, encompasses the Group's internal operations – where employees form the backbone of all AUGA group activities - and extends to the downstream stage due to the involvement of various external stakeholders, such as shareholders, consumers, and others. The topics identified as material to the Group - working conditions and remuneration, occupational health and safety – are positioned within the middle of the value chain, i.e., the Group's own operations. Since the core of these topics is the Group's employees, the assessment clearly indicates that these issues are concentrated within AUGA group's internal activities and do not have any notable impact (positive or negative) on external stakeholders in either the upstream or downstream parts of the chain.

Link to the business model and strategy. The IRO assessment identified that the aspects of assurance of human rights, data protection and the employee share option programme originate directly from the business model, affect its functioning and are integrated into the Group's strategy and operational principles. This reflects the Group's long-standing commitment to building trust, ensuring a safe working environment for employees and maintaining a strong reputation among stakeholders. As these aspects are closely tied to the Group's core activities and embedded in its strategic directions, the assurance of human rights and data protection is clearly defined in the Group's internal policies (further details are provided below). The objectives and implementation of the share option programme are described in more detail in Section 3. Governance Report. The other two aspects – work involving chemicals and machinery, and the creation of skilled and unskilled job opportunities in regions – also stem from the Group's business model. This is due to the specific nature of agricultural operations, the need for diverse employee competencies, and the geographical spread of activities. Agriculture inherently involves the use of heavy machinery, while regenerative conventional farming often requires the use of chemical plant protection products.

IRO aspects – risks

In relation to the topic Own workforce and the Group's identified material sustainability topics, the following related risks were identified: shortage of human resources, lack of gender and age diversity, risk of insufficient employee remuneration, risk related to insufficient employee training and development, work-related injuries and illnesses, high wage disparity, employee complaints and significant impact on human rights, implementation of occupational health and safety management systems. All these risks were assessed based on the criteria of likelihood and potential impact on the Group's profit. The assessment revealed that in 2024 these risks were not classified as priority risks, and therefore no additional monitoring or management measures are foreseen for 2024.

Targets related to managing material negative impacts

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group's employees belong to one of the most important stakeholder categories, and considering the context of restructuring, it is especially important for the Group to ensure the protection of their interests. However, at present, AUGA group has not defined any additional specific targets related to the workforce topic and will focus on fulfilling existing commitments to employees. The Group will continue to implement the goals outlined in its policies related to human rights, health and safety, and other relevant areas, but will not pursue specific progress indicators. Once the economic situation within the Group stabilizes, AUGA group will be ready to assess the potential for setting new progress targets and the methods for achieving them.

Policies related to own workforce

S1-1 Policies related to own workforce
S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group has several policies that define and implement the theme of its workforce. All policies are valid Group-wide and apply to all employees. The table below presents a list of policies and their objectives, as well as the main actions taken during the reporting period.

Material topic	Actual or potential impact and opportunities	Policy applied by the Group	Policy target	Key actions in 2024 and monitoring results
Working conditions and remuneration	**Positive actual impact:** Creation of skilled and unskilled job opportunities in the regions	Remuneration policy	Ensure fair, transparent and objective remuneration setting and adjustments based on employees' competencies and job responsibilities. Define and review remuneration scales, maintaining a clear and consistent framework across the Group.	All newly hired employees (344) were introduced to the applicable Remuneration policy. The remuneration budget was reviewed and approved by the members of the AUGA group Board. No violations related to the remuneration topic were identified in 2024.
	Positive actual impact: Share option programme providing the opportunity to become shareholders of the Company	Option granting procedures and rules for the grant of shares	To detail the process of granting shares and to implement the allocation of options and shares.	In 2024, 228 employees participated in the share option programme, including 35 new participants. In 2024, 193 employees realised their share options.
Occupational health and safety	**Negative actual impact:** Working with chemicals and machinery	Occupational health and safety policy, Code of business ethics	To identify hazards and risks present in the Company and those that employees may encounter, as well as to specify the measures taken to minimize the number of accidents.	Regular occupational health and safety audits were conducted across the Group, ensured by qualified external consultants. In 2024, the Group organized health and safety training sessions for employees in production units, including training on working with chemicals and machinery. (See more in topic Health, Safety and Skills Development). The number of workplace accidents decreased from 13 to 7 in 2024. No penalties were issued for occupational safety violations.
Ensuring employees' human rights	**Positive actual impact:** Assurance of human rights	Policy on human rights, non-discrimination, child labour and forced labour	To establish the principles for promoting, implementing, and monitoring human rights, as well as the main measures for their implementation within the Group.	All newly hired employees (344) were introduced to the Group's applicable Human Rights, non-discrimination, child labour and forced labour policy. Opportunities were made available to report possible breaches of the policy. No complaints were received in 2024 regarding human rights assurances.
	Positive actual impact: Data protection	Personal data management rules	To ensure the protection of personal data of private individuals working within the Group.	All newly hired employees (344) were introduced to the data protection rules. No breaches related to personal data protection were identified in 2024.

Information of Group employees

S1-6 Characteristics of the undertaking's employees

The following tables show data for the AUGA group as of the end of the reporting period. All AUGA group activities are carried out in one region – Lithuania.

Data about Group employees is collected from the official payroll calculation and employee accounting system, which contains all information about hired and departed employees. The report presents data based on the last day of 2024 (December 31). The total number of employees includes individuals on childcare leave (in 2024, there were 33 such employees). It is important to mention that the Group operates in the agricultural sector, which has seasonal activities. Therefore, every year, AUGA group hires seasonal workers who provide services such as harvesting, peeling, drying, and measurement. The Group pay such workers for their services according to payment receipts. At the end of the year, these workers are not included in the final number of employees. In 2024, during the season, the Group hired additional 387 seasonal workers who provided the before mentioned agricultural services. This compares to 317 seasonal workers hired in 2023. The Group does not collect data about the number of seasonal workers by gender.

Employees and diversity			2024			2023			2022		
	Category	Measurement	Total	Women	Men	Total	Women	Men	Total	Women	Men
Total:		Number	**1,030**	433	597	**1,191**	514	677	**1,226**	523	703
		%		42.0	58.0		43.2	56.8		42.7	57.3
By employment type	Permanent employees	Number	**1,029**	432	597	**1,191**	514	677	**1,226**	523	703
	Temporary employees	Number	**1**	1	0	**0**	0	0	**0**	0	0
	Full-time employees	Number	**1,007**	423	584	**1,169**	502	667	**1,208**	513	695
	Part-time employees	Number	**23**	10	13	**22**	12	10	**18**	10	8
	Working under service contracts	Number	**2**	1	1	**2**	1	1	**2**	1	1
Employee turnover			2024			2023			2022		
		Measurement	Total	Women	Men	Total	Women	Men	Total	Women	Men
Total:		Number	**494**	263	231	**410**	216	194	**402**	177	225
		%	**48.0**	60.7	53.3	**34.4**	42.0	28.7	**32.8**	33.8	32.0

In 2024, the number of employees at AUGA group decreased by 13.5%, while employee turnover increased by 20.5% compared to 2023. These changes are related to strategic decisions aimed at increasing efficiency and optimizing the Group's operations, including business administration. As a result, the total number of employees decreased. One of the most notable examples of the efficiency program was the 2024 review of the productivity and efficiency of the Group's cultivated land, which led to AUGA group's decision to discontinue operations on unproductive land in the Mažeikiai region (3,300 ha). The implementation of this decision helped reduce administrative costs, and employment contracts with some employees working in this region were terminated.

Despite these changes and the restructuring procedures of some Group companies that began in 2024, AUGA group remains committed to its employees—focusing on their well-being, working conditions, and striving to be a reliable employer in this new business phase. The Group is committed to implementing changes responsibly, ensuring that employee rights are not violated.

Collective Agreements

S1-8 Collective bargaining coverage and social dialogue

In 2024 AUGA group did not conclude any collective agreements with employees (0%). Employees are not prohibited from taking the initiative to create employee associations defined in the Labour Code or implementing other social partnerships, as far as the relations between the employer and employees are concerned or conducting collective negotiations. The Group, in accordance with Human Rights, Non-Discrimination, Children and Forced Labour Policy, does not support disciplinary or discriminatory actions against employees, who choose to join associations peacefully and lawfully. According to the guidelines set out in the policy, employees of the Group are prohibited from using any form of intimidation to prevent other employees from exercising their right to join or not to join any association.

Diversity metrics

S1-9 Diversity metrics
S1-12 Persons with disabilities

The Group does not discriminate against employees based on gender, health or personal characteristics and provides equal work and career opportunities for all. In 2024, the Group employed 29 employees with disabilities, which accounts for 2.81% of all employees. By age category, in 2024, the largest group of employees remains the same as in previous years (30-50 years old). The table does not include Board members. Their age distribution is as follows: 30-50 years old age group – 2 members or 40%, over 50 years old – 3 members or 60%. The general table does not include the gender distribution of Board members. 3 out of 5 members (or 60%) of the Board are men.

Employees and diversity			2024			2023			2022		
	Category	Measurement	Total	Women	Men	Total	Women	Men	Total	Women	Men
By age	Under 30 years old	Number	**24**	62	62	**143**	71	72	**165**	75	90
		Share, %	**12.0**	6.0	6.0	**12.0**	6.0	6.0	**13.5**	6.1	7.3
	30-50 years old	Number	**459**	190	269	**538**	231	307	**564**	243	321
		Share, %	**45.0**	18.0	26.0	**45.2**	19.4	25.8	**46.0**	19.8	26.2
	Over 50 years old	Number	**447**	181	266	**510**	212	298	**497**	205	292
		Share, %	**43.0**	18.0	26.0	**42.8**	17.8	25.0	**40.5**	16.7	23.8
By position	Workers and specialists	Number	**967**	417	550	**1,120**	494	626	**1,166**	509	657
		Distribution, %		43.1	56.9		44.1	55.9		43.7	56.3
	Management	Number	**63**	16	47	**71**	20	51	**60**	14	46
		Distribution, %		25.4	74.6		28.2	71.8		23.3	76.7

Social protection

S1-11 Social protection

Social protection is one of the key factors ensuring employee well-being, safety, and social stability. AUGA group strives to be a reliable and responsible employer; therefore, social protection guarantees for employees of the Group's companies are ensured in accordance with the national legislation of the Republic of Lithuania. Below is detailed information on the main areas of social protection in which the Group ensures employee rights and protection according to the standards established by national laws.

Sickness	Unemployment starting from when the own worker is working for the undertaking	Employment injury and acquired disability	Parental leave	Retirement
All employees of the Group according to national laws.	All employees of the Group according to national laws.*	All employees of the Group according to national laws.**	All employees of the Group according to national laws.	All employees of the Group according to national laws.***

All AUGA group activities are carried out in one region, Lithuania, therefore the data are not broken down by country or geographical regions.
[1] *This is not applicable when the employment contract is terminated at the employee's initiative or as a result of breaches of work rules (according to Labor Law)*
[2] *In the event of accidents, additional voluntary employer insurance is provided*
[3] *In Lithuania employees have a right to choose an optional additional benefit related to voluntary contributions to employee's pension fund.*

Health, Safety and Skills Development

S1-13 Training and skills development metrics
S1-14 Health and safety metrics

AUGA group considers it extremely important for the Group to ensure a safe working environment for its employees. Employee safety is seen as one of the top priorities in all operations of AUGA group. The Group has an Occupational Health and Safety Policy, which applies to all (100%) AUGA group employees. Under this policy, the Group continuously strives to improve the working environment for its employees, the rules for safety at work and their implementation mechanisms. The Occupational Health and Safety Policy is published on the AUGA group website.

Although the Group does not have occupational health and safety management system, at least once a year, the Group conducts periodic work safety and health audits. The process is overseen by qualified external consultants from two companies that specialise in work safety matters. They are thus responsible for training employees, preparing, revising, and improving job instructions, investigating accidents at work and preparing their prevention plans, and making suggestions for improving general work safety. Companies of the Group are periodically inspected by the State Labour Inspectorate. During the reporting year, no fines were received for work safety violations and no significant non-compliances were recorded.

AUGA group operates in the agricultural sector, where manual work is common. Each employee working in the Group is provided with safety and health instructions specifically suited to their duties, which detail the main possible risks in the workplace and explain how to avoid them. All employees, when they start working for the Group, are required to familiarise themselves with these instructions and periodically updated that knowledge. In 2024, the Group registered 7 accidents, in which workers suffered minor injuries. The workers involved recovered quickly, and none of them suffered long-term disability resulting from the injury. All the Group employees working under full-time, part-time and service contracts are included in the number of accidents. No workplace accidents were observed in 2024 among seasonal workers, who work on the basis of payment receipts. In 2024, no workplace deaths were recorded.

In 2024, AUGA group organized health and safety training for some of its employees in its production units. The training covered various topics corresponding to different production activities and specific needs of employees. Training was organized for certification of employees in the electricity sector, boiler operator, load handler, forklift driver, working with chemicals and working with a combine harvester. Training was also held in plant protection, laboratory hygiene, employer's authorized person's OSH (occupational safety and health), and electricity sector personnel. In addition, employees participated in EU95 cargo and passenger transportation courses. qualification training for foreign employees In total, 2262 hours of health and safety training were organized during the reporting year, specifically for those employees who were required to update their knowledge or familiarize themselves with new information that was not relevant to them until now.
96 employees of the Group participated in such training, including 79 men and 17 women.

Remuneration

S1-16 Compensation metrics (pay gap and total compensation)

Employee well-being is an important objective of the Group, which is ensured by applying a fair and transparent Remuneration Policy. It provides for the distribution of employees by position, specifies the forms of payment and salary ranges for each position, the calculation of salary and its adjustment in case of deviations from normal working conditions, and provides the grounds for granting additional payment.

AUGA group implements a Fair and Transparent Remuneration Policy, which establishes salary ranges, calculation methods, and adjustment principles. Additionally, it utilizes the KORN FERRY remuneration data analysis platform to track market trends.

In 2024, the median ratio of the CEO's salary to the employee's salary was 4, down 11.7% from the previous year, when the ratio was 4.53. For several years in a row, the ratio of the CEO's salary (the highest-paid employee) to the salary of all permanent employees of the Group has been decreasing. This change is due to the change in the CEO and the decrease in salary. Employee salaries are also reviewed annually as needed, taking into account performance and prevailing market trends.

The work of each employee is evaluated according to the results achieved in his or her field. In the Group, different pay for similar work is not tolerated. In 2024, the median pay ratio of employees of different genders working at AUGA group was 1.13.

Ratio of men‘s and women‘s median salaries	2024	2023	2022
Total:	**1.13**	**1.09**	**1.22**
Management	1.12	1.62	1.33
Specialists	0.93	1.08	1.16
Workers	1.17	1.15	1.28

7.2 Relations with Communities

S3- Affected communities

Material impacts, risks and opportunities and how they interact with its strategy and business model

SBM-3 Material impacts, risks and opportunities and how they interact with its strategy and business model

In order to assess how the Group's material Sustainability topics relate to the Affected Communities topic, during the IRO assessment, each IRO aspect was evaluated based on whether the impact and opportunity are actual or potential, positive or negative, and accompanied by a broader description of each aspect. During the assessment, the IRO aspects were also highlighted according to their place in the value chain, and links to the business model were evaluated — a more detailed representation of which can be found in section 5.6, in the value chain table. A more detailed overview of these results is provided below.

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Relations with communities	**Positive actual impact:** The positive impact of organic farms on community health and the environment	Organic farms, by applying more environmentally friendly practices, contribute to improving community health. This method of farming helps maintain a cleaner environment, reduces pollution, and promotes biodiversity.		•			•		•		
	Actual negative impact: Negative environmental impact of intensive agricultural activities	Intensive agricultural activity can lead to soil degradation, water pollution, and a decline in biodiversity. The cultivation of monocultures and the reduction of natural habitats weaken ecosystem stability, while intensive agricultural expansion alters the landscape.		•			•		•		

Estimated period. Based on the assessment, both the actual positive impact of organic farming on community health and the environment, as well as the negative impact of intensive agriculture on the environment, were classified as having a medium-term influence (up to 5 years). Although AUGA group has been developing organic farming since 2017 and has generated significant positive impact over the years, a part of the Group's crop growing and livestock activities is currently also carried out using conventional methods. To diversify risks and ensure stable income, the Group continuously evaluates market conditions and retains the flexibility to adjust the proportion of farming practices if market trends indicate potential for change.

Place in the value chain. Following the assessment, both IRO aspects related to this material topic were attributed to the operational stage of the Group's value chain. This conclusion is based on the fact that both aspects are directly linked to the production processes carried out by AUGA group. During the assessment, attention was given to communities located near the Group's production sites or farms, as they are the ones most likely to be directly affected. The positive actual impact is demonstrated through the Group's application of environmentally friendly practices in its organic farms, contributing to the preservation of air, soil, and water quality. This, in turn, has a long-term positive effect on the health and well-being of surrounding communities and the environment. Conversely, intensive agricultural activities, where conventional farming methods are applied, have a negative actual impact on the environment, which can also affect nearby communities. The use of chemical fertilizers and plant protection products contributes to soil and water pollution, while intensive soil cultivation can lead to soil degradation and changes in the landscape.

Link to the business model and strategy. The IRO assessment revealed that the positive actual impact of organic farming on community health and the environment, as well as the actual negative impact of intensive agricultural activities on the environment, stem from the business model. Since the core activities of AUGA group are crop growing and livestock, the farming methods applied naturally influence both the environment and surrounding communities, arising as a direct consequence of the Group's operational practices.

IRO aspects – risks

In relation to the topic Affected communities and the Group’s identified material sustainability topics, a risk was identified related to the impact on communities resulting from the Group’s activities (such as land use changes, pollution of local ecosystems, biodiversity loss, etc.). This risk was assessed based on the criteria of likelihood and potential impact on the Group’s profit. The assessment concluded that in 2024 this risk is not classified as a priority, and therefore no additional monitoring or management actions are planned for 2024.

Targets and policies related to affected communities

S3-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities
S3-1 Policies related to affected communities

AUGA group does not have a community management policy or specific targets to directly reduce or increase impacts on communities. However, the Group is committed to a code of business conduct that includes principles for a responsible approach to communities and their well-being.

The Group's commitments set out in its environmental policy, such as conserving natural resources, reducing fossil fuel consumption, promoting energy conservation and reducing greenhouse gas emissions, contribute to the living conditions of the communities in which the Group operates. For example, the Group's biomethane production not only solves the problem of disposing of raw materials generated on livestock farms but also reduces unpleasant odors and improves air quality. Another important example is that half of the Group's agricultural activities (crop farming) are carried out organically, with pesticides and other chemicals not used. Meanwhile, in the remaining part, where regenerative conventional agriculture is applied, natural plant protection measures are prioritized (selection of resistant seeds, crop rotation, mechanical weed control), and based on soil tests, the use of mineral fertilizers is optimized. Where fertilizers are used, their leaching into water is minimized by fertilizing only at specified times, adhering to protection zones from water bodies, and immediately incorporating organic fertilizers into the soil. Through these and other measures or Group practices, AUGA group contributes to the right of communities to a healthier living environment, cleaner air and water, and the preservation of viable soil for future generations. The Group's Environmental Protection Policy has not changed significantly since last year.

The Code of Business Ethics highlights the responsibility of AUGA group to maintain relations with local communities, especially considering that the Group operates in various regions of Lithuania, mainly in rural areas. When developing business, the importance of dialogue with communities, the desire to cooperate and take their comments into account is emphasized. The Group's Code of Business Ethics has not changed significantly since last year.

It is important to mention that the Group also sets environmental expectations for its suppliers – according to the Supplier Code of Ethics, they are encouraged to reduce the impact of their activities on the environment. Suppliers are encouraged to use natural resources responsibly, reduce energy and water consumption, and properly manage waste. Suppliers are also encouraged to assess and control business risks in the field of environmental protection, use environmentally friendly technologies, and reduce the amount of harmful substances emitted into the environment. In this way, AUGA group seeks not only to set an example of responsible activities itself, but also to spread this approach throughout the value chain, hoping for a wider impact on the quality of life of communities and a cleaner environment. The Group’s Supplier Code of Ethics has not changed significantly since last year. More information can be found in section 5.7 Policies.

The Group recognizes the importance of managing impacts on indigenous peoples. However, current Group operations do not involve territories inhabited by indigenous communities. Therefore, this aspect has not yet been incorporated into Group policies or other operational documents.

Taking action on material impacts on affected communities

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

„AUGA group“ maintains regular communication with local communities. For several years, the Group has conducted surveys among stakeholders, including local communities, to obtain feedback regarding the impact of its activities on residents. The results of these surveys have helped identify critical regional issues and determine effective ways to contribute to their resolution and promote community well-being. In addition to surveys, local units operating in various regions individually address and respond to feedback from their respective communities.

It is important to note that the Group seeks change in two directions:

1. Through opportunities to create impact in its activities (direct influence on identified IRO aspects). In order to minimize the negative impact on communities, the Group applies regenerative conventional agriculture in its activities, prioritizes natural plant protection measures (selection of resistant seeds, crop rotation, mechanical weed control), and based on soil research, optimizes the use of mineral fertilizers. Where fertilizers are used, their leaching into water is minimized by fertilizing only during specified periods, observing protection zones from water bodies, and immediately incorporating organic fertilizers into the soil. Also, all activities of the AUGA group are based on the conservation of natural resources, reducing fossil fuel consumption, promoting energy saving, and the principles of the circular economy.

2. Through assistance to communities, contributing to their own initiatives (indirect influence, in order to meet the needs of other nearby communities). The Group's

Code of Business Ethics also emphasizes that when developing its activities, it is important to ensure constant dialogue with communities, take their expectations into account and, where possible, contribute to solving relevant issues. For example: The Group's company "Baltic Champs" actively supports various community initiatives, providing support for educational, social and health initiatives. For many years, the Company's "Baltic Champs" has been participating in the breast cancer prevention campaign - part of the profit from each package sold, marked with a pink ribbon, is transferred to the National Cancer Institute. Baltic Champs also awards named scholarships, supporting talented students, for example, at the Šiauliai Academy of Vilnius University. All these initiatives were implemented in 2024. AUGA group also contributes to the education of students by supporting their participation in school events and sports initiatives, for example, in 2024 the Group supported the Lithuanian School Basketball League. The Group also contributes to the initiatives of active and vibrant communities of mothers and their children, which take care of their meaningful leisure time and inclusion in communities carrying out various activities. AUGA group donates its products to events organized by these communities. In addition, AUGA group companies operating in the regions, AUGA Raseiniai and KB Šventosios pievos, have provided support to local communities.

Processes to remediate negative impacts and channels

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

AUGA group operates diverse activities across different sectors, each associated with distinct communities. Due to this diversity, the Group does not have a single unified system for community engagement and feedback across all business segments. However, within individual segments, clear channels exist through which communities can express their observations or address relevant issues.

Agricultural production (crop growing, livestock, mushroom growing) issues are addressed by Group companies operating within their respective regions. For example, at Baltic Champs, feedback from local communities is gathered by administrative staff of regional divisions, either directly or via electronic and mobile communication channels. Broader stakeholder groups, including consumers, can share their observations or complaints about product quality directly with the Group's Quality Department via email at quality@auga.lt or through AUGA group's social media channels. Additionally, AUGA group has established a dedicated email address, etika@auga.lt, allowing individuals to report observed ethical violations within the Company's operations. Group suppliers can also report potential breaches of the Supplier Code of Ethics via email at tiekejai@auga.lt. When needed, interested parties can find general and topic-specific contacts for AUGA group employees on the Group's website.

7.3 Consumers and End-users

S4 - Consumers and end-users

Material impacts, risks and opportunities and how they interact with its strategy and business model

SBM-3 Material impacts, risks and opportunities and how they interact with its strategy and business model

To assess how the Group's material sustainability topics relate to the topic of Consumers and end-users, during the IRO assessment, each IRO aspect was evaluated based on the circumstances determining whether the impact or opportunity is actual or potential, positive or negative, as well as a broader description of each IRO aspect. During the assessment, the IRO aspects were also identified according to their place in the value chain, and their link to the business model were evaluated. A more detailed representation of this can be found in section 4.6. Significant Impacts, Risks and Opportunities, value chain table. A detailed overview of these results is presented below.

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Consumer safety and health	**Positive actual impact:** More sustainable, organic products for consumers	Consumers have the opportunity to choose everyday organic and more sustainable products with raw materials grown in Lithuania on AUGA group farms.			•	•	•	•	•	•	•
Consumer education on sustainability	**Positive actual impact:** education on sustainability and ecology	Education about ecology and sustainability promotes responsible consumption, increases interest in organic products and contributes to environmental sustainability.			•	•	•	•	•	•	

Estimated period. More sustainable and organic products for consumers, along with education on sustainability and ecology, were classified as having a long-term positive actual impact (more than 5 years) following the assessment. This evaluation is based on the Group's ongoing commitment to supplying more sustainable organic products to the market and growing a community of consumers who choose them. To expand its consumer base, the Group consistently puts effort into educating consumers in various ways about the benefits of sustainable and organic products, their production methods, and how they differ from conventional alternatives. For this reason, as two interrelated material topics, they are assessed in the same way.

Place in the value chain. The assessment showed that both IRO aspects have a positive actual impact across all stages of the value chain. The importance of these aspects begins in the upstream stage - the Group selects suppliers who hold certified organic credentials, ensuring that raw materials not grown internally are sourced from reliable, certified partners. This helps ensure that all organic products produced by the Group meet the necessary organic standards throughout the production process. Products under the AUGA brand, intended for consumers, are made from raw materials grown on the Group's own farms, making this aspect relevant to both the core operations and the downstream stage. To ensure high-quality and responsible implementation of these production standards, the Group's employees are regularly educated on topics of sustainability and ecology. In addition, AUGA specialists participate in conferences and exhibitions in Lithuania and abroad to stay up to date with the latest trends and innovations in the field. These insights are not only integrated into the Group's operations but also serve as the foundation for consumer education, linking all stages of the value chain.

Link to the business model and strategy. It is important to note that offering organic and more sustainable products to consumers stems directly from the business model, affects its operation, and is integrated into the Group's strategy and operating principles. Consumer-end products are one of AUGA group's core business segments, and the more sustainable, organic production of these goods is an integral part of the business model. These products not only reflect the Group's principles of organic production but also serve as a key tool in achieving a strategic business objective - providing consumers with a more sustainable way of eating. At the same time, education on sustainability and ecology also stems from the business model and affects it. As AUGA group's core activity is more sustainable and organic food production, educating consumers, suppliers, and the public about organic and a fundamental part of the business. These educational initiatives contribute to shaping public opinion, building consumer trust, and increasing demand for organic products, all of which have a direct impact on the business model.

IRO aspects - risks

The following three related risks have been identified in connection with the topic of Consumers and end-users and the Group's material sustainability topics:

- Risk related to the quality of its own products (grains, vegetables, dairy products), i.e., due to increased requirements to meet quality standards, certification requirements, etc.
- The quality of the Group's produced goods (mushrooms), i.e., due to increased requirements to meet quality standards, certification requirements, etc.
- Risk related to consumer education on sustainability, i.e., challenges in effectively communicating sustainable practices due to limited access to information, consumers' reluctance to change behaviour or consumption habits, etc.

All of these risks were assessed based on the criteria of likelihood and the magnitude of impact on the Group's profitability. The assessment determined that these risks are not considered priority in 2024; therefore, no additional monitoring or management actions are planned for the reporting year.

Objectives and policies focused on consumer safety, health, and education

S4-1 Policies related to consumers and end-users
S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Although AUGA group does not have a specific policy or defined objectives explicitly dedicated to consumers or end-users, nor specific targets to monitor progress in this area, the Group is committed to a code of business conduct that includes principles for interacting with the public. Also, AUGA group is actively implements various initiatives aimed at increasing positive impact on consumers, raising awareness, and ensuring the accessibility of more sustainable food products to a broader range of society.

Back in 2023, AUGA group introduced a line of more sustainable organic products to the market, including everyday products such as dairy products, eggs, and oat flakes. In 2024, the Group expanded this range further by adding UHT milk, lactose-free UHT milk, butter, and flavored yogurts, thereby providing even greater opportunities for consumers to choose more environmentally friendly products. It is important to note that the ingredients for these products are grown organically on AUGA group farms in Lithuania (the main ingredient of oatmeal porridges – oats – is also sourced from AUGA group farms). At these farms, the Group adheres to EU organic farming regulations but goes beyond standard requirements (for more details, see section Policies, objectives and actions related to biodiversity and ecosystems).

Understanding that the agricultural sector has a significant impact on the environment, AUGA group has been actively shaping consumer habits based on sustainability and ecology for many years. The Group acknowledges that real change is only possible when sustainability becomes an integral part of everyday consumer choices, therefore, it invests its internal resources in education. The significance of these efforts is also confirmed by the fact that the AUGA brand has been ranked among the top three most environmentally friendly brands for the second consecutive year in the international Baltic Brands survey. This recognition highlights AUGA group's ongoing commitment to sustainability and its role in shaping consumer awareness about more sustainable food production.

In order to understand whether the education being carried out reaches the consumer audience and how people's attitudes towards sustainability are changing, AUGA group has additionally conducted annual surveys since 2020 on the perception of sustainability and the awareness of the AUGA brand and products. The aim of these surveys was not only to determine whether consumers are familiar with and understand the concept of sustainability, but also how they interpret it and how important this concept is in their daily choices. In previous years, the surveys were conducted in five major Lithuanian cities, and since 2022 they have been expanded to three additional cities, thereby better reflecting the broader public perspective.

The latest study involved 706 respondents - Lithuanian residents aged 25 to 60 from various cities across the country, with higher or advanced education and earning more than EUR 501 per family member. The survey results revealed that as many as 84% of respondents claimed to understand the concept of sustainability. When asked to define the term in their own words, respondents most associated sustainability with environmental protection, conservation of natural resources, ecology, responsible consumption, and durability. A notable shift was observed over the past two years: compared to previous years, public perception of sustainability has significantly evolved. While in the past, respondents more often linked the term to durability and longevity, they now increasingly interpret it through the lens of ecology, environmental protection, and climate change.

In 2023, AUGA group decided to conduct this survey at least every two years or when appropriate, recognizing that assessing the impact of educational efforts requires a longer timeframe and continuous monitoring of consumer habits. This approach will not only provide a more objective evaluation of changes in consumer perception but also allow for a more accurate measurement of the effectiveness of education initiatives in the long term.

Actions to ensure consumer safety, health and education

S4-4 Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Group strives to ensure that its raw materials, products and activities meet the highest quality and sustainability standards, therefore, in various segments and activities, it constantly pays great attention to third-party inspection and certification. In order to ensure that the Company's products meet the requirements of organic production, in 2024. The Group extended the organic production conformity certificates, confirming that the certified part of the Group's agricultural raw materials is 100% organic, and the final food products, which are produced and certified by subcontractors from these raw materials, consist of at least 95% of ingredients of organic agricultural origin. In the reporting year, the "AUGA Trade" certificate was also obtained and the "Grain LT" GMP+ certificate was extended - an international feed safety standard, ensuring that feed raw materials are produced, handled, transported and stored in accordance with strict quality and safety requirements. In 2024. The Group company Grain LT received the ISCC EU international sustainability and carbon dioxide certificate, which confirms the Company's commitment to protecting the environment and operating more sustainably. Also, the Group companies Baltic Champs and AUGA Luganta, after an international audit, extended the Global GAP certificate with the GRASP supplement, confirming the application of responsible business principles and food safety. In 2024, AUGA group farms were certified for the first time with the malting barley cultivation standard according to the requirements of regenerative agriculture. This standard is based on the existing global regenerative agriculture practice and its principles, recommendations for reducing the global greenhouse effect, the need for brewers and malt factories to use sustainable raw materials.

Third-party companies that carry out contract manufacturing have implemented food safety management systems and adhere to standards and certificates such as: Kosher, BRCGS, Halal, IFS Food Version 8, Crossed Grain Trademark, FSC, EU organic, ISO 14001. They include the principles of organic production, a responsible supply chain, environmental commitments and transparency of production processes.

To enable consumers to choose not only organic and safely produced but also more sustainable products, in 2022, AUGA group, in collaboration with scientists from Kaunas University of Technology, conducted a carbon footprint assessment of several AUGA branded products using a life cycle assessment (LCA) approach. This assessment covered all stages of the production process, from raw material growing, transportation, and final product manufacturing to packaging. For the evaluation, a selection of products representing different categories was chosen: 2.5% and 3.5% fat milk in 1-liter packages, carrots and potatoes in 1 kg packages, and universal wheat flour. The study revealed that the largest share of emissions for all products originates from the raw material production stage on farms, specifically from crop growing and dairy farming.

Taking this into account, AUGA group applies more sustainable production practices and strives to educate consumers about the main sources of emissions and the solutions it implements to reduce them. In 2024, AUGA group actively carried out educational initiatives. For instance, throughout the year, the Group consistently conducted media initiatives aimed at informing consumers about the benefits of a balanced diet, based on recommendations from dietitians and nutrition experts, the key differences between conventional and organic products, and AUGA group's emission-reducing technologies. Additionally, AUGA group representatives shared expert insights in the media on organic and sustainable product market trends, the importance of innovation, and its role in reducing agriculture's environmental impact. Beyond traditional media, the Company also educated consumers on these topics through its social media platforms, including LinkedIn, Instagram, and Facebook.

Another key aspect of AUGA group's educational efforts is its representatives' participation in various conferences and public events. For example, in 2024, AUGA group representatives shared their insights at the sustainability leaders conference, where discussions focused on opportunities for positive change in the food production chain. Additionally, the Group's experts participated in conferences that highlighted technological solutions in agriculture and their crucial role in reducing emissions and addressing the global climate change challenge.

AUGA group actively engaged in youth education by participating in student career days and giving lectures to students. The Group's representatives not only introduced students to its values and mission but also presented the sustainable food production chain, aiming to foster a deeper understanding of responsible consumption and the importance of sustainable business for the future society.

It is important to note that during the reporting period, AUGA group conducted a consumer survey to assess how consumers perceive the main sources of emissions in food production. The survey included 1,017 respondents from across Lithuania, aged 18 to 75. The results revealed that while Lithuanian residents understand what emissions causing negative environmental impact are, they lack sufficient awareness of the underlying causes and their significant role in climate change. These findings further reinforced the importance of education and the need to continue strengthening public awareness of sustainability.

Channels for consumers to raise concerns

S4-3 Channels for consumers and end-users to raise concerns

Consumers can express their concerns or complaints about products through various channels. One of the key methods is a dedicated email inbox, quality@auga.lt, managed by the Group's quality and production department employees. They promptly respond to customer feedback or complaints, conducting necessary internal investigations with the involvement of relevant stakeholders in the product manufacturing and supply chain, including the Group's production units, contract manufacturing partners, logistics providers, and retail networks. Based on the findings of internal investigations and conclusions from relevant supply chain participants, the quality assurance team is responsible for providing responses to customers. In exceptional cases where consumer health issues arise due to the Group's fault, reimbursement for healthcare expenses is considered.

Consumers can also contact the Group regarding its products via the general telephone number or AUGA group social media channels. In cases where feedback is received through these alternative communication channels rather than the designated email, the employees responsible for managing these platforms are required to promptly inform the quality and production specialists about any consumer concerns. The Group records all received complaints in internal documentation to monitor trends and, if necessary, address specific issues related to production, logistics, or other operational matters.

8. Governance

Governance is an important topic within the Group's sustainability agenda and, like other sustainability areas such as social responsibility and environment, it is integrated into the Group's business model and strategy. Good governance practices have been embedded in the Group's operations for many years - the best reflection of this is the independent board model. It is important to note that starting this year, AUGA group, in line with ESRS requirements, discloses material topics in its report and, based on the IRO assessment, reviews the reasons behind actual or potential impacts or opportunities, the targets set by existing policies to manage those impacts, and the actions taken in 2024. The material topics under the Governance section are: animal welfare, supplier relations, transparency, and compliance. These topics are discussed in more detail in the Governance section.

8.1 Business Conduct

G1 – Business Conduct

Description of the processes to identify and assess material impacts, risks and opportunities

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

To assess how the Group's material sustainability topics relate to the topic of Business conduct, each IRO aspect was evaluated during the IRO assessment. The assessment considered the circumstances indicating whether the impact or opportunity is actual or potential, positive or negative, and provided a broader description of each IRO aspect. During the assessment, IRO aspects were also highlighted based on their place in the value chain, as well as their link to the business model, which is presented in more detail in section 5.6, in the value chain table. A more detailed overview of these results is provided below.

Material topics for the Group	IRO aspects	Description	Period			Place in the value chain			Link to strategy and business model		
			Short-term	Medium-term	Long-term	Upstream	Own operations	Downstream	Arise from the business model	Affect the business model	Integrated into the strategy and business model
Animal welfare	**Actual positive impact:** Organic livestock farming and animal welfare	Some livestock farms (73% in 2024) are organic, and all farms follow an animal welfare policy, ensuring more sustainable and animal-friendly conditions.			•	•	•	•	•	•	•
Supplier relations	**Actual positive impact:** Sustainable partnership with suppliers	The Group integrates the principles of ecology and sustainable business into its supply chain, thereby fostering environmental responsibility, transparency and other sustainable practices among its suppliers.			•	•	•	•	•	•	•
Transparency and compliance	**Actual positive impact:** Anti-corruption and anti-bribery	The Group strives to ensure transparent operations and the highest standards of business ethics. The Group does not tolerate corruption or bribery and is committed to preventing it through preventive measures.			•	•	•	•	•	•	•
	Actual positive impact: Transparency	The Group makes its financial and other reports publicly available to ensure clarity and trust, promoting responsible and sustainable business practices.			•	•	•	•	•	•	•

Estimated period. Animal welfare, supplier relations, transparency and compliance, following the assessment, have been classified as aspects generating a long-term (more than 5 years) positive actual impact. Animal welfare is an essential part of AUGA group's operations due to the Group's implementation of organic farming methods, as defined by organic regulations and the Group's own high animal welfare standards. For this reason, animal welfare will remain a top priority in this business segment for as long as the Group continues its livestock activities. Supplier relations are also one of the Group's long-term operational priorities, aligned with its target to build reliable, lasting, and sustainable partnerships with suppliers capable of delivering quality services and products that meet the Group's standards and needs. Transparency and compliance are considered long-term impact areas, as the Group structures its activities in accordance with the requirements of publicly listed companies on the share exchange, as well as other good governance practices. These principles help to build long-lasting relationships with stakeholders, strengthen trust, and enhance the Group's reputation.

Place in the value chain. The assessment revealed that all IRO aspects identified by the Group have a positive actual impact across all stages of the value chain - from the upstream stage, including supplier relations, through the Group's operations, to downstream stakeholders such as investors, consumers, and others. The Group collaborates exclusively with suppliers who meet its production requirements and comply with organic farming regulations. Animal welfare is fully integrated into the Group's operations, and adherence to these standards contributes to consumer trust in the AUGA brand - consumers know that the products have been produced responsibly and ethically across the entire value chain. Anti-corruption, anti-bribery practices, and transparency are core principles applied at every stage of the value chain. AUGA group is committed to ensuring ethical and transparent conduct in its internal operations, partnerships with suppliers, and communications with investors and other stakeholders. The Group maintains a zero-tolerance policy towards corruption, implements preventive measures, and, as a listed Company, regularly publishes financial and other reports.

Link to the business model and strategy. All aspects identified during the IRO assessment stem from AUGA group's business model, have a positive actual impact on its performance, and are integrated into the Group's strategy and operational principles. Organic livestock and animal welfare form a core part of the Group's strategic direction and are implemented through the business model. These principles have been in place since 2017, when the Group transitioned to organic agricultural production. Sustainable partnerships with suppliers also originate from the business model - as the Group does not grow all raw materials itself, it aims to collaborate exclusively with responsible partners who meet organic standards. This approach ensures that AUGA's raw materials and end-products are organic and meet the Group's highest production standards. Anti-corruption, anti-bribery practices, and transparency are integral components of AUGA group's business model, especially given the Group's status as a publicly listed Company. Adhering to the highest standards of transparency and ethics is not only a regulatory requirement but also a strategic choice - the Group enforces preventive measures, strengthens internal processes, and fosters trust with shareholders, investors, and other stakeholders.

IRO aspects – risks

Related to Business conduct and the Group's identified material sustainability topics, five associated risks were identified: inappropriate animal welfare practices (which may lead to decreased productivity, poor animal health, or increased veterinary costs, among other effects); risk of losing suppliers or partners (some may withdraw cooperation with a Company undergoing restructuring); loss of "trusted supplier/partner" status; legal actions resulting from allegations or incidents of corruption and bribery; and violations of disclosure regulations, corporate governance principles, or other legal requirements. All of these risks were assessed based on the likelihood and magnitude of their potential impact on the Group's profitability. The assessment concluded that in 2024, the following two risks are classified as priority: the risk of losing suppliers or partners, and the risk of losing "trusted supplier/partner" status. Therefore, these risks are actively monitored and managed in accordance with established internal procedures. These material risks are also presented in the 5.6. Significant Impacts, Risks and Opportunities (IRO) to illustrate their link to the business model and the concentration of risks across value chain stages. This also helps to visualize the interrelation between risks, impacts, and environmental dependencies.

The role of administrative, management and supervisory bodies in relation to business conduct

2 ETAS GOV-1 The role of the administrative, management and supervisory bodies

All AUGA group employees, including administrative, management, and supervisory bodies, must comply with the Company's Code of Business Ethics. The Group's management is responsible for ensuring that their subordinates and accountable individuals are familiar with the Code. It is important to note that AUGA group's Board approves the Code and may amend it as needed. Furthermore, as previously mentioned, the Group has in place valid Policy on Prevention of Corruption and Conflicts of Interest as well as a Supplier Code of Conduct. The Group's management is directly involved in the implementation, monitoring, and prevention processes related to these policies. More information about business conduct and governance can be found at:

- in section 3. Governance Report, which describes the Group's organizational model, as well as the implementation model of the separation between the independent Board and the CEO.
- in section 5.7 Policies, which describes the role of the Board and management in implementing the policies.

Policies and actions related to business conduct

G1-1 Corporate culture and business conduct policies

Material topic	Actual or potential impact and opportunities	Policy applied by the Group	Policy target	Key actions in 2024 and monitoring results
Animal welfare	**Actual positive impact:** Organic livestock farming and animal welfare	Animal Welfare Policy	To outline the guidelines and principles by which the Group ensures animal welfare, including the fundamental principles that are followed.	All newly hired employees (344) were introduced to the applicable Animal welfare policy. In cooperation with lecturers from the VDU University, animal welfare training was conducted for 164 employees working in livestock units. A new vaccination system that causes less stress for animals was introduced. During the reporting period, some farms started feeding animals with updated feed designed to improve energy balance and overall health. No violations related to the Animal welfare policy were identified in 2024.
Supplier relations	**Actual positive impact:** Sustainable partnership with suppliers	Supplier Code of Conduct	To outline the guidelines and principles for managing the Group's relationships with suppliers throughout the entire business cycle.	All new hired employees (344) have been introduced to the Group's Supplier Code of Conduct. In 2024, reminders about the valid AUGA group Supplier Code of Conduct were sent to the Group's suppliers, encouraging adherence to the same responsible business principles. No violations were identified in 2024.
Transparency and compliance	**Actual positive impact:** Anti-corruption and anti-bribery **Actual positive impact:** Transparency	Policy on Prevention of Corruption and Conflicts of Interest*	To define the general provisions and principles of the Group's anti-corruption and conflict of interest prevention and management, as well as the main implementation guidelines and procedures for resolving potential conflicts of interest.	All new hired employees (344) have been briefed on the Group's Policy on Prevention of Corruption and Conflicts of Interest. The Group held 3 webinars for investors and shareholders and published its financial results on the Nasdaq platform, its official website. The Company did not receive any reports of corruption or bribery cases, including the bribery of foreign officials in the context of international business transactions, either through the internal reporting channel or by other means in 2024

**In the section Transparency and Compliance, the Group explains the procedure in place within AUGA group for reporting potential cases of corruption or bribery, as well as how these processes are managed within the organization.*

Management of relationships with suppliers

G1-2 Management of relationships with suppliers

AUGA group prioritizes long-term business relationships with its suppliers. The Group carries out commercial procurement centrally and decentrally,depending on the business needs, specifics, and the nature and size of the procurement. AUGA group selects partners by giving preference to local suppliers, provided their products and services meet the quality and technical requirements set by the Group, comply with ecology regulations, and the supply conditions reflect market trends and are competitive.

The Group expects suppliers to adhere to core Environmental, Social, and Governance (ESG) principles and the United Nations Sustainable Development Goals. In cooperation, suppliers are encouraged to implement measures that reduce environmental impact, follow animal welfare standards, ensure employee safety and health, and prohibit discrimination, forced labor, or child labor, as outlined in the Group's Supplier Code of Conducts.

Although the Group does not have an official procedure or process to verify whether suppliers follow these sustainability principles, it evaluates not only commercial proposals but also the business reliability of long-term and key suppliers and performs reputation monitoring using publicly available tools. If reliable information surfaces that a supplier is not upholding responsible business practices, each case is assessed individually and cooperation is terminated if necessary. In 2024, the Group did not identify any violations or terminate cooperation with suppliers due to non-compliance with sustainability principles. In 2024, reminders about AUGA group's applicable Supplier Code of Conducts were sent to suppliers, encouraging them to follow the same responsible business standards.

The Group provides a channel to report violations of the Supplier Code and receive related information by emailing a dedicated address: tiekejai@auga.lt. The Supplier Code of Conducts is publicly available on the AUGA group official website.

Bribery prevention and detection

G1-3 Prevention and detection of corruption and bribery
G1-4 Incidents of corruption or bribery

AUGA group applies the Prevention of Corruption and Conflicts of Interest Policy, the purpose of which is to ensure transparent operations and adherence to the highest standards of business ethics. The Group does not tolerate any form of corruption or bribery and is committed to ensuring that its operations are conducted internationally in accordance with the highest standards of transparency and anti-corruption, including a strict prohibition of any bribery of foreign officials[33]. All Group employees are obligated to comply with anti-corruption rules. If any signs of corruption are noticed or if a bribe is offered, employees must immediately inform their direct supervisor and the Head of the Legal Department. Additionally, employees can report violations of the policy and receive related information by sending an email to the dedicated mailbox: etika@auga.lt. The Group takes all necessary measures to protect whistleblowers from any negative consequences - only the Head of the HR Department has access to this mailbox and is committed to protecting the identity of whistleblowers. Moreover, under the Prevention of Corruption and Conflicts of Interest Policy, employees are prohibited from soliciting or accepting gifts that may cause a conflict of interest or influence decision-making. The policy clearly defines the circumstances under which gifts are allowed or prohibited.
The Group does not have a separate investigation committee, but violations of the Prevention of Corruption and Conflicts of Interest Policy are handled by persons appointed by the Head of the Legal Department. If actions showing signs of corruption are identified, disciplinary measures are taken, including temporary suspension or termination of employment. If signs of criminal activity are found, the Group informs the competent law enforcement authorities. The Prevention of Corruption and Conflicts of Interest Policy is publicly available on the AUGA group official website.

During the reporting period, no reports were received and no cases were identified related to corrupt activities or the bribery of foreign public officials in the context of international business transactions. No employees were dismissed or otherwise sanctioned due to corruption or bribery, nor was the Group forced to terminate or refrain from renewing contracts with business partners. No public court proceedings related to corruption or bribery were initiated against AUGA group or its employees.

Transparency

AUGA group follows the principle of transparency in all its activities - from corporate governance to relationships with employees, consumers, and investors.
For example, back in 2019, the Company decided to eliminate the Supervisory Board and adopt an independent Board model. This decision was based on best corporate governance practices and aimed to create a more transparent and efficient governance system. The Group also enforces policies that define and ensure business operations are conducted according to the highest accountability standards.

The Group adheres to a fair and transparent Remuneration Policy, clearly defining salary ranges, calculation methods, and adjustment principles. This fosters employee trust and promotes a culture of fairness across all operational areas. Transparency is also reflected in communication with consumers – to avoid greenwashing, AUGA

[33] In accordance with the Law of the Republic of Lithuania on the Ratification of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (adopted on 20 April 2017, No. XIII-305)

group provides clear, credible, and research-based information about its products and production methods. This information is available on official platforms such as www.bekainosgamtai.lt, www.auga.lt, as well as on AUGA group's social media channels: Facebook, Instagram, LinkedIn, and YouTube.

Communication with investors plays a crucial role in transparency. AUGA group complies with the highest accountability standards applicable to listed companies. The Group ensures that information relevant to investors is published publicly and in an accessible way. Investors can access data via the Nasdaq platform, where all official announcements, share price changes, financial reports, and other key data are published. Additionally, the Nasdaq platform and AUGA group's official website feature an investor calendar to track upcoming financial announcements and other key events.

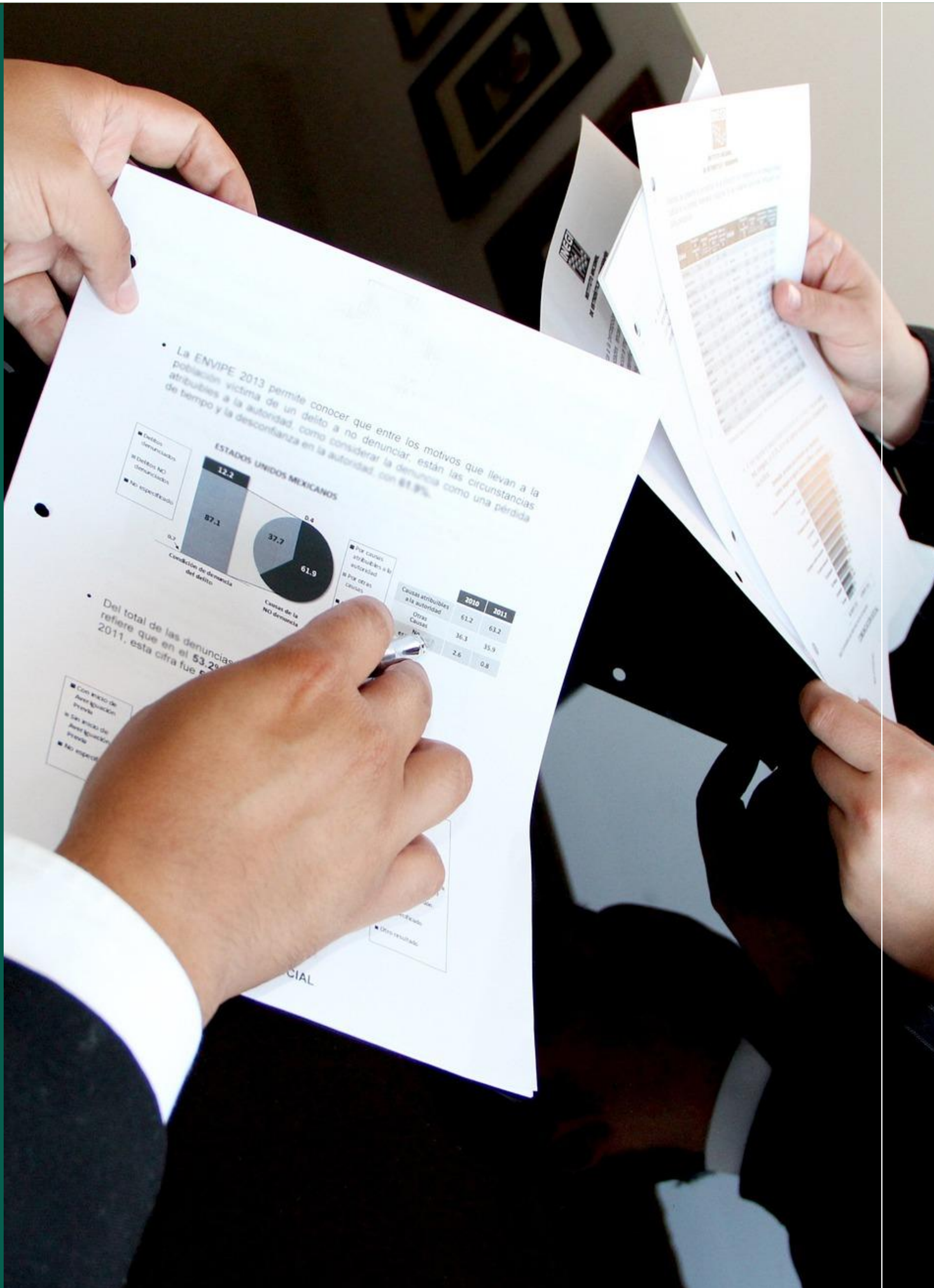
AUGA group also organizes webinars where financial results, strategic decisions, and Q&A sessions are presented to investors. Recordings of these webinars are publicly available on YouTube, allowing all interested parties to access the information at their convenience. Furthermore, investors can find comprehensive financial information on AUGA group's website – including not only official financial statements but also detailed reports, analytical presentations, and financial data in a user-friendly Excel format. Detailed information about each Board member and the Group's CEO is also available. AUGA group aims to ensure that investors don't miss out on important news by sending newsletters that share updates on the Company's activities, strategic decisions, and financial results. Consistent and transparent communication enables investors to make informed decisions while helping AUGA group strengthen trust and uphold high standards of responsible business conduct.

Compliance information

Compliance is an important part of AUGA group's operations, especially considering that AUGA group, RAB is listed on the Nasdaq Vilnius share exchange. In accordance with Article 12, Part 3 of the Law on Securities of the Republic of Lithuania and Clause 25.4 of the Nasdaq Vilnius Listing Rules, the Group publicly discloses how it complies with the Corporate Governance Code for companies listed on Nasdaq Vilnius, including specific provisions or recommendations thereof. Detailed information about the applicable compliance requirements is provided in Annex I of this document.

Compliance is an integral part of AUGA group's good governance, ensuring transparency, accountability, and responsible business conduct. More information about the Group's governance and the standards it upholds can be found in section 3. Governance Report.

Consolidated and separate financial statements



(All amounts are in EUR ’000 unless otherwise stated)

Balance Sheets

		As at 31 December			
		GROUP		COMPANY	
ASSETS	**Notes**	**2024**	**2023**	**2024**	**2023**
Non-current assets					
Property, plant and equipment	5	89,012	90,816	897	1,130
Right-of-use assets	6	45,291	48,664	342	531
Investments in subsidiaries	7	-	-	91,238	108,745
Intangible assets	8	161	5,213	-	326
Trade and other receivables	11	-	536	7,054	3,265
Investments accounted for under the equity method		57	57	-	-
Other assets	12	1,718	1,718	66	66
Deferred income tax assets	19	2,891	2,292	74	-
Biological assets	9	13,978	10,686	-	-
Total non-current assets		**153,108**	**159,982**	**99,671**	**114,062**
Current assets					
Biological assets	9	20,686	23,073	-	-
Inventories	10	16,977	28,663	-	4
Trade and other receivables	11	7,647	10,118	12	2,773
Other assets	12	2,939	3,390	144	290
Cash and cash equivalents	13	1,718	3,455	3	10
Total current assets		**49,967**	**68,699**	**159**	**3,077**
TOTAL ASSETS		**203,075**	**228,681**	**99,830**	**117,139**
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	15	67,803	67,203	67,803	67,203
Share premium	15	6,707	6,707	6,707	6,707
Legal reserve	15	2,041	2,041	2,041	2,041
Revaluation reserve	15	15,908	15,613	-	-
Reserve for share-based payments to employees	15	2,693	2,893	2,693	2,893
Retained earnings		(65,218)	(33,060)	(19,337)	3,218
Equity attributable shareholders of the Company		**29,934**	**61,397**	**59,907**	**82,062**
Non-controlling interest		318	394	-	-
Total equity		**30,252**	**61,791**	**59,907**	**82,062**

(All amounts are in EUR '000 unless otherwise stated)

Non-current liabilities					
Borrowings	16	-	14,640	-	3,581
Lease liabilities	17	39,108	40,532	183	371
Grants	18	4,213	4,691	596	717
Deferred income tax liabilities	19	2,665	1,805	-	-
Other amounts payable	16	-	-	6,371	-
Total non-current liabilities		**45,986**	**61,668**	**7,150**	**4,669**
Current liabilities					
Borrowings	16	83,644	64,007	31,275	28,800
Lease liabilities	17	9,064	7,855	188	166
Trade payables	20	25,974	27,721	524	1,032
Other amounts payable	21	8,155	5,639	786	410
Total current liabilities		**126,837**	**105 222**	**32,773**	**30,408**
Total liabilities		**172,823**	**166,890**	**39,923**	**35,077**
TOTAL EQUITY AND LIABILITIES		**203,075**	**228,681**	**99,830**	**117,139**

The accompanying notes are an integral part of these financial statements.

Elina Chodzkaitė-Barauskienė
Chief Executive Officer

Kristupas Baranauskas
Chief Financial Officer

(All amounts are in EUR '000 unless otherwise stated)

Statements on Profit or Loss and Other Comprehensive Income

STATEMENT OF PROFIT OR LOSS		Year ended 31 December			
		GROUP		COMPANY	
Continuing operations	**Notes**	**2024**	**2023**	**2024**	**2023**
Revenue	22	85,369	77,442	3,289	2,545
Dividends from subsidiaries	26	-	-	1,079	4,701
Cost of sales	22, 23	(77,966)	(70,892)	-	(1)
Change in fair value of biological assets	9, 22	(10,760)	(8,960)	-	-
GROSS PROFIT		**(3,357)**	**(2,410)**	**4,368**	**7,245**
Selling expenses	24	(1,209)	(2,142)	(308)	(973)
Administrative expenses	25	(10,799)	(11,836)	(4,170)	(4,572)
Impairment loss of investments in subsidiaries	7	-	-	(18,696)	(3,839)
Net impairment reversal (loss) of financial assets		(679)	197	(116)	-
Net impairment reversal (loss) of intangible assets		(5,576)	-	(327)	-
Other income	27	461	152	13	447
Other gain/(loss), net	28	1,101	137	8	(3)
OPERATING PROFIT (LOSS)		**(20,058)**	**(15,902)**	**(19,228)**	**(1,695)**
Finance costs	29	(12,328)	(10,177)	(3,609)	(2,600)
LOSS BEFORE INCOME TAX		**(32,386)**	**(26,079)**	**(22,837)**	**(4,295)**
Income tax	19	(55)	(208)	75	-
LOSS FROM CONTINUING OPERATIONS		**(32,441)**	**(26,287)**	**(22,762)**	**(4,295)**
Profit from discontinued operation (attributable to equity holders of the company)	30	-	7,840	-	-
NET LOSS FOR THE PERIOD		**(32,441)**	**(18,447)**	**(22,762)**	**(4,295)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the Company		(32,365)	(18,413)	(22,762)	(4,295)
Non-controlling interest		(76)	(34)	-	-

(All amounts are in EUR '000 unless otherwise stated)

Basic and diluted earnings/(loss) per share (EUR)	31	(0.14)	0.08	(0.10)	(0.02)
STATEMENT OF OTHER COMPREHENSIVE INCOME					
NET PROFIT/(LOSS) FOR THE PERIOD		**(32,441)**	**(18,447)**	**(22,762)**	**(4,295)**
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Revaluation of land, before tax	5	501	2,409	-	-
Deferred income tax liability on revaluation of land	19	(80)	(361)	-	-
Effect of changes in tax rates		(126)	-	-	-
Total other comprehensive income		**295**	**2,048**	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(32,146)**	**(16,399)**	**(22,762)**	**(4,295)**
COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:					
Shareholders of the Company		(32,070)	(16,365)	(22,762)	(4,295)
Non-controlling interest		(76)	(34)	-	-
		(32,146)	**(16,399)**	**(22,762)**	**(4,295)**

The accompanying notes are an integral part of these financial statements.

Elina Chodzkaitė-Barauskienė
Chief Executive Officer

Kristupas Baranauskas
Chief Financial Officer

(All amounts are in EUR '000 unless otherwise stated)

Statements of Changes in Equity

GROUP	**Equity attributable to shareholders of the Company**								
	Share capital	**Share premium**	**Revaluation reserve**	**Reserve for share-based payments to employees**	**Legal reserve**	**Retained earnings/ (deficit)**	**Equity attributable to shareholders of the Company**	**Non-controlling interest**	**Total**
Balance at 1 January 2023	**66,617**	**6,707**	**13,565**	**2,829**	**2,041**	**(14,654)**	**77,105**	**428**	**77,533**
Comprehensive income									
Net (loss) for the year	-	-	-	-	-	(18,413)	(18,413)	(34)	**(18,447)**
Other comprehensive income									
Revaluation of land after income tax effect (notes 5, 19)	-	-	2,048	-	-	-	2,048	-	**2,048**
Total comprehensive income	-	-	2,048	-	-	(18,413)	(16,365)	(34)	**(16,399)**
Share-based payment (note 15)	-	-	-	-	-	657	657	-	**657**
Transfer to reserve for share-based payments to employees (note 15)	-	-	-	650	-	(650)	-	-	**-**
Issue of new shares (note 15)	586	-	-	(586)	-	-	-	-	**-**
Balance at 31 December 2023	**67,203**	**6,707**	**15,613**	**2,893**	**2,041**	**(33,060)**	**61,397**	**394**	**61,791**
Comprehensive income									
Net profit/(loss) for the year	-	-	-	-	-	(32,365)	(32,365)	(76)	**(32,441)**
Other comprehensive income									
Revaluation of land after income tax effect (notes 5, 19)	-	-	295	-	-	-	295	-	295
Total comprehensive income	-	-	**295**	-	-	**(32,365)**	**(32,070)**	**(76)**	**(32,146)**
Share-based payment (note 15)	-	-	-	-	-	607	607	-	607
Transfer to reserve for share-based payments to employees (note 15)	-	-	-	400	-	(400)	-	-	**-**
Issue of new shares (note 15)	600	-	-	(600)	-	-	-	-	**-**
Balance at 31 December 2024	**67,803**	**6,707**	**15,908**	**2,693**	**2,041**	**(65,218)**	**29,934**	**318**	**30,252**

The accompanying notes are an integral part of these financial statements.

Elina Chodzkaitė-Barauskienė
Chief Executive Officer

Kristupas Baranauskas
Chief Financial Officer

(All amounts are in EUR ’000 unless otherwise stated)

COMPANY	**Share capital**	**Share premium**	**Reserve for share-based payments to employees**	**Legal reserve**	**Retained earnings/(deficit)**	**Total**
Balance at 1 January 2023	**66,617**	**6,707**	**2,829**	**2,041**	**7,506**	**85,700**
Comprehensive income						
Net (loss) for the year	-	-	-	-	(4,295)	**(4,295)**
Total comprehensive income	-	-	-	-	**(4,295)**	**(4,295)**
Share-based payment (note 15)	-	-	-	-	657	**657**
Transfer to reserve for share-based payments to employees (note 15)	-	-	650	-	(650)	**-**
Issue of new shares (note 15)	586	-	(586)	-	-	**-**
Balance at 31 December 2023	**67,203**	**6,707**	**2,893**	**2,041**	**3,218**	**82,062**
Comprehensive income						
Net (loss) for the year	-	-	-	-	(22,762)	**(22,762)**
Total comprehensive income	-	-	-	-	**(22,762)**	**(22,762)**
Share-based payment (note 15)	-	-	-	-	607	**607**
Transfer to reserve for share-based payments to employees (note 15)	-	-	400	-	(400)	**-**
Issue of new shares (note 15)	600	-	(600)	-	-	**-**
Balance at 31 December 2024	**67,803**	**6,707**	**2,693**	**2,041**	**(19,337)**	**59,907**

The accompanying notes are an integral part of these financial statements.

Elina Chodzkaitė-Barauskienė
Chief Executive Officer

Kristupas Baranauskas
Chief Financial Officer

(All amounts are in EUR '000 unless otherwise stated)

Statements of Cash Flows

		GROUP		COMPANY	
Cash flows from operating activities	**Notes**	**2024**	**2023**	**2024**	**2023**
Net profit (loss) before tax from:					
Continuing operations		(32,386)	(26,079)	(22,837)	(4,295)
Discontinued operations		-	7,840	-	-
Profit before tax, including discontinued operations		**(32,386)**	**(18,239)**	**(22,837)**	**(4,295)**
Non-cash expense (income) items and other adjustments					
Depreciation expense (Property, plant and equipment)	5	7,452	6,443	254	221
Depreciation expense (Right-of-use assets)	6	7,974	8,651	166	170
Amortization expense	8	83	24	-	1
Share-based compensation expense recognized in the income statement	25	607	657	607	657
Write-offs of property, plant and equipment/intangible assets	5,8	5,576	48	327	-
(Profit) loss on sale of property, plant and equipment	28	(985)	(54)	-	(9)
Profit on sale of subsidiary	30	-	(7,303)	-	-
Provisions for possible losses on receivables and write-offs of debts	11	686	(189)	(68)	4
Provision for sanctions of the National Paying Agency	11	-	565	-	-
Write-off of inventories and biological assets	23	1,186	978	-	-
Impairment of investments	7	-	-	18,713	3,839
Interest income	27	(29)	(45)	-	(238)
Finance expenses	16	6,298	7,226	2,689	2,541
Interest expense related to right-of-use assets	17	4,061	3,036	36	29
Dividends from subsidiaries	26	-	-	(1,079)	(4,701)
(Profit) loss due to change in fair value of biological assets	22	10,760	8,960	-	-
Amortization of grants related to assets	18	(478)	(599)	(121)	(125)
Impairment of inventories	10,23	30	(17)	-	-
Effect of discounting of debts of subsidiaries	29	-	-	466	-
Changes in working capital					
(Increase) decrease in biological assets		(11,665)	(11,990)	-	-
(Increase) decrease in trade and other receivables		2,801	(4,708)	(4,247)	5,594
(Increase) decrease in inventories		10,471	3,827	4	24
(Decrease) increase in trade and other payables		1,036	5,521	500	(5,702)
		13,478	**2,792**	**(4,591)**	**(1,990)**
Interest paid		(7,886)	(10,217)	(738)	(2,329)
Net cash flows from operating activities		**5,592**	**(7,425)**	**(5,329)**	**(4,319)**

(All amounts are in EUR '000 unless otherwise stated)

Cash flows from investing activities					
Acquisitions of tangible fixed assets	5	(3,551)	(6,361)	-	(58)
Acquisitions of intangible fixed assets	8	(1,166)	(2,044)	-	(229)
Acquisition of subsidiaries	7	-	-	-	-
Disposal of subsidiaries	7	-	-	-	-
Proceeds from sale of subsidiary	30	-	11,911	-	-
Sale of tangible fixed assets	28	985	82	-	18
Grants related to assets received from NMA	18	-	827	-	-
Dividends received from subsidiaries	26	-	-	-	701
Loans repaid		-	-	-	-
Loans granted		-	-	-	-
Net cash flows from investing activities		**(3,732)**	**4,415**	**-**	**432**
Cash flows from financing activities					
Bonds	16	4,984	5,880	-	-
Repayment of financial debts from credit institutions	16	(3,757)	(8,329)	(648)	(2,577)
Receipt of financial debts from credit institutions	16	1,166	15,944	6,136	6,628
Receipt of payments under supplier financing agreement		2,544	7,042	-	-
Payments to financial institutions under supplier financing agreement		(2,811)	(9,139)	-	-
Receipt of other loans		770	-	-	-
Repayment of other loans		(640)	-	-	-
Rent payments	17	(5,853)	(8,270)	(166)	(163)
Net cash flows from financing activities		**(3,597)**	**3,128**	**5,322**	**3,888**
Net increase (decrease) in cash and cash equivalents		**(1,737)**	**118**	**(7)**	**1**
Cash and cash equivalents at the beginning of the period		**3,455**	**3,337**	**10**	**9**
Cash and cash equivalents at the end of the period		**1,718**	**3,455**	**3**	**10**
Non-cash financing and investing activities	30				
Cash flows from discontinued operations	30				

The accompanying notes are an integral part of these financial statements.

Elina Chodzkaitė-Barauskienė
Chief Executive Officer

Kristupas Baranauskas
Chief Financial Officer

(All amounts are in EUR '000 unless otherwise stated)

Notes to the Financial Statements

1. General Information

General information about AUGA group, RAB (the "Company"):

Company name:	AUGA Group AB
Share capital:	EUR 67,802,976.72
Registered office address:	Konstitucijos pr. 21C, Quadrum North, LT-08130, Vilnius, Lithuania
Telephone number:	+370 5 233 53 40
Email address:	info@auga.lt
Website address:	www.auga.lt
Legal form:	Public limited liability company
Date and place of registration:	25 June 2003, Vilnius, Lithuania
Legal entity's code:	126264360
Administrator of the Register of Legal Entities:	State enterprise Centre of Registers

The Company's main business activity is management of agricultural companies in Lithuania. The main areas of operation of the Group are as follows: growing and sale of agricultural crops, production and sale of milk, growing and sale of mushrooms, production and sale of consumer packaged goods. As at 31 December 2024, the Group had 1,030 employees (2023: 1,191 employees).

Shareholders holding over 5% of shares in the Company:

	At 31 December 2024		At 31 December 2023	
Shareholder's name	**Number of shares**	**Interest held, %**	**Number of shares**	**Interest held, %**
Baltic Champs Group UAB	113,759,497	48.66	126,686,760	54.67
European Bank for Reconstruction and Development	19,810,636	8.47	19,810,636	8.55
Žilvinas Marcinkevičius	15,919,138	6.81	15,919,138	6.87
Proksima zeta, UAB	12,927,263	5.53	0	0
Minority shareholders	71,386,834	30.53	69,318,598	29.91
Total	**233,803,368**	**100.00**	**231,735,132**	**100.00**

Prior to 9 December 2024, the Company's shares were admitted to trading on the NASDAQ Official List. Effective from 10 December 2024, the shares have been transferred to the NASDAQ Secondary List.

The fiscal year of the Company and its subsidiaries corresponds with a calendar year.

(All amounts are in EUR ’000 unless otherwise stated)

These financial statements were authorised by the Management Board and signed by CEO and CFO 2025 August 7, 2025. The shareholders of the Company have a statutory right not to approve these financial statements and require that the management prepares a new set of financial statements.

As of 31 December 2024, the consolidated group (hereinafter the “Group”) consisted of the Company and 162 subsidiaries (31 December 2023: 163). In 2024, the Company did not set up any new companies or make any changes to its organisational structure. In 2023, as a result of implementation of changes in organisational structure, the Company established 25 new entities: Gotlybiškių pienas UAB, Pamargės pienas UAB, Buktos pienas UAB, Biržulių pienas UAB, Brastos pienas UAB, Vaitiekūnų pienas UAB, Panemunės pienas UAB, Pagulbio pienas UAB, Margavonių pienas UAB, Gudelių pienas UAB, Pakruojo lygumos UAB, Agnasas UAB, Daugava UAB, Gausus derlius UAB, Cooperative entity Šakių ūkiai, Cooperative entity Raguvos ūkiai, Cooperative entity Naudvario ūkiai, Cooperative entity Šiaurės ūkiai, Cooperative entity Želsvos ūkiai, Cooperative entity Bukonių ūkiai, Cooperative entity Gėluvos ūkiai, Cooperative entity Raseinių ūkiai, Cooperative entity Jurbarko ūkiai, Cooperative entity Vaitiekūnų ūkiai, Cooperative entity Mažeikių ūkiai. In 2022, as a result of implementation of changes in organisational structure, the Company established 15 new entities. The list of individually material subsidiaries included in the Group's consolidated financial statements in 2024 and 2023 is provided in the table below.

Non-controlling interest represents the share of profit (loss) and net assets not attributable to the Group. Non-controlling interest is presented separately in the statement of profit (loss) and other comprehensive income. The balance sheet presents separately the equity attributable to non-controlling interest and the equity attributable to shareholders of the parent.

No.	Name of subsidiary	Legal form	Legal entity code	Address, registration date and place	Profile of activities	Group‘s ownership interest, %	
						31/12/2024	31/12/2023
1.	UAB Baltic Champs	*2	302942064	Šiauliai Dist. Mun., Poviliškiai Vil. 15, Registration place: Šiauliai Dist. Mun., Registration date: 21/12/2012	**D	100,00%	100,00%
2.	UAB AGROSS	*2	301807601	Vilnius C. Mun., Vilnius, Konstitucijos ave. 21C, registration address: Vilnius C. Mun., registration date:24/07/2008	**A	100,00%	100,00%
3.	UAB Grain LT	*2	302489354	Vilnius C. Mun., Vilnius, Konstitucijos ave. 21C, registration address: Vilnius C. Mun., registration date: 17/03/2010	**H	100,00%	100,00%
4.	UAB Agrotechnikos centras	*2	302589187	Vilnius C. Mun., Vilnius, Konstitucijos ave. 21C, Registration place: Jonava Dist. Mun., Registration date: 03/02/2011	**F	100,00%	100,00%
5.	UAB AUGA trade	*2	302753875	Jonava Dist. Mun. Bukonys Vil. Lankesos St. 2, Registration place: Jonava Dist. Mun., Registration date: 29/02/2012	**H	100,00%	100,00%
6.	UAB Žemės vystymo fondas 6	*2	300589719	Vilnius C. Mun., Vilnius, Smolensko St. 10, Registration place: Vilnius C. Mun., Registration date: 10/08/2006	**E	100,00%	100,00%
7.	UAB Žemės vystymo fondas 20	*2	300887726	Vilnius C. Mun., Vilnius, Konstitucijos ave. 21C, Registration place: Jonava Dist. Mun., Registration date: 22/06/2007	**B	100,00%	100,00%
8.	UAB AUGA Grūduva	*2	174401546	Šakiai Dist. Mun. Gotlybiškiai Vil., Registration place: Šakiai Dist. Mun., Registration date: 24/02/1997	**A	98,97%	98,98%
9.	ŽŪB AUGA Spindulys	*1	171330414	Radviliškis Dist. Mun., Vaitiekūnai Vil., Spindulio St. 13, Registration place: Radviliškis Dist. Mun., Registration date: 09/04/1993	**A	99,99%	99,99%
10.	ŽŪB AUGA Smilgiai	*1	168548972	Panevėžys Dist. Mun. Smilgiai Twn. Panevėžio St. 23-1, Registration place: Panevėžys Dist. Mun., Registration date: 16/09/1992	**A	100,00%	99,98%
11.	ŽŪB AUGA Skėmiai	*1	171306071	Kėdainių St. 13, Skėmiai Vil., Radviliškis Dist., Registration place: Radviliškis Dist. Mun., Registration date:01/10/1992	**A	99,97%	100,00%
12.	ŽŪB AUGA Nausodė	*1	154179675	Anykščiai Dist. Mun. Nausodė Vil., Nausodės St. 55, Registration place: Anykščiai Dist. Mun., Registration date: 11/08/1992	**A	99,93%	99,94%
13.	ŽŪB AUGA Dumšiškės	*1	172276179	Raseiniai Dist. Mun. Gėluvos Vil., Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 29/09/1992	**A	99,88%	99,38%
14.	ŽŪB AUGA Žadžiūnai	*1	175706853	Šiauliai Dist. Mun. Žadžiūnai Vil., Gudelių St. 30-2, Registration place: Šiauliai Dist. Mun., Registration date: 30/06/1992	**A	99,81%	99,81%
15.	ŽŪB AUGA Mantviliškis	*1	161274230	Kėdainiai Dist. Mun. Mantviliškis Vil., Liepos 6th St. 60, Registration place: Kėdainiai Dist. Mun., Registration date: 06/11/1992	**A	99,94%	99,94%
16.	ŽŪB AUGA Eimučiai	*1	175705032	Šiauliai Dist. Mun. Žadžiūnai Vil., Gudelių St. 30-2, Registration place: Šiauliai Dist. Mun., Registration date: 29/06/1992	**A	99,24%	99,24%
17.	ŽŪB AUGA Vėriškės	*1	171305165	Radviliškis Dist. Mun., Skėmiai Dist., Kėdainių St. 13, Registration place: Radviliškis St. Mun., Registration date: 29/09/1992	**A	99,93%	99,93%
18.	ŽŪB AUGA Želsvelė	*1	165666499	Marijampolė Mun., Želsvelė Vil., Želsvelės St. 1, Registration place: Marijampolė Mun., Registration date: 03/07/1992	**A	99,86%	99,86%
19.	ŽŪB AUGA Lankesa	*1	156913032	Jonava Dist. Mun. Bukoniai Vil., Registration place: Jonava Dist. Mun., Registration date: 06/04/1999	**A	99,59%	99,59%
20.	ŽŪB AUGA Kairėnai	*1	171327432	Radviliškis Dist. Mun. Kairėnai Vil., Registration place: Radviliškis Dist. Mun., Registration date: 02/03/1993	**A	98,47%	98,47%

(All amounts are in EUR ’000 unless otherwise stated)

No.	Name of subsidiary	Legal form	Legal entity code	Address, registration date and place	Profile of activities	Group‘s ownership interest, %	
						31/12/2024	31/12/2023
21.	ŽŪB AUGA Jurbarkai	*1	158174818	Jurbarkas Dist. Mun. Klišiai Vil. Vytauto Didžiojo St. 99, Registration place: Jurbarkas Dist. Mun., Registration date: 31/07/1992	**A	98,46%	98,47%
22.	ŽŪB AUGA Gustoniai	*1	168565021	Panevėžys Dist. Mun. Gustoniai Vil. M. Kriaučiūno St. 15, Registration place: Panevėžys Dist. Mun, Registration date: 09/12/1992	**A	100,00%	100,00%
23.	ŽŪK AgroBokštai	*3	302485217	Vilnius C. Mun., Vilnius C. Konstitucijos ave. 21C, Registration place: Vilnius C. Mun., Registration date: 02/03/2010	**A	99,66%	99,64%
24.	KB Dotnuvėlės valdos	*3	302618614	Šiauliai Dist. Mun. Žadžiūnai Vil. Gudelių St. 30-2, Registration place: Šiauliai Dist. Mun., Registration date: 21/04/2011	**A	99,91%	99,92%
25.	KB Šventosios pievos	*3	302618201	Raseiniai Dist. Mun. Kalnujai Twn. Žieveliškių St. 1, Registration place: Raseiniai Dist. Mun., Registration date: 20/04/2011	**A	99,35%	99,26%
26.	KB Šušvės žemė	*3	302618767	Kelmė Dist. Mun. Pašiaušė Vil. Vilties St. 2, Registration place: Kelmė Dist. Mun., Registration date: 21/04/2011	**A	99,64%	99,64%
27.	KB Žalmargėlis	*3	303145954	Vilnius C. Mun. Vilnius C. Konstitucijos ave. 21C, Registration place: Vilnius C. Mun., Registration date: 23/09/2013	**A	99,53%	99,53%
28.	KB Juodmargėlis	*3	303159014	Raseiniai Dist. Mun. Kalnujai twn. Žieveliškių St. 1, Registration place: Raseiniai Dist. Mun., Registration date: 03/10/2013	**A	99,91%	99,81%
29.	KB AgroMilk	*3	302332698	Raseiniai Dist. Mun. Kalnujai twn. Žieveliškių St. 1, Registration place: Raseiniai Dist. Mun., Registration date: 23/04/2009	**A	99,33%	99,34%
30.	UAB AUGA Community	*2	302820808	Vilnius C. Mun., Vilnius C. Konstitucijos ave. 21C, Registration place: Jonava Dist. Mun., Registration date: 16/07/2012	**G	100,00%	100,00%
31.	UAB AUGA Tech	*2	302820797	Vilnius C. Mun. Vilnius C. Konstitucijos ave. 21C, Registration place: Jonava Dist. Mun., Registration date: 16/07/2012	**J	100,00%	100,00%
32.	UAB AUGA Ramučiai	*2	302854479	Akmenė Dist. Mun. Ramučiai Vil. Klevų St. 11, Registration place: Akmenė Dist. Mun., Registration date: 08/09/2012	**A	100,00%	100,00%
33.	UAB AUGA Luganta	*2	300045023	Kelmė Dist. Mun. Pašiaušė Vil. Registration place: Kelmė Dist. Mun., Registration date: 05/09/2012	**A	100,00%	100,00%
34.	ŽŪB Dumšiškių ekologinis ūkis	*1	303324722	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 09/06/2014	**A	100,00%	100,00%
35.	ŽŪB Eimučių ekologinis ūkis	*1	303324715	Šiauliai Dist. Mun. Žadžiūnai Vil. Gudelių St. 30-2, Registration place: Šiauliai Dist. Mun., Registration date: 09/06/2014	**A	100,00%	100,00%
36.	ŽŪB Grūduvos ekologinis ūkis	*1	303324804	Šakiai Dist. Mun. Gotlybiškių Vil. Mokyklos St. 2, Registration place: Šakiai Dist. Mun., Registration date: 09/06/2014	**A	100,00%	100,00%
37.	ŽŪB Lankesos ekologinis ūkis	*1	303325710	Jonava Dist. Mun. Bukoniai Vil. Lankesos St. 2, Registration place: Jonava Dist. Mun., Registration date: 09/06/2014	**A	100,00%	100,00%
38.	ŽŪB Žadžiūnų ekologinis ūkis	*1	303325870	Šiauliai Dist. Mun. Žadžiūnai Vil. Gudelių St. 30-2, Registration place: Šiauliai Dist. Mun., Registration date: 09/06/2014	**A	100,00%	100,00%
39.	ŽŪB Želsvelės ekologinis ūkis	*1	303325856	Marijampolė Dist. Želsva Vil. Želsvelės St. 1, Registration place: Marijampolė Dist., Registration date: 09/06/2014	**A	100,00%	100,00%
40.	KB Žemėpačio pieno ūkis	*3	303432388	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 22/10/2014	**A	99,46%	99,46%
41.	KB Žemynos pienelis	*3	303427989	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 17/10/2014	**A	99,46%	99,46%
42.	KB Laumės pieno ūkis	*3	303427996	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 17/10/2014	**A	99,46%	99,46%
43.	KB Medeinos pienas	*3	303428112	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai St. Mun., Registration date: 17/10/2014	**A	99,46%	99,46%
44.	KB Gardaitis	*3	303429381	Panevėžys Dist. Mun. Gustoniai Vil. M. Kriaučiūno St. 15, Registration place: Radviliškis Dist. Mun., Registration date: 20/10/2014	**A	99,46%	99,46%
45.	KB Dimstipatis	*3	303429424	Mažeikiai Dist. Mun. Naikiai Vil. Mažeikių Byp. 9, Registration place: Mažeikiai Dist. Mun., Registration date: 20/10/2014	**A	99,46%	99,46%
46.	KB Aušlavis	*3	303429456	Anykščiai Dist. Mun. Nausodė Vil. Nausodės St. 55, Registration place: Radviliškis Dist. Mun., Registration date: 20/10/2014	**A	99,46%	99,46%
47.	KB Austėjos pieno ūkis	*3	303428094	Mažeikiai Dist. Mun. Naikiai Vil. Mažeikių Byp. 9, Registration place: Mažeikiai Dist. Mun., Registration date: 17/10/2014	**A	99,46%	99,46%
48.	KB Giraičio pieno ūkis	*3	303429399	Mažeikiai Dist. Mun. Naikiai Vil. Mažeikių Byp. 9, Registration place: Mažeikiai Dist. Mun., Registration date: 20/10/2014	**A	99,46%	99,46%

(All amounts are in EUR ’000 unless otherwise stated)

No.	Name of subsidiary	Legal form	Legal entity code	Address, registration date and place	Profile of activities	Group‘s ownership interest, %	
						31/12/2024	31/12/2023
49.	UAB AUGA Mažeikiai	*2	300610348	Mažeikiai Dist. Mun. Naikių Vil. Mažeikiai Byp. 9, Registration place: Mažeikiai Dist. Mun., Registration date: 20/10/2014	**A	100,00%	100,00%
50.	UAB Agronuoma	*2	303204954	Raseiniai Dist. Mun. Gėluva Vil. Dvaro St. 30, Registration place: Raseiniai Dist. Mun., Registration date: 20/10/2014	**E	100,00%	100,00%
51.	UAB AUGA Raseiniai	*2	304704364	Raseiniai Dist. Mun. Kalnujai twn. Žieveliškės St. 1, Registration place: Raseiniai Dist. Mun., Registration date: 06/11/2017	**A	100,00%	100,00%
52.	UAB Tėvynės žemelė	*2	303301428	Lankesos St. 2, Bukoniai Vil., LT-55418 Jonava Dist. Registration place: Jonava Dist., Registration date: 30/04/2014	**E	98,97%	98,98%
53.	UAB Tėviškės žemelė	*2	303207199	Antano Tumėno St. 4, Vilnius Mun., Vilnius, Registration date: 17/12/2013	**E	100,00%	98,98%
54.	ŽŪB "AUGA Alanta"	*1	167527719	Skiemonių St. 2A, Kazlo Vil., LT-33311 Molėtai Dist., Registration place: Molėtai Dist., Registration date: 29/06/1992	**E	99,99%	99,99%
55.	UAB AUGA SOFA	*2	306199583	Vilnius C. Mun. Vilnius C. Konstitucijos ave. 21C, Registration place: Vilnius C. Mun., Registration date: 19/12/2022	**C	100,00%	100,00%
56.	UAB Gotlybiškių pienas	*2	306238837	Šakiai Dist., Šakiai Eldr., Gotlybiški Vil., Lankų St. 10, Registration place: Šakiai Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
57.	UAB Pamargės pienas	*2	306237977	Panevėžys Dist., Smilgiai Eldr., Smilgiai Vil. 7, Registration place: Panevėžys Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
58.	UAB Buktos pienas	*2	306238627	Marijampolė Dist, Liudvinavo Eldr., Būriškiai Vil., Želsvelės St. 12, Registration place: Marijampolė Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
59.	UAB Biržulių pienas	*2	306238495	Jonava Dist., Bukoniai Eldr., Bukoniai Vil., Lankesos St. 16, Registration place: Jonava Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
60.	UAB Brastos pienas	*2	306238698	Anykščiai Dist, Troškūnai Eldr., Kirmėlė Vil., Nausodės St. 2, Registration place: Anykščiai Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
61.	UAB Vaitiekūnų pienas	*2	306238602	Radviliškis Dist, Grinkiškis Dist., Kairėnėlė Vil., Grinkiškio St. 53, Registration place: Radviliškis Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
62.	UAB Panemunės pienas	*2	306242807	Jurbarkas Dist, Jurbarkas Eldr., Klišiai Vil., Vytauto Didžiojo St. 101, Registration place: Jurbarkas Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
63.	UAB Pagulbio pienas	*2	306238367	Molėtai Dist, Alantas Eldr., Rasokalnis Vil. 1, Registration place: Molėtai Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
64.	UAB Margavonių pienas	*2	306238050	Radviliškis Dist, Šeduva C. Eldr., Žilioniai Vil. 12, Registration place: Radviliškis Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
65.	UAB Gudelių pienas	*2	306237984	Šiauliai Dist., Kairiai Eldr., Žadžiūnai Vil., Gudelių St. 44C, Registration place: Šiauliai Dist., Registration date: 31/01/2023	**A	100,00%	100,00%
66.	UAB Pakruojo lygumos	*2	306238844	Šiauliai Dist., Kairiai Eldr., Žadžiūnai Vil., Gudelių St. 30-3, Registration place: Šiauliai Dist., Registration date: 31/01/2023	**E	100,00%	100,00%
67.	UAB Agnasas	*2	306238812	Raseiniai Dist, Kalnujai, Žieveliškės St. 1, Registration place: Raseiniai Dist., Registration date: 31/01/2023	**E	100,00%	100,00%
68.	UAB Daugava	*2	306238449	Panevėžys Dist., Smilgiai, Panevėžio St. 36, Registration place: Panevėžys Dist., Registration date: 31/01/2023	**E	100,00%	100,00%
69.	UAB Gausus derlius	*2	306238709	Radviliškis Dist, Skėmiai Eldr., Skėmiai Vil., Kėdainių St. 13, Registration place: Radviliškis Dist., Registration date: 31/01/2023	**E	100,00%	100,00%
70.	KB Šakių ūkiai	*3	306324670	Šakiai Dist., Šakiai Eldr., Gotlybiškiai Vil., Mokyklos St. 2, Registration place: Šakiai dist., Registration date: 23/05/2023	**A	99,77%	100,00%
71.	KB Raguvos ūkiai	*3	306323903	Anykščiai Dist., Troškūnai Eldr., Nausodė Vil., Nausodės St. 55, Registration place: Anykščiai Dist., Registration date: 23/05/2023	**A	99,99%	100,00%
72.	KB Naudvario ūkiai	*3	306323821	Panevėžys Dist., Smilgiai, Panevėžio St. 23-1, Registration place: Panevėžys Dist., Registration date: 23/05/2023	**A	99,96%	100,00%
73.	KB Šiaurės ūkiai	*3	306324243	Šiauliai Dist, Kairiai Eldr., Žadžiūnai Vil., Gudelių St. 30-2, Registration place: Šiauliai Dist., Registration date: 23/05/2023	**A	99,96%	100,00%
74.	KB Želsvos ūkiai	*3	306324371	Marijampolė Mun., Liudvinavas Eldr., Želsva Vil., Želsvelės St. 1, Registration place: Marijampolė Dist., Registration date: 24/05/2023	**A	99,77%	100,00%
75.	KB Bukonių ūkiai	*3	306325142	Jonava Dist., Bukoniai Eldr., Bukoniai Vil., Lankesos St. 2, Registration place: Jonava Dist., Registration date: 24/05/2023	**A	99,93%	100,00%
76.	KB Gėluvos ūkiai	*3	306324745	Raseiniai Dist., Ariogala Eldr., Gėluva Vil., Dvaro St. 30, Registration place: Raseinia Dist., Registration date: 24/05/2023	**A	99,98%	100,00%

No.	Name of subsidiary	Legal form	Legal entity code	Address, registration date and place	Profile of activities	Group's ownership interest, % 31/12/2024	Group's ownership interest, % 31/12/2023
77.	KB Raseinių ūkiai	*3	306325459	Raseiniai Dist., Kalnujai, Žieveliškės St. 1, Registration place: Raseiniai Dist., Registration date: 25/05/2023	**A	99,98%	100,00%
78.	KB Jurbarko ūkiai	*3	306325039	Jurbarkas Dist., Jurbarkai Eldr., Klišiai Vil., Vytauto Didžiojo St. 99, Registration place: Jurbarkas Dist., Registration date: 25/05/2023	**A	99,69%	100,00%
79.	KB Vaitiekūnų ūkiai	*3	306325676	Radviliškis Dist., Skėmiai Eldr., Skėmiai Vil., Kėdainių St. 13, Registration place: Radviliškis Dist., Registration date: 25/05/2023	**A	99,98%	100,00%
80.	KTG Agrar UAB	*2	167527719	Vilnius C. Mun., Vilnius C. Konstitucijos ave. 21C, Registration place: Vilnius C. Mun., Registration date : 05/07/2005	**F	100,00%	100,00%

COMMENTS:

*	**	
*1 Agricultural entity	**A Agricultural activities	**G Management of subsidiaries
*2 Private limited liability company	**B Group's cash pool	**H Trade and logistics
*3 Cooperative entity	**C Farming operations	** I Food production
	**D Mushroom growing and trade	**J Technology development
	**E Land management	
	**F Lease of machinery	

2. Summary of Material Accounting Policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the annual periods presented unless otherwise stated (the adoption of new and amended standards).

2.1. Basis of Preparation

The Group's/Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), effective as at 31 December 2024 (all references to IFRS hereinafter should be construed as references to IFRS, as adopted by the EU).

The consolidated and separate financial statements have been prepared on the historical cost basis, except for the following: a) land classified as property, plant and equipment, which is measured at revalued amount; b) biological assets (livestock and crops).

The consolidated and separate financial statements are presented in the national currency of Lithuania, the euro (EUR), and all amounts are rounded to the nearest thousand (EUR '000) unless otherwise stated. The euro is the Group's and the Company's functional and presentation currency.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. These standards also require management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Going concern basis

The Group's/Company's financial statements have been prepared on a going concern basis.

The year 2024 was full of challenges for the Group and the Company. On October 17, 2024, the Group's company was supposed to redeem a bond issue of EUR 6 million; on December 17, 2024, the Company was supposed to redeem a Green Bond issue of EUR 20 million issued in 2019. Due to financial difficulties, neither the Group's company nor the Company redeemed the specified issues. Considering the situation, the Group's management convened a general shareholders' meeting on November 11, 2024, which took place on December 4, 2024. During the meeting, the shareholders decided to restructure the Company to protect the interests of both shareholders and creditors. Restructuring cases were initiated not only for the Company but also for individual companies controlled by the Company, which numbered 18 companies at the time of the report's issuance. The main goal of the restructuring is to settle with all the Company's and Group's creditors while maintaining the Group's long-term solvency. The restructuring plan, announced on June 20, 2025, outlines that the Company and the Group will restore solvency by selling managed assets and optimizing operations.

Considering that the Company's and the Group's management believes that the restructuring plan will be approved, these financial statements are prepared on a going concern basis, but appropriate adjustments have been made in the financial statements:

- Given that the goal of the Company and the Group is to settle with external creditors, the receivables and payables from Group companies in the separate financial statements of the Company have been classified as long-term receivables/payables and discounted to present value using the Group's average borrowing rate;
- Considering that final agreements with creditors had not been reached as of the balance sheet date and the date of issuance of these statements, the Company and the Group classified financial liabilities (except for finance lease agreements related to the right to use assets) as short-term financial liabilities.

The restructuring plan draft prepared by the Company outlines measures and actions that, once implemented, are expected to restore the long-term solvency of the Company and the Group. In addition to planned cost reductions, the plan includes the following actions:

- Realization of part of the Company's and managed assets to cover obligations;
- Creation of separate dairy and agricultural funds, which would allow the separation of successfully operating companies, thereby attracting investors to specific activities for their development; a separate structure is necessary to ensure that these companies are separated from the group and allow investors to invest in individual businesses, protecting their investments;
- Sale of the funds after expanding their activities

In summary, there is significant uncertainty that may cast doubt on the Company's and the Group's ability to continue as a going concern. The approval of the restructuring plan is currently the main source of material uncertainty due to its nature and dependence on related parties: creditors, shareholders, and the court. The approval of the restructuring plan is essential to ensure the continuity of operations – the plan must be approved by shareholders and creditors and confirmed by the court. As of the preparation of these statements, the restructuring plan has not yet been approved. Once the restructuring plan is approved, the Company and the Group will need to implement the actions outlined in the plan.

Accordingly, due to the aforementioned circumstances, the Company and the Group may be unable to realize their assets and meet their obligations under normal business conditions. The financial statements do not include adjustments that would be necessary if the Company and the Group were unable to continue their operations in the near future.

2.2. New Standards, Amendments and Interpretations

In 2024, the Group/Company adopted all new and revised standards and interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to their operations and effective for the reporting period beginning on 1 January 2024.

Adoption of new and/or amended IFRSs and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)

a) The following new and/or amended IFRSs and interpretations of the International Financial Reporting Interpretations Committee were adopted for the first time by the Group/Company in the year ended 31 December 2024:

Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date *(issued on 23 January 2020, effective from 1 January 2024)*

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments.
The amendments in Non-current Liabilities with Covenants (Amendments to IAS 1) (issued on 31 October 2022, effective from 1 January 2024):

Modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted.

(All amounts are in EUR '000 unless otherwise stated)

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale *(issued on 22 September 2022, effective from 1 January 2024):*

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements (issued on May 2023, effective from 1 January 2024):
Supplier Finance Arrangements amends IAS 7 Statement of Cash Flows to require an entity to provide additional disclosures about its supplier finance arrangements. The amendments also add supplier finance arrangements as an example within the liquidity risk disclosure requirements of *IFRS 7 Financial Instruments: Disclosures.*

These amendments did not have a significant impact on the Group's and the Company's financial statements.

b) Other new standards that were issued but not yet effective as of December 31, 2024, and which the Group and the Company have not early adopted, are assessed to have no significant impact on past and future reporting periods and anticipated future operations.

2.3. Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, the Group controls an entity when the Group's shareholding has more than 50% of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions

Intragroup transactions, intragroup balances and unrealised gains resulting from intragroup transactions are eliminated. Gains or losses resulting from intragroup transactions that are included in assets are also eliminated. Unrealised losses are also eliminated, but considered as impairment indicator of the asset transferred.

2.4. Property, Plant and Equipment

Property, plant and equipment, except land, is stated at cost less subsequent accumulated depreciation and impairment loss. Land is stated at revalued amount.

Buildings mostly represent cow farms, workshop facilities and grain storage buildings. Plant and machinery comprise agricultural equipment and milking farm equipment.

Land mostly represents agricultural land stated at revalued amount, which is based on periodic, i.e. at least triennial, valuations by external independent valuers.

Property, plant and equipment is initially recognised at cost, including non-refundable purchase taxes and any costs directly attributable to bringing the asset into operation or moving the asset to present location.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group/Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss in the period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss.

Land is not depreciated. Depreciation for other categories of property, plant and equipment (except construction in progress) is calculated using the straight-line method to write off their cost or revaluated amounts to their residual values over their estimated useful lives as follows:

Buildings	20–50	years

Plant and machinery	4–20	years
Motor vehicles	1–10	years
Other fixtures, fittings, tools and equipment	1-10	years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The assets' residual value and useful lives are reviewed annually to ensure that they match the expected pattern of consumption.

Construction-in-progress represents property, plant and equipment under construction. Such assets are carried at cost, less any recognised amount of impairment loss. The cost includes designing, construction works, machinery and equipment to be installed and other direct costs.

Property, plant and equipment is written off when it is disposed or when no economic benefits are expected from its use or disposal. Gain and loss on disposal is estimated by comparing the proceeds with the carrying amount of the asset disposed, and the difference is recognised under operating expenses in the statement of profit or loss. When the revalued assets are sold, the respective amounts included in revaluation reserve are transferred to retained earnings.

The useful lives of property, plant and equipment are determined by management at the time of acquisition and subsequently reviewed on an annual basis.

2.5. Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiary is included in 'intangible assets'. Following the initial recognition, goodwill is carried at cost less accumulated impairment loss. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill is allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination in which the goodwill arose, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.
If goodwill has been allocated to a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Internally generated intangible assets

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use
- management intends to complete the product and use or sell it
- there is an ability to use or sell the product
- it can be demonstrated how the product will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the product are available
- the expenditure attributable to the product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the product include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

The internally generated intangible asset with a limited useful life amortises using the straigh-line method. The amortization period will be assessed and determined upon completion of the development activity.

Other intangible assets

Amortisation of other intangible assets is calculated on a straight-line basis over the established 5 years amortisation period.

The useful lives of intangible assets are determined by management at the time the asset is acquired and reviewed on an annual basis.

Other intangible assets are tested for impairment whenever there are indications that the assets may be impaired.

2.6. Impairment of Non-financial Assets

Non-financial assets (other than goodwill, biological assets, inventories and deferred income tax) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist, the recoverable amount of the asset is estimated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets (other than goodwill) that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Reversal of impairment losses recognised in prior years is recorded when there is an indication that previously recognised impairment losses no longer exist or have decreased significantly.

When the carrying amount of an asset exceeds its recoverable amount, impairment is recognised in the statement of profit or loss. The reversal of impairment losses is recognised in statement of profit or loss under the same line item as impairment losses.

2.7. Biological Assets

On initial recognition and at each balance sheet date, biological assets are stated at fair value less estimated costs to sell, except where the fair value cannot be measured reliably on initial recognition.

Agricultural produce harvested from the Group's biological assets is stated at fair value less estimated costs to sell at the point of harvest, and subsequently it is recorded as inventories (note Inventories is cultural produce is included in biological assets only until the point of harvest.

The costs incurred during the growth period (crops, mushrooms, livestock until 1st lactation period) are capitalised and included in the respective category of assets. At each reporting date, the biological assets are revalued to their fair value. The gain or loss on revaluation (the difference between the fair value and the costs incurred) is recognised under the line item "Change in fair value of biological assets in statement of profit or loss. On sales of the produce (crops, mushrooms, milk, meat), the carrying amount of the biological assets/agricultural produce is recognised in the statement of profit or loss by type of costs incurred – all costs incurred by type under the line item "Cost of sales", including gain/loss from change in fair value.

In the statement of profit or loss, the line item "Change in fair value of biological assets" includes: (1) gain (loss) from change in fair value of agricultural produce not sold at the reporting date (mainly crops, as milk and mushrooms are sold immediately) and (2) gain (loss) from change in fair value of dairy cows, (2.1) during the growth period being the difference between the costs incurred and recognised, and the fair values at reporting dates; and (2.2) during the milking period being the decrease in the fair value based on the remaining useful life of the cows; and any other changes due to changes in the inputs used for the cash flow forecasts.

All other movements on the account of biological assets (note 9) are recorded as capitalised costs.

The line item "Cost of sales" includes all costs incurred to grow crops, mushrooms and produce milk and meat sold during the reporting period. The costs incurred to in relation to produce not sold at the reporting date are capitalised at initial cost, and in subsequent periods will be included in "Cost of sales" when the produce is sold. The costs incurred to grow dairy cows are not included in "Cost of sales"; instead, the carrying amount of cows is written- off over the useful life of the cows as the change in the fair value under the line item "Change in fair value of biological assets".

Fair value measurement

An active market exists for biological assets (e.g. livestock) or agricultural produce. The quoted price in that market is considered to be an appropriate basis for measuring the fair value of that asset. If an active market does not exist, the most recent market transaction price is used in measuring the fair value, provided that there has not been a significant change in economic circumstances between the transaction date and the balance sheet date. The acquisition cost is used as an approximation of faii value only when little biological transformation has taken place since the date of incurrence of these costs (e.g., within short time after seeding the crop or mushroom).

2.8. Financial Assets

Classification

The Group/Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI),
- those to be measured subsequently at fair value through profit or loss (FVPL), and
- those to be measured at amortised cost.

All Group‘s/Company‘s financial assets are measured at amortised cost.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Measurement

Initial measurement

On initial recognition, the Group/Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

All financial assets fall within category of assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group/Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment of financial assets

The Group/Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment approach depends on whether there has been a significant increase in credit risk.

Other financial assets

The Group/Company follows a three-stage model for impairment of financial assets other than trade receivables:

- Stage 1 - balances, for which the credit risk has not increased significantly since initial recognition, or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses ('ECL') are recognised and interest income is calculated on the gross carrying amount of the asset (that is, before deduction of loss allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2 - comprises balances for which there have been a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as a weighting factor.

- Stage 3 - comprises balances with objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest income is calculated on the net carrying amount (i.e. net of loss allowance).

Financial assets are considered as credit-impaired if objective evidence of impairment exist at the reporting date. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation.

Financial assets are written off, in whole or in part, when there is no reasonable expectation of recovery. This is generally the case when the Group determines that a debtor has no assets or sources of income that could generate sufficient cash flows to recover the amounts written off. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are written off when they are identified as uncollectible. The financial assets that are written off may still be subject to enforcement activity in order to comply with the Group‘s debt recovery procedures.

Trade receivables

The Group/Company applies the simplified approach under IFRS 9 to measure the expected credit losses by using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on revenue-generating segments of the Group (livestock, agriculture, mushrooms & consumer packaged goods). The expected loss rates are based on the payment profiles of sales over a period of 36 month and the corresponding historical credit losses incurred over this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group/Company has identified the EU GDP growth rate to be the most relevant factor, and accordingly, adjusts the historical loss rates based on the expected changes in this factor.

Based on information stated above, the loss allowance was determined for trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group/Company, and default on contractual payments with past due period greater than 12 months.

2.9. Inventories

Cost of agricultural produce harvested from the biological assets

The Group measures agricultural produce harvested from the biological assets initially at its fair value less costs to sell at the point of harvest. Such value is the cost of agricultural produce.

Subsequent measurement

Inventories are stated at the lower of cost and net realisable value. Cost is determined under FIFO method. The cost of inventories comprises purchase price, taxes (other than those subsequently recoverable by the Group/Company from the tax authorities), transport, storage and other costs directly attributable to the acquisition of inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less the applicable selling expenses.

2.10. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.11. Revaluation Reserve

Gain on revaluation of property, plant and equipment is recognised in equity and included in the revaluation reserve. If the result of the revaluation of an asset is negative and no positive result on revaluation of that asset has been previously included in the revaluation reserve in equity, the revaluation loss is recognised in the statement of profit or loss. If the revaluation surplus exists relating to a previous revaluation of that asset, the revaluation loss, not in excess of the existing surplus, is recognised in revaluation reserve. Revaluation reserve represents revaluation surplus, net of tax. Deferred tax liability is calculated on the total value of the revaluation reserve.

2.12. Grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group/Company will comply with all attached conditions.

Government grants related to assets include grants intended for purchase of property, plant and equipment. They are included in non-current liabilities as deferred income from grants, and they are credited to profit or loss on a systematic basis over the expected useful lives of the related assets. The amount of grants related to property, plant and equipment is deducted from depreciation expenses of the related asset.

Government grants related to income include all grants intended for compensation of expenses already incurred, and all other grants, except the ones intended for purchase of property, plant and equipment. Government grants related to income are recognised in profit or loss over the period necessary to match them with the expenses that they are intended to compensate. Where the expenses have already been incurred in the previous periods, the grant may be recognised in profit or loss in full when received. The grants relating to income are recognised in statement of profit or loss by reducing the cost of goods sold.

2.13. Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in an ordinary course of business. Trade payables are included in current liabilities when payment is due within one year or less. If not, they are included in non-current liabilities.

Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

2.14. Supplier Financing Arrangement (Factoring)

Supplier financing arrangement is a reverse factoring arrangement, where a financial institution (the factor) agrees to pay amounts the Group owes to the suppliers and the Group agrees to pay the financial institution at the same date as, or a date later than suppliers are paid. Based on the arrangements the Group authorises the factor to repay the invoices to the suppliers. When the factor repays the invoice, the Group assumes an unconditional obligation to repay to the factor. This represents a change of the creditor with a written consent of the Group. The moment of legal release of a debtor under obligation which is being assigned by way of factoring transaction is defined by Article 6.909, part 3, of the Lithuanian Civil Code. It establishes that in the case of factoring, only the payment of outstanding monetary claim releases the original debtor from its obligations towards the supplier. Therefore, while the factored amounts are still unpaid and remain on the Group's balance sheet, the Group is not legally released from its obligations towards the original suppliers, even if they have transferred those amounts to the factor (third party) by way of factoring transaction. Based on the above, the Group continues recognising liabilities until it is unconditionally and legally released from obligations towards the original suppliers.

The Group presents liabilities that are part of a reverse factoring arrangement as part of trade payables only when those liabilities have a similar nature and function to trade payables. However, these liabilities are presented separately when the size, nature or function of those liabilities makes separate presentation relevant to an understanding of the Group’s financial position. In assessing whether it is required to present such liabilities separately, the Group considers the amounts, nature and timing of those liabilities. In the separate and consolidated balance sheet, the Group’s liabilities under the supplier financing arrangements are presented under the same line item as trade payables. The Group presents the supplier financing arrangements as cash flows from financing activities in its consolidated statement of cash flows. The use of factoring services ensures a long-term co-operation and enables both the Group and the suppliers to balance their cash flows by matching the payment terms to the agricultural business cycle (180-270 days).

2.15. Borrowings

Borrowings and bonds are recognised initially at fair value, net of transaction costs incurred. Borrowings and bonds are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the maturity term of the borrowings using the effective interest rate method.
Borrowings and bonds are classified as current liabilities unless the Group/Company has an unconditional right to defer settlement of the liability for a period longer than 12 months after the balance sheet date or contractual payments are made after one year based on the agreed payment schedule.

2.16. Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17. Lease – Where the Group/Company is a Lessee

Right-of-use assets are initially measured at cost, and subsequently they are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date.

The right-of-use assets are depreciated under the depreciation requirements of IAS 16, Property, Plant and Equipment. If, under the lease agreement, ownership of the leased asset transfers to the Group/Company at the end of the lease term or if the cost of the right-of-use asset reflects that the Group/Company will exercise a purchase option, the Group/Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset. Otherwise, the Group/Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease term varies as follows:

Land	2–98	years
Buildings	1–5	years
Plant and machinery	1–5	years
Motor vehicles	1–5	years
Other fixtures, fittings, tools and equipment	1–5	years

The lease duration aligns with the long term 5-year strategy aimed at sustaining crop cultivation operations. The lease term is a non-cancellable period. The periods covered by an option to extend or terminate the lease (if any) are included in the lease term only if it is reasonably certain that the lease will be extended or terminated.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities related to the right-of-use of assets were measured at the present value of the remaining lease payments discounted using the annual fixed interest rate of the Group's Green Bonds, which are collateralized by substantially all of the Group's land (note 5). The interest rate applied in 2024 and 2023 was 6%.

Lease payments included in the measurement of a lease liability include fixed payments (including in-substance fixed payments) and variable lease payments that depend on an index or a rate. The potential future increases in variable lease payments based on an index or rate are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. The variable lease payments that do not depend on change in an index or other variable are recognised as expense in the period when they occur.

The right-of-use assets are subject to impairment (see note 2.6).

Short-term lease and lease of low-value assets

The Group/Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Group/Company also applies the lease of low-value assets recognition exemption to leases of office premises and other equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense over the lease term of the assets.

2.18. Lease – Where the Group/Company is a Lessor

Leases in which the Group/Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income is accounted for on a straight-line basis over the lease term and is included in “Other income“ in the statement of profit or loss.

2.19. Current and Deferred Income Tax

According to the corporate income tax rate of the reporting period under the laws of the Republic of Lithuania, profits are taxed at a rate of 15% in 2023 and 2024. From 2025 onwards, the profit tax rate will be 16%. When calculating deferred income tax as of 31 December 2024, the change in profit tax rate for 2025 is taken into account and the new rate of 16% applied.

Current income tax expenses are calculated and accrued for in the separate and consolidated financial statements on the basis of information available at the moment of preparation of the financial statements and management‘s estimates of income tax in accordance with Lithuanian regulatory legislation on taxation.

Deferred income tax assets are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences and accumulated tax losses can be utilised.

Under the Lithuanian laws, the tax losses from operating activities can be carried forward indefinitely if the taxpayer continues to engage in business activities in which such losses have been incurred. When calculating income tax, only up to 70% of current period taxable profit can be offset against tax losses carried forward from previous periods.

Deferred tax assets and liabilities are offset when they relate to taxes levied by the same taxation authority and when there is a legally enforceable right to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20. Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable for goods and services sold in the ordinary course of business. Revenue is presented net of value-added tax, rebates and discounts (also after elimination of intragroup sales in case of consolidated revenue).

The Group/Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group/Company, and the specific criteria have been met in respect of each type of the Group's/Company’s activities as described below.

The Group/Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specific nature of each arrangement.

Revenue is measured with reference to the transaction prices agreed under the contracts. The consideration becomes receivable mostly when the legal title of ownership has been transferred.

The Group disaggregates revenue from contracts with customers based on operating segments as follows: dairy, crop growing, mushrooms growing, consumer packaged goods, and other. The Group considers this to be the most appropriate way of disaggregation as it reflects the profile of the Group's activities and the amounts, timing, uncertainty of the Group's revenue and cash flows.

Sales of goods

The Group produces and sells a range of agricultural produce in an open market. Revenue from sales of goods is recognised when the products are delivered by the Group entity to the customer. Delivery occurs when the products have been shipped to the specified location, the obsolescence and loss risks have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract. The Group enters in no contracts with multiple performance obligations. Typically, goods are transferred to the customer on the same date as the invoice date, and accordingly, revenue is recognised at the point of time rather than over time.

Sales of services

Revenue from sales of services is recognised at the time of sale of services to a customer, as the services provided by the Group are not continuous in nature and do not include multiple performance obligations.

Interest income

Interest income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest rate method. For the purpose of the cash flow statement, interest received is classified as cash flows from investing activities.

Financing components

The Group has no contracts where a period between the sale date of goods and services to a customer and the settlement date by customer for those goods and services would be longer than one year. Accordingly, the Group does not adjust the transaction prices for the time value of money.

2.21. Employee Benefits

Social security contributions

The Group/Company pays social security contributions to the State Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Group/Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

Employee share option plan – share-based payments

For details on share-based payments plan refer to note 2.22.

2.22. Share-based Payments

The Group has an employee share option plan that was approved in 2019.

Under the plan, the participants are granted the options to receive the Company’s shares for no consideration, which only vest if the service condition is met. The service condition for the option receiver is to complete a 3-year term of service with the Group. After the condition is met, an employee obtains the right to exercise the option. There are no other conditions for the receiver. If the receiver does not fulfil the service condition, the option will become no longer effective and the employee will not obtain the right to exercise the option.

The option becomes no longer effective in the event of commencement of any restructuring, bankruptcy, liquidation or similar proceedings of the Company that continue and/or end with the liquidation of the Company; also, if both parties (the Company and the receiver) agree to terminate the share option contract; and if the receiver has caused damage to the Company through his actions or omissions. Due to the restructuring process of AUGA group, RAB, which entered into force in 2025, stock option agreements that were concluded in 2024 and must be exercised during the restructuring, will be reviewed.

These share-based payments to employees are equity-settled only. When exercisable, each option is convertible into one ordinary share. The shares will be issued from the reserve for share-based payments to employees (that was formed and approved by the shareholders), with the nominal value of EUR 0.29 each, thereby increasing the Company’s share capital.

Options are granted under the plan for no consideration. There are no social security contributions or income tax that would become payable by the Company at the time of exercising the options (or any other time during the vesting period), and that should be accrued in the liabilities.

The total cumulative expenses of share-based payments are calculated using the formula set out below. The expenses are accounted for in the statement of profit or loss and reversed in equity in the balance sheet based on the days lapsed since the grant date until the option exercise date. The Group/Company reviews annually the effective share option contracts to reflect as accurately as possible the number of equity instruments expected to be vested to the employees.

The following formula is used to calculate the total cumulative expenses of share-based payments:

Share price at grant date x shares granted x (1 – annual staff turnover rate) ^ (vesting period)

Where:

Share price is based on the closing price of the Group’s/Company’s shares on Nasdaq stock exchange at the grant date;

Grant date is the date of the share option contract entered into between the Group/Company and the receiver of share options, as all the terms and conditions are set forth in this contract and there are no other arrangements that would need to be confirmed at a later date;

Shares granted are the shares to be granted to an employee under the share option contract at the end of the vesting period;

Staff turnover rate: the probability of exercise of option is adjusted by the expected staff turnover rate during the vesting period. The rate is calculated using the historical data on staff turnover over the last 2 years. The historical staff turnover data includes the turnover only in those job positions that are entitled to receive the share-based payments. The turnover rate in other job positions is excluded from the above staff turnover rate.

2.23. Segment Reporting

Management has determined the operating segments based on the reports delivered to the Board of Directors that are used to make strategic decisions. The operating segments defined by the Group are as follows: dairy, crop growing, mushrooms growing, and consumer packaged goods.

The management of the Group also assesses individually the performance of each agricultural entity. The individual performance of these entities is analysed based on the gross profit margins of individual operating segments: mushroom growing segment, milk production and cattle sale (dairy segment), crop growing such as wheat, rapeseed, barley, etc., as well as crop trading, agricultural services and land rent (crop growing segment).

The Group‘s expenses that may be directly attributed to the specific operating segment are allocated to the respective segment. Expenses of the Group entities that are attributed to more than one operating segment are allocated on a proportionate basis in line with the pre-set procedure for allocation of expenses.

2.24. Investments in Subsidiaries in the Company‘s Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment loss.

2.25. Comparative figures

Where necessary, comparative figures have been reclassified to accurately reflect changes in this year's disclosures, ensuring appropriate representation of transactions.

2.26. Discounting of the Company's receivables and payables

When discounting the receivables and payables of the group companies due to the finalised restructuring process, the discount rate applied is equal to the interest rate set out in the loan agreements signed by the group companies. The discount period corresponds to the restructuring period based on the assumption that the Group companies' receivables and payables will only be fully recovered after the end of the restructuring process.

2.27. Expense recognition

Expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income on an accrual basis when they are incurred.

2.28. Discontinued operations

A discontinued operation is a component of an entity's operations that:
- is a separate significant business or geographical area,
- is sold or classified as such,
- is part of a coordinated plan of operations.

When an operation is classified, its results are presented separately from the results of continuing operations in the income statement for both the reporting and comparative periods. The results of discontinued operations include:
- profit or loss from the operation itself,
- profit or loss from the disposal, closure or write-off of the operation.

This policy ensures transparency and comparability in the financial statements, clearly reflecting the economic impact of the discontinued operation from the continuing operation.

3. Risk Management

3.1 Financial Risk Management

Financial risk factors

The Group's and the Company's activities expose them to financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Board of Directors is responsible for the risk management policies and procedures.

Market risk

(i) Foreign exchange risk

The absolute majority of the Group‘s transactions were conducted in the euros (EUR). Only a small part of transactions are conducted in other currency (Poland, USA), there were no sales in currencies other than euro in 2024.

Considering that the Group's companies do not have significant currency exchange rate risk concentration, they have not used any financial instruments to hedge against currency exchange rate risks.

(ii) Cash flow and fair value interest rate risk

The Group's exposure to cash flow interest rate risk arises from borrowings with floating interest rate.

The Group's financial liabilities include borrowings and lease liabilities with floating interest rates linked to EURIBOR. Interest rates on the absolute majority of bank borrowings and lease liabilities are repriced every 3 or 6 months. Interest rates on other borrowings are repriced monthly or every 3 months. Bond interest rates are usually fixed.

The Group's cash flow and interest rate risk is continuously monitored by the Group's management. It analyses its exposure to interest rate risk on a dynamic basis, by taking into consideration refinancing, renewal of existing financing instruments, alternative financing sources. Based on these scenarios, the Group calculates the impact of the identified shift in interest rate on profit or loss.

As of December 31, 2024, the Group's financial liabilities with variable interest rates amounted to EUR 43,238 thousand (December 31, 2023 – EUR 44,341 thousand), all of which were denominated in euros. If the variable interest rate (directly dependent on EURIBOR) changed by 1 percentage point (hereinafter – p.p.), the annual impact on the Group's results would be EUR 438 thousand before tax (2023 – EUR 419 thousand).

(All amounts are in EUR '000 unless otherwise stated)

As of December 31, 2024, the Company's financial liabilities with variable interest rates amounted to EUR 2,846 thousand (December 31, 2023 – 2,381 thousand EUR). If the variable interest rate changed by 1 percentage point (p.p.), the annual impact on the Company's results would be EUR 26 thousand before tax (December 31, 2023 – EUR 27 thousand). See note 16 for more information.

Breakdown of the Group's and the Company's financial liabilities bearing interest (considering bank borrowings and other borrowings, bonds and lease liabilities) (by carrying amount):

GROUP	**Liabilities with fixed interest rate**		**Liabilities with floating interest rate**	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Borrowings from credit institutions	4,311	4,719	40,303	42,033
Bonds	38,648	31,642	-	-
Other financial liabilities	382	253	-	-
Lease liabilities	45,237	46,079	2,935	2,308
Total	**88,578**	**82,693**	**43,238**	**44,341**

COMPANY	**Liabilities with fixed interest rate**		**Liabilities with floating interest rate**	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Borrowings from credit institutions	888	854	2,821	2,343
Bonds	27,566	25,705	-	-
Lease liabilities	345	499	26	38
Parent company's discounted loans	5,928	3,479	-	-
Discounted other liabilities from subsidiaries	443			
Total	**35,170**	**30,537**	**2,846**	**2,381**

The fair value of financial liabilities with variable interest rates approximately corresponds to their carrying amounts. The average calculated interest rate of the Group's financial liabilities with variable interest rates as of December 31, 2024, was 7,33% (2023 – 8.89%). As of December 31, 2024, the Group's fixed interest rate was 8,11% (2023 – 6.98%).

The Group's and the Company's bonds and other financial liabilities bear fixed interest rates. Further details on these liabilities are provided in note 16.

Lease liabilities are accounted for using both fixed and variable interest rates. Further information on lease liabilities is disclosed in note 17.

Details regarding the Company's discounted payables and receivables are provided in note 32.

Credit risk

Credit risk is managed at the Group level. The Group's management is responsible for credit risk management. Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, mainly related to outstanding receivables and loans granted.

As of December 31, 2024, the Company has issued guarantees with a total value of 50,455 thousand EUR (2023 – 44,704 thousand EUR) to banks for the fulfilment of the financial obligations of the Group's subsidiaries (note 33)

(All amounts are in EUR '000 unless otherwise stated)

Maximum exposure to credit risk

Maximum exposure to credit risk at the balance sheet date is equal to the carrying amount of each category of amounts receivable, as presented below. The Group holds no collateral to secure these amounts receivable.

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Trade receivables	6,757	5,354	3	2,773
Subsidies and grants receivable from the National Paying Agency (NPA)	775	4,661	-	-
Receivable from natural persons	108	97	9	-
Loan granted	-	536	-	-
Other receivables	7	6	3,265	3,265
Trade receivables from subsidiaries			6,018	-
Dividends receivable from subsidiaries			1,079	-
The impact of discounting on the debts of subsidiaries			(3,308)	-
Cash and cash equivalents	1,718	3,455	3	10
Total	**9,365**	**14,109**	**7,069**	**6,048**

Trade receivables

The Group sells most of its products to wholesalers and has policies in place to ensure that sales of products are made only to customers with an appropriate credit history. Before entering into a transaction with a customer, the Group assesses the credit quality, taking into account its financial position, past experience and other factors. A credit period is awarded only to a few customers who are well known to the Group and have good credit history. The Group has credit risk concentration as exposures are distributed among several key customers that are the strongest players in the local agricultural market (see note 22).

To calculate the expected credit loss, the Group relies on an analysis of changes in receivables. This analysis uses the balances of receivables from clients at the beginning and end of the year and evaluates the payments made or offsets performed. This allows for the calculation of the portion of client debt that was not repaid within the stipulated period. In this way, the percentage expressions of unpaid debts in different overdue receivables groups are determined. The determined ratios are applied to the year-end receivables balances according to the overdue group, thus calculating the expected credit loss

Movement in loss allowance for trade receivables during the year:

	GROUP	COMPANY
Carrying amount of loss allowance for trade receivables at 1 January 2023	**(88)**	**-**
Decrease in loss allowance for trade receivables during the year, recognised in profit or loss	(109)	-
Carrying amount of loss allowance for trade receivables at 31 December 2023	**(197)**	-
Increase in loss allowance for trade receivables during the year, recognised in profit or loss	47	(68)
Carrying amount of loss allowance for trade receivables at 31 December 2024	**(150)**	**(68)**

Movement in loss allowance for other receivables during the year:

Carrying amount of loss allowance for other receivables at 1 January 2023	**(3,107)**	**-**
Receivables written off during the year as uncollectible	2 792	-
Unused amount reversed	315	
Carrying amount of loss allowance for other receivables at 31 December 2023	**-**	-
Receivables written off during the year as uncollectible	(536)	-
Unused amount reversed	-	-
Carrying amount of loss allowance for other receivables at 31 December 2024	**(536)**	**-**

(All amounts are in EUR '000 unless otherwise stated)

Calculation of loss rates and loss allowances for the Group's trade receivables:

Credit quality of the Group's trade receivables	Receivables not past due	Past due from 1 to 30 days	Past due from 31 to 90 days	Past due over 90 days	Total
At 31 December 2024					
Expected credit loss rate	0.09%	0.00%	0.00%	23.13%	
Total trade receivables, gross	4,404	536	1,337	631	**6,907**
Loss allowance (note 11)	(4)	-	-	(146)	**(150)**
Total trade receivables, net at 31 December 2024	**4,400**	**536**	**1,337**	**485**	**6,757**
At 31 December 2023					
Expected credit loss rate	0.19%	0.02%	1.48%	27.37%	
Total trade receivables, gross	2,737	1,860	270	684	**5,551**
Loss allowance (note 11)	(5)	-	(4)	(187)	**(197)**
Total trade receivables, net at 31 December 2023	**2,732**	**1,860**	**266**	**497**	**5,354**

Calculation of loss rates and loss allowances for the Company's trade receivables:

Credit quality of the Company's trade receivables	Receivables not past due	Past due from 1 to 30 days	Past due from 31 to 90 days	Past due over 90 days	Total
At 31 December 2024					
Expected credit loss rate	0.00%	60.82%	68.98%	100.00%	
Total trade receivables, gross amount	2	2	3	65	**71**
Loss allowance (Note 11)		(1)	(2)	(65)	**(68)**
Trade receivables from subsidiaries	6,018	-	-	-	**6,018**
Impact of discounting on trade receivables from subsidiaries	(1,921)	-	-	-	**(1,921)**
Total	**4,099**	**1**	**1**	**-**	**4,101**
At 31 December 2023					
Expected credit loss rate	0.01%	0.01%	0.01%	0.01%	
Total trade receivables, gross amount	243	534	410	1,586	**2,773**
Total	**243**	**534**	**410**	**1,586**	**2,773**

The majority of the Company's trade receivables are from subsidiaries. As at 31 December 2024, all of the Company's receivables and payables were discounted and reclassified as non-current trade and other receivables (see Note 11). Further details are provided in Note 32.

As at 31 December 2024, the Company recognised an allowance of EUR 68 thousand (2023: EUR 0) for expected credit losses on trade receivables not related to trade loans granted to subsidiaries.

(All amounts are in EUR '000 unless otherwise stated)

Subsidies and grants receivable from the NPA, receivables from natural persons, loan granted and other receivables

Group's other receivables at amortised cost, including loans granted and non-current receivables, were attributed to the following impairment stages:

Credit quality of other receivables at amortised cost	**Stage 1 (12-month ECL)**	**Stage 2 (lifetime ECL)**	**Stage 3 (lifetime ECL)**	**Total**
At 31 December 2024				
Expected credit loss rate	0.0%	-		
Receivables from the NPA	755	-	-	755
Receivables from private individuals	108	-	-	108
Loan granted	-	-	536	**536**
Other receivables	7	-	-	**7**
Carrying amount, gross	**890**	**-**	**536**	**1,426**
Loss allowance	-	-	(536)	**(536)**
Total other receivables, net at 31 December 2024	**890**	**-**	**-**	**890**
At 31 December 2023				
Expected credit loss rate	0.01%	0.2%		
Receivables from the NPA	4,661	-	-	**4,661**
Receivables from employees	97	-	-	**97**
Loan granted	-	536	-	**536**
Other receivables	6	-	-	**6**
Carrying amount, gross	**4,764**	**536**	**-**	**5,300**
Loss allowance	-	(1)	-	**(1)**
Total other receivables, net at 31 December 2023	**4,764**	**535**	**-**	**5,299**

Subsidies and grants receivable from the National Paying Agency (NPA) represent accumulated amounts of direct and ecological subsidies for 2024 that are expected to be received during the first half of 2025. As at 31 December 2024, the Group had receivable amount of subsidies equal to EUR 775 thousand (31 December 2022: EUR 4,661 thousand).

Receivables from the NPA represent direct subsidies receivable for crops and milk, which are paid by the first half of the next year and are in control of the State, and therefore, they are considered as low risk.

Receivables from employees are also considered as low risk. No loss allowance was recognised for Stage 1 receivables, since the expected credit loss rates were immaterial.

A loan of EUR 536 thousand granted to UAB Ars Ingenii was measured at amortised cost as at 31 December 2023. As at that date, the total allowance for expected credit losses on this loan amounted to EUR 1 thousand. In 2023, the repayment schedule of the loan granted to UAB Ars Ingenii was revised, setting the final repayment date to 31 August 2025. However, in 2024, bankruptcy proceedings were initiated against this company, and as a result, as at 31 December 2024, an allowance was recognised for the full amount of the loan.

Cash and cash equivalents

The counterparty risk of banks and financial institutions is managed through careful selection of counterparties and continuous monitoring of their risk level. The risk and probability of default of banks and financial institutions is based on the ratings awarded by the rating agencies Moody's, Standard & Poor's and Fitch. Therefore, the lowest expected credit loss rate (0.01%) was applied when calculating expected credit losses for cash and cash equivalents.

As of December 31, 2024, and December 31, 2023, the Company did not make provisions for potential losses due to changes in the value of cash and cash equivalents, as the expected loss rates were insignificant.

As of December 31, 2024, the Group holds 90% (as of December 31, 2023 – 87.00%) of its cash balances in accounts with banks that have an investment-grade long-term borrowing rating assigned by international rating agencies such as Moody's, Standard & Poor's, or Fitch Ratings. The Company holds all its cash balances in accounts with banks that have an investment-grade long-term borrowing rating assigned by international rating agencies such as Moody's, Standard & Poor's, or Fitch Ratings.

Liquidity risk

Cash flow forecasting is performed at the Group entities, which are aggregated by the Group's Finance Department. The Group's Finance Department monitors rolling forecast of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance ratio targets and other material information. Borrowed capital accounts for a large share of the Group's total capital. Borrowed capital is managed by the Group’s cash pool, whose one of goals is more efficient managing of the Group’s cash.

As described in Note 2.1, the Company and certain Group entities with significant liabilities to financial institutions were undergoing restructuring as at the date of issuance of these financial statements. Taking this into account, and considering that restructuring proceedings had been initiated for the Company and certain Group entities, the Group and the Company made the following adjustments:

- All financial liabilities were classified as current, as no agreements with creditors had been reached by the date of issuance of the financial statements;
- The Company’s trade payables to Group entities were classified as non-current (due in year five and beyond), based on the restructuring plan, which anticipates that payments to Group entities will be made primarily after settling obligations to external (i.e., non-Group) creditors.

Due to the circumstances described above, financial liabilities are presented as on-demand amounts, while lease liabilities are recognised based on contractual terms, as the lease agreements are essential to the Group’s operations and are considered material contracts.

Despite the aforementioned circumstances, as long as restructuring proceedings are ongoing and not yet approved by a court decision, temporary protection measures apply to both the Company and the entities under restructuring. This means that payables arising prior to the court’s approval of the restructuring plan cannot be enforced.

On-demand payables include guarantees issued by the Group or the Company, which represent the most accurate position of the Group/Company as at the balance sheet date.

The table below presents information on the Group’s financial liabilities, grouped by the remaining time until the contractual maturity date as at the balance sheet date. The amounts in this table represent undiscounted contractual cash flows.

(All amounts are in EUR ’000 unless otherwise stated)

		Contractual cash flows					
GROUP	**Carrying amount**	**Total**	**On demand**	**Within 1 year**	**Between 1 and 2 years**	**Between 3 and 4 years**	**Over 5 years and later**
At 31 December 2024							
Borrowings (note 16)	83,644	83,644	83,644	-	-	-	-
Lease liabilities (note 17)	48,172	59,838	-	12,097	11,066	16,601	20,074
Guarantees issued	-	232	232	-	-	-	-
Supplier financing arrangements (note 20)	1,150	1,204	-	1,204	-	-	-
Trade and other payables (note 20, 21)	25,318	25,318	-	25,318	-	-	-
Total	**158,284**	**170,236**	**83,876**	**38,620**	**11,066**	**16,601**	**20,107**
At 31 December 2023							
Borrowings (note 16)	78,647	86,024	-	58,048	12,443	10,159	5,374
Lease liabilities (note 17)	48,387	61,599	-	10,751	10,212	15,419	25,217
Guarantees issued	-	232	232	-	-	-	-
Supplier financing arrangements (note 20)	4,443	4,689	-	4,689	-	-	-
Trade and other payables (note 20, 21)	23,510	23,510	-	23,510	-	-	-
Total	**154,987**	**176,054**	**232**	**96,998**	**22,655**	**25,578**	**30,591**

As of December 31, 2024, the Group's current liabilities exceeded its current assets by EUR 76,871 thousand (as of December 31, 2023 – the Group's current liabilities exceeded its current assets by EUR 36,523 thousand). The current ratio (current assets / current liabilities) was 0.39 (2023 – 0.65), while the quick ratio (current assets excluding biological assets and inventories / current liabilities) was 0.10 (2023 – 0.16). The significant deterioration in the ratios in 2024 was due to the aforementioned circumstances – the Company and the Group classify financial liabilities as short-term until agreements with creditors are reached. Group’s business continuity risk management is described in note 2.1.

(All amounts are in EUR ’000 unless otherwise stated)

The table below presents information on the Company’s financial liabilities, grouped by the remaining time until the contractual maturity date as at the balance sheet date. The amounts in this table represent undiscounted contractual cash flows.

		Contractual cash flows					
COMPANY	**Carrying amount**	**Total**	**On demand**	**Within 1 year**	**Between 1 and 2 years**	**Between 3 and 4 years**	**Over 5 years and later**
At 31 December 2024							
Borrowings (note 16)	31,275	31,275	31,275	-	-	-	-
Lease liabilities (note 17)	371	413	-	214	172	27	-
Discounted loans and other debts of subsidiaries note 16)	6,371	9,213	-	-	-		9,213
Guarantees issued	-	50,455	50,455	-	-	-	-
Trade and other payables (note 20, 21)	533	533	-	533	-	-	-
Total	**38,550**	**91,888**	**81,730**	**746**	**172**	**27**	**9,213**
At 31 December 2023							
Borrowings (note 16)	32,381	35,728	-	24,763	1,549	9,416	-
Lease liabilities (note 17)	537	613	-	201	212	187	13
Guarantees issued	-	44,704	44,704	-	-	-	-
Trade and other payables (note 20, 21)	1,054	1,054	-	1,054	-	-	-
Total	**33,972**	**82,099**	**44,704**	**26,018**	**1,761**	**9,603**	**13**

As at 31 December 2024, the Company‘s current liabilities exceeded current assets by EUR 32,613 thousand (31 December 2022: EUR 27,331 thousand). As at 31 December 2024, current liquidity ratio (current assets / current liabilities) was 0.0049 (31 December 2022: 0.10), and quick ratio was 0.0049 (2022: 0.10). The deterioration of key indicators in 2024 was driven by the circumstances described above – the Company and the Group classify financial liabilities as current until agreements with creditors are reached. The Group’s approach to managing going concern risks is described in note 2.1.

Below, the Company and the Group present the proposed repayment schedules for financial liabilities, including interest, as submitted to financial creditors in their restructuring plan:

	2025	**2026**	**2027**	**2028**	**2029**
Company	1,091	27,908	507	507	6,315
Group	14,155	56,215	6,972	11,960	8,159

Compliance with financial covenants set under the loan and bond agreements

As at 31 December 2024, due to the fact that the Company and certain Group entities had initiated restructuring processes, financial liabilities were classified as current. The Company and the Group had not received confirmation that no sanctions would be imposed for breaches of financial covenants by the financed entities.

As at 31 December 2024, the Company and the Group had not fulfilled certain debt redemption obligations, and as at the date of issuance of the financial statements, these obligations had not been refinanced or contractually extended (i.e., the final contractual maturity date had passed and no new agreements had been signed):

	Group	**Company**
Loans from credit institutions	7,549	888
Credit lines	11,974	-
Bonds	27,400	21,400
Total	**46,923**	**22,288**

(All amounts are in EUR '000 unless otherwise stated)

As of December 31, 2023, the Group was not in compliance with the financial covenants set in the financing agreements signed with three financial institutions (Luminor, Citadele, and KŪB "Pagalbos verslui fondas") (the Company – with one financial institution - KŪB "Pagalbos verslui fondas"). Confirmations were received from these financial institutions that no additional sanctions would be applied for the breach of financial covenants by the financed companies. Confirmations were received and contract amendments were signed (Note 34) after the end of the reporting financial year, i.e., in 2024. Accordingly, as of December 31, 2023, for this reason, the Group's long-term financial liabilities of EUR 10,669 thousand (the Company's – EUR 6,000 thousand) were reclassified as short-term.

In the Green Bond Prospectus (Note 16), a financial covenant for the interest coverage ratio (the ratio of EBITDA to net interest expenses) is set for the first tranche, which is calculated once a year based on the annual audited financial statements - the ratio must be greater than 2. According to the audited data for 2023, the actual interest coverage ratio was 0.13, and the covenant was not met at the end of the reporting period. Additionally, an equity ratio, which must be greater than 30 percent, was set and was equal to 27 percent. According to the rules set out in the bond prospectus, the Group had a 6-month period to rectify the situation and achieve the non-compliant ratios, so no changes were made to the balance sheet as of December 31, 2023.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

Pursuant to the Lithuanian Law on Companies the authorised share capital of a public limited liability company and private limited liability company must be not less than EUR 29,000 and EUR 2,900, respectively, and the shareholders' equity must be not lower than 50% of the company's authorised share capital.

As at 31 December 2024 and 31 December 2023, the Company complied with these requirements.

As of 31 December 2024, 34 Group entities (31 December 2023: 43) did not comply with the above requirements. The Board of the entities not meeting the above requirements must convene a shareholders' meeting to remedy the situation of the capital adequacy level.

The Group's net debt:

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Borrowings	83,644	78,647	31,275	32,381
Lease liabilities	48,172	48,387	371	537
Less: cash and cash equivalents	(1,718)	(3,455)	(3)	(10)
Net debt before supplier financing arrangements	**130,098**	**123,579**	**31,643**	**32,908**
Supplier financing arrangements	1,150	4,443	-	-
Total net debt	**131,248**	**128,022**	**31,643**	**32,908**

3.3 Fair Value Measurement

The three levels of the fair value hierarchy have been defined as follows:

Level 1 includes assets with the fair value measured with reference to the quoted (unadjusted) prices in active markets for identical assets;
Level 2 includes assets with the fair value measured with reference to other directly or indirectly observable inputs;
Level 3 includes assets with the fair value measured with reference to unobservable inputs.

There were no transfers between any levels during the year,except for the Green Bonds, which were listed on the NASDAQ Vilnius Stock Exchange as of 31 December 2023, but were no longer listed as of 31 December 2024 and were classified as Level 3.

The carrying amount of trade receivables, net of impairment losses, and the carrying amount of trade payables approximate their fair value.

The fair value of loans granted corresponds to their carrying amount, as the interest rates applied are similar to market rates as at the balance sheet date.

In previous periods, the fair value of Green Bonds was determined based on the market price of the bonds, as they were listed on the NASDAQ Vilnius Stock Exchange. In 2024, the Company did not redeem these bonds, and no trading in the Company's bonds took place; therefore, they do not have a market price. In the 2024 reporting period, the value of the Green Bonds is presented in the financial statements at amortized cost.

Accordingly, the fair value of the Company's and the Group's financial liabilities is close to their carrying amount, as the interest rates on financial liabilities with variable interest are adjusted frequently enough to reflect market conditions.

For financial liabilities with fixed interest rates, the Company and the Group consider that the fair value is close to the carrying amount, as the majority of such liabilities are classified as short-term. Furthermore, following the approval of the Company's and the Group's restructuring plans, new agreements will be established that reflect market conditions.

As of the date of issuance of these financial statements, the Company and the Group expect that the agreements will reflect current market conditions. However, the Company and the Group are currently unable to assess what discount, if any, should be applied to fair value due to the ongoing restructuring process of the Company or certain Group entities.

The Group's/Company's cash and cash equivalents comprise cash at bank, and their carrying amounts approximate the fair value.

The fair values of the Group's/Company's financial assets and liabilities are classified within Level 3 of the fair value hierarchy, including loans granted, borrowings, trade and other receivables and trade and other payables, excluding cash and cash equivalents that are classified within Level 2.

The fair value of biological assets is disclosed in note 9, and the fair value of agricultural land is disclosed in note 5.

4. Critical Accounting Estimates and Assumptions

The Group/Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods are addressed below.

Listed below are the most significant areas that involved management judgement.

a) Recoverable amount of property, plant and equipment (except land), right-of-use assets and internally generated intangible assets

At each balance sheet date, the Group/Company reviews the carrying amount of its property, plant and equipment, right-of-use assets and internally generated intangible assets to determine whether there is any indication that those assets might be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group/Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and the value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a group of cash-generating units) is estimated to be less than its carrying amount, the carrying amount of the asset (or a group of cash-generating units) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

In 2024 and 2023 there were no indications showing that the recoverable amount could be lower than the carrying amount, therefore, no impairment test was performed for the Group's property, plant and equipment, right-of-use assets and internally generated intangible assets.

b) Impairment of investments in subsidiaries (Company)

As at 31 December 2024, the impairment of investments in subsidiaries was estimated by assessing the recoverable amount. The recoverable amount of investments in subsidiaries is assessed by discounting the future cash flows to their present value. The management tested its investments in subsidiaries for impairment and concluded that there was impairment loss (note 7).

c) Realisation of deferred income tax asset

Deferred income tax assets are recognised on accumulated tax losses to the extent it is probable that future taxable profit will be available against which the accumulated tax losses can be utilised (note 19).

d) Biological assets – fair value of livestock

Dairy cows
Due to the specific nature of agricultural produce, sometimes the fair value of dairy cows cannot be determined using the market approach, as such biological assets in areas where the Group operates are not traded in an active market, which otherwise would allow using the market value. The fair value of dairy cows is determined using the discounted cash flow model. The model uses projected revenue from milk sales over the remaining useful life of each cow based on the milk sales price assumption.

The carrying amount at the reporting date, key assumptions and principles used in determining the fair value of livestock are described in note 9.

e) *Biological assets – fair value of crops*

At the end of the reporting period crops are valued in view of biological transformation at the year end. At the year end, most crops are in the stage of having only a little biological transformation, and therefore, it is appropriate to consider that their fair value approximates their cost at the year end. For winter crops, the biological transformation at the year end is substantial due to favourable weather conditions in autumn and warm winter. Accordingly, at the year end winter crops may be stated at fair value, provided the Group concludes that the biological transformation of these crops is more significant than it is typical in the specific period.

The carrying amount at the reporting date, key assumptions and principles used in determining the fair value of crops are described in note 9.

f) Inventory write-down allowance to net realisable value

Assessment of inventories was carried out with reference to the expected sales prices. If the latter were lower than the fair value on initial recognition, inventories were written down. Significant changes in the management‘s estimates would have impact on the separate and consolidated financial statements.

g) Lease liabilities – lease term of land

When determining the lease term, the management considers all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option.

The extension options (or periods beyond the termination options) are included in the lease term when it is reasonably certain that the lease will be extended (will not be terminated). This is reassessed upon occurrence of either a significant event or a significant change in circumstances that affects such assessment and is within the control of the lessee. As at 31 December 2024, the lease term of land was determined with reference to the business plan.

h) Significant judgement: supplier financing arrangement

To support its strategic suppliers, the Group has entered into the supply chain financing arrangements (note 2.14). Under the arrangements, a financial institution acquires the claim rights to the selected trade receivables from the supplier. Following such transfer of claim rights, the Group will no longer be able to make early direct payments to the supplier and will not be able to offset any of trade receivables from these suppliers. However, the Group has determined that the settlement terms of trade payables are otherwise substantially unchanged, and therefore, it is appropriate to present the relevant amounts payable under the supplier financing arrangements within trade payables in the balance sheet.

For the purpose of the cash flow statement, the Group considers that the financial institution settles the invoices to the supplier as a payment agent on behalf of the Group. The payments made to the supplier by the financial institution are therefore presented in the cash flow statement as payments received under supplier financing arrangements. When the Group subsequently pays the amount outstanding to the financial institution, this is presented separately as a financing cash outflow. As a consequence, the Group's payables under supplier financing arrangements are included in the net debt reconciliation in note 3.

i) Discounting of receivables and payables of Group companies

Until the date of restructuring of the parent company of the Group, the present value of receivables and payables was recorded at acquisition cost. After the restructuring process began, the overall settlement cycles between group companies are lengthening, considering that the companies of the Group being restructured predict that they will settle with external creditors first.

Considering that, also, the Company will not be able to perform mutual netting due to legal restrictions, it estimates that short-term receivables and payables related to the group of companies will be fully recovered only after the end of the restructuring process. When discounting the receivables and payables of Group companies due to the effective restructuring process, the discount rate applied is equal to the interest rate under the signed loan agreements between group companies. The discount period corresponds to the restructuring period, based on the assumption that the receivables and payables related to the Group companies will be fully recovered only after the end of the restructuring process.

Accordingly, the receivables/payables have been discounted and are carried at amortized cost.

(All amounts are in EUR '000 unless otherwise stated)

5. Property, Plant and Equipment

GROUP	Land	Buildings and structures	Plant and machinery	Motor vehicles	Other PP&E	Construction in progress	Total
At 1 January 2023							
Cost or revalued amount	32,178	66,668	51,099	4,158	5,006	5,546	164,655
Accumulated depreciation	-	(28,961)	(35,866)	(3,070)	(3,047)	-	(70,944)
Net book amount	**32,178**	**37,707**	**15 233**	**1,088**	**1,959**	**5,546**	**93,711**
Net book amount at 1 January 2023	**32,178**	**37,707**	**15,233**	**1,088**	**1,959**	**5,546**	**93,711**
- additions	23	626	2,319	231	372	2,298	5,869
- write-offs and disposals	(8)	-	(52)	(7)	(9)	-	(76)
- sale of subsidiaries	-	(2,019)	(1,699)	(44)	(120)	-	(3,882)
- revaluation	2,409	-	-	-	-	-	2,409
- reversal of provisions	-	-	-	-	-	-	-
- depreciation	-	(2,384)	(3,530)	(330)	(530)	-	(6,774)
- reclassification	300-	621	3,993	-	300	(5,655)	(441)
Net book amount at 31 December 2023	**34,902**	**34,551**	**16,264**	**938**	**1,972**	**2,189**	**90,816**
At 31 December 2023							
Cost or revalued amount	**34,902**	66,608	54,396	4,226	4,645	2,189	166,966
Accumulated depreciation	-	(32,057)	(38,132)	(3,288)	(2,673)	-	(76,150)
Net book amount	**34,902**	**34,551**	**16 264**	**938**	**1,972**	**2,189**	**90,816**
Net book amount at 1 January 2024	**34,902**	**34,551**	**16,264**	**938**	**1,972**	**2,189**	**90,816**
- additions	105	142	256	62	677	1,499	2,741
- write-offs and disposals	(9)	(274)	(3,491)	(51)	(118)	-	(3,942)
- revaluation	501	-	-	-	-	-	501
- depreciation	-	(2,368)	(4,031)	(337)	(715)	-	(7,452)
- reclassification	-	32	6,611	825	880	(2,001)	6,348
Net book amount at 31 December 2024	**35,499**	**32,083**	**15,610**	**1,437**	**2,696**	**1,687**	**89,012**
At 31 December 2024							
Cost or revalued amount	**35,499**	66,290	55,711	3,978	5,968	**1,687**	169,134
Accumulated depreciation	-	(34,207)	(40,101)	(2,542)	(3,272)	-	(80,122)
Net book amount	**35,499**	**32,083**	**15,610**	**1,437**	**2,696**	**1,687**	**89,012**

(All amounts are in EUR '000 unless otherwise stated)

Depreciation charges of property, plant and equipment are included in cost of sales, biological assets, inventories and operating expenses.

In 2024, the Company and part of the Group's companies began restructuring processes (described in more detail in Note 2.1), the Company and the Group decided to suspend the development and expansion of technologies, the Group reassessed the value of the intangible assets under development. Taking into account the fact that the Group is currently unable to provide development plans for the technologies under development due to uncertainty, the Group assessed the equipment under development using the comparable price method (equipment of the relevant capacity is compared with market prices). The determined value was recorded as a long-term tangible asset used in the Company's activities. EUR 716 th. was reclassified from the intangible assets under development group to the machinery and equipment group.
In 2024, the accumulated amount of construction in progress related to technologies and development was depreciated, i.e. EUR 163 th.

As of 31 December 2024, the item Construction in progress is EUR 1,687 thousand (31 December 2023 – EUR 2,189 thousand). The majority of the accumulated amount is related to the construction of biogas power plants in the amount of EUR 1,012 thousand.

The following items of property, plant and equipment have been fully depreciated but still in use by the Group.

	GROUP	
	At 31 December 2024	**At 31 December 2023**
Buildings and structures	3,891	3,653
Plant and machinery	21,470	20,219
Motor vehicles	1,898	1,967
Other PP&E	1,496	1,413
Total	**28,755**	**27,252**

As at 31 December 2024, the Group's property, plant and equipment with the carrying amount of EUR 74,568 thousand (2023: EUR 74,059 thousand) had been pledged to secure repayment of bank borrowings.

COMPANY	**Motor vehicles**	**Other PP&E**	**Construction in progress**	**Total**
At 1 January 2023				
Cost or revalued amount	215	1,834	1,432	3,481
Accumulated depreciation	(195)	(537)	-	(732)
Net book amount	**20**	**1,297**	**1,432**	**2,749**
Net book amount at 1 January 2023	**20**	**1,297**	**1,432**	**2,749**
- additions	-	34	24	58
- write-offs and disposals	-	-	(1,456)	(1,456)
- revaluation	-	-	-	-

- depreciation	(12)		(209)		-		(221)
- reclassifications	-		-		-		-
Net book amount at 31 December 2023	**8**		**1,122**		**-**		**1,130**
							-
At 31 December 2023							
Cost or revalued amount	179		1,868		-		2,047
Accumulated depreciation	(171)		(746)		-		(917)
Net book amount	**8**		**1,122**		**-**		**1 130**
Net book amount at 1 January 2024	**8**		**1,122**		**-**		**1,130**
- additions					96		96
- write-offs and disposals							-
- revaluation							-
- depreciation	(12)		(242)				(254)
- reclassifications	21		-		(96)		(75)
Net book amount at 31 December 2024	**17**		**880**		**-**		**897**
At 31 December 2024							
Cost or revalued amount	230	-	1,868	-	-	-	2,098
Accumulated depreciation	(213)	-	(988)	-	-	-	(1,201)
Net book amount	**17**		**880**		**-**		**897**

Depreciation charges of the Company's property, plant and equipment are included in administrative expenses.

As at 31 December 2024, property, plant and equipment fully depreciated but still in use by the Company amounted to EUR 332 thousand (31 December 2023: EUR 217 thousand).

As at 31 December 2024, the Company's property, plant and equipment with the carrying amount of EUR 869 thousand (31 December 2023: EUR 1,093 thousand) had been pledged to secure repayment of bank borrowings.

Had no revaluation been performed for land, the carrying amounts would have been as follows:

	Land
Carrying amount of land before revaluation effect at 31 December 2024	14,012
Carrying amount of land before revaluation effect at 31 December 2023	13,916

Fair value measurement of land

The Group evaluates its cultivated agricultural land portfolio annually at the end of each year. In 2024, the Group hired independent valuators to perform valuation of the Group's land portfolio. The Group's agricultural land plots in different regions of Lithuania were evaluated individually. The evaluation was performed by independent valuators from Inreal UAB. The valuator assessed the values of the land plots against the comparable market transactions of similar fertility land plots in a similar region. The valuation was performed in August of 2024 and there were no significant changes in value between the date of valuation and the end of the reporting period.
In 2023, the Group hired independent valuators to perform valuation of the Group's 100% land portfolio. The Group's agricultural land plots in different regions of Lithuania were evaluated individually. The evaluation was performed by independent valuators from Inreal UAB. The valuator assessed the values of the land plots against the comparable market transactions of similar fertility land plots in a similar region. The valuation was performed in November of 2023 and there were no significant changes in value between the date of valuation and the end of the reporting period.

The valuation revealed that the value of the Group's land increased by EUR 501 thousand in 2024 (2023: EUR 2,409 thousand). The value of the Group's land also increased due to acquisition of new land over the reporting period until the valuation date. The average price of agricultural land increased from EUR 7.0 thousand per hectare in 2023 to EUR 7.1 thousand per hectare in 2024.

The table below summarises the changes in fair value of agricultural land in different regions during 2024 and 2023.

	At 31 December 2024			At 31 December 2023			Change in average value per ha	
Region	**Area (Ha)**	**Value (EUR '000)**	**Average value (EUR/Ha)**	**Area (Ha)**	**Value (EUR '000)**	**Average value (EUR/Ha)**	**Change, EUR**	**Change, (%)**
Total	**4,955**	**35,499**	**7,164**	**4,976***	**34,902**	**7,014**	**150**	**(2 .14)**
Radviliškis	962	7,710	8,017	963	7,669	7,967	50	0 .63
Jonava	428	2,942	6,869	428	2,940	6,866	3	0 .05
Šakiai	535	4,508	8,422	530	4,462	8,417	5	0 .06
Šiauliai	388	2,965	7,646	388	2,579	6,651	995	14 .96
Kėdainiai	306	2,752	8,978	319	2,755	8,627	351	4 .07
Jurbarkas	354	1,949	5,505	354	1,955	5,520	(15)	(0 .27)
Anykščiai	308	1,532	4,980	308	1,531	4,978	2	0 .03
Raseiniai	400	2,757	6,885	400	2,749	6,865	20	0 .29
Panevėžys	330	2,382	7,213	330	2,380	7,207	6	0 .09
Mažeikiai	186	1,286	6,908	186	1,209	6,493	415	6 .38
Other	757	4,717	6,228	770	4,673	6,071	157	2 .59

(All amounts are in EUR '000 unless otherwise stated)

6. Right-of-use assets

GROUP	Land	Buildings and structures	Plant and machinery	Motor vehicles	Other	Total
At 1 January 2023						
Cost or revalued amount	65,322	1,019	10,205	665	-	77,211
Accumulated depreciation	(24,243)	(521)	(3,866)	(259)	-	(28,890)
Net book amount	**41,079**	**498**	**6,339**	**406**	**-**	**48,322**
Net book amount at 1 January 2023	**41,079**	**498**	**6,339**	**406**	**-**	**48,322**
- additions	184	-	327	94	71	676
- write-offs and disposals	-	-	-	-	-	-
- effect of modifications	9,151	124	-	-	-	9,275
- depreciation	(7,474)	(153)	(923)	(90)	(11)	(8,651)
- reclassifications	-	-	(958)	-	-	(958)
Net book amount at 31 December 2023	**42,940**	**469**	**4,785**	**410**	**60**	**48,664**
At 31 December 2023						
Cost or revalued amount	74,657	1,143	9,574	759	71	86,204
Accumulated depreciation	(31,718)	(674)	(4,789)	(349)	(11)	(37,541)
Net book amount	**42,940**	**469**	**4,785**	**410**	**60**	**48,664**
Net book amount at 1 January 2024	**42,940**	**469**	**4,785**	**410**	**60**	**48,664**
- additions	627	-	778	568	-	1,973
- write-offs and disposals	-	-	-	-	-	-
- effect of modifications	4,475	-	-	-	-	4,475
- depreciation	(7,143)	(153)	(564)	(100)	(14)	(7,974)
- reclassifications	-	-	(1,773)	(74)	-	(1,847)
Net book amount at 31 December 2024	**40,899**	**316**	**3,225**	**805**	**46**	**45,291**
At 31 December 2024						
Cost or revalued amount	79,759	1,143	4,898	1,072	71	86,944
Accumulated depreciation	(38,861)	(827)	(1,673)	(267)	(25)	(41,653)
Net book amount	**40,899**	**316**	**3,225**	**805**	**46**	**45,291**

Depreciation charges of the Group's right-of-use assets were included in cost of sales, biological assets, inventories and administrative expenses.

(All amounts are in EUR '000 unless otherwise stated)

COMPANY	Buildings and structures	Motor vehicles	Total
At 1 January 2023			
Cost or revalued amount	1,019	127	1,146
Accumulated depreciation	(521)	(48)	(569)
Net book amount	**498**	**79**	**577**
Net book amount at 1 January 2023	**498**	**79**	**577**
- additions	-	-	-
- write-offs and disposals	-	-	-
- effect of modifications	124	-	124
- depreciation	(153)	(17)	(170)
- reclassifications	-	-	-
Net book amount at 31 December 2023	**469**	**62**	**531**
At 31 December 2023			
Cost or revalued amount	1,143	127	1,270
Accumulated depreciation	(674)	(65)	(739)
Net book amount	**469**	**62**	**531**
Net book amount at 1 January 2024	**469**	**62**	**531**
- additions	-		-
- write-offs and disposals	-		-
- effect of modifications	-		-
- depreciation	(153)	(13)	(166)
- reclassifications	-	(23)	(23)
Net book amount at 31 December 2024	**316**	**26**	**342**
At 31 December 2024			
Cost or revalued amount	1,143	75	1,218
Accumulated depreciation	(827)	(49)	(876)

(All amounts are in EUR '000 unless otherwise stated)

Net book amount	**316**	**26**	**342**

Depreciation charges of the Company's right-of-use assets were included in administrative expenses.

Under the lease contracts, right-of-use assets had been pledged as collateral for lease liabilities.

7. Investments in Subsidiaries

	2024	2023
At 1 January	**108,745**	**106,688**
Acquisition of subsidiaries / additions	1,206	5,896
Disposal of subsidiaries		-
Impairment loss	(18,696)	(3,839)
Other financial assets	(17)	
At 31 December	**91,238**	**108,745**

In 2024, the Company increased its investments in subsidiaries by raising the share capital of "Agrotechnikos centras" by EUR 1,206 thousand. The share capital was increased by capitalizing the subsidiary's debt to the Company as a supplier.

In 2023 the Company increased its investments in subsidiaries by raising the share capital of AUGA Raseiniai by EUR 5,888 thousand. The Company increased the share capital by capitalizing a loan granted by the subsidiary.

Impairment

As at 31 December 2024 and 2023, the Company's management performed impairment tests for the cost of investments in subsidiaries. To assess whether impairment indicators exist, the cost of investments in subsidiaries operating in farming and mushroom growing activities was compared against the net assets value of those subsidiaries as at 31 December 2024 and 2023. Where the net assets value was lower than the carrying amount of the investment, the management concluded that there existed impairment indications for the investment and estimated the recoverable amount of the specific subsidiary using the discounted cash flow method.

(All amounts are in EUR '000 unless otherwise stated)

Information about the Company's subsidiaries as of December 31, 2024, thousand EUR

Investment name	Acquisition value	Equity	Impairment of investment 2024 31 12	Impairment of investment 2023 31 12	Investment balance
Baltic Champs UAB	26 592	22 552	(12 436)	(3 839)	14 156
AUGA Raseiniai, UAB	8 314	226	(4 061)		4 253
AUGA Mantviliškis, ŽŪB	2 526	2 999	(1 743)		783
AUGA Spindulys, ŽŪB	5 079	7 796	(425)		4 654
ŽŪB " AUGA Eimučiai"	440	616	(31)		409
Gustonys ŽŪB	0	(72)	0		0
AUGA Ramučiai, UAB	800	(374)	0		800
Luganta UAB	784	(3 268)	0		784
ŽŪB " AUGA Žadžiūnai"	2 009	4 458	0		2 009
AUGA Skėmiai, ŽŪB	2 649	2 376	0		2 649
AUGA Dumšiškės ŽŪB	1 250	1 226	0		1 250
AGROSS UAB	3	474	0		3
AVG investment UAB	374	398	0		374
ŽŪB "AUGA Alanta"	1 800	747	0		1 800
AWG investment 2 UAB	79	39	0		79
ŽŪB "AUGA Jurbarkai"	2 800	104	0		2 800
ŽŪB "AUGA Vėriškės"	800	427	0		800
ŽŪB "AUGA Nausodė"	2 000	(424)	0		2 000
ŽŪB "AUGA Kairėnai"	1 600	1 542	0		1 600
AUGA Smilgiai, ŽŪB	5 080	4 894	0		5 080
AUGA Želsvelė, ŽŪB	3 377	6 396	0		3 377
AWG investment 1UAB	9 417	11 175	0		9 417
UAB "Grain LT"	10 240	5 389	0		10 240
Žemės vystymo fondas 9 UAB	6	(23)	0		6
Žemės vystymo fondas 20 UAB	18 767	14 239	0		18 767
Žemės vystymo fondas 10 UAB	3	(16)	0		3
Agrotechnikos centras UAB	3 107	(354)	0		3 107
AUGA Community, UAB	3	(384)	0		3
eTime invest UAB	0	(947)	0		0
Agro Management Team UAB	18	(199)	0		18
Agroschool OU - Estija	3	10 106	0		3
AgroGis UAB	4	(130)	0		4
TOTAL, thousand EUR	**109 922**	**91 988**	**(18 696)**	**(3 839)**	**91 228**

(All amounts are in EUR '000 unless otherwise stated)

In 2024, the impairment test results of subsidiaries engaged in agricultural activities revealed that certain subsidiaries showed indicators of impairment, as their net asset value was lower than the carrying amount of the investment. For these subsidiaries, the discounted future cash flow method was applied, based on seven-year financial forecasts approved by management.

The key assumptions used in the impairment test included projected EBITDA, which was based on the actual cultivated land area, actual livestock numbers, and forecasted indicators such as yield, prices, costs, per-hectare subsidies, and operating expenses. Other significant assumptions are presented in the table below. The present value of future cash flows was determined and compared to the investment's carrying amount. After evaluating all assumptions, the impairment loss on investments in agricultural activities for 2024 amounted to EUR 6,260 thousand (2023 – EUR 0).

The following assumptions were used in the impairment tests for subsidiaries operating in farming:

Assumption	**At 31 December 2024**	**At 31 December 2023**
Forecast period	7 years	5 years
Annual growth rate	3.00%	3.30%
Discount rate (WACC):	10.94%	8.30%

	Change in assumption		**Impact on increase in impairment**	
Assumption	**2024**	**2023**	**2024**	**2023**
Decrease in annual growth rate	1 p.p.	not assessed	(1,897)	not assessed
Increase in discount rate (WACC)	1 p.p.	not assessed	(1,849)	not assessed
Decrease in EBITDA	10 p.p.	not assessed	(1,178)	not assessed

The results of impairment indicators assessment of mushroom growing subsidiary showed that there were indications of impairment. The mushroom growing subsidiary include the investment in Baltic Champs UAB in 2024 (Baltic Champs UAB and Grybai LT KB in 2023). The calculations were based on assumptions listed in the table below and based on separate cash flows of UAB "Baltic Champs", which were prepared taking into account the specific nature of its operations.. Subsequently, the present value of those future cash flows was determined and it was compared against the cost of investments. After evaluating all assumptions, the impairment loss on investments in mushroom cultivation activities in 2024 amounted to EUR 12,436 thousand (2023 – EUR 3,839 thousand). The main factors that led to a significant increase in impairment were the reduction of the annual growth rate, which, taking into account the current circumstances and restructuring processes, was lowered to 3% compared to 5.76% last year, and the revision of the discount rate, which was increased due to the ongoing restructuring of the Company from 8.04% to 10.94%.

The following assumptions were used in the impairment tests for subsidiary operating in mushroom growing:

Assumption	**At 31 December 2024**	**At 31 December 2023**
Forecast period	7 years	5 years
Annual growth rate	3.00%	5.76%
Discount rate (WACC):	10.94%	8.04%

The impact of changes in the assumptions used in the impairment test on the valuation result is presented in the table below:

	Change in assumption	**Impact on increase in impairment**

(All amounts are in EUR ’000 unless otherwise stated)

Assumption	**2024**	**2023**	**2023**	**2022**
Decrease in annual growth rate	1 p.p.	1 p.p.	(1,594)	(1,659)
Increase in discount rate (WACC)	1 p.p.	1 p.p.	(2,089)	(4,330)
Decrease in EBITDA	10 p.p.	10 p.p.	(2,686)	(4,893)

(All amounts are in EUR '000 unless otherwise stated)

8. Intangible Assets

	GROUP				COMPANY		
	Goodwill	**Internally generated intangible assets**	**Other intangible assets**	**Total**	**Internally generated intangible assets**	**Other intangible assets**	**Total**
At 1 January 2023							
Cost	3,465	1,646	531	5,642	1,646	141	1,787
Accumulated amortisation	-	-	(399)	(399)	-	(34)	(34)
Net book amount	**3,465**	**1,646**	**132**	**5,243**	**1,646**	**107**	**1,753**
Net book amount at 1 January 2023	**3,465**	**1,646**	**132**	**5,243**	**1,646**	**107**	**1,753**
- additions	**-**	1,168	**330**	1,498	-	229	229
- internal development	**-**	546	**-**	546	-	-	-
- write-offs and disposals	**-**	-	**-**	-	(1,646)	(9)	(1,655)
- disposal of subsidiary (note 30)	**(3,465)**	-	**(16)**	(3,481)	-	-	-
- amortisation	**-**	-	**(24)**	(24)	-	(1)	(1)
- reclassification	**-**	1,431	**-**	1,431	-	-	-
Net book amount at 31 December 2023	**-**	**4,791**	**422**	**5,213**	**-**	**326**	**326**
At 31 December 2023							
Cost	-	4,791	825	5,616	-	352	352
Accumulated amortisation	-	-	(403)	(403)	-	(26)	(26)
Net book amount	**-**	**4,791**	**422**	**5,213**	**-**	**326**	**326**
Net book amount at 1 January 2024	**-**	**4,791**	**422**	**5,213**	**-**	**326**	**326**
- additions	-	343	155	498	-	-	-
- internal development	-	668	-	668	-	-	-
- write-offs and disposals	-	(5,086)	(370)	(5,456)	-	(352)	(352)
- Depreciation of write-offs and disposals		-	37	37	-	26	26
- amortisation	-	-	(83)	(83)	-	-	-
- reclassification	-	(716)	-	(716)	-	-	-
Net book amount at 31 December 2024	**-**	**-**	**161**	**161**	**-**	**-**	**-**

At 31 December 2024							
Cost	-	-	610	610	-	-	-
Accumulated amortisation	-	-	(449)	(449)	-	-	-
Net book amount	**-**	**-**	**161**	**161**	**-**	**-**	**-**

Amortisation charges of intangible assets were included in administrative expenses (see note 25).

Considering that in 2024 the Company and certain Group entities initiated restructuring processes (as described in Note 2.1), and that the Company and the Group decided to suspend the development and expansion of technologies, the Group reassessed the value of internally generated intangible assets. Given that the Group is currently unable to present development plans for the technologies under development due to uncertainty, the Group assessed the technical equipment created as part of the development using the comparable market price method (comparing equipment of similar capacity with market prices). The determined value was recognized as property as it is used in the Company's operations. The remaining portion of the intangible assets was recognized as an impairment loss.
The Company had acquired an accounting system, which was being developed internally and intended for use across the Group. As the system is no longer planned to be further developed, the Company wrote it off during 2024.

In July 2023, AUGA group sold its subsidiary Grybai LT, therefore goodwill was written-off (note 30).

9. Biological Assets

The Group's biological assets comprised as follows:

	At 31 December 2024	At 31 December 2023
Livestock	13,978	10,686
Total non-current biological assets	**13,978**	**10,686**
Crops	18,464	20,708
Mycelium cultivation seedbed	2,222	2,365
Total current biological assets	**20,686**	**23,073**
Total biological assets	**34,664**	**33,759**

LIVESTOCK

Value of the Group's livestock, EUR '000	Dairy cows	Heifers	Other livestock	Total
At 1 January 2023	**6,799**	**3,579**	**137**	**10,515**
Additions	-	-	5	**5**
Increase (birth)	-	60	46	**106**
Makeweight	-	3,828	505	**4,334**
Reclassifications from other categories	2,934	(2,934)	-	**-**
Disposals	(746)	(259)	(271)	**(1,276)**
Natural mortality (recognised as change in fair value of biological assets (note 22)	(296)	(57)	(32)	**(384)**
Gain/(loss) on change in fair value of biological assets (note 22)	(1,794)	(566)	(254)	**(2,614)**
At 31 December 2023	**6,897**	**3,651**	**136**	**10,686**
Additions	-	-	5	**5**

(All amounts are in EUR '000 unless otherwise stated)

Increase (birth)	-	63	47	**110**
Makeweight	-	4,300	375	**4,675**
Reclassifications from other categories	3,031	(3,031)	-	**-**
Disposals	(901)	(352)	(383)	**(1,636)**
Natural mortality (recognised as change in fair value of biological assets (note 22)	(287)	(91)	(26)	**(404)**
Gain/(loss) on change in fair value of biological assets (note 22)	1,149	(545)	(60)	**544**
At 31 December 2024	**9,889**	**3,995**	**94**	**13,978**

Quantity of the Group's livestock, units:

	Dairy cows	Heifers	Other livestock	Total
At 1 January 2023	**3,457**	**3,160**	**327**	**6,944**
Additions	-	-	-	-
Increase (birth)	-	2,073	1,600	3,673
Reclassifications between categories	1,188	(1,188)	-	-
Disposals	(1,060)	(435)	(1,489)	(2,984)
Natural mortality	(132)	(221)	(90)	(443)
At 31 December 2023	**3,453**	**3,389**	**348**	**7,190**
Additions	-	-	-	-
Increase (birth)	-	2,105	1,577	3,682
Reclassifications between categories	1,270	(1,270)	-	-
Disposals	(1,158)	(486)	(1,578)	(3,222)
Natural mortality	(143)	(273)	(78)	(494)
At 31 December 2024	**3,422**	**3,465**	**269**	**7,156**

In 2024, the Group produced 29,011 tons of milk (2023: 27,751 tons).

Fair value measurement of dairy cows

The fair value measurement of dairy cows was based on the recoverable amount approach using the discounted free cash flows over a 4-year useful life of the cow herd. At the end of the useful life the cows are expected to be sold for meat. The projected revenue is reduced by the amount of costs directly related to cow growing (feeds, medicines, payroll expenses, etc.) over the same period.

The following assumptions were used in fair value measurement:

Assumption	**At 31 December 2024**	**At 31 December 2023**
Forecast period	4 years	4 years
Average milk price	0.490 EUR/kg	0.480 EUR/kg
Useful life of cow herd	1-4 years	1-4 years
Average yield per cow	23.88 kg per day	22.63 kg per day
Discount rate (after-tax WACC)	13.34%	7.70%

Sensitivity to changes in key assumptions of dairy cows

A 5% change in the milk price over the next 4-year period would result in EUR 1,161 thousand (2023: EUR 1,165 thousand) change in the fair value of the cow herd.

The fair value measurement of dairy cows is attributed to Level 3 in the fair value hierarchy.

Fair value measurement of heifers and other non-dairy livestock

The fair value measurement of the Group’s other livestock is based on the average price of meat per kilo. For young bulls and heifers, the fair value is measured by multiplying the market prices of meat per kg (meat market price depends on the age group of livestock) by the total weight of livestock in corresponding category.

A 10% change in the market price of meat would result in EUR 406 thousand (2023: EUR 375 thousand) change in the fair value of the Group's non-dairy livestock.

The fair value measurement of other livestock is attributed to Level 2 in the fair value hierarchy.

Milk is sold daily right after the milking.

Biological assets risk

The risk of biological assets used in the Group‘s activities (cattle, mushrooms, crops) arises from inappropriate maintenance of biological assets, potential outbreak of diseases, other factors that may cause loss of such assets.

The Group has the Environmental and Animal Welfare Policy in place, which is constantly updated. To minimise potential losses caused by the factors of biological assets risk, the Group‘s farm workers monitor the condition of soil, use environmentally friendly plant protection means and organic fertilizers, apply crop rotation, carefully control the quality of cattle feed, continuously improve animal housing conditions, and undertake prevention of infections.

The Group believes there is a low likelihood of biological assets risk in future periods due to prevention and control systems implemented at the Group, however, it is still possible in the event of severely unfavourable climate conditions beyond the control of the Group.

CROPS

Value of the Group’s crops, EUR ‘000

	Crops
At 1 January 2023	**17,464**
Seeding and other costs before point of harvest	24,344
Harvest of crops	(34,568)
Effect of change in fair value on initial recognition of agricultural produce (note 22)	(7,240)
Autumn seeding and land tillage for spring	19,420
Effect of change in fair value on initial recognition of agricultural produce – winter crops (note 4, 22)	1,288
At 31 December 2023	**20,708**
Seeding and other costs before point of harvest	28,013
Harvest of crops	(37,454)
Effect of change in fair value on initial recognition of agricultural produce (note 22)	(11,267)
Autumn seeding and land tillage for spring	18,097
Effect of change in fair value on initial recognition of agricultural produce – winter crops (note 4, 22)	367
At 31 December 2024	**18,464**

Balances of the Group‘s crops by type:

2024	Winter wheat	Winter rapeseed	Winter barley	Winter triticale	Other crops	Total
Total seeded area (tilled land), ha	11,741	5,218	1,160	573	15,283	**33,975**
Total costs incurred, EUR '000	7,297	3,995	625	261	5,920	**18,097**
Average costs per ha (EUR)	621	766	538	455	387	**533**
2023						
Total seeded area (tilled land), ha	10,878	5,414	1,463	-	20,346	**38,100**
Total costs incurred, EUR '000	6,850	3,565	937	-	8,069	**19,420**
Average costs per ha (EUR)	630	658	641	-	397	**510**

In 2024, the Group's harvest was 141 thousand tons of grains and vegetables (2023: 110 thousand tons).

Result on initial recognition of fair value of biological assets was loss of EUR 10.90 million in 2024 (2023: loss of EUR 5.95 million). The decline in the result was mainly caused by the lack of working capital, which led to most of the organic produce being sold right after the harvest, when market prices were lowest. Rising costs of fertilizers, seeds, and wages also had a negative impact.

Fair value measurement of crops

Crops are measured at fair value or, if the fair value cannot be determined, at cost that is used as an approximation of the fair value. As at 31 December 2024 and 2023, the cost was used to determine the fair value of summer crops because only little transformation has taken place since the date of incurrence of costs, whereas winter crops were measured at fair value.

The fair value of winter crops at the year-end is calculated using the following formula and assumptions.

Fair value of crops = costs incurred + (cultivated land area (ha) * historical average yields (tons per ha) * forecast price per ton - cultivated land area (ha) * forecast costs per ha) * T, where:

- Costs incurred are the costs actually incurred in relation to particular type of crops during the period ended 31 December 2024
- Cultivated land area (ha) is the area in hectares seeded with particular type of crops and expected to be harvested.
- Historical average yields (tons per ha).
- Forecast price per ton. The fair value is calculated using the average sale prices of crops set in the contracts, after considering changes in the market. If the Group has or had no such contracts, the market prices are used to determine the value of crops harvested. If the market prices are not available or they are unreliable for the particular type of crops, the crops harvested are measured at cost.
- Forecast costs per ha. Historical average costs, after considering current situation.
- T is a proportion of time between the seeding date and the expected harvest date. As at 31 December 2023, the proportion of time was on average 36% (2023 - 35%).

As at 31 December 2024, the fair value of winter crops for 2024/2025 season exceeded the forecast costs by EUR 367 thousand (31 December 2023: EUR 1,288 thousand). The difference was accounted for in the financial statements as gain (loss) on subsequent measurement of biological asset at fair value.

Fair value measurement of crops is attributed to Level 3 in the fair value hierarchy.
The costs incurred include land tillage costs, seeds, fertilizers, payroll costs, machinery depreciation, and repair costs.

At point of harvest the prices of crops harvested are determined by the Group's management based on the prices set in the contracts and with reference to the market prices less costs to sell. The crops harvested are recognised as inventory at fair value less costs to sell, and the difference between the fair value less costs to sell and the growing costs is recognised in the statement of profit or loss as gain (loss) on initial recognition of biological asset at fair value.

(All amounts are in EUR '000 unless otherwise stated)

MYCELIUM CULTIVATION SEEDBED

	Mycelium cultivation seedbed
At 1 January 2023	**2,419**
Seeding and other costs incurred before the point of harvest	29,004
Harvest of mushrooms	(29,057)
At 31 December 2023	**2,365**
Seeding and other costs incurred before the point of harvest	28,492
Harvest of mushrooms	(28,635)
At 31 December 2024	**2,222**

In 2024, the Group sold 10,716 tons of fresh mushrooms (2023: 11,510 tons).

Fair value measurement of mycelium cultivation seedbed

As at 31 December 2023 and 2022, the cost was used as an approximation of the fair value of mycelium cultivation seedbed, since only little biological transformation has taken place since the moment of incurrence of costs. The Group harvests the seedbed in production process at least 7-8 times annually.

The fair value of mycelium cultivation seedbed approximates the costs incurred.

Mushrooms are harvested and sold daily right after the point of harvest.

Part of biological assets of the Group entities (around 16%) had been pledged under corporate mortgages as collateral for borrowings as at 31 December 2024 (31 December 2023: around 14%).

10. Inventories

	At 31 December 2024	At 31 December 2023
Agricultural produce	4,441	14,156
Raw materials and consumables	8,768	10,567
Herbaceous forage	4,398	4,204
Finished products	259	304
Other	507	798
Total	**18,373**	**30,029**
Write-down allowance	(1,396)	(1,366)
Carrying amount	**16,977**	**28,663**

Value of agricultural produce on initial recognition

The value of agricultural produce is measured on initial recognition at the point of harvest with reference to the prices set in the contracts. If the Group has or had no such contracts, the value of crops harvested is determined with reference to the market prices. If the market prices are not available or are unreliable for particular type of crops, the value of crops harvested is measured at cost.

As at 31 December 2024, most of the inventories of the Group entities (33%) had been pledged under corporate mortgages as collateral for borrowings (31 December 2023: 59%).

(All amounts are in EUR '000 unless otherwise stated)

11. Trade and Other Receivables

	GROUP		COMPANY	
	At 31 December 2024	At 31 December 2023	At 31 December 2024	At 31 December 2023
Trade receivables	6,907	5,551	71	2,773
Subsidies and grants receivable from the National Paying Agency (NPA)	775	4,661	-	-
Receivables from natural persons	108	97	9	-
Loan granted	536	536	-	-
Other receivables	7	6	3,265	3,265
Dividends receivable from subsidiaries	-	-	1,079	-
Trade receivables from subsidiaries	-	-	6,018	-
Discounted receivables from subsidiaries	-	-	(3,308)	-
Total	**8,333**	**10,851**	**7,134**	**6,038**
Less: loss allowance for other receivables	(686)	(197)	(68)	-
Trade and other receivables, net	**7,647**	**10,654**	**7,066**	**6,038**
Non-current portion	-	536	7,054	3,265
Current portion	**7,647**	**10,118**	**12**	**2,773**

After discounting the debts of the Company's group companies, amounts receivable from group companies were reclassified to long-term trade and other receivables within one year. More detailed information on discounting of amounts receivable from group companies is described in Note 32.

Pledge

When assessing the financial position of all Group companies separately, part of trade and other receivables as of 31 December 2024 – 2,073 thousand EUR – was pledged as a corporate mortgage as a means of securing loans (as of 31 December 2023, 5,007 thousand EUR was pledged).

12. Other Assets

	GROUP		COMPANY	
	At 31 December 2024	At 31 December 2023	At 31 December 2024	At 31 December 2023
Prepayments	3,062	2,783	125	180
Deferred expenses	1,341	1,406	85	148
VAT receivable	-	665	-	28
Other	254	254	-	-
Total	**4,657**	**5,108**	**210**	**356**
Non-current portion	1,718	1,718	66	66
Current portion	**2,939**	**3,390**	**144**	**290**

(All amounts are in EUR '000 unless otherwise stated)

13. Cash and Cash Equivalents

The Group's cash and cash equivalents comprised as follows as at 31 December:

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Cash at bank	1,687	3,397	3	10
Cash on hand	31	58	-	-
Carrying amount	**1,718**	**3,455**	**3**	**10**

As at 31 December 2023 and 2022, the Group did not recognise loss allowance for cash and cash equivalents because the expected loss rates were immaterial, as disclosed in note 11.

14. Financial Instruments by Category

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Financial assets at amortised cost				
Trade receivables	6 757	5,354	3	6,038
Subsidies receivable from the NPA	775	4,661	-	-
Other receivables	115	639	3 274	-
Discounted receivables from subsidiaries			(3 308)	
Cash and cash equivalents	1 718	3,455	3	10
Total	**9 365**	**14,109**	**(28)**	**6,048**

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Financial liabilities at amortised cost				
Borrowings	83 644	76,663	37 646	32,381
Lease liabilities	48 172	50,371	371	537
Trade payables	25 974	27,721	524	1,032
Other payables	495	232	8	22
Total	**158 285**	**154,987**	**38 549**	**33,972**

15. Equity

Share capital

As at 31 December 2024, the share capital amounted to EUR 67,803 thousand (31 December 2023: EUR 67,203 thousand). As at 31 December 2024, the share capital was divided into 233 803 368 ordinary registered shares (31 December 2023: 231 735 132 ordinary registered shares) with the nominal value of EUR 0.29 each. All the shares have been fully paid. Each share vests typical tangible and intangible rights as set forth in the Lithuanian Law on Companies and the Company's Articles of Association.

In 2024, 2 068 236 ordinary registered shares were granted to employees under the Employee Option Plan (2023: 2 021 030 shares). Accordingly, the Group's/Company's share capital increased by EUR 600 thousand (2023: EUR 586 thousand).

Share premium

The share premium reserve was formed following the completion of the secondary public offering held on 23 August 2018. The share premium reserve amounted to EUR 6,707 thousand as of 31 December 2024 (31 December 2023: EUR 6,707 thousand).

Legal reserve

The legal reserve is compulsory under the Lithuanian laws. Annual transfers of at least 5% of net profit, calculated in accordance with the Lithuanian regulatory legislation on accounting, are compulsory until the reserve reaches 10% of the authorised share capital. The legal reserve can be used to cover the accumulated losses only. The legal reserve of the Group/Company amounted to EUR 2,041 thousand as of 31 December 2024 (31 December 2023: EUR 2,041 thousand).

Revaluation reserve

The Group's revaluation reserve represents change in the value of land owned by the Group. At the end of each year, the Group initiates land portfolio valuation. Based on the revaluation, the value of the Group‘s land increased by EUR 501 thousand (2023: EUR 2,409 thousand) due to rise in the average price of agricultural land. The reserve for revaluation of land (after tax) increased by EUR 295 thousand (2023: EUR 2,048 thousand) and amounted to EUR 15,908 thousand (31 December 2023: EUR 15,613 thousand).

Reserve for share-based payments to employees

In 2022, the reserve for share-based payments to employees was increased by EUR 493 thousand. In 2022, the Group/Company exercised its first share options agreements and the shares were granted to employees, thereby resulting in EUR 666 thousand decrease in reserve for share-based payments to employees. In 2023, the reserve for share-based payments to employees was increased by EUR 650 thousand and decreased by EUR 586 thousand after share options were exercised second time. In 2024, the reserve for share-based payments to employees was increased by EUR 400 thousand and decreased by EUR 600 thousand after share options were exercised third time.

As at 31 December 2024, the reserve for share-based payments to employees amounted to EUR 2,693 thousand (EUR 2,893 thousand as at 31 December 2023).

The Employee Option Plan was approved at the General Meeting of Shareholders of the Group/Company held on 30 April 2019. Based on the Employee Option Plan, the participants are provided with options to acquire the Company‘s shares free of charge if they meet the service condition to complete a 3-year term of service at the Group. After the service condition is met, an employee is eligible to exercise the option. Due to the restructuring process of AUGA group, RAB, which entered into force in 2025, stock option agreements that were concluded in 2024 and must be exercised during the restructuring, will be reviewed.

Reserve for share-based payments to employees	**Number of shares, units**	**Amount, EUR ‘000**
Total reserve at 1 January 2023	**9,753,874**	**2,829**
Shares allocated to employees under share options as at 31 December 2023	6,220,409	1,804
Unallocated shares as at 31 December 2023	3,753,815	1,089
Total reserve at 31 December 2023	**9,974,224**	**2,893**
Shares allocated to employees under share options as at 31 December 2024	6,300,653	1,827
Unallocated shares as at 31 December 2024	2,984,645	866
Total reserve at 31 December 2024	**9,285,298**	**2,693**

In 2024, the Group recognised employee benefit expenses of EUR 607 thousand (2023: EUR 657 thousand) in relation to share options allocated under the Employee Option Plan.

(All amounts are in EUR ’000 unless otherwise stated)

16. Borrowings

	GROUP		COMPANY	
	At 31 December 2024	At 31 December 2023	At 31 December 2024	At 31 December 2023
Non-current				
Borrowings from credit institutions		14,387		1,004
Bonds		-	-	
Other financial liabilities		253	-	-
Discounted loan from subsidiaries		-	5,928	2,577
Other debts discounted by subsidiaries	–		443	
Total		**14,640**	**6,371**	**3,581**
Current				
Borrowings from credit institutions	27,997	14,825	3,709	2,193
Credit lines	16,616	17,540	-	-
Bonds	38,648	31,642	27,566	25,705
Other financial liabilities	382			
Borrowings from subsidiaries		-		902
Total	**83,644**	**64,007**	**31,275**	**28,800**
Total borrowings	**83,644**	**78,647**	**37,646**	**32,381**

Movements in borrowings and credit lines:

	GROUP		COMPANY	
	2024	2023	2024	2023
Balance at 1 January	**46,752**	**44,137**	**3,197**	**3,931**
Proceeds from borrowings during the year	1,166	12,454	386	51
Repayments of borrowings	(3,013)	(10,929)		(785)
Use of credit lines	(744)	1,090	-	-
Interest charged	3,237	3,223	349	358
Interest paid	(2,785)	(3,223)	(223)	(358)
Balance at 31 December	**44,613**	**46,752**	**3,709**	**3,197**

(All amounts are in EUR '000 unless otherwise stated)

Movements in bonds:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Balance at 1 January	**31,642**	**25,409**	**25,705**	**25,409**
Bonds issued during the year	4,984	5,880		-
Repayments of borrowings	-	-		-
Interest charged	3,061	2,530	1,861	1,993
Interest paid	(1,039)	(2,177)		(1,697)
Balance at 31 December	**38,648**	**31,642**	**27,566**	**25,705**

Movements in borrowings from subsidiaries:

	COMPANY	
	2024	**2023**
Balance at 1 January	**3,479**	**2,694**
Proceeds from borrowings during the year	5,750	12,518
Repayments of borrowings	(648)	(7,903)
Borrowings offset with dividends receivable	-	(4,000)
Borrowings offset with loan granted	-	(5,718)
Non-cash loan for investments in subsidiaries	-	5,888
Interest charged	479	159
Interest paid	(479)	(159)
Transfer of other debts of subsidiaries to long-term	632	
Impact of discounting loans and other debts of subsidiaries	(2,842)	
Balance at 31 December	**6,371**	**3,479**

Long-term and short-term debts
As of 31 December 2024, the Group and the Company classified financial liabilities, excluding those to related parties, as current liabilities, taking into account that the Company and the Group entities with obligations to financial institutions are undergoing restructuring. As of the reporting date, neither the Company nor the Group had finalized agreements with financial institutions, as the restructuring plans had not yet been approved. Further details on the classification of liabilities are provided in Note 3.1.

All amounts payable (both financial and other liabilities) by the Company to its subsidiaries were discounted and presented as non-current financial liabilities. When discounting receivables and payables between Group entities due to the legally effective restructuring process, the discount rate applied corresponds to the interest rate stipulated in the intercompany loan agreements. The discounting period matches the restructuring period, based on the assumption that receivables and payables related to Group entities will be fully settled only upon completion of the restructuring process. Further information on the discounting of payables to Group entities is provided in Note 32.

(All amounts are in EUR ’000 unless otherwise stated)

Borrowings from credit institutions

As at 31 December 2024, the Group‘s borrowings comprised EUR 23,493 thousand borrowings from banks, EUR 3,616 thousand borrowings from credit unions, and EUR 888 thousand borrowings from KŪB Pagalbos Verslui Fondas. The repayment terms of borrowings expire in 2024–2030. However, due to non-compliance with the financial covenants and the ongoing restructuring process, the loans are classified as current liabilities.

As at 31 December 2023, the Group‘s borrowings comprised EUR 24,264 thousand borrowings from banks, EUR 4,093 thousand borrowings from credit unions, and EUR 854 thousand borrowings from KŪB Pagalbos Verslui Fondas. The repayment terms of borrowings expire in 2024–2030. However, due to non-compliance with the financial covenants and the ongoing restructuring process, the loans are classified as current liabilities.

As at 31 December 2024, the Company’s loans comprised EUR 2,821 thousand in bank borrowings and a EUR 888 thousand loan from the KŪB Pagalbos Verslui Fondas. The repayment terms of borrowings expire in 2024–2030. However, due to non-compliance with financial covenants, the loans are classified as current liabilities.

Bonds

On 13 December 2019, the Group issued 20,000 units of Green Bonds (the Bonds) with the nominal value of EUR 1,000 each and annual fixed interest rate of 6% (by on the decision of the Group‘s management, interest is calculated in accordance with the Act/360 interest calculation convention). The maturity date of the Bonds is 17 December 2024. The coupon payment dates are scheduled for 17 December annually until 2024 (inclusive). The Bonds were introduced for trading in a regulated market on AB Nasdaq Vilnius, Bond list. As at 31 December 2024, the Group’s (and accordingly the Company’s) outstanding bond and interest liabilities amounted to EUR 21,400 thousand. Due to non-fulfilment of obligations and the ongoing restructuring process, the bond liabilities are classified as current liabilities.

On 18 March 2022, the Group entered into financing arrangement, under which KŪB Pagalbos Verslui Fondas acquired newly issued 600,000,000 units of bonds with the total nominal value of EUR 6,000 thousand. The maturity date of bonds is 15 March 2026. As at 31 December 2024, the Group’s (and accordingly the Company’s) outstanding bond and interest liabilities amounted to EUR 6,166 thousand. Due to non-fulfilment of obligations and the ongoing restructuring process, the bond liabilities are classified as current liabilities.

On 14 March 2023, the Group entered into a financing agreement under which a new bond issue of 6,000 units was placed, with a total nominal value of EUR 6,000 thousand. The maturity date was set for 27 October 2024, with an annual interest rate of 12%, and interest payments scheduled semi-annually.

On 8 May 2024, the Group entered into a financing agreement under which a new bond issue of 4,984 units was placed, with a total nominal value of EUR 4,984 thousand. The maturity date is 8 November 2025, with an annual interest rate of 14%, and interest payments scheduled semi-annually. As at 31 December 2024, the outstanding amount of these bonds and accrued interest totalled EUR 11,082 thousand. Due to non-fulfilment of obligations and the ongoing restructuring process, the bond liabilities are classified as current liabilities.

Credit lines

As at 31 December 2024, the Group‘s credit line limits amounted to EUR 16,616 thousand (31 December 2023: EUR 17,550 thousand). At the end of 2024 and 2023, the undrawn balance of credit lines amounted to EUR 0 thousand and EUR 10 thousand, respectively.

Other financial liabilities

As at 31 December 2024, the Group’s non-current payable to an investment fund for the acquisition of land amounted to EUR 254 thousand, and the financial liability to a non-financial institution amounted to EUR 128 thousand. As at 31 December 2024, the Company’s other financial liabilities comprised discounted debts of subsidiaries, including financial liabilities amounting to EUR 5,928 thousand (31 December 2023: EUR 2,577 thousand), and payables of EUR 443 thousand, which were reclassified as at 31 December 2024 from current trade payables to non-current other payables. (note 32)

Breakdown of the Group’s borrowings by type of interest rate:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Gross debt - fixed interest rates	(43 341)	(36,614)	(34 825)	(30,038)
Gross debt - floating interest rates	(40 303)	(42,033)	(2 821)	(2,343)
Total gross debt	**(83 644)**	**(78,647)**	**(37 646)**	**(32 381)**

Assets pledged as collateral

The Group’s all borrowings from credit institutions have been secured with property, plant and equipment pledged as collateral (note 5). In addition, the majority of agricultural entities have corporate mortgages, whereas mushroom growing company has pledged most of its non-current and current assets as collateral for borrowings (notes 9, 10 and 11).

(All amounts are in EUR ’000 unless otherwise stated)

17. Lease Liabilities

	GROUP		COMPANY	
	At 31 December 2024	At 31 December 2023	At 31 December 2024	At 31 December 2023
Lease liabilities				
Lease liabilities for land	44,453	45,580	-	-
Lease liabilities for other assets	3,719	2,807	371	537
Total lease liabilities	**48,172**	**48,387**	**371**	**537**
Less: current portion of lease liabilities				
Lease liabilities for land	7,112	6,563	-	-
Lease liabilities for other assets	1,952	1,292	188	166
Total current lease liabilities	**9,064**	**7,855**	**188**	**166**
Total non-current lease liabilities	**39,108**	**40,532**	**183**	**371**

The Group’s future minimum lease payments comprised as follows:

	At 31 December 2024		At 31 December 2023	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within 1 year	12,097	9,064	10,750	7,855
Later than 1 year	47,741	39,108	50,849	40,532
Minimum lease payments	**59,838**	**48,172**	**61,599**	**48,387**
Less: future finance charges	(11,666)	-	(13,212)	-
Present value of minimum lease payments	**48,172**	**48,172**	**48,387**	**48,387**

The Company’s future minimum lease payments comprised as follows as at 31 December:

	At 31 December 2024		At 31 December 2023	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Within 1 year	214	188	201	166
Later than 1 year	199	183	412	371
Minimum lease payments	**413**	**371**	**613**	**537**
Less: future finance charges	(42)	-	(76)	-
Present value of minimum lease payments	**371**	**371**	**537**	**537**

(All amounts are in EUR '000 unless otherwise stated)

Movement in lease liabilities during the year:

	GROUP		COMPANY	
	2024	2023	2024	2023
Balance at 1 January	**48,387**	**47,229**	**537**	**576**
New leases	2,916	639	-	-
Interest charged	4,061	3,707	36	32
Interest paid	(4,061)	(3,707)	(36)	(32)
Lease payments	(7,606)	(8,737)	(166)	(163)
Effect of lease modifications	4,475	9,256	-	124
Balance at 31 December	**48,172**	**48,387**	**371**	**537**

The Group's and the Company's lease liabilities have been secured by the lessor's title to assets acquired under lease by the lessee (note 6). The fair value of the Group's lease liabilities does not approximate their carrying amount.

18. Grants

Grants related to assets
Movement in grants related to assets during the year:

	GROUP		COMPANY	
	2024	2023	2024	2023
Balance at 1 January	**4,691**	**4,463**	**717**	**842**
Grants and subsidies received	-	827	-	-
Amortisation	(478)	(599)	(121)	(125)
Balance at 31 December	**4,213**	**4,691**	**596**	**717**

Grants related to assets will be recognised in the statement of profit or loss over the following periods:

	GROUP		COMPANY	
	2024	2023	2024	2023
Within 1 year	614	545	178	102
After 1 year	3,599	4,146	418	615
Total	**4,213**	**4,691**	**596**	**717**

There are no unfulfilled conditions or other contingencies in relation to recognised grant income.

(All amounts are in EUR '000 unless otherwise stated)

19. Deferred and Current Income Tax

Income tax in the statement of profit or loss comprised as follows:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Current income tax	-	-	-	-
Change in deferred income tax	55	208	(75)	-
Income tax expense (benefit)	**55**	**208**	**(75)**	**-**

The income tax calculated on the Group's and the Company's profit before tax differs from the theoretical amount that would be calculated using the basic income tax rate:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Profit (loss) before income tax from continuing operations	(32,386)	(26,079)	(22,837)	(4,295)
Profit (loss) before income tax from discontinuing operations	-	7,840	-	-
Total profit (loss) before income tax	(32,386)	(18,239)	(22,837)	(4,295)
Tax calculated at a rate of 15%	**(4,858)**	(2,736)	**(3,426)**	(644)
Tax effects:				
Non-taxable income	(2,190)	(1,271)	(164)	(705)
Non-deductible expenses	2,025	684	74	602
Reporting year tax losses for which no deferred tax asset is recognised	5,109	4,833	3,375	747
Changes in assumptions related to prior year	-	(1,268)	-	-
Investment projects relief	(35)	(34)	-	-
Impact of discounting subsidiary debt	-	-	70	-
Income tax at a rate of 15%	**51**	**208**	**(70)**	**-**
Tax calculated at a rate of 16%	**55**	**-**	**(75)**	**-**

In 2024 and 2023, a 15 percent tax rate was applied to all Group companies and the Company. When calculating deferred income tax as of 31 December 2024, a 16 percent tax rate is applied, since from 2025, income taxation in Lithuania is changing and a 16 percent income tax rate will be applied to both the Group and the Company.

Deferred income tax

Deferred income tax assets	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Loss allowance for receivables and write-down allowance for inventories	255	164	-	-
Accumulated tax losses	2,702	2,843	-	-
The impact of discounting subsidiaries' debts	-	-	75	-
Total deferred income tax assets	**2,957**	**3,007**	**75**	**-**
Offset against deferred income tax liability	(66)	(715)	-	-
Deferred income tax assets	**2,891**	**2,292**	**75**	**-**

(All amounts are in EUR '000 unless otherwise stated)

Deferred income tax liabilities

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Adoption of IFRS 16	578	439	-	-
Change in fair value of winter crops on initial recognition	59	193	-	-
Revaluation of land	2,094	1,888	-	-
Total deferred income tax liabilities	**2,731**	**2,520**	**-**	**-**
Offset against deferred income tax assets	(66)	(715)	-	-
Deferred income tax liabilities	**2,665**	**1,805**	**-**	**-**

GROUP

	Deferred income tax assets				Deferred income tax liabilities			
	Loss allowance for inventories and receivables	**Revaluation of land**	**Accumulated tax losses**	**Total deferred tax assets**	**Adoption of IFRS 16**	**Revaluation of land**	**Change in fair value of winter crops on initial recognition**	**Total deferred tax liabilities**
At 1 January 2023	**221**	**-**	**2,959**	**3,180**	**307**	**1,527**	**290**	**2,124**
Recognised in profit or loss	(57)	-	(116)	**(173)**	132	-	(97)	**35**
Recognised in other comprehensive income	-	-	-	**-**	-	361	-	**361**
At 31 December 2023	**164**	**-**	**2,843**	**3,007**	**439**	**1,888**	**193**	**2,520**
Recognised in profit or loss	91	-	(141)	**(50)**	139	-	(134)	**5**
Recognised in other comprehensive income	-	-	-	**-**	-	206	-	**206**
At 31 December 2024	**255**	**-**	**2,702**	**2,957**	**578**	**2,094**	**59**	**2,731**

The change in deferred income tax in the income statement for 2024 consists of a decrease in deferred income tax assets of EUR 50 thousand (decrease in 2023 of EUR 173 thousand) and an increase in deferred income tax liabilities of EUR 5 thousand (increase in 2023 of EUR 35 thousand).

As of 31 December 2023, deferred income tax was calculated using a 15 percent income tax rate. As of 31 December 2024, deferred income tax was calculated using a 16 percent income tax rate.

In the opinion of management, the Group's deferred income tax assets and liabilities will be realized within more than 12 months from the date of these financial statements.

Deferred income tax assets are recognized to the extent that it is probable that the tax benefits will be realized through future taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax relates to the same tax authority.

(All amounts are in EUR '000 unless otherwise stated)

Accumulated tax losses

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Total accumulated tax losses carry forward	116,248	113,136	49,354	26,715
Less: deferred income tax asset on tax losses carry forward	(16,888)	(18,953)	(466)	-
Total accumulated tax losses on which no deferred income tax asset was recognised	**99,361**	**94,183**	**48,888**	**26,715**

In accordance with the Law on Corporate Tax of the Republic of Lithuania, tax losses from ordinary activities may be carried forward indefinitely and no more than 70 percent of the taxable profit of the current period may be covered.

20. Trade Payables

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Trade payables	24,824	23,278	524	1,032
Payables under supplier financing arrangements	1 ,150	4,443	-	-
Total	**25,974**	**27,721**	**524**	**1,032**

After discounting the debts of the Company's group companies (Note 32), amounts payable within one year to the Group companies were reclassified into the group of amounts payable after one year and other long-term liabilities.

21. Other Payables

	GROUP		COMPANY	
	At 31 December 2024	**At 31 December 2023**	**At 31 December 2024**	**At 31 December 2023**
Employment-related liabilities	3,070	2,687	254	173
Vacation reserve	1,439	1,406	181	195
Advance amounts received	679	517	-	-
Taxes payable	2,085	73	56	20
Deferred income and accrued expenses	388	724	286	-
Other payables	494	232	9	22
Total	**8,155**	**5,639**	**786**	**410**

Other payables mostly include payables for lease of land to other entities and natural persons.

(All amounts are in EUR '000 unless otherwise stated)

22. Segment Reporting

GROUP
Operating segments

Statement of profit or loss

2024	Total	Total reportable segments	Dairy	Crop growing	Mushroom growing	Consumer packaged goods	Unallocated
Revenue	160,182	149,874	26,305	89,197	30,077	4,294	10,308
Cost of sales (a)	(166,273)	(150,614)	(25,547)	(92,761)	(28,492)	(3,814)	(15,659)
Gross profit as reported to the Group's management (b)	(6,092)	(740)	758	(3,564)	1,585	480	(5,351)
Elimination of intragroup transactions							
Intragroup revenue	74,812	64,504	10,248	53,517	-	739	10,308
Intragroup cost of sales (c)	(77,306)	(61,647)	(12,178)	(48,786)	-	(683)	(15,659)
Eliminations, net (d)	(2,494)	2,857	(1,930)	4,732	-	56	(5,351)
Total revenue from external customers	85,369	85,369	16,057	35,680	30,077	3,555	-
Direct subsidies (e)	11,001	11,001	2,288	8,712	-	-	-
Total cost of sales to external customers (a)-(c)+(e)	(77,966)	(77,966)	(11,081)	(35,263)	(28,492)	(3,131)	-
Gain on change in fair value of biological assets (f)	(10,760)	(10,760)	140	(10,900)	-	-	-
Gross profit (b)-(d)+(e)+(f)	(3,357)	(3,357)	5,117	(10,483)	1,585	424	-
Depreciation included in cost of sales	6,707	6,633	609	4,163	1,816	45	74

2023	Total	Total reportable segments	Dairy	Crop growing	Mushroom growing	Consumer packaged goods	Unallocated
Revenue	167,166	156,204	36,861	86,417	30,727	2,199	10,962
Cost of sales (a)	(180,462)	(161,700)	(38,197)	(92,147)	(29,004)	(2,352)	(18,763)
Gross profit as reported to the Group's management (b)	(13,296)	(5,495)	(1,336)	(5,730)	1,724	(153)	(7,801)
Elimination of intragroup transactions							
Intragroup revenue	89,724	78,763	22,116	56,342	-	305	10,962
Intragroup cost of sales (c)	(97,724)	(78,962)	(23,225)	(55,443)	-	(293)	(18,763)
Eliminations, net (d)	(8,000)	(199)	(1,109)	898	-	12	(7,801)
Total revenue from external customers	77,442	77,442	14,745	30,075	30,727	1,894	-
Direct subsidies (e)	11,846	11,846	2,803	9,043	-	-	-
Total cost of sales to external customers (a)-(c)+(e)	(70,892)	(70,892)	(12,169)	(27,661)	(29,004)	(2,059)	-
Gain on change in fair value of biological assets (f)	(8,960)	(8,960)	(3,008)	(5,952)	-	-	-
Gross profit (b)-(d)+(e)+(f)	(2,410)	(2,410)	(432)	(3,538)	1,724	(165)	-
Depreciation included in cost of sales	5,950	5,950	603	2,516	1,778	1,052	-

(All amounts are in EUR '000 unless otherwise stated)

For the decision-making purposes, the Group has the following operating segments:

- Dairy – milk production and livestock raising.
- Crop growing – growing of wheat, legume crops, vegetables and other types of crops, including forage crops.
- Mushroom growing – growing of mushrooms and compost production.
- Consumer packaged goods – packaged products ready for use: dairy products, vegetables, eggs, grain products, etc. Discontinued operations included canned vegetables, soups.
- Unallocated – accounting and management services provided by the Company to subsidiaries, also agricultural services, grain drying and storage services (intragroup).

Synergies between the operating segments:

a) Crop growing segment prepares feed for cows (corn silage, hay, haylage) and sells to dairy segment;
b) Dairy segment supplies manure (organic fertilizer) to crop growing segment;
c) Unallocated represents provision of agricultural and land lease services to the main segments, as well as grain drying and storage services, and lease of land and equipment to crop growing segment.

Largest customers of the Group by share of revenue they generate, %:

	2024	**2023**
ICA Sverige AB (buyer of mushrooms)	6.69	6.48
Scandagra (buyer of crops)	6.14	8.26
Dagab Inkop & Logistik AB (buyer of mushrooms)	5.19	5.94
Nordic Sugar Kėdainiai (buyer of crops)	4.71	4.53
Total	**22.73**	**25.21**

Around 50% of total revenue of the Group was generated by 13 largest customers in 2024, while in 2023 around 50% of total revenue of the Group was generated by 10 largest customers.

Revenue by geographical territory is provided in the table below.

	2024	**2023**
Revenue by geographical territory (representing over 10% of the Group's total revenue)		
	%	**%**
Lithuania	59.25	40.77
Sweden	12.42	13.10
Germany	7.15	9.47
Other countries	21.18	36.66
Total	**100.00**	**100.00**

All property of the Group is domiciled in Lithuania.

(All amounts are in EUR '000 unless otherwise stated)

COMPANY
The Company's revenue by nature:

	2024	**2023**
Business consultation and financial accounting services	3,289	2,544
Dividends from subsidiaries	1,079	4,701
Other revenue	-	1
Total	**4,368**	**7,246**

23. Cost of Sales

	2024	**2023**
Wages and salaries and social security contributions	20,043	19,150
Contractor services	11,848	12,400
Depreciation of PP&E	6,707	6,156
Raw materials	4,332	5,108
Packaging expenses	6,557	6,733
Fuel expenses	4,870	4,725
Feed for cattle	4,695	3,928
Fertilizers*	10,762	5,358
Seeds	4,503	4,122
Depreciation of ROU assets	4,936	5,289
Electricity and utility services	1,711	1,589
Spare parts and inventories	3,702	4,502
Inventory write-off expenses	1,186	978
Medicine	491	359
Inventory write-down allowance (reversal)	30	(15)
Other expenses	2,594	2,356
Less: direct government subsidies related to costs	(11,001)	(11,846)
Total	**77,966**	**70,892**

*The increase in fertilizer-related expenses was primarily driven by the transition to conventional farming on part of the fields in autumn 2023. During that period, only NPK fertilizers were purchased, while in spring 2024 additional nitrogen fertilizers, herbicides, growth regulators, and fungicides were acquired. Furthermore, the rise in the prices of purchased organic fertilizers also contributed to the overall cost increase.

Subsidies related to costs
In 2024, the Group recognised direct and ecological government subsidies of EUR 11,001 thousand in the Group's statement of profit or loss (2023: EUR 11,846 thousand). Since these government subsidies are related to costs, they were deducted from cost of sales.

The Group reclassifies the subsidies related to grasslands and pastures from crop growing to dairy segment in order to gain a better representation of the segments' results. Allocation between the segments is disclosed in note 22.

(All amounts are in EUR '000 unless otherwise stated)

24. Selling Expenses

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Marketing, advertising, intermediation	327	1,205	37	350
Wages and salaries and social security contributions	542	792	271	623
Other selling expenses	340	145	-	-
Total	**1,209**	**2,142**	**308**	**973**

25. Administrative Expenses

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Wages and salaries and social security contributions	5,164	4,896	1,985	2,430
Depreciation of PP&E and ROU assets and amortisation of intangible assets	765	1,206	301	379
Insurance and taxes	873	1,111	43	53
Office supplies	636	692	177	132
Share-based payment expenses	607	657	607	657
Consultation and business plan preparation	732	613	496	386
Fuel	312	374	33	67
Transport expenses	365	304	161	164
Rent and utility services	288	255	62	57
Services of credit institutions	73	118	5	19
Real estate registration and notary fees	135	99	-	1
Provision due sanctions of NPA	(81)	565	-	-
Other	930	946	300	227
Total	**10,799**	**11,836**	**4,170**	**4,572**

Since April 2019 the Group/Company has approved the Employee Option Plan and accounts for expenses related to share-based payments to employees under the Employee Option Plan. Expenses are recognised consistently over a 3-year vesting period. For more details refer to the note 2.22.

The table below presents the fees for the services provided by the audit firm to the Company and the Group in 2024 and 2023:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Financial statements audit services under contracts	199	159	95	88
Other services		3		3
Total	**199**	**162**	**95**	**91**

(All amounts are in EUR '000 unless otherwise stated)

26. Dividends from Subsidiaries

During the Annual General Meetings of Shareholders of the Group entities held in 2024, the decisions were made to pay out dividends to the shareholders. In 2024, the Company received dividends from the Group entities in amount of EUR 1,079 thousand (2023: EUR 4,701 thousand).

	Share of dividends in 2024 (%)	Share of dividends in 2024 (EUR)	Share of dividends in 2023 (EUR)	Share of dividends in 2023 (EUR)
Entity distributing dividends	AUGA Group AB	AUGA Group AB	AUGA Group AB	AUGA Group AB
Baltic Champs, UAB	100.00		100,00	**4 000 000**
Žemės Vystymo Fondas 20 UAB	100.00	**1 079 074**	100,00	**692 000**
AWG Investment 2 UAB	100.00		100,00	**5 000**
AVG Investment UAB	100.00		100,00	**4 000**
Total	**-**	**1 079 074**	-	**4 701 000**

27. Other Income

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Interest income	29	45	-	238
Rental income (expenses)	105	80	-	10
Other income (expenses)	327	27	13	198
Total	**461**	**152**	**13**	**447**

28. Other Gain/(Loss), Net

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Gain/(loss) on disposal of PP&E	985	54	-	-
Insurance benefits	116	83	-	-
Other	-	-	8	(3)
Total	**1,101**	**137**	**8**	**(3)**

(All amounts are in EUR '000 unless otherwise stated)

29. Finance Costs

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Interest on borrowings	3,237	3,223	349	358
Interest on bonds	3,061	2,177	1,861	1,697
Finance costs related to ROU assets (IFRS 16)	4,061	3,707	36	32
Foreign exchange loss	(2)	10	-	(1)
Change in fair value of derivative instruments	-	-	-	-
Interest on borrowings from subsidiaries and shareholder	-	-	479	159
Financial expenses related to the discounting of debts of subsidiaries	-	-	466	-
Other finance costs	1,971	1,060	418	355
Total	**12,328**	**10,177**	**3,609**	**2,600**

30. Discontinued operation

Description

In July 2023, the Group sold its subsidiary Grybai LT KB, producer of ready-to-eat soups and preserved products. This transaction is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the seven months ended at 15 July 2023.

	2023
Revenue	4,041
Expenses	(3,504)
Profit before income tax	**537**
Income tax expense	-
Profit after income tax of discontinued operation	537
Gain on sale of the subsidiary after income tax	7,303
Profit from discontinued operation	**7,840**
Net cash inflow from operating activities	100
Net cash inflow/(outflow) from investing activities	11,837
Net cash (outflow) from financing activities	(91)
Net increase in cash generated by the subsidiary	**11,846**

(All amounts are in EUR '000 unless otherwise stated)

In 2023 net cash inflow from investing activities of Grybai LT comprised payments for property plant and equipment, as well as intangible assets (EUR 74 thousand). In 2023, a cash inflow of EUR 11,911 thousand from the sale of Grybai LT is included under investing activities. This amount consists of consideration received of EUR 7,789 thousand and a loan of EUR 4,122 thousand granted by Kauno Grūdai UAB to Grybai LT to repay loans to Baltic Champs UAB and Swedbank at the date of transaction.

A non-cash item of EUR 5,000 EUR was not included in the net cash inflow from investing activities as this amount of the consideration was paid by Kauno Grūdai directly to Swedbank to cover financial liabilities on behalf of Baltic Champs. Total consideration (including cash and non-cash items) and loans received from Kauno grūdai was equal to EUR 16,911 thousand.

Details of the sale of the subsidiary

	2023
Total consideration	12,789
Received loans	4,122
Repayment of loans	(4,122)
Carrying amount of net assets sold	(5,486)
Gain on sale before income tax	**7,303**
Income tax expense on gain	-
Gain on sale after income tax	**7,303**

The carrying amounts of Grybai LT KB assets and liabilities as at the date of sale (15 July 2023) were:

	2023
Goodwill and other intangible assets	3,481
Property, plant and equipment	3,814
Inventory	1,756
Trade receivables and other current assets	1,325
Cash and cash equivalents	81
Total assets	**10,457**
Financial liabilities	755
Borrowings	3,379
Trade payables and other current liabilities	837
Total liabilities	**4,971**
Net assets	**5,486**

(All amounts are in EUR '000 unless otherwise stated)

31. Basic and Diluted Earnings per Share

Basic and diluted earnings per share were as follows for the year ended 31 December:

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
Weighted average number of shares	232,729,694	230,771,682	232,729,694	230,771,682
Net loss from continuing operations attributed to shareholders of the Company	(32,365)	(26,253)	(22,762)	(4,295)
Earnings (loss) per share (EUR) from continuing operations	**(0.14)**	(0.11)	**(0.10)**	**(0.02)**
Profit from discontinuing operations attributed to shareholders of the Company	-	7,840	-	-
Earnings (loss) per share (EUR) from discontinuing operations	-	0.03	-	-
Total net loss attributed to shareholders of the Company	(32,365)	(18,413)	(22,762)	(4,295)
Total earnings (loss) per share (EUR)	**(0.14)**	**(0.08)**	**(0.10)**	**(0.02)**

Basic earnings per share shall be calculated by dividing the profit or loss attributable to ordinary equity holders of the parent company (numerator) by the weighted average number of ordinary shares outstanding during the period (denominator).

32. Related-party Transactions

GROUP

Related parties are defined as all shareholders of AUGA group RAB (note 1), i.e. Baltic Champs Group UAB and Kęstutis Juščius, who have significant influence over the Group entity through direct or indirect ownership interest with voting rights in that Group entity.

The Group's 2024 transactions with related parties and balances of transactions were as follows:

2024 **Shareholders with significant influence**	**Loans granted**	**Receivables and prepayments**	**Borrowings**	**Payables**	**Interest on borrowings and other purchases**	**Sales and interest income**
Baltic Champs Group UAB	-	-	-	3	10	-
Kęstutis Juščius	-	-	-	-	-	-
Total	**-**	**-**	**-**	**3**	**10**	**-**

COMPANY

The Company's related parties are as follows:

- AUGA group RAB shareholders with control and significant influence;
- Subsidiaries of AUGA Group AB

The Company's transactions with related parties and balances of transactions were as follows:

(All amounts are in EUR '000 unless otherwise stated)

2024

Related parties of the Company	**Loans granted**	**Receivables and prepayments**	**Borrowings**	**Payables**	**Interest on borrowings and other purchases**	**Sales and interest income**
Amount of subsidiaries before discounting	-	10,362	8,581	632	511	3,225
Impact of discounting on subsidiaries' amounts	-	(3,308)	(2,653)	(189)	466	-
Shareholders with significant influence						
Baltic Champs Group UAB	-	-	-	-	-	-
Kęstutis Juščius	-	-	-	-	-	-
Total	**-**	**7,054**	**5,928**	**443**	**977**	**3,225**

2023

Related parties of the Company	**Loans granted**	**Receivables and prepayments**	**Borrowings**	**Payables**	**Interest on borrowings and other purchases**	**Sales and interest income**
Subsidiaries	-	5,970	3,479	576	159	6,087
Shareholders with significant influence						
Baltic Champs Group UAB	-	-	-	-	-	-
Kęstutis Juščius	-	-	-	-	-	-
Total	**-**	**5,970**	**3,479**	**576**	**159**	**6,087**

Discounting of debts of the Group of Companies

When performing discounting, the Company used the average borrowing cost, which is applied according to the signed loan agreements with UAB "Žemės vystymo fondas 20". This rate is calculated as the average borrowing rate of the Group of Companies, which is applied to mutual transactions. The Company applies the interest rate valid in 2024, taking into account the fact that the parent company of the Group of Companies and some other companies are in the restructuring process and the interest rate is not applied. The discount rate applied is 7.99%.
The Company applied a discount rate of 6.96% to the loan received from UAB "Baltic Champs" and the related interest payable, according to the valid loan agreement.
Until the date of restructuring of the Group's parent company, the present value of amounts receivable and payable was recorded at acquisition cost. After the restructuring process has begun, the overall settlement cycles between the group companies are lengthening, considering that the companies of the restructured group predict that they will settle with external creditors first.
Considering also that the Company will not be able to perform mutual netting due to legal restrictions, the Company estimates that the short-term receivables and payables related to the group of companies will be fully recovered only after the end of the restructuring process, i.e. in 2029. Accordingly, the receivables/payables have been discounted and are accounted for at amortized cost, applying the interest rate specified above.

Impact of debt discounting on the income statement

	Total, thu. EUR
Income from discounting of restructured debts	2 842
Expenses from discounting of restructured debts	3 308
Result from financial and investing activities from discounting	**(466)**

In the Company's income (loss) statement, the result of financial and investment activities is reflected in financial activity expenses.

(All amounts are in EUR '000 unless otherwise stated)

The impact of debt discounting on the value of receivables and payables

	Original value	Discount amount	Value after discounting
Loans granted to subsidiaries	-	-	-
Other receivables from subsidiaries	3 265	(1 042)	2 223
Dividends receivable from subsidiaries	1 079	(345)	734
Trade receivables from subsidiaries	6 018	(1 921)	4 097
Loans granted by subsidiaries	8 581	(2 653)	5 928
Payables to subsidiaries	632	(189)	443

Compensation to key management personnel
In the year ended 31 December 2024, the average number of the Group's and the Company's Board members and key management personnel was 6 members (2023: 6 members).

Payments to the Group's and the Company's Board members and key management personnel, EUR	2024	2023
Wages and salaries	230,470	230,992
Shares	11,948	14,558
Total	**242,418**	**245,550**

33. Off-balance Sheet Commitments and Contingencies

The Group's liabilities related to short-term lease agreements in 2024 amounted to EUR 20 thousand (EUR 37 thousand in 2023), and to low-value lease agreements - EUR 80 thousand (in 2023 - liabilities related to low-value lease agreements amounted to EUR 70 thousand).

Guarantees - Company
As of 31 December 2024, the value of the Company's guarantees to banks and suppliers for securing the financial liabilities of the Group's subsidiaries is equal to EUR 50,455 thousand (2023 – EUR 44,704 thousand).

34. Events After the Reporting Period

- On January 6, 2025, the Vilnius Regional Court decided to initiate a restructuring case for AUGA group, AB.

- 2025 July 2nd. At the initiative and by the decision of the Board, it has been decided to revoke the extraordinary General Meeting of Shareholders convened on July 14, 2025, following the decision of the Vilnius Regional Court to extend the deadline for submitting the Company's restructuring plan for Court approval until August 19, 2025.

- 2025 January 6th. Vilnius Regional Court has decided to open restructuring proceedings of AUGA group, AB.
- On January 17, 2025, at the initiative and decision of the trustee of the bondholders, UAB "AUDIFINA", a meeting of bondholders issued by UAB "AWG investment 1" was held, during which it was decided that the bondholders would not take any action regarding the early redemption of the Bonds.

- On January 17, 2025, a resolution on initiating a restructuring case for the Company entered into force. This means that from this date the Company has acquired a special status of "under restructuring" and the restructuring process for AUGA group, RAB continues to be implemented in accordance with the legal norms of the Law on Insolvency of Persons of the Republic of Lithuania.

- On March 19, 2025 An extraordinary general meeting of shareholders of AUGA group, RAB was held, which was initiated and the decision to recall the board (in corpore) was proposed by minority shareholders holding more than 1/10 shares. Since the majority of shareholders participating in the meeting voted against the proposed draft decision, it is considered that the decision on this issue was not adopted.

- May 5, 2025. The ruling of the court of the Enactment on the approval of part of the creditors' claims in the restructuring case of AUGA group, AB. By its ruling of April 22, 2025, the Vilnius Regional Court confirmed the undisputed creditors' claims of the insolvency administrator in the restructuring case and separated the issues of examining the disputed creditor claims of the insolvency administrator into separate cases.

- On June 12, 2025, the Lithuanian Court of Appeal, by its unappealable ruling, extended the deadline for submitting the Company's restructuring plan to the court for approval until April 1, 2025. July 19

- On July 2, 2025, at the initiative and decision of the Board of the Company, it was decided to cancel the extraordinary general meeting of shareholders convened on July 14, 2025, since the Vilnius Regional Court, by a non-appealable ruling, extended the deadline for submitting the Company's restructuring plan to the court for approval until August 19, 2025.

Also, as already announced, restructuring cases have been initiated or are being initiated not only for the Company, but also for some other companies of the Group. Of the 27 companies of the Group for which restructuring processes have been initiated:

· In the case of 11 companies of the Group, restructuring cases have been initiated by effective court rulings and further restructuring stages are currently underway: preparation of restructuring plans, preparation for their consideration and approval by creditors and members;

· In the case of 7 companies of the Group, applications for the initiation of restructuring cases are still being considered - there are no effective court rulings on the initiation/non-initiation of non-structuring cases. Applications for the initiation of restructuring cases of these companies are being considered anew in the courts of first instance after the rulings of the court of appeal, which annulled the previous orders of the courts of first instance to initiate/non-initiate non-structuring cases;

· In the case of 9 Group companies, agreements were reached with major creditors, therefore, restructuring procedures were terminated (applications for initiating restructuring cases were withdrawn).

Despite the challenges related to the restructuring processes, the Group continues to carry out daily activities in all its business segments:

· Crop segment: this year 34 thousand ha of winter and summer crops are being grown, the cultivated ha area decreased due to the loss-making closure of the Mažeikiai farm last year. Biomethane production capacities are being gradually increased, and organic crops are being fertilized with digestate (a by-product of the biomethane production process) for the first time this year;

· Livestock segment: organic and conventional dairy farming is being developed, the total number of milked cows is 3.4 thousand dairy cattle;

· Mushroom growing segment: this segment is operating at full capacity, regardless of the status of the operating company, as it is being restructured;

·Fast-moving consumer goods (FMCG) segment: recorded sales of EUR 1.5 million in the first five months of 2025, i.e. 42% higher compared to the same period last year. Accordingly, we assess that the sustainable and organic milk and grain product line "Mission without a price for nature" is gradually becoming established in everyday grocery baskets, and consumers support the Company despite the financial challenges it has faced.

* * * *

Annexes

UN Global Compact Indicators

UN Global Compact objectives		Page
Human Rights	Support and respect the protection of internationally proclaimed human rights	62
	Ensure that the Company does not contribute to human rights violations	62
Forced Labour	Uphold the freedom of workers association and effective recognition of the right to collective bargaining	100
	Support the elimination of all forms of forced and compulsory labour	62
	Ensure effective abolition of child labour	62
	Aim to eliminate discrimination in respect of employment and occupation	62
Environmental protection	Apply preventive measures to ensure environmental protection	73
	Undertake initiatives to promote greater environmental responsibility	73
	Encourage the development and diffusion of environmentally friendly technologies	8
Anti-Corruption	Work against corruption in all its forms, including extortion and bribery	62

List of ESRS Disclosure Requirements

2 ESRS IRO-2

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

2 ESRS IRO-2

Disclosure Requirement and related datapoint	SFDR reference[34]	Pillar 3 reference[35]	Benchmark Regulation reference[36]	EU Climate Law reference[37]	Material / Not material	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	36
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	36
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	51
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Material	9
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material	9
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Material	9
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Material	9
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	72
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not material	

[34] Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1)
[35] Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1)
[36] Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts (OJ L 171, 29.6.2016, p. 1).
[37] Regulation (EU) 2021/1119 establishing the framework for achieving climate neutrality (OJ L 243, 9.7.2021, p. 1)

ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	73
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	78
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	78
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	79
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	80
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	82
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in disclosure requirement	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in disclosure requirement	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition			Phased-in disclosure requirement	

		risk: Loans collateralised by immovable property - Energy efficiency of the collateral				
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in disclosure requirement	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	84
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	84
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	85, 86
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	87
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	92
ESRS E5-5	Indicator number 9 Table #1 of Annex 1				Material	92

Hazardous waste and radioactive waste paragraph 39						
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	95
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	98
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	98
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	101
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	98
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	101
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	101
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	101
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	101
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	

ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material	103
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Material	106
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4	Indicator number 14 Table #3 of Annex 1				Not material	

Human rights issues and incidents paragraph 35						
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	112
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	113
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	113

Corporate Governance Reporting Form for the Year Ended 31 December 2024

The public limited liability company AUGA group, RAB (hereinafter referred to as the “**Company**”), acting in compliance with Article 12 (3) of the Law of the Republic of Lithuania on Securities and paragraph 25.4 of the Listing Rules of AB Nasdaq Vilnius, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with must be indicated and the reasons for such non-compliance must be specified. In addition, other explanatory information indicated in this form must be provided.

Summary of the Corporate Governance Report:

According to the Articles of Association of Company the governing bodies of the Company are the General Shareholder’s Meeting, the Board and CEO. The Company does not have a supervisory board, but supervision functions set by the Law on Companies of the Republic of Lithuania are performed by the Board, comprised from 2 dependent (Kęstutis Juščius and Kristina Daudoravičienė) and 3 independent members (Peter Bryde, Andrej Cyba and Justina Klyvienė).

There is one committee in the Company - Audit Committee. The Audit Committee is an advisory body of the Board in matters related to accounting, audit, risk management, internal control and internal audit, supervision, budgeting and compliance. The Audit Committee consists of 1 dependent and 2 independent members of the Board. The Company does not have a Nomination and Remuneration Committees as its functions are performed by the Board.

More information about the corporate governance, shareholders’ rights, activities of the Board and the Committees are provided in the Consolidated Annual Report of Company for the year ended 31 December 2024 and in structured table of this Corporate Governance report.

Structured table for disclosure:

PRINCIPLES/ RECOMMENDATIONS	YES/NO/NOT APPLICABLE	COMMENTARY
Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders’ rights ***The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.***		
1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	YES	The Company's documents and statutory information are publicly available on the Company's website (in Lithuanian and English). All shareholders have equal rights to participate in General Shareholders' Meetings and to take decisions that are important to the Company.
1.2. It is recommended that the company’s capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	YES	The ordinary registered shares comprising the Company's share capital confer the same rights on all shareholders.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new	YES	The Company publicly discloses information about the rights attached to newly issued shares. Investors can find out about the rights attached to

issue or those issued earlier in advance, i.e. before they purchase shares.		the shares already issued in the Articles of Association published on the Company's website.
1.4 Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	YES	Clause 6.4.25 of the Company's Articles of Association stipulates that the any decision on exceptional transactions of major importance, such as the transfer of all or substantially all of the Company's assets, which would effectively entail a disposal of the Company, is within the exclusive competence of the General Meeting of Shareholders.
1.5 Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	YES	The venue of the General Meeting of Shareholders is in Vilnius, usually in the conference room of the business center where the Company's registered office is located. The procedures for convening and conducting the General Meeting of Shareholders comply with the provisions of the law and provide shareholders with equal opportunities to participate in the meetings and to have early access to draft decisions and other materials necessary for decision-making.
1.6 With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	YES	All information for shareholders and investors is published on the Company's website and in the information system of the Nasdaq Vilnius Stock Exchange in Lithuanian and English.
1.7 Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	YES	The shareholders of the Company may exercise their right to attend the General Meeting of Shareholders either in person or through a duly authorized representative. They can also vote in advance in writing by filling in a general ballot paper.
1.8 With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of	NO	The Company does not comply with this Recommendation as the Company is currently unable to ensure the security of the information transmitted and to positively establish the identity of the person participating and voting. In the future, the Company will consider the possibility to implement this Recommendation.

transmitted information must be ensured and it must be possible to identify the participating and voting person.		
1.9 It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	YES	The draft resolutions of the General Meeting of Shareholders, should these questions be included on the agenda of the General Meeting of Shareholders, disclose the proposed nominations of new members of the Board, the proposed remuneration of the Board members, and the proposed appointment of an audit firm. The candidate questionnaires, which are made public and included in the shareholders' meeting materials, include information on the candidates' education, work experience and other positions held.
1.10 Members of the company's collegial management body, heads of the administration or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	YES	The Company's Extraordinary General Meeting of Shareholders held on 07.11.2023 was attended live by the Company's CEO and some of the nominees for election to the Board of the Company, and therefore the shareholders present at the live meeting were given the opportunity to ask questions of the Company's management and/or the nominees for election to the Company's Board. 2024.05.30 At the Company's annual general meeting of shareholders, 2024.12.04 and 2025.03.19 The Company's management participated in person at the Company's extraordinary general meetings of shareholders, so shareholders who participated in person had the opportunity to ask questions. On 20 August 2024, at the Company's extraordinary general meeting of shareholders, shareholders voted in writing, therefore the meeting did not take place in person.
Principle 2: Supervisory board ***2.1. Functions and liability of the supervisory board*** ***The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.*** ***The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.***		
2.1.1 Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the	NOT APPLICABLE	The Company does not have a supervisory board.

company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.		
2.1.2 Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	NOT APPLICABLE	
2.1.3 The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	NOT APPLICABLE	
2.1.4 Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	NOT APPLICABLE	
2.1.5 The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	NOT APPLICABLE	
2.1.6 The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	NOT APPLICABLE	
2.1. Formation of the supervisory board ***The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance***		
2.2.1 The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a	NOT APPLICABLE	

whole, should have diverse knowledge, opinions and experience to duly perform their tasks.		
2.2.2 Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	NOT APPLICABLE	
2.2.3 Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	NOT APPLICABLE	
2.2.4 Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	NOT APPLICABLE	
2.2.5 When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	NOT APPLICABLE	
2.2.6 The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	NOT APPLICABLE	
2.2.7 Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.	NOT APPLICABLE	

Principle 3: Management Board ***3.1. Functions and liability of the management board*** ***The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.***		
3.1.1 The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	YES	In April 2020, the Board of the Company approved the Company's strategy, which is publicly available on the Company's website in Lithuanian and English. In 2021 - 2024, the Board of the Company has submitted reports on the implementation of the Company's strategy together with the materials of the General Meeting.
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs *inter alia* the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	YES	The Board, as the collegial governing body of the Company, performs the functions assigned to it by the law and the Articles of Association of the Company. In accordance with the requirements of the Law on Companies of the Republic of Lithuania, the Board, among other functions, also performs supervisory functions. Board meetings ensure effective oversight of the company's activities. The duties of this collegial body are in line with those laid down by Lithuanian law as required for an issuer whose securities are traded on a regulated market. In carrying out its functions, the Board takes into account the needs of the Company, its shareholders, employees and other stakeholders, and has as its primary objective the creation of a sustainable business.
3.1.3 The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	YES	The Company's internal policies are approved by the Company's Board, and their implementation is discussed at Board meetings where the Company's Board hears reports on the implementation of these policies. The Company has adopted the following policies: ○ Code of Business Ethics ○ Environmental Policy ○ Policy on Human Rights, Non-Discrimination, Child and Forced Labour ○ Animal Welfare Policy ○ Suppliers' Code of Conduct ○ Policy on Prevention on Corruption and Conflicts of Interest ○ Occupational Safety and Health Policy

		The Company establishes risk management and control measures to ensure regular and direct accountability of the management. One such measure is the appointment of the Company's internal auditor, who is appointed by the Company's Board and reports directly to the Company's Audit Committee.
3.1.4 Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance[38] on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	YES	Please refer to 3.1.3
3.1.5 When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	YES	In appointing the Chief Executive Officer of the Company, the Board aims to ensure an appropriate balance of qualifications, experience and competence.
3.1 ***Formation of the management board***		
3.2.1 The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	YES,	The members of the Company's Board are elected by the General Meeting of Shareholders. The members of the Board nominated and elected by the General Meeting of Shareholders are qualified and competent to perform their functions and have many years of experience in such activities, as evidenced by the information on Board members' education, experience and other positions held, which is publicly available on the Company's website.
3.2.2 Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be	YES	The questionnaires of candidates for the Board, containing information about their education, qualifications, professional experience, positions held and involvement in other companies, are presented together with the draft resolutions to the General Shareholders' Meeting and are published as a material event notice so that shareholders can have access to this information before the General Meeting.

[38] Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: https://www.oecd.org/daf/anti-bribery/44884389.pdf

submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.		These details about the current members of the Board are also provided in the Company's Annual Report each year.
3.2.3 All new members of the management board should be familiarized with their duties and the structure and operations of the company.	YES	Upon election, all new members of the Board are briefed on the Company's activities and their main responsibilities, as well as on the legal requirements. Each year, a tour of the subsidiaries is organized for Board members to enable the Board to gain a better insight into the Company's operations. Board members are also regularly informed about changes in legislation and other developments that may have an impact on the company's operations.
3.2.4 Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.	YES	All Board members are appointed for a fixed term of two years, with the possibility of individual re-election for another term.
3.2.5 Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.	YES	The Chairman of the Board is the sole owner of the controlling shareholder of the Company. The impartiality of the Board is ensured by the fact that the majority (60%) of the Company's Board members are independent.
3.2.6 Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	YES	Based on the independence criteria set out in the legislation and the self-assessment of the Board members themselves, the Board is composed of 2 dependent members (Kęstutis Juščius and Kristina Daudoravičienė) and 3 independent members (Peter Bryde, Andrej Cyba and Justina Klyviene).
3.2.7 In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent[39], it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law,	YES	Based on the independence criteria set out in the legislation and the self-assessment carried out by the board members themselves, the board consists of two dependent members (Kęstutis Juščius and Kristina Daudoravičienė) and three independent members (Peter Bryde, Andrej Cyba, and Justina Klyvienė).

[39] For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

he/she cannot be considered independent due to special personal or company-related circumstances.		
3.2.8 The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	YES	The remuneration of the members of the Board is approved by the Company's General Meeting of Shareholders.
3.2.9 The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	YES	To the best of the Company's knowledge, all members of the Board act for the Company's benefit and with the Company's interests in good faith, and not their own personal interests or those of third parties. To the best of the Company's knowledge, the members of the Board do not pursue any personal interests in their decision-making. The performance contracts concluded with the members of the Board contain provisions on the absence of conflict of interest, in addition to confidentiality and non-competition obligations.
3.2.10 Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	YES	The Board has carried out a self-assessment in 2024. Information on the structure of the Board is provided in the Company's Annual Report and is published on the Company's website.
Principle 4: Rules of procedure of the supervisory board and the management board of the company ***The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.***		
4.1 The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform he supervisory board about any	NOT APPLICABLE	The Company does not have a Supervisory Board.

derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.		
4.2 It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterruptable resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.	YES	Board meetings are convened in accordance with a pre-agreed schedule and are normally held at least once a month, or by e-mail when urgent decisions are required.
4.3 Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.	YES	The Board receive a notice about the meeting, the agenda of the meeting and all materials relating to the matters to be discussed at the meeting in advance. The agenda is not normally changed during a meeting unless all members of the Board are present, or unless the absent members have indicated that they agree to the change of agenda.
4.4 In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.	NOT APPLICABLE	The Company does not have a Supervisory Board.
Principle 5: Nomination, remuneration and audit committees ***5.1. Purpose and formation of committees*** ***The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.*** ***Committees should exercise independent judgment and integrity when performing their functions and provide the***		

collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.		
5.1.1 Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees[40].	NO	The Company's Board has established an Audit Committee but has not formed Remuneration or Nomination Committees.
5.1.2 Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	YES	The Company does not have Nomination and Remuneration Committees, as the Board partly covers the functions of these committees in the exercise of its functions. The Board of the Company appoints the Chief Executive Officer of the Company, determines his/her remuneration and makes recommendations to the Chief Executive Officer of the Company on the appointment and remuneration of persons in senior positions. The Rules of Procedure of the Company's Board stipulate that committees are to be formed only from members of the Board, however, in the presence of a five-member Board, the Company does not consider it expedient to form more than one committee.
5.1.3 In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	YES	Please refer to answer 5.1.2.
5.1.4 Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	YES	The Audit Committee consists of 1 dependent and 2 independent members of the Board. The Chairman of the Audit Committee is independent member of the Board and not the Chairman of the Board.

[40] The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

5.1.5 The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	YES	The functions and duties of the Audit Committee are set out in the Regulation of Audit Committee approved by the Board of the Company. The Audit Committee reports regularly to the Board. The above information on the Audit Committee is published on the Company's website and in the Annual Report.
5.1.6 With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.	YES	The Audit Committee has the right to invite to its meetings the General Manager of the Company, member/members of the Management Board, Chief Financial Officer, employees responsible for finance, accounting and treasury issues, external auditors and other persons whose participation is necessary to discuss the issues provided by the Audit Committee
5.2. Nomination committee		
The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected; 2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; 3) devote the attention necessary to ensure succession planning.	NOT APPLICABLE	
5.2.2 When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be	NOT APPLICABLE	

consulted by granting him/her the right to submit proposals to the Nomination Committee.		
5.1. Remuneration committee		
The main functions of the remuneration committee should be as follows: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	NOT APPLICABLE	
5.4. Audit committee		
5.4.1 The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee[41].	YES	The core functions and duties of the Company's Audit Committee are consistent with those set out in this Recommendation.
5.4.2 All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	YES	The Regulation of Audit Committee provides for the right of Audit Committee members to receive this information, and the Audit Committee Members are presented with it.
5.4.3 The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled,	YES	Please refer to answer 5.1.6.

[41] Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

when needed, to meet the relevant persons without members of the management bodies present.		
5.4.4. The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	YES	The internal auditor and external auditors present their work plans and reports to the Audit Committee on a regular basis.
5.4.5 The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	YES	The functions of the Company's Audit Committee, as set out in the Regulation of Audit Committee approved by the Board, comply with the indicated Recommendation.
5.4.6 The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	YES	The Committee informs the Company's Board about its activities and performance results at least once per six months.
Principle 6: Prevention and disclosure of conflicts of interest ***The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.***		
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	YES	This Recommendation is respected, as ensured by the provisions of the Board's Rules of Procedure, which stipulate that Board members must avoid any conflict of interest and, in the event of such a conflict, immediately inform the Board of the conflict. To the best of the Company's knowledge, there have been no cases of conflicts of interest involving Board members or CEO to this date.
Principle 7: Remuneration policy of the company ***The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity***		

and transparency of the company's remuneration policy and its long-term strategy.		
7.1 The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	YES	The Company's Remuneration Policy was approved by the General Meeting of Shareholders of 30 April 2020 and updated on 30 May 2024, the Policy is published on the Company's website. The Remuneration Policy is reviewed by the Board every four years and is submitted for approval for the annual general meeting. The Remuneration Policy may be amended having assessed the economic situation in the market, the financial results of the company, changes in the legislation governing the remuneration payment. The Company's Remuneration Policy applies to the CEO and the Board. The Remuneration policy of the Company is aligned with the approved strategy of the Company.
7.2 The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	YES	The Company's Remuneration Policy covers all forms of remuneration applied by the Company.
7.3 With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	YES	The remuneration of the members of the Board of is fixed and is approved by the General Meeting of Shareholders.
7.4 The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	YES	The Remuneration Policy provides sufficient detail on the CEO's remuneration policy. The severance pay provisions in the Remuneration Policy are in line with these Recommendations.
7.5 In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end	YES	The Company's Remuneration Policy applies only to the Board and the Chief Executive Officer. The Board members, if they are not employees of AUGA group, RAB or AUGA group RAB directly or indirectly controlled companies, do not participate in any incentive schemes.

of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.		The CEO may be entitled to stock option schemes. The purpose of share option schemes is to create long-term value for shareholders and to increase the motivation and loyalty of the CEO to the company. The Remuneration Policy for the CEO is in line with these Recommendations.
7.6 The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	YES	Please refer to answer 7.1. In accordance with the statutory procedure, the Company published its Remuneration Report together with the Annual Report.
7.7 It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	YES	The Company's Remuneration Policy is approved and amended by the General Meeting of Shareholders. The Company's rules for granting stock options are approved and amended by the General Meeting of Shareholders.
Principle 8: Role of stakeholders in corporate governance ***The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.***		
8.1 The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	YES	The Company respects all the rights of stakeholders protected by law, which enables stakeholders to participate in the management of the company. More information on this in provided in the Company's Sustainable Business Report.
8.2 The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of	YES	Senior management staff attend meetings of the Company's Board. This enables the Company's employees to have influence on decisions important for the Company.

employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.		In the cases provided for by law, the Company would ensure that stakeholders are able to participate in the management of the Company.
8.3 Where stakeholders participate in the corporate governance process, they should have access to relevant information.	YES	When the Company's employees participate in Board meetings, they are provided with all necessary information relating to agenda items. The company continuously educates its employees on climate change topics, elaborates the main issues and explains the technologies being developed, so that every employee can make the maximum contribution to the changes being pursued.
8.4 Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	YES	The Company operates a special e-mail address, etika@auga.lt, through which any stakeholder can anonymously report illegal or unethical practices. If such notifications were received, the Board would be informed immediately.
Principle 9: Disclosure of information ***The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.***		
9.1 In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:	YES	Please refer to each individual point separately.
9.1.1 operating and financial results of the company;	YES	Disclosed on the Company's website and in Interim and Annual Reports.
9.1.2 objectives and non-financial information of the company;	YES	Disclosed quarterly in Interim and Annual Reports.
9.1.3 persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	YES	Disclosed on the Company's website and in Interim and Annual Reports.

9.1.4 members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	YES	Disclosed on the Company's website and in Interim and Annual Reports.
9.1.5 reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	YES	Depending on the nature of the information, this information is disclosed on the Company's website and/or in Interim and/or Annual Reports.
9.1.6 potential key risk factors, the company's risk management and supervision policy;	YES, except that The Company does not have a risk management and monitoring policy	Risk factors are disclosed in Interim and Annual Reports. The Company does not have a risk management and monitoring policy.
9.1.7 the company's transactions with related parties;	YES	Disclosed on the Company's website and in Interim and Annual Reports.
9.1.8 main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	YES	Disclosed on the Company's website and in Interim and Annual Reports.
9.1.9 structure and strategy of corporate governance;	YES	Disclosed on the Company's website and in Interim and Annual Reports.
9.1.10 initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	YES	Disclosed quarterly in Interim and Annual Reports.
9.2 When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	YES	Information is disclosed about the consolidated results of the whole group of companies.
9.3 When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager	YES	Information is disclosed.

of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.		
9.4 Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	YES	The Company provides information to shareholders, investors and stock exchanges to the same extent and simultaneously in the Lithuanian and English languages and makes it available to the public in both Lithuanian and English on its website. It is also publicly announced in the Nasdaq Vilnius stock exchange system in Lithuanian and English
Principle 10: Selection of the company's audit firm ***The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.***		
10.1 With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.	YES	An independent audit firm audits the consolidated set of annual financial statements of the Company and its group of companies in accordance with the International Financial Reporting Standards applicable in the European Union. The audit firm also conducts a review of the Annual Report.
10.2 It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	YES	The nomination of the audit firm is proposed to the General Meeting of Shareholders by the Board of the Company.
10.3 In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	YES	In 2024, the Company (its group companies) received non-audit services from the auditor PricewaterhouseCoopers, UAB – review of the prospectus and technical review of IFRS financial statements, worth EUR 70,200

Confirmation of Responsible Persons

The responsible persons, Chief Executive Officer Elina Chodzkaitė-Barauskienė and Chief Financial Officer Kristupas Baranauskas, confirm that, to the best of their knowledge, for the preparation and presentation of the 2024 financial statements, management report, consolidated financial statements and consolidated management report:

1. **The financial statements are true and fair:** The financial statements of the issuer for the reporting period and the consolidated financial statements of the group of companies, prepared in accordance with the applicable accounting standards, fairly reflect the assets, liabilities, financial position, profit or loss and cash flows.
2. **The management report is correct:** The consolidated management report of the group of companies fairly reviews the business development and performance, provides a description of the situation and the significant risks and uncertainties faced. The information on sustainability issues has been prepared in accordance with the European Sustainability Reporting Standards and in accordance with the provisions implementing Article 8(4) of Regulation (ES) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (ES) 2019/2088.

Chief Executive Officer Elina Chodzkaitė-Barauskienė

Chief Financial Officer Kristupas Baranauskas

August 7, 2025

Independent Practitioners' Limited Assurance Report on AUGA Group, AB entity under restructuring consolidated Sustainability Statement

To the Management of AUGA Group AB

Limited assurance conclusion

We have performed a limited assurance engagement on the consolidated sustainability information of AUGA Group, AB entity under restructuring (hereinafter – the Group) included in section the Sustainability report (hereinafter – the Sustainability Statement) of the Consolidated Management Report as at 31 December 2024 and for the year ended, in order to determine whether it has been prepared in accordance with the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania and the European Sustainability Reporting Standards (ESRS).

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Group's Sustainability Statement as at and for the year ended 31 December 2024 is not, in all material respects, prepared in accordance with the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information disclosed in the Sustainability Statement (hereinafter – the Process) is in accordance with the description provided in subsection „5.5 Double Materiality Assessment of Sustainability Criteria“ within note „5. Sustainability Report“ and
- compliance of the disclosure provided in the subsection under „6.1 Taxonomy Review“ within note 6. Environment“ of the Sustainability Statement with Article 8 of Regulation (EU) 2020/852 (hereinafter – the Taxonomy Regulation).

Our conclusion on the Sustainability Statement does not cover any other information presented together with the Sustainability Statement, including the Consolidated and Separate Financial Statements and the Consolidated Management Report for the year ended 31 December 2024.

Basis for conclusion

We performed our limited assurance engagement on the Sustainability Statement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under this standard are further described in the section "Our Responsibility" of our conclusion.

We complied with the independence and other ethical requirements set out in the International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management 1 (ISQM 1), "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", issued by the IAASB. Under this standard, the firm is required to design, implement, and operate a system of quality management, including policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The subject matter information for the year ended 31 December 2023 was not part of our limited assurance engagement; therefore, we do not express a conclusion or any assurance on this information.

Inherent limitations in the preparation of the Sustainability Statement

When providing forward-looking information in accordance with ESRS, the Group's management is required to prepare such information based on disclosed assumptions about potential future events and possible future actions of the Group. It is likely that actual results will differ, as anticipated events often do not occur as expected.

In determining the disclosures in the Sustainability Report, the Group's management interprets undefined legal and other concepts. These undefined legal and other concepts may be subject to varying interpretations, including in terms of legal compliance, and are therefore inherently uncertain.

Management's responsibilities for the Sustainability Statement

The Group's management is responsible for designing, implementing, and maintaining a process to identify the information reported in the Sustainability Statement in accordance with the ESRS, and for disclosing this process in the subsection „5.5 Double Materiality Assessment of Sustainability Criteria" within note „5. Sustainability Report" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place, as well as identifying the relevant affected stakeholders;
- identifying actual and potential (both negative and positive) impacts related to sustainability matters, as well as risks and opportunities that affect or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to finance, or cost of capital in the short, medium, or long term;
- assessing the materiality of the identified impacts, risks, and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- developing methodologies and making assumptions that are reasonable in the circumstances.

In addition the Group's management is responsible for the preparation of the Sustainability Statement in accordance with the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania, including:

- compliance with the ESRS;
- the preparation of the disclosure presented in in the subsection under „6.1 Taxonomy Review" within note 6. Environment" in accordance with Article 8 of Regulation (EU) 2020/852 (hereinafter – the Taxonomy Regulation); and
- the design, implementation and maintenance of such internal controls as the Group's management deems necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods, as well as the development of assumptions and estimates related to individual sustainability disclosures that are reasonable in the circumstances;
- the making of judgments and estimates that are reasonable in the circumstances;
- the prevention and detection of fraud;
- the selection of the content of the Sustainability Statement, including the identification of and engagement with intended users in order to understand their information needs;
- the setting of targets, goals, and other performance indicators, and the implementation of actions to achieve such targets, goals, and performance indicators;
- the supervision of other personnel involved in the preparation of the Sustainability Statement.

Those charged with governance are responsible for overseeing the process of preparing the Group's Sustainability Statement.

Our responsibilities

Our engagement is to plan and perform the assurance engagement to obtain limited assurance on whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue our limited assurance conclusion to the Group's management. Misstatements, whether due to fraud or error, are considered material if it is reasonable to expect that, individually or in aggregate, they could influence the decisions of users taken based on the Sustainability Statement as a whole.

Our responsibility related to the Process applied to the Sustainability Statement:

- to obtain an understanding of the Process, but not for the purpose of expressing a conclusion on the effectiveness of the Process, including the results of the Process; and
- to design and perform procedures to evaluate whether the Process is consistent with the Group's description of the Process as disclosed in the subsection under „6.1 Taxonomy Review" within note 6. Environment".

Our other responsibilities related to the Sustainability Statement include:

- to obtain an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement, but without assessing the design of specific control activities, obtaining evidence about their implementation, or testing their operating effectiveness;
- to identify disclosures in which material misstatements due to fraud or error could arise; and
- to design and perform procedures responsive to those Sustainability Statement disclosures where material misstatements could arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Summary of the work we performed as the basis for our conclusion

The limited assurance engagement involves performing procedures to obtain evidence regarding the compliance of the Sustainability Statement. We designed and performed our procedures to obtain sufficient and appropriate evidence to provide a basis for our conclusion on the Sustainability Statement. The nature, timing, and extent of the procedures depended on our understanding of the Sustainability Statement and other engagement circumstances, including the identification of disclosures where material misstatements may arise due to fraud or error. Throughout the engagement, we exercised professional judgment and maintained professional skepticism.

In performing the limited assurance procedures related to the Process, we:

- Obtained an understanding of the Process by:
  - ✓ making inquiries to understand the sources of information used by the Group's management (e.g., stakeholder engagement, business plans, and strategy documents); and
  - ✓ reviewing the Group's internal documentation of the Process; and
- Evaluated whether the evidence obtained through our procedures regarding the Process was consistent with the description of the Process disclosed in the subsection under „6.1 Taxonomy Review" within note 6. Environment".

In performing the limited assurance procedures related to the Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes related to the preparation of the Sustainability Statement by:
  - ✓ making inquiries to understand the Group's reporting process related to the preparation of the Sustainability Statement;
  - ✓ assessing the data governance processes, information systems, and working methods used to collect and consolidate the Sustainability Statement disclosures; and
- evaluated whether the material information identified through the Process was included in the Sustainability Statement;

- evaluated whether the structure and presentation of the Sustainability Statement complied with the ESRS;
- made inquiries with relevant personnel and performed analytical procedures on selected disclosures within the Sustainability Statement;
- performed detailed assurance procedures on a sample basis for selected disclosures in the Sustainability Statement;
- obtained evidence regarding the methods, assumptions, and data used in preparing material estimates and forward-looking information, and how those methods were applied;
- obtained an understanding of the process for identifying taxonomy-eligible and taxonomy-aligned economic activities, and the corresponding disclosures in the Sustainability Statement;
- performed other procedures related to EU taxonomy disclosures.

The nature, timing, and extent of the procedures performed in a limited assurance engagement are different from, and less extensive than, those required in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would have been obtained had a reasonable assurance engagement been performed.

Certified auditor
Arvydas Ziziliauskas
Auditor's certification No. 000467

August 5, 2025
Jonavos str. 60C, Kaunas

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