



Financial Report as of September 30th, 2021

Holde Agri Invest S.A.

A company quoted on the SMT-AeRO
market of the Bucharest Stock Exchange.



Holde

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Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in million lei (RON) are rounded off to the nearest integer and may result in small reconciliation differences.

ISSUER INFORMATION

Information about this financial report

| | |
|------------------------|--|
| Type of report | Quarterly Report, as of September 30 th , 2021 |
| For financial period | 9M: 01.01.2021 – 30.09.2021 Q3: 01.07.2021 – 30.09.2021 |
| Legal basis for report | ASF Regulation no. 5/2018, Annex 13 |
| Report publishing date | 26.11.2021 |

Issuer information

| | |
|-----------------------|--|
| Issuer's name | Holde Agri Invest S.A. |
| Fiscal code | 39549730 |
| Trade registry number | J40/9208/2018 |
| Registered office | 1 Intr. Nestorei, Building B, 10 th Floor, District 4, Bucharest |

Information about the securities

| | |
|---|---|
| Subscribed and paid-up share capital | 64,069,796 lei |
| Market on which the securities are traded | MTS AeRO Premium |
| Key characteristics of the securities issued by the company | 64,069,796 shares, of which: 58,242,621 ordinary class "A" shares and 5,827,175 preference class "B" shares |
| Symbol | HAI |

Contact details

| | |
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The interim condensed consolidated financial statements as of September 30th, 2021, presented on the following pages are **unaudited**.

LETTER FROM HOLDE'S CEO

Dear shareholders,

Today, we provide you with the financial results recorded by Holde Agri Invest in the first nine months of 2021. It was a year in which we became even more aware that agriculture is not the most accessible field, but it is the one that feeds us. From this point of view, we assume responsibility towards society and future generations.

Structuring our business requires time and patience. It involves increasing the area we operate, and it means perfecting our working methods. We are convinced that in time, and by investing, the rewards will come both for shareholders and Romanian agriculture.

In the three years of Holde's activity, we understood what challenges we had to face. We are aware that expansion has a cost and that equipping farms is crucial for the best results. At the same time, we understood that the most important thing is to have motivated and trained colleagues. Thus, in 2021, we started a series of personal development programs and invested extra in an organizational transformation project.

At Holde, we do agriculture, motivated primarily by our passion for perfection. At the same time, we are convinced that we must take advantage of the advancement in technology and do high-tech agriculture. We have implemented this at Holde since its foundation, and it is still one of the primary growth pillars.

2021

2021 represents for us the beginning of the maturity period of the business. This year we ended up operating three production units (Rosiori, Videle, and Frumusani), of which the Frumusani farm recorded exceptional results. All our management systems have reached maturity and will be able to take over the effort to expand the operated areas more easily.

This year we carried out our first investment in an irrigation project on 125 hectares in the Frumusani farm area. We also built our first silo from scratch in Calinesti, through which we increased the storage capacity from 10,000 to approximately 15,000 tons.

Also, this year, the AgroCity app, in which Holde holds a minority stake, was the one that provided the planning, reporting, and control of activities on our farms. Since the fall of this year, all of our operations have been conducted with fully functional Trimble guidance systems.

The 2021 agricultural year was very good from the perspective of productions and prices of capitalization of goods. Wheat and rapeseed production was particularly significant, with maximums of up to 8.6 tons/ha for wheat, Avenue and Cesario variety (6,6 tones/ha group average) and 4.3 tons/ha for rapeseed, Architect and Invigor variety (3,7 tones/ha group average). Maize and sunflower performed not as good than we expected, partly due to lack of machineries in the context of expanding the operated land, late sowing on some fields, and drought over the summer, especially in farms from Teleorman County. Organic farming is much more exposed to the quirks of the weather, and paradoxically, in the rainy spring years, it tends not to reward us with harvests at the expected level. Although very good for conventional wheat and rapeseed, the rains from this spring have diminished the crops of peas and organic sunflowers. Also, although trends in previous years seemed to promise greater results through the use of organic fertilizers, we have seen a setback in this regard this year. Therefore, we are in the process of re-evaluating the technology used for the following seasons. Organic farming



is still a challenge for agriculture and requires a more extended period to confirm and demonstrate that it can be the solution for the future.

The grain prices registered an increase over our expectations this year, and we managed to take advantage of some of the higher values. We tried to adapt to the upward trend, and the records reached every month, in which our strategy is to sell some of the products through forward contracts. However, the averages obtained were satisfactory. A pleasant surprise was the increase in the price of wheat, even after the harvest campaign, and in November of this year, we obtained 1,300 lei/ton compared to 850 lei/ton in July. This again validates our strategy to increase the storage capacity of goods and store as much of what we produce. Therefore, we plan to accelerate the construction of farm silos in the coming years.

This year also our expenses were kept under control, and we complied with the proposed budget on crop setup and indirect operational costs. However, we recorded higher expenses than those provided in the category of efforts to increase the operated area - administrative fees, consulting, etc., as well as in the headings where we prepare for the next stage of growth - expenses for staff at the service centre, expenses for increasing management capacity, etc. There were also additional expenses to pay the land leases considering the good year and the need to strengthen our presence in the territory.

THOUGHTS FOR FUTURE

As we have already announced, we have signed contracts for approximately 3,000 additional ha for next year, which are undergoing technical audit and completion of the transaction. We hope that everything will be fulfilled according to the plan and that we will start next year with a portfolio of about 13,000 ha and four working core farms. The extension of the operated land will also involve additional investments in equipment and silos, and irrigation systems.

Regarding the modernization efforts, we are pleased to mention that currently, all three Holde core farms are equipped with modern machinery, or we have already placed orders that have a delivery deadline in early spring 2022 for the missing ones.

Although we cannot yet conclude, our forecast for Holde shareholders and supporters is that the results of 2021 will be satisfactory in the context of accelerated growth and substantial investments made on all fronts of our business.

CAPITAL MARKET PRESENCE

We are glad that so many investors trust us, more than 1,600 individuals and legal entities. We are also pleased to be part of the growth of the Romanian capital market. This year was a very good one for the Bucharest Stock Exchange, and the HAI share proved that it is stable and can generate liquidity even in the context of its presence on the AeRO market. At the same time, we are proud that HAI shares are included in the BET-AeRO index developed by the Bucharest Stock Exchange for the AeRO market starting with October of this year. Within this index, we have the second-largest share.

At the end of this letter, we assure you that we will continue to keep you informed about the company's evolution and development plans and invite you to read the following pages of this report. On behalf of Holde Agri Invest, I would like to thank you for your trust and for joining us in this development process, and we hope that you will continue to do so to benefit from our growth story. If you have any questions about this financial report, please get in touch with us at investors@holde.eu, and we will be happy to answer.

Liviu Zăgan

ABOUT HOLDE AGRI INVEST

Sector of activity

The Romanian agricultural cycle is divided into two main seasons:

- **Spring campaign:** when seeding for corn, sunflower, spring peas, soybeans taking place in March-April, harvesting in September-October and sales of inputs in the following months.
- **Autumn campaign:** with seeding for wheat, rapeseed and barley between August and October, harvesting the following year in July and sales of inputs in the following months.

The cycle indicates that most of the revenue from the sale of crops takes place in the second half of the year, both for the spring and autumn seasons, unless the company decides to store the inputs in the silos to sell them later. Consequently, most agricultural companies in the first half of the year (H1) generate only costs, and the second half of the year (H2), generate the revenue, along with the increase of the expenses because of seeding and preparing the agricultural campaign for next year.

Brief history

The idea of Holde Agri Invest project was conceived in 2016, by four Romanian entrepreneurs, Liviu Zagan, Robert Maxim, Matei Georgescu and Alexandru Covrig. In 2017, the founders joined forces with the team of the local asset management company, Certinvest, and in 2018, they formally established Holde Agri Invest SA. Soon, the company attracted an external investment from Vertical Seven Group founded by entrepreneurs Iulian Circumaru and Andrei Cretu.

In July 2018, the company made its first acquisition, a farm of approximately 2,800 hectares in Rosiori de Vede area of Teleorman county, and it took over five companies and the existing mechanization center that serves the total cultivated area. In April 2020, Holde Agri Invest acquired Agromixt Buciumeni, a company founded in 1991 with Romanian capital, which exploits agricultural land in Calarasi county, reaching over 7,000 hectares of operated land. Next, the company acquired Agrocom Exim Prod SRL and took over what is known as the Videle farm, the third nucleus of Holde Agri Invest. The integration of Videle farm took place in several steps. In 2019, Holde started to farm 850 ha of the land, in 2020 the land farmed by the Company increase to 1.600 ha and as of summer 2021, Holde farms the total surface of 2.400 ha. In 2021, on Videle land were farmed conventional crops such as wheat, rapeseed, corn, and sunflower.

On October 1st, 2020, class A shares of Holde Agri Invest debuted on the AeRO market of the Bucharest Stock Exchange, after two successful private placements – the first one that took place in December 2019, and the second one from June 2020. In July 2021, Holde Agri Invest closed the share capital increase operation that will help fuel further developments.

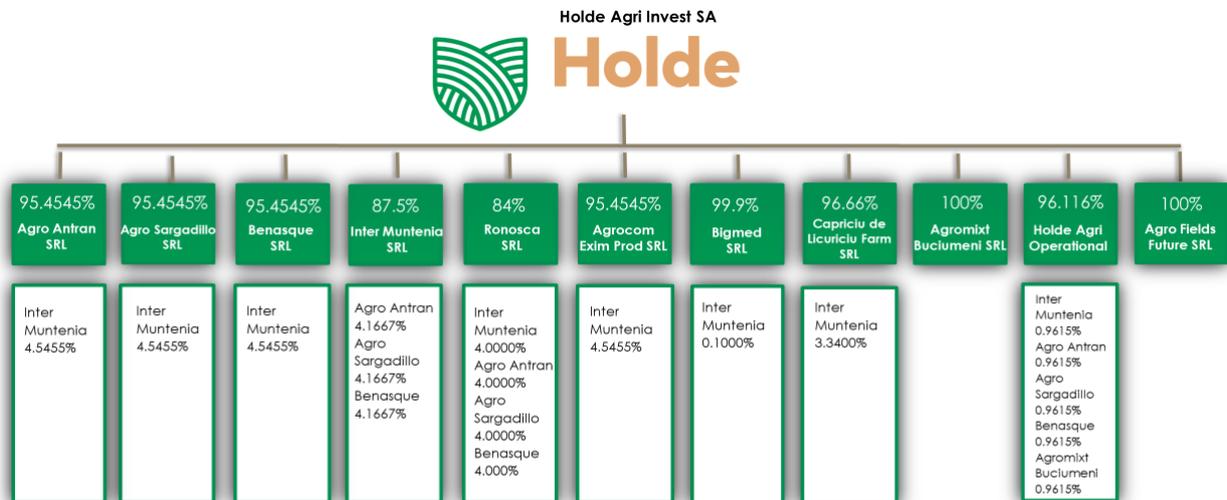
Business structure

On September 30th, 2021, Holde Agri Invest, the holding company, included ten entities comprising of nine technical crops farms located in Teleorman county (Rosiorii de Vede region - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, and Videle - Agrocom) and Călărăsi (Buciumeni region - Agromixt) and one entity providing operational services, Holde Agri Operational. The mother company, Holde Agri Invest SA, acted as the shared services center, covering also administrative and governance aspects. As of June 31st, 2021, Holde and its subsidiaries had a total of 90 employees.

For the agricultural year 2020-2021 Holde operated a total area of 8,496 ha, of which 635 ha in property and 7,861 ha in lease. In the first nine months of 2021, Holde's portfolio farms conventionally grew wheat, rapeseed, sunflower, corn, dried peas, soybeans, as well as organic wheat, sunflower and peas. At the date of writing this report, after the completion of the acquisitions of the two farms: Agrocom Exim Prod and Agro Fields Future, Holde has is operating a total area of 9,460 ha, of which 702 ha owned and 8,758 ha in lease. In addition to the land,

Holde has a storage capacity of 10,000 tons in the silo from Calinesti, complemented by "silobag" technology that can be used in any of the Holde farms.

Holde Agri Invest S.A. also holds minority stakes in agritech start-ups: AgroCity, Enten Systems and a 100% stake in Agro Fields Future. These are not included in the consolidated results.



KEY EVENTS

Events in the first nine months of 2021

On **July 29th, 2021**, Holde informed the shareholders about the conclusion of a new financial audit agreement by the Sole Director of the company with Mazars Romania SRL for the period 2021 - 2023. The Sole Director will convene the Ordinary General Meeting of Shareholders before 26.11.2021, the date when the current financial audit agreement concluded with Mazars Romania SRL expires, to approve the extension of the auditor's term of office and the new financial audit agreement.

On **August 24th, 2021**, Holde informed the investors about the finalization of the acquisition of Agrocom Exim Prod SRL company and the full integration of the Videle farm into Holde Agri Invest's structure. The value of the transaction amounts to 14.3 million lei for 2,400 hectares of land under lease („arenda”). 88% of total surface farmed by Agrocom Exim Prod SRL is under lease agreements longer than 8 years. The transaction was financed in proportion 62% debt – 38% equity. The company also announced that it begins the process of modernising the Videle farm. The key investments will be carried out in the machinery and in the 10.000-ton silo. The management expects to reach the peak performance on the farm in 3 years' time, estimated 2024.

On **August 24th, 2021**, Holde informs the investors about the appointment of Mr Adrian Pirciu, as the Chief Financial Officer of the Company. The mandate of Mr Pirciu begun on 01.09.2021, for undetermined period. Mr. Pirciu replaced Mr Alex Covrig who will focus on his role as the Member of the Board of Directors at Holde Agri Management SRL, continuing to offer to the executive team his expertise and knowledge in the financial field.

On **September 6th, 2021**, Holde informs the investors about the initiation of the procedures for the acquisition of four new farms. The value of the transactions amounts to 6.7 million euro and will be financed partially with capital raised during the share capital increase and the rest with amounts obtained from financial institutions. If the transactions are successful, the total surface of the acquired farms will be of approximately 3,500 hectares – around 350 hectares in property and the rest of land under lease („arenda”). The acquisitions will also include 2 agricultural bases together with equipment and will increase the Holde team with 20 employees.

In **mid-September 2021**, Holde launched the first irrigation project, which covers an area of 125 hectares in the Frumusani farm and is fueled by the Dâmbovița River. The value of the investment was about 1.7 million lei and will increase the productivity of corn and soybean crops.

Events after closing the reporting period

On **October 6th, 2021**, Holde informs the shareholders about the closing of a transaction for the acquisition of a new farm of 230 ha near Frumusani nucleus which, after this transaction, will reach 3,620 ha. The total value of the transaction is of approximately RON 2 million and the new surface will be operated entirely under a lease regime. The transaction price also includes the crops for 2021 as well as the APIA subventions for the current year, which will be entirely received by the Company.

Starting with **October 11th, 2021**, the HAI shares are included in the BET-AeRO index developed by the Bucharest Stock Exchange for the AeRO market. Within this index, Holde holds the second largest share, respectively 12.29%.

On **October 21st, 2021**, Holde informs the market that the General Meeting of the Shareholders of Holde Agri Management S.R.L. (“HAM”), sole director of the Company, has approved, during the General Meeting of the Shareholders dated 06.10.2021, the appointment of Mr. Iulian-Florentin Circiumaru as permanent representative oh HAM in the Company, following the revocation of Mr. Eugen – Gheorghe Voicu from this position. The mandate of Mr. Circiumaru is effective as of 06.10.2021 and will continue to produce its effects until 30.05.2024.

On **November 8th, 2021**, Holde informs the market in connection with an investment in the agritech field, by acquiring a stake in Enten Systems SRL (<https://enten.ro>), a company that sells solutions and systems for providing data on agricultural production, through installing equipment that constantly monitors the microclimate and provides farmers with essential data on crop status and potential risks to which they are exposed. The value of the transaction amounts to RON 370,000, of which RON 247,000 was used for the acquisition of a minority stake and RON 123,000 represents a financing convertible into shares.

Significant contracts

In Q3 2021 Holde Agri Invest has reported multiple significant contracts, both for sales of agricultural inputs as well as purchases, loans and investments. All these contracts were reported in line with capital markets in force and they can be consulted by investors at the following links

- [Current report 39/2021](#)
- [Current report 40/2021](#)
- [Current report 44/2021](#)
- [Current report 46/2021](#)
- [Current report 54/2021](#)

KEY INDICATORS HOLDE AGRI INVEST - 9 MONTHS

| PROFITABILITY | | 30/09/2020 | 30/09/2021 | Δ |
|-----------------------------|----------|------------|------------|--------|
| Total revenues | RON '000 | 26,256.3 | 46,844.1 | 78% |
| EBITDA | RON '000 | 5,698.1 | 7,460.8 | 31% |
| EBITDA recurrent* | RON '000 | 3,162.1 | 7,611.8 | 141% |
| Net income | RON '000 | 1,487.9 | 2,634.3 | 77% |
| Adjusted net income** | RON '000 | 1,487.9 | 4,491.1 | 202% |
| Earnings per share | RON | 0.035 | 0.041 | 19% |
| Adjusted earnings per share | RON | 0.035 | 0.070 | 103% |
| OPERATIONAL | | 2019-2020 | 2020-2021 | Δ |
| Land operated | ha | 7,827 | 8,496 | 9% |
| Agricultural output | tons | 24,003 | 28,301 | 18% |
| CAPITALIZATION | | 31/12/2020 | 30/09/2021 | Δ |
| Shareholders' equity | RON '000 | 47,991.0 | 79,998.5 | 67% |
| Net financial debt | RON '000 | 36,333.0 | 58,599.2 | 61% |
| Gearing ratio*** | % | 43% | 42% | (1) pp |
| Current ratio**** | % | 90% | 161% | 71 pp |

*After eliminating RON 246.000 expenses with raising capital in July 2021, and RON 95.000 revenues from APIA subsidies for 2016

**After eliminating expenses with amortization and depreciation of goodwill and land usage rights (as per IFRS)

*** Net interest-bearing debt / (Shareholders' equity + Net interest-bearing debt)

**** Current assets/Current liabilities

Expectations for the rest of the year

The specifics of the business model of Holde Agri Invest SA offer the possibility that at the time of reporting the financial results for the first nine months of the year to be fully known the results of harvesting campaigns for the financial year, which provides increased visibility of operating income to be obtained. during the financial year. Consequently, the management of Holde Agri Invest SA can offer, based on all the information at its disposal, a relevant projection regarding the unaudited financial results to be recorded on 31.12.2021.

Taking into account the above, the forecast for the unaudited financial results as of 31.12.2021 is as follows:

| | |
|---|----------------------------|
| Operating revenue | 45 – 55 million RON |
| Recurring operating result (IFRS) | 5 – 7 million RON |
| Recurring operating margin | 11% – 13% |
| Recurring operating result/hectare | 575 – 800 RON |

ANALYSIS OF THE FINANCIAL RESULTS

Income and expenses

The consolidated turnover of the Holde group increased in the first nine months of 2021 by 78% compared to the corresponding period last year, reaching RON 46.8 million (RON 26.3 million).

This increase was mainly determined by revenues from the sale of products from own production and goods, which reached RON 27.9 million (RON 19.3 million), an increase of 45% compared to last year. The income from subsidies related to the activity reached RON 6.6 million (RON 5.1 million), registering a rise of 29% compared to 2020. The company mentions that this last comparison is less relevant. APIA subsidies receipts significantly influenced their amount in the first 9 months of last year for the 2017-18 agricultural year, and drought compensation and insurance received.

Other significant categories of registered revenues were those from the variation of stocks in the amount of RON 8.9 million (RON 0.2 million) representing uncollected crops related to the agricultural year 2020-2021 and the setting-up of new crops related to the year 2021-2022. Revenues from the sale of assets of RON 1.6 million (RON 0.9 million) increased significantly due to the continued capitalization of the existing machinery fleet of the farms purchased at the time of their renewal. Other operating income amounting to RON 1.6 million (RON 0.7 million) was mainly constituted by calamity compensations related to the Frumusani core farm received during the year.

The presented results were obtained following the operation of a total area of 8,496 hectares (of which 1,894 hectares were organic farming) in the three core farms of the Group: Rosiori, Frumusani, and Videle. In the agricultural year 2020-2021, the Group obtained 28,301 tons of technical crops (24,003 tons), of which 2,121 tons of organic crops (3,400 tons) of wheat, sunflower, and peas, respectively 26,180 tons of conventional crops (20,603 tons) of wheat, corn, rapeseed, sunflower, and soy. Compared to the agricultural year 2019-2020, the total production increased by 21%, the decrease by 38% of the production of organic crops (influenced by a smaller harvested area compared to last year) being compensated by the increase of 30% of the quantities of conventional crops. On the one hand, this evolution was determined by the optimization of the mechanized fleet used and the production processes implemented, and on the other hand, by meteorological factors.

The estimated value of the obtained crops is 18% lower than the budget forecasts (-21% of the harvested quantities and + 5% of the crop capitalization), registering positive deviations for conventional wheat crops and negative deviations for sunflower crops and conventional corn, but also to all categories of organic crops. Until the reference date, it was capitalized in a volumetric percentage of approximately 60% of the harvest of the agricultural year 2020-2021, the rest being stored in the Group's silos.

Operating expenses amounting to RON 43.8 million (RON 24.6 million) increased by 78% compared to the corresponding period of the previous year. This evolution was mainly determined by the increase by 95% of the expenses with the inputs necessary for the formation of the harvests of the agricultural year already capitalized (seeds, diesel, fertilization, treatments), evolution determined both by the generalized trend of the global increase of raw material prices and the expansion of the operated area. Leasing expenses amounting to RON 7 million (RON 5.2 million), as well as personnel expenses amounting to RON 5.5 million (RON 3.6 million) increased compared to 2020 due to the increase of the operated area, the development of the Group's shared services centre, but also of inflationary pressures.

Other operating expenses increased by 68% compared to last year, mainly due to the scaling up of the shared services centre and the corresponding increase in logistics costs and the maintenance of the mechanized fleet. The EBITDA indicator registered a rise of 136%, from RON

3.1 million to RON 7.5 million. After eliminating non-recurring items, the recurring EBITDA margin was 16%, 4pp better than in the comparative period of 2020.

Depreciation and amortization expenses increased significantly compared to the previous period by 198%, from RON 1.5 million to RON 4.5 million, due to the significant increase in the value of the machinery fleet used as a result of the investment program, but also the introduction of the goodwill amortization accounting policy following national accounting standards. The operational result registered after the first 9 months of the year of RON 2.9 million represents an average of RON 348/ha, respectively an increase of 65% compared to the previous year. The financial loss of RON 0.2 million, increasing by 80% compared to 2020, is due to the increase of the financial debt resulting from financing the acquisitions of farms and the investment programs associated with them. The gross result of RON 2.7 million (RON 1.5 million) increased by 79% compared to the previous period, and the profit tax for the first 9 months of the year represents an effective tax rate of 3.8%. The net result of RON 2.6 million represents an average of RON 310 / ha, i.e., an increase of 63% compared to the previous period.

Assets and liabilities

Total assets have increased by 73% since the beginning of 2021. Tangible assets increased by approximately RON 30 million as a result of investments in the renewal of the machinery and equipment fleet and the investment in expanding the Group's silage capacity in the Calinesti area. The fixed financial assets amounting to RON 2.5 million had a significant increase due to the acquisition of a minority stake in the start-up Enten Systems and the acquisition of Agro Fields Future SRL (Frumusani core farm extension). Concerning current assets, the total increase of 165% since the beginning of the year was due to stocks of finished products and ongoing production related to an increased area in operation. Trade receivables increased by 64% compared to the beginning of the year, mainly constituted by APIA subsidies associated with the agricultural year 2020-2021 amounts collected in October and November 2021. Cash and cash equivalents amounting to RON 12.1 million represent resources attracted within the share capital increase carried out between May and July 2021 through the Bucharest Stock Exchange.

Short-term liabilities amounting to RON 39.8 million are increasing by 49% compared to the beginning of the year. They are mainly represented by the current part of bank loans, acquisitions, and inputs for the agricultural year 2021-2022 (RON 2.6 million) and flows to suppliers of agricultural inputs for the agricultural year 2020-2021 (due in October 2021). Other short-term liabilities mainly include lease payments with maturity until the end of the year, salaries, and associated taxes. The long-term liabilities amounting to RON 51.2 million are increasing by 113% compared to the beginning of the year, mainly due to the acquisition of Agrocom Exim Prod SRL (Videle core farm) and the development of investments in the mechanized fleet.

Equity increased to RON 79.9 million, registering an increase of 67% since the beginning of the year, mainly due to raising an amount of RON 29.3 million in May-July 2021 through the Bucharest Stock Exchange also the positive net result recorded in the current year. On 30.09.2021, the Group registers cumulative interest-bearing debts of RON 70.7 million (out of RON 44.3 million bank loans, RON 17.9 million financial leases, and RON 8.5 million APIA discounts). The net financial debt at the reference date amounted to RON 58.6 million. The capital structure of the Holde Group records an indicator of current liquidity (Current assets/Current liabilities) of 1.6 and a Gearing ratio (Net financial debt/Net committed capital) of 0.42.

Investment program

In the first 9 months of the year, Holde Agri Invest SA carried out an investment program of RON 40 million financed from its sources and bank loans, respectively financial leasing contracts. This program included:

- completion of the Videle farm acquisition - 8.9 million RON
- acquisition of Agro Fields Future farm - RON 2.0 million
- additional investment AgroCity platform - RON 0.2 million
- acquisition of Enten Systems - RON 0.2 million

- land acquisitions - RON 0.2 million
- acquisitions of technological equipment (equipment, machinery) - RON 23.4 million
- purchases of means of transport - 0.4 million RON
- setup for silage and other capacities - RON 2.9 million
- land irrigation system - 1.8 million RON

CONSOLIDATED FINANCIAL STATEMENTS

| Consolidated Profit & Loss Statement (RON) | 30/09/2020 | 30/09/2021 | Evolution % |
|---|-------------------|-------------------|--------------|
| Operating revenues, out of which: | 26,256,261 | 46,844,062 | 78% |
| Sales on own products | 19,121,100 | 3,789,658 | -80% |
| Sales of goods | 158,250 | 24,100,409 | 15129% |
| Crops subsidies | 2,720,803 | 6,449,206 | 137% |
| Changes in inventories | 235,370 | 8,987,783 | 3719% |
| Other operating revenues, out of which | 4,020,738 | 3,517,006 | -13% |
| <i>Other subsidies</i> | <i>2,396,861</i> | <i>160,298</i> | <i>-93%</i> |
| <i>Proceeds from fixed assets</i> | <i>954,001</i> | <i>1,691,489</i> | <i>77%</i> |
| <i>Other non-recurring revenues</i> | <i>669,876</i> | <i>1,665,219</i> | <i>149%</i> |
| Operating expenses, out of which: | 24,604,842 | 43,884,751 | 78% |
| Materials expenses, out of which: | 9,034,023 | 17,642,837 | 95% |
| <i>Costs of raw materials</i> | <i>7,720,660</i> | <i>8,233,659</i> | <i>7%</i> |
| <i>Costs of goods sold</i> | <i>136,118</i> | <i>8,973,663</i> | <i>6493%</i> |
| <i>Others miscellaneous</i> | <i>1,177,244</i> | <i>435,515</i> | <i>-63%</i> |
| Rent paid to owners | 5,263,262 | 7,074,122 | 34% |
| Personnel Expenses | 3,589,383 | 5,583,228 | 56% |
| Depreciation and amortization, out of which | 1,510,723 | 4,501,462 | 198% |
| <i>Non-current assets depreciation</i> | <i>1,510,723</i> | <i>2,644,619</i> | <i>75%</i> |
| <i>Right-of-use assets depreciation</i> | <i>0</i> | <i>713,600</i> | <i>n/a</i> |
| <i>Goodwill depreciation</i> | <i>0</i> | <i>1,143,243</i> | <i>n/a</i> |
| Other operating expenses | 4,728,725 | 8,733,102 | 85% |
| Contract management expenses | 478,726 | 350,000 | -27% |
| Operating profit/(loss) | 1,651,419 | 2,959,311 | 79% |
| Financial incomes | 627,114 | 1,098,325 | 75% |
| Financial expenses, out of which | 749,638 | 1,318,314 | 76% |
| <i>Credits & Leasing interest</i> | <i>646,492</i> | <i>1,195,484</i> | <i>85%</i> |
| <i>Other financial expenses</i> | <i>103,146</i> | <i>122,830</i> | <i>19%</i> |
| Financial profit/(loss) | (122,524) | (219,989) | -80% |
| Total Revenues | 26,883,375 | 47,942,387 | 78% |
| Total Expenses | 25,354,480 | 45,203,065 | 78% |
| Gross profit | 1,528,895 | 2,739,322 | 79% |
| Income Tax | 40,983 | 105,059 | 156% |
| Net profit/(loss) | 1,487,912 | 2,634,262 | 77% |

CONSOLIDATED BALANCE SHEET

| Consolidated Balance Sheet (RON) | 31/12/2020 | 31/09/2021 | Evolution % |
|--|-------------------|--------------------|--------------|
| Non-current assets out of which | 74,101,483 | 106,102,220 | 43% |
| Intangible assets, out of which | 34,262,094 | 33,960,661 | -1% |
| Licenses | 206,443 | 290,681 | 41% |
| Right-of-use assets depreciation | 18,013,140 | 17,299,540 | -4% |
| Goodwill | 16,042,511 | 16,370,440 | 2% |
| Tangible assets, out of which | 39,573,082 | 69,614,614 | 76% |
| Land | 18,667,357 | 18,852,428 | 1% |
| Buildings | 2,531,803 | 4,206,052 | 66% |
| Equipment & vehicles | 16,583,605 | 41,027,594 | 147% |
| Other equipment and furniture | 429,748 | 160,847 | -63% |
| Advances and tangible work in progress | 1,360,569 | 5,367,693 | 295% |
| Financial assets | 266,307 | 2,526,945 | 849% |
| Current assets, out of which: | 24,080,617 | 63,932,293 | 165% |
| Stocks, out of which | 10,947,017 | 31,082,615 | 184% |
| Raw materials and consumables | 2,753,130 | 6,191,381 | 125% |
| Inventory items | 8,304 | 8,304 | 0% |
| Finished goods | 1,213,177 | 11,709,427 | 865% |
| Goods | 173,988 | 1,649,078 | 848% |
| Packaging | 108,663 | 159,167 | 46% |
| Work in progress | 6,474,281 | 10,631,483 | 64% |
| Stocks prepayments | 215,474 | 733,776 | 241% |
| Receivables | 12,636,309 | 20,713,176 | 64% |
| Receivables | 4,812,778 | 4,854,816 | 1% |
| Other receivables | 7,823,531 | 15,858,361 | 103% |
| Short term investment | 1,240 | 1,240 | 0% |
| Cash & cash equivalent | 496,051 | 12,135,262 | 2346% |
| Prepayments | 797,417 | 1,426,502 | 79% |
| Total assets | 98,979,517 | 171,461,015 | 73% |
| Current liabilities, out of which: | 26,754,996 | 39,826,346 | 49% |
| Trade account payables | 8,700,116 | 16,385,480 | 88% |
| Affiliates payables | 946,502 | 365,426 | -61% |
| Current portion of long-term debt | 10,250,535 | 17,546,428 | 71% |
| Current portion of lease liability | 2,541,057 | 1,924,756 | -24% |
| Other liabilities | 4,316,786 | 3,604,255 | -17% |
| Long term liabilities, din care: | 24,038,717 | 51,264,558 | 113% |
| Long term debt | 18,586,420 | 35,299,423 | 90% |
| Lease liability | 5,452,297 | 15,965,135 | 193% |
| Income in advance | 194,833 | 371,578 | 91% |
| Total Liabilities | 50,793,713 | 91,090,904 | 79% |
| Shareholder's equity, out of which: | 47,990,971 | 79,998,533 | 67% |
| Issued capital: common shares | 37,242,621 | 58,242,621 | 56% |
| Issued capital: preferred shares | 5,827,175 | 5,827,175 | 0% |
| Share premium | 2,242,884 | 10,616,184 | 373% |
| Revaluation reserves | 958,310 | 958,310 | 0% |
| Retained earnings | (1,719,270) | 1,719,981 | 200% |
| Profit/(loss) for the financial year | 3,439,251 | 2,634,262 | -23% |
| Total Liabilities and equity | 98,979,517 | 171,461,015 | 73% |

KEY FINANCIAL RATIOS

The main **consolidated** ratios of Holde Agri Invest as of September 30, 2021, are presented below:

Current liquidity ratio as of 30.09.2021

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{63,932,293}{39,826,346} = 1.61$$

Debt to equity ratio as of 30.09.2021

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{51,264,558}{79,998,533} \times 100 = 64\%$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{51,264,558}{130,263,091} \times 100 = 39\%$$

Borrowed capital = Credits over 1 year

Employed capital = Borrowed capital + Equity

Fixed assets turnover as of 30.09.2021

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{27,890,067}{106,102,220} = 0.26$$

DECLARATION OF THE MANAGEMENT

Bucharest, 26 November 2021

We confirm to the best of our knowledge that the unaudited interim consolidated financial statements for the nine months period ended 30 September 2021 give a true and fair view of Holde Agri Invest S.A. assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Directors' Report gives a true and fair view of important events that have occurred during the first nine months of the 2021 financial year and their impact on the interim consolidated financial statements.

Iulian-Florentin Circiumaru

Legal Representative of Holde Agri Management SRL

Sole Director of Holde Agri Invest S.A.