



Holde

PRELIMINARY FINANCIAL REPORT

2023



Holde Agri Invest S.A.

company listed on the MTS-AeRO market of the Bucharest Stock Exchange

ISSUER INFORMATION

Information about this financial report

Type of report	2023 Preliminary Financial Results
For financial period	01.01.2023 – 31.12.2023
Report publishing date	29.02.2024

Issuer information

Issuer's name	Holde Agri Invest SA
Fiscal code	39549730
Trade registry number	J40/9208/2018
Registered office	1 Intrarea Nestorei, Building B, 10 th Floor, District 4, Bucharest, Romania

Information about financial instruments

Subscribed and paid-up share capital	RON 121,273,584
Market on which the securities are traded	SMT AeRO Premium
Key characteristics of the securities issued by the company	121,273,584 shares, of which 120,577,734 ordinary class "A" shares and 695,850 preferred class "B" shares
Symbol	HAI

Contact details

Phone number	+40 754 908 742
E-mail	investors@holde.eu
Website	www.holde.eu

The preliminary financial statements as of December 31st, 2023, presented on the following pages, are **not audited**.

MESSAGE FROM THE CEO

Dear shareholders,

2023 was a year with both ups and downs.

The total annual harvest was significantly higher than in 2022 (production per hectare being more than 10% higher than in the previous year), continuing for the fifth year in a row the pace of growth. The higher yields are mostly the result of the improvement of agricultural techniques within each farm, the consolidation of cultivated areas, as well as investments in machinery, agricultural techniques and efficient management systems. It is undeniable the merit of Holde's operational team, which has matured and paid off in carrying out agricultural work every year, on time and to the highest quality standards.

In addition, as an effect of area scaling, indirect costs per hectare have decreased significantly. Here, it is worth mentioning the incidence of costs with the main headquarters, farm machinery repairs, car and truck fleet repairs, crop transportation and other administrative expenses. Almost all these expenses, not only have a lower incidence per hectare, but in certain headings we managed to optimize and register decreases in absolute amount.

These indirect cost reductions will continue with the increase in area and thus reaffirm the increased yields that modern large-area agriculture brings, contributing to the additional profitability of Holde's operating model.

In 2023 we managed, as every year, to continue expanding the operated surfaces. We finalized the purchase of the Alcadan farm, which was added to the Contești core, with an area of 980 hectares. Farm purchases that are added to existing cores are all the more advantageous as they use the existing material base, machinery and agricultural bases, thus increasing the return on these investments.

We are currently in the process of forming Holde's fifth core. It will be located in a new area for us and will help us further reduce the risk due to meteorological phenomena. In addition, there will be a farm where we will be able to irrigate up to about 2,500 hectares. At this time, the new core will be taken over with an irrigated area of approximately 700 hectares, so the total irrigated area at the group level will reach approximately 1,000 hectares. This year, we aim to grow both irrigated corn and potato chips on the new farm, a crop that performed very well in 2023, and for which we are receiving more and more requests.

On the downside, despite our team's best efforts, even in the context of good production, 2023 will remain the least profitable year we've experienced, being basically the first year of when we activate, in which we report accounting loss. The main reason is the very high costs of setting up crops, much lower harvest recovery prices, but also the lack of protection tools from the state, in the context of market interference, against the background of the war in Ukraine, Russian exports and subsidies granted by other countries, such as Hungary and Poland.

At the end of the year, as well as immediately at the beginning of 2024, regarding the intervention of the Romanian state in agriculture - against the background of the unfavorable context of 2023 - two and opposite aspects are relevant: the retroactive application of an additional aid of 100 euros per hectare for autumn crops from 2023, which brought an additional amount to the farmers' budget, but also the partial elimination of fiscal stimulation in the field of wages in the agri-food sector (together with the construction sector) starting from November 2023, and which, unfortunately, will put additional pressure on employees and companies in this sector. We believe that the relief measures are welcome, but not



nearly enough. We also hope that the state will not implement further tax increases, especially in the agricultural sector which is still suffering from the grain crisis.

We foresee that the agricultural sector will recover in the coming years, also with the support of the state, under the pressure of farmers' needs, but also by aligning future grain prices with current production costs.

HOLDE 2030 STRATEGY

As a result, we prefer to look forward, because good results are built over time. An agricultural business lends itself to scaling, we have proven that there are economies of scale and we believe that tough years can be overcome more easily with a large-scale area as well as investments – an area that produces enough to compensate for the more difficult times, like the year 2023.

Therefore, in the context of a rapid evolution and being close to achieving the initial objective of operating 20,000 hectares of agricultural land announced in 2018, Holde Agri Invest is redefining its strategy, aiming to become "No. 1 farm" in the agricultural field in Romania, until 2030.

This new strategy, entitled "**HOLDE 2030**", is more than a promise; is a goal we have in mind for our partners and customers, as well as a commitment to sustainability and innovation in Romanian agriculture.

The main objective of HOLDE 2030: expanding the area of land operated to 60,000 hectares. This ambitious goal is accompanied by a number of key indicators that we intend to achieve by the end of this decade:

- ✓ **Turnover: 90 million euros.**
- ✓ **EBITDA: 28 million euros**, with an EBITDA target of 470 euros per hectare, resulting not only from scaling the business, but also from an intense focus on efficiency and effectiveness in operations, automation, irrigation and storage, based on pricing experience decreased from 2023, which significantly affected the company's activity.
- ✓ **Net income: 12 million euros.**

In order to achieve this objective and implicitly meet the mentioned key indicators, between 2024 and 2028, additional capital contributions of approximately 25 million euros will be required, as well as the expansion of lending/leasing facilities.

These contributions will enable the company to maintain a debt level of 1.5, thereby maintaining a balance between accelerated growth and financial sustainability.

HOLDE 2030 strategy it is based on two main pillars: scaling and a focus on efficiency. By increasing the area of operated land, Holde Agri Invest will strengthen its market position and achieve significant economies of scale. At the same time, through increased attention to operational and technological efficiency, we aim to optimize costs and increase productivity on each hectare of land.

Between **2029 and 2030**, we expect to have a cash position of approximately €10 million, which will allow the company to choose between debt repayment or dividend distribution to you, Holde shareholders. This financial flexibility is essential to ensure the long-term sustainability of the company and to provide added value to all stakeholders.

HOLDE 2030 strategy represents, in addition to the expansion of the land area and the achievement of ambitious financial objectives, also a significant step taken by Holde in the future development of Romanian agriculture through innovation, sustainability and efficiency. We are dedicated not only to business growth, but also to the prosperity of the communities in which we operate. Together with the team, shareholders, partners, suppliers and all other parties involved, we aim to build a stronger, greener and more profitable Romanian agriculture for future generations.

We invite you to read in the following pages of this report details about Holde's activity in 2023. If you have any questions about this financial report, please do not contact investors@holde.eu and we will be happy to answer you.

Liviu Zăgan, Director General

2023 PRELIMINARY MAIN RESULTS



97 million RON
REVENUES
-18% vs. 2022



56,550 tons
PRODUCTION
31% vs. 2022



13,725 hectares
OPERATED LAND
+11% vs. 2022



19.5 million RON
CAPEX
-48% vs. 2022



8.6 million RON
ACQUISITIONS
+30% vs. 2022

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 during summer 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, while in the second half of the year (H2), generate revenue, along with the increase in 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 the entrepreneurs Iulian Circiumaru and Andrei Cretu.

In July 2018, the Company made its first purchase, a farm of approximately 2,800 hectares in the Rosiorii de Vede area of Teleorman county and took over five companies and the existing mechanization center that serves the total exploited area. In April 2020, Holde Agri Invest acquired the Agromixt Buciumeni farm, a company founded in 1991 with Romanian capital, which operates agricultural land in Calarasi County, thus reaching over 7,000 ha of exploited land. Next, the company acquired Agrocom Exim Prod SRL and took over what is known as the Videle farm, the third core of Holde Agri Invest. The integration of the Videle farm took place in several steps. In 2019, Holde started to exploit 850 ha of land, in 2020 the land cultivated by the company increases to 1,600 ha, and from the summer of 2021, Holde exploits the total area of 2,400 ha. In 2021, conventional crops such as wheat, rapeseed, maize and sunflower were grown on the Videle farm lands. In 2022, Holde purchased a farm in Dambovita county, Contesti commune, with a total area of 2,100 ha of land. This became the fourth Holde nucleus, after Rosiori, Videle and Frumusani, and in March 2023, the Company informed investors about the purchase of a farm of approximately 980 ha, in Dambovita county.

On October 1, 2020, Holde Agri Invest's class A ordinary shares debuted on the AeRO market of the Bucharest Stock Exchange, following two successful private placements, in December 2019 and June 2020, respectively. Since the listing, the Company carried out three share capital increase operations in 2021, 2022 and 2023.

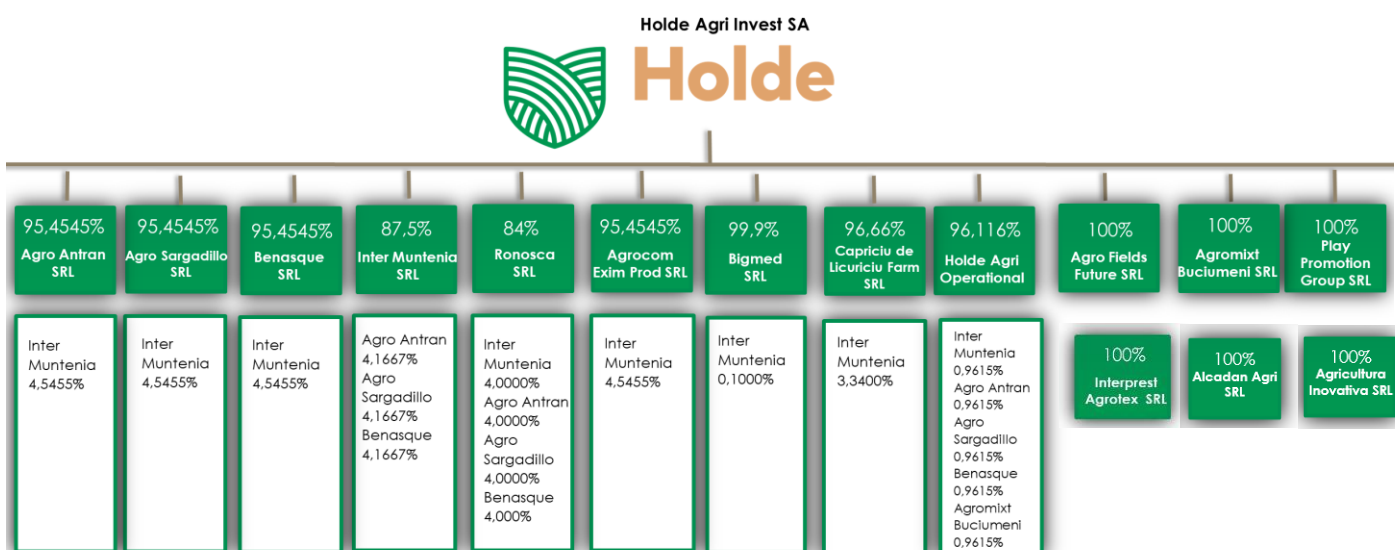
Business structure

As of December 31st, 2023, Holde Agri Invest, the holding company, included 16 entities – 14 technical crops farms located in Teleorman county (Rosiori nucleus - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interpret Agrotex and Videle nucleus - Agrocom), in Calarasi county (Frumusani – Agromixt și Agro Fields Future), in Dambovita county (Play Promotion Group and Alcadan Agri) and one entity in Braila county (Agricultura Inovativă) and one entity providing operational services, Holde Agri Operational. The mother company, Holde Agri Invest SA, acts as the shared services

center, covering also administrative and governance aspects. As of December 31st, 2023, Holde and its subsidiaries had a total of 143 employees.

As of December 31st, 2023, Holde operated a total area of approximately 13,725 hectares, out of which 700 ha owned and 13,025 ha leased. During 2023, the farms from Holde's portfolio cultivated conventional wheat, rapeseed, sunflower, corn, sweet corn, soybeans, potatoes, beetroot as well as organic wheat, sunflower, and peas. Apart from land, Holde also boasts a storage capacity of 25.000 (15,000 through the silo from Calinesti, Rosiori farm and 10,000 through the one from Buciumeni, Frumusani farm).

Holde Agri Invest S.A. also holds a minority stake in the agrotech start-ups: AgroCity și Enten Systems. These are not included in the consolidated results.



KEY EVENTS IN 2023

CURRENT EVENTS

On **March 22, 2023**, Holde informed the market about the conclusion of a transaction for the purchase of a new farm of approximately 980 ha, following the purchase the Company exploiting approximately 13,200 ha. The total value of the transaction for the farm located in Dambovita county is approximately EUR 2 million. For the 2022-2023 agricultural year, the Company produced several crops on the new farm, such as rapeseed (280 ha) and corn (700 ha).

On **April 10, 2023**, Holde informed the market about the registration at the Trade Register of the decrease of the Company's share capital, an operation approved by means of the Decision of the Extraordinary General Meeting of Shareholders no. 2/15.12.2022. Following the decrease, the Company's share capital totaled RON 92,846,264, divided into 92,846,264 registered shares, each with a nominal value of RON 1 (one), of which 92,150,414 ordinary class "A" shares and 695,850 class "B" preferred shares. The Certificate of Registration of Financial Instruments, issued by the Financial Supervisory Authority, which reflects the decrease of the share capital, was issued on **April 12, 2023**.

On **April 24, 2023**, the OGMS and EGMS of the Company took place, during which, among other things, the shareholders approved the individual and consolidated financial statements for 2022, the terms and conditions for the implementation of the share allocation plan ("stock option plan"), the increase of the share capital through the incorporation of reserves, shareholders receiving 1 ordinary share for 10 shares held on the registration date. OGMS and EGMS decisions are available [HERE](#).

On **May 10, 2023**, the Certificate of Registration of Financial Instruments was issued by the Financial Supervisory Authority, which reflects the increase of the share capital with bonus shares. Following the increase, the share capital of Holde Agri Invest S.A. was RON 102,130,890, divided into 102,130,890 registered shares, with a nominal value of RON 1 per share, of which 101,435,040 ordinary class "A" shares and 695,850 preferred class "B" shares.

On **May 11, 2023**, the Company informed investors about the signing of a syndicated loan agreement in the total amount of RON 30.5 million and EUR 26.7 million, the contract being concluded with Banca Transilvania, as arranger and financier and OTP Bank Romania as financier. The syndicated loan comprises four different financing lines. The first financing line has a value of RON 30.5 million and is intended for working capital. The other three financing lines totaling EUR 26.7 million will support the purchase of equipment, agricultural machinery, logistics and construction elements, modernization of silage capacities, purchases of agricultural farms and purchases of agricultural land.

On **November 24, 2023**, Holde Investor Day took place, during which the Company's management addressed topics such as the challenges in the agricultural sector this year, the review of the Revenue and Expenditure Budget for 2023, as well as the Company's future plans.

SHARE CAPITAL INCREASE

On **August 28, 2023** the Company informed the market about the Decision of the Board of Directors dated August 25, 2023 (available [HERE](#)), which approved the increase of the Company's share capital by the amount of up to RON 40,000,000, by issuing a number of up to 40,000,000 new registered, dematerialized Class A shares.

According to the subsequent Decisions of the Board of Directors, respectively BoD Decision dated September 26, 2023 (available [HERE](#)) and BoD Decision dated October 2, 2023 (available [HERE](#)) shareholders had the opportunity to subscribe in the first stage of the share capital increase at the price of RON 1/ subscribed share, 2.535876 preference rights being required for the subscription of a share (as the case may be, with any rounding applicable according to the regulations in force, including those

developed by the Central Depository). In the first stage, investors subscribed 3,019,208 shares, representing 7.55% of the total issue.

The shares remained unsubscribed following the stage of exercising the preference rights were offered in a private placement. Within the Private Placement, 8,950,000 class A shares were subscribed and certain, liquid and due receivables were converted into 7,173,486 class A shares.

Therefore, the Company's share capital was increased from the nominal value of RON 102,130,890 to the nominal value of RON 121,273,584, by issuing a number of 19,142,694 new dematerialized registered class A shares with a nominal value of RON 1 and a total nominal value of RON 19,142,694.

On **February 21, 2024**, the Company informed investors about the registration of the share capital increase operation at the Trade Register.

INVESTMENTS

On **August 31, 2023**, the Company informed the market about the completion of the construction of a new silo within the Frumușani farm, Buciumeni locality, with a storage capacity of 10,000 tons, divided into four cells with a storage capacity of 2,500 tons each. With the construction of the new silo, the Company has a total storage capacity of 25,000 tons - 15,000 through the silo at Calinesti, Rosiori farm and 10,000 through the one at Buciumeni, Frumusani farm.

REVISED 2023 BUDGET

On **November 07, 2023**, the Company informed the market about the revision of the Income and Expenditure Budget for 2023. This revision was caused by a number of external factors beyond the control of the Company, in particular the combination of very high costs of establishing crops, with the considerable decrease in the marketing prices of primary crops grown by the Company in significant quantities. The revised Budget is available [HERE](#).

SIGNIFICANT CONTRACTS

On **May 25, 2023**, the Company announced the conclusion of a significant framework contract with Agricovert S.A., the total aggregate value of the contracts concluded on the basis of the framework contract being RON 14,553,404 (without VAT), the subject of the contract being the supply of agricultural inputs.

On **December 11, 2023**, the Company announced the conclusion of several contracts signed by the Company's subsidiary companies, more details related to these contracts being presented in Current Report no. 42 (available [HERE](#)) and 43 (available [HERE](#)).

KEY PRELIMINARY FINANCIAL INDICATORS HOLDE AGRI INVEST -2023

PPROFITABILITY		2022	2023	Δ
Total revenue	<i>thousand RON</i>	118,161	97,083	-18%
EBITDA	<i>thousand RON</i>	15,843	(5,306)	-133%
Adjusted EBITDA*	<i>thousand RON</i>	27,116	(4,529)	-117%
Profit net	<i>thousand RON</i>	(2,067)	(28,495)	1279%
Adjusted net profit*	<i>thousand RON</i>	9,206	(27,718)	-401%
Net profit per share	<i>RON</i>	-0.021	-0.291	1279%
Adjusted net profit per share*	<i>RON</i>	0.094	-0.283	-401%
OPERATIONAL		2021-2022	2022-2023	
Operated land	<i>ha</i>	12,300	13,725	12%
Agricultura output	<i>tons</i>	43,062	56,550	31%
CAPITALIZATION		31/12/2022	31/12/2023	
Equity	<i>thousand RON</i>	103,028	72,838	-29%
Net financial liability	<i>thousand RON</i>	88,162	115,400	31%
Gearing ratio**	<i>%</i>	46%	61%	15 pp
Current ratio***	<i>%</i>	78%	63%	(15) pp

* after eliminating the adjustments regarding the expenses related to the management contract closed in 2022 (0.77 million RON) (2022: 11.27 million RON)

** calculated as Net Financial Debt / (Equity + Net Financial Debt)

***Current assets / Current liabilities.

ANALYSIS OF THE FINANCIAL RESULTS

Revenues and expenditure

In 2023, the consolidated turnover of the group decreased by 18% compared to the corresponding period last year, to the level of RON 97 million (2022: RON 118.2 million). This evolution was mainly determined by the average drop by half of the quotations of agricultural products on the international markets, a reality that canceled the advantages of exploiting a larger area and the increase of commercialized productions. Another negative impact was determined by the decrease in the prices of inputs related to the ongoing production compared to the similar period of the previous year. Total revenues included RON 61.5 million from the sale of agricultural products and goods, down 27% compared to the same period of the previous year (RON 83.8 million). Revenues from ongoing production representing the establishment of new crops related to the year 2023-2024 decreased to a level of RON 6.3 million (2022: RON 13.7 million, -54%) due to the drop in prices on international markets, evolution partially amortized by the increase in the area under exploitation. Income from operating subsidies of RON 19.2 million (2022: RON 13.3 million, +43%) increased as a result of the expansion of the operated areas and the increase in the value of the subsidy per hectare for autumn crops. Revenues from the sale of assets increased by 40% to RON 4.2 million (2022: RON 3 million) as a result of the intensification of the capitalization process of the equipment park associated with the acquisition of new farms.

The revenues obtained were 19% of the budget forecasts, the quantitative deficit of the generated production (-9%) being supplemented by the below- expected evolution of the prices for capitalization of cereals on the international markets (-11%), registering positive deviations in crops of technical plants (beet, potato) and organic crops of peas and wheat, and significant negative deviations in large conventional crops. The total area exploited during 2023 was 13,725 hectares (2022: 12,300 hectares, +11.5%), of which 1,922 hectares under ecological regime (2022: 2,005 hectares) in the 5 nuclei: Rosiori, Frumusani, Videle, Contesti and Salcia (new nucleus currently in formation). The group achieved a total production of 56,550 tons (2022: 43,063 tons, +31.3%), of which 3,907 tons from organic crops (2022: 2,318 tons, +68.5%). Compared to the yields per hectare obtained in the previous agricultural year, in terms of conventional crops, the Rosiori and Frumusani cores obtained lower results, especially for spring crops, while the Videle and Conțești cores obtained results slightly above the budgeted averages, especially for autumn crops. In terms of organic crops, this agricultural year the Company recorded the highest total production in the history of the Holde group, with excellent yields, especially in wheat crops. The productions obtained were negatively influenced by the adverse weather conditions (lack of precipitation), with a major impact on the conventional corn and sunflower crops.

By the reference date, approximately 93% in volumetric percentage of the harvest of the 2022-2023 agricultural year has been utilized, the stocks of finished products existing at the reference date being related to the production of organic crops. Revenues from subsidies related to the agricultural year were 27% higher than budget forecasts, due to both growth of the operated surfaces, as well as of the compensations received during the year.

The increase in operating expenses in the amount of RON 127.1 million (2022: RON 120.6 million, +5%) was mainly determined by the 27% increase in expenses with the inputs necessary for both the formation of the crops of the agricultural year, which are already utilized (seeds, diesel, fertilizing, treatments), as well as the initial works for the crops of the 2023-24 agricultural year, up to RON 60.9 million (2022: RON 49.4 million). The main factors determined in this regard were the expansion of the exploited areas and the increase in their unit prices since the fall of last year due to the quotations of oil and natural gas. Expenditures on agricultural inputs were 36% higher than budget forecasts. The lease expenses related to the areas exploited in this regime decreased by 12% to 12.2 million RON (2022: 13.9 million RON), the difference explained by aligning them with the quotations of capitalization of the crops achieved, in which they are actually calculated, in line with international quotations, as well as their different payment terms (18% below the budget forecasts). Personnel expenses amounting to RON 15.2

million (2022: RON 11.4 million, + 33%) reflected the increase in the number of employees following the acquisition of new farms, as well as the increase in their remuneration, exceeding by 4.2% the budget.

Other operating expenses registered a decrease of 7% compared to the previous year to a level of RON 19.7 million (2022: RON 21.2 million), including mainly equipment repair expenses, expenses with sold assets, legal consultancy and financial and bank commissions and leasing. This category of expenses exceeded the budget by 22.4%, an evolution caused mainly by the increases complexity in the Group's activity, but also inflationary pressures. The expenses related to the allowances of the members of the Board of Directors in the amount of RON 0.7 million replaced the expenses related to the management contract in force recorded in the similar period of the previous year, the comparison being irrelevant (2022: RON 1.4 million).

The EBITDA indicator registered a decrease of 133% compared to the corresponding period of last year, reaching a loss of RON 5.3 million (2022: RON 15.8 million), impact determined by the scissor effect produced by the increase in the costs of agricultural inputs and the dramatic decrease in the prices of capitalization of the generated production. The achieved EBITDA margin was -5%, compared to the level of +13% recorded in the comparative period of last year. The 22% deviation of the EBITDA margin compared to the budget forecasts was due both to the below the expectations prices for production valorization, and to the increase of direct costs with the formation of crops. From the perspective of the operated area, EBITDA recorded a value of - RON 386 /ha in 2023, compared to the level of RON 1,288 /ha recorded in the previous year.

Expenses with amortization and depreciation of assets increased by 25% compared to the corresponding period of the previous year to RON 15.2 million (2022: RON 11.4 million), being influenced mainly by the increase in the depreciation of the equipment park as a result of the investments made, but also the increase in the amortization of the rights of use of the leased areas in accordance with the national accounting standards.

The recorded operational loss of RON 30 million represents a loss of RON 2.188 /ha. The financial gain of + RON 1.7 million (2022: + RON 1.7 million) includes interest expenses related to bank loans for purchases and working capital, interest related to financial leasing contracts and exchange rate differences and other commissions related to the activity of financing. The evolution of financial expenses reflects both the additional financing needs of the machinery fleet and working capital due to the operation of additional areas and the increase in agricultural input costs, as well as the general increase in financing costs during the year. Financial revenues were higher by 51% compared to the previous year, consisting mainly of commercial discounts obtained for the timely payment of inputs related to the 2022-2023 agricultural year, which determined the achievement of a positive financial result. The gross loss recorded on the reference date was RON 28.3 million (2022: gross loss of RON 0.7 million), and the profit tax was 88% lower than that for the similar period of 2022 was determined by the significantly lower profitability recorded at the level of each subsidiary of the Holde group. The net loss of RON 28.4 million (2022: net loss of RON 2 million) represents an average of RON 2,076 /ha.

Assets and liabilities

Total assets increased by 25% compared to the end of the previous year, reaching RON 305.4 million. Tangible assets increased by RON 25.9 million as a result of investments in the renewal of the fleet of machines and equipment, the increase in commercial fixed assets (recognition of the lease contracts concluded by Holde in the goodwill according to local accounting standards), as well as investments in the expansion of the silage capacity of the group. Financial fixed assets in the amount of RON 11.9 million increased compared to the beginning of the year as a result of the registration of new farm purchases in the Conțești and Salcia cores.

Current assets increased by 46% compared to the beginning of the year, reaching RON 97.8 million due to the scaling of the area under exploitation. Stocks increased to RON 54.3 million (2022: RON 45.2 million, +20%) representing mainly the unsold production of the current and previous agricultural year (RON 11 million) and the ongoing production for the 2023-2024 agricultural year (RON 23.9million) and stocks of seeds, diesel, fertilization, treatments and fertilizers for the establishment of autumn crops of the agricultural year 2023-24 (RON 17.4 million). The group's receivables increased by 57% compared to

the beginning of the year (RON 31.6 million), trade receivables representing outstanding invoices at the reference date (RON 9 million) and estimates regarding the residual value of open contracts for the exploitation of harvests (RON 2 million), the works and services provided for third parties related to the 2023-2024 agricultural year (RON 9.9 million) and the increase in other current assets is due to the increase in the VAT balance to be recovered (RON 8.7 million) and estimated subsidies to be collected (RON 11.7 million). The cash and cash equivalents amounting to RON 11.8 million mainly represent available resources raised during the share capital increase operation which took place between November-December 2023.

Equity decreased by 29% compared to the beginning of the year, reaching RON 72.8 million, mainly as a result of the negative net result recorded in 2023.

The group's debts have increased by 64% since the beginning of the year, reaching a level of RON 232.2 million, an evolution mainly determined by the increase in the Group's activity and the additional financing. Current liabilities to suppliers increased by RON 36.2 million as a result of the increase in the exploited area and the value of agricultural inputs compared to the corresponding period of the previous year, and include inputs related to the agricultural years 2022-2023 and 2023-2024 (RON 43.3 million), commercial debts related to the purchase of the Conțesti core (RON 4.9 million – the final maturity of these debts being in 2026), debts related to equipment repair suppliers (RON 6.9 million) and other current debts (RON 15.9 million). Other short-term liabilities mainly include APIA subsidy factoring (RON 1.2 million), the money received from the private placement carried out between November and December 2023 (RON 12 million), lease payments due by the end of the year, salaries and related taxes. Short-term bank liabilities increased by 33% from the beginning of the year to RON 32.8 million, including the maturity of less than 1 year of the working capital financing under the syndicated loan (RON 29.3 million) and other bank financing with maturity of less than 1 year (RON 3.6 million). Long-term liabilities in the amount of RON 76 million are increasing by 36% compared to the beginning of the year, an evolution determined in particular by the financing within the syndicated credit mentioned above.

At the end of 2023, the group records cumulative interest-bearing debts of RON 127.2 million (of which RON 85.2 million are bank loans, and RON 42 million are financial leases). Compared to 31.12.2022, the increase in bank liabilities of RON 27.3 million was determined by the syndicated loan signed by the Holde group, which allowed the increase in working capital financing associated with the scaling of the operated areas, the refinancing of the silage capacities and some of the purchases of farms. The net financial debt of the Holde group amounts to RON 115.4 million at the reference date. The group's capital structure records a current liquidity ratio (current assets/current liabilities) of 0.62 and a gearing ratio (net financial debt/capital employed) of 0.62.

Investment program

In 2023, Holde Agri Invest SA carried out an investment program of RON 28.1 million financed from its own sources and borrowed capital. The main funded objectives included:

- Finalization of Conțesti farm purchase - RON 3.3 million;
- Salcia core firm acquisitions – RON 4.5 million;
- Land purchases – RON 0.85 million;
- Expansion of silage capacity – RON 5.6 million;
- Purchases of technological equipment (machines, equipment) – RON 13.7 million;
- Basic mechanization investments (halls, platforms, roads) – RON 0.2 million.

The consolidated financial statements of the Holde group included the companies Holde Agri Invest SA, Agricultura Inovativa SRL, Agro Antran SRL, Agro Sargadillo SRL, Alcadan Agri SRL, Benasque SRL, Inter Muntenia SRL, Ronosca SRL, Agrocom Exim Prop SRL, Bigmed SRL, Capriciu de Licuriciu SRL, Agromixt Buciumeni SRL, Agro Fields Future SRL, Interpret Agrotex SRL, Play Promotion Group SRL and Holde Agri Operational SRL.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

According to RAS

Consolidated Profit & Loss Account (RON)	2022	2023	Evolution %
Operating revenues, of which:	118,161,339	97,083,130	-18%
Sales of own agricultural products	83,879,720	61,559,719	-27%
Sales of goods	419,626	3,016,433	619%
Revenue from operating grants	13,389,083	19,200,911	43%
Stock change	13,760,974	6,331,274	-54%
Other operating revenues, of which	6,711,936	6,974,793	4%
Other grants	3,672,227	2,505,647	-32%
Active sales	3,039,709	4,256,387	40%
Other operating revenues	0	212,759	0%
Operating expenses, of which:	120,648,828	127,121,143	5%
Material expenses	50,452,872	64,014,830	27%
Costs of raw materials and materials	49,454,437	60,908,646	23%
Costs of goods	381,478	2,692,212	606%
Other material expenses	616,957	413,972	-33%
Lease	13,913,240	12,287,431	-12%
Personnel expenses	11,434,303	15,221,584	33%
Amortization expenses, of which	11,476,340	14,398,023	25%
Depreciation and amortization expenses	7,577,765	9,933,804	31%
Expenses with the amortization of right-of-use	2,510,693	3,076,337	23%
Goodwill amortization expenses	1,387,882	1,387,882	0%
Other operating expenses	21,236,946	19,708,475	-7%
SOP	861,990	0	-100%
Management contract fixed expenses	0	777,761	0%
Variable compensation related management contract 2021	1,452,547	0	0%
Management contract termination compensation	9,820,590	713,039	-93%
Operating result	(2,487,489)	(30,038,013)	1108%
Financial income	6,853,978	10,333,934	51%
Financial expenses, of which:	5,096,259	8,626,585	69%
Loans interest & leasing	4,919,599	8,155,146	66%
Other financial expenses	176,659	471,439	167%
Financial result	1,757,720	1,707,349	-3%
Total income	125,015,317	107,417,064	-14%
Total expenses	125,745,086	135,747,728	8%
Gross result	(729,769)	(28,330,664)	3782%
Income tax	1,337,094	164,319	-88%
Net result	(2,066,863)	(28,494,983)	1279%

CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2022	31/12/2023	Evolution %
Fixed assets, of which:	174,113,096	201,264,061	16%
Intangible assets, of which:	53,551,077	49,026,528	-8%
Licenses	216,382	205,411	-5%
Intangible assets - right of use	29,151,614	27,226,987	-7%
Goodwill	24,183,082	21,594,130	-11%
Tangible fixed assets, of which:	114,290,534	140,259,670	23%
Lands	15,423,482	16,766,936	9%
Buildings	3,905,813	4,286,252	10%
Equipment & Vehicles	70,926,861	91,400,427	29%
Other equipment, machinery, and furniture	33,514	395,995	1082%
Prepayment and fixed assets under investment	24,000,864	27,410,060	14%
Financial assets	6,271,485	11,977,862	91%
Current assets, of which:	66,948,888	97,866,432	46%
Inventory, of which:	45,282,492	54,372,854	20%
Raw materials and consumables	12,895,004	1,598,355	-88%
Inventory items	33,974	27,848	-18%
Finished products	1,034,351	10,973,026	961%
Commodities	3,413,522	17,443,329	411%
Packaging	4,699	126,983	2603%
Production in progress	27,690,458	23,889,984	-14%
Inventory prepayments	210,485	313,329	49%
Receivables, of which:	20,132,323	31,648,495	57%
Trade receivables	5,024,256	9,041,641	80%
Other assets	15,108,067	22,606,854	50%
Short-term investments	1,240	1,240	0%
Cash & cash equivalents	1,532,832	11,843,842	673%
Prepaid expenses	4,113,910	6,355,861	54%
TOTAL ASSETS	245,175,894	305,486,353	25%
Current liabilities, of which:	85,784,830	156,175,769	82%
Third-party suppliers	34,679,213	70,974,928	105%
Affiliates payables	9,820,590	12,464,656	27%
Bank debt <1 year	24,758,066	32,881,855	33%
Financial leasing <1 year	9,062,106	18,335,390	102%
Other current liabilities	7,464,855	21,518,940	188%
Non-current liabilities, of which:	55,874,981	76,026,786	36%
Bank debt	33,129,867	52,358,565	58%
Financial leasing	22,745,114	23,668,221	4%
Provisions	182,544	182,544	0%
Advance income	305,236	263,734	-14%
Total liabilities	141,659,811	232,202,556	64%

Equity, of which:	103,028,304	72,837,519	-29%
Subscribed and paid-up share capital – ordinary shares	92,150,414	101,435,040	10%
Preference shares	5,827,175	695,850	-88%
Other elements of equity	861,991	861,991	0%
Treasury shares	5,101,575	0	-100%
Share premium	19,441,836	10,157,240	-48%
Revaluation reserves	968,060	968,060	0%
Reserves	16,813,135	16,839,059	0%
Impairment on equity instruments	16,073,208	16,162,458	1%
Profit or loss carried forward	(7,266,424)	(13,462,280)	85%
Profit or loss for the period	(2,066,863)	(28,494,983)	1279%
Distribution of profit	2,526,238	0	-100%
TOTAL EQUITY AND LIABILITIES	245,175,895	305,486,353	25%

DECLARATION OF THE MANAGEMENT

Bucharest, February 29, 2024

According to the best available information, we confirm that the unaudited preliminary consolidated financial statements prepared for the 2023 financial year, provide a fair and accurate view of the assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Director's Report provides a fair and accurate view of the important events that took place during 2023 financial year and their impact on the interim condensed consolidated and individual financial statements.

Iulian-Florentin Circiumaru

Chairman of the Board of Directors of the Company