



Financial Report as of June 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	Half-year report as of June 30 th , 2021
For financial period	01.01.2021 – 30.06.2021
Legal basis for report	ASF Regulation no. 5/2018, Annex 14
Report publishing date	06.09.2021

Issuer information

Issuer's name	Holde Agri Invest S.A.
Fiscal code	39549730
Trade registry number	J40/9208/2018
Registered office	Intr. Nestorei nr. 1, Corp B, Etaj 10, Sector 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 June 30th, 2021, presented on the following pages are **unaudited**.

LETTER FROM HOLDE'S CEO

Dear shareholders,

Today, we provide you the financial results registered by Holde Agri Invest in the first half of 2021, a period when we registered an intense activity due to our **investments in existing farms** as well as **expansion of the operated land area**.

Unlike last year, when the weather conditions were extremely harsh and we had to deal with severe drought, things were different in the first six months of this year. We had many precipitations, and from this point of view, we believe, and we hope that it will be a **good agricultural year**.

I want to emphasize that in agriculture, **the first semester focuses exclusively on expenses** related to the planting and maintenance campaigns for spring and autumn crops, while the harvesting campaigns take place in the second half of the year. In the spring, we plant sunflower, corn, peas, and soybeans and administer fertilizers and treatments for wheat, barley, and rapeseed planted in the previous autumn, that managed to pass over the winter season. Harvesting of all these crops began in July 2021 and will continue throughout September and October 2021. The autumn planting campaign takes place between August and October and during this period, we are seeding wheat, barley, and rapeseed crops. The harvest of these crops take place next year, in July 2022.

Thus, in the first six months of the year, our spending is high because we consume many agricultural inputs such as pesticides, fertilizers, seeds and diesel. We have also started the year with ambitious investment plans, and we are delighted that at half-year, we are on the way to their fulfilment. Agriculture is a business where calculations must be thought and implemented in the long run. At Holde, we want to become one of the largest farming companies in Romania, with a total operated land area of 20,000 or even 30,000 hectares. Therefore, we have **invested heavily** in the three farms operated by Holde by equipping them with modern machinery, increasing storage capacity and irrigation systems.

Regarding the machinery, we purchased **three new high capacity combines**, which are already used at maximum capacity in the Frumusani farm starting with July 2021 as well as a series of other equipment necessary for carrying out the "precision agriculture" regime activity. In June, we started the modernization and extension works of the Calinesti silo, which we own. We aim to increase the storage capacity from 10,000 tons to about 15,000 tons and better manage it by implementing automation and adding equipment for cleaning the products before being stored. In the same area, a concrete platform of 4,000 square meters and a hall of 1,000 square meters will be built, which will serve as a mechanization base for the Rosiori farm agricultural machinery. The project is scheduled to be fully completed in October this year. In the Frumusani farm area, we have completed our first irrigation system, a pilot project on 125 hectares, a system powered by the Dambovita river. This will allow us to increase the productivity of corn and soybean crops in the coming years.

Investments in expanding the land area operated by the company continued this year. In August, Holde acquired **its third core farm** - Videle. The farm has a total area of 2,400 hectares of leased land. In addition to the operated land, the farm comes with its base located in Videle, 10 employees, and a fleet of agricultural machinery that, however, needs improvement. In the next period, we will start modernizing the farm, the primary investments being focused on



renewing the fleet and constructing a silo with a capacity of 10,000 tons. We expect the farm to reach its maximum performance in a 2–3-year horizon.

At the time of publishing this report, we are negotiating the **acquisition of four new farms, transactions we would like to take place** before the yearend. After completing these deal, we will have a fourth core farm integrated in the Holde concept, after Rosiori, Frumusani, and Videle. The targeted land area is of approximately 3,500 hectares, of which 350 are owned and the rest are leased. The value of these four transactions amounts to approximately 33 million lei, including farm machinery, the leased land, and two own agricultural bases with specific equipment. Following the takeover of the companies, Holde's team will grow with about 20 employees.

We will partially realize the financing of these transactions with 29 million lei, amount attracted from BVB investors during the share capital increase operation carried out in July this year. The rest of financing will come from bank loans. We expect to start operating the four farms partially in 2021 and entirely in 2022 and harvest the first crops in the summer of 2022. In terms of the modernization investments, we are considering purchasing new machinery and the construction of silos. We also want to invest in irrigation systems of the operated land area.

If all the acquisition procedures are completed successfully, Holde will operate a total area of 13,000 hectares and thus meet its **2021 target**.

As we have mentioned in the past, we want to expand as much as possible, but not at any cost. We are **highly rigorous** in terms of the farms we have in mind to integrate into our structure. For years when we do not identify good enough opportunities, we already have a plan for other investments - in storage, machinery, irrigation, farm modernization - that can maximize production - and, last but not least, in agro-tech projects with which we can have very good synergies.

An example of such investments is the project already completed this year, a pilot irrigation project, with an investment value of approximately 1,7 million lei, for an area of 125 hectares. In this project, we analyze the potential of such a long-term investment in operational and financial performance. We also remain active in the agro-tech area. In this regard, we mention the additional funding of approximately 200 thousand lei granted to the AgroCity project, convertible into shares in the following investment carried out by it. We also have plans to acquire minority interests by the end of the year, for amounts between 0.75 -1 million lei, in two start-ups focused on developing technologies for agriculture. For Holde, such investments represent a way to optimize operational activity by integrating technology into it and opportunities to create additional added value for shareholders by subsequently monetizing the increase in the valuation of these minority interests.

Regarding the turnover, for 2021, we target consolidated revenues of 57.7 million lei, 31% more than in 2020, and a net profit of 7.3 million lei. At the same time, we estimate that the total production will reach 32,800 tons in 2021.

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. 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 Circiumaru 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.

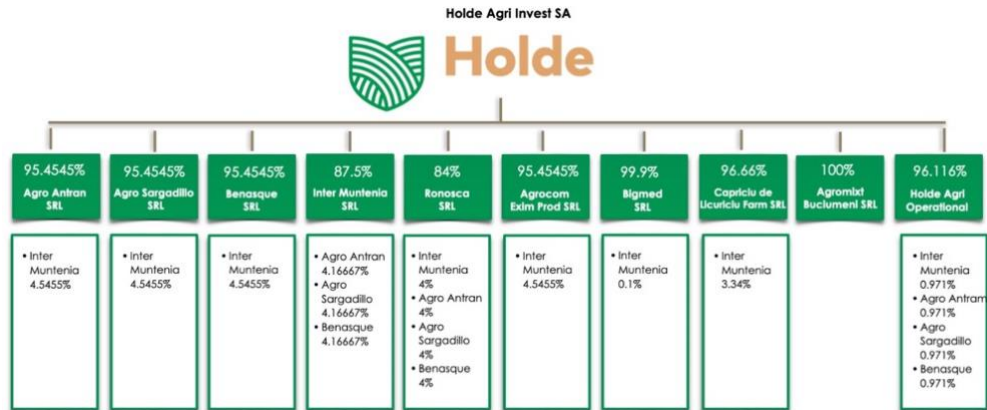
Business structure

On June 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 Călărași (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.

As of June 30th, 2021, Holde operated, at the consolidated level, a total area of 8.496 ha, out of which 635 ha owned and 7,861 ha leased. In the first six months of 2021, farms from Holde's portfolio cultivated conventional wheat, rapeseed, sunflower, corn, dried peas, soybeans, as well as organic wheat, sunflower, and dried peas. Apart from land, Holde also boasts a storage

capacity of 10,000 tones in the Calinesti silo, complemented by the "silo bag" technology that can be used in any of Holde farms.

Holde Agri Invest S.A. also holds a minority stake of 10% in an agrotech start-up AgroCity Technologies SRL, which is not included in the consolidated results.



KEY EVENTS

Events in the first six months of 2021

On **February 2nd, 2021**, the Company informed the shareholders about the submission for publication to the ONRC of the resolution of the special meeting of shareholders holding preference shares with priority dividend and without voting rights - class "B" shares in Holde Agri Invest S.A. that took place on December 9th, 2020. The key change refers to the capping of the total amount of the annual Priority Dividends to which the shareholders holding preferential shares would be entitled to payment at a maximum of 35% of the total net distributable profit determined according to Law 31/1990, cap applicable for a period of four years related to the financial years ended on 31.12.2021, 31.12.2022, 31.12.2023, and 31.12.2024.

On **February 12th 2021**, the EGSM took place during which the shareholders of Holde approved, among other things, the delegation of power to increase the share capital of the Company with an amount up to 21,5 million lei, approved financing or loans up to 30 million lei, another loan in amount of 11 million lei as well as appointment of new members of advisory board. The AGA also approved one or more investment in the total amount of 0.5 million euro in local start-ups developing technological or agritech products. The Resolutions of the EGSM are available [HERE](#).

On **March 16th, 2021**, the Sole Director of the Company has approved increase of the Company's share capital from the nominal amount of RON 43,069,796 up to the maximum nominal amount of RON 64,069,796 by issuance of up to 21,000,000 new nominative shares, dematerialized, Class A shares, with a nominal value of RON 1 per share and a total nominal value of RON 21,000,000. The purpose of the capital increase was to finance Company's development plans, such as acquisition of new farms, investments in storage capacity, machinery, irrigation, modernizing the farm and the financing of an agri-tech start-up projects.

On **April 26th, 2021**, the OGSM and EGSM of Holde took place which approved, among other items, 2020 individual and consolidated financial statements, the 2021 Revenue and Expense Budget as well as changes to the articles of association. The Resolutions of the OGSM EGSM are available [HERE](#).

On **May 19th, 2021**, the Romanian Financial Supervisory Authority approved the Prospectus for the share capital increase operation with cash contributions. The share capital increase operation lasted between June and August 2021 and was organized in two stages. In stage 1, which lasted between **June 4th**, and **July 3rd**. During stage 1, investors subscribed to newly issued shares based on HAIR01 preference rights. In stage 1, investors have subscribed a total of 14,445,010 shares, out of 21,000,000 new class A shares available, which represents 68.79% of the total issue. The shares with nominal value of 1.0 leu were offered at a price of 1.38 lei/share. On **July 14th**, stage 2 of share capital increase closed during which 6,554,990 class A shares that remained unsubscribed during Stage 1 were offered to investors during a private placement. The private placement has closed earlier than anticipated and the final price per share was stabilize at 1.44 lei / share. Considering the high interest from investors, the shares were allocated to investors who participated in private placement "pro rata", with an allocation index 0.6302976211. During Stage 2 of share capital increase, Holde Agri Invest raised 9,439,185.6 lei. On **September 2nd**, the company received CIIF from the ASF for the share capital increase.

On **June 30th, 2021**, Holde Agri Invest informed the market about the initiation of the modernization and extension works at the Calinesti silo, owned by the Company. The scope of work includes extension of the storage capacity from 10,000 tons to about 15,000 tons, as well as a better management of it by implementing automation and adding equipment for cleaning the products before being stored. In the same area, a 4,000 sqm concrete platform and a 1,000 sqm hall will be built with a purpose of serving as a mechanization base for the Company's agricultural machinery. The total value of these investments is estimated at 1.5 million euro.

Events after closing the reporting period

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 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.

Significant contracts

Year to date, 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 24/2021](#)
- [Current report 25/2021](#)
- [Current report 26/2021](#)
- [Current report 27/2021](#)
- [Current report 28/2021](#)
- [Current report 31/2021](#)
- [Current report 39/2021](#)
- [Current report 40/2021](#)
- [Current report 44/2021](#)
- [Current report 46/2021](#)

ANALYSIS OF THE FINANCIAL RESULTS

During the first six months of the 2021 financial year, Holde Agri Invest SA recorded the following consolidated unaudited preliminary results:

- Operated land: 8,496 hectares
- Production: 18,675 tons
- Revenues: 14.9 million RON
- Net loss: 10.6 million RON *
- CAPEX: RON 26.1 million
- Acquisitions: RON 9.1 million

Note: The calculation of the EBITDA and EBIT indicators is provided by the Company's management and is performed according to the known calculation formulas, including in the operating costs the interest related to the financing of the working capital.

**the management team considers that the seasonality of the Company's business model makes the calculations of the financial performance indicators of the activity on 30.06.2021 inapplicable.*

In the first half of 2021, Holde Group recorded consolidated revenues from the main activity of 14.9 million RON, mainly from the sale of stocks of agricultural products from the 2020 harvest (3.2 million RON), but also from the establishment of reserves from crops obtained during the current year (9.5 million RON). Total operating revenues include 0.7 million RON from agricultural subsidies and 1.2 million RON from equipment redundancies. The reported revenues represent almost a tripling of the result from the corresponding period of the previous year, resulting from an impact of the increase of the operated land and the capitalization of the favorable quotations of the agricultural products on the international markets. The management emphasizes that due to the seasonal specificity of Holde's activity, from the accounting point of view, in the first half of the year the company books the expenses associated with the formation of crops in the agricultural year and the financing of the current activity. In contrast, most revenues are recorded in the second half of the year, either due to the sale on the spot market of the resulting crops or upon the delivery of the quantities of crops sold in advance through forward contracts. From this perspective, the management team considers that investors should not consider the preliminary financial results as of 30.06.2021 as a pro-rata image of the financial results of the Company's activity during the entire financial year 2021.

The results were obtained following the operation of a total land area of 8,496 hectares (2020: 7,827 hectares, +8.5%), of which 1,984 hectares were organic. The land was based in the following three current locations: Rosiori, Frumusani, and Videle. The autumn crop campaign of the agricultural year 2020-21 generated total harvests of 18,675 tons (2020: 18,000 tons, +3.7%), of which 1,675 tons of organic crops. The factors that determined the increase of the yields per hectare compared to the corresponding period of the previous year, were the precipitations from the spring of 2021, the modernization of the machinery park and the quality of the agricultural works. The obtained production registered a quantitative deviation of -13% compared to the budgetary projection caused by the depreciation in spring of the crops related to an area of 200 hectares sown with peas, an area later reused for organic sunflower cultivation.

The main categories of operational expenses were those related to the inputs needed to form the crops of the agricultural year 2020-21: seeds, diesel, fertilization, treatments (9.3 million RON, 2020: 2.1 million RON, +332% difference explained by the extension of the operated land

areas, but also by the poor comparability with the corresponding period of the previous year due to the fact that the acquisition of the Agromixt farm took place in April 2020), the lease expenses related to the operated leased land area (1 million RON, 2020: 0.12 million RON, +750% difference explained both by the extension of the land area, and by the development of a loyalty campaign of the Holde partners in the amount of 0.2 million RON), the personnel expenses (3.4 million RON, 2020: 1.3 million RON, +156 % evolution due to the increase in the number of employees), the depreciation of the machinery park (2.8 million RON, 2020: 1.7 million RON, +70% increase due to the investments made) and those with the allowance related to the management contract (0.35 million RON, 2020: 0.32 million RON, +10% increase due to the extension of the operated land area). Regarding the latter element, according to the accounting policy adopted by Holde's management, during the financial year only the fixed amount of the management allowance is recorded, the variable amount of this allowance being recorded after its determination following the completion of the annual financial statements.

The operating result before depreciation and amortization expenses was -9.9 million RON (2020: -4.6 million RON, +115% surge due to the increased land area, the number of employees, and the amortization goodwill and rights use of leased land).

The financial result of -0.6 million RON (2020: RON -0.01 million) includes interest expenses related to bank loans for acquisitions and working capital (0.55 million RON, 2020: 0.11 million RON), interest related to financial leasing contracts (0.14 million RON, 2020: 0.12 million RON) and exchange rate differences and other fees related to the financing activity (0.11 million RON, 2020: 0.02 million RON). The increase in financial loss of +800% compared to the corresponding period of 2020 is due to the increase on the balance sheet of bank financing and financial leasing attracted by Holde when purchasing new farms and renewing the fleet.

The net result of -10.6 million RON (2020: -4.4 million RON) represents an increase in the loss of 126% compared to last year's same period.

From the point of view of the balance sheet structure, fixed assets consist mainly of the recognition of lease agreements concluded by Holde in goodwill according to local accounting standards. The increase intangible assets of +46% is primarily due to investments in the machinery fleet. Holde's stocks mainly represent the ongoing production on the cultivated areas in autumn 2020 (23 million RON) and the stocks of seeds, diesel, fertilizers, treatments (4.8 million RON). Trade receivables include 5.1 million RON, of which 0.6 million RON advances to suppliers. The available cash in the amount of 11 million RON represents subscriptions from the investment carried out by the Company during May - June 2021.

Current liabilities to suppliers refer to the inputs related to the agricultural year 2020-21, which have as payment term July/October 2021. Short-term bank debts refer to the working capital financing lines (6 million RON) to be closed at the time of capitalization of the current agricultural year, at loans from the APIA subsidies discount (9 million RON) that will be closed at the time of receiving subsidies and at the maturity of less than 1 year of loans for the acquisition of Agromixt and Videle farms (3.6 million RON).

The Group records Cumulative Interest Debts of 58.8 million RON (35.1 million RON bank loans, 14.7 million RON financial leases, and 9 million RON APIA discounts) and cash equivalents of cash 12.8 million RON. Compared to 31.12.2020, the primary source of the increase of the bank debt was the contracting of a loan amounting to 8.9 million RON to complete the acquisition of Videle farm. Thus, the Net Debt of Holde Agri Invest amounted to 46.1 million RON at the reference date. The capital structure of the Holde Group registers an indicator of current liquidity (Current assets / Current liabilities) of 0.96 and a Debt rate (Borrowed capital / Committed capital) of 46.3%.

In the first half of 2021, Holde Agri Invest carried out investments amounting to 26.1 million RON financed from own sources and borrowed capital. The main funded objectives included:

- Completion of the acquisition of Videle farm – 8.9 million RON
- Additional investment in the AgroCity platform – 0.2 million RON
- Land acquisitions – 0.2 million RON

- Land irrigation project –1.5 million RON
- Acquisitions of technological equipment (machinery and equipment) - 15 million RON
- Acquisitions of means of transport – 0.3 million RON.

The consolidated financial statements of the Holde group related to the first half of 2021 included the companies Holde Agri Invest SA, Agro Antran SRL, Agro Sargadillo SRL, Benasque SRL, Inter Muntenia SRL, Ronosca SRL, Agrocom Exim Prop SRL, Bigmed SRL, Capriciu de Licuriciu SRL, Agromixt Buciumeni SRL and Holde Agri Operational SRL.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Profit & Loss Statement (RON)	30/06/2020	30/06/2021	Evolution %
Operating revenues, out of which:	5,075,843	14,879,861	193%
Sales on own products	2,653,629	3,219,381	21%
Revenues from disposals	58,295	655,130	1024%
Changes in inventories	1,703,782	9,485,539	457%
Other operating revenues, out of which	660,137	1,519,811	130%
<i>Other subsidies</i>	0	151,147	0%
<i>Proceeds from fixed assets</i>	645,312	1,210,489	88%
<i>Other non-recurring revenues</i>	14,825	158,175	967%
Operating expenses, out of which:	9,697,077	24,821,918	156%
Materials expenses, out of which:	3,587,341	12,520,791	249%
<i>Costs of raw materials</i>	2,140,457	9,253,880	332%
<i>Costs of goods sold</i>	1,319,871	3,163,546	140%
<i>Others miscellaneous</i>	127,013	103,366	-19%
Rent paid to owners	119,890	1,016,623	748%
Personnel Expenses	1,321,139	3,383,146	156%
Depreciation and amortisation, out of which	1,683,660	2,860,735	70%
<i>Non-current assets depreciation</i>	1,199,997	1,622,839	35%
<i>Right-of-use assets depreciation</i>	233,689	475,733	104%
<i>Goodwill depreciation</i>	249,974	762,162	205%
Other operating expenses	2,666,552	4,690,623	76%
Contract management expenses	318,496	350,000	10%
Operating profit/(loss)	(4,621,234)	(9,942,057)	-115%
Financial incomes	189,532	151,902	-20%
Financial expenses, out of which	261,804	805,081	208%
<i>Credits & Leasing interest</i>	241,376	693,350	187%
<i>Other financial expenses</i>	20,428	111,732	447%
Financial profit	(72,272)	(653,180)	-804%
Total Revenues	5,265,375	15,031,762	185%
Total Expenses	9,958,881	25,626,999	157%
Gross profit	(4,693,506)	(10,595,237)	-126%
Income Tax	16,159	34,940	116%
Net profit/(loss)	(4,709,665)	(10,630,177)	-126%

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet (RON)	31/12/2020	31/06/2021	Evolution %
Non-current assets out of which	74,101,483	91,182,263	23%
<i>Intangible assets, out of which:</i>	<i>34,262,094</i>	<i>33,064,318</i>	<i>-3%</i>
Licenses	206,443	246,562	19%
Right-of-use assets depreciation	18,013,140	17,537,407	-3%
Goodwill	16,042,511	15,280,349	-5%
<i>Tangible assets, out of which:</i>	<i>39,573,082</i>	<i>57,839,158</i>	<i>46%</i>
Land	18,667,357	18,795,795	1%
Buildings	2,531,803	4,179,807	65%
Equipment & vehicles	16,583,605	32,105,213	94%
Other equipment and furniture	429,748	124,433	-71%
Advances and tangible work in progress	1,360,569	2,633,911	94%
<i>Financial assets</i>	<i>266,307</i>	<i>278,787</i>	<i>5%</i>
Current assets, out of which:	24,080,617	55,438,928	130%
<i>Stocks, out of which:</i>	<i>10,947,017</i>	<i>29,614,466</i>	<i>171%</i>
Raw materials and consumables	2,753,130	4,823,551	75%
Inventory items	8,304	8,304	0%
Finished goods	1,213,177	0	-100%
Goods	173,988	720,905	314%
Packaging	108,663	159,167	46%
Work in progress	6,474,281	23,131,760	257%
Stocks prepayments	215,474	770,780	258%
<i>Receivables</i>	<i>12,636,309</i>	<i>13,055,400</i>	<i>3%</i>
Receivables	4,812,778	5,108,866	6%
Other receivables	7,823,531	7,946,534	2%
<i>Short term investments</i>	<i>1,240</i>	<i>1,721,240</i>	<i>138710%</i>
<i>Cash & cash equivalents</i>	<i>496,051</i>	<i>11,047,822</i>	<i>2127%</i>
Prepayments	797,417	1,380,357	73%
TOTAL ASSETS	98,979,517	148,001,548	50%
Current liabilities, out of which:	26,754,996	57,807,823	116%
Trade account payables	8,700,116	30,441,615	250%
Affiliates payables	946,502	436,016	-54%
Current portion of long-term debt	10,250,535	18,606,467	82%
Current portion of lease liability	2,541,057	3,942,316	55%
Other liabilities	4,316,786	4,381,409	1%
Long term liabilities, out of which:	24,038,717	36,305,787	51%
Long term debt	18,586,420	25,551,109	37%
Lease liability	5,452,297	10,754,678	97%
Income in advance	194,833	377,193	94%
Total Liabilities	50,793,713	94,113,610	85%
Shareholder's equity, out of which:	47,990,971	53,510,745	12%

Issued capital: common shares	37,242,621	37,242,621	0%
Issued capital: preferred shares	5,827,175	5,827,175	0%
Issued capital not paid: common shares	0	16,149,951	0%
Share premium	2,242,884	2,242,884	0%
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	(10,630,177)	-409%
TOTAL LIABILITIES AND EQUITY	98,979,517	148,001,548	50%

INDIVIDUAL FINANCIAL STATEMENTS

Individual Profit & Loss Statement (RON)	30/06/2020	30/06/2021	Evolution %
Operating revenues, out of which:	87,958	52,984	-40%
Other operating revenues	87,958	52,984	-40%
Operating expenses, out of which:	1,567,327	2,182,867	39%
Materials expenses, out of which:	4,347	250	-94%
<i>Costs of raw materials</i>	3,195	147	-95%
<i>Others miscellaneous</i>	1,152	103	-91%
Personnel Expenses	166,108	330,001	99%
Depreciation and amortization, out of which	5,118	4,297	-16%
<i>Non-current assets depreciation</i>	5,118	4,297	-16%
Other operating expenses	1,073,258	1,498,319	40%
Contract management expenses	318,496	350,000	10%
Operating profit/(loss)	(1,479,369)	(2,129,883)	-44%
Financial incomes	403,796	100,448	-75%
Financial expenses, out of which:	48,756	385,408	690%
<i>Credits & Leasing interest</i>	40,757	385,408	846%
<i>Other financial expenses</i>	8,000	0	-100%
Financial profit	355,040	(284,960)	-180%
Total Revenues	491,754	153,432	-69%
Total Expenses	1,616,083	2,568,275	59%
Gross profit	(1,124,329)	(2,414,843)	-115%
Net profit/(loss)	(1,124,329)	(2,414,843)	-115%

INDIVIDUAL BALANCE SHEET

Individual Balance Sheet (RON)	31/12/2020	31/06/2021	Evolution %
Non-current assets, out of which:	47,073,790	48,442,379	3%
<i>Intangible assets, out of which:</i>	<i>126,539</i>	<i>175,609</i>	<i>39%</i>
Licenses	126,539	175,609	39%
<i>Tangible assets, out of which:</i>	<i>5,231</i>	<i>3,213</i>	<i>-39%</i>
Equipment & vehicles	5,231	3,213	-39%
<i>Financial assets</i>	<i>46,942,020</i>	<i>48,263,557</i>	<i>3%</i>
Current assets, out of which:	12,822,349	32,736,788	155%
<i>Stocks, out of which:</i>	<i>0</i>	<i>13,250</i>	<i>0%</i>
Stock prepayments	0	13,250	0%
<i>Receivables</i>	<i>12,809,082</i>	<i>21,489,850</i>	<i>68%</i>
Receivables	1,188,183	453,143	-62%
Other receivables	11,620,899	21,036,707	81%
<i>Short term investment</i>	<i>1,240</i>	<i>1,721,240</i>	<i>138710%</i>
<i>Cash & cash equivalent</i>	<i>12,027</i>	<i>9,512,447</i>	<i>78992%</i>
Prepayments	79,591	155,812	96%
TOTAL ASSETS	59,975,730	81,334,978	36%
Current liabilities, out of which:	3,685,198	4,851,989	32%
Trade account payables	100,935	137,993	37%
Affiliates payables	713,227	436,016	-39%
Current portion of long-term debt	1,754,897	2,475,176	41%
Other liabilities	1,116,139	1,802,804	62%
Long-term liabilities, out of which:	14,943,461	21,400,810	43%
Long-term debt	14,943,461	21,400,810	43%
Total Liabilities	18,628,659	26,252,799	41%
Shareholder's equity, out of which:	41,347,071	55,082,179	33%
Issued capital: common shares	37,242,621	37,242,621	0%
Issued capital: preferred shares	5,827,175	5,827,175	0%
Issued capital not paid: common shares	0	16,149,951	0%
Share premium	2,242,884	2,242,884	0%
Retained earnings	(2,204,032)	(3,965,609)	80%
Profit/(loss) for the financial year	(1,761,577)	(2,414,843)	37%
TOTAL LIABILITIES AND EQUITY	59,975,730	81,334,978	36%

2021 OUTLOOK

Regarding the expectations related to the financial results to be recorded during 2021, the executive team considers that the operational results of the autumn harvest campaign are material for the annual revenues, their estimation at the time of reporting cannot be performed with a high degree of accuracy. A clearer picture of the financial results of the activity of the year can be provided to investors during the preliminary financial results on 30.09.2021, which will be published on 26.11.2021.

Taking these into account, the current estimates of the management team regarding the financial results for 2021 are as follows:

R&E Budget 2021 (RON)	Budgeted 2021	Current forecasts 2021
Total revenues	56,600,432	57,776,994
Total expenses	47,195,595	49,616,762
EBITDA	15,971,867	14,701,792
EBIT	11,519,582	10,590,334
Net Profit	7,387,401	7,317,274

**the above financial projection does not include the calculation of the Annual Performance Bonus of the management team*

KEY RISKS FOR S2 2021

The most significant risks related to Holde Agri Invest's activity for the second half of the year are presented below. However, the risks presented in this section do not include all those risks associated with the issuer's business. Overall, there may be other risk factors and uncertainties that the company is unaware of at the time of writing, and which may change the issuer's actual results, financial conditions, performance, and achievements in the future and may lead to a decrease in the company's share price. Investors should also carry out the necessary prior checks to draw up their own investment opportunity assessment.

Price risk - Price risk affects the company to the extent that prices to suppliers of raw materials, materials and agricultural inputs increase without the company being able to profitably incorporate negative variations in its final price in terms of maintaining turnover, respectively, without being able to minimize side effects through cost management. The company addresses this risk through a rigorous control of costs, but also through an increasing internalization of the production of raw materials and materials. These measures allow the sizing of profit margins so that, once the price risk materializes, its negative impact can be absorbed at the price of the final product. For the grain trading business line, which is scheduled to launch in the coming years, the price risk will be important as the volatility of grain prices on specialized exchanges is high and the predictability is low. At that time, the company's management will use the instruments to hedge this risk through futures, commodity and / or currency forward contracts.

Credit risk - Credit risk is considered the main vulnerability for the activities in the agricultural sector, where, in general, the speed of debt collection is slow, respectively longer than 365 days. We mention the fact that this risk is significantly more accentuated in the case of carrying out the activities of marketing agricultural inputs (e.g., seeds, fuel, fertilizers, treatments, etc.), than in the case of trading of finished products (cereals).

Liquidity risk - Liquidity risk is the probability that the company will not be able to meet its current obligations by capitalizing the available assets. Debt collection difficulties are an important potential source of arrears in meeting the company's payment obligations. By monitoring liquidity forecasts, the company's management seeks to ensure that there is sufficient cash to meet operational requirements so that the company can meet its current obligations to its creditors. In terms of liquidity indicators that estimate the extent to which the company can cover its current liabilities on current assets, the company does not face liquidity problems.

Cash flow risk - this is the risk that the company will not be able to meet its payment obligations at maturity. A prudent cash flow risk management policy involves maintaining a sufficient level of cash, cash equivalents and financial availability through properly contracted credit facilities.

Risks related to marketable quantities - Farmers have no real way of knowing how many other farmers are planting a particular crop or what average yields they may have in a given year. Often, a good price for a particular crop in one year motivates many farmers to plant that crop the following year. This change increases production in the face of constant demand, reducing the price and making the harvest much less attractive next year. There is also a risk of declining sales and prices due to the increased number of competing farmers or changing consumer preferences.

Risk related to the reduction or elimination of subsidies APIA - Refers to the scenario of changing the legal framework at European level on granting subsidies and aid to EU farmers. The probability of such a scenario materializing cannot be accurately determined. However, the management team is ready to make all necessary efforts to reduce the impact of this risk on the company. Beyond these efforts, in our opinion, such a measure would have a systemic impact on the market for agricultural products and their price.

The risk associated with the business development plan - the company aims for a sustainable growth by acquiring new farms and by continuing investments in modernizing the

existing farms in its portfolio. However, it is possible that the pace at which the company expands its operating area may not be in line with expectations and estimates, and in this case could have negative effects on the company's financial situation. Especially regarding the expansion of the exploited land, the management is prudent and selective and considers only farms that are aligned synergistically with existing farms. For years when management does not identify good enough opportunities to expand exploited land, there is a plan for other investments - in storage, machinery, irrigation, farm modernization - that can maximize production - and, finally, in agri-tech projects with which Holde can have very good synergies. Currently, with a significant size of almost 10,000 ha of land, the company has more opportunities than before, both to increase capital and to invest it in profitable Holde projects.

The risk associated with making financial forecasts - financial forecasts start from the premise of fulfilling the business development plan. The company aims to periodically issue forecasts on the evolution of the main economic and financial indicators to provide potential investors and the capital market with a true and complete picture of the current situation and future plans envisaged by the company, as well as current reports detailing the comparative elements between the forecast data and the actual results obtained. Forecasts will be part of the annual reports and the forecast policy is published on the company's website at [this link](#). Forecasts will be made in a prudent manner, but there is a risk of failure to meet them, therefore, the data to be reported by the company may be significantly different from those forecasted or estimated as a result of factors not previously predicted or whose negative impact could not be counteracted or anticipated.

DECLARATION OF THE MANAGEMENT

Bucharest, September 6th, 2021

We confirm to the best of our knowledge that the unaudited interim condensed consolidated and individual financial statements for the six months period ended 30 June 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 six months of the 2021 financial year and their impact on the interim condensed consolidated and individual financial statements.

Eugen Gheorghe Voicu

Legal Representative of Holde Agri Management SRL

Sole Administrator of Holde Agri Invest S.A.