



2021 Preliminary Financial Report

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	2021 Preliminary financial results
For financial period	01.01.2021 – 31.12.2021
Report publishing date	25.02.2021

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
Symbol	HAI

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The interim condensed consolidated financial statements as of December 31st, 2021, presented on the following pages are **unaudited**.

LETTER FROM HOLDE'S CEO

Dear shareholders,

2021 was a good year!

Although agriculture has come with several challenges over the years, and Holde is growing and expanding its business, which puts additional pressure on everything related to the organization, 2021 was a year in which we registered profit. Also, we managed to move forward with all the projects we set out to do.

Therefore, we have expanded the operated land, implemented our first irrigation project, and are extremely close to completing the extension of the Călinești silo, which will be fully operational for the 2022 campaign. At the same time, we have other successes we are proud of, such as improving agricultural techniques, the necessary equipment on farms, and investments in Agri Tech. And for 2022, we have many other development projects planned.

Also, the most important thing for us is that the Holde team is motivated and more efficient in implementing all the objectives we have assumed.

Operated land

In 2021 we managed to operate three core farms, Roșiori, Videle, and Frumușani, totaling almost 10,000 ha. We completed the acquisition of Videle Farm (approximately 2,400 ha) during the year, and we made new acquisitions by taking over the companies Interpret and Agro Future Fields. Through Interpret we added an area of approximately 400 ha to the Roșiori core farm, which reached a total land area of about 3,650 ha. With the acquisition of Agro Future Fields, we expanded the land area of the Frumușani core farm by 250 ha, the farm currently having a total land area of about 3,650 ha.

At the end of the year, we acquired a new core farm. It will add another 2,100 ha to the land area that Holde operates. The completion of the transaction is scheduled for March 2022. After the completion of this acquisition, for the 2022 harvest year, Holde will end up operating almost 12,000 ha.

Agronomy

The beginning of the year was a difficult one, and the sowing was delayed due to the Videle transaction in the Roșiori-Videle area. Moreover, overlapping with a hot summer, sunflower and corn crops did not perform as well as they should have. Also, after two years of progressive growth, the organic crops, even if it seemed that the technology we were using was the right one, registered a setback and did not reward us in line with the expenses.

However, all the winter crops, rapeseed, and wheat yielded more than expected and overlapped with unexpectedly high prices, allowing us to post good results – operating revenue of 59.3 million lei (+46%) and net profit under RAS of 4.9 million lei (+41%).

Thus, in financial terms, we can tell you that we have reached the results we have targetted for 2021.

Within the group, the Frumușani farm had outstanding results. Also, the Roșiori and Videle farms had satisfactory results, especially for the wheat and rapeseed crops. The averages per group for these crops were 6.6 tonnes per hectare for wheat (with a maximum of 8.6 tonnes per ha for Avenue and Cesario varieties) and 3.7 tonnes per hectare for rapeseed (with a maximum of 4.3 tonnes per ha for Architect and Invigor varieties).

All this is proof that our plans have been set up on a fair basis in terms of average yields per hectare and the evolution of expenditure and prices. Although we cannot estimate them perfectly on an individual level, based on our experience, we can appreciate the context and trends in the field.



Sunflower and corn crops, unfortunately, especially in the Teleorman area, because of the delayed sowing mainly caused by the lack of endowment in the context of the Videle acquisition, as well as because of the lack of rainfall over the summer, was below expectations and significantly decreased the revenues which we were expecting in the fall.

At the same time, this year's organic farming did not perform as expected. Paradoxically, organic farming tends not to perform as well in the rainy years in the spring, mainly due to the shorter windows we have available for mechanical hoeing and against the background of higher weed pressure.

For 2022, in line with our desire to compost organic matter such as manure, an operation with multiple advantages, we have purchased the first specific machinery, and we will start composting in the spring of 2022, once it is delivered.

Considering our experience so far, and primarily due to 2021, together with our agronomists, we have chosen to adjust the technology related to organic farming. For this year and the future, we decided to rely even less on the intake of nutrients from processed substances. Instead, we fertilize with compost and increase the hoeing force to cope with shorter working windows.

Last but not least, to improve the efficiency of agricultural work, as we promised, starting this year we will have specific machinery for better logistics.

We are confident that all of the above will contribute to even better results in 2022.

Irrigations

Also, in 2021, we completed our first irrigation project on an area of 125 ha. It was a vital management effort, and we are proud of it.

In 2022, we are already working on expanding the irrigation system at Frumușani farm by another 150 ha. The equipment is ordered, and the work authorization procedure is in progress. The development of a pilot project as a first stage helped us a lot as we adjusted and validated the technical solution and the partners we chose to supply the necessary equipment.

This year, we also intend to explore technical options for carrying out irrigation projects in other areas. We are determined to increase the irrigated areas as close as possible to the promised pace!

Storage

For Holde, product storage is one of the essential links to increased profitability. In 2021 we worked hard to expand the Călinești silo. After the works are completed, the silo capacity will increase to 15,000 tonnes.

In 2022 we want to start the construction for at least another silo of about 10,000 tons. At the moment, we already have 10,000 tons of silos for the Frumușani and Videle farms under authorization. Thus, we hope to build at least one of the two silos and finish the year with a total capacity of at least 25,000 tons.

Agri Tech

Holde is dedicated to Agri Tech farming, as you have become accustomed to. Our collaboration with Agrocit is a successful one. In 2021, the Agrocit solution helped us control the operational activity better, and for 2022 new functionalities are considered that will bring us even more precision and accuracy in carrying out the activities. Modules concerning the production chain and the timing of the fertilization plan are being developed.

Also, in 2021, within Holde, we decided to expand our investments in this area of strategic importance by making a private investment in Enten Systems. We are currently starting to use crop monitoring services and to help develop Enten systems for the large crop.

Furthermore, the collaboration between Holde and Trimble (Vantage) aims to grow, and we want to integrate the information data for having full access to them. We rely on our Trimble / Vantage partners! Our ambition is to bring together a technology ecosystem that contributes to the agriculture of the future. We are confident that 2022 will come with other news in this field!

In 2022, in addition to investments already established, such as the acquisition of agricultural farms, irrigation, and storage capacity, we aim to record achievements in other directions that are extremely important for our business. As we announced, we are in the process of approving syndicated financing of a maximum of 170 million lei. The financing structure will allow us more

flexibility both to carry out the investment projects and when we will capitalize the stored products. We are confident that this funding will directly contribute to increasing the profitability of Holde's business.

As for our investors and investors interested in accessing the agriculture field, Holde aims to continue the series of private placements. The additional capital increase will allow us to take advantage of the opportunities on the M&A market but also to modernize the operational activity where necessary. The funds will be directed mostly, as before, to the expansion of the operated land area and the additional endowment of the existing farms - irrigation, silos, machinery. And last but not least, the investment in Agri Tech.

We keep our desire to migrate to the Main Market at the right time. We estimate that this step will take place in 2022 or 2023! All preparations are underway, and we expect to complete them in the second half of the year. We want this moment to announce the maturity of our project!

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

KEY FINANCIAL RESULTS

The operated land area increased by 9% compared to the agricultural year 2019-2020; quantities obtained increased by 18% as a result of improved technical processes.

The turnover increased by 53% compared to the previous year, reaching 41.6 million lei as a result of the increase of the operated land area, but also of a favorable evolution of prices.

EBITDA reached the level of 13.6 million lei, and the recurrent EBITDA level registered an increase of 64% compared to the previous year; annual EBITDA margin of 23% despite a significant increase in crop input costs.

Net profit under RAS for the year increased by 41% compared to the previous year proving the efficiency of the scalability of the Holde group's business model.

Investments in the technical fleet, expansion of silage capacity and in pilot irrigation projects worth 39.3 million lei, increasing more than five times compared to the previous year.

Acquisitions of farms, land and minority stakes in the amount of 13.6 million lei.

KEY INDICATORS 2021

Operated land area: **8,496 hectares**

Production: **28,301 tons**

Revenue: **59,337,509 lei (6,984 lei/ha)**

EBITDA IFRS: **13,608,578 lei (1,602 lei/ha)**

EBIT IFRS: **9,768,648 lei (1,150 lei/ha)**

Profit net IFRS: **7,330,114 (863 lei/ha)**

Profit net RAS: **4,861,641 lei (572 lei/ha)**

Capital expenditure: **39,300,000 lei**

Acquisitions: **13,600,000 lei**

Regarding the BVC for 2021 the company underlines that the difference in the net profit is represented by the amortization of the goodwill according to the statutory reporting, while the BVC for 2021 was based on the IFRS reporting, meaning without these amortizations. The management would like to underline that in the context of the company's plans to move to the main market, the BVC for 2022 will also be prepared according to IFRS.

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 operates 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 core farm 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.

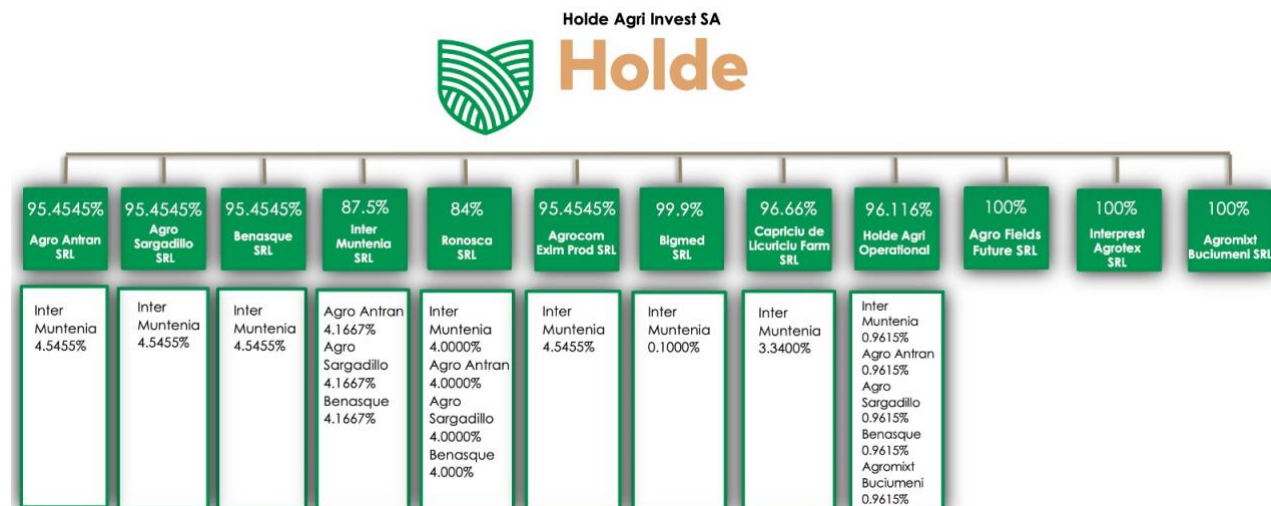
Business structure

On December 31, 2021, Holde Agri Invest, the holding company, included 13 entities - nine technical crop farms located in Teleorman County (Rosiori core farm - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interpret Agrotex and Videle core farm - Agrocom) and in Călărași County (Frumusani core farm - Agromixt and Agro Fields Future) and an entity that offers operational services, Holde Agri Operational. The parent company, Holde Agri Invest SA, acts as a shared services center, also covering administrative and governance issues. As of December 31, 2021, Holde and its subsidiaries had a total of 95 employees.

For the agricultural year 2020-2021, Holde operated a total area of 8,496 ha, of which 635 ha were owned and 7,861 ha were in lease. In 2021, Holde's farms conventionally grew wheat, rapeseed, sunflower, corn, dried peas, soybeans, as well as organic wheat, sunflower and peas. At the time of writing this report, Holde has a total operating area of 9,843, of which 640 ha are

owned and 9,203 ha are leased. In addition to the land, Holde has a storage capacity of 10,000 tons in the silo from Călinești, complemented by the "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 and Enten Systems. These are not included in the consolidated results.



KEY EVENTS

Events in Q4 2021

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 of 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.

On **November 24th, 2021**, the Extraordinary and Ordinary General Meetings of the Shareholders of Holde Agri Invest SA (the "Company") were held. For both meetings, the legal and statutory quorum was established at the first convocation. Within these, Holde shareholders approved, among others, the admission to trading of the Company's shares on the regulated market administered by the Bucharest Stock Exchange, by transferring from the alternative trading system AeRO of the Bucharest Stock Exchange.

The full text of the EGMS & OGMS decisions can be consulted [HERE](#).

On **December 21st, 2021**, Holde informed the market about the closing of a transaction for the acquisition of a new farm of approximately 2,100 ha, which will increase the surface that the Company operates to a total of approximately 11,600 ha. The total value of the transaction is of approximately RON 250,000 which should be paid by 28.02.2022 the latest. The value of the transaction may be adjusted depending on several factors which are further negotiated between the parties, which include, among others, the takeover by the Company of several debts registered by the new farm. For agricultural year 2021-2022, the Company plans to produce several crops in the new farm, such as wheat (395 ha), rapeseed (320 ha), sunflower (350 ha), maize (415 ha) and barley (620 ha).

Significant contracts

In 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 54/2021](#)
- [Current report 70/2021](#)

Events after the end of the reporting period

On **January 10th, 2022**, Holde informed the market about the closing of a transaction for the acquisition of a new farm of approximately 440 ha, which will increase the surface that the Company operates to a total of approximately 12,040 ha. The total value of the transaction for the farm located in Teleorman county is of approximately EUR 278,000. For agricultural year 2021-2022, the Company plans to produce several crops in the new farm, such as wheat (86 ha), corn (118 ha) and sunflower (236 ha).

On **January 10th, 2022**, Holde informed the market about entering an agreement with BRK Financial Group ("BRK") for the provision of market making services, starting with 11.01.2022.

ANALYSIS OF THE FINANCIAL RESULTS

Income and expenses

In 2021, the consolidated turnover of the Holde group increased by 46% compared to the corresponding period last year, reaching 59.3 million lei (40.7 million lei in 2020). Total revenues included 41.6 million lei from the sale of agricultural products and goods, up 53% compared to the same period last year (27.2 million lei). Revenues from production subsidies of 11.1 million lei (8.9 million lei) increased as a result of the expansion of operating areas. The comparison with 2020 is not relevant, as the amounts for this period are significantly influenced by APIA grant receipts for previous years and drought compensation and insurance received. The increase in revenues from the sale of assets of 2.0 million lei (1.5 million lei) comes from the capitalization of the existing machinery fleet in the farms purchased during its renewal process. Other operating income in the amount of 2.1 million lei (5.4 million lei) was mainly constituted by compensation for calamities received during the year related to the geographical segment of Frumușani.

The revenues obtained exceeded the budget forecasts by 4.5%, the quantitative deficit of the obtained production being compensated by the evolution beyond expectations of the prices of cereals on the international markets. The total land area operated during 2021 was 8,496 hectares (of which 1,894 hectares dedicated to organic farming) in the three core farms of the group: Roșiori, Frumușani and Videle. In the agricultural year 2020-2021, Holde obtained 28,301 tons of technical crops (24,003 tons in the agricultural year 2019-2020), of which 2,121 tons of organic crops (3,400 tons in the agricultural year 2019-2020) of wheat, sunflower and peas, respectively 26,180 tons of conventional crops (20,603 in the agricultural year 2019-2020), wheat, corn, rapeseed, sunflower and soybeans. Compared to the agricultural year 2019-2020, the total production increased by 18%, 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. This evolution was determined, on the one hand by the optimization of the mechanized fleet used and the production processes implemented, and on the other hand by meteorological factors.

The value of the revenues from the capitalization of the obtained crops is 8% lower than the budgetary forecasts (-23% of the harvested quantities and +19% of the capitalization of the crops), registering positive deviations for conventional wheat crops and negative deviations for sunflower crops and conventional corn, but also for all categories of organic crops. By the reference date, approximately 98% of the harvest for the 2020-2021 agricultural year has been capitalized by volume, with stocks of finished products existing at the reference date already contracted on the reporting date and to be delivered by April 2022. Revenues from subsidies for the agricultural year exceeded budget forecasts by 3.2% as a result of the evolution of the EUR/RON exchange rate.

Operating expenses amounting to 54.7 million lei (35.3 million lei) increased by 55% compared to the corresponding period of the previous year. This development was mainly determined by the 94% increase in expenditures with the inputs needed to form the crops of the agricultural year already capitalized (seeds, diesel, fertilizers, treatments), a development determined both by the general trend of global growth in commodity prices and energy, as well as the expansion of the operating area. These were 16% higher than the budget forecast, the deviation being influenced also by the purchases of new farms made during the year. Lease expenses in the amount of 7.2 million lei (5.5 million lei), as well as personnel expenses in the amount of 7.5 million lei (5.3 million lei) increased compared to 2020 following the expansion of the operated land area, the development needs of the group's shared services center, but also the inflationary pressures. Leasing expenditure exceeded budget forecasts by 15% due to the renewal of leases and additions of contracts during the period.

Other operating expenses increased by 27% compared to last year, an evolution determined by the scaling of the shared services center, by the corresponding increase of the logistic expenses and those with the maintenance of the mechanized fleet. This category of expenditures also

registered a significant deviation from the budget, caused by inflationary pressures. Depreciation and amortization expenses increased by 55% compared to the previous period to 6.3 million lei (4 million lei), mainly due to investments in the used machinery fleet, but also to the introduction of the depreciation accounting policy of the goodwill in accordance with national accounting standards with significant impact when scaling the operated land area.

The EBITDA indicator registered an increase of 28%, from 10.7 million lei to 13.4 million lei after taking into account the commercial reductions obtained from the input suppliers. After eliminating non-recurring items, the recurring EBITDA margin was 23%, 3pp lower than last year's comparative period. The deviation of the EBITDA margin from the budget forecasts was mainly due to the increase in direct costs of crop formation. The registered operating result of 4.5 million lei represents an average of 540 lei/ha compared to 699 lei/ha the previous year. The comparison of the operating result with the budget forecasts is not fully relevant, as the latter do not take into account IFRS standards for the amortization of goodwill and land use rights. Financial expenses include interest related to loans for the acquisition of shares and land (1.1 million lei), related to the financing of working capital (0.4 million lei) and those for leases and investments (0.7 million lei). The gross result (5 million lei) remained constant compared to the previous period. Income tax represents an effective tax rate of 3.1% following the use of the reinvested income tax relief facilities. The net result of 4.8 million lei represents an average of 572 lei/ha, meaning an increase of 30% compared to the previous comparative period. The net result registered a marginal negative deviation from the budgetary provisions, after accounting for the IFRS standards for the amortization of goodwill and land use rights.

Assets and liabilities

Total assets increased by 73% compared to the end of the previous year. Tangible assets increased by over 40 million lei as a result of investments in the renewal of the machinery fleet and equipment, the development of the investment in expanding the silage capacity of the group in Călinești area, but also the implementation of the first irrigation project in Frumușani area. Compared to the previous report, the financial fixed assets amounting to 0.7 million lei were adjusted as a result of the operational consolidation of the company Agro Fields Future SRL (Frumușani core farm extension). The goodwill increased by over 3 million lei compared to the beginning of the year as a result of the acquisitions of Agro Fields Future SRL and Interprest Agrotex SRL. The balance of the constructions owned by the group increased with the value of the irrigation project put into operation, while the position of the current fixed assets includes the investment in expanding the silage capacity in Călinești, a project to be completed in the first part of 2022.

The increase in the current assets of 103% compared to the end of the previous year was mainly due to the stocks of finished products and the ongoing production related to an operated land area of approximately 9,800 hectares. The stocks of goods include the quantities of fertilizers purchased for use in the agricultural year 2021-2022. Trade receivables increased by 64%, and other receivables include APIA subsidies associated with the 2020-2021 agricultural year not collected at the reference date, the VAT balance receivable and various creditors. Cash and cash equivalents amounting to 3.6 million lei represent resources raised during the share capital increase carried out between May and July 2021 through the Bucharest Stock Exchange.

Long-term debts amounting to 51.2 million lei are up 113% compared to the end of the previous year as a result of the completion of the acquisition of Agrocom Exim Prod SRL (Videle core farm) and the development of investments in the mechanized fleet. Short-term debt is up 39% from the beginning of the year and is mainly represented by the current share of bank loans and the acquisition of inputs for the production of the agricultural year 2021-2022. Other short-term debts mainly include lease payments (0.9 million lei), salaries and associated taxes (1.4 million lei).

Equity increased to 82.2 million lei, registering an increase of 71% compared to the end of the previous year as a result of raising additional capital of 29.3 million lei in May-July 2021 and the net positive result recorded in the current year. At the end of 2021, the Holde group registers cumulative interest-bearing debts of 73.1 million lei (of which 50.5 million lei bank loans, 21.5 million lei financial leases and 1.1 million lei APIA discounts). The net financial debt at the

reference date amounted to 69.7 million lei. Thus, the capital structure of the group registers an indicator of current liquidity (Current assets/Current liabilities) of 1.3 and a Degree of indebtedness (Net financial debt/Net committed capital) of 0.46.

Investment program

In 2021, Holde carried out an investment program of 52.9 million lei financed from its own and borrowed sources, respectively bank loans and financial leasing contracts. This program included:

- completion of the acquisition of Videle farm - 8.9 million lei
- acquisition of Agro Fields Future farm - 2.0 million lei
- acquisition of Interpret Agrotex farm - 1.4 million lei
- additional investment AgroCity platform - 0.2 million lei
- acquisition of Enten Systems - 0.2 million lei
- land acquisitions - 0.9 million lei
- acquisitions of technological equipment (machinery, equipment) - 31.6 million lei
- purchases of means of transport - 0.6 million lei
- setup for silage and other capacities - 5.3 million lei
- land irrigation system - 1.8 million lei

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Profit & Loss Statement (RON)	31/12/2020	31/12/2021	Evolution %
Operating revenues, out of which:	40,757,634	59,337,509	46%
Sales of own products & goods	27,268,144	41,664,322	53%
Crops subsidies	8,986,385	11,140,720	24%
Changes in inventories	-3,114,525	1,390,151	-145%
Other operating revenues, out of which	7,617,630	5,142,316	-32%
<i>Other subsidies</i>	626,861	952,495	52%
<i>Proceeds from fixed assets</i>	1,552,747	2,049,265	32%
<i>Other non-recurring revenues</i>	5,438,022	2,140,556	-61%
Operating expenses, out of which:	35,286,065	54,749,125	55%
Materials expenses, out of which:	12,575,260	23,849,671	90%
<i>Costs of raw materials</i>	8,629,039	10,703,562	24%
<i>Costs of goods sold</i>	3,504,554	12,904,853	268%
<i>Others miscellaneous</i>	441,667	241,257	-45%
Rent paid to owners	5,503,089	7,274,749	32%
Personnel Expenses	5,359,165	7,559,336	41%
Depreciation and amortization, out of which	4,068,153	6,315,720	55%
<i>Non-current assets depreciation</i>	2,231,094	3,839,929	72%
<i>Right-of-use assets depreciation</i>	733,609	951,467	30%
<i>Goodwill depreciation</i>	1,103,450	1,524,324	38%
Other operating expenses	7,141,421	9,066,999	27%
Contract management expenses	638,977	682,649	7%
Operating profit/(loss)	5,471,569	4,588,384	-16%
Financial incomes	1,190,295	2,854,650	140%
Financial expenses, out of which	1,578,292	2,424,167	54%
<i>Credits & Leasing interest</i>	1,375,084	2,136,058	55%
<i>Other financial expenses</i>	203,208	288,110	42%
Financial profit/(loss)	-387,997	430,483	-211%
Total Revenues	41,947,929	62,192,159	48%
Total Expenses	36,864,357	57,173,292	55%
Gross profit	5,083,572	5,018,867	-1%
Income Tax	1,644,320	157,226	-90%
Net profit/(loss)	3,439,252	4,861,641	41%

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet (RON)	31/12/2020	31/09/2021	Evolution %
Non-current assets out of which	74,101,483	118,363,450	60%
Intangible assets, out of which	34,262,094	36,742,571	7%
Licenses	206,443	362,214	75%
Right-of-use assets depreciation	18,013,140	17,061,674	-5%
Goodwill	16,042,511	19,318,683	20%
Tangible assets, out of which	39,573,082	80,878,239	104%
Land	18,667,357	18,852,428	1%
Buildings	2,531,803	4,142,400	64%
Equipment & vehicles	16,583,605	48,720,684	194%
Other equipment and furniture	429,748	206,918	-52%
Advances and tangible work in progress	1,360,569	8,955,808	558%
Financial assets	266,307	742,641	179%
Current assets, out of which:	24,080,617	48,961,997	103%
Stocks, out of which	10,947,017	26,520,653	142%
Raw materials and consumables	2,753,130	4,822,588	75%
Inventory items	8,304	8,304	0%
Finished goods	1,213,177	681,626	-44%
Goods	173,988	5,572,572	3103%
Packaging	108,663	942	-99%
Work in progress	6,474,281	14,718,426	127%
Stocks prepayments	215,474	716,196	232%
Receivables	12,636,309	19,084,564	51%
Receivables	4,812,778	7,883,127	64%
Other receivables	7,823,531	11,201,436	43%
Short term investment	1,240	1,240	0%
Cash & cash equivalent	496,051	3,355,540	576%
Prepayments	797,417	3,638,952	356%
Total assets	98,979,517	170,964,399	73%
Current liabilities, out of which:	26,754,996	37,157,450	39%
Trade account payables	8,700,116	10,158,800	17%
Affiliates payables	946,502	1,199,293	27%
Current portion of long-term debt <1 year	10,250,535	16,160,515	58%
Current portion of lease liability <1 year	2,541,057	5,670,602	123%
Other liabilities	4,316,786	3,968,240	-8%
Long term liabilities, out of which:	24,038,717	51,253,512	113%
Long term debt	18,586,420	35,389,337	90%
Lease liability	5,452,297	15,864,175	191%
Income in advance	194,833	327,525	68%
Total Liabilities	50,793,713	88,410,963	74%
Shareholder's equity, out of which:	47,990,971	82,225,912	71%
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	4,861,641	41%
Total Liabilities and equity	98,979,517	170,964,399	73%

KEY INDICATORS HOLDE AGRI INVEST

The main **consolidated** ratios of Holde Agri Invest as of 31 December 2021, are presented below:

Current liquidity ratio as of 31.12.2021

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{48,961,997}{37,157,450} = 1.32$$

Debt to equity ratio as of 31.12.2021

$$\frac{\text{Borrowed capital}}{\text{Equity}} \times 100 = \frac{51,253,512}{82,225,912} \times 100 = 62\%$$

$$\frac{\text{Borrowed capital}}{\text{Employed capital}} \times 100 = \frac{51,253,512}{133,479,424} \times 100 = 38\%$$

Borrowed capital = Credits over 1 year

Employed capital = Borrowed capital + Equity

Fixed assets as of 31.12.2021

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \frac{41,664,332}{118,363,450} = 0.35$$

COMPARATIVE KEY INDICATORS

PROFITABILITY		31/12/2021	31/12/2020	Δ
Total revenues	RON '000	59,337.5	40,757.6	46%
EBITDA IFRS	RON '000	13,608.6	10,730.0	27%
EBITDA IFRS*	RON '000	13,282.1	8,194.0	62%
Net income RAS	RON '000	4,861.6	3,439.2	41%
Net income IFRS**	RON '000	7,330.1	5,276.3	39%
Earnings per share	RON	0.076	0.080	-5%
Adjusted earnings per share	RON	0.114	0.123	-7%
OPERATIONAL		2020-2021	2019-2020	Δ
Land operated	ha	8,496	7,827	9%
Agricultural output	tons	28,301	24,003	18%
CAPITALIZATION		31.12.2021	31.12.2020	Δ
Shareholders' equity	RON '000	82,225.9	47,991.0	71%
Net financial debt	RON '000	69,727.8	36,333.0	92%
Gearing ratio***	%	46%	43%	3pp
Current ratio****	%	132%	90%	42pp

* after eliminating RON 46,000 expenses with raising capital in July 2021, and RON 372,500 revenues from APIA subsidies for 2016

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

*** $\text{Net interest-bearing debt} / (\text{Shareholders' equity} + \text{Net interest-bearing debt})$

**** $\text{Current assets} / \text{Current liabilities}$

2022 BUDGET

The 2022 consolidated budget of Holde Agri Invest S.A. is presented below. Please note that the budget is prepared according to the IFRS, not Romanian Accounting Standards (RAS). The main difference between IFRS and RAS is in the net profit and is represented by the amortization of the goodwill according to the statutory reporting; these amortizations do not have impact on profit under IFRS.

In the table below, the management is also presenting the 2021 realized budget vs. 2021 budget that was approved by the shareholders in April 2021 OGSM.

	2021 Budgeted	2021 Realized	Var '21A vs '21B (%)	2022 Budgeted	Var '22B vs '21A (%)
No. hectares	8,496	8,496	0%	12,029	42%
Type cost/revenue	Suma (RON)	Suma (RON)		Suma (RON)	
Revenues from products sold	45,451,651	43,054,473	-5%	77,479,661	80%
Subventions	10,428,780	12,364,679	19%	14,363,514	16%
Other revenues	720,000	3,001,421	317%	1,500,000	-50%
Total revenues	56,600,431	58,420,574	3%	93,343,175	60%
Cost production sold	17,472,946	19,421,297	11%	36,563,567	88%
Indirect costs	2,781,000	1,579,022	-43%	1,898,975	20%
Land lease	6,295,586	7,274,749	16%	11,909,447	64%
Machinery	3,978,530	3,535,054	-11%	3,525,600	0%
Auto&logistics	935,905	734,300	-22%	678,400	-8%
Administrative	1,358,000	3,590,708	164%	4,853,800	35%
Personnel	7,130,642	7,994,217	12%	11,140,975	39%
Fixed allowance management contract	675,956	682,649	1%	764,750	12%
Total costs	40,628,565	44,811,996	10%	71,335,514	59%
EBITDA	15,971,867	13,608,578	-15%	22,007,661	62%
EBITDA/HA (EUR)	376	320	-15%	366	14%
Amortization	4,452,285	3,839,929	-14%	8,076,632	110%
EBIT	11,519,582	9,768,648	-15%	13,931,030	43%
Interest	2,790,702	2,281,308	-18%	3,668,973	61%
EBT	8,728,880	7,487,340	-14%	10,262,057	37%
Income tax	1,341,480	157,226	-88%	1,436,691	814%
Net profit IFRS	7,387,400	7,330,114	-1%	8,825,365	20%

DECLARATION OF THE MANAGEMENT

Bucharest, 25 February 2021

We confirm to the best of our knowledge that the unaudited interim consolidated financial statements for period between 01.01.2021 and 31.12.2021 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 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.