



2022 Preliminary Financial Report

Holde Agri Invest S.A.

A company listed 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	2022 Preliminary financial results
For financial period	01.01.2022 – 31.12.2022
Report publishing date	24.02.2023

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	92,977,589 RON
Market on which the securities are traded	SMT AeRO Premium
Key characteristics of the securities issued by the company	97,977,589 shares, of which 92,150,414 ordinary class "A" shares and 5,827,175 preferred class "B" shares
Symbol	HAI

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The preliminary financial statements as of December 31, 2022 presented on the following pages are **unaudited**.

MESSAGE FROM THE CEO

Dear shareholders,

2022 was an extremely complicated year, but in the end, after all our efforts, we report another profitable and significant growth year for Holde.

Last year was marked by a series of extraordinary events that overlapped and turned the year into a peculiar one. In the first half of 2022, the war in Ukraine started; inflation rose steadily at a high rate, and so did the price of grain, and the costs of raw materials also increased at an extremely high level. Things continued to get more complicated in the second half of the year, and grain prices started to fall rapidly, making our task of choosing the right time to capitalize on the harvest challenging. On top of that, if that was not enough, we also had a year where we were not safe from drought, at least in some areas of the country.

Even under such conditions, the Holde journey continues and is crowned with good results. 2022 was another year where our model proved its advantages, our farms had good harvests, and we could benefit from the high prices. Also, in the first months of 2022, we gave our best to control costs, but at the same time to continue the investment projects, such as expanding the operated lands, increasing the irrigated areas, increasing the storage capacity, implementing a modern logistics system, increasing the fertility of the land we cultivate and much more. At the same time, we also invested in the modernization of our operational processes by developing management systems and structuring the group's financing.

In financial terms, we report a consolidated net profit of 11.4 million RON according to IFRS, a 29% increase compared to the estimates from 2022, and an EBITDA of 25 million RON.

The good financial results were based both on the operation of the harvest with a good average price per ton, the impact of the commercial strategy we used and which managed to capture the specifics of the year, but also the increase in productivity compared to the previous year, both in the organic and conventional crops, in an inferior year in terms of climate conditions.

WE CONTINUE TO INVEST AND CONSOLIDATE THE BUSINESS

External, natural, or economic events will always impact any business. However, for the effects caused by these events to be as low as possible, any company must know its priorities and where to direct its investments. At Holde, we aim to be constantly prepared with the best solutions so that these disruptions do not take us by surprise. An example in this regard is how our farms are structured. They are in different geographical areas to protect us as best as possible in case of climatic phenomena such as drought. Also, another example is the storage of production, namely, the fact that we can store a significant amount of what we produce, protecting ourselves from fluctuations in the grain market or from low prices at the time of harvest, and thus being able to capitalize on the crop at the time and price chosen by us. And last but not least, irrigation can ensure a sufficient profitable production yearly. And at Holde, we have invested and will continue to invest in irrigation systems.

Thus, it is essential to invest constantly in the field we operate in. Only in this way can we target generous and healthy production volumes in the long term. We insist on this aspect because agriculture is not just about increasing the area of the operated land. Farming requires knowing how to cultivate the land optimally to be profitable as technology evolves, and therefore, we must keep up with this evolution. Agricultural land cannot be operated at the highest quality standards without machinery, modern technologies, and efficient management systems.



Therefore, in 2023 and the coming years, we will continue to invest in our farms by purchasing modern machinery, increasing storage capacities, and implementing irrigation systems. Romania is operating as the sixth largest agricultural area in the European Union, which means that Holde's growth potential in this area is still huge.

In the following pages, we invite you to read more details about our activity, as well as the financial results for 2022. If you have any questions about this financial report, please contact us at investors@holde.eu and we will answer you with pleasure.

Liviu Zagan, CEO

2022 – MAIN RESULTS

According to IFRS, unless mentioned otherwise

The operated land area increased by 45% compared to the previous agricultural year. The quantities obtained increased by 52% compared to the same period, confirming the optimization of the technological processes and the viability of the last farm purchases.

The turnover increased by 108% to 87.5 million RON due to the increase of operated land areas and multi-year maximum quotations of agricultural goods on international markets.

The EBITDA indicator (IFRS standard) level recorded a value of 25.2 million RON, an 85% increase compared to the previous period. The achieved EBITDA margin of 22% was significantly influenced by the high agricultural input costs determined by the energy crisis in the European market.

At the same time, the EBITDA level is also influenced by the costs related to the expansion of the cultivated area and the implementation of turnaround investments in farms. These costs are estimated for 2022 at approximately 1.5 million RON, and not paying these costs could have increased EBITDA and net profit. In the medium term, we estimate that these costs will initially decrease reported to hectares and, with the business maturity, even reduce significantly.

The net result of the period (IFRS standard) was 11.4 million RON, a 55% increase compared to 2021.

The period's net result (RAS) was a loss of 2.3 million RON, influenced by the non-recurring expenses related to the management contract (11.2 million RON). This payment will be made in the following period in shares. According to the EGSM from 15.12.2022, this management contract has been terminated and replaced by a Board of Directors. The adjusted net result (RAS) shows a 34% increase compared to the previous year, validating the trend of increasing efficiency of the Holde group's activity. The exceptional expenses related to the management contract have only an accounting effect. The expenses will be honoured through the conversion into ordinary shares. The management contract termination fee is associated with the four years when Holde Agri Management managed the company.

Ambitious investment program focused on optimizing the technical fleet and increasing silage capacities in the amount of over 31.1 million RON, executed under the conditions of maintaining the level of indebtedness of the group at the level of the previous year.

Acquisitions of farms and land aimed at optimizing the operational core farms.



117.5 million RON
REVENUES
+87% vs. 2021



43,062 tons
PRODUCTION
+52% vs. 2021



12,300 hectares
OPERATED LAND
+45% vs. 2021



37.7 million RON
CAPEX
-4% vs. 2021



6.6 million RON
ACQUISITIONS
-51% vs. 2021



25.2 million RON
EBITDA IFRS
+85% vs. 2021



17.7 million RON
EBIT IFRS
+81% vs. 2021



11.4 million RON
NET PROFIT IFRS
+55% vs. 2021



-2.3 milioane RON
NET PROFIT RAS
-135% vs. 2021



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HOLDE CORE FARMS

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 acquisition, a farm of approximately 2,800 hectares in Rosiorii 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 increased 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.

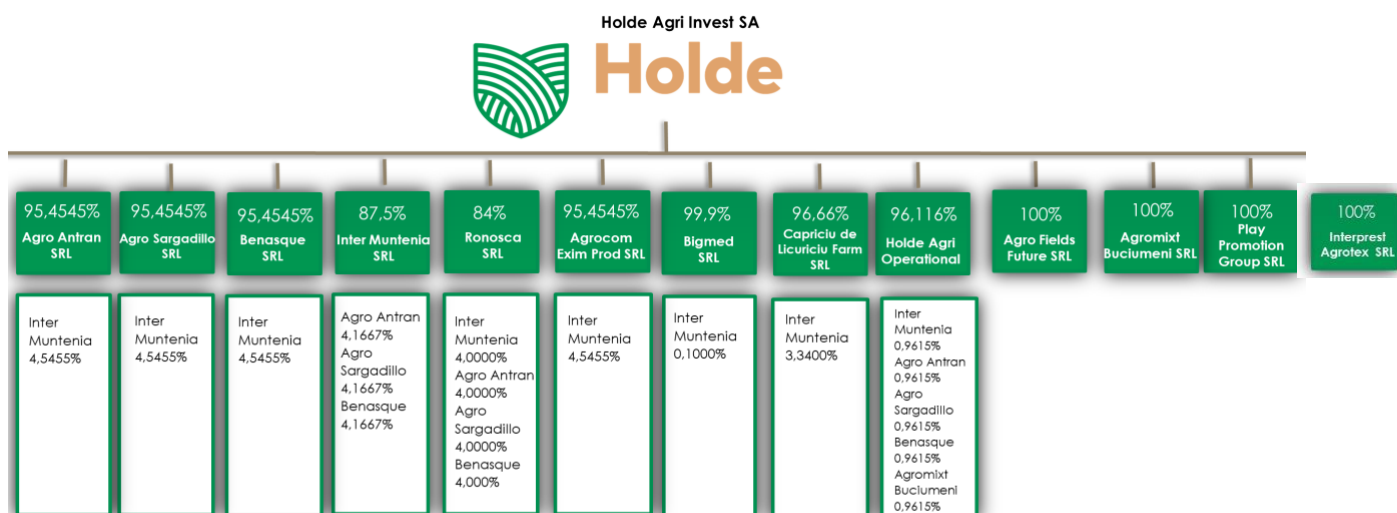
On October 1st, 2020, class A shares of Holde Agri Invest debuted on the AeRO market of the Bucharest Stock Exchange, after two successful private placements –in December 2019, and June 2020. Following the completion of a share capital increase operation in 2021, Holde Agri Invest closed a new share capital increase operation in August 2022, which will contribute to Holde's further development.

Business structure

As of December 31, 2022, Holde Agri Invest, the holding company, included 14 entities - 12 technical crops farms located in Teleorman county (Roşiori core farm - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interprest Agrotex and Videle core farm - Agrocom), in Călăraşi county (Frumuşani core farm - Agromixt and Agro Fields Future) and in Dâmboviţa county - Play Promotion Group 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 aspects. As of December 30, 2022, Holde and its subsidiaries had a total of 130 employees compared to 95 employees in 2021.

As of December 31, 2022, Holde operated a total area of approximately 12,300 ha, of which 700 ha owned and 11,600 ha leased. In 2022, the farms in the Holde portfolio cultivated conventional wheat, rapeseed, sunflower, corn, peas, soybeans, as well as organic wheat and sunflower. Apart from the land, Holde also boasts a storage capacity of 10,000 tons in the Călinești silo, complemented by the "silo bag" technology that can be used in any of the Holde farms.

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 Q4 2022

On **November 23, 2022**, the Company organized the Holde Investor Day. The event took place both in physical format, at the Ramada North hotel, and online.

On **December 15, 2022**, the Company organized the Extraordinary General Meeting of Shareholders (EGMS) and the Ordinary General Meeting of Shareholders (OGMS) of the Company. For both meetings, the legal and statutory quorum was established at the first call. More details are available [HERE](#).

On **December 19, 2022**, the Company informed the market that following the Ordinary General Meeting of the Company's Shareholders, held on 15.12.2022, during which the shareholders appointed a Board of Directors of the Company ("Board"), The Board of Directors convened in a meeting and decided to appoint the Chairman of the Board of Directors and the General Director of the Company. Thus, Iulian Cîrciumaru was appointed Chairman of the Board of Holde Agri Invest, and Liviu Zăgan was appointed CEO of the Company. Besides Iulian Cîrciumaru, the Board of Directors of Holde Agri Invest also includes Liviu Zăgan, Alexandru Leca, Daniela Nemoianu and Mihai Aniței.

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 accordance with capital markets rules in force. In T4 2022, Holde reported the following significant contracts:

- [Current report 59/2022](#)

2022 HOLDE AGRI INVEST INDICATORS

According to RAS

Profitability		31/12/2021	31/12/2022	Δ
Total revenue	<i>thousand RON</i>	62,769	117,531	87%
EBITDA	<i>thousand RON</i>	16,070	15,359	-4%
Adjusted EBITDA*	<i>thousand RON</i>	16,070	26,632	66%
Net profit	<i>thousand RON</i>	6,673	(2,326)	-135%
Adjusted net profit*	<i>thousand RON</i>	6,673	8,948	34%
Net profit per share	<i>RON</i>	0.104	-0.024	-123%
Adjusted net profit share*	<i>RON</i>	0.104	0.091	-12%
OPERATING		2020-2021	2021-2022	Δ
Operated land	<i>Ha</i>	8,496	12,300	45%
Crops	<i>tons</i>	28,301	43,062	52%
CAPITALIZATION		31/12/2021	31/12/2022	Δ
Equity	<i>thousand RON</i>	83,711	103,674	24%
Net financial liability	<i>thousand RON</i>	70,761	86,036	22%
Gearing ratio**	<i>%</i>	46%	45%	(0) PP
Current ratio***	<i>%</i>	116%	81%	(36) PP

*After eliminating the expenses on the annual performance bonus related to 2021 (RON 1.45 million) and the compensation for termination of the management contract (RON 9.82 million) (2021: RON 0).

**Calculated as Net interest-bearing Debt/(Equity + Net interest-bearing debt).

***Current assets/Current liabilities.

ANALYSIS OF THE FINANCIAL RESULTS

According to RAS, unless mentioned otherwise

Revenue and expenses

In 2022, the consolidated turnover of the Holde group increased by 87% compared to the corresponding period last year, reaching 117.5 million RON (2021: 62.7 million RON). Total revenues included 87.5 million RON from the sale of agricultural products and goods, up 108% compared to the same period of the previous year (42.0 million RON). Income from operating subsidies of 12.5 million RON (2021: 11.1 million RON, +13%) increased due to the expansion of the operated areas. The comparison with the previous year is irrelevant, the amounts related to prior periods being significantly influenced by receipts of APIA grants related to previous years. Revenues from the sale of assets increased by 67% to 3.5 million RON (2021: 2.1 million RON) due to the acceleration of the capitalization of the existing machinery and equipment fleet in the acquired farms in a favorable market context.

The revenues exceeded the budget forecasts by 23%, the quantitative deficit of the obtained production being compensated by the exceptional evolution of grain prices on the international markets determined by the outbreak of the conflict in Ukraine. Also, a material role in obtaining this result was played by the increase in the prices of inputs related to the ongoing production determined by the increase in natural gas quotations on the European market. The total operated land area during 2022 was 12,300 hectares (2021: 8,496 hectares, +44.7%), of which 2,005 hectares were organic farming (2021: 1,984 hectares) in the four core farms: Roșiori, Frumușani, Videle and You know In the agricultural year 2021-2022 the Group achieved a total production of 43,062 tons (2021: 28,301 tons, +53.9%), of which 2,319 tons organic crops (2021: 2,121 tons, +9.0%). Compared to the yields per hectare obtained in the previous agricultural year, the Roșiori, Frumușani, and Videle core farms generated marginally lower results. In contrast, the Conțești core farm, operated for the first time this year, generated results above expectations. The generated harvests were negatively influenced by the lower weather conditions (lack of precipitation), an impact partially mitigated by the modernization of the equipment park and the quality of the agricultural works performed.

The value of the revenues from the utilization of the harvests obtained is 13% higher than the budget forecasts (-18% of the harvested quantities and +37% of the utilization of the crops), registering positive deviations for the conventional crops of wheat, rapeseed, and barley and for the organic one of sunflower and negative deviations to conventional maize and organic wheat and pea crops. By the reference date, approximately 98% of the harvest of the 2021-2022 agricultural year has been capitalized in volumetric percentage, the inventory of finished goods existing at the reference date being mostly already contracted at the reporting date and to be delivered by the end of February of this year. Revenues from subsidies related to the agricultural year were 3% above budget forecasts.

The increase in operating expenses in the amount of 120.3 million lei (2021: 57 million RON, +111%) was mainly determined by the 109% increase in expenses with the inputs necessary for both the formation of the crops of the agricultural year already capitalized (seeds, diesel, fertilization, treatments), as well as the initial works for the crops of the agricultural year 2022-23, up to 50.6 million RON (2021: 20.8 million RON). The main factors determined in this regard were the expansion of exploited areas and the increase of unit prices due to the evolution of oil and natural gas prices on international markets. Expenses with agricultural inputs were 18% higher than budget forecasts. The lease expenses related to the operated land areas increased by 98% to 14.8 million RON (2021: 7.5 million RON), the difference explained both by the expansion of the land areas and by the increase in the unit price of the agricultural products in which these are expressed, in line with international quotations. They exceeded the budget forecasts by 25% due to the renewal of some contracts and the general increase in the average

cost per hectare in all the operated core farms. Personnel expenses amounting to 11.4 million RON (2021: 7.9 million RON, +44%) reflected the increase in the number of employees following the acquisition of new farms, as well as the increase in their remuneration, exceeding the budget provisions by 8%.

Other operating expenses registered an increase of 98% compared to the previous year to 19.3 million RON (2021: 9.7 million RON), an evolution determined by the increase in the maintenance needs of the machinery fleet and the increase in expenses with assets sold. This category of costs recorded a significant deviation from the budget provisions, caused by their lack of predictability and by inflationary pressures. The expenses related to the management contract amounted to 11.2 million RON (2021: 0.7 million RON, +1551%) due to the granting of the performance bonus related to 2021 and the fee for the termination of the management contract. The expenses with the employee loyalty program registered a level of 0.8 million RON. These last two categories of operating expenses were not included in the 2022 budget, as they were not foreseen at the time of its preparation.

The EBITDA indicator registered a decrease of 4% compared to last year, reaching a level of 15.3 million RON after accounting for commercial discounts obtained from suppliers of inputs (2021: 16.0 million RON), impact determined mainly by the increased expenses related to the management contract in force on that date. After adjusting this indicator with the annual performance bonus related to 2021 and the fee for termination of the management contract, the EBITDA indicator reaches 26.6 million RON, a 66% increase compared to 2021. The adjusted EBITDA margin rose to 23%, 3 pp below last year's level. The deviation of the EBITDA margin from the budget forecasts of 24% was mainly due to the increase in direct costs with the formation of crops. However, from the perspective of the operated land area, the adjusted EBITDA recorded a value of 2.165 RON/ha in 2022, higher than the level of 1.892 RON/ha recorded in the previous year.

Expenses with depreciation and amortization of assets increased by 73% compared to last year to 11.4 million RON (2021: 6.6 million RON), 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 operational result calculated after considering the obtained commercial discounts of 3.9 million RON represents an average of 317 RON/ha. The comparison of the operating result with the budget forecasts is not entirely relevant, the latter not taking into account at the time of preparation the extraordinary expenses related to the management contract and those related to the employee loyalty program. The financial result of 2.4 million RON (2021: 1.0 million RON, +123%) includes interest expenses related to bank loans for purchases and working capital, interest related to financial leasing contracts and exchange rate differences, and other related commissions financing activity. The evolution of financial expenses reflects the additional financing needs of the machinery fleet and working capital due to the operation of additional areas, the increase in the costs of agricultural inputs, and the general increase in financing costs during the year. However, the financial revenues higher by 83% compared to the previous year, consisting mainly of commercial discounts obtained for the timely payment of inputs related to the agricultural year 2021-2022, determined the improvement of the financial result.

The gross loss recorded was 0.3 million RON, and the profit tax incurred was caused by the micro-enterprise tax regime applicable to specific companies within the group. According to local accounting standards, the net loss recorded was 2.3 million RON (2021: net profit of 6.6 million RON). After adjusting the net result with the non-recurring expenses related to the management contract, the net profit recorded following local accounting standards amounted to 8.9 million RON, an increase of 34% compared to the previous period. The net result of the period registered following international accounting standards was 11.4 million RON (2021: 7.3 million RON, +55%), 29% above the budget estimates.

Assets and liabilities

Total assets increased by 42% compared to the end of the previous year, reaching 244.9 million RON. Tangible assets increased by approximately 38 million RON as a result of investments in the renewal of the machinery and equipment fleet, the increase in commercial fixed assets (recognition of lease contracts concluded by Holde in the goodwill according to local accounting standards), as well as investments in expanding the capacity of the silo from the Rosiori core farm and in the construction of a new silo capacity in the Frumusani core farm. Goodwill increased as a result of the acquisitions of Play Promotion. The value of the land owned by the Group increased by 13% due to the purchases made during the year, including intra-urban land in the Frumusani core farm necessary for developing silo capacities. The balance of financial assets in the amount of 4.5 million RON increased by 84% compared to the beginning of the year due to the registration of the pre-payments for expanding the operated land areas within the framework of some transactions to be completed during the year 2023.

Current assets increased by 54% compared to the beginning of the year, reaching 66.6 million RON due to the scaling of the operated land area. The increase in input costs accounted for in the value of the works performed for the 2022-23 agricultural year production. Inventories increased to 46.2 million RON (2021: 23.7 million RON, +95%), mainly representing the ongoing production for the agricultural year 2022-2023 (27.0 million RON) and stocks of seeds, diesel, fertilizers, treatments and fertilizers to be used for the establishment of the crops of the agricultural year 2022-23 (16.5 million RON). The Group's receivables remained relatively stable compared to the beginning of the year (17.3 million RON), the trade receivables representing pre-payments granted to suppliers for the start of work on the Frumusani silo and new machinery, and the increase in other current assets is due to agricultural grants remaining to be collected (1.7 million RON), receivables regarding VAT to be collected (6.7 million RON, collected up to the date of this report), as well as pre-payments paid for the land purchase (3.1 million RON). The cash and cash equivalents in the amount of 3 million RON mainly represent available resources raised to finance the working capital required to establish the crops of the current agricultural year.

Equity increased by 24% compared to the beginning of the year, reaching 103.6 million RON. This resulted from raising 21 million RON in the capital increase operation from May to July 2022, the buy-back of preferential shares, and the net negative result recorded in the current year.

The Group's liabilities increased by 59% since the beginning of the year, reaching a level of 140.0 million RON, an evolution determined mainly by the increase in the Group's activity. Current liabilities to suppliers increased by 23.9 million RON as a result of the increase in the operated land areas and include inputs related to the agricultural year 2022-2023 (20.8 million RON), debts related to the management contract (9.8 million RON - this debt will be paid off through shares), commercial liabilities related to the acquisition of the Conțești core farm (7.5 million RON - the final maturity of these debts is in 2026), liabilities related to equipment suppliers (2.5 million RON) and debts related to investments in silos (0.8 million RON). Other current liabilities mainly include lease payments due at the end of the year, salaries, and related taxes. Current bank debts have increased by 34% since the beginning of the year to 21.9 million RON, including loans from the discounting of agricultural grants (2.5 million RON) that will be closed when the grants are collected, the maturity under one year of loans for the purchase of Agromixt and Videle farms and loans for investments (7.9 million RON) and loans for financing working capital (11.5 million RON). Non-current liabilities in the amount of RON 57.3 million are up by 12% compared to the beginning of the year, an evolution determined in particular by the increase in leasing contracts to finance the renewal of the equipment fleet.

At the end of 2022, the Holde group records cumulative interest-bearing debts of 89.1 million RON (of which 54.4 million lei are bank loans, 32.2 million RON are financial leases, and 2.5 million RON are agricultural grant discounts). Compared to 31.12.2021, the increase in total bank debt of 5.2 million RON was determined by the increase in bank financing related to the precision machinery and equipment fleet. The net financial debt at the reference date amounted to 86.0 million RON. Thus, the capital structure of the Group registers a current liquidity indicator

(Current Assets / Current Liabilities) of 0.8 and a gearing ratio (net financial debt/capital employed) of 0.45.

Investment program

- In 2022, the Holde group ran an investment program of 37.7 million lei financed from its sources and borrowed capital. The main objectives funded were:
- completion of the purchase of Conțesti farm - 0.3 million RON
- pre-payments for new farms – 5.0 million RON
- land purchases – 1.3 million RON
- land irrigation project - 0.5 million RON
- expansion of silo capacity – 8.1 million RON
- purchases of technological equipment (cars, machinery) – 19.1 million RON
- logistics investments and mechanization base (warehouses, platforms, roads) – 3.4 million RON

The consolidated financial statements of the Holde group for the first nine months of 2022 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, 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)	31/12/2021	31/12/2022	Evolution %
Operating revenues, of which:	62,768,753	117,531,170	87%
Sales of own agricultural products	42,023,779	87,587,080	108%
Revenue from operating grants	11,121,787	12,588,028	13%
Inventory variation	4,427,996	11,590,910	162%
Other operating revenues, of which:	5,195,190	5,765,151	11%
Other grants	1,242,892	2,267,155	82%
Active sales	2,099,471	3,497,997	67%
Other operating revenues	1,852,827	-	-100%
Operating expenses, of which:	57,003,773	120,357,079	-111%
Material expenses	24,455,078	51,138,390	109%
Costs of raw materials and materials	20,809,991	50,608,829	143%
Costs of goods	3,223,206	-	-100%
Other material expenses	421,881	529,561	26%
Lease	7,502,418	14,888,544	98%
Personnel expenses	7,952,555	11,424,636	44%
Amortization expenses, of which	6,635,895	11,454,183	73%
Depreciation and amortization expenses	3,823,022	7,548,106	97%
Expenses with the amortization of right-of-use	967,386	2,518,195	160%
Expenses with amortization of goodwill	1,845,488	1,387,882	-25%
Other operating expenses	9,775,178	19,316,199	98%
SOP program	-	861,990	0%
Fixed fee management contract	682,648	-	-100%
Variable fee related to management contract 2021	-	1,452,547	0%
Management contract termination fee	-	9,820,590	0%
Operating results	5,764,980	-2,825,909	-149%
Financial income	3,669,453	6,730,422	83%
Financial expenses, of which	2,569,855	4,273,191	66%
Loans interest & leasing	2,189,349	4,172,302	91%
Other financial expenses	380,506	100,889	-73%
Financial result	1,099,598	2,457,231	123%
Total income	66,438,206	124,261,592	87%
Total expenses	59,573,628	124,630,270	109%
Gross result	6,864,578	-368,678	-105%
Income tax	191,486	1,956,912	922%
Net result	6,673,092	-2,325,590	-135%

CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2021	31/12/2022	Evolution %
Fixed assets, of which:	125,994,401	174,358,902	38%
Intangible assets, of which:	42,536,257	50,750,462	19%
Licenses	182,214	440,025	141%
Intangible assets - right of use	25,090,698	28,927,970	15%
Goodwill	17,263,345	21,382,467	24%
Tangible fixed assets, of which:	81,001,958	119,100,175	47%
Land	18,852,428	21,335,008	13%
Buildings	4,142,400	3,905,813	-6%
Equipment & vehicles	48,787,798	68,280,033	40%
Other equipment, machinery, and furniture	206,918	33,514	-84%
Prepayment and fixed assets under investment	9,012,414	25,545,807	183%
Financial assets	2,456,186	4,508,265	84%
Current assets, of which:	43,330,349	66,695,370	54%
Inventory, of which:	23,758,643	46,245,623	95%
Raw materials and consumables	5,341,637	16,529,846	209%
Inventory items	8,304	33,974	309%
Finished products	547,096	947,809	73%
Commodities	5,564,493	1,465,869	-74%
Packaging	942	4,699	399%
Production in progress	12,066,460	27,052,942	124%
Inventory prepayments	229,711	210,485	-8%
Receivables, of which:	17,589,404	17,367,791	-1%
Trade receivables	7,572,906	5,186,893	-32%
Other assets	10,016,499	12,180,899	22%
Short-term investments	1,240	1,240	0%
Cash & cash equivalents	1,981,062	3,080,715	56%
Prepaid expenses	2,939,625	3,874,303	32%
TOTAL ASSETS	172,264,375	244,928,575	42%
Current liabilities, of which:	37,234,690	82,695,466	122%
Third-party suppliers	10,567,554	34,477,599	226%
Affiliates payables	849,293	9,868,553	1062%
Bank debt <1 year	16,399,804	21,982,297	34%
Financial leasing <1 year	5,351,281	9,801,375	83%
Other current liabilities	4,066,758	6,565,642	61%
Non-current liabilities, of which:	50,991,067	57,333,387	12%
Bank debt	35,245,941	34,924,475	-1%
Financial leasing	15,745,126	22,408,912	42%
Provisions	327,525	1,225,321	274%
Total liabilities	88,225,757	140,028,853	59%
Equity, of which:	83,711,093	103,674,401	24%

Subscribed and paid-up share capital – common shares	58,242,621	92,150,414	58%
Preference shares	5,827,175	5,827,175	0%
Subscribed and unpaid share capital - common shares	-	5,101,575	0%
Share premium	10,616,184	19,441,836	83%
Other reserves	968,772	1,287,973	33%
Impairment on equity instruments	337,232	15,999,406	4644%
Profit or loss carried forwards	1,720,481	8,393,573	388%
Profit or loss for the period	6,673,092	-2,325,590	-135%
TOTAL EQUITY AND LIABILITIES	172,264,375	244,928,575	42%

2022 BUDGET VS. DELIVERED

According to IFRS

INDICATOR	Budget 2022	Delivered 2022	Evolution %
No. of hectares	12,029	12,300	2%
	Amount (RON)	Amount (RON)	
Revenue from sale of goods	77,479,661	87,587,080	13%
Grants	14,363,514	14,855,183	3%
Goods in progress	-	11,590,190	-
Other revenues	1,500,000	1,166,059	-22%
Total revenue	93,343,175	115,198,512	2.3%
Cost of sold goods	36,563,567	42,981,744	18%
Indirect expenses	1,898,975	3,410,909	80%
Lease	11,909,447	14,888,544	25%
Machinery expenses	3,525,600	6,107,845	73%
Car expenses & logistics	678,400	1,085,847	60%
Administrative costs	4,853,800	7,164,297	48%
Personnel expenses	11,140,975	11,983,208	8%
Total expenses	70,570,764	87,622,394	24%
Operating EBITDA	22,772,411	27,576,119	21%
Operating EBITDA/HA (EUR)	379	448	18%
HAM fixed fee	764,750	-	-100%
SOP program	-	861,990	100%
Variable HAM fee in 2021	-	1,452,547	100%
EBITDA	22,007,661	25,261,582	15%
EBITDA/HA (EUR)	366	411	100%
Depreciation expenses	8,076,632	7,548,106	-7%
EBIT	13,931,030	17,713,476	27%
Interest expense	3,668,973	4,355,487	19%
EBIT	10,262,057	13,357,988	30%
Income tax expenses	1,436,691	1,956,912	36%
IFRS net result	8,825,365	11,401,076	29%

DECLARATION OF THE MANAGEMENT

Bucharest, February 24, 2023

According to the best available information, we confirm that the unaudited interim condensed consolidated and individual financial statements prepared for 2022, 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 preliminary report provides a fair and accurate view of the important events that took place in 2022 financial year and their impact on the interim condensed consolidated and individual financial statements.

Iulian-Florentin Cîrciumaru

Chairman of the Board of Directors of Holde Agri Invest SA