



Holde

ANNUAL REPORT

FOR 2022



ISSUER INFORMATION

Information about this financial report

Type of report	Annual Report for 2022
According to	Annex 15 of the ASF Regulation no. 5/2018
For financial period	01.01.2022 – 31.12.2022
Report publishing date	24.03.2023

Issuer information

Name	Holde Agri Invest SA
Fiscal code	39549730
Trade Registry Number	J40/9208/2018
Registered office	1 Intrarea Nestorei, Building B, 10th Floor, District 4, Bucharest, Romania

Information about financial instruments

Subscribed and paid-up share capital	97,977,589 RON
Market on which the securities are traded	MTS 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

Contact details

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

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 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

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

The turnover increased by 100% to 83.8 million RON as a result of the increase of the operated land areas, but also of multi-year maximum quotations of agricultural goods on international markets.

The level of the EBITDA indicator recorded a value of 25.6 million RON, an 80% increase compared to the previous period. The achieved EBITDA margin of 22% was significantly influenced by the high levels of agricultural input costs determined by the energy crisis on the European market.

At the same time, the EBITDA level is also influenced by the costs related to the expansion of the cultivated area, as well as the implementation of turnaround investments in farms. These costs are estimated in 2022 at approximately 1.5 million RON, and their failure could have increased EBITDA and the net result. We estimate that, in the medium term, these costs will initially decrease in relation to hectares, and with the maturation of the business, even decrease significantly.

The net result of the period (without amortization of goodwill and lease contracts) was 1.83 million RON, down 81% compared to 2021.

The net result (RAS) of the period was a loss of 2.1 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 EGMS from 15.12.2022 this management contract has ceased and has been replaced by a Board of Directors. The adjusted net result (RAS) shows an increase of 39% compared to the previous year, validating the increasing efficiency trend of the Holde group's activity. The exceptional expenses related to the management contract have only an accounting effect, they will be honored through the conversion into ordinary shares. The management contract termination fee is related to the entire 4-year period when the company was managed by Holde Agri Management.

Ambitious investment program focused on the optimization of the machinery fleet and the increase of silage capacities in the amount of over 37.7 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 operating core farms.



118.2 million RON
REVENUES
+88% 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



25.6 million RON
EBITDA
+80% vs. 2021



18.1 million RON
EBIT
+85% vs. 2021



1.8 million RON
NET RESULTS without
goodwill
-81% vs. 2021



-2.1 million RON
RAS NET LOSS
-130% 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:** March-April when maize, sunflower, spring peas and soybeans are sown with harvesting in September-October and sale of crops in the following months.
- **AUTUMN CAMPAIGN:** between August and October when wheat, rapeseed and barley are sown with next year's harvest in the summer and sale of the crops in the following months.

The cycle clearly indicates that most of the revenue from crop sales occurs in the second half of the year for both the spring and fall seasons, unless the company decides to store the crops in silos to sell them later. Thus, most agricultural companies in the first half of the year (H1) generate mainly costs, and in the second half of the year (H2) they generate revenue, simultaneously with the increase in expenses, due to the sowing and preparation of the agricultural campaign for the following year.

Brief history

The idea of the 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 investment fund, Certinvest, and in 2018, they officially established Holde Agri Invest SA. Shortly after, the company attracted an external investment from Vertical Seven Group founded by entrepreneurs Iulian Cîrciumaru and Andrei Crețu.

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

At the end of 2022, Holde Agri Invest operated a total land area of 12,000 ha.

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

Business structure

As of December 31, 2022, Holde Agri Invest, the holding company, included 14 entities - 12 farms of technical crops located in Teleorman county (Roșiori core farm - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interpret Agrotex and Videle core farm - Agrocom), in Calarasi county (Frumusani core farm - Agromixt and Agro Fields Future) and in Dambovita 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 service center, also covering administrative and governance aspects. As of December 31, 2022, Holde and its subsidiaries had a total of 130 employees compared to 95 employees in 2021.

As of December 31, 2022, Holde had in operation a total area of approximately 12,300 ha, of which 700 ha owned and 11,600 ha leased. In 2022, the Holde portfolio farms cultivated conventional wheat, rapeseed, sunflower, corn, peas, soybeans, as well as organic wheat and sunflower. Apart from the land, Holde has a

storage capacity of 15,000 tons in the Calinesti silo, complemented by the "silobag" technology that can be used in any of the Holde farms. Also, the Company has under construction a 10,000-ton silo in Frumusani. Holde Agri Invest SA also holds minority stakes in agritech start-ups: AgroCity and Enten Systems. They are not included in the consolidated results.



Description of the basic activity

Holde Agri Invest's vision is to position agriculture as part of Romania's future, by creating value and developing rural communities using the state-of-the-art technology and experienced professionals. This vision will be fulfilled by:

- **COMMUNITY:** bringing local communities together in a sustainable ecosystem that truly adds value to all involved;
- **EVOLUTION:** combining innovative methods and technology with experienced professionals in agriculture and the business environment, who are always looking for better and more efficient ways to cultivate;
- **PIONEERING:** managing agriculture as a business;
- **TRUST:** creation of one of the best agricultural projects in the Romanian market, financed entirely with local capital.

The Company's business model provides for the acquisition of existing agricultural vegetable farms, sometimes under-performing or with a capital deficit, to transform them into a modern and efficient operating business. The management team of the Company is actively looking for opportunities to acquire operational farms in the south and south-east of Romania, to successively expand the operated land area. This region of Romania was chosen due to quality soil, as well as the proximity to Bucharest and the ports on the Danube and the Black Sea.

The preferred size of a farm in order to acquire and establish a new operational core farm is approximately 2,000 ha, with farms smaller than 2,000 ha being acquired for operational consolidation with the existing farms.

The primary activity of the Company consists in operating the agricultural lands that it owns or has contracted in the form of a lease, through the companies that it controls, In the 2021-2022 agricultural year it was carried out as follows:

- **Agro Antran SRL** has 527 ha of agricultural land in the Teleorman area, cultivated 100% with organic sunflower, peas, corn and rapeseed crops.
- **Agro Sargadillo SRL** has 547 ha of agricultural land the Teleorman area, 74% cultivated with organic sunflower crop, and the remaining 26% with conventional crops of wheat, maize and peas.
- **Benasque SRL** has in 433 ha of agricultural land in the Teleorman, 42% cultivated with organic

wheat crops, and the remaining 58% with conventional sunflower, corn and rapeseed crops.

- **Inter Muntenia SRL** operates 668 ha of agricultural land in the Teleorman area, 33% cultivated with organic wheat, and the remaining 67% of the owned land is cultivated with conventional sunflower and corn crops.
- **Ronosca SRL** operates 778 ha of agricultural land in the Teleorman area, 86% cultivated with organic crops of sunflower, peas and rapeseed, and the remaining 14% with conventional crops of corn and wheat.
- **Agrocom Ex PRODI SRL** has 2,315 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of sunflower, maize, wheat and rapeseed.
- **Bigmed SRL** operates 529 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of sunflower, maize, wheat and rapeseed.
- **Agro Fields Future SRL** has in operation 250 ha of agricultural land in the Calarasi area, 100% cultivated with conventional crops of sunflower, corn and wheat.
- **Interprest Agrotex SRL** operates 422 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of sunflower, corn and wheat.
- **Agromixt Buciumeni SRL** operates 3,375 ha of agricultural land in the Buciumeni-Budesti (Calarasi county), 100% cultivated with conventional crops of wheat, corn, sunflower, potatoes and rapeseed.
- **Play Promotion Grup SRL** operates 2,263 ha of agricultural land in Contesti (Dambovita county), 100% cultivated with conventional crops of wheat, corn, sunflower, potatoes and rapeseed.

	Total operated land	Leased land	Owned land
Rosiori core farm	3,904 ha	3,624 ha	280 ha
Videle core farm	2,315 ha	2,315 ha	-
Frumusani core farm	3,625 ha	3,234 ha	391 ha
Contesti core farm	2,263 ha	2,263 ha	-
TOTAL	12,107 ha	11,436 ha	671 ha

Mergers and reorganizations

On **January 10, 2022**, Holde completed a transaction to purchase a new farm of approximately 440 ha, which increased the area that the Company operated to a total of approximately 12,040 ha at that time. The total value of the transaction for the farm located in Teleorman county was approximately 278,000 euros.

On **April 11, 2022**, Holde announced the completion of the acquisition of the Contesti farm, with an area of 2,100 hectares, making it the fourth core farm after Rosiori, Videle and Frumusani. The value of the transaction was 10,250,000 RON, of which Holde actually paid the amount of 250,000 RON. The rest of 10,000,000 RON represented debts that were taken over by Holde, the objective being that they should be significantly reduced in the next four years, based on a recovery program planned by the group.

THE COMPANY'S ACTIVITY

Supply activity

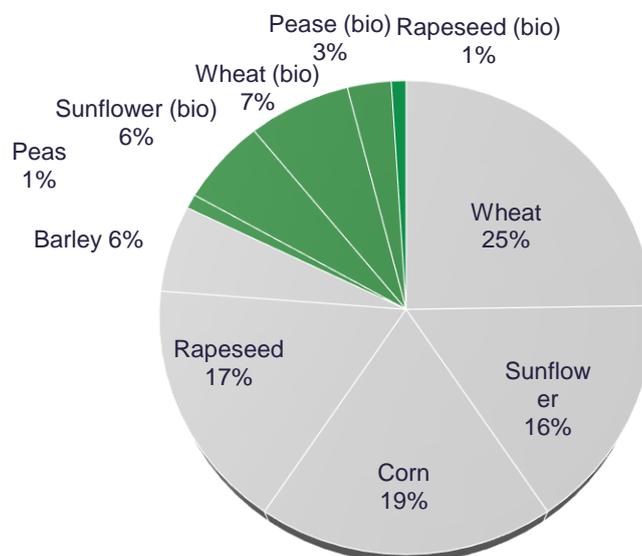
Holde purchases raw materials for the formation of conventional grain vegetable crops from markets where there are several competitive suppliers. Through this method of purchasing raw materials, the company ensures continuity of supply at predictable prices that are not subject to unexpected or monopolistic fluctuations.

As far as organic crops are concerned, the number of existing suppliers is small, but being a sector experiencing significant growth, the supply of products from Romania is on an upward trend. Holde has a team made up of people who have been active in the agribusiness field at national and international level. Since 2019, the Holde team has managed to establish very good relations with organic crop input suppliers as well.

Production: farmed crops

The main crops are wheat, corn, sunflower and rapeseed, followed by other crops, such as peas, soybeans. The agricultural year 2021-2022 generated total harvests of 48,062 tons, of which 2,319 tons from organic crops (sunflower, wheat, peas) and the rest from conventional crops (rapeseed, wheat, corn, sunflower, soy).

The breakdown of crops cultivated per hectare (represented as % of the total area of 12,300 hectares cultivated in the 2021/2022 agricultural year), is shown in the chart below. Organic crops are marked in green:



Organic cultivation is one of the key differentiating factors of Holde Agri Invest. Currently, Holde focuses on large, non-irrigated crops: wheat, corn, rapeseed, sunflower, peas and barley. An important area of the Rosiori farm, approximately 2,000 hectares, is ecologically certified, and the harvest obtained is almost entirely exported to Western Europe (Italy, Germany, Austria, etc.), where most of the profile processors are located. The demand for organic products in Europe (and in the world) is constantly growing, and the prices offered are higher than for conventional products (150-200%).

The conversion of the agricultural land operated by the Issuer to organic agriculture was achieved 8-9 years ago and is currently in the second five-year commitment cycle with the Agency for Payments and Interventions in Agriculture (APIA).

Holde Agri Invest proposes that, in the context of the increase of the operated land area, in the medium and long term, it will have in the portfolio an area of land organically cultivated of approximately 10-20% of the total area in the portfolio. Currently, approximately 15% of the operated land area is organic.

In terms of conventional crops, Holde has large grain traders in its portfolio. Some of them are customers taken over with the purchased farm and who remained Holde customers, an example of this being Agromixt. The others are new customers that Holde has attracted due to the company's visibility in the market and their increased interest in identifying a reliable supplier for large quantities and diverse crops. The fact that Holde owns several farms in different locations and implicitly extensive areas from which it can deliver large quantities, represents an advantage that the company exploited extremely well in 2022.

Another advantage exploited by Holde in 2022 and which the company continues to exploit in 2023 is related to the conclusion of forward contracts for significant quantities. This is possible because the risk of insufficient productions is low.

Regarding organic products, Holde has developed excellent relationships with various traders and processors, especially from outside Romania.

For the agricultural campaigns starting in 2022 and those in 2023, Holde will maintain the same proportions in terms of areas devoted to rapeseed, wheat, sunflower and corn.

Holde also cultivates land under irrigation: corn, soybeans, potatoes, beetroot. As of 2021, Holde started investing in irrigation systems, so that in the 2021 harvest year 150 hectares were irrigated, and as of 2023 harvest year, this area will increase to 275 ha. The irrigated land offers the Company the opportunity to cultivate intensively, classic crops of corn or soybeans, but also special crops, such as vegetables, potatoes or beetroot for industrialization. For potatoes and beetroot crops, Holde has signed long-term partnerships with renowned processors such as PepsiCo.

Implemented agricultural technology

The agricultural technology implemented by Holde Agri Invest is a modern one, oriented towards maximizing the harvest, but paying special attention to increasing soil fertility and the principles of "conservation agriculture". The concepts used and the most important principles regarding agricultural technology are:

- Strict adherence to crop rotation
- The application of minimum tillage - for the enhancement of organic matter and for the conservation of water in the soil
- CTF (Control Traffic Farming) – we define technological paths and establish uniform gauges for all machines – in this way the soil is protected against compaction phenomenon
- Addition of organic matter - to increase soil fertility
- Adjusting the ph in the soil - for better absorption of nutrients
- Reducing the amount of pesticides - for a "conscious" agriculture
- Maximizing the effect of fertilizers by administering "in turn" and using section control systems

Sales activity

Products obtained from conventional grain crops are mainly sold to traders. In 2022, the company had 18 customers for conventional crops to whom approximately 37,988 tons were distributed.

Regarding organic crops, in 2022, the company sold 1,721 tons to 4 customers. Considering that Holde operates in a commodity market in terms of conventional crops, there is no risk of dependence on a single customer.

Regarding organic crops, although Holde is a new supplier on the market, the demand for such products is constantly increasing. The dynamics of these markets helped the company to quickly attract new and reliable customers. Of the 4 product customers 3 are annual customers and 1 is a new customer.

In 2022, Holde started producing technical vegetables, potatoes for chips, which it distributes to professional processors.

Competition

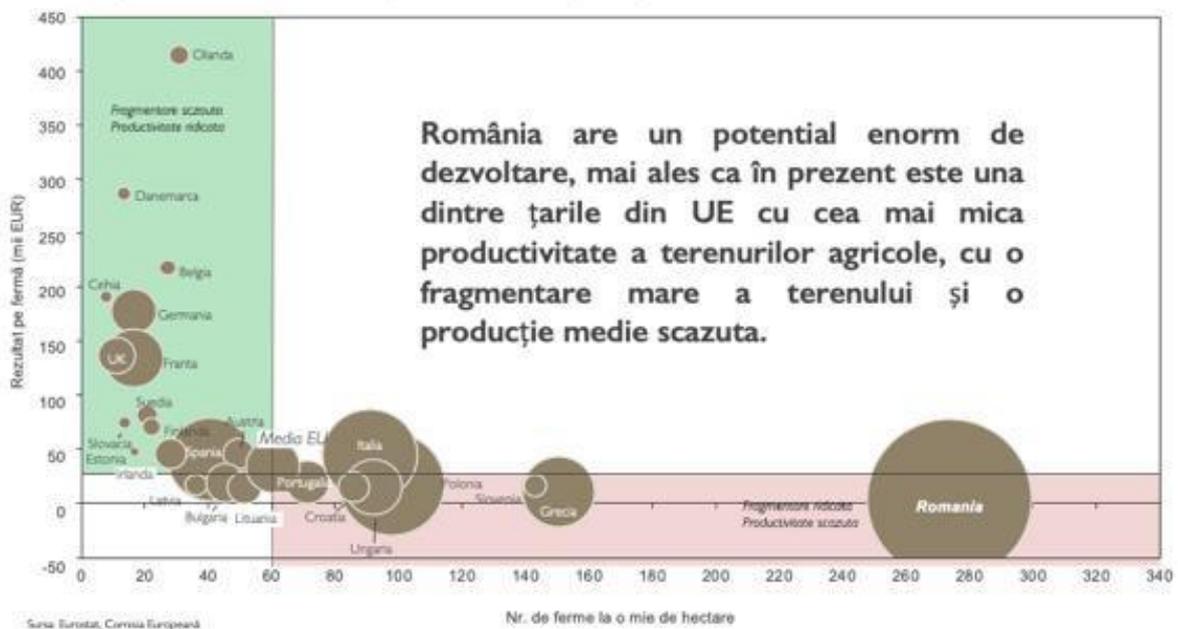
There is no consistent database that provides, in a uniform manner, the size of the largest farms in Romania. Many local businesses are spread over several small farms, while for others, no official data is

available. However, according to management estimates, public information and data provided by APIA, **Holde Agri Invest is already in the top 15 largest agricultural land operators in the Romanian market.**

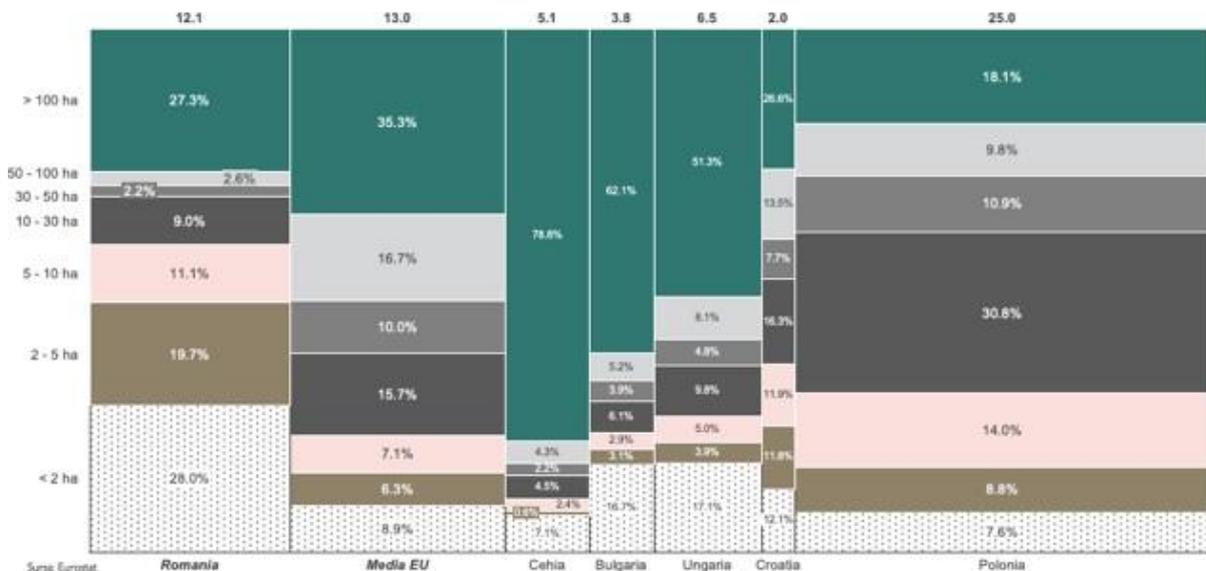
Based on the data published in the Eurostat report in 2018, made taking into account data from the EU and Romania from 2016 and 2017, Romania had 12,503,000 ha of agricultural land in 2016, including arable land, orchards and vineyards, pastures and meadows. This placed Romania in 6th place in the EU for agricultural area, having a total of 7.3% of the arable land in the EU. Romania had a share of 53.4% of agricultural land in its total area, and although it has a third of the farms in the European Union, far more than any other EU member, it had only 4% of the total agricultural production in the region. The number of agricultural holdings was 3,422,030, Romania being by far the country with the most farms in the European Union, 32.7% of the total number existing at Community level.

According to European Commission data, compared to most of the EU, Romanian crops remain significantly smaller. Despite the growth of industrial and large-scale agriculture in recent years, there is still a significant gap to cover. However, given the lower costs and other key advantages, this can translate into a much higher return for investors and farm operators in the coming years.

Prezentare generală a nivelului de referință al producției terenurilor agricole agricole în EU



According to the European Commission, almost half of Romanian farms are smaller than 5 ha and, despite a consolidation trend in recent years, the structure of Romanian farms is still much more fragmented than at EU level, even compared to neighboring countries.



There is no data on the performance of the agricultural sector in Romania in 2021. The last data issued were through the study carried out by KeysFin and published in October 2021. According to this study, the turnover of Romanian agricultural companies was estimated to approach or it will even exceed the record level reached in 2019, of almost 46 billion euros. The next Eurostat report will be provided in 2023.

Environmental impact

Agriculture is perceived as a sector that has a negative impact on the environment. This aspect is caused, among other things, by the large-scale use of pesticides. The impact of pesticides lies in their effects on non-target species. Pesticides are chemical preparations used to kill fungal or animal pests. It is estimated that 98% of sprayed insecticides and 95% of herbicides end up elsewhere, as they are sprayed or spread over the entire surface of agricultural fields. Leaks can carry pesticides into aquatic environments, while wind can direct them to other fields, pastures, human settlements and undeveloped areas, with the risk that other species will be affected. Over time, their repeated application increases pest resistance, and the effects on other species can facilitate the pest's re-emergence.

The issuer uses only approved high-quality pesticides that have been proven to have a minimal impact on the environment. The negative impact of pesticides on the environment can be offset by the use of ecological fertilizers - a practice used by Holde Agri Invest not only for organic crops, but also for conventional ones. In addition, part of the land cultivated by Holde Agri Invest is organic. In the agricultural year 2021 - 2022, approximately 5% of the generated harvest was organic crops.

There are no disputes and no disputes are expected to arise related to the protection of the environment.

HAI ON THE CAPITAL MARKET

Share capital

The share capital of Holde Agri Invest SA is 97,877,589 RON corresponding to a number of 97,877,589 shares, divided into 2 classes of shares of which 92,150,414 ordinary shares (Class A) and 5,827,175 preferential shares (Class B).

ORDINARY SHARES (CLASS A)

Ordinary shares issued by the Company are of equal value and confer equal rights on their holders. Each share issued by the company and paid for by the shareholder grants the right to vote in the General Meeting of Shareholders.

Holders of ordinary shares have the right to have access to sufficient information about the issues subject to debate at the General Meeting. Thus, the company will make available to the shareholders documents and information regarding the subjects listed on the agenda, including the annual financial statements, the annual report of the Sole Administrator, as well as proposals regarding the distribution of dividends.

PREFERRED SHARES (CLASS B)

The preferential shares with priority dividend, without voting rights, issued by the Company, are shares issued under the conditions provided by Law no. 31/1990 regarding the Companies Law and gives their owners, according to the Company's Constitutive Act, the right to a priority dividend in the amount of 50% of the nominal value of the share of 1 RON, respectively a dividend of 0.5 RON per share ("Priority dividend"). The number of preferential dividends due is capped at a maximum of 35% of the total profits distributable to shareholders in the respective year. The threshold will not involve, in any case, the carryover of the difference in preferential dividend up to 0.5 RON/preferential share.

Holders of Preferred Shares have all other rights provided by Law no. 31/1990, including, but not limited to, the right to participate in General Assemblies, except for the right to vote.

As of the date of publication of this report, the Company is in the process of removing Class B preferred share. More details on the status of this process are available in the "Changes in share capital" section of this report.

Changes in share capital

As of October 1, 2020, the ordinary shares of Holde Agri Invest entered trading on the MTS-AeRO market of the Bucharest Stock Exchange. On the first day, the value of transactions with HAI shares reached 2.4 million RON.

On 07.05.2021, the Issuer informed the market about the conclusion of stage 1 of the share capital increase operation, carried out between 06.04.2021 and 07.03.2021. In Stage 1, investors subscribed for a total of 14,445,010 shares out of 21,000,000 new Class A shares available, representing 68.79% of the total issue. Shares with a nominal value of 1.0 RON were offered at a price of 1.38 RON/share.

Later, on 14.07.2021, the Issuer informed the market about the subscription in the 2nd stage of the share capital increase of all shares remaining unsubscribed after the first stage, namely 6,554,990 ordinary class A shares.

After the increase of the share capital, the Issuer has a share capital of 64,069,796 RON corresponding to a number of 64,069,796 shares, divided into 2 classes of shares of which 58,242,621 ordinary shares (Class A) and 5,827,175 preferential shares (Class B).

During the Extraordinary General Meeting held on 24.11.2021, the delegation of EGMS's powers regarding the decision to increase the Issuer's share capital to the sole administrator of the company, by cash contribution and/or by the incorporation of reserves, with the exception of legal reserves, was approved, as well as benefits or issue premiums and/or by offsetting certain, liquid and enforceable claims of the Issuer with its shares, for a period of 3 (three) years, through one or more share issues (regardless of their nature), with a value that does not exceed half of the subscribed share capital, existing at the time of the decision and authorization, respectively up to 32,034,898 RON.

On June 8, 2022, The Romanian Financial Supervision Authority has approved the Prospectus for the share capital increase operation with cash contribution. The share capital increase operation took place between June and August 2022 and was organized in two stages. In stage 1, between June 24, 2022 and July 24, 2022, investors subscribed for the newly issued shares based on HAIR03 preference rights. In Stage 1, investors subscribed for a total of 10,288,970 shares out of 32,034,898 Class A shares available, representing 32% of the total issue. The shares with the nominal value of 1.0 RON were offered at a price of 1.65 RON/share, the company raising approximately 17 million RON.

On August 10, 2022, the 2nd stage of the share capital increase has ended. During this stage, 13,247,779 new shares remaining unsubscribed after the first stage of the share capital increase were issued as a result of compensation of claims with a total value of 21,858,847 RON, of which 20,406,300 RON representing certain, liquid and due results from the assignment contracts concluded between the Company and the holders of Class B shares within the buy-back program approved by the EGMS Decision of April 27, 2022 and 1,452,547 RON representing the definite, liquid and enforceable claim of the Sole Administrator towards the Company. The fractions of shares resulting from the above operation, representing the equivalent of 11.65 RON, have been rounded down. After determining the total number of shares required to convert the receivables described above, another 8,498,141 class A shares that remained unsubscribed in stage 1 were offered to investors during the private placement, who subscribed a number of 2,362,320 shares, the Company raising thus 3,897,828 RON at this stage.

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. During the EGMS, an item was approved regarding the reduction of the subscribed share capital of the Company by canceling a number of 5,131,325 Class B non-voting priority dividend shares, each with a nominal value of 1 RON and a total nominal value of 5.131.325 held by the Company, which were acquired in accordance with the decisions adopted by AGEA for this purpose.

After fulfilling all the formalities required by law, the reduced share capital of the Company will reach a total value of 92,846,264 RON, of which 1,835,000 EUR and 84,261,164 RON, subscribed and paid in full, being divided into 92,846,264 registered shares, each having a nominal value of 1 RON and a total nominal value of 92,846,264 RON, divided into two distinct classes of shares, as follows:

- **Class A** – The class of ordinary shares, which includes a total number of 92,150,414 shares, each with a nominal value of 1 RON and having a total nominal value of 92,150,414 RON, representing a total of 99.25% of the subscribed and paid-up share capital of the Company, and 100% of the voting rights;
- **Class B** – The class of preferential shares with non-voting priority dividend, which includes a total number of 695,850 shares, each with a nominal value of 1 RON and a total nominal value of 695,850 RON, representing 0.75% of the subscribed and paid-up share capital of Company, and having no voting rights attached.

Shareholding structure

On 31.12.2022, the company's shareholding (class "A" shares, listed on the AeRO market with the symbol HAI) was as follows:

	Total actions	Percent
Free float	67,273,868	73.0045%
S. SEVENX VENTURES SRL	14,974,439	16.2500%
S. VERTICAL SEVEN GROUP SRL	9,902,107	10.7456%
TOTAL	92,150,414	100%

Throughout 2022, investors traded 14.8 million HAI shares for a total value of approximately 26.5 million RON.

Dividend policy

The company's dividend policy can be found at the following [LINK](#). In the last 5 years, Holde Agri Invest SA has not paid dividends.

Other aspects

Throughout 2022, there was no purchase activity for Class A shares (shares tradable on the MTS market of the Bucharest Stock Exchange).

As of the date of publication of this report, the Company is in the process of liquidating Class B preferred shares. More details on the status of this process are available in the "Changes in share capital" section of this report.

The companies that are part of the Holde Agri Invest SA Group do not hold shares issued by the parent company.

TEAM AND MANAGEMENT

Directors

Until 15.12.2022, the operational activity of the Company was ensured by Holde Agri Management SRL (Sole Administrator) on the basis of a Management Contract concluded in 2018. This guaranteed the commitment of the management team to carry out the development of the project over a period of 10 years. The contract provided the business development plan up to an operational base of 20,000 ha, and contained performance clauses according to which the remuneration of the management team was calculated.

Thus, the management of the Company was delegated to the Sole Administrator, Holde Agri Management SRL, by concluding a Management Contract for a period of 10 years as of January 1, 2019. The Articles of Association of the Company in force at that time stated that the Sole Administrator has an initial mandate of 2 years, with the possibility of being re-elected for additional mandates of 4 years. Also, even if the management contract was concluded for a period of 10 years, in the situation where the Sole Administrator's mandate is no longer extended by the shareholders, the contract could be closed by paying some penalties by the company, except for the non-performing situation.

During the 4 years of operation with a management contract, some of the HAI shareholders mentioned that this way of organizing the business is not suitable for them. At the beginning, the idea behind Holde was to have a structure similar to an investment fund, which included a listed investment holding company (Holde Agri Invest SA) that held all the assets and a separate company, a management one (Holde Agri Management SRL), which manages the holding company. Regarding Holde Agri Management SRL, it had a remuneration structure based on two components: a fixed and a variable one. Taking into account the investors' feedback and the fact that Holde Agri Invest SA is planning to list on the Main Market, the management proposed to the shareholders the renouncing to this form of organization and the transition to a classic organizational structure with a Board of Directors. These items were included on the agenda of the Extraordinary General Meeting of Shareholders, dated 15.12.2022, being also approved by the shareholders.

Renouncing to the respective contract also means paying a termination fee, in the amount of 11.2 million RON. However, it is important to note that the payment of this tax will be made in shares and thus, the exceptional expenses related to the management contract only have a patrimonial accounting effect, they will be honored through the conversion into ordinary shares, and thus the money will be reinvested in the company. In addition, the respective amount is related to the entire period of four years, while the company was managed by Holde Agri Management SRL.

Therefore, as of 19.12.2022, Holde Agri Invest is managed by a Board of Directors consisting of five members elected with a four-year mandate. At the time of writing this Document, the Board of Directors of Holde Agri Invest SA consists of the following members:

IULIAN FLORENTIN CIRCIUMARU – CHAIRMAN OF THE BOARD OF DIRECTORS

Iulian Circiumaru worked in management consulting at AT Kearney and PwC, later he founded 7card, a company that was acquired by Sodexo. After the exit from 7card, he became a venture capital investor.

The mandate of Iulian Circiumaru started on 15.12.2022 and is concluded for a period of 4 years, until 15.12.2026.

As of 31.12.2022, Iulian Circiumaru owned 1,125 HAI shares. Vertical Seven Group SRL, an affiliated entity, in which Iulian Circiumaru owns 50% of the shares, held as of 31.12.2022, 9,902,107 HAI shares. SevenX Ventures SRL, an affiliated entity, in which Iulian Circiumaru owns 45.5% of the shares, held as of 31.12.2022 14,974,439 HAI shares.

LIVIU-GABRIEL ZAGAN – EXECUTIVE MEMBER BOARD OF DIRECTORS

Liviu Zagan is an architect and entrepreneur, founding partner of CUMULUS Architecture, a leading design company in Romania.

Liviu has over 10 years of experience in agriculture, accumulated at Cerealfloor, the family farm. At Cerealfloor, he accelerated the development of the vegetable cultivation line, the distribution network in KA, developed the processing plant and investment in cold storage and became involved in providing agronomic consultancy to increase productivity. Later, he contributed to the integration of precision agriculture into the business.

The mandate of Liviu-Gabriel Zagan started on 15.12.2022 and is concluded for a period of 4 years, until 15.12.2026.

As of 31.12.2022, Liviu-Gabriel Zagan owned 232,185 HAI shares.

ALEXANDRU-LEONARD LECA – NON-EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS

Leonard Leca has extensive experience as an investor in various venture capital and private equity projects. He also held management positions at Tiriac Holding (CEO, CFO) and A&D Pharma (CFO).

The mandate of Alexandru-Leonard Leca started on 15.12.2022 and is concluded for a period of 4 years, until 15.12.2026.

As of 31.12.2022, Alexandru-Leonard Leca owned 771,730 HAI shares.

DANIELA NEMOIANU – NON-EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS

Daniela Nemoianu has 22 years of experience in business consulting and management within Big4 in Romania and Central and Eastern Europe. Daniela Nemoianu has participated in hundreds of large-scale transactions and projects, which included strategic investments, large privatizations and government projects. She has outstanding experience in risk management, corporate finance, legal and tax consulting, being a specialist consultant in financial services, infrastructure, public sector and energy.

Daniela Nemoianu's mandate started on 15.12.2022 and is concluded for a period of 4 years, until 15.12.2026.

As of 31.12.2022, Daniela Nemoianu owned 2,070,521 HAI shares.

MIHAI-DANIEL ANITEI – NON-EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS

Mihai Anitei has a professional career synonymous with the agribusiness sector. He has held various leadership positions in this sector over the past 20 years. Until December 2022, Mihai Anitei was Country Manager at Ameropa Group Romania, where he was responsible for coordinating the group's numerous businesses in Romania, such as energy procurement, corporate aspects, strategy and business development.

The mandate of Mihai-Daniel Anitei started on 15.12.2022 and is concluded for a period of 4 years, until 15.12.2026.

As of 31.12.2022, Mihai-Daniel Anitei did not hold any HAI shares.

Remuneration of the Board of Directors between 15.12.2022-31.12.2022: The members of the Board of Directors received a cumulative fixed gross remuneration totaling 23,505 RON, respectively 4,701 RON for each member of the Board of Directors.

In the last 5 years, none of the members of the Board of Directors has been prohibited by a court from serving as a member of the Board of Directors or supervising a company. In the last 5 years, there have been no cases of insolvency, liquidation, bankruptcy or special administration of companies, whose boards of directors or supervision included one of the 5 members of the Board of Directors of Holde. In the last 5 years, there have been no disputes or administrative procedures in which any of the members mentioned above were involved, regarding their activity within the company, as well as those regarding their ability to perform their duties within the company.

In 2022, the Board of Directors was evaluated by its Chairman, the conclusions of the evaluation being that the members fulfilled their obligations according to the provisions of the Articles of Association and the applicable legal provisions. Also, since the appointment of the new Board of Directors in December 2022, only one meeting of the Board of Directors has taken place.

Executive Team

The executive team consists of the following people:

LIVIU ZAGAN – CEO

Liviu Zagan has been the CEO of Holde Agri Invest since the establishment of the company in 2018.

ADRIAN PIRCIU – CFO

Adrian Pîrciu graduated from the Academy of Economic Studies in Bucharest and has over 20 years of experience in finance, accounting and business. Before being appointed CFO of Holde Agri Invest, Adrian Pirciu held the position of Group Financial Controller within Holde. Adrian is the CFO of Holde Agri Invest as of 01.09.2021.

There is no agreement, understanding or family connection between Adrian Pirciu and another person due to which he was appointed as a member of the executive management. In the last 5 years, there have been no disputes or administrative procedures in which Adrian Pirciu was involved regarding his activity within the company, as well as those concerning Adrian Pirciu's ability to perform his duties within the company.

Shared Services Center

From the beginning, the Holde project aimed to approach a type of activity management that was as centralized as possible. The service center located in Bucharest provides the necessary expertise and performs all management tasks that can be performed remotely (planning, procurement, mechanization management, financial accounting, asset management). In this way, for the most important activities, the Company can have the best trained personnel.

Thus, as of August 1, 2018, with the acquisition of the Rosiori farm, the Bucharest management services center was also established. Currently, the service center consists of 5 departments:

- Agricultural technology
- Financial
- Commercial (Sales & Supply)
- Operations
- Mechanization (mechanization management and precision agriculture management)
- Investment
- Assets (leased land, owned land, real estate).

Staff

As of December 31, 2022, Holde and its subsidiaries had a total of 130 employees compared to 95 employees in 2021. Approximately 20-25% of employees have university degrees. The employees are not part of a union.

Considering the working capacity and reliability of the machinery, agricultural works are carried out 24/7 in 3 shifts of 8 hours: 6-14-22-6. In this way, the machinery fleet can be exploited intensively and the work windows can be shortened, ensuring operational efficiency as well as optimal results for all works, implicitly better harvests.

The company assumed the objective of "zero work accidents". To increase the performance of mechanizers as well as safety at the workplace, the following were undertaken:

- all mechanists benefited from specialization courses and obtained the mechanist diploma;
- an internal regulation was developed, adapted to the specifics of the activity;
- a training plan was implemented for each operator on each individual machine;
- emphasis was placed on the elimination of personnel problems specific to the industry;
- a ssm system was implemented.

KEY EVENTS IN 2022

On **January 10, 2022**, Holde informed the market about the conclusion of a transaction to purchase a new farm of approximately 440 ha, which increased the area 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 was approximately EUR 278,000.

On **January 10, 2022**, Holde has informed the market that it has signed a contract with BRK Financial Group ("BRK") for the provision of market making services, as of January 11, 2022.

On **March 7, 2022**, The Company's sole administrator approved the increase of the Company's share capital, by issuing up to 32,034,898 new dematerialized registered shares, class A shares, with a nominal value of 1 RON per share and a total nominal value of 32,034,898 RON. The purpose of the capital increase was to finance the Company's development plans, such as expansion through the acquisition of new farms, the implementation of the current investment plan and the financing of an agri-tech start-up.

On **April 11, 2022**, the company announced the completion of the acquisition of the Contesti farm, with an area of 2,100 hectares, making it the fourth core farm after Rosiori, Videle and Frumusani. The value of the transaction was 10,250,000 RON, of which Holde actually paid 250,000 RON. The rest of 10,000,000 RON represents the liabilities that were taken over by Holde, the objective being that the liabilities should be significantly reduced in the next four years, based on a recovery program planned by the group.

On **April 27, 2022**, the OGMS and EGMS of the Company took place, during which, among other things, the individual and consolidated financial statements for 2021, the 2022 Revenue and Expenses budget, the implementation of a class B share buyback program (this will be carried out either from own sources or through the conversion of certain, liquid and enforceable claims resulting from the assignment contracts concluded between Holde and the holders of class B shares), the issuance of non-convertible corporate bonds with a total value of maximum 5 million euros, the granting of bonus shares etc.. OGMS and EGMS decisions are available [HERE](#).

On **June 8, 2022**, The Romanian Financial Supervision Authority has approved the Prospectus for the share capital increase operation with cash contribution. The share capital increase operation took place between June and August 2022 and was organized in two stages. In stage 1, held between **June 24, 2022 and July 24, 2022**, investors subscribed for the newly issued shares based on HAIR03 preference rights. In Stage 1, investors subscribed for a total of 10,288,970 shares out of 32,034,898 Class A shares available, representing 32% of the total issue. The shares with the nominal value of 1.0 RON were offered at a price of 1.65 RON/share, the company raising approximately 17 million RON.

On **August 10, 2022**, the 2nd stage of the share capital increase was completed. During this stage, 13,247,779 class A shares, which were not subscribed during the first phase of the share capital increase were issued following the conversion of receivables in the total amount of RON 21,858,847, out of which RON 20,406,300 represents conversion of certain, liquid and due receivables resulting from the sale-purchase agreements concluded between the Company and the holders of Class B shares within the buy-back programme approved by EGMS Resolution dated 27 April 2022 and RON 1,452,547 represents the certain, liquid and due receivable held by the Sole Director against the Company. The fractions of shares which resulted following the above conversion, representing the equivalent of RON 11.65, were rounded down. After establishing the total number of shares necessary for the conversion of receivables described above, an additional 8,498,141 class A shares that remained unsubscribed during Stage 1 were offered to investors during the private placement, the investors subscribing a number of 2,362,320 shares, the Company thus raising RON 3,897,828.

On **November 23, 2022**, the Company organized the Holde Investor Day. The event took place both physically, 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 (AGOA) of the Company. For both meetings, the legal and statutory quorum was established at the first call. More details are available [HERE](#).

On **19 December 2022**, the Company informed the market that following the Ordinary General Meeting of the Company's Shareholders, which took place on 15.12.2022, during which the shareholders appointed a Board of Directors of the Company ("BoD"), The Board of Directors met in a meeting and decided to appoint

the Chairman of the Board of Directors and the General Director of the Company. Thus, Iulian Circiumaru was appointed Chairman of the BoD of Holde Agri Invest, and Liviu Zagan was appointed CEO of the Company. Besides Iulian Circiumaru, BoD of Holde Agri Invest also includes Liviu Zagan, Alexandru Leca, Daniela Nemoianu and Mihai Aniei.

SIGNIFICANT CONTRACTS

In 2022, Holde Agri Invest reported several significant contracts, both for sales of agricultural products and for purchases, loans and investments. All these contracts have been reported in accordance with the current rules of the capital market and can be consulted by investors at the following links:

- [Current report 12/2022](#)
- [Current report 18/2022](#)
- [Current report 20/2022](#)
- [Current report 24/2022](#)
- [Current report 27/2022](#)
- [Current report 28/2022](#)
- [Current report 30/2022](#)
- [Current report 33/2022](#)
- [Current report 37/2022](#)
- [Current report 38/2022](#)
- [Current report 41/2022](#)
- [Current report 45/2022](#)
- [Current report 46/2022](#)
- [Current report 47/2022](#)
- [Current report 49/2022](#)
- [Current report 50/2022](#)
- [Current report 51/2022](#)
- [Current report 53/2022](#)
- [Current report 59/2022](#)

KEY INDICATORS HOLDE AGRI INVEST – 2022

According to RAS

PROFITABILITY		31/12/2021	31/12/2022	Δ
Total revenue	<i>thousand RON</i>	62,769	118,161	88%
EBITDA	<i>thousand RON</i>	16,070	15,842	-1%
Adjusted EBITDA*	<i>thousand RON</i>	16,070	27,115	69%
Net result	<i>thousand RON</i>	6,673	(2,067)	-131%
Adjusted net result*	<i>thousand RON</i>	6,673	9,206	38%
Net earnings per share	<i>RON</i>	0.104	-0.021	-120%
Adjusted net earnings per share*	<i>RON</i>	0.104	0.094	-10%
OPERATIONAL		2020-2021	2021-2022	Δ
Operated land	<i>Ha</i>	8,496	12,300	45%
Crops	<i>tons</i>	28,301	43,062	52%
CAPITAL		31/12/2021	31/12/2022	Δ
Equity	<i>thousand RON</i>	83,711	103,028	2.3%
Net financial liability	<i>thousand RON</i>	70,761	89,695	25%
Gearing ratio**	%	46%	47%	(0) pp
Current ratio***	%	116%	78%	(39) pp

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

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

***Current assets/Current liabilities.

ANALYSIS OF FINANCIAL RESULTS

According to RAS, unless otherwise specified

Revenue and expenses

In 2022, the consolidated turnover of the Holde group increased by 88% compared to the corresponding period last year, reaching 118.2 million RON (2021: 62.7 million RON). Total revenues included 83.8 million RON from the sale of agricultural products and goods, up 100% compared to last year (42.0 million RON). Revenue from operating subsidies of 13.3 million RON (2021: 11.1 million RON, +20%) increased as a result of the expansion of the operated land areas. The comparison with the previous year is not relevant, the amounts related to previous periods being significantly influenced by receipts of APIA subsidies related to previous years. Revenues from the sale of assets increased by 45% to 3.0 million RON (2021: 2.0 million RON) as a result of the acceleration of the capitalization of the existing machinery and equipment fleet in the acquired farms in a favorable market context.

The revenues obtained exceeded the budget forecasts by 27%, 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 (2021: 1,984 hectares) in the 4 core farms: Rosiori, Frumusani, Videle and Contesti. 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 Rosiori, Frumusani and Videle core farms obtained marginally lower results, while the Conțești core farm, operated for the first time this year, provided production above expectations. The productions obtained 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 9% higher than the budget forecasts (-18% of the harvested quantities and +39% of the utilization of the crops), registering positive deviations for the conventional crops of wheat, rapeseed and barley and for the organic 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 stocks of finished products existing at the reference date being mostly already contracted at the reporting date and to be delivered by the end of February this year. Revenues from subsidies related to the agricultural year registered a level of 18% above budget forecasts.

The increase in operating expenses in the amount of 120.6 million RON (2021: 57 million RON, +112%) was mainly determined by the 138% 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 2022-23 agricultural year, up to 49.4 million RON (2021: 20.8 million RON). The main factors determined in this regard were the expansion of the operated land area and the increase of unit prices due to the evolution of oil and natural gas prices on international markets. Expenses on agricultural inputs were 18% higher than budget forecasts. The lease expenses related to the operated land areas increased by 85% to 13.9 million RON (2021: 7.5 million RON), the difference explained both by the expansion of the areas and by the increase in the unit price of the agricultural products in which these are expressed, in line with international quotations. These exceeded the budget forecasts by 17% due to the renewal of some contracts and the general increase in the average cost per hectare in all the operated cores. 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 by 2.6% the budget.

Other operating expenses registered an increase of 117% compared to the previous year to a level of 21.2 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 expenses recorded a significant deviation from the budget provisions, caused both by their lack of predictability, but also by

inflationary reasons. The expenses related to the management contract amounted to 11.2 million RON (2021: 0.7 million RON, +1551%), as a result of the granting of the performance bonus related to the year 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 1% compared to last year, reaching 15.8 million RON after accounting for commercial discounts obtained from suppliers of inputs (2021: 16.0 million RON), impact determined mainly by the increase expenses related to the management contract in force as of 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 27.1 million RON, a 69% increase compared to 2021. The achieved adjusted EBITDA margin rose to 23%, 3 pp below the level recorded in the comparative period of last year. 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 2,205 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 the corresponding period of the previous year to 11.4 million RON (2021: 6.6 million RON), being influenced mainly by the increase in the depreciation of the machinery fleet 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 calculated operating result of 4.4 million RON after taking into account the commercial discounts obtained represents an average of 355 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 1.7 million RON (2021: 1.0 million RON, +60%) 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 both the additional financing needs of the machinery fleet and working capital due to the operation of additional areas and the increase in the costs of agricultural inputs, as well as the general increase in financing costs during the year. However, the financial revenues higher by 87% 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 0.7 million RON and the profit tax incurred was caused by the micro-enterprise tax regime applicable to certain companies within the group. The net loss recorded according to local accounting standards was 2.1 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 in accordance with local accounting standards amounted to 9.2 million RON, an increase of 38% compared to the previous period. The net result of the period without taking into account the amortization expenses with the goodwill and lease rights was 1.8 million RON (2021: 9.4 million RON, -81%%)

Assets and liabilities

Total assets increased by 42% compared to the end of the previous year, reaching 245.1 million RON. Tangible assets increased by 33.2 million RON as a result of investments in the renewal of the machinery fleet and equipment, the increase in commercial fixed assets (recognition of the lease contracts concluded by Holde in the goodwill according to local accounting standards), as well as investments in the expansion of the silage capacity of the Rosiori core farm and in the construction of a new silage capacity in the Frumusani core farm. Goodwill increased as a result of the completion of the acquisition of Play Promotion. The value of the land owned by the group decreased by 18% as a result of land exchanges in the Frumusani core farm necessary for the development of silage capacities and the correction of a land transaction that took place in 2018. The balance of financial assets in the amount of 6.2 million RON increased by 155% compared to the beginning of the year as a result of the registration of the advances paid for the expansion of the operated land areas within the framework of some transactions to be completed during 2023.

Current assets increased by 55% compared to the beginning of the year, reaching 66.9 million RON due to the scaling of the operated land area, but also the increase in input costs accounted for in the value of the

works performed for the production of the 2022-23 agricultural year. Inventories increased to 45.3 million RON (2021: 23.7 million RON, +91%) mainly representing the production in progress for the agricultural year 2022-2023 (27.7 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 (20.1 million RON), the trade receivables representing advances 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 subsidies remaining to be collected (2.1 million RON), receivables regarding VAT to be collected (7.2 million RON, collected up to the date of this report), as well as advances paid for the purchase of land (3.1 million RON). The cash and cash equivalents in the amount of 1.5 million RON mainly represent available resources raised to finance the working capital required for the establishment of crops for the current agricultural year.

Equity increased by 23% compared to the beginning of the year, reaching 103.0 million RON, as a result of raising 21 million RON in the capital increase operation from May to July 2022, the buy-back of preferential shares and of the net negative result recorded in the current year.

The group's liabilities increased by 61% since the beginning of the year, reaching 141.6 million RON, an evolution determined mainly by the increase in the Group's activity. Current liabilities to suppliers increased by 24.1 million RON as a result of the increase in the operated land area, and mainly include inputs related to the agricultural year 2022-2023 (20.8 million RON), commercial liabilities related to the acquisition of the Contesti core (7.5 million RON - the final maturity of these liabilities is in 2026), liabilities related to machinery suppliers (2.5 million RON) and liabilities related to investments in silos (0.8 million RON). Other current liabilities include debts related to the management contract (9.8 million RON - this debt will be eliminated by granting shares), taxes to the state budget (2.0 million RON), a guarantee associated with the Rosiori core farm (1.7 million RON), lease payments due by the end of the year, salaries and associated taxes. Current bank loans increased by 51% since the beginning of the year to 24.7 million RON, including credits from the discounting of agricultural subsidies (0.3 million RON) that will be closed when the subsidies are collected, the maturity under 1 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 (13.5 million RON). Non-current liabilities in the amount of RON 55.8 million are up by 10% compared to the beginning of the year, an evolution determined in particular by the increase in leasing contracts to finance the renewal of the machinery fleet.

At the end of 2022, the Holde group records cumulative interest-bearing debts of 89.6 million RON (of which 55.1 million RON are bank loans and 31.8 million RON are financial leases). Compared to 31.12.2021, the increase in total bank debt of 16.9 million RON was determined by the increase in bank financing related to the machinery fleet and precision equipment as well as the working capital required due to the increase in the operated land area. The net financial debt at the reference date amounted to 88.6 million RON. Thus, the capital structure of the group registers a current liquidity indicator (Current Assets/Current Liabilities) of 0.78 and an gearing ratio (Net Financial Debt/ Net Employed Capital) of 0.47.

Individual results

During 2022, Holde Agri Invest SA registered revenues of 0.15 million lei (2021: 0.3 million lei) exclusively from the re-invoicing of some services provided to the other entities of the Holde group. The comparatively negative evolution is due to the fact that the Group's activity has reached a level of maturity that determined optimization of operating flows and its organizational chart.

The main expenses recorded during the year were those with the staff and with the initiation of the Stock Option Plan program, which brought an increase in expenses of 0.8 million lei (1.6 million lei, 2021: 0.6 million lei) and other expenses operating expenses (3.1 million lei, 2021: 2.1 million lei) which increased by 49% especially as a result of the increase in expenses with legal and consulting services as a result of the scaling of operational activity and various M&A and financing projects carried out during the period. Regarding the costs related to the management contract, they reached 11.2 million RON (2021: 0.7 million RON), the increase of 1551% resulting from the granting of the performance bonus related to the year 2021 and the fee for the termination of the management contract.

The operating loss of 15.8 million lei (2021: -3.2 million lei) represents an increase of 393% compared to the previous period. Financial income increased significantly to 12.2 million RON (2021: 6.5 million lei, +88%) as a result of the dividends paid by the subsidiaries Agromixt Buciumeni (5.2 million RON), Agro Sargadillo (2.2 million RON) and Ronosca (2.3 million RON). The increase in financial expenses up to 1.9 million lei (2021: 1.0 million lei) resulted mainly from the increase in variable interest related to the balance of contracted loans. The net result of the period is a loss of 5.5 million lei (2021: +2.2 million RON) determined by the non-recurring expenses recorded during the year.

Regarding the balance sheet structure, the increase in financial investments compared to the previous period up to 60.7 million lei (2021: 55.6 million lei, +9%) resulted from the completion of the acquisition of the Play Promotion farm. The 42% increase in receivables compared to the previous period is represented by loans granted to subsidiaries. The 183% increase in current liabilities is represented by the balance of the debt to the former Sole Administrator of the company, the other liabilities remaining in the same line as last year. Equity increased by 24% compared to the previous period as a result of the capital increase operation from May-July 2022, of the buy-back of preferential shares and the negative net result recorded in the current year.

Investment program

In 2022, the Holde group ran an investment program of 37.7 million RON financed from its own sources and borrowed capital. The main objectives financed were:

- completion of Contesti farm acquisition - 0.3 million RON
- new farm prepayments – 5.0 million RON
- land acquisitions – 1.3 million RON
- land irrigation project - 0.5 million RON
- expansion of silage capacity – 8.1 million RON
- purchases of technological equipment (cars, machinery) – 19.1 million RON
- logistics investments and mechanization base (halls, platforms, roads) – 3.4 million RON

The consolidated financial statements of the Holde group for 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, Interprest Agrotex SRL, Play Promotion Group SRL and Holde Agri Operational SRL.

Tangible Assets

Holde Agri Operational SRL is the company that owns all agricultural equipment, as well as providing agricultural services, from plowing to harvesting. The company will also purchase and manage all agricultural materials and inputs, such as seeds, fertilizers, treatments, through a specialized procurement system.

Machinery

- Combines for harvesting grain and specialized headers
- High power tractors 620hp
- Medium power tractors 380-400hp
- Sowers for creepers
- Sowers for paddy fields
- Cultivator seed bed preparation with discs and arrows
- Land preparation disc system
- Scavenger between the rows
- Various harrows
- Transfer trailers
- Self-propelled application phyto-sanitary treatments
- Fertilizer application trailers

Storage spaces

Part of the concept of modern agriculture is also the problem of storing and capitalizing products in optimal conditions of quality and price. Considering the prices that can be obtained at the time of harvest, as well as the difficulty of ensuring transport from the field to the customer (and the price of transport), Holde Agri

Invest aims to organize both capital flows and storage capacity to be able to make optimal use of the obtained harvest.

Through Holde Agri Operațional SRL, the company has storage spaces (silo) in the town of Calinesti, Teleorman county, with a total capacity of 15,000 tons, which was modernized in 2022, the capacity being increased from 10,000 tons. For all the farms in the group, the company intends in the future to acquire or build storage facilities, so that each farm can store approximately 10-20 thousand tons of grain as close as possible to the operated land areas.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

According to RAS

Consolidated Profit & Loss Account (RON)	31/12/2021	31/12/2022	Evolution %
Operating revenue, of which:	62,768,753	118,161,339	88%
Sales of own agricultural products	42,023,779	83,879,720	100%
Revenue from operating grants	0	419,626	0%
Inventory variation	11,121,787	13,389,083	20%
Other operating revenues, of which:	4,427,996	13,760,974	211%
Other grants	5,195,190	6,711,936	29%
Active sales	1,242,892	3,672,227	195%
Other operating revenues	2,099,471	3,039,709	45%
Operating expenses, of which:	57,003,773	120,648,828	-112%
Materials expenses, of which:	24,455,078	50,452,872	106%
Costs of raw materials and materials	20,809,991	49,454,437	138%
Costs of goods	3,223,206	381,478	-88%
Other material expenses	421,881	616,957	46%
Lease	7,502,418	13,913,240	85%
Personnel expenses	7,952,555	11,434,303	44%
Amortization expenses, of which	6,635,895	11,476,340	73%
Depreciation and amortization expenses	3,823,022	7,577,765	98%
Expenses with the amortization of right-of-use	967,386	2,510,693	160%
Expenses with amortization of goodwill	1,845,488	1,387,882	-25%
Other operating expenses	9,775,178	21,236,946	117%
SOP program		861,990	0%
Fixed fee management contract	682,648	0	-100%
Variable fee related to management contract 2021		1,452,547	0%
Management contract termination fee	0	9,820,590	0%
Operating result	5,764,980	-2,487,489	-143%
Financial income	3,669,453	6,853,978	87%
Financial expenses, of which	2,569,855	5,096,259	98%
Loans interest & leasing	2,189,349	4,919,599	125%
Other financial expenses	380,506	176,659	-54%
Financial result	1,099,598	1,757,720	60%
Total income	66,438,206	125,015,317	88%
Total expenses	59,573,628	125,745,086	111%
Gross result	6,864,578	-729,769	-111%
Income tax	191,486	1,337,094	598%
Net result	6,673,092	-2,066,863	-131%

CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2021	31/12/2022	Evolution %
Fixed assets, of which:	125,994,401	174,113,096	38%
Intangible assets, of which:	42,536,257	53,551,077	26%
Licenses	182,214	216,382	19%
Intangible assets - right of use	25,090,698	29,151,614	16%
Goodwill	17,263,345	24,183,082	40%
Tangible fixed assets, of which:	81,001,958	114,290,534	41%
Lands	18,852,428	15,423,482	-18%
Buildings	4,142,400	3,905,813	-6%
Equipment & Vehicles	48,787,798	70,926,861	45%
Other equipment, machinery, and furniture	206,918	33,514	-84%
Prepayment and fixed assets under investment	9,012,414	24,000,864	166%
Financial assets	2,456,186	6,271,485	155%
Current assets, of which:	43,330,349	66,948,888	55%
Inventory, of which:	23,758,643	45,282,492	91%
Raw materials and consumables	5,341,637	12,895,004	141%
Inventory items	8,304	33,974	309%
Finished products	547,096	1,034,351	89%
Commodities	5,564,493	3,413,522	-39%
Packaging	942	4,699	399%
Production in progress	12,066,460	27,690,458	129%
Inventory prepayments	229,711	210,485	-8%
Receivables, of which:	17,589,404	20,132,323	14%
Trade receivables	7,572,906	5,024,256	-34%
Other assets	10,016,499	15,108,067	51%
Short-term investments	1,240	1,240	0%
Cash & cash equivalents	1,981,062	1,532,832	-2. 3%
Prepaid expenses	2,939,625	4,113,910	40%
TOTAL ASSETS	172,264,375	245,175,894	42%
Current liabilities, of which:	37,001,690	85,784,830	132%
Third-party suppliers	10,567,554	34,679,213	228%
Affiliates payables	849,293	9,820,590	1056%
Bank debt <1 year	16,399,804	24,758,066	51%
Financial leasing <1 year	5,351,281	9,062,106	69%
Other current liabilities	3,833,758	7,464,855	95%
Non-current liabilities, of which:	50,991,067	55,874,981	10%
Bank debt	35,245,941	33,129,867	-6%
Financial leasing	15,745,126	22,745,114	44%
Provisions	233,000	182,544	-22%
Advance income	327,525	305,236	-7%
Total liabilities	87,992,757	141,659,811	61%
Equity, of which:	83,711,092	103,028,304	2. 3%
Subscribed and paid-up share capital – ordinary shares	58,242,621	92,150,414	58%

Preference shares	5,827,175	5,827,175	0%
Other elements of equity	0	861,991	0%
Own shares	0	5,101,575	0%
Share premium	10,616,184	19,441,836	83%
Revaluation reserves	968,060	968,060	0%
Reserves	1,757,530	16,813,135	857%
Impairment on equity instruments	337,232	16,073,208	4666%
Profit or loss carried forward	1,720,481	-7,266,424	-522%
Profit or loss for the period	6,673,092	-2,066,863	-131%
Distribution of profit	1,756,819	2,526,238	44%
TOTAL EQUITY AND LIABILITIES	172,264,374	245,175,895	42%

CONSOLIDATED CASH-FLOW

THE SITUATION FLOW OF CASH (RON)	31.12.2021	31.12.2022
Profit before tax	6,864,578	-729,769
Adjustments for:		
Debt adjustment	779,802	234,172
Inventory adjustment	-660,677	0
Depreciation and provisions	6,868,895	11,476,340
Loss/(Profit) from the transfer of assets	-1,188,726	-354,567
Decrease/(Increase) in other provisions	0	2,314,537
Financial revenue	-3,669,453	-6,853,978
Financial costs	2,569,855	5,096,259
Profit before working capital change	11,564,275	11,182,993
Other operating receipts/(payments)	1,149,218	
Decrease/(Increase) of receivables	-7,869,105	-3,717,204
Decrease/(Increase) of inventory	-12,150,949	-21,523,850
Increase/(Decrease) of liabilities	1,520,201	36,714,053
Cash from operating activity	-5,786,360	22,655,992
Interest paid	-1,400,512	-3,123,700
Profit tax paid	-882,360	-536,674
Net cash from operating activity	-8,069,232	18,995,618
<i>Flows from investment activities</i>		
Acquisitions of tangible and intangible assets	-44,101,820	-55,516,060
Land acquisitions	0	-561,732
Sales of tangible and intangible assets	2,243,954	2,577,649
Acquisitions of farm shares	-6,009,188	-4,634,420
Guarantees	-1,720,000	0
Interest collected	9,523	70,661
Net flows from investment activities	-49,577,531	-58,063,902
<i>Flows from financing activities</i>		
Increase in share capital	29,373,299	20,874,629
Receipts/(Payments) related to leasing contracts	13,112,675	10,836,732
Current bank loans - net	2,485,208	6,659,470
Non-current bank loans - withdrawals	18,585,645	8,138,851
Non-current bank loans - repayments	-4,176,627	-7,903,025
Currency exchange difference	-248,427	12,948
Net flows from financing activities	59,131,773	38,619,604
Net increase/(Decrease) in cash	1,485,010	-448,679
Cash at the beginning of the period	496,501	1,981,511
Cash at the end of the period	1,981,511	1,532,832

INDIVIDUAL PROFIT AND LOSS ACCOUNT

According to RAS

indicator ACCOUNT OF ADVANTAGE AND LOSS (RON)	31/12/2021	31/12/2022	Evolution %
Operating revenue, of which:	257,457	155,584	-40%
Other operating revenue	257,457	155,584	-40%
Other revenue (sale of assets,..)	257,457	155,584	-40%
Operating expenses, of which:	3,480,233	16,036,480	361%
Expenses with the materials, of which:	2,817	7,086	152%
Other material expenses	2,817	7,086	152%
Personnel costs	665,507	1,601,340	141%
Depreciation expenses and value adjustments	13,318	11,924	-10%
Other operating expenses	2,115,943	3,142,992	49%
Management contract fee	682,648	0	-100%
Variable bonus related to 2021		1,452,547	0%
Management contract termination fee		9,820,590	0%
Operating result	-3,222,776	-15,880,895	393%
Financial revenue	6,541,531	12,283,677	88%
Financial expenses of which:	1,068,189	1,938,081	81%
Interest loans & leasing	1,068,189	1,935,982	81%
Other financial expenses	0	2,099	0%
Financial result	5,473,342	10,345,596	89%
Total revenue	6,798,988	12,439,261	83%
Total expenses	4,548,422	17,974,561	295%
Gross result	2,250,566	-5,535,300	346%
Net result	2,250,566	-5,535,300	346%

INDIVIDUAL BALANCE SHEET

According to RAS

BALANCE SHEET (RON)	31/12/2021	31/12/2022	Evolution %
Fixed assets, of which:	55,827,695	60,935,350	9%
Intangible assets	173,566	172,379	-1%
Tangible assets	9,704	19,366	100%
Financial assets	55,644,425	60,743,605	9%
Current assets, of which:	42,943,015	60,848,446	42%
Receivables	42,936,941	60,838,797	42%
Trade receivables	578,746	380,781	-34%
Other assets	42,358,195	60,458,016	43%
Current investments	1,240	1,240	0%
Cash and cash equivalents	4,834	8,409	74%
Expenses registered in advance	374,502	1,355,189	262%
TOTAL ASSETS	99,145,212	123,138,985	24%
Current liabilities, of which:	5,008,218	14,168,438	183%
Third party suppliers	62,598	255,613	308%
Liabilities with affiliates	849,293	9,820,590	1056%
Bank liabilities <1 year	2,356,143	2,403,781	2%
Other current liabilities	1,740,184	1,688,454	-3%
Non-current liabilities, of which:	21,503,289	19,110,970	-11%
Bank liabilities	21,503,289	19,110,970	-11%
Provisions		3,485	0%
Total liabilities	26,511,507	33,279,409	26%
Equity, of which:	72,633,705	89,856,091	24%
Subscribed and paid-up share capital - ordinary shares	58,242,621	92,150,414	58%
Preference shares	5,827,175	5,827,175	0%
Other elements of equity		861,991	0%
Own shares		5,101,575	0%
Share premium	10,616,184	19,441,836	83%
Impairment on equity instruments	337,232	16,073,208	4666%
Profit or loss carried forward	-3,965,609	-1,715,043	-57%
Profit or loss for the period	2,250,566	-5,535,500	-346%
TOTAL EQUITY AND LIABILITIES	99,145,212	123,138,984	24%

INDIVIDUAL CASH-FLOW

CASH FLOW STATEMENT (RON)	31.12.2021	31.12.2022
Profit before tax	2,250,566	-5,535,300
Adjustments for:		
Debt adjustment	0	0
Inventory adjustment	13,318	11,924
SOP expenses		861,991
Annual performance bonus		1,452,547
Financial revenue	-6,541,531	-12,283,677
Financial costs	1,068,189	1,938,081
Profit before working capital change	-3,209,458	-13,554,434
Decrease/(Increase) of receivables	32,293,078	-17,902,057
Decrease/(Increase) of inventory	-294,911	-980,687
Increase/(Decrease) of liabilities	251,067	9,554,690
Cash from operating activity	-35,546,381	-22,882,487
Interest paid	-981,656	-1,923,999
Profit tax paid	0	0
Net cash from operating activity	-36,528,037	-24,806,486
<i>Flows from investment activities</i>		
Acquisitions of tangible and intangible assets	-13,469	-20,398
Land acquisitions	-6,009,188	-4,634,420
Current investments	0	0
Dividends received	6,000,000	10,900,000
Interest rate received	9,501	70,065
Net flows from investment activities	-13,156	6,315,247
<i>Flows from financing activities</i>		
Increase in share capital	29,373,299	20,874,629
Non-current bank loans - withdrawals	9,794,641	0
Non-current bank loans - repayments	-2,633,940	-2,379,815
Net flows from financing activities	36,534,000	18,494,814
Net increase/(Decrease) in cash	-7,193	3,575
Cash at the beginning of the period	12,027	4,834
Cash at the end of the period	4,834	8,409

ELEMENTS OF PERSPECTIVE REGARDING THE ISSUER'S ACTIVITY

The consolidated budget for 2023 of Holde Agri Invest SA is presented below.

As for the non-recurring expenses related to the management contract (11.2 million RON), its payment will be made in the following period in shares. According to EGMS from 15.12.2022 this management contract has ceased and has been replaced by a Board of Directors. The exceptional expenses related to the management contract have only an accounting and patrimonial effect, they will be honored through the conversion into ordinary shares. The management contract termination fee is related to the entire 4-year period when the company was managed by Holde Agri Management. In the table below, the management also presents the current 2022 budget vs. the 2022 budget which was approved by the shareholders in the EGMS from April 2022.

Indicator	2022 Budget	2022 Current	Variation '22A vs. '23B (%)	Budget 2023	Variation '23B vs. '22A (%)
No. of ha	12,029	12,029	0%	12,915	7%
Type expenses/revenue	Amount (RON)	Amount (RON)		Amount (RON)	
Revenue products sold	77,479,661	84,299,346	9%	103,066,528	22%
Subsidies	14,363,514	15,103,666	5%	15,094,925	0%
Production in progress		13,760,974			
Other revenue	1,500,000	4,997,348	233%	1,500,000	-70%
Total revenue	93,343,175	118,161,333	27%	119,661,453	1%
Production sold cost	36,563,567	42,981,937	18%	46,751,756	9%
Indirect costs	1,898,975	4,195,063	121%	2,739,387	-35%
Land lease	11,909,447	13,913,240	17%	15,034,000	8%
Machinery expenses	3,525,600	7,512,015	113%	5,088,880	-32%
Car & logistics expenses	678,400	1,335,479	97%	3,362,791	152%
Administrative costs	4,853,800	8,811,340	82%	4,906,131	-44%
Personnel costs	11,140,975	11,434,303	3%	14,601,400	28%
Total expenses	70,570,764	90,183,377	28%	92,484,344	3%
Operating EBITDA	22,772,411	27,977,957	2.3%	27,177,109	-3%
Fixed fee management contract	764,750	0	-100%		0%
SOP cost	0	861,990	100%	1,379,209	60%
Variable fee HAM 2021	0	1,452,547	100%		-100%
EBITDA	22,007,661	25,663,420		25,797,900	1%
EBITDA/HA (EUR)	379	465	2.3%	421	-10%
Depreciation expenses	8,076,632	7,577,765	-6%	9,419,343	24%
EBIT	13,931,030	18,085,655	30%	16,378,557	-9%
Interest expense	3,668,973	5,096,259	39%	6,013,672	18%
EBT	10,262,057	12,989,396	27%	10,364,885	-20%
Income tax	1,436,691	1,337,094	-7%	900,000	-33%
Net profit before termination of management contract	8,825,365	11,652,302	32%	9,464,885	-19%
Management Contract termination cost		9,820,590		0	0
Net profit without amortization of goodwill & leasehold	8,825,365	1,831,712	-79%	9,464,885	417%
Amortization of goodwill &	3,600,000	3,898,575		4,300,000	10%

leasehold acc. to OMF1804

RAS net profit	5,225,365	-2,066,863	-140%	5,164,885	350%
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RISKS

Price risk - Price risk affects the company to the extent that prices to suppliers of raw materials, materials and utilities increase without the company being able to profitably incorporate negative changes in its final price while maintaining turnover, respectively, without being able to minimize adverse effects by cost management. The company addresses this risk through rigorous cost control, 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 significant 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 cover this risk through futures, forward commodity and / or currency contracts.

Credit risk - Credit risk is considered the main vulnerability for activities in the agricultural sector, where, in general, the speed of debt collection is slow, respectively higher than 365 days. We note that this risk is significantly more pronounced in the case of agricultural inputs (eg seeds, fuel, fertilizers, treatments, etc.) than in the case of the sale 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 on available assets. Debt collection difficulties are a potentially important 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 funds available 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 represents 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.

Currency risk - Foreign exchange risk is mainly associated with future export sales - for which the appreciation of the national currency is a negative factor, a decrease in profitability, while the devaluation of the national currency positively influences the value of revenues - but also leases denominated in euro. The company's management considers that the potential impact of this risk does not significantly affect the company's financial profitability and does not intend to use special protection instruments in this regard.

The risk associated with interest rates - Macroeconomic and international developments that are reflected in the dynamics of inflation, monetary policies at national and European level but also in the evolution of the capital market influence the interest rate, to which fluctuations the issuer is exposed mainly through loans and lines of credit contracted. The increase in interest rates is absorbed at the level of financial costs, with a negative impact on the financial situation, results of operations and prospects of the company.

The risk generated by the lease-based business model - The company's business model stipulates that the optimal structure for the exploitation of the surfaces is 75% of the lease type model, 25% in the ownership regime. There are some risks to building a leased business model. While the lease is generally signed for a period of 5-10 years, there is a possibility that after this time, the land owner will no longer want to rent the land to Holde Agri Invest and thus the company will be able to lose a part of the land it operates.

Risks related to the quantities that can be traded - Farmers have no real way of knowing how many other farmers are planting a particular crop or what average yields they may have each 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 increased numbers of competing farmers or changing consumer preferences.

Market risk - The risk refers to the possibility that the Issuer may lose access to the market for its products or that the price received will be lower than expected. Marketing risks may also arise from loss of market access due to the relocation or withdrawal of a buyer from the contractual relationship with one of the owned companies or a processor, or if a product does not meet market standards or packaging requirements.

The risk associated with the business development plan - the company aims for sustainable growth by acquiring new farms and by continuing investments in modernizing existing farms in its portfolio. However, the possibility that the pace at which the company is expanding its operating area may not be in line with expectations and estimates is not ruled out, and in this case could have a negative effect on the company's financial situation. In particular with regard to the extension of the exploited land, the management is prudent and selective and only considers farms that are synergistically aligned with existing farms. For years when management does not identify good enough opportunities for the expansion of exploited land, there is a plan for other investments - in storage, machinery, irrigation, farm modernization - which can maximize production - and last but not least, in agricultural projects -tech 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 - the financial forecasts start from the premise of fulfilling the business development plan. The company intends to periodically issue forecasts on the evolution of the main economic and financial indicators in order 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 forecasted 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 forecast or estimated as a result of factors not previously foreseen or whose negative impact could not be counteracted or anticipated.

Key employee / staff risk - Attracting, retaining and motivating qualified personnel, an important asset for the research-development-innovation function of the Company, a vector of competitiveness and continuous development of the company's business. In the context of developments in the internal and European labor market, there is a risk that the company will not be able to retain qualified staff and will encounter difficulties in attracting new employees with a profile appropriate to the company's needs. In order to prevent this risk, the company applies human resources policies aimed at ensuring the necessary workforce through appropriate contractual clauses, through incentive, motivation and self-interest tools. The company also pays more attention to working conditions and increasing professional qualifications. Failure to comply with the obligations of significant contractual partners for the Issuer, between suppliers or distributors may lead to disruptions in the conduct of business and, respectively, to difficulties in meeting the contractual obligations of the company to third parties.

The company takes measures to ensure the creditworthiness and capacity of the parties prior to the conclusion of the contracts, without being able to guarantee the prevention or management of these risks.

The risk generated by possible conflicts of interest - Even if, at this date, there are no conflicts of interest in the management, administrative and supervisory bodies of the company, the management of the Company undertakes to continuously analyse the possible causes of risk of conflicts of interest and to be prepared procedurally to meet them, the evidence of these potential conflicts being highlighted in a register. **Tax risks** - The legislative framework in continuous dynamics, with multiple normative acts on different fiscal areas and with numerous ambiguities can create confusion. The process of consolidating and harmonizing the Romanian tax system with European legislation, allows different interpretations of certain aspects that are treated differently by the tax authorities. This may lead to additional fines and penalties. In addition to management, auditors and the Company's internal control are involved in preventing these risks.

Related party transactions - In the category of fiscal risks, those associated with transactions between

related parties are highlighted. Given the changes in legislation and the attention paid by transfer control bodies, the absence of specialized documentation to substantiate transactions between related parties is an important source of fiscal risk. The Issuer initiated the steps for the preparation of the Transfer Pricing File, benefiting in this respect from the assistance of the specialized department of Tuca Zbarcea & Asoc.

Legal risks - In the current activity, as a result of legislative changes, of the dynamics in its relations with counterparties (customers, competitors or regulators), the Issuer is subject to the risk of litigation, with an impact on the financial situation and on the company's image. The main areas of vulnerability identified are those of a contractual nature - the intermediaries were not able to assess the possible vulnerabilities resulting from the legal acts concluded between the Issuer and the main customers / suppliers.

Litigation risks - From the information held at the time of preparation of this Presentation Document, the Issuer declares that it is not aware of the existence of any governmental, judicial or arbitration proceedings, including any such ongoing or potential proceedings, in the last 12 months, nor is aware of any such procedure that would have a significant effect on the financial position or profitability.

Political and military instability in the region - Political and military instability in the region, such as the invasion of Ukraine by the Russian Federation and the subsequent war in Ukraine, can lead to deeply unfavourable economic conditions, social unrest or, at worst, military confrontations in the region. The effects are largely unpredictable, but may include declining investment, significant currency fluctuations, rising interest rates, reduced credit availability, trade and capital flows, and rising energy prices. These and other unforeseen adverse effects of crises in the region could have a material adverse effect on the Issuer's business, prospects, results of operations and financial position.

Indirectly, through controlled companies - Ronosca SRL, Agro Sargadillo SRL and Inter Muntenia, are in litigation with the Agency for Payments and Intervention in Agriculture (APIA) and the Agency for Financing Rural Investments, litigations that are started before the date of acquisition of the respective companies by the Issuer, litigations which are assumed and guaranteed by the former owners of the respective companies by withholding the disputed amounts from the sale price.

Other risks - Potential investors should consider that the risks presented above are the most significant risks that the company is aware of at the time of writing. However, the risks presented in this section do not necessarily include all those risks associated with the company's business, and the company cannot guarantee that it covers all relevant risks. There may be other risk factors and uncertainties that the company is unaware of at the time of writing, and which may change the company's actual results, financial condition, performance and performance 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 make their own assessment of the investment opportunity.

PRINCIPLES OF CORPORATE GOVERNANCE

Statement on alignment with BVB's Corporate Governance principles for the multilateral trading system
- AeRO market.

CODE	PROVISIONS THAT MUST BE RESPECTED	FULLY RESPECT	NO RESPECT	EXPLANATIONS
SECTION A – RESPONSIBILITIES OF THE BOARD OF DIRECTORS (BOARD)				
A1.	The company should have internal board regulations that include terms of reference regarding the board and key management functions of the company. the administration of the conflict of interests at council level should also be dealt with in the council regulation	√		The Issuer fully complies with this provision.
A2.	Any other professional commitments of the members of the board, including the position of executive or non-executive member of the board in other companies (excluding subsidiaries of the company) and non-profit institutions, will be notified to the board before appointment and during the term of office.	√		The Issuer fully complies with this provision. All the professional commitments of the directors can also be found in the company's annual reports.
A3.	Each member of the board shall inform the board of any connection with a shareholder who directly or indirectly holds shares representing not less than 5% of the total number of voting rights. this obligation shall take into account any connection which may affect the position of that member on matters relating to decisions of the council.	√		The Issuer fully complies with this provision.
A4.	The annual report will inform whether an evaluation of the council under the chairmanship has taken place. the annual report shall contain the number of meetings of the council.	√		The Issuer fully complies with this provision.
A5.	The procedure for cooperation with the authorized consultant for a period during which such cooperation is applicable shall contain at least the following:			Not applicable. The period for which the Issuer was conditioned to collaborate with an Authorized Consultant expired on 01.10.2021.
A5.1.	Contact person for the authorized consultant			
A5.2.	The frequency of meetings with the Authorized Consultant, which will be at least once a month and whenever new			

	events or information involve the submission of current or periodic reports, so that the Authorized Consultant can be consulted;			
A.5.3.	The obligation to inform the Bucharest Stock Exchange about any malfunction that occurred during the cooperation with the Authorized Consultant, or the change of the Authorized Consultant.			

SECTION B – CONTROL / INTERNAL AUDIT

B1.	The Board will adopt a policy so that any transaction of the company with a subsidiary representing 5% or more of the company's net assets, according to the latest financial reporting, is approved by the Board.		√	Holde does not have such a policy in place. In any case, Holde did not make such transactions in 2022.
B2.	The internal audit must be carried out by a separate organizational structure (internal audit department) within the company or through the services of an independent third party, which will report to the Board and, within the company, report directly to the General Manager.	√		In 2022, Holde Agri Invest had an internal auditor.

SECTION C – FAIR REWARDS AND MOTIVATION

C1.	The company will publish in the annual report a section that will include the total income of the members of the Board and the general manager and the total amount of all bonuses or any variable compensation, including the key assumptions and principles for their calculation.	√		The Issuer fully complies with this provision.
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SECTION D – BUILDING VALUE THROUGH INVESTOR RELATIONS

D1.	The company must organize an investor relations service made known to the general public through the responsible person. In addition to the information required by law, the company must include on its website a section dedicated to investor relations, in Romanian and English, which will present all relevant information of interest to investors, including:	√		Holde Agri Invest complies with all the rules regarding the IR function as detailed below. The company has a dedicated investor relations section on the website www.holde.eu which is available in both English and Romanian.
D1.1	The main regulations of the company, in particular the articles of association and the internal regulations of the statutory bodies;	√		Holde Agri Invest's key regulations can be found on the issuer's website.
D1.2	CVs of members of statutory bodies;	√		The CVs and biographies of the company's management staff can be found on the Holde Agri Invest website as well as in the annual reports.

D1.3	Current and periodic reports;	√		All current and periodic reports of Holde Agri Invest are available on the issuer's website.
D1.4	Information on general meetings of shareholders: agenda and related materials; decisions of general meetings;	√		All information related to the Holde Agri Invest GMS is available on the issuer's website.
D1.5	Information about corporate events such as the payment of dividends or other events that result in the acquisition or limitation of a shareholder's rights, including deadlines and the principles of such transactions;	√		If applicable, this information will be published by the company on the Holde Agri Invest website, as well as through a current report sent to the BSE.
D1.6	Other extraordinary information that should be made public: cancellation, modification, initiation of cooperation with an authorized consultant; or signing, renewing or terminating an agreement with a market marker.	√		If applicable, this information will be published by the company on the Holde Agri Invest website, as well as through a current report sent to the BSE.
D1.7	The company must have an investor relations function and include in the section dedicated to this function, on the company's website, the name and contact details of a person who has the ability to provide, upon request, appropriate information.	√		Contact details for Holde Agri Invest's IR department can be found on the company's website under the "Investors" section.
D2.	The company must adopt a dividend policy as a set of guidelines / principles regarding the distribution of net profit. The dividend policy must be published on the company's website.	√		The company's dividend policy is available on the Holde Agri Invest website under the "Investors" section.
D3.	The company must adopt a policy on forecasts, indicating whether or not they will be provided. Forecasts are quantified conclusions of studies aimed at determining the total impact of a list of factors for a future period (hypotheses). The policy must set out the frequency, the period under consideration and the content of the forecast. If published, the forecasts will be part of the annual, half-yearly or quarterly reports. The forecast policy will be published on the company's website.	√		Holde Agri Invest's forecasting policy is available on the company's website under the "Investors" section.
D4.	The company must set the date and place of a general meeting so as to allow the participation of as many shareholders as possible.	√		Holde Agri Invest organizes and will continue to organize the GMS on working days, at the company headquarters in Bucharest as well as online.
D5.	The financial statements must include information in both Romanian and English on the main factors that influence changes in sales, operating profit, net profit or any other relevant indicator.	√		Holde Agri Invest issues all information for investors, including financial reports, bilingually, in English and in Romania.
D6.	The company must hold at least one meeting / conference call with analysts	√		Holde Agri Invest will organize at least once a year "HAI Investor

and investors each year. The information presented on these occasions will be published in the investor relations section of the company's website, at the time of that meeting / conference call.

Day" - an event to which all stakeholders will be invited, including investors, analysts and media representatives.

DECLARATION OF THE MANAGEMENT

Bucharest, March 24, 2023

According to the best information available, we confirm that the audited consolidated and individual simplified financial statements prepared for the January 1, 2022 to 31 December 2022 period provide a fair and accurate view of the assets, liabilities, financial position and income and expenses statement of Holde Agri Invest SA, as required by the applicable accounting standards, and that the report of the Board of Directors provides a fair and accurate picture of the important events that took place during the financial year 2022 and their impact on the consolidated and individual financial statements .

Iulian-Florentin Circiumaru

Chairman of the Board of Directors of Holde Agri Invest SA