



FINANCIAL REPORT

SEPTEMBER 30, 2023



ISSUER INFORMATION

Information about this financial report

Type of report	Quarterly Report – Q3 2023
For financial period	01.01.2023 – 30.09.2023
Legal basis for report	Annex 13 to ASF Regulation no. 5/2018
Report publishing date	23.11.2023

Issuer information

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

Information about financial instruments

Subscribed and paid-up share capital	102,130,890 RON
Market on which the securities are traded	SMT AeRO Premium
Key characteristics of the securities issued by the company	102,130,890 shares, of which 101,435,040 ordinary class "A" shares and 695,850 preferred class "B" shares
Symbol	HAI

Contact details

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

The interim financial statements as of September 30th, 2023, presented on the following pages, are **not audited**.

MESSAGE FROM THE CEO

Dear shareholders,

2023 is a year of extremes, being both exceptional and disappointing in some aspects.

The total annual harvest was 7% higher than in 2022¹, continuing the pace of growth for the fifth year in a row. The higher yields are mostly the result of the improvement of agricultural techniques within each farm, the consolidation of cultivated areas, as well as investments in machinery, agricultural techniques and efficient management systems. It is indisputable the merit of Holde's operational team, which has matured and paid off in carrying out agricultural work every year, on time and to the highest quality standards.

We are confident in our ability to do high-performing agriculture, to the extent that we have this increase in production in a year that is clearly inferior to 2022 or 2021 in terms of weather conditions, precipitation and temperatures.

In addition to higher harvests, overall **indirect expenses decreased by 26%**² (headquarters, farm equipment repairs, car and truck fleet repairs, crop transportation and other administrative expenses), while the cultivated area **increased by 14%**. The reduction of these costs per operated hectare is even greater, reaching up to 60%³. These indirect cost reductions will continue with the increase in area and thus reaffirm the increased yields that modern large-area agriculture brings, contributing to the additional profitability of Holde's operating model.

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

We are currently in the process of forming Holde's fifth core. It will be located in a new area for us and will help us further reduce the risk due to meteorological phenomena. In addition, there will be a farm where we will be able to irrigate up to about 2,500 hectares. At this moment, the new core will be taken over with an irrigated area of approximately 700 hectares, so the total irrigated area at the group level will reach approximately 1,000 hectares. In 2024, we aim to grow both irrigated corn and potato chips on the new farm, a crop that performed very well in 2023, and for which we are receiving more and more requests.

But, as I mentioned at the beginning of this message, 2023 is also a disappointing year in some ways. Despite all the efforts of our team, even in the context of good production, this year will probably remain the least profitable year we have experienced.

2023 is the first year since we have been active that we will report an accounting loss. It is a year that we anticipated as being difficult, but without being able to absorb the real magnitude of the negative impact. It is a year in which, although crop establishment costs were very high, even five times higher than historically, the prices of the harvest at market rates were much lower, even at half the **2022 average prices**.



¹ Calculated increase for the same cultivated area in the agricultural years 2021-2022 and 2022-2023

² Estimated calculation for the end of the financial year 2023

³ Estimated calculation for the end of the financial year 2023

This is an extreme, unprecedented situation, to which we are unfortunately exposed, without adequate protection tools from the state, in the context of market interference, against the background of the war in Ukraine, of Russian exports and subsidies granted by other countries, such as Hungary and Poland. We don't think there is anything significant that could be done and we haven't done, including securing long-term financing lines and negotiating all of our partnerships with suppliers, customers, financiers, lessees, etc. Agriculture involves a fixed production cycle, purchases of agricultural inputs at the latest before sowing, involves the purchase of plant care products as crops are established and develop.

Even though we kept in silos a significant part of the harvest, for a long time, in order to protect ourselves from the distorted market fluctuations, even though we signed open price contracts in the hope that the market prices will adjust in line with the assumed costs, the market supply has remained in unsatisfactory margins and pushed us towards the deadlines we can afford to wait, as the company's cash flows must be protected to maintain the stability of operations.

Despite this year's result, we believe that agriculture can be profitable on medium and long term. We reiterate the premises that we believe we must keep in mind when investing in agriculture. **Holde is in the fifth year out of the ten calibrated in the vision we prepared when we started the project in 2018.**

Good results are built over time! We strongly believe that the year 2023 will remain incidental, in the market circumstances, impossible to predict and completely neutralize. We believe that as investors we must mobilize and support the company to continue on its way and return to the profitability premises originally envisaged and which it proved between the years 2020-2022. An agricultural business lends itself to scaling, we have proven that there are economies of scale and we believe that tough years can be overcome more easily with a large-scale area as well as investments – an area that produces enough to compensate for the more difficult times, like the year 2023.

While we are still grappling with uncertainties regarding the balance of costs relative to crop recovery prices, for autumn 2023 **we have recorded major cost reductions in fertilizers for the upcoming crop (up to 60%)**, which is already having a significant impact on margins on which we forecast for 2024, an aspect that places the forecasted result within the normal limits expected year after year.

We rely on the medium and long-term support of our investors, to be able to demonstrate together that a Romanian start-up in agriculture can reach the critical mass necessary to have a positive impact on the market and to transform the old paradigms. We remain firmly committed to the implementation of Holde's growth strategy, which will calibrate in the next five years an operational structure of modern agriculture on an area of over 25,000 hectares, with developments in agri-tech, green bonds, capital investments and the transition to the Main Market of the Bucharest Stock Exchange, doubled by good governance and sustainable environmental protection policies.

We invite you to read in the following pages of this report details about Holde's activity in the first nine months of the year. If you have any questions regarding this financial report, please contact us at investors@holde.eu and we will be happy to answer. We also look forward to seeing you on Friday, November 24, 2023, starting at 10:00 a.m. at the "Holde Investor Day," an event that will be held online and will be broadcast live.

MAIN RESULTS 9M 2023



76.6 million RON
REVENUES
-11% vs. 9M 2022



56,550 tons
PRODUCTION
31% vs. 9M 2022



13,725 hectares
OPERATED LAND
+1.700 ha vs. 9M 2022



19 million RON
CAPEX
-29% vs. 9M 2022



8 million RON
ACQUISITIONS
+666% vs. 9M 2022



Holde

HOLDE INVESTOR DAY - 2023 EDITION




NOVEMBER 24th, 2023



10:00 - 12:00



ONLINE



We invite you to the **2023 HAI Investor Day**, which will take place on November 24, in online format.

The main topics that will be addressed by the Company's management during the event include:

- Challenges in the agricultural sector this year;
- Revenue and Expense Budget for 2023 and the need to review it;
- The Company's future plans in the context of the capital increase operation.

Register [HERE](#) to receive login details for **2023 HAI Investor Day!**

ABOUT HOLDE AGRI INVEST

Sector of activity

The Romanian agricultural cycle is divided into two main seasons:

- **SPRING CAMPAIGN:** when seeding for corn, sunflower, spring peas, soybeans taking place in March-April, harvesting in September-October and sales of inputs in the following months.
- **AUTUMN CAMPAIGN:** with seeding for wheat, rapeseed and barley between August and October, harvesting the following year during summer and sales of inputs in the following months.

The cycle indicates that most of the revenue from the sale of crops takes place in the second half of the year, both for the spring and autumn seasons, unless the company decides to store the inputs in the silos to sell them later. Consequently, most agricultural companies in the first half of the year (H1) generate only costs, while in the second half of the year (H2), generate revenue, along with the increase in expenses because of seeding and preparing the agricultural campaign for next year.

Brief history

The idea of Holde Agri Invest project was conceived in 2016, by four Romanian entrepreneurs, Liviu Zagan, Robert Maxim, Matei Georgescu, and Alexandru Covrig. In 2017, the founders joined forces with the team of the local asset management company, Certinvest, and in 2018, they formally established Holde Agri Invest SA. Soon, the company attracted an external investment from Vertical Seven Group, founded by the entrepreneurs Iulian Circiumaru and Andrei Cretu.

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

On October 1, 2020, Holde Agri Invest's class A ordinary shares debuted on the AeRO market of the Bucharest Stock Exchange, following two successful private placements, in December 2019 and June 2020, respectively. Since the listing, The Company carried out two operations to increase the share capital in 2021 and 2022, on the date of publication of the financial report relating to the financial situations on September 30, 2023, the Company carrying out a new operation to increase the share capital.

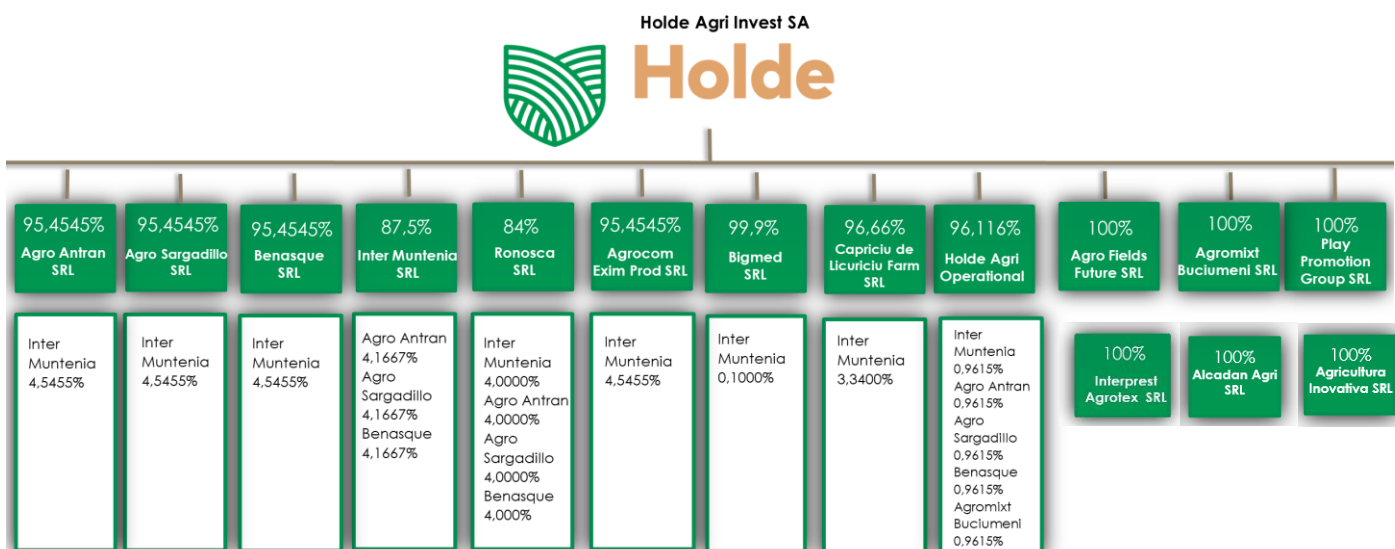
Business structure

As of September 30th, 2023, Holde Agri Invest, the holding company, included 16 entities – 14 technical crops farms located in Teleorman county (Rosiori nucleus - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interpret Agrotex and Videle nucleus - Agrocom), in Calarasi county (Frumusani – Agromixt și Agro Fields Future), in Dambovita county (Play Promotion Group and Alcadan Agri) and one entity in Braila county (Agricultura Inovativă) and one entity providing operational

services, Holde Agri Operational. The mother company, Holde Agri Invest SA, acts as the shared services center, covering also administrative and governance aspects. As of September 30th, 2023, Holde and its subsidiaries had a total of 140 employees.

As of September 30th, 2023, Holde operated a total area of approximately 13,725 hectares, out of which 700 ha owned and 13,025 ha leased. In the first nine months of 2023, the farms from Holde's portfolio cultivated conventional wheat, rapeseed, sunflower, corn, sweet corn, soybeans, potatoes, beetroot as well as organic wheat, sunflower, and peas. Apart from land, Holde also boasts a storage capacity of 25.000 (15,000 through the silo from Calinesti, Rosiori farm and 10,000 through the one from Buciumeni, Frumusani farm).

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



KEY EVENTS IN Q3 2023 AND AFTER CLOSING OF THE REPORTING PERIOD

SHARE CAPITAL INCREASE

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

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

The shares remaining unsubscribed following the stage of exercising the pre-emptive rights will be offered in a private placement. Within the Private Placement, up to 10,000,000 New Shares shall be used to offset certain, liquid and payable receivables against the Company (i) held in accordance with the Main Terms regarding the termination of the Management Agreement entered into between Holde Agri Invest S.A. and Holde Agri Management S.R.L. on 22 September 2018, pursuant to the EGMS Resolution No. 1 of 15 December 2022; and (ii) resulting from the sale-purchase agreements concluded between the Company and the holders of Class B shares within the buy-back program approved by EGMS Resolution dated 27 April 2022.

The prospectus regarding the increase of the Company's share capital was approved by FSA by Decision no. 1165/08.11.2023. More details about the share capital increase operation, including the calendar and related supporting documents, can be consulted on the Company's website, in the dedicated section, available [HERE](#).

INVESTMENTS

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

REVISED 2023 BUDGET

On **November 07, 2023**, the Company informed the market about the revision of the Income and Expenditure Budget for 2023. This revision was caused by a number of external factors beyond the control of the Company, in particular the combination of very high costs of establishing crops, with the considerable decrease in the marketing prices of primary crops grown by the Company in significant quantities. This unprecedented context will significantly affect the Company's turnover as well as profit indicators for the year 2023, as presented in the revised Budget, available [HERE](#). Initially, the management's strategy towards the decline period was to hold on to the crop reserves, expecting prices to recover in line with the assumed cost level. However, faced with the persistent and sharp decline in prices, and considering the passage of a significant period of time, the management decided to start capitalizing on the existing crops at current market prices. This strategic move is targeted at protecting cash flows and mitigating any other potential losses due to market depreciation

KEY FINANCIAL INDICATORS HOLDE AGRI INVEST – 9 MONTHS 2023

PPROFITABILITY		30/09/2023	30/09/2022	Δ
Total revenue	<i>thousand RON</i>	76,552	86,492	-11%
EBITDA	<i>thousand RON</i>	(7,078)	11,237	-163%
Adjusted EBITDA*	<i>thousand RON</i>	(7,078)	12,690	-156%
Profit net	<i>thousand RON</i>	(22,877)	430	-5415%
Adjusted net profit*	<i>thousand RON</i>	(22,877)	1,883	-1315%
Net profit per share	<i>RON</i>	-0,224	0,005	-4896%
Adjusted net profit per share**	<i>RON</i>	-0,224	0,018	-1315%
OPERATIONAL		2022-2023	2021-2022	Δ
Operated land	<i>ha</i>	13,700	12,300	11%
Agricultura output	<i>tons</i>	56,550	43,062	31%
CAPITALIZATION		30/09/2023	31/12/2022	Δ
Equity	<i>thousand RON</i>	78,545	103,028	-24%
Net financial liability	<i>thousand RON</i>	110,433	88,162	25%
Gering ration***	<i>%</i>	58%	46%	12 pp
Current ratio****	<i>%</i>	69%	78%	(9) pp

*After eliminating the expenses with the annual performance bonus related to the previous financial year of RON 0 million (2022: 1.45 million RON).

** After eliminating the issues of ordinary shares during the current year.

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

****Current assets/Current liabilities.

Expectations for the remainder of the year

The specificity of the business model of Holde Agri Invest SA offers the possibility that at the time of reporting the financial results of the first nine months of the year, the results of the harvesting campaigns related to the financial year will be fully known, a fact that offers increased visibility to the operating income to be obtained in the course of the financial year. Consequently, the management of Holde Agri Invest SA can offer, under the conditions of all the information at its disposal, a relevant projection regarding the unaudited financial results to be recorded as of 31.12.2023.

Taking into account the above, the forecast regarding the unaudited financial results on 31.12.2023 is the one presented through the Current Report no. 36, published on 07.11.2023, available [HERE](#), which contains the revised Revenue and Expenditure Budget for the year 2023.

ANALYSIS OF THE FINANCIAL RESULTS

Revenues and expenditure

The consolidated turnover of Holde group decreased in the first nine months of 2023 by 11% compared to the corresponding period last year, to a level of 76.6 million RON (2022: 86.5 million RON). This evolution was mainly determined by the average drop of half of the quotations of agricultural products on the international markets, a reality that canceled the advantages of exploiting a larger area and the increase of commercialized productions. Another negative impact was determined by the decrease in the prices of inputs related to the ongoing production compared to the similar period of the previous year.

Depending on the income categories, this dynamic was mainly determined by the income from the sale of products from own production and goods that reached 52.3 million RON (2022: 63.3 million RON), down 17% compared to last year, and by the negative evolution of revenues from ongoing production representing the establishment of new crops related to the year 2023-2024 up to a level of 8.0 million RON (2022: 12.2 million RON, -34%) due to the drop in prices on international markets, evolution partly amortized by the increase of the area under operation. Revenues from subsidies related to the activity reached 11.3 million RON (2022: 8.2 million RON, +38%), against the background of the increase in the operated area compared to the previous agricultural year, as well as the new European agricultural policy applicable for the period 2023 - 2027. The income from disposals of fixed assets increased up to 3.3 million RON (2022: 1.5 million RON, +114%) as a result of the intensification of the capitalization process of the equipment park associated with the purchase of new farms.

The revenues were obtained from the exploitation of a total area of 13,725 hectares (2022: 12,033 hectares, +14%) (of which 1,922 hectares in organic regime, 2022: 2,000 hectares) in the 5 nuclei: Rosiori, Frumusani, Videle, Contesti and Salcia (new nucleus currently in formation). The group achieved a total production of 56,550 tons (2022: 43,063 tons, +31.3%), of which 3,907 tons from organic crops (2022: 2,318 tons, +68.5%). Compared to the yields per hectare obtained in the previous agricultural year, in terms of conventional crops, the Rosiori and Frumusani cores obtained lower results, especially for spring crops, while the Videle and Contesti cores obtained results slightly above the budgeted averages, especially for autumn crops. In terms of organic crops, this agricultural year we recorded the highest total production in the history of the Holde group, with excellent yields, especially in wheat crops. The productions obtained were negatively influenced by the adverse weather conditions (lack of precipitation), with a major impact on the conventional corn and flower crops.

At the aggregate level, the average production of the Holde group continued to increase in the agricultural year 2022-2023, validating the process of continuous optimization of the agricultural practices implemented.

Agricultural year	2019/20	2020/21	2021/22	2022/23
Conventional crops - average production (to /ha)	3.73	4.00	4.01	4.12
Organic crops - average production (to /ha)	1.48	1.11	1.16	2.09

The estimated value of the harvests obtained is 43% below the budget forecasts (-9% of the capitalized quantities and -37% of the capitalization prices), registering positive deviations in the crops of technical plants (beet, potato) and estimated in the organic crops of peas and wheat, and significant negative deviations in conventional large crops determined in all cases by the decreases in their capitalization prices. Until the reference date, the conventional harvest of the agricultural year 2022-2023 was fully capitalized in the form of contracts with sales prices based on future quotations of agricultural commodities, while a volumetric percentage of 3% was capitalized from the organic harvest, the rest being stored in the group's silos.

Operating expenses registered a 17% increase compared to the corresponding period of the previous year, reaching 99.9 million RON (2022: 85.7 million RON). This evolution was mainly determined by the 44% increase in expenditure on inputs necessary for the formation of the harvests of the agricultural year 2022-2023 and the initial works for the crops of the agricultural year 2023-2024, up to 54 million RON (2022: 37.4 million RON), mainly determined by their unit prices from last autumn due to the international quotations of oil and natural gas. The lease expenses related to the areas exploited in this regime decreased by 43% to 8.5 million RON (2022: 15.1 million RON), the difference being explained by aligning them with the quotations of capitalization of the crops realized, in which they are actually calculated, in line with international quotations, as well as their different payment terms. Personnel expenses increased by 38% compared to the same period of the previous year reaching 11.3 million RON (2022: 8.3 million RON), an evolution determined by the increase in the number of employees following the acquisition of new farms, as well as the increase of employees' remuneration. Other operating expenses recorded a value of 14.8 million RON (2022: 15.1 million RON, -2%), including mainly equipment repair expenses, expenses with assets sold, legal and financial consulting and banking and leasing commissions, and the expenses related to the allowances of the members of the Board of Directors in the amount of 0.6 million RON which replaced the expenses related to the management contract in force recorded in the similar period of the previous year, the comparison being irrelevant (2022: 2.0 million RON).

The EBITDA indicator registered a decrease of 163% compared to the corresponding period last year, reaching a loss of 7.0 million RON (2022: 11.2 million RON), impact determined by the scissor effect caused by the increase in the costs of agricultural inputs and the dramatic decrease in the prices of capitalization of the production achieved. The achieved EBITDA margin was -9%, compared to the level of +13% recorded in the comparative period of last year. From the perspective of the operated area, EBITDA recorded a value of -515 RON/ha in 2023, compared to the level of 913 RON/ha recorded in the previous year.

Expenses with depreciation and depreciation of assets increased by 37% compared to the corresponding period of the previous year to 10.6 million RON (2022: 7.7 million RON), being influenced mainly by the increase in the depreciation of the equipment park as a result of the investments made, but also the increase in the amortization of the rights of use of the leased areas in accordance with the national accounting standards.

The operational loss recorded after the first 9 months of the year of 23.3 million RON represents a loss of 1.704 RON/ha. The financial gain of +0.7 million RON (2022: +0.03 million RON) includes interest expenses related to bank loans for purchases and working capital, interest related to financial leasing contracts and exchange rate differences and other commissions related to the activity of financing. The evolution of financial expenses reflects both the additional need to finance 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 which were higher by 108% compared to the previous year mainly constituted by commercial discounts obtained for the timely payment of inputs related to the agricultural year 2022-2023 determined the improvement of the financial result. The gross loss recorded on the reference date was 22.7 million RON (2022: gross profit of 0.7 million RON), and the profit tax for the first 9 months of the year was 54% lower than that for the same period of the previous year determined by the significantly lower profitability recorded at the level of each subsidiary of the Holde group. The net loss of 22.9 million RON (2022: net profit of 0.4 million RON) represents an average of 1.666 RON/ha. This result is determined by the level of international quotations of agricultural products on the reference date, which contributed to the calculation of the income generated by the harvested crops in the form of contracts with sales prices based on future quotations of agricultural commodities.

Assets and liabilities

Total assets increased by 14% from the beginning of 2023, reaching 280.5 million RON. Tangible assets increased by approximately RON 8.1 million as a result of investments in the renewal of the fleet of

machines and equipment, the increase in commercial fixed assets (recognition of lease contracts concluded by Holde in the goodwill according to local accounting standards), as well as investments in the expansion the silage capacities of the group. Financial fixed assets in the amount of RON 8 million have increased compared to the beginning of the year as a result of the registration of new farm purchases in the Conțești and Salcia cores. Current assets increased by 41% compared to the beginning of the year, reaching 94.3 million RON due to the scaling of the area under operation. Stocks recorded a level of 53.6 million RON, mainly representing the unsold production of the current and previous agricultural year (12 million RON) and the ongoing production for the 2023-2024 agricultural year (15.7 million RON) and seed stocks, diesel, fertilization, treatments and fertilizers for the establishment of autumn crops of the 2023-24 agricultural year (23.8 million RON). The group's receivables increased by 81% compared to the beginning of the year (36.5 million RON), commercial receivables representing outstanding invoices at the reference date (8 million RON) and estimates regarding the residual value of open contracts for the exploitation of harvests (5 million RON), the increase in other current assets being generated by the increase in the VAT balance to be recovered (7.9 million RON) and estimated subsidies to be collected (11.7 million RON). The cash and cash equivalents in the amount of 4.2 million RON represent the available balance resulting both from the partial capitalization of the harvests related to the current agricultural year, and from the attraction of additional financing.

Equity decreased by 24% compared to the beginning of the year, reaching 78.5 million RON, mainly as a result of the negative net result recorded in the current year.

The group's debts increased by 42% since the beginning of the year, reaching a level of 201.5 million RON, an evolution mainly determined by the increase in the Group's activity and the attraction of additional financing. Current liabilities to suppliers increased by 27.5 million RON as a result of the increase in the area exploited and the value of agricultural inputs compared to the corresponding period of the previous year, and include inputs related to the agricultural years 2022-2023 and 2023-2024 (34.9 million RON), commercial debts related to the acquisition of the Conțești core (5.4 million RON – the final maturity of these debts is in 2026), debts related to equipment repair suppliers (7.1 million RON) and other current debts (2.8 million RON). Current liabilities include mainly reimbursements related to factoring operations APIA subsidies, lease payments due by the end of the year, salaries and associated taxes. Current bank liabilities increased by 49% in the first 9 months of the year to 36.8 million RON, including the maturity of less than 1 year of working capital financing attracted under the syndicated loan signed in the first half of this year (28.9 million RON) and other bank financing with a maturity of less than 1 year (7.9 million RON). Non-current liabilities in the amount of 64.3 million RON are up by 15% compared to the beginning of the year, an evolution determined in particular by the financing attracted within the above-mentioned syndicated loan.

On 30.09.2023 the group registers cumulative interest-bearing debts of 114.6 million RON (of which 66.2 million RON bank loans and 48.4 million RON financial leases) and cash and cash equivalents of 4.2 million RON. Compared to 31.12.2022, the increase in bank debt of 27.5 million RON was determined by the syndicated loan signed by the Holde group, which allowed the increase in working capital financing associated with the scaling of the operated areas, the refinancing of the silage capacities and some of the purchases of farms. Thus, the net debt of the Holde group amounts to 110.4 million RON at the reference date. The group's capital structure records a current liquidity ratio (current assets/current liabilities) of 0.69 and a gearing ratio (net financial debt/capital employed) of 0.58.

Investment program

In the first 9 months of the year, Holde Agri Invest SA ran an investment program of 27.7 million RON financed from its own sources and borrowed capital. The main funded objectives included:

- Completion of the purchase of the Conțești farm - 3.0 million RON
- Salcia core firm acquisitions – 4.3 million RON
- Land purchases – 0.75 million RON
- Expansion of silage capacity – 5.1 million RON
- Purchases of technological equipment (machines, machinery) – 13.7 million RON

- Basic mechanization investments (halls, platforms, roads) – 0.2 million RON

The consolidated financial statements of the Holde group for the first nine months of 2023 included the companies Holde Agri Invest SA, Agricultura Inovativa SRL, Agro Antran SRL, Agro Sargadillo SRL, Alcadán Agri SRL, Benasque SRL, Inter Muntenia SRL, Ronosca SRL, Agrocom Exim Prop SRL, Bigmed SRL, Capriciu de Licuriciu SRL, Agromixt Buciumeni SRL, Agro Fields Future SRL, Interpret Agrotex SRL, Play Promotion Group SRL and Holde Agri Operational SRL.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

According to RAS

Consolidated Profit & Loss Account (RON)	30/09/2022	30/09/2023	Evolution %
Operating revenues, of which:	86,491,788	76,552,140	-11%
Sales of own agricultural products	62,743,430	51,141,295	-18%
Sales of goods	587,404	1,255,395	114%
Revenue from operating grants	8,222,699	11,354,259	38%
Stock change	12,243,323	8,047,145	-34%
Other operating revenues, of which	2,694,932	4,754,047	76%
Other grants	582,101	1,314,110	126%
Active sales	1,562,602	3,337,315	114%
Other operating revenues	550,228	102,621	-81%
Operating expenses, of which:	85,748,336	99,939,549	17%
Material expenses	37,420,104	54,022,648	44%
Costs of raw materials and materials	36,495,244	52,602,056	44%
Costs of goods	531,667	1,165,333	119%
Other material expenses	393,193	255,259	-35%
Lease	15,119,633	8,553,900	-43%
Personnel expenses	8,258,927	11,363,651	38%
Amortization expenses, of which	7,758,238	10,618,270	37%
Depreciation and amortization expenses	5,421,582	7,270,105	34%
Expenses with the amortization of right-of-use	1,523,557	1,040,912	-32%
Goodwill amortization expenses	813,099	2,307,253	184%
Other operating expenses	15,118,812	14,810,659	-2%
Contract management expenses / Board of Directors	2,072,623	570,422	-72%
Operating result	743,453	-23,387,409	-3246%
Financial income	2,735,669	5,690,835	108%
Financial expenses, of which:	2,699,394	5,019,338	86%
Loans interest & leasing	2,636,152	4,737,272	80%
Other financial expenses	63,242	282,066	346%
Financial result	36,275	671,497	1751%
Total income	89,227,457	82,242,975	-8%
Total expenses	88,447,730	104,958,887	19%
Gross result	779,727	-22,715,912	-3013%
Income tax	349,336	161,253	-54%
Net result	430,391	-22,877,165	-5415%

CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2022	30/09/2023	Evolution %
Fixed assets, of which:	174.113.096	180,552,756	4%
Intangible assets, of which:	53.551.077	50,080,662	-6%
Licenses	216.382	209,364	-3%
Intangible assets - right of use	29.151.614	27,708,144	-5%
Goodwill	24.183.082	22,163,154	-8%
Tangible fixed assets, of which:	114.290.534	122,390,161	7%
Lands	15.423.482	15,686,696	2%
Buildings	3.905.813	4,310,348	10%
Equipment & Vehicles	70.926.861	73,614,212	4%
Other equipment, machinery, and furniture	33.514	400,665	1096%
Prepayment and fixed assets under investment	24.000.864	28,378,240	18%
Financial assets	6.271.485	8,081,934	29%
Current assets, of which:	66.948.888	94,356,654	41%
Inventory, of which:	45.282.492	53,617,464	18%
Raw materials and consumables	12.895.004	1,601,656	-88%
Inventory items	33.974	31,576	-7%
Finished products	1.034.351	12,051,423	1065%
Commodities	3.413.522	23,812,241	598%
Packaging	4.699	126,983	2603%
Production in progress	27.690.458	15,784,667	-43%
Inventory prepayments	210.485	208,917	-1%
Receivables, of which:	20.132.323	36,534,320	81%
Trade receivables	5.024.256	14,021,563	179%
Other assets	15.108.067	22,512,757	49%
Short-term investments	1.240	1,240	0%
Cash & cash equivalents	1.532.832	4,203,631	174%
Prepaid expenses	4.113.910	5,590,825	36%
TOTAL ASSETS	245.175.894	280,500,236	14%
Current liabilities, of which:	85.784.830	137,127,807	60%
Third-party suppliers	34.679.213	62,218,179	79%
Affiliates payables	9.820.590	9,820,590	0%
Bank debt <1 year	24.758.066	36,820,609	49%
Financial leasing <1 year	9.062.106	13,438,409	48%
Other current liabilities	7.464.855	14,830,020	99%
Non-current liabilities, of which:	55.874.981	64,377,458	15%
Bank debt	33.129.867	48,513,072	46%
Financial leasing	22.745.114	15,864,386	-30%
Provisions	182.543	182,543	0%
Advance income	305.236	267,840	-12%
Total liabilities	141.659.811	201,505,265	42%

Equity, of which:	103.028.304	78,544,587	-24%
Subscribed and paid-up share capital – ordinary shares	92.150.414	101,435,040	10%
Preference shares	5.827.175	695,850	-88%
Other elements of equity	861.991	861,991	0%
Own shares	5.101.575	0	-100%
Share premium	19.441.836	10,157,240	-48%
Revaluation reserves	968.060	968,060	0%
Reserves	16.813.135	16,839,059	0%
Impairment on equity instruments	16.073.208	16,073,208	0%
Profit or loss carried forward	-7.266.424	-13,462,280	85%
Profit or loss for the period	-2.066.863	-22,877,165	1007%
Distribution of profit	2.526.238		-100%
TOTAL EQUITY AND LIABILITIES	245.175.894	280,500,236	14%

DECLARATION OF THE MANAGEMENT

Bucharest, November 23, 2023

According to the best available information, we confirm that the unaudited interim condensed consolidated and individual financial statements prepared for the nine months period ended September 30th, 2023, provide a fair and accurate view of the assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Director's Report provides a fair and accurate view of the important events that took place during the first nine months of the 2023 financial year and their impact on the interim condensed consolidated and individual financial statements.

Iulian-Florentin Circiumaru

Chairman of the Board of Directors of the Company