



**Holde**

# BOARD OF DIRECTORS REPORT

FOR 2023



**Holde Agri Invest S.A.**

company listed on the MTS-AeRO market of the Bucharest Stock Exchange



# ISSUER INFORMATION

## Information about this financial report

Type of report	Board of Directors Report for 2023
According to	Annex 15 of the ASF Regulation no. 5/2018
For financial period	01.01.2023 – 31.12.2023
Report publishing date	29.03.2024

## 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	121,273,584 RON
Market on which the securities are traded	MTS AeRO Premium
Key characteristics of the securities issued by the company	121,273,584 shares, of which 120,577,734 ordinary class "A" shares and 695,850 preferred class "B" shares
Symbol	HAI

## Contact details

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The consolidated financial statements as of December 31, 2023 presented on the following pages are **audited**.

# MESSAGE FROM THE CEO

Dear shareholders,

2023 was a year with both ups and downs.

The total annual harvest was significantly higher than in 2022 (production per hectare being more than 10% higher than in the previous year), continuing for the fifth year in a row the pace of growth. 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 undeniable 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.

In addition, we continue the trend of decreasing indirect expenses. These indirect cost reductions will continue with the increase in area and thus we will reaffirm the increased yields that modern agriculture brings on large areas, contributing to the additional profitability of Holde's operating model.

In 2023 we managed, as every year, to continue expanding the operated surfaces. We finalized the purchase of the Alcadan farm, which was added to the Conțești 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 time, 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. This year, 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.

On the downside, despite our team's best efforts, even in the context of good production, 2023 will remain the least profitable year we've experienced, being basically the first year of when we activate, in which we report accounting loss. The main reason is the very high costs of setting up crops, much lower harvest recovery prices, but also the lack of protection tools from the state, in the context of market interference, against the background of the war in Ukraine, Russian exports and subsidies granted by other countries, such as Hungary and Poland.

At the end of the year, as well as immediately at the beginning of 2024, regarding the intervention of the Romanian state in agriculture - against the background of the unfavorable context of 2023 - two and opposite aspects are relevant: the retroactive application of an additional aid of 100 euros per hectare for autumn crops from 2023, which brought an additional amount to the farmers' budget, but also the partial elimination of fiscal stimulation in the field of wages in the agri-food sector (together with the construction sector) starting from November 2023, and which, unfortunately, will put additional pressure on employees and companies in this sector. We believe that the relief measures are welcome, but not nearly enough. We also hope that the state will not implement further tax increases, especially in the agricultural sector which is still suffering from the grain crisis.

We foresee that the agricultural sector will recover in the coming years, also with the support of the state, under the pressure of farmers' needs, but also by aligning future grain prices with current production costs.

## HOLDE 2030 STRATEGY

As a result, we prefer to look forward, because good results are built over time. 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.

Therefore, in the context of a rapid evolution and being close to achieving the initial objective of operating 20,000 hectares of agricultural land announced in 2018, Holde Agri Invest is redefining its strategy, aiming to become "No. 1 farm" in the agricultural field in Romania, until 2030.

This new strategy, entitled "**HOLDE 2030**", is more than a promise; is a goal we have in mind for our partners and customers, as well as a commitment to sustainability and innovation in Romanian agriculture.

**The main objective of HOLDE 2030:** expanding the area of land operated to 60,000 hectares. This ambitious goal is accompanied by a number of key indicators that we intend to achieve by the end of this decade:

- ✓ **Turnover: 90 million euros.**
- ✓ **EBITDA: 28 million euros**, with an EBITDA target of 470 euros per hectare, resulting not only from scaling the business, but also from an intense focus on efficiency and effectiveness in operations, automation, irrigation and storage, based on pricing experience decreased from 2023, which significantly affected the company's activity.
- ✓ **Net income: 12 million euros.**

In order to achieve this objective and implicitly meet the mentioned key indicators, between 2024 and 2028, additional capital contributions of approximately 25 million euros will be required, as well as the expansion of lending/leasing facilities.

These contributions will enable the company to maintain a debt level of 1.5, thereby maintaining a balance between accelerated growth and financial sustainability.

**HOLDE 2030** strategy it is based on two main pillars: scaling and a focus on efficiency. By increasing the area of operated land, Holde Agri Invest will strengthen its market position and achieve significant economies of scale. At the same time, through increased attention to operational and technological efficiency, we aim to optimize costs and increase productivity on each hectare of land.

Between **2029 and 2030**, we expect to have a cash position of approximately €10 million, which will allow the company to choose between debt repayment or dividend distribution to you, Holde shareholders. This financial flexibility is essential to ensure the long-term sustainability of the company and to provide added value to all stakeholders.

**HOLDE 2030** strategy represents, in addition to the expansion of the land area and the achievement of ambitious financial objectives, also a significant step taken by Holde in the future development of Romanian agriculture through innovation, sustainability and efficiency. We are dedicated not only to business growth, but also to the prosperity of the communities in which we operate. Together with the team, shareholders, partners, suppliers and all other parties involved, we aim to build a stronger, greener and more profitable Romanian agriculture for future generations.

We invite you to read in the following pages of this report details about Holde's activity in 2023. If you have any questions about this financial report, please do not contact [investors@holde.eu](mailto:investors@holde.eu) and we will be happy to answer you.

**Liviu Zăgan, CEO**

# 2023 – MAIN RESULTS

The operated land area increased by 11.5% compared to the previous agricultural year, and the quantities obtained increased by 31.3% compared to the same period, confirming the optimization of the technological processes, but also the viability of the previous farm purchases.

The turnover decreased by 16% to 100 million RON this evolution being mainly determined by the decrease, on average, by half of the quotations of agricultural products on the international markets, a reality that canceled the advantages of the exploitation of a larger area and the increase in commercialized productions, as well as the decrease in the prices of inputs related to the current production compared to the similar period of the previous year.

The level of the EBITDA indicator recorded a negative value of 8.6 million RON, decreasing by 154% compared to the previous period. The achieved EBITDA margin of -9% was significantly influenced by the below expectations prices of capitalizing the production, as well as the increased growth in direct costs with the formation of crops.

The net result of the period (without amortization of goodwill and lease contracts) was 27.9 million RON.

The net result (RAS) of the period was a loss of 34.1 million RON.

Following the additional checks carried out at the end of the 2023 financial year, together with the auditors' team, the Company adjusted the 2023 financial statements from a loss of 28.6 million RON to a loss of 34.1 million RON. In order to avoid such situations in the future, against the background of the increasing complexity of the group's structure, the executive management will continue efforts to improve the ERP, accounting and management systems

Ambitious investment program focused on the optimization of the machinery fleet and the increase of silage capacities in the amount of over 19.5 million RON.

Acquisitions of farms and land aimed at optimizing the operating core farms and creation of new core in Braila county.



**99 million RON**  
REVENUES  
-18% vs. 2022



**56,550 tons**  
PRODUCTION  
+31% vs. 2022



**13,725 hectares**  
OPERATED LAND  
+11% vs. 2022



**19.5 million RON**  
CAPEX  
-48% vs. 2022



**8.6 million RON**  
ACQUISITIONS  
+30% vs. 2022



**-8.5 million RON**  
EBITDA  
-154% vs. 2022



**-34.1 million RON**  
RAS NET LOSS  
+1548% vs. 2022



**5**  
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 Dambovită 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 and in March 2023, the Company informed investors about the purchase of a farm of approximately 980 ha, in Dambovită county. Also, through the financial report for Q3 2023, the Company informed investors about the first purchases carried out in respect to the future Salcia core.

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 moment of listing the Company carried out three share capital increase operations in 2021, 2022 and 2023.

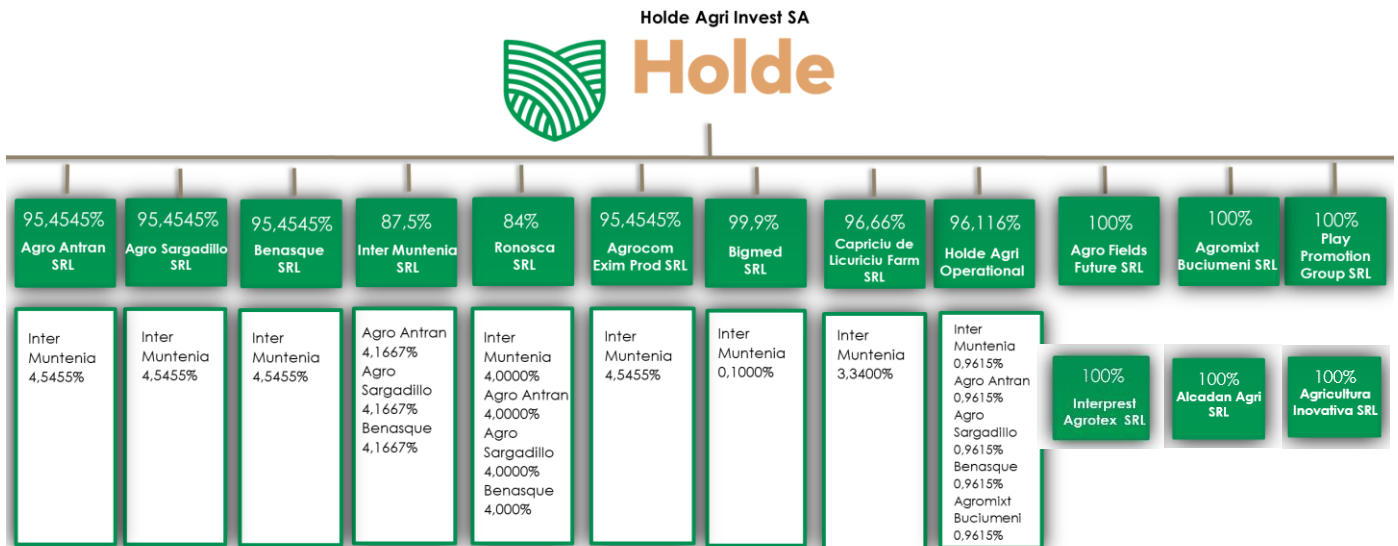
## Business structure

As of December 31<sup>st</sup>, 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 Dambovită 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 December 31<sup>st</sup>, 2023, Holde and its subsidiaries had a total of 143 employees.

As of December 31<sup>st</sup>, 2023, Holde operated a total area of approximately 13,725 hectares, out of which 700 ha owned and 13,025 ha leased. During 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.



## Description of the core 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, in order to transform them into a modern and efficient operational exploitation. The management team of the Company is interested in opportunities to acquire agricultural farms in Muntenia, Oltenia or Moldova, in order to successively expand the exploited agricultural surface. These regions of Romania were selected both due to the quality of the soil, the large area of arable land, or the proximity to the ports on the Danube and the Black Sea, as well as the fact that Holde already operates in these areas with management teams which are regionally active and that can take over the necessary workloads.

The Company is considering the acquisition of agricultural companies, but also the possibility of mergers with agricultural companies interested in this type of transaction.

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 2022-2023 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 483 ha of agricultural land the Teleorman area, 78% cultivated with organic sunflower crop, and the remaining 22% with conventional crops of rapeseed and sunflower.
- **Benasque SRL** has in 408 ha of agricultural land in the Teleorman, 25% cultivated with organic peas crops, and the remaining 75% with conventional sunflower, corn and wheat.
- **Inter Muntenia SRL** operates 641 ha of agricultural land in the Teleorman area, 33% cultivated with organic sunflower, and the remaining 67% of the owned land is cultivated with conventional sunflower and corn crops.
- **Ronosca SRL** operates 748 ha of agricultural land in the Teleorman area, 86% cultivated with organic crops of wheat and peas, and the remaining 14% with conventional crops of corn and rapeseed.
- **Agrocom Ex PRODI SRL** has 2,313 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of sunflower, maize, wheat and rapeseed.
- **Bigmed SRL** operates 501 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of corn, wheat and rapeseed.
- **Agro Fields Future SRL** has in operation 410 ha of agricultural land in the Calarași area, 100% cultivated with conventional crops of rapeseed, sunflower, corn and wheat.
- **Interprest Agrotex SRL** operates 402 ha of agricultural land in the Teleorman area, 100% cultivated with conventional crops of rapeseed, sunflower, corn and wheat.
- **Agromixt Buciumeni SRL** operates 3,290 ha of agricultural land in the Buciumeni-Budesti (Calarasi county), 100% cultivated with conventional crops of wheat, corn, sunflower, potatoes, beet and rapeseed.
- **Play Promotion Grup SRL** operates 2,286 ha of agricultural land in Contesti (Dambovita county), 100% cultivated with conventional crops of wheat, corn, sunflower, potatoes and rapeseed.
- **Alcadan Agri S.R.L.** has in operation 954 ha of agricultural land in the Conțești area (Dambovita County), cultivated 100% with conventional crops of wheat, corn, sunflower, potatoes and rapeseed;
- **Agricultura Inovativă S.R.L.** has in operation 823 ha of agricultural land in the Salcia - Tudor area, Braila County, cultivated 100% with conventional corn, barley and sunflower crops.

	Total operated land	Leased land	Owned land
Rosiori core farm	3,710 ha	3,334 ha	366 ha
Videle core farm	2,252 ha	2,252 ha	0 ha
Frumusani core farm	3,700 ha	3,247 ha	453 ha
Contesti core farm	3,240 ha	3,240 ha	0 ha
Salcia-Tudor core farm	823 ha	823 ha	0 ha
<b>TOTAL</b>	<b>13,725 ha</b>	<b>12,906 ha</b>	<b>819 ha</b>

## Mergers and reorganizations

On **March 22, 2023**, Holde informed the market about the conclusion of a transaction for the purchase of a new farm of approximately 980 ha, following the purchase the Company ended up exploiting, at that time, approximately 13,200 ha. The total value of the transaction for the farm located in Dambovita County was approximately EUR 2 million. For the 2022-2023 agricultural year, the Company produced several crops in the new farm, such as rapeseed (280 ha) and maize (700 ha).

Through the financial report for the Q3 2023, the Company informed investors about the first purchases made within the future Salcia-Tudor core, which expanded the area exploited by the Company by approximately 525 hectares, the investments made in this regard amounting to 4.3 million RON..

# THE COMPANY'S ACTIVITY

## Supply activity

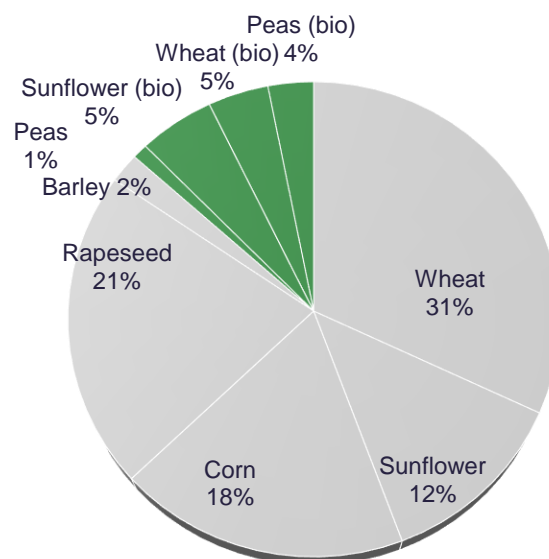
Holde purchases raw materials for the formation of conventional grain vegetable crops from markets where there are several competitive suppliers. Through this method of purchasing raw materials, the company ensures continuity of supply at predictable prices that are not subject to unexpected or monopolistic 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 2022-2023 generated total harvests of 56,550 tons, of which 3,907 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 13,725 hectares cultivated in the 2022-2023 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 in 2023.

Another advantage exploited by Holde in 2023 and which the company continues to exploit in 2024 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.

The company has successively reduced the areas dedicated to non-irrigated corn, starting from 2024. The company no longer grows significant areas of corn on non-irrigated land. Therefore, the Company will cultivate the land in the following approximate proportions: wheat (40%), rapeseed (20%) and sunflower (20%) as well as other crops (green peas, barley, corn, etc.).

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 increased to 700 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.

## 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 - manure 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 2023, the company had 8 customers for conventional crops to whom approximately 52,529 tons were distributed.

Regarding organic crops, in 2023, the company sold 1,380 tons to 3 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 3 bio product customers 1 is annual customer and 2 are new customers.

In 2023, 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 10 largest agricultural land operators in the Romanian market.**

In 2020, there were approximately 9.1 million farms in the European Union (EU). Together, they exploited 1.55 million km<sup>2</sup> of land, almost two-fifths (37.8%) of the total area of the EU.

Romania had, by far, the largest number of farms among the EU member states, (2.9 million), approximately one third (31.8%) of the total number of farms in the EU. This share was more than twice the share recorded in Poland (14.4% of the EU total). These figures highlight small agricultural holdings, with semi-subsistence and family farms predominating, especially in the eastern and southern Member States.

However, taking into account the lower costs and other key advantages, especially in Romania, this can translate into a much higher return for investors and farm operators in the coming years..

## 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 2022 - 2023, approximately 8% 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 121,273,584 RON corresponding to a number of 121,273,584 shares, divided into 2 classes of shares of which 120,577,734 ordinary shares (Class A) and 695,850 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

\*excluding any share capital increases with bonus shares

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 had 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 reached 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.

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 by 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 BoD Decision dated September 26, 2023 (available [HERE](#)) and BoD Decision dated October 2, 2023 (available [HERE](#)) shareholders had the opportunity to subscribe in the first stage of the share capital increase at the price of RON 1/ subscribed share, 2.535876 preference rights being required for the subscription of a share (as the case may be, with any rounding applicable according to the regulations in force, including those developed by the Central Depository). In the first stage, investors subscribed 3,019,208 shares, representing 7.55% of the total issue.

The shares remained unsubscribed following the stage of exercising the preference rights were offered in a private placement. Within the Private Placement, 8,950,000 class A shares were subscribed and certain, liquid and due receivables were converted into 7,173,486 class A shares.

Therefore, the Company's share capital was increased from the nominal value of RON 102,130,890 to the nominal value of RON 121,273,584, by issuing a number of 19,142,694 new dematerialized registered class A shares with a nominal value of RON 1 and a total nominal value of RON 19,142,694.

On **February 21, 2024**, the Company informed investors about the registration of the share capital increase operation at the Trade Register

## Shareholding structure

On 01.03.2024, following the registration of the share capital increase operation, the company's shareholding structure (class "A" shares, listed on the AeRO market with the symbol HAI) was as follows:

	Total shares	Percent
Free float	90,630,673	75,1637%
SEVENX VENTURES SRL	16,572,051	13,7439%
VERTICAL SEVEN GROUP SA	13,375,010	11,0924 %
<b>TOTAL</b>	<b>120,577,734</b>	<b>100%</b>

Throughout 2023, investors traded 15.7 million HAI shares for a total value of approximately 17.6 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 2023, 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 Report, 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 31.12.2023, Iulian Circiumaru owned 11,060 HAI shares. Vertical Seven Group S.A., an affiliated entity, in which Iulian Circiumaru owns 50% of the shares, held as of 31.12.2023, 11,375,010 HAI shares. SevenX Ventures SRL, an affiliated entity, in which Iulian Circiumaru owns 45.5% of the shares, held as of 31.12.2023 16,572,051 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 31.12.2023, Liviu-Gabriel Zagan owned 255,412 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 31.12.2023, Alexandru-Leonard Leca owned 880,913 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 31.12.2023, Daniela Nemoianu owned 2,277,573 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 31.12.2023, Mihai-Daniel Anitei did not hold any HAI shares.

**Remuneration of the Board of Directors between 01.01.2023-31.12.2023:** The members of the Board of Directors received a cumulative fixed gross remuneration totaling 512,800 RON, respectively 102,636 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 2023, 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. In 2023, 8 meetings of the Board of Directors took place.

## **Executive Team**

In 2023, the executive team consisted 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 Pîrciu 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 Pîrciu 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 Pîrciu was involved regarding his activity within the company, as well as those concerning Adrian Pîrciu'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, including Mechanization (mechanization management and precision agriculture management)
- Investment and Assets (leased land, owned land, real estate).

## Staff

As of December 31, 2023, Holde and its subsidiaries had a total of 143 employees compared to 130 employees in 2022. 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 2023

## CURRENT EVENTS

On **March 22, 2023**, Holde informed the market about the conclusion of a transaction for the purchase of a new farm of approximately 980 ha, following the purchase the Company exploiting approximately 13,200 ha. The total value of the transaction for the farm located in Dambovita county is approximately EUR 2 million. For the 2022-2023 agricultural year, the Company produced several crops on the new farm, such as rapeseed (280 ha) and corn (700 ha).

On **April 10, 2023**, Holde informed the market about the registration at the Trade Register of the decrease of the Company's share capital, an operation approved by means of the Decision of the Extraordinary General Meeting of Shareholders no. 2/15.12.2022. Following the decrease, the Company's share capital totaled RON 92,846,264, divided into 92,846,264 registered shares, each with a nominal value of RON 1 (one), of which 92,150,414 ordinary class "A" shares and 695,850 class "B" preferred shares. The Certificate of Registration of Financial Instruments, issued by the Financial Supervisory Authority, which reflects the decrease of the share capital, was issued on **April 12, 2023**.

On **April 24, 2023**, the OGMS and EGMS of the Company took place, during which, among other things, the shareholders approved the individual and consolidated financial statements for 2022, the terms and conditions for the implementation of the share allocation plan ("stock option plan"), the increase of the share capital through the incorporation of reserves, shareholders receiving 1 ordinary share for 10 shares held on the registration date. OGMS and EGMS decisions are available [HERE](#).

On **May 10, 2023**, the Certificate of Registration of Financial Instruments was issued by the Financial Supervisory Authority, which reflects the increase of the share capital with bonus shares. Following the increase, the share capital of Holde Agri Invest S.A. was RON 102,130,890, divided into 102,130,890 registered shares, with a nominal value of RON 1 per share, of which 101,435,040 ordinary class "A" shares and 695,850 preferred class "B" shares.

On **May 11, 2023**, the Company informed investors about the signing of a syndicated loan agreement in the total amount of RON 30.5 million and EUR 26.7 million, the contract being concluded with Banca Transilvania, as arranger and financier and OTP Bank Romania as financier. The syndicated loan comprises four different financing lines. The first financing line has a value of RON 30.5 million and is intended for working capital. The other three financing lines totaling EUR 26.7 million will support the purchase of equipment, agricultural machinery, logistics and construction elements, modernization of silage capacities, purchases of agricultural farms and purchases of agricultural land.

On **November 24, 2023**, Holde Investor Day took place, during which the Company's management addressed topics such as the challenges in the agricultural sector this year, the review of the Revenue and Expenditure Budget for 2023, as well as the Company's future plans.

## 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 by 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 BoD Decision dated September 26, 2023 (available [HERE](#)) and BoD Decision dated October 2, 2023 (available [HERE](#)) shareholders had the opportunity to subscribe in the first stage of the share capital increase at the price of RON 1/ subscribed share, 2.535876 preference rights being required for the subscription of a share (as the case may be, with any rounding applicable according to the regulations in force, including those developed by the Central Depository). In the first stage, investors subscribed 3,019,208 shares, representing 7.55% of the total issue.

The shares remained unsubscribed following the stage of exercising the preference rights were offered in a private placement. Within the Private Placement, 8,950,000 class A shares were subscribed and certain, liquid and due receivables were converted into 7,173,486 class A shares.

Therefore, the Company's share capital was increased from the nominal value of RON 102,130,890 to the nominal value of RON 121,273,584, by issuing a number of 19,142,694 new dematerialized registered class A shares with a nominal value of RON 1 and a total nominal value of RON 19,142,694.

On **February 21, 2024**, the Company informed investors about the registration of the share capital increase operation at the Trade Register.

### 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. The revised Budget is available [HERE](#).

### SIGNIFICANT CONTRACTS

On **May 25, 2023**, the Company announced the conclusion of a significant framework contract with Agricover S.A., the total aggregate value of the contracts concluded on the basis of the framework contract being RON 14,553,404 (without VAT), the subject of the contract being the supply of agricultural inputs.

On **December 11, 2023**, the Company announced the conclusion of several contracts signed by the Company's subsidiary companies, more details related to these contracts being presented in Current Report no. 42 (available [HERE](#)) and 43 (available [HERE](#)).

# KEY INDICATORS HOLDE AGRI INVEST – 2023

PROFITABILITY		2022	2023	Δ
Total revenue	<i>thousand RON</i>	118,161	99,522	-16%
EBITDA	<i>thousand RON</i>	15,843	(8,590)	-154%
Adjusted EBITDA*	<i>thousand RON</i>	27,116	(7,877)	-129%
Profit net	<i>thousand RON</i>	(2,067)	(34,071)	1548%
Adjusted net profit*	<i>thousand RON</i>	9,206	(33,358)	-462%
Net profit per share	<i>RON</i>	-0.021	-0.348	1548%
Adjusted net profit per share*	<i>RON</i>	0.094	-0.340	-462%
OPERATIONAL		2021-2022	2022-2023	
Operated land	<i>ha</i>	12,300	13,725	12%
Agricultura output	<i>tons</i>	43,062	56,550	31%
CAPITALIZATION		31/12/2022	31/12/2023	
Equity	<i>thousand RON</i>	103,028	68,026	-34%
Net financial liability	<i>thousand RON</i>	88,162	121,968	38%
Gearing ratio**	<i>%</i>	46%	64%	18 pp
Current ratio***	<i>%</i>	78%	62%	(16) pp

\* after eliminating the adjustments regarding the expenses related to the management contract closed in 2022 (0.71 million RON) (2022: 11.27 million RON)

\*\* calculated as  $\text{Net Financial Debt} / (\text{Equity} + \text{Net Financial Debt})$

\*\*\*Current assets / Current liabilities.



# ANALYSIS OF FINANCIAL RESULTS

*According to RAS, unless otherwise specified*

## Revenue and expenses

### Revenues and expenditure

In 2023, the consolidated turnover of the group decreased by 16% compared to the corresponding period last year, to the level of RON 99.5 million (2022: RON 118.2 million). This evolution was mainly determined by the average drop by 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. Total revenues included RON 62.3 million from the sale of agricultural products and goods, down 26% compared to the same period of the previous year (RON 83.8 million). Revenues from ongoing production representing the establishment of new crops related to the year 2023-2024 decreased to a level of RON 7.2 million (2022: RON 13.7 million, -47%) due to the drop in prices on international markets, evolution partially amortized by the increase in the area under exploitation. Income from operating subsidies of RON 20.1 million (2022: RON 13.3 million, +50%) increased as a result of the expansion of the operated areas and the increase in the value of the subsidy per hectare for autumn crops. Revenues from the sale of assets increased by 40% to RON 4.2 million (2022: RON 3 million) as a result of the intensification of the capitalization process of the equipment park associated with the acquisition of new farms.

The revenues obtained were 16% below the budget forecasts, the quantitative surplus of the generated production being diminished by the below- expected evolution of the prices for capitalization of cereals on the international markets, registering positive deviations in crops of technical plants (beet, potato) and organic crops (peas and wheat), and significant negative deviations in large conventional crops. The total area exploited during 2023 was 13,725 hectares (2022: 12,300 hectares, +11.5%), of which 1,922 hectares under ecological regime (2022: 2,005 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 Conțești cores obtained results slightly above the budgeted averages, especially for autumn crops. In terms of organic crops, this agricultural year the Company 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 sunflower crops.

By the reference date, approximately 93% in volumetric percentage of the harvest of the 2022-2023 agricultural year has been utilized, the stocks of finished products existing at the reference date being related to the production of organic crops. Revenues from subsidies related to the agricultural year were 33% higher than budget forecasts, due to both growth of the operated surfaces, as well as of the compensations received during the year.

The increase in operating expenses in the amount of RON 124.0 million (2022: RON 120.6 million, +3%) was mainly determined by the 11% increase (and 32% without the influence of commercial discounts received, currently considered in this cost category and not in financial income) in expenses with the inputs necessary for both the formation of the crops of the agricultural year, which are already utilized (seeds, diesel, fertilizing, treatments), as well as the initial works for the crops of the 2023-24 agricultural year, up to RON 55.0 million (2022: RON 49.4 million). The main factors determined in this regard were the expansion of the exploited areas and the increase in their unit prices since the fall of last year due to the quotations of oil and natural gas. Expenditures on agricultural inputs were 26% higher than budget forecasts. The lease expenses related to the areas exploited in this regime decreased by 11% to 12.3 million RON (2022: 13.9 million RON), the difference explained by aligning them with the quotations of capitalization of the crops achieved, in which they are actually calculated, in line with international quotations, as well as their different payment terms (18% below the budget forecasts). Personnel expenses

amounting to RON 15.2 million (2022: RON 11.4 million, + 33%) reflected the increase in the number of employees following the acquisition of new farms, as well as the increase in their remuneration (including against the background of the change in taxation in the agricultural sector), exceeding by 4.2% the budget.

Other operating expenses registered an increase of 6% compared to the previous year to a level of RON 22.4 million (2022: RON 21.2 million), including mainly equipment repair expenses, expenses with sold assets, legal consultancy and financial and bank commissions and leasing. This category of expenses exceeded the budget by 39.4%, an evolution caused mainly by the increased complexity in the Group's activity, but also inflationary pressures.

The EBITDA indicator registered a decrease of 154% compared to the corresponding period of last year, reaching a loss of RON 8.5 million (2022: RON 15.8 million), impact determined by the scissor effect produced by the increase in the costs of agricultural inputs and the dramatic decrease in the prices of capitalization of the generated production. The achieved EBITDA margin was -9%, compared to the level of +13% recorded in the comparative period of last year. The 22% deviation of the EBITDA margin compared to the budget forecasts was due both to the below the expectations prices for production valorization, and to the increase of direct costs with the formation of crops. From the perspective of the operated area, EBITDA recorded a value of minus RON 574 /ha in 2023, compared to the level of RON 1,288 /ha recorded in the previous year.

Expenses with amortization and depreciation of assets increased by 29% compared to the corresponding period of the previous year to RON 14.7 million (2022: RON 11.4 million), 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 and goodwill, in accordance with the national accounting standards.

The recorded operational loss of RON 24.5 million represents a loss of RON 1,785 /ha. The financial loss of RON 9 million (2022: + RON 2.5 million) 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 financing needs of the machinery fleet and working capital due to the operation of additional areas and the increase in agricultural input costs, as well as the general increase in financing costs during the year. Financial revenues were lower by 84% compared to the previous year, consisting mainly of commercial discounts obtained for the timely payment of inputs related to the 2022-2023 agricultural year, considered in 2023 as cost of raw materials and not as financial income. The gross loss recorded on the reference date was RON 33.5 million (2022: gross loss of RON 0.7 million), and the profit tax was 61% lower than that for the similar period of 2022 was determined by the significantly lower profitability recorded at the level of each subsidiary of the Holde group. The net loss of RON 34.1 million (2022: net loss of RON 2 million) represents an average of RON 2,567 /ha.

### Assets and liabilities

Total assets increased by 21% compared to the end of the previous year, reaching RON 298.6 million. Tangible assets increased by RON 23.8 million as a result of investments in the renewal of the fleet of machines 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 group. Financial fixed assets in the amount of RON 1.7 million decreased compared to the beginning of the year as a result of the completion of the acquisition processes of new farms during the year.

Current assets increased by 37% compared to the beginning of the year, reaching RON 93.1 million due to the scaling of the area under exploitation. Stocks increased to RON 53.4 million (2022: RON 45.2 million, +18%) representing mainly the unsold production of the current and previous agricultural year (RON 7.2 million) and the ongoing production for the 2023-2024 agricultural year (RON 29.4 million) and stocks of seeds, diesel, fertilization, treatments and fertilizers for the establishment of autumn crops of the agricultural year 2023-24 (RON 17.4 million). The group's receivables increased by 33% compared to the beginning of the year (RON 28.0 million), trade receivables representing outstanding invoices at the reference date and the increase in other current assets is due to the increase in the VAT balance to be recovered (RON 8.7 million) and estimated subsidies to be collected (RON 11.6 million). The cash and cash

equivalents amounting to RON 11.8 million mainly represent available resources raised during the share capital increase operation which took place between November-December 2023.

Equity decreased by 33% compared to the beginning of the year, reaching RON 68.0 million, mainly as a result of the negative net result recorded in 2023.

The group's debts have increased by 61% since the beginning of the year, reaching a level of RON 230.1 million, an evolution mainly determined by the increase in the Group's activity and the additional financing. Current liabilities to suppliers increased by RON 16.6 million as a result of the increase in the exploited area 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 (RON 43.3 million), commercial debts related to the purchase of the Conțești core (RON 3.6 million – the final maturity of these debts being in 2026), debts related to equipment repair suppliers (RON 4.9 million). Other short-term liabilities mainly include the money received from the private placement carried out between November and December 2023 (RON 12 million), customer advances (13.3 million RON), factoring APIA subsidies (1.4 million RON), lease payments due by the end of the year, salaries and related taxes. Short-term bank liabilities increased by 31% from the beginning of the year to RON 32.5 million, including the maturity of less than 1 year of the working capital financing under the syndicated loan (RON 28.6 million) and other bank financing with maturity of less than 1 year (RON 3.9 million). Long-term liabilities in the amount of RON 77.4 million are increasing by 39% compared to the beginning of the year, an evolution determined in particular by the financing within the syndicated credit mentioned above.

At the end of 2023, the group records cumulative interest-bearing debts of RON 133.6 million (of which RON 70.6 million are bank loans, and RON 63.0 million are financial leases). Compared to 31.12.2022, the increase in bank liabilities of RON 12.7 million 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. The net financial debt of the Holde group amounts to RON 121.1 million at the reference date. The group's capital structure records a current liquidity ratio (current assets/current liabilities) of 0.62 and a gearing ratio (net financial debt/capital employed) of 0.64.

## Individual results

During 2023, Holde Agri Invest S.A. did not achieve significant operational revenues, the negative evolution compared to the previous year being due to the fact that the Group's activity reached a level of maturity that determined the optimization of operational flows and its organization chart.

The main expenses recorded during the year were those with depreciation and value adjustments which brought an increase of 5.2 million RON (2022: 0.01 million RON) resulting from the adjustment of some receivables owed by the Group's subsidiaries and other operating expenses (2.9 million RON, 2022: 3.1 million RON, -5%) which mainly included legal assistance expenses related to various M&A projects and financing, expenses with the allowances of the Board members, PR expenses, rent and financial audit. As regards the costs related to the management contract, they recorded a residual value of 0.7 million RON (2022: 11.2 million RON) representing an accounting adjustment of the indemnity for termination of the management contract recorded during the previous year.

The operating loss of 9.3 million RON (2022: -15.8 million RON) represents a decrease of 41% compared to the previous period. Financial income decreased significantly to 1.5 million RON (2022: 12.2 million RON, -84%) as a result of the negative scaling of profits recorded by the Group's subsidiaries. The increase in financial expenses up to 2.3 million RON (2022: 1.9 million RON, +20%) 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 10.1 million RON (2022: -5.5 million RON, +83%).

Regarding the balance sheet structure, the increase in financial investments compared to the previous period up to 67.1 million RON (2022: 60.7 million RON, +9%) resulted from the completion of the acquisition of the farms related to the fifth operational core of the Group. The 17% decrease in receivables compared to the previous period is represented by loans granted to subsidiaries. The increase in current liabilities to a level of 28.4 million RON (2022: 14.1 million RON, +100%) is mainly due to the increase in the balance of the debt to the former Sole Director of the Company, with the amount of VAT associated with it, as well as the balance of cash received within the share capital increase carried out in the last quarter of the year,

both balances to be covered in the issue of new Class A ordinary shares. Equity decreased by 11% compared to the previous period mainly as a result of the negative net result recorded in the current year.

## Investment program

In 2023, Holde Agri Invest SA carried out an investment program of RON 28.1 million financed from its own sources and borrowed capital. The main funded objectives included:

- Finalization of Contesti farm purchase - RON 3.3 million;
- Salcia core firm acquisitions – RON 4.5 million;
- Land purchases – RON 0.85 million;
- Expansion of silage capacity – RON 5.6 million;
- Purchases of technological equipment (machines, equipment) – RON 13.7 million;
- Basic mechanization investments (halls, platforms, roads) – RON 0.2 million.

The consolidated financial statements of the Holde group included the companies Holde Agri Invest SA, Agricultura Inovativa SRL, Agro Antran SRL, Agro Sargadillo SRL, Alcadan 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, 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, Holde has a storage capacity of 25,000 tons (15,000 through the silo at Calinești, Roșiori farm and 10,000 through the one at Buciumeni, Frumușani farm).

# CONSOLIDATED PROFIT AND LOSS ACCOUNT

According to RAS

Consolidated Profit & Loss Account (RON)	2022	2023	Evolution %
<b>Operating revenue, of which:</b>	<b>118,161,339</b>	<b>99,522,107</b>	<b>-16%</b>
Sales of own agricultural products	83,879,720	62,337,469	-26%
Sales of products	419,626	3,016,433	619%
Revenue from operating grants	13,389,083	20,128,539	50%
Inventory variation	13,760,974	7,235,219	-47%
Other operating revenues, of which:	6,711,936	6,804,447	1%
Other grants	3,672,227	2,331,518	-37%
Active sales	3,039,709	4,256,387	40%
Other operating revenues	0	216,542	0%
<b>Operating expenses, of which:</b>	<b>120,648,828</b>	<b>124,029,552</b>	<b>3%</b>
Materials expenses, of which:	50,452,872	58,516,209	16%
Costs of raw materials and materials	49,454,437	55,060,139	11%
Costs of goods	381,478	2,891,092	658%
Other material expenses	616,957	564,978	-8%
Lease	13,913,240	12,354,602	-11%
Personnel expenses	11,434,303	15,221,583	33%
Amortization expenses, of which	11,476,340	14,787,656	29%
Depreciation and amortization expenses	7,577,765	9,480,019	25%
Expenses with the amortization of right-of-use	2,510,693	2,240,680	-11%
Expenses with amortization of goodwill	1,387,882	3,066,957	121%
Other operating expenses	21,236,946	22,436,464	6%
SOP program	861,990	-	-100%
Fixed fee management contract	0	-	0%
Variable fee related to management contract 2021	1,452,547	-	-100%
Management contract termination fee	9,820,590	713,039	-93%
<b>Operating result</b>	<b>(2,487,489)</b>	<b>(24,507,445)</b>	<b>885%</b>
<b>Financial income</b>	<b>6,853,978</b>	<b>357,170</b>	<b>-95%</b>
<b>Financial expenses, of which</b>	<b>5,096,259</b>	<b>9,394,994</b>	<b>84%</b>
Loans interest & leasing	4,919,599	8,521,107	73%
Other financial expenses	176,659	873,887	395%
<b>Financial result</b>	<b>1,757,720</b>	<b>-9,037,824</b>	<b>-614%</b>
<b>Total income</b>	<b>125,015,317</b>	<b>99,879,277</b>	<b>-20%</b>
<b>Total expenses</b>	<b>125,745,086</b>	<b>133,424,546</b>	<b>6%</b>
<b>Gross result</b>	<b>(729,769)</b>	<b>(33,545,269)</b>	<b>4497%</b>
Income tax	1,337,094	526,175	-61%
<b>Net result</b>	<b>(2,066,863)</b>	<b>(34,071,444)</b>	<b>1548%</b>



# CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2022	31/12/2023	Evolution %
<b>Fixed assets, of which:</b>	<b>174,113,096</b>	<b>199,135,019</b>	<b>14%</b>
<b>Intangible assets, of which:</b>	<b>53,551,077</b>	<b>59,259,272</b>	<b>11%</b>
Licenses	216,382	443,345	105%
Intangible assets - right of use	29,151,614	33,471,301	15%
Goodwill	24,183,082	25,344,626	5%
<b>Tangible fixed assets, of which:</b>	<b>114,290,534</b>	<b>138,172,042</b>	<b>21%</b>
Lands	15,423,482	16,734,042	8%
Buildings	3,905,813	4,285,620	10%
Equipment & Vehicles	70,926,861	90,399,328	27%
Other equipment, machinery, and furniture	33,514	101,062	202%
Prepayment and fixed assets under investment	24,000,864	26,651,990	11%
<b>Financial assets</b>	<b>6,271,485</b>	<b>1,703,705</b>	<b>-73%</b>
<b>Current assets, of which:</b>	<b>66,948,888</b>	<b>93,134,373</b>	<b>39%</b>
<b>Inventory, of which:</b>	<b>45,282,492</b>	<b>53,434,973</b>	<b>18%</b>
Raw materials and consumables	12,895,004	16,474,660	28%
Inventory items	33,974		-100%
Finished products	1,034,351	6,035,061	483%
Commodities	3,413,522	1,187,864	-65%
Packaging	4,699	6,760	44%
Production in progress	27,690,458	29,416,790	6%
Inventory prepayments	210,485	313,838	49%
<b>Receivables, of which:</b>	<b>20,132,323</b>	<b>28,063,603</b>	<b>39%</b>
Trade receivables	5,024,256	3,910,734	-22%
Other assets	15,108,067	24,152,869	60%
<b>Short-term investments</b>	<b>1,240</b>	<b>1,240</b>	<b>0%</b>
<b>Cash &amp; cash equivalents</b>	<b>1,532,832</b>	<b>11,634,559</b>	<b>659%</b>
<b>Prepaid expenses</b>	<b>4,113,910</b>	<b>6,355,860</b>	<b>54%</b>
<b>TOTAL ASSETS</b>	<b>245,175,894</b>	<b>298,625,252</b>	<b>22%</b>
<b>Current liabilities, of which:</b>	<b>85,784,830</b>	<b>152,693,280</b>	<b>78%</b>
Third-party suppliers	34,679,213	51,361,173	48%
Affiliates payables	9,820,590	12,464,656	27%
Bank debt <1 year	24,758,066	32,519,572	31%
Financial leasing <1 year	9,062,106	23,626,330	161%
Other current liabilities	7,464,855	32,721,549	338%
<b>Non-current liabilities, of which:</b>	<b>55,874,981</b>	<b>77,457,146</b>	<b>39%</b>
Bank debt	33,129,867	38,100,662	15%
Financial leasing	22,745,114	39,356,483	73%
<b>Provisions</b>	<b>182,544</b>	<b>182,544</b>	<b>0%</b>
<b>Advance income</b>	<b>305,236</b>	<b>265,478</b>	<b>-13%</b>
<b>Total liabilities</b>	<b>141,659,811</b>	<b>230,150,426</b>	<b>62%</b>
<b>Equity, of which:</b>	<b>103,028,304</b>	<b>68,026,804</b>	<b>-34%</b>

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	-	-100%
Share premium	19,441,836	10,157,240	-48%
Revaluation reserves	968,060	968,060	0%
Reserves	16,813,135	16,839,058	0%
Impairment on equity instruments	16,073,208	16,162,458	1%
Profit or loss carried forward	(7,266,424)	(12,696,533)	75%
Profit or loss for the period	(2,066,863)	(34,071,444)	1548%
Distribution of profit	(2,526,238)	0	-100%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>245,175,894</b>	<b>298,625,252</b>	<b>22%</b>

# CONSOLIDATED CASH-FLOW

CASH FLOW (RON)	31.12.2022	31.12.2023
<b>Profit before tax</b>	<b>(729,769)</b>	<b>(34,071,444)</b>
Adjustments for:		
Adjustments on account of the reported result	-	(5,609,131)
Adjustments for exchange rate losses/(gains).	-	582,018
Debt adjustment	234,172	-
Inventory adjustment	-	-
Depreciation and provisions	11,476,340	14,787,656
Loss/(Profit) from the transfer of assets	(354,567)	(2,916,564)
Decrease/(Increase) in other provisions	2,314,537	-
Financial revenue	(6,853,978)	(55,087)
Financial costs	5,096,259	8,521,107
Tax on profit	-	526,179
<b>Profit before working capital change</b>	<b>11,182,993</b>	<b>(18,235,266)</b>
Other operating receipts/(payments)		
Decrease/(Increase) of receivables	(3,717,204)	(11,052,618)
Decrease/(Increase) of inventory	(21,523,850)	(8,086,053)
Increase/(Decrease) of liabilities	36,714,053	46,506,316
<b>Cash from operating activity</b>	<b>22,655,992</b>	<b>9,132,379</b>
Interest paid	(3,123,700)	(8,509,783)
Profit tax paid	(536,674)	(526,179)
<b>Net cash from operating activity</b>	<b>18,995,618</b>	<b>96,417</b>
<i>Flows from investment activities</i>		
Acquisitions of tangible and intangible assets	(55,516,060)	(23,127,660)
Land acquisitions	(561,732)	-
Sales of tangible and intangible assets	2,577,649	4,256,387
Acquisitions of farm shares	(4,634,420)	4,567,780
Guarantees	-	-
Interest collected	70,661	55,087
<b>Net flows from investment activities</b>	<b>(58,063,902)</b>	<b>(14,248,406)</b>
<i>Flows from financing activities</i>		
Increase in share capital	20,874,629	4,153,301
Receipts/(Payments) related to leasing contracts	10,836,732	(12,784,206)
Current bank loans - net	6,659,470	14,915,329
Non-current bank loans - withdrawals	8,138,851	17,969,292
Non-current bank loans - repayments	(7,903,025)	-
Currency exchange difference	12,948	-
<b>Net flows from financing activities</b>	<b>38,619,604</b>	<b>24,253,715</b>
<b>Net increase/(Decrease) in cash</b>	<b>(448,679)</b>	<b>10,101,727</b>
<b>Cash at the beginning of the period</b>	<b>1,981,511</b>	<b>1,532,832</b>
<b>Cash at the end of the period</b>	<b>1,532,832</b>	<b>11,634,559</b>

# INDIVIDUAL PROFIT AND LOSS ACCOUNT

According to RAS

PROFIT AND LOSS ACCOUNT (RON)	2022	2023	Evolution %
<b>Operating revenue, of which:</b>	<b>155,584</b>	<b>546</b>	<b>-99 %</b>
Other operating revenue	155,584	546	-99%
Other revenue (sale of assets.)	155,584	546	-99%
<b>Operating expenses, of which:</b>	<b>16,036,480</b>	<b>9,306,276</b>	<b>-41%</b>
Expenses with the materials, of which:	7,086	13,331	88%
<i>Other material expenses</i>	7,086	13,331	88%
Personnel costs	1,601,340	343,072	-78%
Depreciation expenses and value adjustments	11,924	5,244,604	43884%
Other operating expenses	3,142,992	2,992,230	-5%
Variable bonus related to 2021	1,452,547	-	-100%
Management contract termination fee	9,820,590	713,039	-93%
<b>Operating result</b>	<b>(15,880,895)</b>	<b>(9,305,730)</b>	<b>-41%</b>
Financial revenue	12,283,677	1,588,716	-87%
Financial expenses of which:	1,938,081	2,362,080	22%
<i>Interest loans &amp; leasing</i>	1,935,982	2,220,183	15%
<i>Other financial expenses</i>	2,099	141,897	6659%
<b>Financial result</b>	<b>10,345,596</b>	<b>(773,364)</b>	<b>-104%</b>
Total revenue	12,439,261	1,589,262	-85%
Total expenses	17,974,561	11,668,357	-35%
<b>Gross result</b>	<b>(5,535,300)</b>	<b>(10,079,094)</b>	<b>83%</b>
<b>Net result</b>	<b>(5,535,300)</b>	<b>(10,079,094)</b>	<b>83%</b>

# INDIVIDUAL BALANCE SHEET

According to RAS

BALANCE SHEET (RON)	31/12/2022	31/12/2023	Evolution %
<b>Fixed assets, of which:</b>	<b>60,935,350</b>	<b>67,145,279</b>	<b>10%</b>
Intangible assets	172,379	175,596	2%
Tangible assets	19,366	29,816	54%
Financial assets	60,743,605	66,939,867	10%
<b>Current assets, of which:</b>	<b>60,848,446</b>	<b>59,340,053</b>	<b>-2%</b>
<b>Receivables</b>	<b>60,838,797</b>	<b>50,631,498</b>	<b>-17%</b>
Trade receivables	380,781	443,396	16%
Other assets	60,458,016	50,188,102	-17%
<b>Current investments</b>	<b>1,240</b>	<b>1,240</b>	<b>0%</b>
<b>Cash and cash equivalents</b>	<b>8,409</b>	<b>8,707,315</b>	<b>103448%</b>
<b>Expenses registered in advance</b>	<b>1,355,189</b>	<b>3,640,419</b>	<b>169%</b>
<b>TOTAL ASSETS</b>	<b>123,138,985</b>	<b>130,125,751</b>	<b>6%</b>
<b>Current liabilities, of which:</b>	<b>14,168,438</b>	<b>28,475,473</b>	<b>101%</b>
Third party suppliers	255,613	412,909	62%
Liabilities with affiliates	9,820,590	12,463,501	27%
Bank liabilities <1 year	2,403,781	1,738,055	-28%
Other current liabilities	1,688,454	13,861,008	721%
<b>Non-current liabilities, of which:</b>	<b>19,110,970</b>	<b>22,026,007</b>	<b>15%</b>
Bank liabilities	19,110,970	22,026,007	15%
<b>Provisions</b>	<b>3,485</b>	<b>3,485</b>	<b>0%</b>
<b>Total liabilities</b>	<b>33,279,409</b>	<b>50,501,480</b>	<b>51%</b>
<b>Equity, of which:</b>	<b>89,856,091</b>	<b>79,977,156</b>	<b>-11%</b>
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%
Impairment on equity instruments	16,073,208	16,162,468	1%
Profit or loss carried forward	(1,715,043)	(7,257,773)	323%
Profit or loss for the period	(5,535,500)	(10,109,094)	83%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>123,138,984</b>	<b>130,125,751</b>	<b>6%</b>

# INDIVIDUAL CASH-FLOW

CASH FLOW (RON)	31.12.2022	31.12.2023
<b>Profit before tax</b>	<b>(5,535,300)</b>	<b>(10,109,094)</b>
Adjustments for:		
Adjustments on account of the reported result		(4,279,732)
Adjustments for exchange rate losses/(gains).		122,106
Debt adjustment	0	0
Inventory adjustment	11,924	5,294
SOP expenses	861,991	0
Annual performance bonus	1,452,547	0
Financial revenue	(12,283,677)	(1,558,716)
Financial costs	1,938,081	2,220,183
<b>Profit before working capital change</b>	<b>(13,554,434)</b>	<b>(13,599,958)</b>
Decrease/(Increase) of receivables	(17,902,057)	10,226,511
Decrease/(Increase) of inventory	(980,687)	(2,285,231)
Increase/(Decrease) of liabilities	9,554,690	14,930,959
<b>Cash from operating activity</b>	<b>(22,882,487)</b>	<b>9,272,281</b>
Interest paid	(1,923,999)	(2,208,836)
Profit tax paid	0	0
<b>Net cash from operating activity</b>	<b>(24,806,486)</b>	<b>7,063,445</b>
<i>Flows from investment activities</i>		
Acquisitions of tangible and intangible assets	(20,398)	(18,962)
Land acquisitions	(4,634,420)	(6,196,262)
Current investments	0	
Dividends received	10,900,000	
Interest rate received	70,065	1,557,450
<b>Net flows from investment activities</b>	<b>6,315,247</b>	<b>(4,657,773)</b>
<i>Flows from financing activities</i>		
Increase in share capital	20,874,629	4,153,301
Bank loans - withdrawals	0	235,530
Bank loans - repayments	(2,379,815)	1,904,403
<b>Net flows from financing activities</b>	<b>18,494,814</b>	<b>6,293,234</b>
<b>Net increase/(Decrease) in cash</b>	<b>3,575</b>	<b>8,698,906</b>
<b>Cash at the beginning of the period</b>	<b>4,834</b>	<b>8,409</b>
<b>Cash at the end of the period</b>	<b>8,409</b>	<b>8,707,315</b>



# ELEMENTS OF PERSPECTIVE REGARDING THE ISSUER'S ACTIVITY

The consolidated budget for 2024 of Holde Agri Invest SA is presented below. In the table below, the management also presents the 2023 final results vs. the 2023 budget which was approved by the shareholders in the April 2023 OGMS.

Revenue and Expenditure Budget (RON)	Budget 2023	Audited 2023	23Avs. 23B	Budget 2024	24B vs. 23A
<b>HECTARES</b>	<b>12,915</b>	<b>13,725</b>		<b>16,266</b>	
Revenue from Sales of Products	103,066,528	65,353,902	-37%	83,617,610	28%
Subsidies	15,094,925	20,128,539	33%	20,352,661	1%
Production in progress		7,235,219	0%		-100%
Other operating revenues	1,500,000	6,804,447	354%	2,500,000	-63%
<b>Total revenue</b>	<b>119,661,453</b>	<b>99,522,107</b>	<b>-17%</b>	<b>106,470,270</b>	<b>7%</b>
Cost of Production Sold	46,751,756	57,386,622	2.3%	38,361,957	-33%
Indirect costs	2,739,387	7,831,366	186%	3,169,261	-60%
Lease	15,034,000	12,354,602	-18%	17,728,638	43%
Equipment expenses	5,088,880	6,158,796	21%	5,000,000	-19%
Car & Logistics Expenses	3,362,791	2,925,860	-13%	3,332,934	14%
Administrative costs	4,906,131	5,520,441	13%	3,213,250	-42%
Staff costs	14,601,400	15,221,583	4%	14,649,321	-4%
<b>Total expenses</b>	<b>92,484,345</b>	<b>107,399,270</b>	<b>16%</b>	<b>85,455,360</b>	<b>-20%</b>
<b>operational EBITDA</b>	<b>27,177,108</b>	<b>-7,877,163</b>	<b>-129%</b>	<b>21,014,910</b>	<b>-367%</b>
SOP program	1,379,209		-100%		
Management contract termination compensation		713,039	0%		
<b>EBITDA</b>	<b>25,797,899</b>	<b>-8,590,202</b>	<b>-133%</b>	<b>21,014,910</b>	<b>-345%</b>
<i>EBITDA/ha</i>	<i>1,998</i>	<i>-626</i>	<i>-131%</i>	<i>1,292</i>	
<i>Depreciation expenses</i>	<i>9,419,343</i>	<i>9,480,019</i>	<i>1%</i>	<i>11,193,984</i>	<i>18%</i>
<b>EBIT</b>	<b>16,378,556</b>	<b>-18,070,221</b>	<b>-210%</b>	<b>9,820,926</b>	<b>-154%</b>
<i>Financial expenses</i>	<i>6,013,672</i>	<i>10,167,411</i>	<i>69%</i>	<i>10,804,007</i>	<i>6%</i>
<b>EBT</b>	<b>10,364,884</b>	<b>-28,237,632</b>	<b>-372%</b>	<b>-983,081</b>	<b>-97%</b>
<i>Tax profit</i>	<i>900,000</i>	<i>526,175</i>	<i>-42%</i>		
<b>Profit before termination contract management</b>	<b>9,464,885</b>	<b>-28,763,807</b>	<b>-404%</b>	<b>-983,081</b>	<b>-97%</b>
<i>Management contract cost</i>			<i>0%</i>		
<b>Net profit without amortization of goodwill and leasehold</b>	<b>9,464,885</b>	<b>-28,763,807</b>	<b>-404%</b>	<b>-983,081</b>	<b>-97%</b>
<i>Depreciation of goodwill and lease</i>	<i>4,300,000</i>	<i>5,307,637</i>	<i>2.3%</i>	<i>5,307,637</i>	
<b>RAS net result</b>	<b>5,164,885</b>	<b>-34,071,444</b>	<b>-760%</b>	<b>-6,290,718</b>	<b>-82%</b>

## 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 over 12,000 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 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 Report, 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
<b>SECTION A – RESPONSIBILITIES OF THE BOARD OF DIRECTORS (BOARD)</b>				
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 2023.
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 2023, 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 <a href="http://www.holde.eu">www.holde.eu</a> 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, April 29, 2024

According to the best information available, we confirm that the audited consolidated and individual simplified financial statements prepared for the January 1, 2023 to 31 December 2023 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 annual report for 2023 provides a fair and accurate picture of the important events that took place during the financial year 2023 and their impact on the consolidated and individual financial statements .

**Iulian-Florentin Circiumaru**

Chairman of the Board of Directors of Holde Agri Invest SA