



Holde



FINANCIAL REPORT

September 30, 2024

Holde Agri Invest S.A.

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

TABLE OF CONTENTS

ISSUER INFORMATION	3
ABOUT HOLDE AGRI INVEST	5
KEY EVENTS IN Q3 2024 AND AFTER CLOSING OF THE REPORTING PERIOD	7
HOLDE AGRI INVEST KEY INDICATORS – 9M 2024	8
ANALYSIS OF THE FINANCIAL RESULTS	9
CONSOLIDATED PROFIT AND LOSS ACCOUNT	11
CONSOLIDATED BALANCE SHEET	12
OUTLOOK FOR 2025	14
DECLARATION OF THE MANAGEMENT	15

Disclaimer: The financial figures presented in the descriptive part of the report that are expressed in RON million are rounded off to the nearest integer and may result in small reconciliation differences.

ISSUER INFORMATION

Information about this financial report

Type of report	Quarterly Report – Q3 2024
For financial period	01.01.2024 – 30.09.2024
Legal basis for report	Annex 13 to ASF Regulation 5/2018
Report publishing date	28.11.2024

Issuer information

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

Information about financial instruments

Subscribed and paid-up share capital	RON 121,273,584
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

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

The interim financial statements as of September 30th, 2024, presented on the following pages, are **not audited**.



Q3 2024 RESULTS CONFERENCE CALL **28.11.2024 | 12:00 hrs**

On November 28, 2024, Holde Agri Invest will hold a conference call to present financial results for the first nine months of 2024. The call will start at 12:00 local time and will be held in Romanian.

To participate in the conference call, please register **[HERE](#)**.

ABOUT HOLDE AGRI INVEST

Sector of activity

The Romanian agricultural cycle is divided into two main seasons:

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

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

Brief history

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

In July 2018, the Company made its first purchase, a farm of approximately 2,800 hectares in the Rosiorii de Vede area of Teleorman county and took over five companies and the existing mechanization center that serves the total exploited area. In April 2020, Holde Agri Invest acquired the Agromixt Buciumeni farm, a company founded in 1991 with Romanian capital, which operates agricultural land in Calarasi County, thus reaching over 7,000 ha of exploited land. Next, the company acquired Agrocom Exim Prod SRL and took over what is known as the Videle farm, the third core of Holde Agri Invest. The integration of the Videle farm took place in several steps. In 2019, Holde started to exploit 850 ha of land, in 2020 the land cultivated by the company increases to 1,600 ha, and from the summer of 2021, Holde exploits the total area of 2,400 ha. In 2021, conventional crops such as wheat, rapeseed, maize and sunflower were grown on the Videle farm lands. In 2022, Holde purchased a farm in Dambovita county, Contesti commune, with a total area of 2,100 ha of land. This became the fourth Holde nucleus, after Rosiori, Videle and Frumusani, and in March 2023, the Company informed investors about the purchase of a farm of approximately 980 ha, in Dambovita county. 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, with 3,000 ha of exploited land at the time of publication of this report.

At the end of Q3 2024, Holde Agri Invest operated a total area of 16,321 ha.

On October 1st, 2020, class A shares of Holde Agri Invest debuted on the AeRO market of the Bucharest Stock Exchange, after two successful private placements –in December 2019, and June 2020. Following the completion of a share capital increase operation in 2021, Holde Agri Invest closed a new share capital increase operation in August 2022, which contributed to Holde's further development. Also in 2023, the Company initiated a new share capital increase operation, finalized in H1 2024. As a result of this operation, the Company's share capital was increased to the nominal value of 121,273,584 RON, by issuing a number of 19,142,694 new class A nominative dematerialized shares, with a total nominal value of 19,142,694 RON.

Business structure

As of September 30, 2024, Holde Agri Invest, the holding company, included 19 entities - 17 technical crop farms located in Teleorman County (Rosiori nucleus - Agro Antran, Agro Sargadillo, Benasque, Bigmed, Capriciu, Inter Muntenia, Ronosca, Interpret Agrotex and Videle nucleus - Agrocom, Lorean Agro Impex), in Calarasi

KEY EVENTS IN Q3 2024 AND AFTER CLOSING OF THE REPORTING PERIOD

On **August 26, 2024**, the Company informed the market about the change of Mr. Daniel Adam from the position of Chief Financial Officer (CFO) of the Company. On **October 8, 2024**, the Company informed the market of the appointment of Mr. Bogdan Lungu as Chief Financial Officer of the Company.

On **September 20, 2024**, the Company informed the market about the change of Mr. Liviu Zagan from the position of Chief Executive Officer (CEO) of the Company, Bogdan Serghiescu taking over the position of interim CEO.

On **October 9, 2024**, the Company informed the market about contracting a loan of 1.5 million RON from SEVENX VENTURES S.R.L., a significant shareholder of the Company. The loan has a maturity until 01.10.2027 and a fixed interest rate of 10%.

On **October 11, 2024**, the Company informed the market about contracting a loan of 500 thousand RON from VERTICAL SEVEN SEVEN GROUP S.A., a significant shareholder of the Company. The loan has a maturity until 01.10.2027, a fixed interest rate of 10%, and the Company is considering the possibility of converting this debt into shares as part of a possible capital increase operation.

On **November 20, 2024**, the Company informed the market about contracting a loan of 3 million RON from SEVENX VENTURES S.R.L., a significant shareholder of the Company. The loan is subordinate, has a maturity until 11.11.2027 and a fixed interest rate of 10%.

Significant Contracts

To date, the Company has reported several significant contracts for the sale of agricultural products, in accordance with the applicable capital market regulations, which can be consulted by investors at the following links:

- [Current report 26/2024](#)
- [Current report 28/2024](#)
- [Current report 36/2024](#)

HOLDE AGRI INVEST KEY INDICATORS – 9M 2024

PPROFITABILITY		30/09/2023	30/09/2024	Δ
Total revenue	<i>thousand RON</i>	76,552	80,034	5%
EBITDA	<i>thousand RON</i>	(12,769)	2,968	-123%
Adjusted EBITDA*	<i>thousand RON</i>	(7,069)	2,968	-142%
Net profit	<i>thousand RON</i>	(22,877)	(16,092)	-30%
Net profit per share	<i>RON</i>	-0.224	-0.133	-41%
OPERATIONAL		2022-2023	2023-2024	Δ
Operated land	<i>ha</i>	13,700	16,321	19%
Agricultural output	<i>tons</i>	56,550	51,270	-17%
CAPITALIZATION		31.12.2023	30.09.2024	Δ
Equity	<i>thousand RON</i>	68,027	68,524	1%
Net financial liability	<i>thousand RON</i>	121,968	130,258	7%
Debt-to-Equity ratio **	<i>%</i>	64%	66%	1 pp
Current liquidity***	<i>%</i>	65%	65%	(0) pp

*After the reclassification of discounts received from input suppliers (for the year 2023)

**Calculated as Net Financial Debt / (Equity + Net Financial Debt)

***Current Assets / Current Liabilities

Expectations for the remainder of the year

The specificity of the business model of Holde Agri Invest SA allows for the full results of the harvesting campaigns for the financial year to be known by the time the financial results for the first nine months are reported. This provides increased visibility regarding the operating revenues to be achieved during the financial year. Consequently, based on all the information available, the management of Holde Agri Invest SA can provide an estimate of the unaudited financial results expected as of 31.12.2024.

Taking the above into account, the expectations regarding the unaudited financial results as of 31.12.2024 are:

Agricultural Land Under Cultivation (ha)	16,321
Operating Revenues	RON 95-100 million
EBITDA	RON 5-7 million

ANALYSIS OF THE FINANCIAL RESULTS

Revenues and expenditure

As of 30.09.2024, the Holde group recorded consolidated revenues from its core activity of RON 80 million (2023: RON 76.6 million, +5%). Total operating revenues include RON 49.5 million from the sale of agricultural products and goods, RON 20.5 million from subsidies for agricultural crops (2023: RON 11.4 million, +81%), driven by the increase in the cultivated area compared to the previous period, and include state aid of RON 4.2 million. Additionally, RON 3.2 million came from revenues generated by the sale of assets (used agricultural machinery). The 5% increase in consolidated revenues compared to 9M of the previous year was primarily determined by the scaling of the cultivated area and the growth in revenues from subsidies.

The executive management considers that the preliminary financial results as of 30.09.2024 should not be viewed by investors as a pro-rata representation of the Company's financial results for the entire 2024 financial year.

The results for the first nine months of the year were achieved by cultivating a total area of 16,321 hectares (2023: 13,200 hectares, +24%), of which 1,759 hectares were under organic farming (2023: 1,923 hectares) across the five nuclei: Rosiori, Frumusani, Videle, Contesti, and Salcia. The group achieved a total production of 51,310 tons in 2024 (2023: 56,550 tons, -9.2%), of which 2,720 tons were from organic crops. The autumn crop campaign of the 2023-24 agricultural year generated total harvests of 8,523 tons (2023: 16,721 tons, -51%), of which 420 tons came from organic crops (2023: 470 tons, -12%). The yields were negatively impacted by unfavorable weather conditions (lack of precipitation, soil drought). At the nucleus level, the Rosiori nucleus produced 2,720 tons of cereals under organic farming (wheat, sunflower, and peas) and 4,010 tons of cereals under conventional farming (wheat, peas, rapeseed, sunflower). The Frumusani nucleus recorded a production of 16,600 tons of wheat, barley, rapeseed, peas, potatoes, irrigated corn, and sunflower. At the Videle nucleus, the Company cultivated wheat, barley, peas, and rapeseed, achieving a total production of 10,050 tons. The Contesti nucleus generated a total production of 9,930 tons, and in this nucleus, the Company cultivated barley, peas, wheat, rapeseed, sunflower, and sorghum. The Salcia nucleus in Braila County produced 8,000 tons, originating from wheat, barley, peas, sunflower, and corn crops.

The average production at the aggregate level of the Holde group for the 2023-24 agricultural year is included in the table below:

Agricultural year	2019/20	2020/21	2021/22	2022/23	2023/24
Conventional crops - average production (to /ha)	3.73	4.00	4.01	4.12	3.12
Organic crops - average production (to /ha)	1.48	1.11	1.16	2.09	1.60

The expenses related to the inputs required for the formation of the 2023-24 agricultural year's crops decreased by 27% to RON 38.2 million (2023: RON 52.6 million), primarily due to the decline in prices, especially for fertilizers, driven by the evolution of oil and natural gas prices on international markets, despite an increase in cultivated areas.

Personnel expenses amounted to RON 10.1 million (2023: RON 11.4 million, -11%) as a result of a reduction in the number of employees from 140 (30 September 2023) to 109 (30 September 2024). The full impact of these cost reduction measures will be reflected in the 2025 results.

Depreciation and amortization expenses increased by 32% compared to the corresponding period of the previous year, reaching RON 14 million (2023: RON 10.6 million). This was influenced by higher depreciation of machinery, the increase in leased areas following farm acquisitions, and the inclusion of machinery from the acquired farms in this calculation. Other operating expenses reached RON 17.9 million (2023: RON 14.8 million, +21%), mainly including expenses for machinery repairs and logistics, expenses for assets sold, legal and financial consultancy, as well as bank and leasing commissions. The expenses for the fees regarding the Board of Directors members were RON 0.38 million (2023: RON 0.57 million, -33%).

Overall, operating expenses decreased by 9% compared to the third quarter of 2023, amounting to RON 91.1 million (2023: RON 99.9 million).

The EBITDA indicator recorded a result of RON 2.97 million (2023: RON -12.8 million), with the increase mainly driven by a significant reduction in production costs due to lower input costs, particularly for fertilizers. Another contributing factor was the optimization of logistics costs compared to 2023, using cheaper alternatives (barge and rail transport vs. road transport). Additionally, the number of employees was reduced through the optimization of production processes and the completion of the integration of farms acquired in 2023.

The financial loss of RON -5.03 million (2023: RON 0.67 million profit) includes interest expenses on bank loans for acquisitions and working capital, interest on finance lease contracts, foreign exchange differences, and other financing-related fees. The main reason for the difference compared to the value reported as of 30.09.2023 is the reclassification of discounts received from input suppliers, which are now reflected in the operating result.

The net loss of RON -16.1 million (2023: RON -22.9 million) represents a 30% reduction compared to the same period last year and is primarily attributable to lower operating expenses, optimization of operational costs, and staff reduction.

Assets and liabilities

Total assets increased by 3% since the beginning of 2024, reaching RON 306.8 million. Fixed assets decreased by 1% due to depreciation and the sale of technologically outdated equipment. As of 30.09.2024, inventories amounted to RON 50.6 million, primarily consisting of production in progress for the current agricultural year (RON 19.6 million), input stocks: seeds, diesel, fertilizers, treatments (RON 22.5 million), and finished products and commodities (RON 8.5 million). The group's receivables reached RON 51.4 million, including trade receivables from sales of the current agricultural year's harvest, agricultural subsidies, and recoverable VAT. At the end of the third quarter of 2024, cash and cash equivalents stood at RON 2.7 million.

Equity remained relatively constant compared to the beginning of the year (RON 68.5 million), as the loss for the period was offset by an increase in share capital.

The group's liabilities increased by 3% since the beginning of the year, reaching RON 238.2 million, mainly driven by the rise in trade payables related to the procurement of inputs for the 2024-2025 agricultural cycle.

Current liabilities to suppliers increased by RON 33.5 million due to the expansion of the cultivated area and include inputs for the 2023-2024 and 2024-2025 agricultural years. Other current liabilities predominantly include repayments related to factoring operations for APIA subsidies, salaries and associated taxes, and prepayments from customers. Current bank liabilities increased by 5% in the first nine months of the year, reaching RON 65 million. This includes the maturity of working capital financing under 1 year as part of the syndicated loan signed in the first half of this year (RON 28.9 million) and other bank financing with a maturity under 1 year (RON 6.5 million). Non-current liabilities, amounting to RON 67.6 million, decreased by 4% compared to the beginning of the year. As of 30.09.2024, the group recorded total interest-bearing liabilities of RON 132.98 million (of which RON 70.73 million were bank loans and RON 62.25 million were financial leasing).

Holde Agri Invest's Net Financial Debt amounted to RON 130.2 million as of the reporting date.

The capital structure of the Holde group shows a current liquidity ratio (Current Assets/Current Liabilities) of 0.65 and a Debt-to-Equity ratio (Net Financial Debt/Capital employed) of 0.66.

The consolidated financial statements of the Holde group for the first nine months of 2024 included the companies Holde Agri Invest SA, Holde Agri Operational SRL, Agricultura Inovativa SRL, Agro Antran SRL, Agro Fields Future SRL, Agro Sargadillo SRL, Agrocom Exim Prop SRL, Agromixt Buciumeni SRL, Alcadan Agri SRL, Benasque SRL, Bigmed SRL, Breil Greins SRL, Capriciu de Licuriciu SRL, Inter Muntenia SRL, Interpret Agrotex SRL, Lorean Agro Impex SRL, Play Promotion Group SRL, Sitorom SRL and Ronosca SRL.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

According to RAS

Consolidated Profit & Loss Account (RON)	30/09/2023	30/09/2024	Evolution %
Operating revenue, of which:	76,552,140	80,034,441	5%
Sales of own agricultural products	51,141,295	48,988,286	-4%
Goods sold	1,255,395	573,491	-54%
Revenue from operating subsidies	11,354,259	20,546,545	81%
Inventory variation	8,047,145	3,097,998	-62%
Other operating revenues, of which:	4,754,046	6,828,120	44%
Other subsidies	1,314,110	12,112	-99%
Sales of assets	3,337,315	3,228,023	-3%
Other operating revenues	102,621	3,587,985	3396%
Operating expenses, of which:	99,939,550	91,098,148	-9%
Materials expenses, of which:	54,022,648	39,262,695	-27%
Costs of raw materials and materials	52,602,056	38,175,084	-27%
Costs of goods	1,165,333	615,232	-47%
Other material expenses	255,259	472,379	85%
Lease	8,553,900	9,390,511	10%
Personnel expenses	11,363,651	10,094,444	-11%
Amortization expenses, of which:	10,618,270	14,031,956	32%
Depreciation and amortization expenses	7,270,105	9,530,123	31%
Expenses with the amortization of right-of-use	1,040,912	1,707,031	64%
Expenses with amortization of goodwill	2,307,253	2,794,802	21%
Other operating expenses	14,810,659	17,938,262	21%
Management contract fee/Board of Directors	570,422	380,281	-33%
Operating result	(23,387,410)	(11,063,708)	-53%
Financial income	5,690,835	5,381	-100%
Financial expenses, of which	5,019,338	5,033,877	0%
Loans interest & leasing	4,737,272	4,873,659	3%
Other financial expenses	282,066	160,218	-43%
Financial result	671,497	(5,028,496)	-849%
Total income	82,242,975	80,039,821	-3%
Total expenses	104,958,888	96,132,025	-8%
Gross result	(22,715,913)	(16,092,204)	-29%
Income tax	161,253	0	-100%
Net result	(22,877,166)	(16,092,204)	-30%

CONSOLIDATED BALANCE SHEET

According to RAS

Consolidated balance sheet (RON)	31/12/2023	30/09/2024	Evolution %
Fixed assets, of which:	199,135,019	196,264,757	-1%
Intangible assets, of which:	59,259,272	58,941,028	-1%
Licenses	443,345	30,749	-93%
Intangible assets - right of use	33,471,301	35,487,442	6%
Goodwill	25,344,626	23,422,837	-8%
Tangible fixed assets, of which:	138,172,042	136,639,381	-1%
Lands	16,734,042	17,844,897	7%
Buildings	4,285,620	5,382,341	26%
Equipment & Vehicles	90,399,328	86,428,036	-4%
Other equipment, machinery, and furniture	101,062	741,940	634%
Prepayment and fixed assets under investment	26,651,990	26,242,166	-2%
Financial assets	1,703,705	684,348	-60%
Current assets, of which:	93,134,373	104,669,129	12%
Inventory, of which:	53,434,973	50,571,348	-5%
Raw materials and consumables	16,474,660	21,851,088	33%
Inventory items	0	7,923	100%
Finished products	6,035,061	7,910,961	31%
Commodities	1,187,864	524,506	-56%
Packaging	6,760	131,224	1841%
Production in progress	29,416,790	19,571,569	-33%
Inventory prepayments	313,838	574,076	83%
Receivables, of which:	28,063,603	51,375,250	83%
Trade receivables	3,910,734	16,164,548	313%
Other assets	24,152,869	35,210,702	46%
Short-term investments	1,240	1,240	0%
Cash & cash equivalents	11,634,559	2,721,291	-77%
Prepaid expenses	6,355,860	5,824,181	-8%
TOTAL ASSETS	298,625,252	306,758,067	3%
Current liabilities, of which:	152,693,280	170,218,175	7%
Third-party suppliers	51,361,173	84,896,149	65%
Affiliates payables	12,464,656	0	-100%
Bank debt/Financial leasing <1 year	56,145,902	65,399,745	5%
Other current liabilities	32,721,549	19,922,281	-39%
Non-current liabilities, of which:	77,457,146	67,579,381	-4%
Bank debt/Financial leasing	77,457,146	67,579,381	-4%
Provisions	182,544	182,544	0%
Advance income	265,478	253,523	-5%
Total liabilities	230,598,448	238,233,623	3%
Equity, of which:	68,026,804	68,524,444	1%

Subscribed and paid-up share capital – ordinary shares	101,435,040	121,273,584	20%
Preference shares	695,850	0	-100%
Other elements of equity	861,991	861,991	0%
Own shares	0	0	0%
Share premium	10,157,240	13,636,383	34%
Revaluation reserves	968,060	968,060	0%
Reserves	16,839,058	16,839,059	0%
Impairment on equity instruments	(16,162,458)	(16,162,458)	0%
Profit or loss carried forward	(12,696,533)	(52,799,972)	316%
Profit or loss for the period	(34,071,444)	(16,092,204)	-53%
Distribution of profit	0	0	0%
TOTAL EQUITY AND LIABILITIES	298,625,252	306,758,067	3%

OUTLOOK FOR 2025

The management team is in the process of preparing the Budget for Revenues and Expenses for 2025. Initial projections indicate a significant improvement in operational results:

Agricultural Land Under Cultivation (ha)	16,321
Operating Revenues	RON 125-130 million
EBITDA	RON 36-38 million
EBITDA/ha	RON 2,200-2,350
EBITDA margin	28%-30%

The assumptions considered for achieving this result are as follows:

- Completion of autumn planting (wheat, rapeseed, and barley) on time and under the best conditions;
- Adjustment of the crop plan structure, emphasizing autumn crops, which are better suited to the weather conditions of recent years;
- A satisfactory level of rainfall this autumn;
- An increase in sales prices for the main categories of cereals;
- Concrete measures taken to reduce operational costs, a process currently underway.

DECLARATION OF THE MANAGEMENT

Bucharest, November 28th, 2024

According to the best available information, we confirm that the unaudited interim condensed consolidated financial statements prepared for the nine months period ended September 30th, 2024, provide a fair and accurate view of the assets, liabilities, financial position and profit and loss, as required by the applicable accounting standards, and that the Director's Report provides a fair and accurate view of the important events that took place during the first nine months of the 2024 financial year and their impact on the interim condensed consolidated financial statements

Iulian-Florentin Circiumaru

Chairman of the Board of Directors of Holde Agri Invest S.A.