

Q1 2023



# FINANCIAL REPORT



# IN THE Q1 2023 REPORT

## 1. STRATEGIC REPORT

Issuer information 3

**ABOUT US 4**

DN AGRAR - Landmarks Q1 2023 5

Q&A with our CEO Jan G. de Boer 7

**KEY EVENTS Q1 2023 8**

**PRESENTATION OF DN AGRAR 10**

**DN AGRAR ON THE CAPITAL MARKET 12**

Performance indicators 13

**PERFORMANCE 15**

DN AGRAR Group performance and key figures in 2023 16

Milk production activity 17

Agriculture and cereal production activity 18

Analysis of financial results 19

• Analysis of consolidated financial results as at 31.03.2023 19

• Analysis of the profit and loss account at consolidated level 20

• Analysis of the balance sheet at consolidated level 24

• Key financial indicators at consolidated level 27

**2. CURRENT PROJECTS AND PERSPECTIVES 31**

**3. MANAGEMENT STATEMENT 34**

**4. CONTACT 35**

• The consolidated financial results give a true and fair view of the assets, liabilities, financial position, income and expenses of DN AGRAR GROUP S.A. as required by applicable accounting standards.

• Management's Report gives a true and fair view of the significant events that occurred in the first quarter of FY2023 and their impact on the Company's financial statements.





# Issuer information

## Information about this financial report

Report type	Report Quarter 1 2023
For the financial year	01.01.2023 – 31.03.2023
Legal framework	Annex 13 to ASF Regulation No. 5/2018
Report date	07.08.2023

## Information about the issuer

Name	DN AGRAR GROUP S.A.
Tax code	24020501
Commercial Register number	J01/730/2008
Registered office	Alba-Iulia, Strada Piața Iuliu Maniu, Nr. 1, Bl. 31DE, Alba County, ROMANIA

## Information about securities

Subscribed and paid-up share capital	31,818,844.80 lei
Market on which the securities are traded	MTS AeRO Premium
Key characteristics of securities issued by the company	159.094.224 ordinary shares
Symbol	DN

## Contact

Phone number	+40 258 818 114 +40 258 818 115
E-mail	investors@dn-agrar.eu
Website	www.dn-agrar.eu





**ABOUT US**

**DN AGRAR - Landmarks Q1 2023** 5

**Q&A with our CEO  
Jan G. de Boer** 7





# DN AGRAR - Landmarks Q1 2023



**Number of shares**  
**159,094,224**

**Closing price  
of shares**  
**31 March 2023**

**0.72**  
**RON**

**TURNOVER**  
**44.28**  
**RON MILLION**

**+47.77%**  
VS  
Q1 2022

**NET  
PROFIT**

**8.26**  
**RON MILLION**

**+171.62%**  
VS  
Q1 2022

**EBITDA**  
**17.12**  
**RON MILLION**

**+75.34%**  
VS  
Q1 2022

**TOTAL  
ASSETS**  
**243.85**  
**RON MILLION**

**+3.97%**  
VS  
31 Dec. 2022

**FIXED  
ASSETS**  
**161.16**  
**RON MILLION**

**+0.32%**  
VS  
31 Dec. 2022

**EQUITY**  
**87.86**  
**RON MILLION**

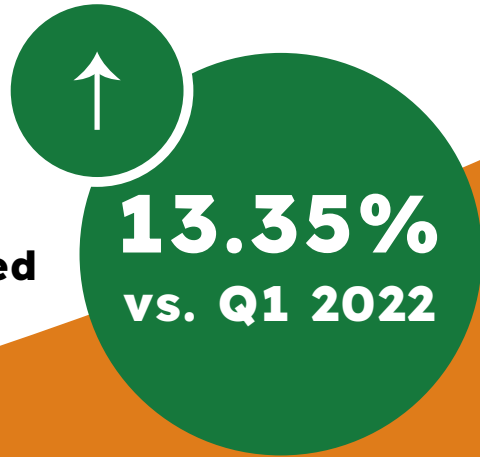
**+10.30%**  
VS  
31 Dec. 2022



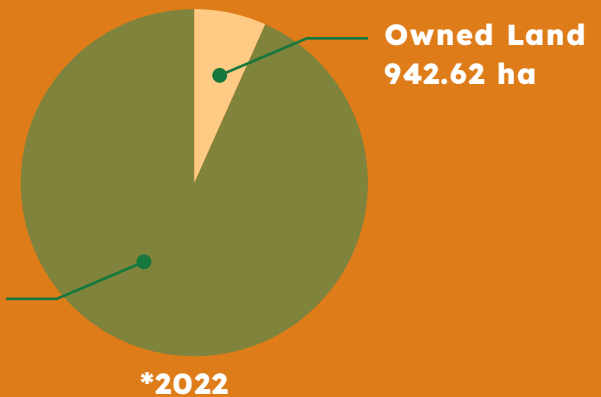
# DN AGRAR - Landmarks Q1 2023



Quantity of milk delivered



Total area - 7,151.28 ha\*



**CULTURES**

Corn

Triticale

Alfalfa

Wheat (autumn)

Barley (spring and autumn)

Sunflower

Peas

Grass mixture



## Q&A with our CEO Jan G. de Boer



### 1. How would you characterize the first quarter of 2023 for DN AGRAR?

We ended Q1 2023 with increasing results due to previous investments and synergies within the Group. We have increased production capacity in a sustainable way and renewed our livestock and continued to develop our operations.

The quantity of milk delivered increased by 13% in the first quarter of the year compared to the same period in 2022, and we expect to maintain the upward trend in production. We have optimised costs and streamlined our operations, a process that will continue throughout the year.

Turnover reached RON 44 million, an increase of 48% compared to Q1 2022, and net profit reached RON 8 million, an increase of 172% compared to the same period last year. The results have been supported by increased production capacity and milk delivery prices.

800 Holstein cows were purchased in January 2023 for the Apold farm. Thus, on 31 March, DN AGRAR had a herd of almost 12,000 cows and also a cultivated area of over 7,000 hectares.

### 2. How would you describe your operational activity in the first 3 months of the year? What were the challenges?

The expansion of new facilities and tools that have allowed us to reduce costs on the one hand and increase revenues due to higher production capacity on the other has come with its challenges. We had to adapt operationally for a larger herd of animals, so we needed larger quantities of feed and also integrated new colleagues. The operational team on the farm continued the adaptation process to use the new milking parlour.

All our activities are developed with a focus on the environment, to reduce our footprint and use as much of our own resources as possible.

### 3. What are your expectations for the next quarter and 2023?

In the second quarter, we expect to maintain the pace of growth in operational activity, including milk production. The milk market was impacted by price fluctuations in the first part of the year, but a stabilisation has been noticed since June. We believe we are well positioned in the local milk market and already offer a significant quantity of excellent quality milk for local consumption.

At DN AGRAR we will continue the development of projects for our farms, the implementation of new technologies (use of robots in the milking parlours of Cut and Lacto Agrar farms) and the compost factory.

Our plans for 2023 and beyond remain ambitious, with a focus on increasing production capacity in a sustainable way.

We aim to remain a modern Group and build a platform for further expansion. Our growth equals investment and we work with both short-term and, of course, long-term goals.

### 4. What is DN AGRAR's strategy for adopting ESG practices?

Our strategy is to promote sustainable and regenerative farming practices that maximize productivity, reduce environmental impact and ensure long-term profitability.

We have ensured that activities in dairy farming, agriculture, transport and management activities are carried out in a responsible and sustainable manner by implementing appropriate procedures.

We also aim to report our ESG performance for the first time against the Global Reporting Initiative (GRS) standard.



# KEY EVENTS Q1 2023

## JANUARY

### DN AGRAR buys 800 Holstein cows for the Apold farm



“So far, purchases for the Apold farm amount to a herd of 1,200 animals, part of which is used to renew the milking cow herd and part to fill the farm’s new production capacity.

The investments made last year to modernise and expand our milking parlours allow us to increase both the number of cattle and milk production without compromising the quality standards that define our company”, says Jan Gijsbertus de Boer, Chairman of the Board of Directors of DN AGRAR Group.

## MARCH

### DN AGRAR PROJECTS

- Start of the project for reporting under IFRS
- Implementation phase of the digital ERP - SAP solution for DN AGRAR SERVICE and DN AGRAR LOGISTICS



## FEBRUARY

### DN AGRAR Group continues investments in Apold farm, by purchasing 200 igloos





# What did Q1 2023 mean for DN AGRAR?

## January

### DN AGRAR buys 800 Holstein cows for Apold farm

A large proportion of the 800 Holstein cows additionally purchased for the Apold farm are already pregnant, so by the end of July they will be fully productive.

The purpose of this purchase was to increase production capacity, but also to renew the herd of milking cows and young cattle.



## February

### DN AGRAR continues investments in Apold farm by purchasing 200 igloos

Also for the Apold farm, we purchased an additional 200 IGLOO-type cattle housing units for young cattle, bringing the total to 600 units, which is sufficient to cover the farm's growing herd.

The use of IGLOO shelters lasts for about 3 months. After this period, the calves are transferred to the Prodact farm (whose business is raising dairy cattle), where they stay for about 20 months, a period they spend both indoors and in the field.



## March

### DN AGRAR PROJECTS

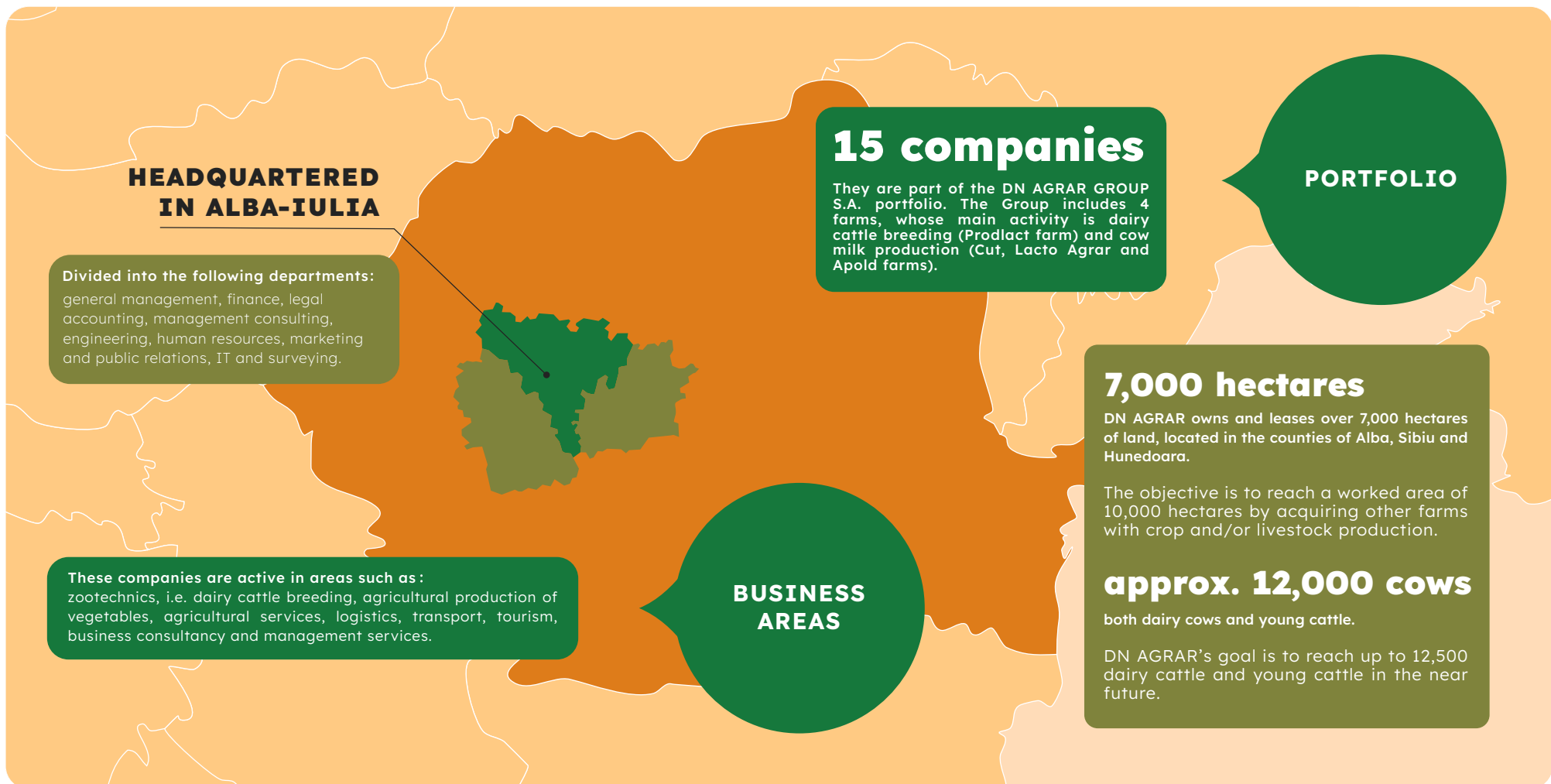
We have signed a collaboration agreement with a company that will produce the reports for the year 2022/2023 in accordance with IFRS standards, in preparation for the transfer to the Main Market of the BVB.

Also in March, we started the implementation phase of the digital ERP - SAP solution for DN AGRAR LOGISTICS and DN AGRAR SERVICE, together with the integration of the Arendis software, the diesel tank monitoring software and the Agrovir software.



# Presentation of DN AGRAR

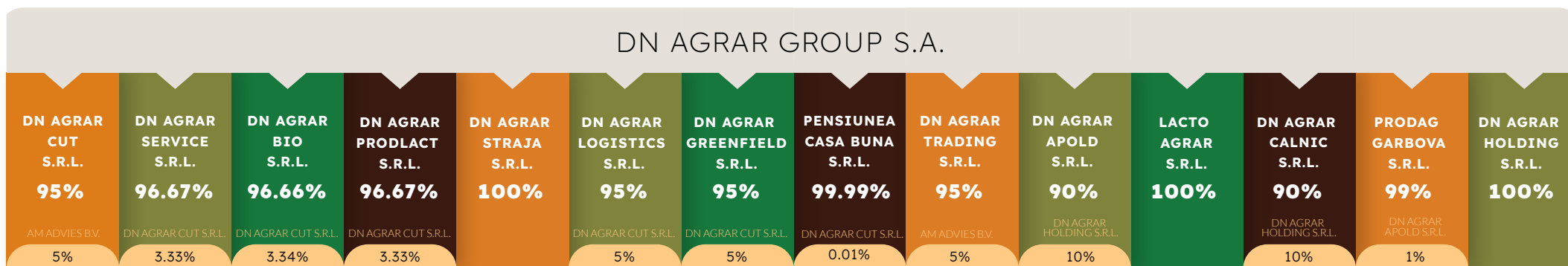
The Company started its activity in Romania in 2008, through the initial lease of 23 ha of agricultural land in central Transylvania, in the counties of Alba, Sibiu and Hunedoara - financed by Mr. Jan G. de Boer, and since 2010 through foreign investments.





# Presentation of DN AGRAR

The chart below shows the percentage of capital that DN AGRAR GROUP SA holds in each of its portfolio companies:



**DN AGRAR GROUP SA holds directly and/or indirectly\* shares to which voting rights are attached, in the following companies:**

- 1 DN AGRAR APOLD S.R.L. – direct shareholding 90% + indirect shareholding (through DN AGRAR Holding SRL) 10%
- 2 DN AGRAR CALNIC S.R.L. – direct shareholding 90% + indirect shareholding (through DN AGRAR Holding SRL) 10%
- 3 DN AGRAR TRADING – indirect shareholding (through DN AGRAR Cut SRL) 95%
- 4 DN AGRAR CUT – direct shareholding 95%
- 5 DN AGRAR HOLDING – direct shareholding 100%
- 6 LACTO AGRAR – direct shareholding 100%
- 7 PRODAG GARBOVA S.R.L. – direct shareholding 99% + indirect shareholding (through DN AGRAR Apold SRL) 1%
- 8 DN AGRAR STRAJA S.R.L. – direct shareholding 100%
- 9 DN AGRAR BIO S.R.L. – direct shareholding 96,66% + indirect shareholding (by DN AGRAR Cut SRL) 3,173%
- 10 DN AGRAR LOGISTICS S.R.L. – direct shareholding 95% + indirect shareholding (by DN AGRAR Cut SRL) 4,75%
- 11 DN AGRAR PRODLACT S.R.L. – direct shareholding 96,76% + indirect shareholding (by DN AGRAR Cut SRL) 3,16%
- 12 DN AGRAR SERVICE S.R.L. – direct shareholding 96,67% + indirect shareholding 3,1635%
- 13 DN AGRAR GREENFIELD S.R.L. – direct shareholding 95% + indirect shareholding (by DN AGRAR Cut SR) 4,75%
- 14 PENSIUNEA CASA BUNA S.R.L. – direct shareholding 99,99% + direct shareholding (by DN AGRAR Cut SRL) 0.0095%

\*the indirect participation fee has been calculated pro rata

**DN AGRAR ON THE CAPITAL MARKET**

Performance indicators

13





# Performance indicators

## VEKTOR indicator

**DN AGRAR scored 8.5 on the VEKTOR**, evaluation, the investor communication benchmark for BVB listed companies, calculated by ARIR. The score obtained in the first assessment carried out for the AeRO market at the 2022 level ranks DN among the top companies in the market and shows the company's high interest in adopting the best tools in its communication with investors.

## Share buy-back program

Share buy-back program Starting 6 January 2010, DN AGRAR has started the share buy-back programme - **Stock Option Plan**, according to the resolution of the AGEA no. 15 of 28.04.2022, in framework of which it was approved that the Company repurchases its own shares. The repurchase action will run for a maximum period of 18 months, i.e. until 17.11.2023 at the latest. The own shares repurchased by DN AGRAR will be offered to the beneficiaries (employees, directors) free of charge, beneficiaries of the Stock Option Plan. Payment for repurchased shares shall be made from the distributable profits or available reserves of the company as shown in the last approved annual financial statements, except for legal reserves as provided for in Article 103 ind.1 of Law no. 31/1990, updated.

## Share price evolution

The share price of DN AGRAR on 31 March 2023 was **0.7220 RON**, an **increase of 3.14%** compared to March 31, 2022. In the first quarter of 2023, there were **1,271 transactions** with DN shares, with a total transaction value of approximately 1.7 million lei.

## DN AGRAR GROUP - EVOLUTION OF THE SHARES PRICE COMPARED TO BETAeRO



## CAPITALIZATION

**114.86**  
RON MILLION  
31.03.2023

## EQUITY/SHARE

**0.55** **+10.3%**  
RON  
31.03.2023

## NUMBER OF SHARES

**159,094,224**

# Performance indicators

AT CONSOLIDATED LEVEL as at 31.03.2023

## PROFITABILITY EBITDA

**48.26%**

31/03/2023

+54.91%  
vs  
Q1 2022

## PROFITABILITY PROFIT

**13.68%**

31/03/2023

+90.18%  
vs  
Q1 2022

## ROA

**3.39%**

31/03/2023

+161.26%  
vs  
31 Dec. 2022

## ROE

**9.40%**

31/03/2023

+146.25%  
vs  
31 Dec. 2022

PER  
Q1 2023

**13,90%**

31/03/2023

-63,18%  
vs  
Q1 2022

PER  
Q1 2023

**14,52%**

31/07/2023

-63,18%  
vs  
Q1 2022

PROFIT/  
SHARE  
Q1 2023

**5,19%**

+171,62%  
vs  
Q1 2022

EPS  
Q1 2023

**0.05 RON**

31/03/2023

+171.62%  
vs  
Q1 2022

EPS  
Q1 2023

**0.05 RON**

31/07/2023

+171.62%  
vs  
Q1 2022

TOTAL  
ASSETS/SHARE  
Q1 2023

**1.53 RON**

+3.97%  
vs  
31 Dec. 2022

P/BV  
Q1 2023

**0.60%**

31/03/2023

-8.61%  
vs  
31 Dec. 2022

P/BV  
Q1 2023

**0.63%**

31/07/2023

-8.61%  
vs  
31 Dec. 2022

NET ASSETS/  
SHARE  
Q1 2023

**1.20 RON**

+9.42%  
vs  
31 Dec. 2022

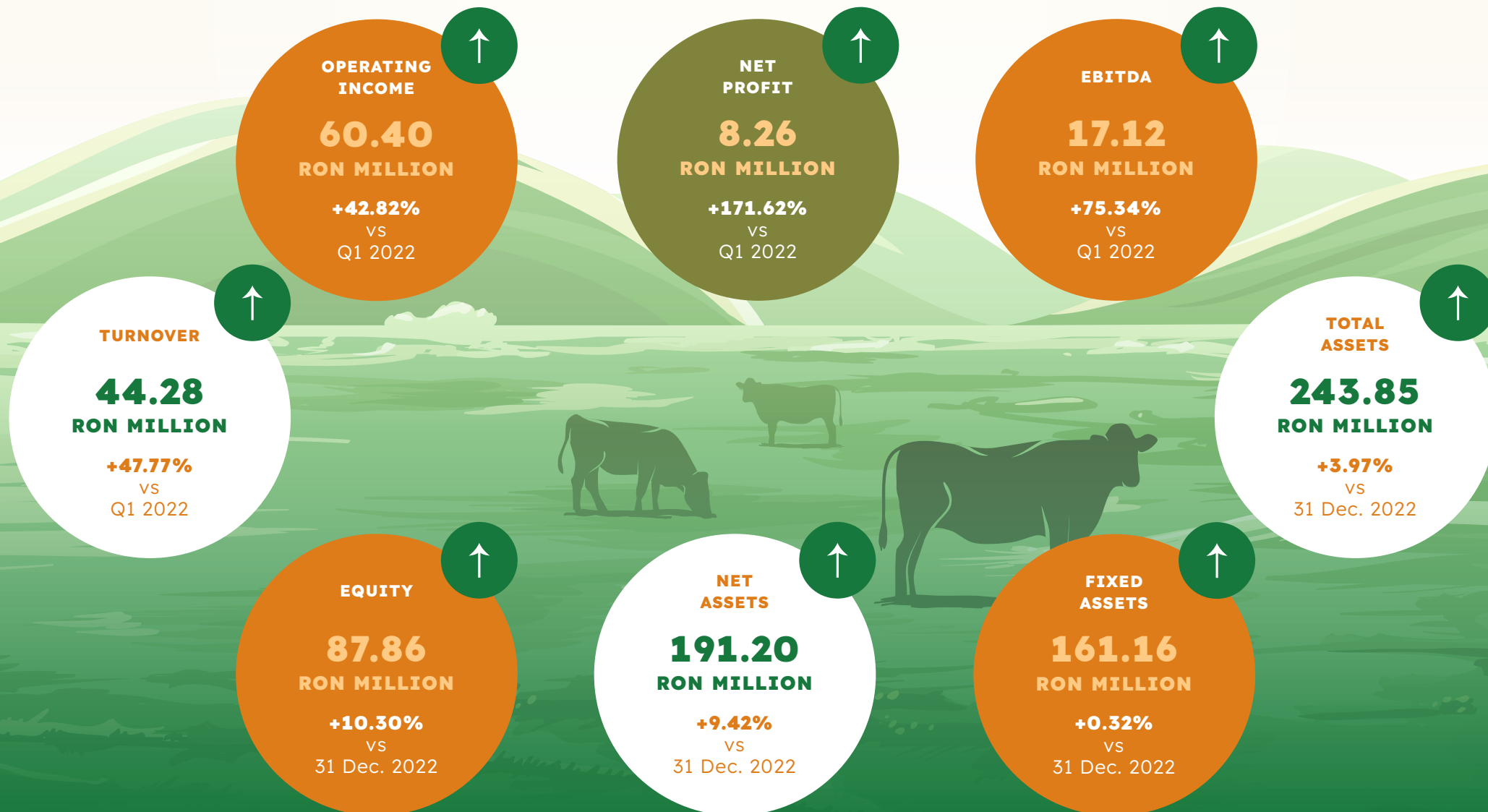


**PERFORMANCE**

DN AGRAR Group performance and key figures in 2023	16
Milk production activity	17
Agriculture and cereal production activity	18
Analysis of financial results	19
• Analysis of consolidated financial results as at 31.03.2023	19
• Analysis of the profit and loss account at consolidated level	20
• Analysis of the balance sheet at consolidated level	24
• Key financial indicators at consolidated level	27



# DN AGRAR Group performance and key figures in Q1 2023





# Milk production activity

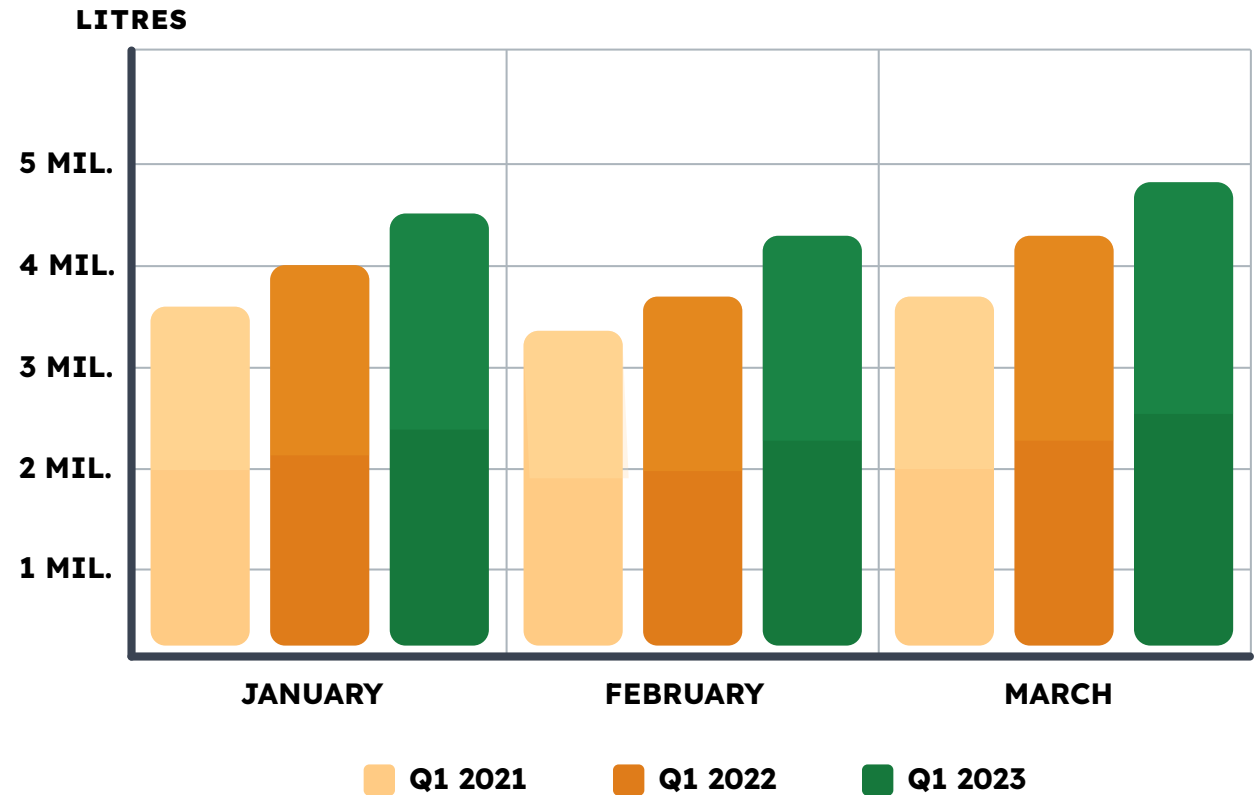
At the end of March 2023, **DN AGRAR's herd of dairy cows and young cattle** was **almost 12,000 head, up more than 9%** from the end of 2022.

Regarding **the quantity of milk delivered** by our company, for the first quarter of 2023, we recorded **an increase of more than 13%** compared to the same period of 2022, and an increase of 26% compared to 2021.

In the first quarter of this year, the quantity delivered daily to our partners was approximately **150,000 litres of milk**.



**QUANTITY OF MILK DELIVERED  
Q1 2023 vs Q1 2022 vs Q1 2021**



# Agriculture and the cereal production

In addition to milk production, DN AGRAR is also involved in grain production, which is partly seasonal. As the agricultural cycle in Romania is divided into two main seasons, each of them has a different influence on the company's financial performance

**Spring campaign:** runs from March to May, with harvesting activity in September and October.

**Autumn campaign:** takes place between September and October, with harvest the following year in summer.

In the field of cereal cultivation, **DN AGRAR group companies cultivate more than 6,200 hectares**, located in Alba, Sibiu and Hunedoara counties, the objective being to reach a worked area of **10,000 hectares**, through the purchase of other farms with vegetable agricultural production.

Related to the grain production activity, in **January we started soil preparation work for the 2022/2023 crops**, which we successfully completed in **February**.

Also in **January, we started basic overhauls of machinery and tractors**, which we do every year and completed towards the end of **February**.

In **March**, we launched a series of specific activities, namely:

- 🚜 We carried out specific work for autumn crops (fertilisation) and started soil preparation for the establishment of spring barley and alfalfa crops.
- 🌱 We carried out specific work on spring crops: sowing spring barley and sowing alfalfa, and carried out fertilisation work on cereal crops.
- 🌱 We have started preparing the land for sowing, for the maize crop.

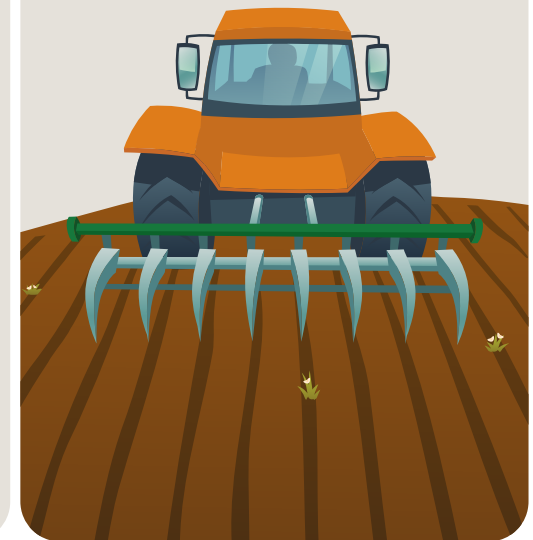
The crops grown are used both to provide the fodder base for DN AGRAR's cow farms (silage maize, alfalfa, silage triticale, grass, wheat straw) and to pay the rent (to those tenants who opt for cereals).

Another activity that DN AGRAR carries out is the production of cereals (wheat, corn) for sale.

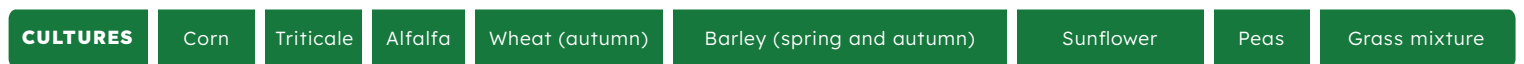
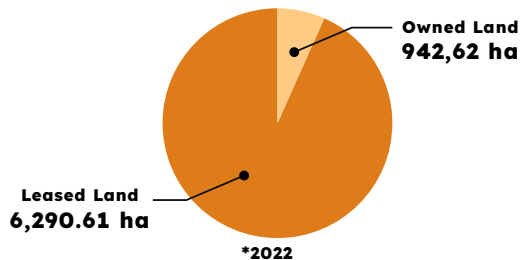
Another important activity for our company is **the establishment of the secondary maize crop**, which is set up after the harvest of the main autumn triticale silage crop. This has multiple advantages, both economic and agronomic.

The second maize crop is established at lower cost than the main crop because it does not involve lease costs, does not require basic tillage (ploughing or scarifying) or land clearance work, leaving the land clean of plant debris after the silage has been harvested, thus preventing and soil erosion.

For the agricultural year 2022/2023, we present below the crops established by DN AGRAR.



**Total area - 7,151.28 ha\***



# Analysis of financial results

## Analysis of consolidated financial results as at 31.03.2023

### DN AGRAR, the largest integrated zootechnical farm in Romania,

with cow's milk production and vegetable production, recorded very good financial results in the first quarter of 2023, with the company's performance supported by the advance in revenues **due to increased production capacity and the evolution of milk prices.**

Also, the investments made have contributed to cost optimisation and operational efficiency.

Turnover reached RON 44.28 million (+47.77% versus Q1 2022) and net profit recorded a significant increase of 171.62% compared to the same period last year, reaching RON 8.26 million.

TURNOVER

**44.28**  
RON MILLION

**+47.77%**  
vs  
Q1 2022

FIXED  
ASSETS

**161.16**  
RON MILLION

**+0.32%**  
vs  
31 Dec. 2022

NET  
PROFIT

**8.26**  
RON MILLION

**+171.62%**  
vs  
Q1 2022

CIRCULATING  
ASSETS

**80.98**  
RON MILLION

**+11.74%**  
vs  
31 Dec. 2022

INTANGIBLE  
ASSETS

**6.45**  
RON MILLION

**-3.74%**  
vs  
31 Dec. 2022

TOTAL  
ASSETS

**243.85**  
RON MILLION

**+3.97%**  
vs  
31 Dec. 2022



# Analysis of financial results

## Analysis of the profit and loss account at consolidated level

In consolidating the Profit and Loss Account the comparatives for the financial indicators are considered as at 31.03.2022, and the indicators of the group's financial position include the financial results of the Lacto Agrar and DN Agrar Apold farms. The Lacto Agrar farm was taken over by DN AGRAR Group in December 2021 and the Apold farm was taken over in April 2022.

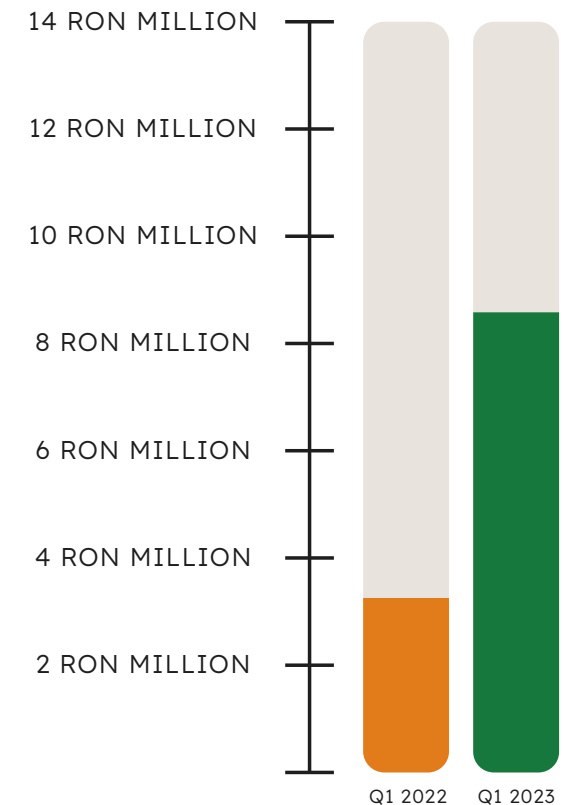
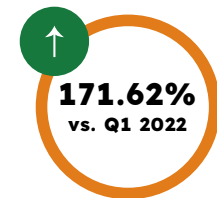
In the first quarter of 2023, operating revenues were RON 60.40 million, an increase of 42.82% compared to the same period last year. Revenue from production sold was RON 44.28 million, up 48.21% versus the same period in 2022.

The second largest contribution was made by income from operating subsidies, which increased by 83.88% to RON 5.13 million.

Subsidies are granted through APIA for both the area of land cultivated and the production of raw milk, depending on the number of animals owned, on the basis of applications made by the company.

Profit and loss account in RON	31.03.2023	31.03.2022	Δ%
Operating revenue - total	60,406,670	42,294,346	42.82%
Operating expenditure - total	47,022,493	37,279,996	26.13%
Operating profit or loss	13,384,178	5,014,350	166.92%
Financial income - total	227,894	192,431	18.43%
Financial expenditure - total	3,232,949	1,245,534	159.56%
Financial profit or loss	(3,005,055)	(1,053,103)	185.35%
Gross profit or loss	10,379,123	3,961,247	162.02%
Net profit or loss	8,263,505	3,042,269	171.62%

## Net Profit



# Analysis of financial results

## Analysis of the profit and loss account at consolidated level

With the adoption of the new PNRR (National Recovery and Resilience Plan) regulations, the reference for calculating the transitional national aids ANT7, ANT8 for milk production and animals kept on the farm has been changed, with 2018 as the reference year. Thus, **the subsidies due to DN AGRAR for livestock in 2023 take into account a 2,286 higher number of head of dairy cattle and a 23,814 tonne higher milk production in total for the group of livestock farms.** We point out that in the previous PNRR regulations the reference for milk production and animals kept on the farm were calculated at the level of the year 2013, when these were a lot lower as compared with 2018, given the level of development of the company at that time.

The new PNRR also introduces a dairy cattle welfare subsidy of €100/cow, and this is the first year it is available. In the case of DN AGRAR, an application was made for 6,386 cattle for the year 2023.

Revenue from the production of tangible fixed assets decreased slightly by 12.79% to RON 1.45 million.

Income from the sale of goods increased by 21.38% to RON 100.96 thousand due to the preservation of finished products obtained from agricultural activity for animal feed in cow milk farms.

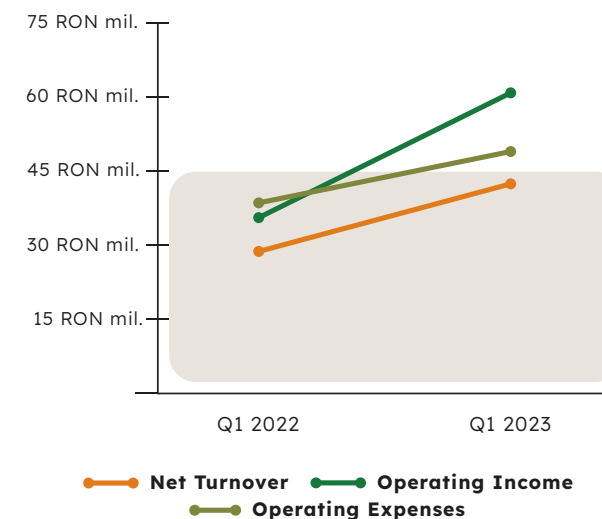
**Operating expenses increased by 26.13%** in the first quarter of 2023 versus the same period in 2022, reaching RON 47.02 million, mainly **as a result of the increase in the number of directly productive animals on the farm and in the areas worked to meet feed requirements.**

The main contribution was made by expenditure on raw materials and consumables amounting to RON 28.85 million, an increase of 56.42% compared to the same period last year.

External expenditure decreased by 77.69% and amounted to RON 204.48 thousand, while expenditure on external benefits amounted to RON 6.35 million, a decrease of 5.92% compared to Q1 2022.

Indicators (RON)	31.03.2023	31.03.2022	Δ%
Net turnover	44,280,073	29,964,618	47.77%
Production sold	44,285,796	29,881,437	48.21%
Venituri din vânzarea mărfurilor	100,963	83,181	21.38%
Income from the sale of goods	(106,686)	-	-
Income from interest recorded by entities deregistered from the General Registry that have ongoing leasing contracts	-	-	-
Income related to the cost of work in progress	-	-	-
Sold C	9,167,448	7,433,705	23.32%
Sold D	-	-	-
3. Income from the production of intangible and tangible assets	1,458,174	1,671,961	-12.79%
4. Income from the revaluation of tangible assets	-	-	-
5. Income from the production of real estate investments	-	-	-
6. Income from operating subsidies	5,133,432	2,791,658	83.88%
7. Other operating income	367,543	432,404	-15.00%
- of which, income from investment subsidies	132,023	66,012	100.00%
- of which, income from negative goodwill	-	-	-
<b>Operating income - total</b>	<b>60,406,670</b>	<b>42,294,346</b>	<b>42.82%</b>
8.a) Expenses for raw materials and consumable materials	28,854,925	18,446,875	56.42%
Other material expenses	449,896	330,568	36.10%
b) Other external expenses	880,403	666,844	32.03%
c) Expenses related to goods	120,593	455,925	-73.55%
Trade discounts received	(24,397)	(324)	7,429.85%

## Turnover, Operating Income and Operating Expenses



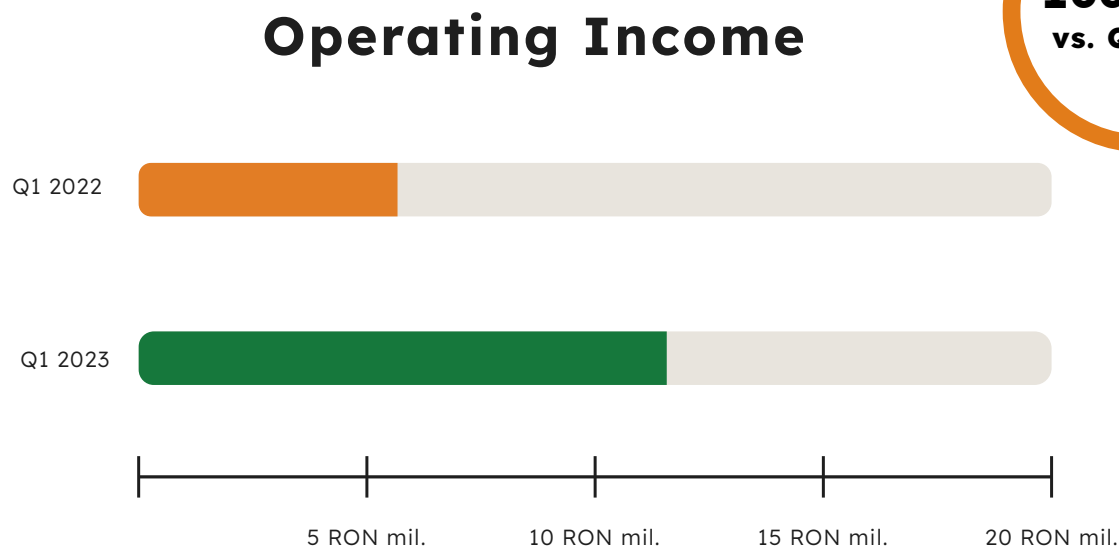
The expansion of the herd also required a larger number of staff allocated to the farm, thus staff costs increased by 15.13% versus the same period in 2022.

Depreciation and value adjustments expenses were RON 5.08 million, an increase of 3.48% due to the increase in assets DN AGRAR Group's operating result increased significantly in the first quarter of 2023, from RON 3.96 million to RON 10.37 million, an advance of 162.02%.

# Analysis of financial results

## Analysis of the profit and loss account at consolidated level

Indicators (RON)	31.03.2023	31.03.2022	Δ%
9. Personnel expenses	5,785,428	5,025,130	15.13%
a) Wages and allowances	5,656,800	4,893,727	15.59%
b) Expenses for insurances and social protection	128,628	131,403	-2.11%
10. a) Value adjustments regarding tangible and intangible assets	5,087,131	4,195,911	3.48%
a.1) Expenses	5,087,371	4,195,911	3.49%
a.2) Income	(240)	-	-
b) Value adjustments regarding current assets	726,891	171,502	323.84%
b.1) Expenses	-	5,738	-100.00%
b.2) Income	726,891	177,240	310.12%
11. Other operating expenses	6,819,892	7,796,243	-12.52%
11.1. Expenses related to external services	6,354,752	6,754,742	-5.92%
11.2. Expenses for other taxes, fees, and similar payments <sup>§</sup> expenses representing transfers and contributions due based on specific legislative acts	260,657	124,978	108.56%
11.3. Expenses for environmental protection	-	-	-
11.4. Expenses for the revaluation of tangible assets	-	-	-
11.5. Expenses for calamities and other similar events	-	-	-
11.6. Other expenses	204,483	916,523	-77.69%
Expenses for refinancing interest recorded by entities deregistered from the General Registry that still have ongoing leasing contracts	-	-	-
Adjustments regarding provisions	224,487	185,673	20.90%
- Expenses	-	-	-
- Income	224,487	185,673	20.90%
<b>Operating expenses</b>	<b>47,022,493</b>	<b>37,279,996</b>	<b>26.13%</b>
<b>Operating profit or loss</b>	<b>13,384,178</b>	<b>5,014,350</b>	<b>166.92%</b>



The operational result of the DN AGRAR group of companies has significantly increased, from **5.01 RON million** to an operational result of **13.38 RON million**, a growth of **166.92%**.



# Analysis of financial results

## Analysis of the profit and loss account at consolidated level

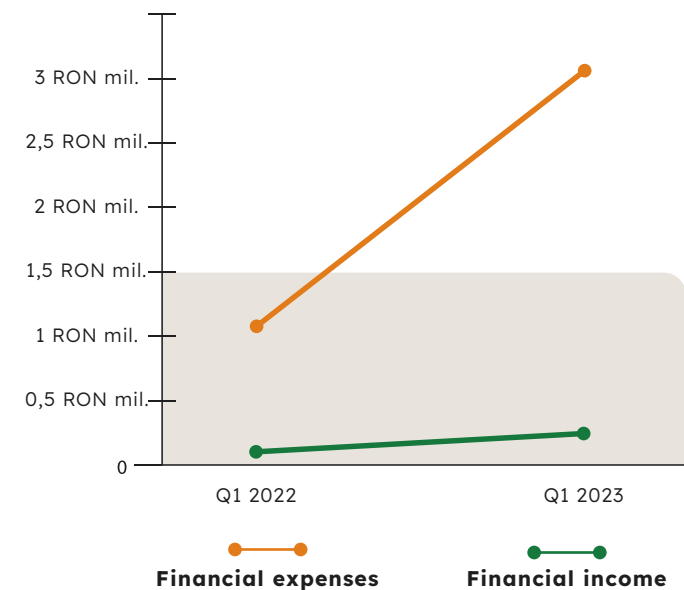
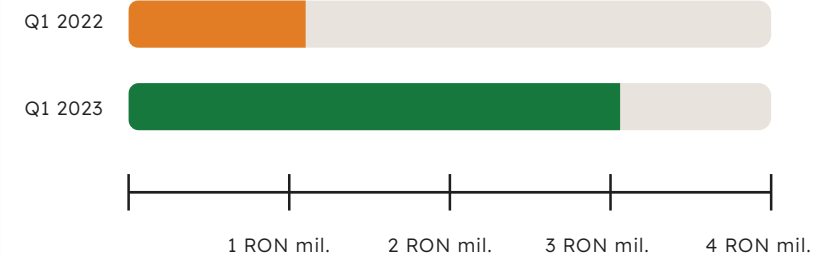
Indicators (RON)	31.03.2023	31.03.2022	Δ%
12. Income from equity interests	-	-	-
- of which, income obtained from affiliated entities	-	-	-
13. Income from interest	8,533	983	768.07%
- of which, income obtained from affiliated entities	197,642	171,917	14.96%
14. Income from operating subsidies for interest payable	-	-	-
15. Other financial income	219,361	191,448	14.58%
- of which, income from other financial assets	-	-	-
<b>Financial income - total</b>	<b>227,894</b>	<b>192,431</b>	<b>18.43%</b>
16. Value adjustments regarding financial assets and financial investments held as current assets	-	-	-
- Expenses	-	-	-
- Income	-	-	-
17. Expenses related to interest	1,877,414	1,012,859	85.36%
- of which, expenses in relation to affiliated entities	204,731	94,191	117.36%
18. Other financial expenses	1,355,535	232,675	482.59%
<b>Financial expenses - total</b>	<b>3,232,949</b>	<b>1,245,534</b>	<b>159.56%</b>
<b>Financial profit or loss</b>	<b>(3,005,055)</b>	<b>(1,053,103)</b>	<b>185.35%</b>
Total income	60,634,564	42,486,777	42.71%
Total expenses	50,255,442	38,525,530	30.45%
19. Gross profit or loss	10,379,123	3,961,247	162.02%
20. Profit tax	1,965,761	853,924	130.20%
21. Specific activities tax	-	-	-
22. Other taxes not presented in the elements above	5,387	2,758	95.32%
23. Net profit or loss of the financial year	8,407,975	3,104,565	170.83%
Net profit or loss attributable to minority interests	144,470	62,296	131.91%
<b>23. Net profit or loss attributable to the group</b>	<b>8,263,505</b>	<b>3,042,269</b>	<b>171.62%</b>

Financial income increased by 18.43% to 227.89 thousand lei, while financial expenses grew by 159.56% reaching 3.23 million lei.

The rise in financial expenses was primarily driven by an **85.36% increase** in interest expenses, reaching 1.87 million lei. The increase in the credit balance by 61 million lei, funds used for the **acquisition of DN AGRAR Apold farm** from DN AGRAR Garbova CV investment fund, and for investment projects at DN AGRAR Apold farm, **contributed significantly to the growth of financial expenses.**



## Financial loss



# Analysis of financial results

## Analysis of the balance sheet at consolidated level

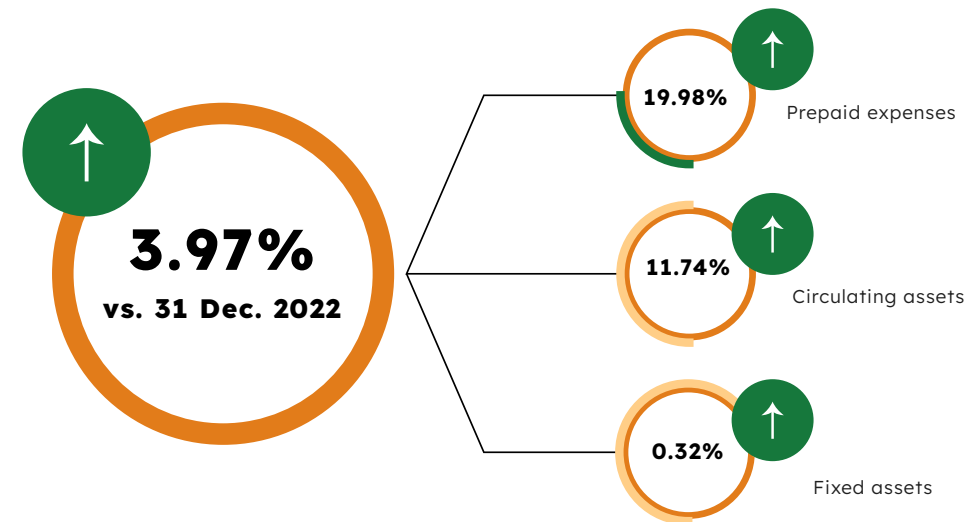
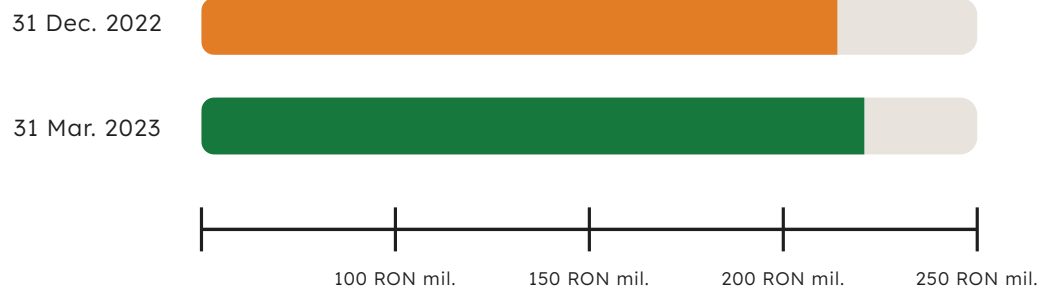
In consolidating the Balance Sheet as at 31.12.2022 the comparatives for financial indicators are considered as at 31.12.2021. Thus, **the indicators of the group's financial position do not include the financial results obtained by the DN AGRAR Apold farm as at 31.12.2021, which was taken over by the DN AGRAR group of companies in April 2022.**

In the first quarter of the year, the group's total assets increased by 3.97% to RON 243.85 million. Fixed assets increased by 0.32% to RON 161.16 million. Intangible assets decreased by 3.74%, from RON 6.7 million to RON 6.45 million. Current assets increased by 11.74% to RON 80.98 million in the period under review, mainly due to the increase in stocks by 14.54% to RON 52.5 million.

Receivables decreased by 34.81%, to RON 16.32 million, a decrease due to cashing the subsidies for 2022 for the agricultural activity (livestock and crop). At the same time, the increase recorded by the cash and bank accounts category in the amount of RON 10.56 million was determined by the cashing of subsidies obtained for agricultural and zootechnical activity.

Balance sheet indicators (RON)	31.03.2023	31.12.2022	Δ%
Fixed assets - total	161,165,297	160,654,419	0.32%
Circulating assets - total	80,980,232	72,472,451	11.74%
Prepaid expenses	1,714,366	1,428,834	19.98%
<b>Total assets</b>	<b>243,859,896</b>	<b>234,555,704</b>	<b>3.97%</b>

## Total Assets



# Analysis of financial results

## Analysis of the balance sheet at consolidated level

As a result of payments made in the first quarter of 2023, short-term liabilities decreased by 11.99%, reaching 52.51 million lei. Commercial liabilities saw a decrease of 3.13%, reaching 15.52 million lei. Liabilities related to social contributions decreased by 18.93%, and short-term liabilities for other taxes and taxes decreased by 26.93%.

**Long-term liabilities increased by 9.16% due to the initiation of investment projects at the Apold farm,** for which financing of 10.27 million lei was obtained from ING Bank.

A loan was contracted from BT Leasing for the acquisition of agricultural equipment in the amount of 1.49 million lei. Thus, as of March 31, 2023, the balance of long-term liabilities reached 101.41 million lei.

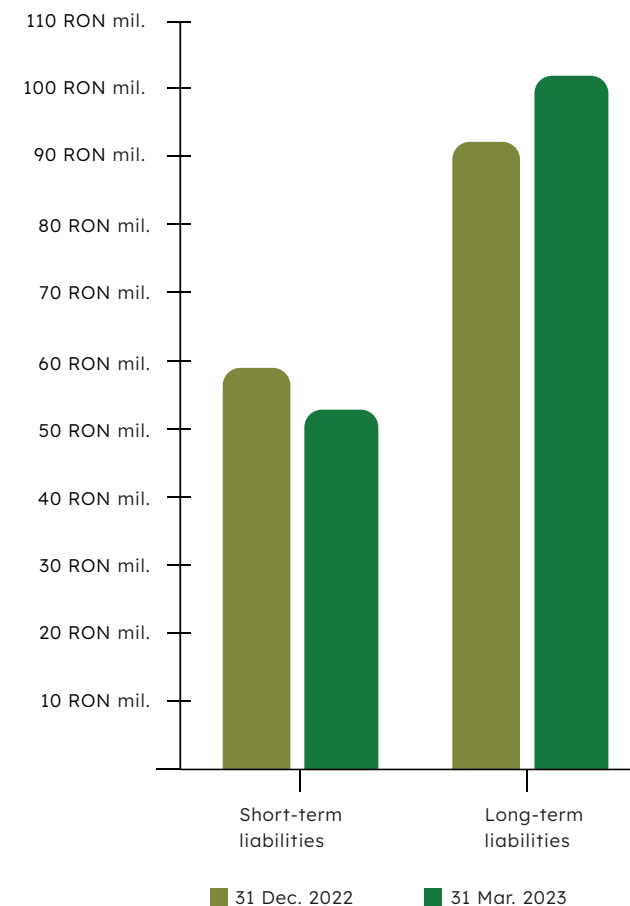
Compared to the end of 2022, there is a decrease of 5.05% in long-term loans contracted from Exim Bank.

Loan amounts related to leasing contracts from BRD Sogelease decreased by 25.74%, reaching 7.99 million lei, due to the payment of due leasing installments.

Short-term liabilities (RON)	31.03.2023	31.12.2022	Δ%
Short-term liabilities related to loan contracts	20,774,946	31,077,768	-33.15%
Short-term liabilities related to leasing contracts	3,687,901	2,608,917	41.36%
Guarantees	-	-	-
Commercial debts	15,517,636	16,019,765	-3.13%
Commercial liabilities to related parties	5,515,658	6,002,022	-8.10%
Customer advances	37,962	9,980	280.38%
Diverse creditors	2,406,615	957,661	151.30%
Salaries and other dues payable to employees	1,221,834	1,280,894	-4.61%
Social insurance contributions	449,078	553,938	-18.93%
Income tax on salaries	52,246	57,350	-8.90%
Profit tax	2,406,075	562,539	327.72%
VAT payable	387,375	479,575	-19.23%
Other taxes	-	-	-
Settlements from equity method operations	-	-	-
Dividends Receivable/Liabilities to Associates	50,000	50,001	0.00%
Other short-term liabilities	11,076	15,159	-26.93%
<b>Total</b>	<b>52,518,402</b>	<b>59,675,569</b>	<b>-11.99%</b>

Long-term liabilities (RON)	31.03.2023	31.12.2022	Δ%
Loans from Exim Bank	13,109,928	13,807,749	-5.05%
Loans from ING	76,462,747	66,188,136	15.52%
Leasing BT Leasing	3,057,500	1,564,149	95.47%
Leasing BRD Sogelease	7,994,079	10,764,946	-25.74%
Leasing Unicredit	497,854	386,698	28.74%
Other long-term liabilities (various guarantees)	49,350	72,225	-31.67%
Deferred tax	240,700	122,576	96.37%
<b>Total</b>	<b>101,412,158</b>	<b>92,906,479</b>	<b>9.16%</b>

## Evolution of Debt





# Analysis of financial results

## Analysis of the balance sheet at consolidated level

Provisions decreased by 71.08% in the first quarter of 2023, reaching 88.49 thousand lei.

Shareholders' equity increased by 10.30%, reaching 87.86 million lei. This increase was driven by the recording of a net profit of 8.26 million lei as of March 31, 2023, which is a growth of 171.62% compared to the similar period in 2022.

Balance sheet indicators (RON)	31.03.2023	31.12.2022	Δ%
Liabilities: Amounts due to be paid within a period of up to one year	52,518,402	59,675,569	-11.99%
Liabilities: Amounts due to be paid over a period of more than one year	101,412,158	92,906,479	9.16%
Provisions	88,490	305,969	-71.08%
Deferred revenues	1,971,443	2,006,257	-1.74%
Debts - total	153,930,559	152,582,048	0.88%
Total shareholders' equity	87,869,403	79,661,430	10.30%
<b>Total equity and liabilities</b>	<b>243,859,896</b>	<b>234,555,704</b>	<b>3.97 %</b>

### Provisions

↓  
**-71.08%**  
vs. Q1 2022

### Equity

↑  
**10.30%**  
vs. Q1 2022



## Consolidated balance sheet

Consolidated balance sheet	31.03.2023	31.12.2022	Δ%
I. Intangible assets	6,453,060	6,704,090	-3.74%
II. Tangible assets	154,657,869	153,895,993	0.50%
III. Financial assets	54,369	54,336	0.06%
<b>Fixed assets - total</b>	<b>161,165,297</b>	<b>160,654,419</b>	<b>0.32%</b>
I. Stocks	52,504,058	45,838,344	14.54%
II. Receivables	16,328,182	25,047,812	-34.81%
III. Short-term investments	-	-	-
IV. Cash and bank accounts	12,147,992	1,586,295	665.81%
<b>Circulating assets - total</b>	<b>80,980,232</b>	<b>72,472,451</b>	<b>11.74%</b>
Prepaid expenses	1,714,366	1,428,834	19.98%
Amounts to be recovered within a period of up to one year	1,300,649	749,015	73.65%
Amounts to be recovered over a period of more than one year	413,717	679,819	-39.14%
Liabilities: Amounts due to be paid within a period of up to one year	52,518,402	59,675,569	-11.99%
Net current assets/ Net current liabilities	29,623,224	13,406,641	120.96%
<b>Total assets minus current liabilities</b>	<b>191,202,239</b>	<b>174,740,878</b>	<b>9.42%</b>
Liabilities: Amounts due to be paid over a period of more than one year	101,412,158	92,906,479	9.16%
Provisions	88,490	305,969	-71.08%
Prepaid income	1,971,443	2,006,257	-1.74%
1. Investment subsidies	1,971,443	2,006,257	-1.74%
Amounts to be recovered within a period of up to one year	139,255	139,256	0.00%
Amounts to be recovered over a period of more than one year	1,832,188	1,867,001	-1.86%
2. Deferred revenues	-	-	-
Amounts to be collected within a period of up to one year	-	-	-

Consolidated balance sheet	31.03.2023	31.12.2022	Δ%
Amounts to be collected over a period of more than one year	-	-	-
3. Advance revenues related to assets received through transfer from customers	-	-	-
Amounts to be recovered within a period of up to one year	-	-	-
Amounts to be recovered over a period of more than one year	-	-	-
Negative goodwill (ct.2075)	-	-	-
<b>Capital</b>	<b>31,818,845</b>	<b>31,818,845</b>	<b>0.00%</b>
1. Subscribed and paid-up capital	31,818,845	31,818,845	0.00%
2. Unpaid subscribed capital	-	-	-
3. Assets of the authority	-	-	-
4. Assets of national research and development institutes	-	-	-
5. Other equity items DR/(CR)	-	-	-
<b>II. Capital premiums (ct. 104)</b>	<b>734,004</b>	<b>734,004</b>	<b>0.00 %</b>
<b>III. Reserves from revaluation (ct. 105)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>IV. Reserves</b>	<b>406,683</b>	<b>406,683</b>	<b>0.00%</b>
Own shares (ct 109)	(265,281)	(65,280)	306.37%
Gains related to equity instruments	-	-	-
Losses related to equity instruments	-	-	-
<b>V. Carried-forward profit or loss - SOLD C</b>	<b>46,082,019</b>	<b>32,364,362</b>	<b>42.39%</b>
<b>VI. Profit or loss of the financial year - SOLD C</b>	<b>8,263,505</b>	<b>13,940,230</b>	<b>-40.72%</b>
Profit distribution	-	(222,572)	-
Minority interests	829,628	685,158	21.09%
<b>Equity - total</b>	<b>87,869,403</b>	<b>79,661,430</b>	<b>10.30%</b>

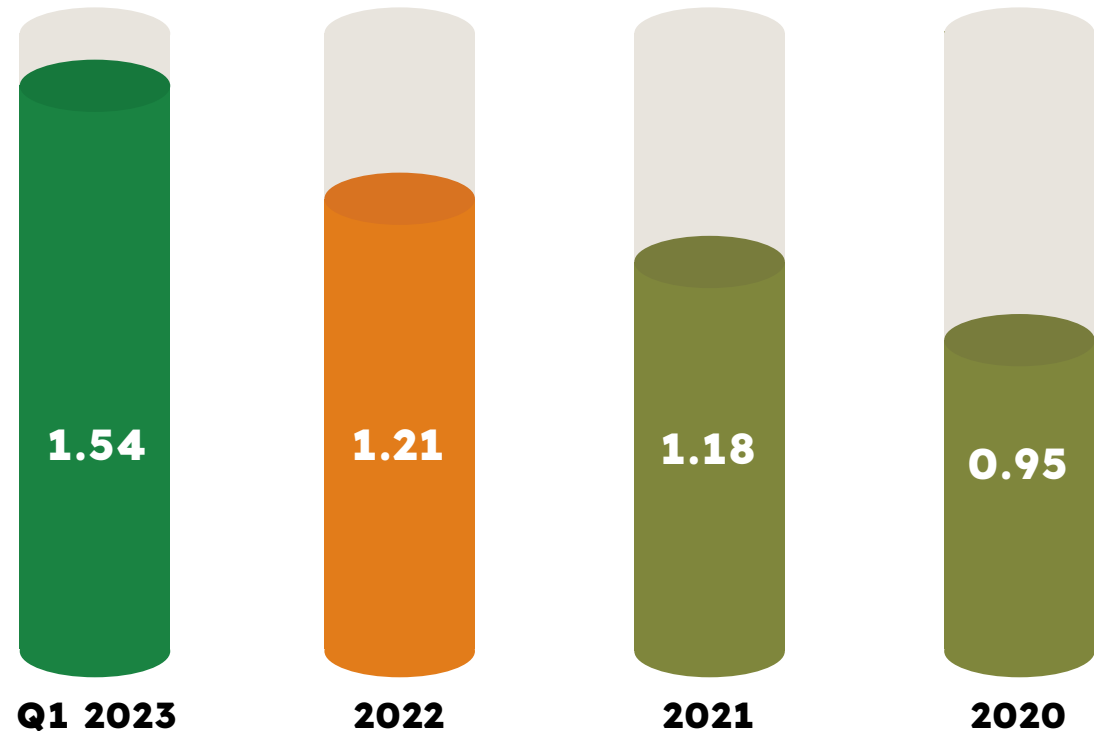
# Analysis of financial results

## Main financial indicators at consolidated level

Current liquidity ratio	31.03.2023	31.12.2022	31.12.2021	31.12.2020
Current assets (A)	80,980,232	72,472,451	49,426,260	22,362,883
Current liabilities (B)	52,518,402	59,675,569	41,793,980	23,430,660
A/B	1.54	1.21	1.18	0.95

**Current Liquidity**

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

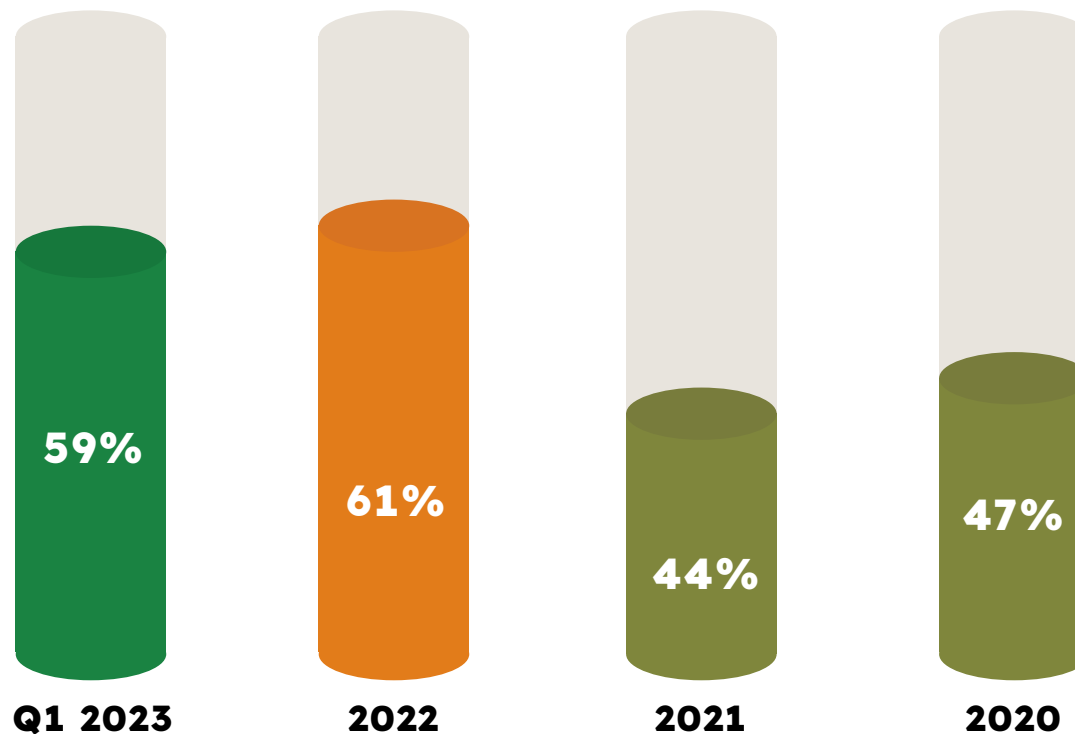


# Analysis of financial results

## Main financial indicators at consolidated level

Debt Ratio Indicator	31.03.2023	31.12.2022	31.12.2021	31.12.2020
Loan capital (A) = Loans over 1 year	125,554,955	126,397,863	51,691,514	26,614,807
Capital employed (B) = Borrowed capital + Own capital	213,424,358	206,059,293	117,149,532	56,458,997
A/B	59%	61%	44%	47%

$$\text{Debt Ratio} = \frac{\text{Loans over 1 year}}{\text{Borrowed capital + Own capital}}$$





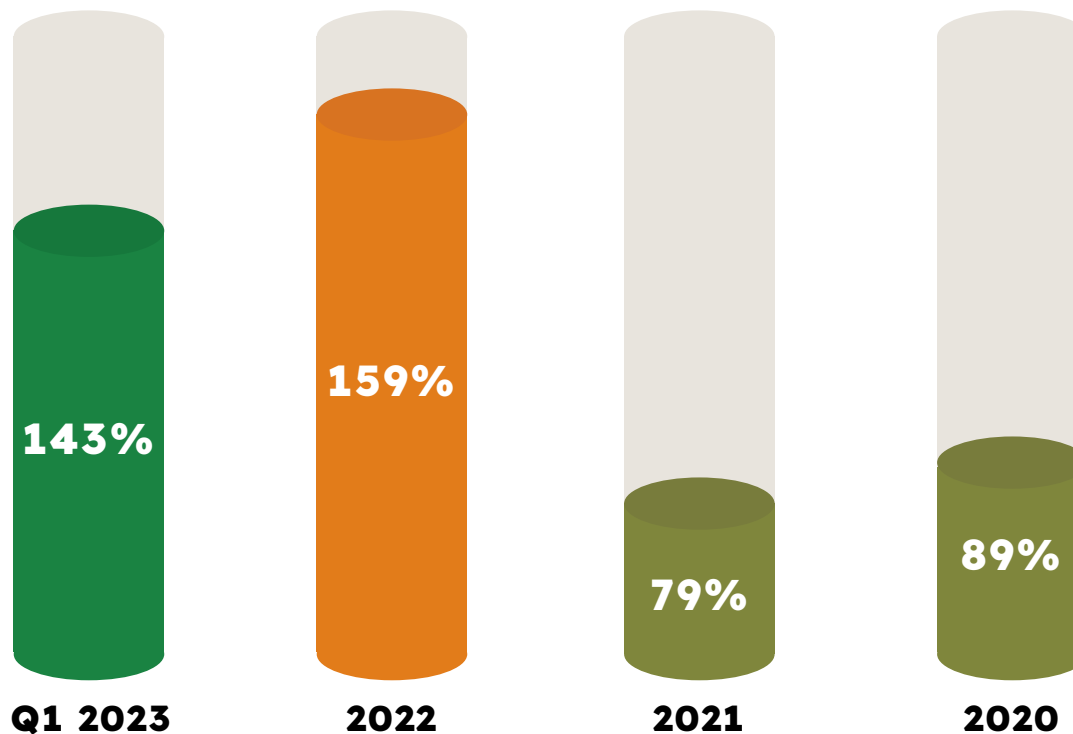


# Analysis of financial results

## Main financial indicators at consolidated level

Debt Ratio Indicator	31.03.2023	31.12.2022	31.12.2021	31.12.2020
Loan capital (A) = Loans over 1 year	125,554,955	126,397,863	51,691,514	26,614,807
Own capital (B)	87,869,403	79,661,430	65,458,018	29,844,190
A/B	143%	159%	79%	89%

$$\frac{\text{Debt Ratio}}{\text{Loans over 1 year}} = \text{Own capital}$$



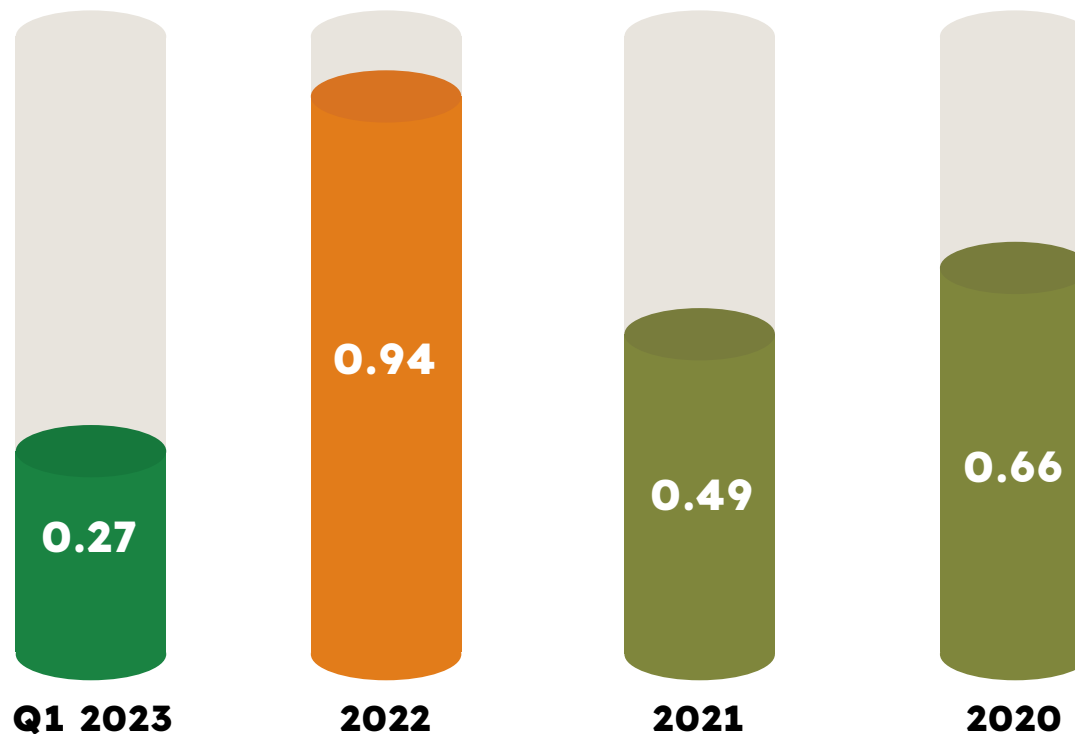


# Analysis of financial results

## Main financial indicators at consolidated level

Turnover of fixed assets	31.03.2023	31.12.2022	31.12.2021	31.12.2020
Turnover (A)	44,280,073	150,789,463	46,951,665	38,220,407
Fixed assets (B)	161,165,297	160,654,419	96,416,465	57,557,888
A/B	0.27	0.94	0.49	0.66

$$\frac{\text{Turnover}}{\text{Fixed assets}} = \text{Turnover of Fixed assets}$$



CURRENT PROJECTS AND PERSPECTIVES





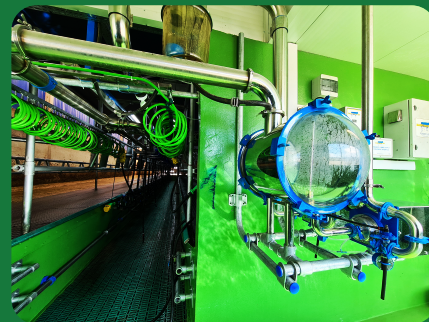
# Current projects and perspectives

Regarding the projects carried out in the first quarter of 2023, DN AGRAR continued the development of those launched in 2022, the investments undertaken both to increase production capacity and to renew the livestock, as well as to consolidate the company's activity. All these actions had a significant impact on the operational and financial results achieved by DN AGRAR.

**Thus, we recorded an increase of more than 13% in the quantity of milk delivered in the first quarter of 2023, the number of animals increased by 28% compared to Q1 2022, and the financial results recorded significant increases, for example, turnover increased by 47.77% compared to Q1 2022, and net profit increased by 171.62% compared to the same period of the previous year, reaching RON 8 million.**

We highlight below the main actions taken by DN AGRAR to implement projects in the first quarter of 2023, as well as the outlook for the rest of 2023.

**I**ncreasing capacity of DN AGRAR Apold farm by 50% - a project started in 2022, which we will run throughout 2023.



**A**lso for the DN AGRAR Apold farm, extending the number of dairy cows up to 50%.

This is a long-term project of about 1.5-2 years, which we started in 2022, making our first purchase of 400 Holstein milking cows in October. The next stage was completed in January 2023, when **we purchased additional 800 Holstein milking cows** from Germany.



**S**olar panels - this is a project we want to carry out in 2023 and which will require the mounting of solar panels on the roof of the DN AGRAR Apold, DN AGRAR Cut and Lacto Agrar farms.



# Current projects and perspectives

## I nstallation of robots for the milking parlours of the DN AGRAR Cut and Lacto Agrar farms.

We plan to equip the milking parlours of the Cut and Lacto Agrar farms with 2 types of robots, that is:

- Automatic sprayer for udder disinfection after milking - this is a fully automatic sprayer for udder disinfection, specially designed for rotary milking. This type of robot is to be installed in Cut and Lacto Agrar farms from May this year.
- Robot for pre-cleaning and stimulation of the udder and milking - the aim of using this type of robot is to minimise clinical mastitis and associated costs, as the udder should be as clean as possible.

This type of robot is to be installed in Cut and Lacto Agrar farms in July/August this year.



Automatic sprayer for udder disinfection

**S**traja Project - we are in phase I of this project, which includes both the preparation of the land for the construction of the new farm and additional buildings, as well as the construction of a new manure lagoon. We anticipate that this phase will run throughout this year until the end of November 2023.



**C**ompost plant - we are in the **construction phase**, which we expect to complete in November 2023.



# MANAGEMENT STATEMENT

Alba-Iulia, August 7, 2023

According to the best information available, we confirm that the unaudited consolidated interim financial statements prepared for the three-month period ended on 31 March 2023 offer a true and fair image of the assets, liabilities, financial position and income and expenditure situation of DN AGRAR GROUP SA, as provided by the applicable accounting standards, and that the management report provides a true and fair image of the important events that took place during the first three months of the 2023 financial year and their impact on the consolidated interim financial statements.

**Jan Gijsbertus de Boer**

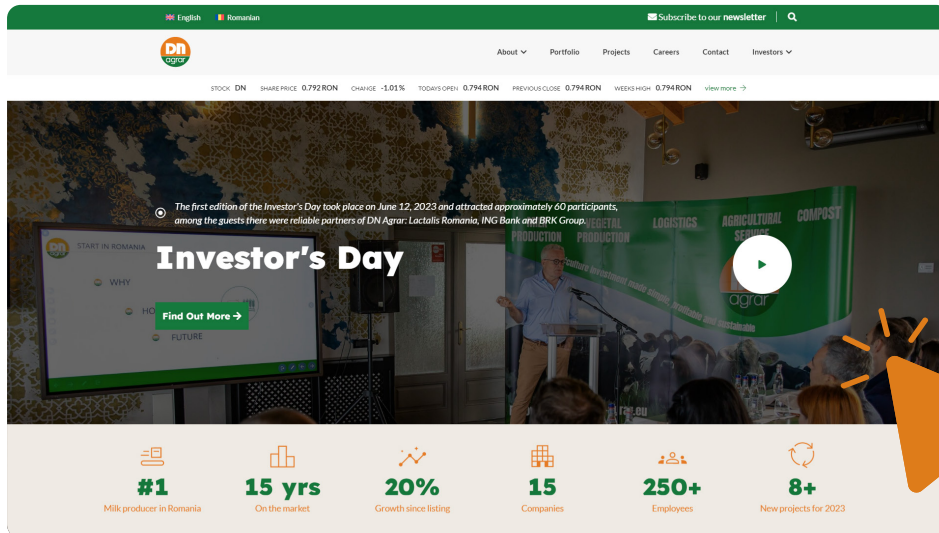
Chairman of the Board of Directors of DN AGRAR GROUP S.A.

# CONTACT

**Website:** [www.dn-agrar.eu](http://www.dn-agrar.eu)

On DN AGRAR's website you can find recent and archived press releases, financial reports, annual reports, presentations, financial calendar and other relevant shareholder information.

**Visit our website and subscribe to our newsletter to keep up to date with DN AGRAR activity.**



**How to contact us?**



Peter de Boer  
Manager IR  
[peter.deboer@dn-agrar.eu](mailto:peter.deboer@dn-agrar.eu)

## General information

Piața Iuliu Maniu nr. 1, Alba-Iulia County, Romania  
0258/818114  
0258/818115  
[investors@dn-agrar.eu](mailto:investors@dn-agrar.eu)



