

Income and expenditure budget for 2024 at consolidated level

We estimate growing financial results for DN AGRAR Group S.A. in 2024.

The budget for the year 2024 was built based on the following assumptions: an increase in the milk price on the international markets, an increase in the quantity of milk delivered by DN AGRAR following the investments and optimizations made in 2023, and a slight decrease in the operating subsidies. For the year 2024, we estimate a total turnover of RON 153 million, a 2% increase compared to 2023, due to increased milk production in the three agrozootechnical farms – DN Agrar Cut, Lacto Agrar, and DN Agrar Apold. We anticipate achieving a net profit of RON 30 million, higher by 33% compared to the result recorded in 2023.

For the end of 2024, we estimate operating revenues of RON 238 million, slightly increasing by 1% compared with 2023. We expect revenues from sales to be RON 152 million, 2% higher than in 2023. Operating

Indicators				
Net turnover	RON	153,251,243	EUR	30,806,747
1. Production sold	RON	151,812,000	EUR	30,517,429
Income from the sale of goods	RON	1,500,000	EUR	301,532
Commercial discounts granted	RON	(60,757)	EUR	(12,213)
2. Income related to the cost of work in progress	RON	48,950,000	EUR	9,839,987
3. Income from the production of intangible and tangible assets	RON	8,816,267	EUR	1,772,256
6. Income from operating subsidies	RON	25,000,000	EUR	5,025,530
7. Other operating income	RON	1,740,226	EUR	349,822
Operating income - total	RON	237,757,737	EUR	47,794,343
8.a) Expenses for raw materials and consumable materials	RON	108,619,665	EUR	21,834,854
Other material expenses	RON	2,012,393	EUR	404,534
b) Other external expenses	RON	3,783,058	EUR	760,475
c) Expenses related to goods	RON	582,554	EUR	117,106
Primary trade discounts	RON	(918,455)	EUR	(184,629)
9. Personnel expenses	RON	25,534,439	EUR	5,132,963
a) Salaries and allowances	RON	25,000,000	EUR	5,025,530

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subsidies will record a slight decrease, to RON 25 million, as no additional amounts will be granted for the economic effects caused by the war in Ukraine. Subsidies primarily focus on agriculture, received through APIA for agricultural land and raw milk production. Subsidies are granted based on the number of animals owned and the land used, based on requests submitted by the organization.

For revenues related to fixed assets production, we estimate an increase of RON 542 thousand, up to RON 9 million. They represent the increase in the breeding stock. For the year 2024, we anticipate a decrease in operating expenses of 3% compared to the previous year, down to RON 195 million. The main contribution comes from expenses related to raw materials and consumable materials, which will decrease by 2%, reaching RON 109 million, considering the expected decrease in feed prices in the 2024 agricultural year.

External service expenses are estimated at RON 32 million, a decrease of RON 3 million, considering that different necessary works that were externalized will be carried out in-house following the investments made in the machinery park. Depreciation and impairment will amount to RON 24 million, an increase of RON 3 million, due to the

Indicators				
b) Insurance and social protection expenditure	RON	534,439	EUR	107,434
10. a) Value adjustments regarding tangible and intangible assets	RON	24,000,000	EUR	4,824,509
a.1) Expenses	RON	24,000,000	EUR	4,824,509
b) Value adjustments on current assets	RON	1,685,000	EUR	338,721
b.1) Expenses	RON	315,000	EUR	63,322
b.2) Income	RON	2,000,000	EUR	402,042
11. Other operating expenses	RON	33,060,085	EUR	6,645,778
11.1. Expenses related to external services	RON	31,984,341	EUR	6,429,530
11.2. Expenses for other taxes, fees, and similar payments; expenses representing transfers and contributions due based on specific legislative acts	RON	655,744	EUR	131,818
11.6. Other expenses	RON	420,000	EUR	84,429
Adjustments regarding provisions	RON	403,629	EUR	81,138
- Income	RON	403,629	EUR	81,138
Operating expenses - total	RON	194,585,110	EUR	39,115,730
Operating profit or loss	RON	43,172,626	EUR	8,678,613
13. Income from interest	RON	128,048	EUR	25,740
- of which, income obtained from affiliated entities	RON	217,900	EUR	43,803

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increase in the value of assets held following revaluations carried out for the farms within the DN AGRAR Group.

In the context of increased revenues from sales production and the price of raw cow milk on the international markets, we expect the operating result to increase by 25% in 2024, up to RON 43 million.

For financial revenues, we estimate approximately the same level as in 2023, while interest expenses will register a slight increase of RON 500 thousand due to investments to be made from the credit contracted for the DN Agrar Straja project. At the same time, we anticipate a decrease in expenses related to exchange rate differences due to the stabilization of the RON-EURO exchange rate.

In the event of increased expenses related to exchange rate differences, these will be fully recovered through the positive evolution of the turnover, as the price invoiced for the quantities of milk delivered is set in EURO and is indexed to the exchange rate at the invoicing date for the production sold according to contracts concluded with customers.

Indicators				
15. Other financial income	RON	2,689,900	EUR	540,727
Financial income - total	RON	2,817,947	EUR	566,467
17. Expenses related to interest	RON	7,440,000	EUR	1,495,598
- of which, expenses in relation to affiliated entities	RON	231,379	EUR	46,512
18. Other financial expenses	RON	2,700,000	EUR	542,757
Financial expenses - total	RON	10,140,000	EUR	2,038,355
Financial profit or loss	RON	(7,322,053)	EUR	(1,471,888)
Total income	RON	240,575,684	EUR	48,360,810
Total expenses	RON	204,725,110	EUR	41,154,085
19. Gross profit or loss	RON	35,850,574	EUR	7,206,725
20. Corporate tax	RON	5,736,092	EUR	1,153,076
21. Other financial expenses	RON	36,538	EUR	7,345
22. Net profit or loss of the financial year	RON	30,077,944	EUR	6,046,304
23. Net profit or loss attributable to the group	RON	30,077,944	EUR	6,046,304