

DN AGRAR Group 2023 results: Improved profitability amidst organic business growth

Press release

Alba, March 29th, 2024 - DN AGRAR Group (BVB: [DN](#)), the largest integrated livestock farm in Romania, with cow milk production and vegetable production, ended the year 2023 with a net profit of RON 23 million, a 63% increase. The net profit margin reached 15%, compared to 9% in 2022. The recorded results were supported by the increase in milk production and the optimization of operational fixed costs. The quantity of milk delivered by DN AGRAR farms increased by 14%, to approximately 55 million liters of milk, as a result of the increase in the number of cows. The company maintained its turnover at RON 151 million, amidst the decrease in milk prices at the European level.

Jan Gijsbertus de Boer, Chairman of the Board, CEO, DN AGRAR Group:

"In 2023, we focused on the investment projects announced for the modernization, digitization, and integration of companies within the group. We prioritized modern soil conservation technology and increased the number of young cattle, in preparation for expanding production capacity at the new farm in Straja. All these efforts contributed to improving the operational performance in 2023. We will continue optimizations in 2024, a year in which we anticipate an increase in net profit, once the young cattle reach maturity and we increase production. We have committed to a strategy of doubling our business by 2027, and the announced strategic initiatives, along with solid operational and financial results, lead to a doubling in the number of shareholders. Starting March 2024, DN AGRAR shares have been included in the MSCI indices."

Key elements of profit and loss account and the balance sheet in 2023 compared to 2022:

- **Operating revenues** reached RON 235 million, advancing by 14%;
- **Revenues from sold production** were RON 149 million, an increase of 2%;
- **Operating expenses** amounted to RON 200 million, up by 10%, reflecting increased costs of raw materials and consumables linked with the growth in the number of young cattle, directly productive animals on the farm, and cultivated areas to ensure the feed requirements;
- **The total assets** reached approximately RON 308 million, an increase of over 31%;
- **Total liabilities** amount to RON 172 million, an increase of 13%;
- **Long-term liabilities** recorded a slight increase of 3% compared to the end of 2022, reaching RON 96 million, due to ongoing investments at the Apold farm to increase production capacity by 50%.

The main investment project of DN AGRAR for the period 2024-2027 is the new Straja farm, located near the city of Alba Iulia, where construction has started for a future capacity of 5,000 animals. At maximum capacity, this farm will bring about a 40% increase in the total cattle population of the group and will produce an average of 100,000 liters of milk per

day. Other projects include continuing the installation of robots in the existing farms, constructing a compost factory, and diversifying the activity through new business lines.

DN AGRAR Group includes 13 companies, including 4 farms specialized in dairy cattle breeding (Prodact farm), cow milk production (Cut, Lacto Agrar, and Apold farms), as well as plant agricultural production.

The group carries out an integrated activity, also offering logistics and transportation services for cow milk at national and European levels. In the field of cereals, the group cultivates over 7,000 hectares, with cereals and fodder, mainly to provide food for the over 14,000 animals existing in DN AGRAR Group farms.

About DN AGRAR Group

DN AGRAR Group is the largest integrated zootechnical farm in Romania, with cow milk production and vegetable production. The group operates in the center of Transylvania, in Alba, Sibiu, and Hunedoara counties.

The company was founded in 2008 by Jan Gijsbertus de Boer and is listed on the Bucharest Stock Exchange, on the AeRO market, since February 2022. As of September 19th, 2022, DN AGRAR shares are included in BETAeRO index of the most traded companies in the SMT Multilateral Trading System. Starting March 1, 2024, DN AGRAR shares are part of the MSCI Frontier IMI and MSCI Romania IMI (Investable Market Indices) indices, in the Small Cap category.

The company's main areas of activity are zootechnics, vegetable agricultural production, agricultural services, logistics, transport, tourism, and business and management consulting services.

More details at <https://dn-agrar.eu>

Facebook: <https://www.facebook.com/DNAGRAR>

Youtube: <https://www.youtube.com/watch?v=GxRW4II1F6c>

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